



**NKGSB Bank**  
NKGSB Co-op. Bank Ltd.

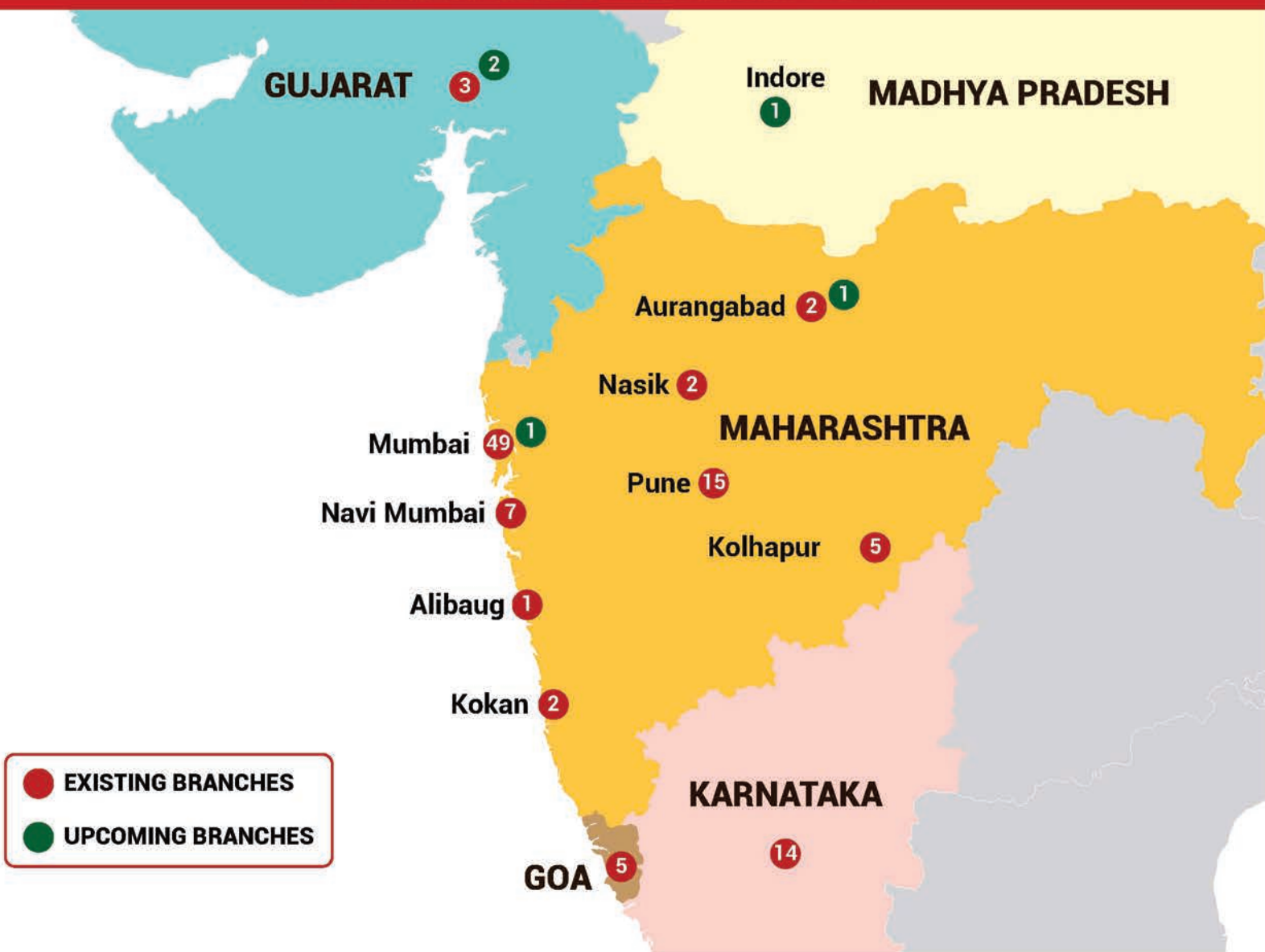


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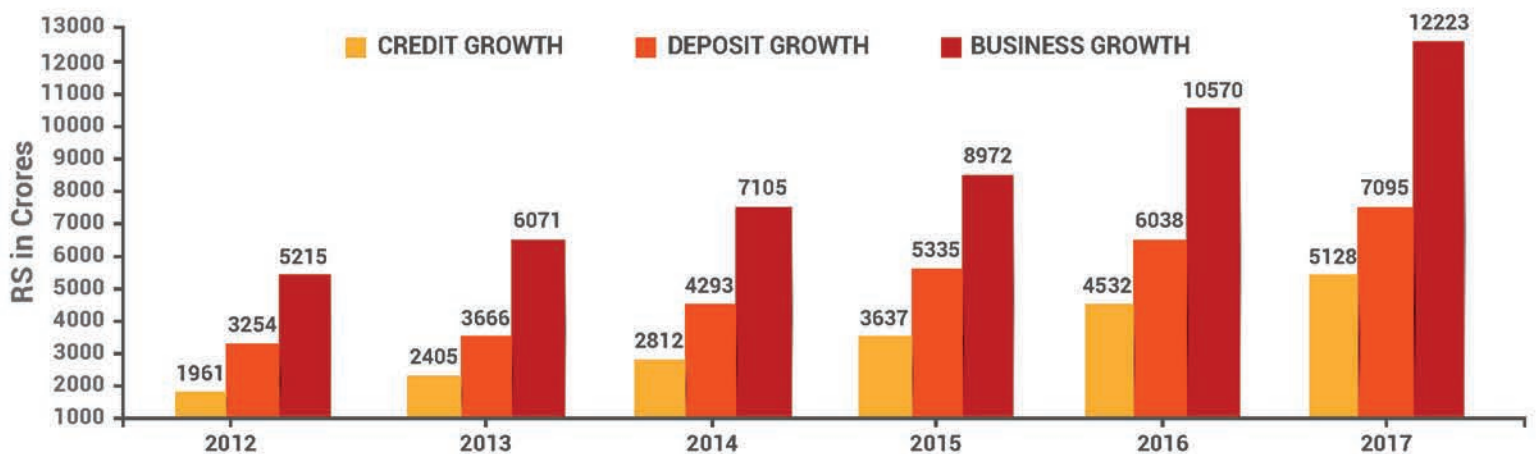
— A CENTURY —  
OF BANKING EXCELLENCE

100<sup>th</sup> Annual Report 2016 - 2017

**BRANCH NETWORK ACROSS THE STATES OF MAHARASHTRA, KARNATAKA, GOA & GUJARAT.  
ENTERING THE STATE OF MADHYA PRADESH.**



**GROWTH CHART**





**Sheth Shri Shantaram Mangesh Kulkarni**  
(Founder Chairman)

## BOARD OF DIRECTORS

### Chairman

**KISHORE KULKARNI**, B.Com. (Hons.), LL.B., ACMA

### Vice-Chairman

**SUNIL GAITONDE**, B.Com., LL.B, FCA

### Directors

**RAJAN BHAT**, M.Com.

**ALKA DIWADKAR**

**NAGESH FOVKAR**, Civil Engineer

**RAMESH KASBEKAR**, B.Com., LL.B. (Gen), ACA

**SHREEDHAR KAMAT**, B.A. (Hons.), LL.B.

**KAUSHAL MUZUMDAR**, B.Com., FCA, PGDM (IIMB)

**ANIL NADKARNI**, B.Sc., PGDCM

**NAGESH PINGE**, ACA, LL.B.

**LAXMIKANT PRABHU**, B.E. (Civil), PG-HRM

**SUJATA RANGNEKAR**, B.Com., LL.B., ACA

### Managing Director

**CHINTAMANI NADKARNI**, B.Com., ACA

### Statutory Auditors

**A.P.SANZGIRI & CO.**, Chartered Accountants

## COMMITTEES / SUB-COMMITTEES

### ADVANCES

RAJAN BHAT  
ALKA DIWADKAR  
RAMESH KASBEKAR  
KAUSHAL MUZUMDAR  
NAGESH PINGE  
SUJATA RANGNEKAR

### DEVELOPMENT & STAFF

RAJAN BHAT  
ALKA DIWADKAR  
NAGESH FOVKAR  
ANIL NADKARNI  
LAXMIKANT PRABHU

### AUDIT

NAGESH FOVKAR  
RAMESH KASBEKAR  
KAUSHAL MUZUMDAR  
ANIL NADKARNI  
NAGESH PINGE  
LAXMIKANT PRABHU

### INVESTMENT

RAJAN BHAT  
RAMESH KASBEKAR  
KAUSHAL MUZUMDAR  
NAGESH PINGE

### RECOVERY

RAJAN BHAT  
NAGESH FOVKAR  
NAGESH PINGE

### DIGITAL

NAGESH FOVKAR  
RAMESH KASBEKAR  
KAUSHAL MUZUMDAR  
ANIL NADKARNI  
NAGESH PINGE  
LAXMIKANT PRABHU

Chairman and Vice-Chairman are members of all the Committees / Sub-Committees.

## NOTICE

Notice is hereby given that the Hundredth Annual General Meeting of the Members of NKGSB Co-operative Bank Ltd., Mumbai, will be held on **SATURDAY, THE 5TH AUGUST, 2017, AT 4.30 P.M. AT INDIAN EDUCATION SOCIETY'S PRACHARYA B. N. VAIDYA SABHAGRAHA, HINDU COLONY, DADAR (E), MUMBAI – 400 014** to transact the following business :

1. To receive and adopt the Statutory Auditors' Report, the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2017 and Audited Balance Sheet as on that date.
2. To approve appropriations of Profit and to declare dividend for the year ended 31st March, 2017.
3. To appoint Statutory Auditors up to the date of the 101st Annual General Meeting.
4. To approve amendment to Bye-Law No. 51 as per Annexure II.
5. Any other business that may be brought forward with the permission of the Chair.

July 4, 2017

By order of the Board

Regd. Office : Laxmi Sadan,  
361, V.P. Road,  
Girgaum,  
Mumbai 400 004

**CHINTAMANI NADKARNI**  
Managing Director

- NOTE: \*
- If there is no quorum at the appointed time, the meeting shall stand adjourned to 5 p.m. on the same day at the same venue, at which time the members present shall constitute the quorum in terms of Bye-Law No. 32 (iii) and the agenda of the meeting shall then be transacted.
  - As per Rule No. 18 of the Multi-State Co-op. Societies Rules, 2002, the Minutes of the 99th Annual General Meeting held on 25th June, 2016 were duly approved by the Board of Directors in its meeting held on 30th June, 2016 and copies thereof were made available at the branches and at the Registered Office.
  - Copies of the Annual Report are made available at the Registered Office as well as at all branches of the Bank.

## APPEAL TO MEMBERS

1. If any member desires to have any information in connection with the accounts, he is requested to intimate to the Managing Director at the Registered Office, AT LEAST SIX DAYS in advance of the Annual General Meeting so that necessary explanation or information can be easily made available.
2. In case of members who have Bank accounts in NKGSB Co-operative Bank Ltd., the dividend amount will be credited to their accounts, if written instructions are given to us to that effect. Where the dividend warrant stands in the joint names, such instructions are required to be signed by all the joint holders. Please inform us your account number and the branch where it is operated and mail the form to our Share Department. Members are also requested to intimate change of address to the Share Department.
3. Members are requested to avail nomination facility by submitting Nomination form duly completed to the Share Department.
4. Members are also requested to provide their email ids to the Share Department to avail the facility of receiving Annual Report on email.





## CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me great pleasure to welcome you all at NKGSB Bank's 100th Annual General Meeting. 100th year/Centenary year is a milestone in the annals of any institution, so is with NKGSB Bank, founded on 26th September, 1917.

At the dawn of the twentieth century, inspired by the success of the co-operative movement in Britain and Germany, a small band of public spirited Saraswat personalities from North Kanara (Uttar Kannada) district led by the great visionary Shri Sheth Shantaram Mangesh Kulkarni, moved by the spirit of co-operation formed a small Co-operative Credit Society viz; North Kanara Gaud Saraswat Co-operative Credit Society on 26/09/1917 at the then Bombay City & that Credit Society has in the times to come bloomed into a sound & robust Multi-State Scheduled Co-operative Bank which is now known as NKGSB CO-OPERATIVE BANK.

With a modest beginning at inception, the Financials at the end of 31st March, 2017, Bank's Share Capital stood at ₹94 Cr., Owned Funds at ₹706 Cr. and total Business Mix at ₹12,223 Cr. consisting of Deposits of ₹7,095 Cr. and Advances of ₹5,128 Cr. As on today, the Bank has 105 branches as against 19 in the year 2001. The Bank will be opening another 5 branches, including one in Indore, first in Madhya Pradesh.

The Bank started the Centenary Year celebration on 2nd October, 2016 with a grand function at Shanmukhanand Hall in Mumbai attended by more than 3000 stakeholders, including Shareholders, borrowers, depositors, employees and their family members. The function was honoured by Chief Guest Shri V Leeladhar, Former Deputy Governor, Reserve Bank of India and Guests of Honour, Shri M.D. Mallya, Former CMD of Bank of Baroda, Dr. Premanand Ramani, Neuro and Spinal Surgeon and Dr. Nandkishore Laud, well-known Orthopedic Surgeon. Subsequently on 8th April, 2017, we had employees' and their family members' get-together at H.B.G.M.G. Kamgar Krida Bhavan, which was a grand success. This Function was honoured by Hon. (MP) Shri Anandrao V. Adsul (President Co-operative Banks' Employees' Union). Similar Centenary Celebrations were held at various places like Pune, Goa, Karwar, Kolhapur, Bangalore and Hubli to interact with all stakeholders as a part of centenary celebration. All these functions were honoured by Chief Guests and Guest of Honour such as Admiral Jayant Nadkarni - Retired Admiral Indian Navy, Padma Bhushan Dr. Prof. S.B. Muzumdar – Chancellor of Symbiosis International University, Pune, Shri Atmaram Nadkarni - Addl. Solicitor General of India, Shri Mahabaleshwar Sail - Eminent Konkani Writer, Shri Jayant Kaikini - Eminent Poet & Lyricist - Kannada Cinema, Shri Satish Sail-MLA of Karwar, Shri Shantaram (Arun) Kulkarni - Grandson of our Founder, Shrimant Chhatrapati Shahu Maharaj and Shri R. V. Deshpande, Minister for Industry & Commerce, Government of Karnataka. The concluding ceremony will be held on Saturday, the 23rd September, 2017 to which all of you are invited.

The Board of Directors have set a goal of ₹ 25,000 Cr. business mix in next 5 years, with a goal of having its own corporate building and training centre.



The Bank has always believed in effective corporate governance. My colleagues on the Board of Directors of the Bank are accomplished professionals with proven track record in diversified fields. The Board of Directors of the Bank have maintained a strong ethical environment and try to establish best in class practice within the Indian Banking System.

In the Financial year 2016-17, while the global economy continued to be fragile, the Indian Economy consolidated the gains achieved in restoring Micro Economic stability, there has been policy support from Government of India and Reserve Bank of India resulting in a renewed confidence.

The Government of India continued with its reforms Agenda with Focus initiatives like smart cities mission, digital India and improved the ease of doing business. These policy measures should serve a strong platform for technology improvement in the years to come.

The year 2016 -17 also marked as accelerated adoption of digital Banking technologies at the back of 'Less Cash Vision' of the Government of India.

Your Bank has on 16th January, 2017 launched a new Core Banking System, known as "Finacle" of Infosys, which has been adopted by more than 70% of the Banking system in India. While implementing this improved version of Core Banking System for the benefit of all our customers, we faced tremendous issues of change, causing inconvenience to the customers. The system is almost stabilised and we thank all our customers for bearing with us. We will continue to improve as per customer's requirement. The Board of Directors would like to put on record its appreciation for employees at all levels for adopting changes in shortest possible time.

On 8th November, 2016, the Government of India announced demonetisation of ₹500 and ₹1000 note, causing lot of turmoil in banking system. Our employees have worked hard during the period 8th November, 2016 to 30th December, 2016 for accepting the Specified Bank Notes (SBN) and exchanging the new notes against old ones, depositing old notes in Reserve Bank of India and getting the new currency, filing of various returns with the Reserve Bank of India and other authorities. I on behalf of the Board, thank employees at all levels for outstanding and exemplary performance during this turbulent period.

I am privileged to serve this great institution for last 16 years and to lead it through the Centenary year.

During the 100th year celebration, I on behalf of the Board, remember with utmost gratitude the great efforts taken by founders as well as successive Boards, Executives and employees for sailing through the initial turbulent years and rededicate ourselves to make this institution a role model to the other Banks in these fields.

I am sure that with the blessings and best wishes of you all, our Bank will continue to progress further and achieve many more milestones in times to come.

I am grateful for the active and continuous support of all the members as well as customers, employees, regulators and other associate partners. I am also grateful to my colleagues on the Board of the Bank for their time, contribution and support extended to me, during this challenging year.

Finally, I thank you all for electing us on the Board of Directors for the next five years 2017-2022. I also thank the Board of Directors for electing me as a Chairman for a second term. I once again assure you that, with your unstinted support, all of us will continue to make all efforts for progress and prosperity of the Bank.

I now request you all to approve the amendment of Bye-laws, Directors' Report, Audited Profit and Loss account and Balance Sheet which are placed before you.

Mumbai  
July 4, 2017

**Kishore Kulkarni**  
Chairman



## BOARD OF DIRECTORS



**KISHORE KULKARNI**  
CHAIRMAN



**SUNIL GAITONDE**  
VICE CHAIRMAN



**NAGESH FOVKAR**  
DIRECTOR



**RAJAN BHAT**  
DIRECTOR



**NAGESH PINGE**  
DIRECTOR



**SHREEDHAR KAMAT**  
DIRECTOR



**ANIL NADKARNI**  
DIRECTOR



**LAXMIKANT PRABHU**  
DIRECTOR



**KAUSHAL MUZUMDAR**  
DIRECTOR



**SUJATA RANGNEKAR**  
DIRECTOR



**ALKA DIWADKAR**  
DIRECTOR



**RAMESH KASBEKAR**  
DIRECTOR

## MANAGEMENT TEAM



**CHINTAMANI NADKARNI**  
MANAGING DIRECTOR



**P G KAMATH**  
DMD



**KUMARNARAYAN SWAMI**  
GM



**GIRISH HOSKOTE**  
DGM



**SANTOSH BORKAR**  
DGM



**RAJESH KAMAT**  
DGM



**UPENDRA KINI**  
DGM

## FUNCTIONAL HEADS

**Vanita Satam** International Banking

**Laxmikant Desai** CBS

**Ganesh Pai** IT

**Dayanand Shenoy** Clearing

**Ranjan Gujar** CPC

**Rajiv Mainkar** HRD

**Samir Rege** Finance & Treasury

**Vinay Rao** Marketing

**Ashish Aldangadi** Facilities

**Nikita Rane** Audit

**Anita Survana** Ancillary Business

**Deepali Kandade** Secretarial

## ZONAL MANAGERS

**Rohidas Raikar** Zone - I

**Vilas Palande** Zone - II

**Shashidhar Bangera** Zone - III

**Sandeep Patki** Zone - IV

**Nilesh Bandekar** Zone - V

**Kishore Jadhav** Zone - VI



## Felicitation Ceremony of Meritorious Wards

30<sup>th</sup> JULY, 2016



Bank has always believed in commending the youth to inspire them to scale greater heights.

The wards of the shareholders are felicitated every year for their outstanding performances in academics, sports & arts. Bank has taken this initiative from the academic year 2000-01.



## 18<sup>th</sup> Memorial Lecture

24<sup>th</sup> SEPT, 2016

The Bank's 18<sup>th</sup> Memorial Lecture, under the auspices of Sheth Shantaram Mangesh Kulkarni Lecture series, was organised at Pracharya B. N. Vaidya Sabhagruh, Hindu Colony, Dadar. The lecture was delivered by Dr. Ajit Ranade President & Chief Economist, Aditya Birla Group on the topic Financial Inclusion & Tax Policy for inclusive economic growth.



## Awards



Bank has been conferred with the Best Bank award by The Brihanmumbai Nagari Sahakari Bank's Association Ltd., Mumbai for the Financial Year 2014-15.

Bank has also received the following awards from National Securities Depositories Ltd. (NSDL)

- \* TOP PERFORMER IN DEMAT ACCOUNTS OPENED - 1<sup>st</sup> POSITION
- \* BEST PERFORMANCE IN ACCOUNT GROWTH RATE (RISING DP) - 1<sup>st</sup> POSITION





## DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Hundredth Annual Report together with the audited accounts for the financial year ended March 31, 2017.

### MACROECONOMIC LANDSCAPE

The Global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing and trade. World growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018. Stronger activity, expectations of more robust global demand, reduced deflationary pressures, and optimistic financial markets are all upside developments. But structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term, remain important challenges.

Alongside the pickup in economic activity, commodity prices have also strengthened. Oil prices increased between August, 2016 and February, 2017 but have subsequently reduced marginally.

The year gone by also saw major developments in the global landscape, with the United Kingdom's decision to leave the European Union, followed by the presidential election in the United States. Geopolitical issues dominated the global discourse.

India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favorable terms of trade, and lower external vulnerabilities. World Bank indicated in its bi-annual economic India Development Report that India's gross domestic product (GDP) is expected to grow by 7.2% in 2017-18.

### BANKING SCENARIO

Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry.

Key developments in India's banking industry include:

- Five associates and the Bharatiya Mahila Bank became part of the State Bank of India (SBI) w.e.f. 1st April, 2017 catapulting the country's largest lender to among the top 50 banks in the world.
- On 8th November 2016, the Government of India announced the demonetisation of all ₹500 and ₹1,000 bank notes. This was aimed at curtailing the shadow economy and crack down on the use of illicit and counterfeit cash to fund illegal activity and terrorism. The government issued new ₹500 and ₹2,000 notes as replacement.
- Global rating agency Moody's has upgraded its outlook for the Indian banking system to 'Stable' from 'Negative', based on its assessment of five drivers including improvement in operating environment and stable asset risk and capital scenario.
- The Parliament has approved Constitutional amendment to turn the Goods and Services Tax (GST) Bill into a law. This marked the biggest tax reform in Indian history since Independence as it brought most of the indirect taxes under one uniform tax system. The GST is effective from 1st July, 2017.
- The Reserve Bank of India (RBI) has released the Vision 2018 document, aimed at encouraging greater use of electronic payments by all sections of society by bringing down paper-based transactions, increasing the usage of digital channels, and boosting the customer base for mobile banking.
- The Rajya Sabha has passed the major economic reform Bill moved by the Government i.e. 'Insolvency and Bankruptcy Code, 2016. The law aims at consolidating the laws relating to insolvency of companies and limited

liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals, presently contained in a number of legislations, into a single legislation. Such consolidation will provide for a greater clarity in law and facilitate the application of consistent and coherent provisions to different stakeholders affected by business failure or inability to pay debt.

- An amendment to the Banking Regulation Act, via the ordinance route, has given the RBI powers to intervene and decide on resolution of specific stressed loan accounts. It empowers the RBI to issue directions to banks on resolution of stressed assets. It may also direct banks to initiate an insolvency resolution process in the case of a default. The RBI may also constitute committees that advise banks on stress resolution, as per the Ordinance. If banks can't act in a timely manner owing to any delays, then a committee, which will have some involvement of the RBI, will take a final call on the resolution plan for that company. In most cases, this would be done through the Bankruptcy Code.
- The Government of India is looking to set up a special fund, as a part of National Investment and Infrastructure Fund (NIIF), to deal with stressed assets of banks. The special fund will potentially take over assets which are viable but don't have additional fresh equity from promoters coming in to complete the project.
- The Government has set up a Monetary Policy Committee (MPC), a 6-member panel, to raise transparency in rate-setting decisions of the Central bank by featuring 3 members from the RBI (including the Governor) and three members selected by the Government. The MPC seeks to achieve monetary policies taking into account fiscal indicators as well.
- The advancements in technology have brought the mobile and internet banking services to the fore. Contact-less credit and debit cards are launched using Near-Field communication (NFC) mechanism, allowing transaction without inserting or swiping the cards.

India's overall economic outlook remains positive, although growth has slowed temporarily as a result of disruptions to consumption and business activity. But the scenario is expected to pick up again as economic reforms kick in. However there is little scope for complacency. A key concern is the health of the banking system, which is still dealing with a large amount of bad loans, and also heightened corporate vulnerabilities in several key sectors of the economy.

## KEY PERFORMANCE HIGHLIGHTS:

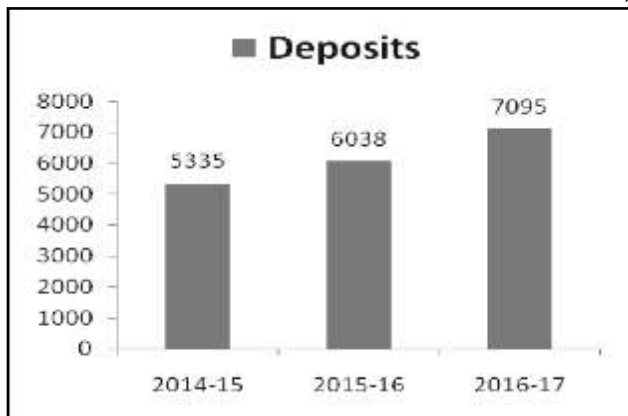
The performance of the Bank at a glance is as follows:

(₹ in Cr.)

Particulars	2016-17	2015-16	2014-15
Deposits	7,095	6,038	5,335
% growth	18	13	24
Advances	5,128	4,532	3,637
% growth	13	25	29
Business-mix	12,223	10,570	8,972
% growth	16	18	26
Operating Profit	102.76	88.06	78.22
Net Profit	46.55	45.67	40.13
Gross NPA	243.98	172.16	170.50
% of Advances	4.76	3.80	4.69
Net NPA	147.91	97.71	98.26
% of Net Advances	2.94	2.19	2.76

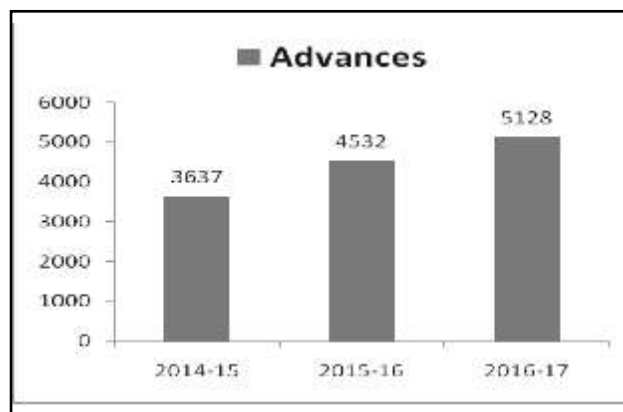


(₹ in Cr.)



Deposits witnessed a growth of 18% i.e. ₹1,057 Cr. as against 13% i.e. ₹703 Cr. in the previous year. The growth of Deposits is more than the overall deposit growth in the banking industry of 12%.

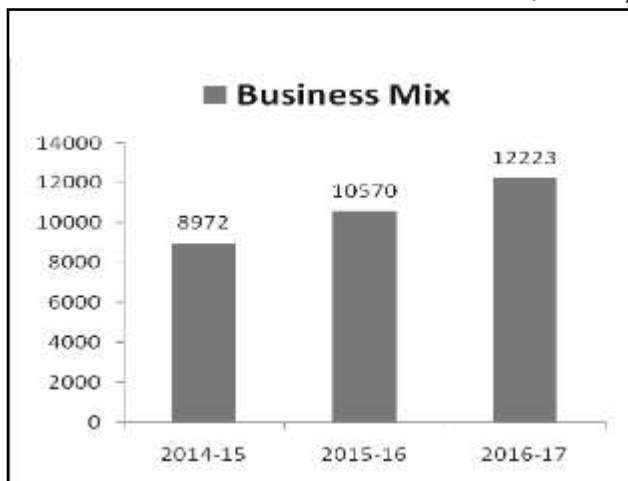
(₹ in Cr.)



Advances increased by 13% i.e. ₹596 Cr., as against 25% i.e. ₹895 Cr. in the previous year. CD ratio declined slightly from 75% to 72%.

The growth in Advances is more than the overall advances growth in the banking industry of 6%.

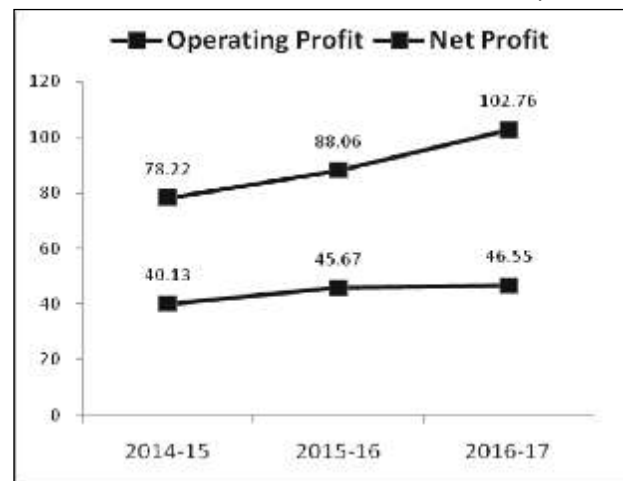
(₹ in Cr.)



The business mix has grown by 16% i.e. ₹1,653 Cr. in 2016-17 as against 18% i.e. ₹1,598 Cr. in the previous year. The Bank has crossed ₹12,000 Cr. mark in Business Mix.

Business per employee has gone up from ₹9.02 Cr. to ₹10.04 Cr.

(₹ in Cr.)



Operating Profit has increased from ₹88.06 Cr. to ₹102.76 Cr. Net Profit after tax and provisions increased from ₹45.67 Cr. to ₹46.55 Cr.

Operating Profit per employee has increased from ₹7.51 Lac to ₹8.44 Lac.

- There is an average growth of 18% in Business Mix in last two years.
- Gross Non Performing Assets (NPAs) have increased from ₹ 172 Cr. to ₹ 244 Cr.
- With the overall asset liability management, NII has been maintained at 3.34%.
- Owned funds increased from ₹ 658.16 Cr. to ₹ 706.51 Cr.
- One of the prerequisites for Foreign Exchange Authorized Dealer Category I license is to maintain Capital to Risk Asset Ratio (CRAR) at minimum 12%. The Bank's CRAR is at 12.32% which is above the minimum required benchmark.

## APPROPRIATIONS

The following appropriations are recommended for the financial year 2016-17 for your approval under item No. 2 of the Notice:

		(₹ in Lacs)	
A)	Statutory Appropriations :-	2016-17	2015-16
1	Statutory Reserve Fund	1,164	1,142
2	Contingency Reserve Fund	465	457
3	Education Fund	47	46
B)	Other Appropriations :-		
1	Building Fund	286	243
2	Bad and Doubtful Debts Fund	500	325
3	Donation Fund	4	2
4	Investment Fluctuation Reserve	83	79
5	Dividend @ 12% p.a. on Equity Shares (pro-rata) (including 2% special dividend for centenary year)	1,045	1,095
6	Dividend @ 7% p.a. on Perpetual Non-cumulative Preference Shares (PNCPS) (pro-rata) (previous year @ 9% p.a.)	55	12
7	Ex-Gratia to Staff (including 2% additional for centenary year)	860	740
8	Staff Welfare Fund	80	80
9	Members' Welfare Fund	22	24
10	Centenary Fund	--	101
11	Special Reserve u/s 36 (1) (viii) of I. T. Act, 1961	340	253
	<b>NET PROFIT CARRIED TO BALANCE SHEET</b>	<b>2</b>	<b>1</b>
	<b>TOTAL</b>	<b>4,953</b>	<b>4,600</b>

## CAPITAL TO RISK ASSET RATIO (CRAR)

The Bank's Capital adequacy ratio stood at a level of 12.32%. The Bank's Risk Weighted Assets at the end of March, 2017 amounted to ₹ 4,751 Cr. against which Capital Funds stood at ₹ 585.46 Cr.

The Bank raised capital funds through available resources viz; Long Term Subordinated Deposits (LTD) and Perpetual Non-Cumulative Preference Shares (PNCPS). Through the LTD issue, the Bank could garner ₹ 159.72 Cr. and through PNCPS, ₹ 9.29 Cr. The Bank will continue to explore the possibility of raising capital funds through various modes so as to maintain the required level of CRAR.



## DIVIDEND

While recommending dividend to the shareholders, the Bank aims to maintain a balance between rewarding the shareholders and at the same time ploughing back the profits in order to maintain adequate CRAR as also to effectively deal with the challenges faced in the Banking Industry. Hence the Board of Directors of the Bank has recommended a dividend of 10% p.a. for the year ended March 31, 2017. However, the Board has decided to declare a special dividend of 2% p.a. for the Centenary year maintaining the total dividend of 12% p.a. With this, there will be an overall dividend outflow of ₹10.45 Cr. for the year 2016-17 as against ₹10.95 Cr. for the last year.

Dividend on Perpetual Non-Cumulative Preference Shares has been recommended at 7% p.a. in line with the present rate of interest scenario.

## SHARE CAPITAL

### Equity Share Capital:

The paid up capital of your Bank as on 31.03.2017 was ₹ 85.19 Cr. (P.Y. ₹ 88.60 Cr.) subscribed by 53,442 members, with an addition of 3,030 members and cessation of 1,150 members during the year.

### Perpetual Non-Cumulative Preference Share Capital :

As on 31.03.2017, the Perpetual Non-Cumulative Preference Share Capital was subscribed to the extent of ₹ 9.29 Cr. (P.Y. ₹3.78 Cr.)

## RESOURCE MOBILISATION

The Bank's deposits stood at ₹ 7,095 Cr. as on March 31, 2017 registering a growth of 18% with an accretion of ₹ 1,057 Cr. over the previous year.

The deposit mix is as under:

(₹ in Cr.)

Type	March 31, 2017	%	March 31, 2016	%
Savings	1,353	19.07	1,097	18.17
Current	404	5.69	301	4.98
Fixed	5,338	75.24	4,640	76.85
<b>Total</b>	<b>7,095</b>	<b>100.00</b>	<b>6,038</b>	<b>100.00</b>

The deposit growth of 18% is above the industry growth of 12%. During the year there was a general decline in rate of interest on deposits which has restricted the growth in term deposits. However during demonetization, there was an increase in deposits. This has also helped the Bank to improve the CASA by 23.15% to 24.75%, an increase of 1.60%. The Bank realizes the importance of growth in CASA for overall improvement in profitability. Last year overall 33% (as against 30% target) of the incremental deposits were CASA deposits. The Bank will keep this momentum going in the current financial year by increasing the customer base.

## RESOURCE DEPLOYMENT

Saddled with high bad debt and weak Corporate demand, credit growth of banking industry plunged to a whopping six decade low of 6% in the Financial year 2016-17 against 10.7% a year ago. In this scenario, your Bank could achieve 13% credit growth with ₹ 596 Cr. in absolute terms. The CD ratio declined from 75% to 72%. During the year under review, the policy rates have come down by 175 basis point which has sharply brought down the lending rate. Till February, 2017, the stance of Monetary

Policy was accommodative which has also reduced the general rate of interest. This has created an interest war and shifting of good accounts from one bank to another, with your Bank being no exception. To retain good accounts, the Bank had to offer competitive rate of interest on advances. Besides, the credit off take to new ventures has not picked up. As such, the Bank concentrated on low risk proposals for retail credit and LCBD advances which are secured against counter guarantee of the Bank. In spite of this, the Bank was able to increase Net Interest Income (NII) from 3.27% to 3.34%.

The composition of Credit portfolio is as under:

(₹ in Cr.)

Sector	2016-17	%	2015-16	%
Personal / Retail	1,768	34.48	1,936	42.72
Trade / Services	1,799	35.08	1,656	36.54
Manufacturing	1,561	30.44	940	20.74
<b>Total</b>	<b>5,128</b>	<b>100.00</b>	<b>4,532</b>	<b>100.00</b>

## ASSET QUALITY

The Bank's Gross NPA and Net NPA stood at 4.76% and 2.94% respectively as at the end of March 2017.

Asset quality is one of the most critical areas in determining the overall condition of a bank. Your Bank endeavors to maintain a good asset quality. Whereas the Indian Banking Industry is facing serious challenge to maintain the asset quality, your Bank has done reasonably well in controlling the slippages of accounts into NPAs as well as in the recovery of the old NPA accounts. Though there is increase in amount of Gross NPAs from ₹172 Cr. to ₹244 Cr., these advances are substantially secured by tangible securities and appropriate steps for recovery have been initiated for reduction in the same. This year, the Bank has adopted a different approach for recovery and the new NPA accounts are monitored at Zones and branch level and the Recovery dept. has been entrusted with recovery of old NPA accounts. This two-way strategy of curtailing the addition, and reduction in old accounts will lead to the desired results and put a further check on rise in NPAs.

Keeping this in mind, as an abundant precaution, requisite provisions by way of Bad and Doubtful Debt Reserve (BDDR) and Bad and Doubtful Debts Fund (BDDF) are made towards NPAs in accordance with the guidelines issued by RBI. The Bank has created additional BDDF of ₹5.00 Cr. during F.Y. 2016-17 (P.Y. ₹ 3.25 Cr.) by way of appropriation out of net profit.

## INVESTMENTS

Bank's Treasury Department is primarily responsible for complying with CRR / SLR requirements, management of liquidity and mitigating interest rate risk of investment portfolio.

Aggregate investment of the Bank stood at ₹ 1,977.72 Cr.

The Indian Bond yield has softened in the last financial year. The Bank could take the positive advantage of change in yield at various intervals by trading in Government securities and earned an impressive trading profit of ₹ 13.88 Cr.

The contribution of profit realized from redemption of HTM securities is to the tune of ₹ 0.83 Cr. The Bank aspires to improve the yield on Investment for overall increase in profitability.

## TECHNOLOGY

The Bank has taken a major technological transformation. The migration of our Core Banking System (CBS) to Finacle, an Infosys product of repute, took place on 16th January, 2017. Migration on such a massive scale has its own share of challenges which is being tackled on an ongoing basis. With the ultimate motive of Customer Satisfaction, the Bank's dedicated team has put in all the efforts to tackle the challenges faced on a day to day basis. We hope to continue giving the best of our services to our valued customers through the advanced technology, facilitating convenient banking by way of improved versions of multi-channel banking.

The Bank has also housed its Data Centre and Disaster Recovery Centre with NetMagic, one of the leading service providers in this field.

## INITIATIVES OF BUSINESS DEVELOPMENT DEPARTMENT

The Bank had set up a Business Development Department in the F.Y. 2014-15 with a prime objective of achieving annual targets and the evaluation of Branch and Zone performance. This has resulted into an average Business growth of 20% in last 3 years which is more than the current growth rate of Banking Industry.

Besides, to be in line with the overall Business target, this year, the Bank has focussed on selected Segments viz. CASA Deposit, Time Deposit, Retail Credit, Wholesale Credit, Number of CASA Accounts, Number of Retail Credit cases, Ancillary Products viz; Insurance, Demat and Mutual Funds, Registration of Digital Banking i.e. Net and Mobile Banking.

Weightage to each Segment is given considering its importance in today's competitive scenario in the Banking Industry. The Bank has decided the thrust areas on certain parameters viz; retaining the existing customers for long association, adding new Customer base and Support to the Bottom line from Ancillary products.

The Bank is already into Insurance Business since long and has now ventured into Open Architecture, as approved by IRDA. The Bank has tied up with Bajaj Allianz for Life Insurance, with ICICI Lombard for General Insurance and with Religare Health Insurance for Health Care business. In Mutual Fund category, besides Birla Sun Life Mutual Fund, the Bank has tied up with Reliance Mutual Fund. Due to these multiple Tie-ups, the Customers have got a wider choice. The Bank has also tied-up with LIC and Bajaj Allianz for Pradhan Mantri Yojana schemes. The Bank is now in the process of providing ASBA facility to its customers who wish to subscribe for IPO.

Your Bank is in the process of providing all Financial products and services at competitive pricing with effective Turn Around Time (TAT).

## RECOGNITION

- The Bank has been conferred with the Best Bank (Rank I) award by 'The Brihan Mumbai Nagari Sahakari Banks' Association Ltd. Mumbai' for the financial year 2014-15, on 21st September, 2016.
- NSDL has awarded the Bank two prestigious awards for Top position for New Demat Account Business Performance in the Co-op. Bank category viz; Top Performer in New Demat Accounts opened – 1st position and Best Performer in Account Growth Rate (Rising DPs) - 2nd position.



## DEMONETISATION

On 8th November, 2016, the Government of India decided to demonetize ₹1000 and ₹500 denomination notes. The decision saw a big rush at the banks for deposit & exchange of these notes. Our Bank was not an exception to this. The Bank faced certain challenges at some branches. However the Bank's dedicated team at branches and the Central Office could cope up with this situation, handling it effectively & managing the business proficiently and professionally.

## CORPORATE GOVERNANCE

The Bank continues its tradition of conducting its business ethically, with the highest standards of corporate governance, continuously evaluating and adopting the best practices within the industry. These have evolved not only by ensuring compliance with regulatory requirement but also being responsible to growing customer needs.

The Bank has a team of qualified and experienced Directors with credibility and expertise in their chosen fields, bringing in valuable experience and ensuring sound corporate governance mechanism to achieve objectives that are in the interest of the stakeholders and the organization.

Details of various meetings of Board and Committees, held during the year are given below:

	<b>No. of Meetings</b>	<b>No. Of Directors in the Committee</b>	<b>Average Attendance</b>
Board	17	12	9
Advances & Recovery Committee	38	8	5
Development & Staff Committee	21	8	6
Audit Committee	10	8	5
Investment Committee	11	6	4

## AUDIT & INSPECTION

The Bank has a system in place for internal and concurrent audit. 97 branches are following the system of concurrent audit (monthly/quarterly) and all branches are put under internal audit system. The Audit Committee of the Board gives directions, oversees the total audit function of the Bank and follows-up on the statutory / concurrent audit of the Bank and inspection carried out by regulators. The Committee is headed by the Chairman of the Bank and comprises of Directors with Banking, Audit and Accounting Experience.

During the year, RBI carried out its customary on-sight inspection of the Bank with respect to financial position as on 31st March, 2016.

## REAPPOINTMENT OF STATUTORY AUDITORS

In the 99th Annual General Meeting held on 25th June, 2016, M/s. A. P. Sanzgiri & Co., Chartered Accountants were appointed as Statutory Auditors. Being eligible, the Board of Directors recommends their reappointment up to the date of next Annual General Meeting. They have consented their willingness to be reappointed.

## EXPANSION

As was reported in the last Directors' Report, the Bank had decided to consolidate its existing network during 2016-17. However the Bank has received permission from RBI to open 5 branches under its Annual business plan for 2017-18. Accordingly the Bank envisages to open new branches in Mumbai, Aurangabad, Ahmedabad and Indore in the current Financial year.

## HUMAN RESOURCE

In the competitive environment, employees of any business organization are the key factor for deciding the success of the firm in general and co-operative in particular. The role of human resource department of your Bank is to plan, develop, and administer policies and programs designed to make expeditious use of human resources.

During the year under review, 57 employees took initiative in upgrading their academic qualifications. 9 employees attained their post graduation / professional qualification and as many as 48 employees completed various courses of the Indian Institute of Bankers.

The Bank has tied-up with Welingkar Institute of Management, Development & Research for imparting training to its employees. Also, on the job training was imparted to the employees for change in the CBS software.

Your Directors would like to place on record their appreciation for the commitment of the employees.

Shri P G Kamath was upgraded to the position of Deputy Managing Director in the year under review.

Shri Kumar Narayanswamy joined the Bank as a General Manager on 1st September, 2016. Professionally qualified as a Chartered Accountant and a Company Secretary, he heads the Retail and Credit Monitoring Department and is also a Nodal Officer for Customer Grievances.

Shri Ganesh Pai joined as AGM (IT) on 1st November, 2016. Graduated as BE-Electrical from V.J.T.I, Shri Pai has worked with reputed IT Companies and has a rich experience of 17 years in the field of IT.

## OBITUARY

Ms. Janhavi Pokhare, staff member (Deonar Branch) passed away on 25th June, 2016.

Shri Mahesh Dhanwani, Chief Manager- Ancillary Business passed away on 7th July, 2016.

Shri Narsu Nikam, staff member (Kolhapur Branch) passed away on 31st August, 2016.

Shri Shirang Jadhav, staff member (Kothrud Branch) passed away on 17th May, 2017.

The Board of Directors and the employees of the Bank express their profound grief at the sad demise of the above employees.

The Board also pays homage to the departed souls of shareholders who have passed away during the year.

## ELECTION OF THE BOARD OF DIRECTORS

On completion of the 5 years' term of the previous Board, elections to the Board of Directors for the term 2016-17 to 2021-22 were held in January, 2017. The current Board was elected.

Shri Vasudev Masurekar did not contest the election of the Board for the term 2016-17 to 2021-22. The Board acknowledges his contribution as a Director since 2003.

Shri S. P. Kamat contested the election from outside Maharashtra constituency and was elected unopposed.

Ms. Alka Diwadkar was co-opted as a Director w.e.f. 1st November, 2016. She contested the election from outside Mumbai constituency and was elected unopposed. Ms. Diwadkar is associated with the Bank since long. She was earlier on the Board of the Bank as a Director from 1995-2012.

Shri Ramesh Kasbekar contested the election within Mumbai constituency and was elected as a Director for the term 2016-17 to 2021-22. Shri Kasbekar is a Chartered Accountant with more than 30 years of experience in Corporate Finance and Administration at very senior level and associated with charitable and educational institutions.

Shri Kishore Kulkarni was unanimously elected as a Chairman and Shri Sunil Gaitonde as Vice-Chairman of the Board of Directors for the period of 5 years i.e. 2016-17 to 2021-22. Shri Gaitonde is a practicing Chartered Accountant and a Law Graduate.

## **BRAND BUILDING**

Brand Building is generating awareness, establishing and promoting an organisation using strategies and tactics. Branding is crucial aspect of any organisation because it is the visual voice.

During the year, the Bank got an opportunity for carrying out branding exercise on Konkankanya and Mandvi Express of Konkan Railway Corporation running between Mumbai and Goa. This has given the Bank a wider visibility and brand recall.

The Bank continued its branding on the Mumbai-Pune Expressway.

The Bank has also utilised various media channels like Television, Radio, Print and Social media as well as outdoor branding like gantry, hoardings etc. to boost the Brand image of the Bank.

## **DEPOSIT INSURANCE**

The Bank has been regularly paying premium to Deposit Insurance and Credit Guarantee Corporation (DICGC) covering Bank's deposits.

## **SHRI SHETH SHANTARAM MANGESH KULKARNI MEMORIAL LECTURE**

On 24th September, 2016, a lecture on "Financial Inclusion and Tax Policy for Inclusive Economic Growth" was delivered by Dr. Ajit Ranade, President and Chief Economist with the Aditya Birla Group. The lecture was conducted as a part of the Sheth Shantaram Mangesh Kulkarni 18th Memorial Lecture Series. The Sheth Shantaram Mangesh Kulkarni Memorial Lecture Series, which started in 1997, has witnessed presence of various eminent speakers with expertise in their fields.

Annual Awards for 2015-16 were also given to the branches for excelling in their performance.

The Bank, as a mark of respect towards its Founder member- Sheth Shantaram Mangesh Kulkarni and to celebrate the legacy in the Co-operative Banking sector, would continue to conduct the series of "Sheth Shantaram Mangesh Kulkarni Memorial Lecture." This year the Bank proposes to hold the Memorial Lecture on Saturday, the 14th October, 2017.

In memory of and as a respect to our Founder, the Bank has decided to install a bust of its founder Chairman Sheth Shri Shantaram Mangesh Kulkarni at the Corporate Office.

## **CENTENARY YEAR**

The Bank entered into its centenary year on 26th September, 2016. A Mega inaugural event was organized on 2nd October, 2016 at the Shanmukhananda auditorium in Mumbai which was witnessed by over 3000 people consisting of the Bank's customers, shareholders, well-wishers, staff, Chairmen and Board members & dignitaries from other peer Banks. The Centenary events were also organized at various locations of our branches spread across in the states of Maharashtra – Mumbai, Pune and Kolhapur, Karnataka – Karwar, Bangalore & Hubli, Goa - Ponda. The concluding ceremony on 23rd September, 2017 will also be a memorable one.



## CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Your Bank has been felicitating the meritorious wards of the members encouraging them by recognizing their achievements in academics & sports. This year, 80 students were felicitated rewarding them ₹1.03 lacs through members' welfare fund in a function held on 30.07.2016.
- The Bank has been contributing to the welfare funds of various charitable trusts working in the field of health, education, art and culture and various other social needs of the downtrodden strata of the society.
- This year in all, 25 members have availed the benefits of the scheme for reimbursement of hospitalization expenses, resulting in disbursing an amount of ₹3.05 Lacs.
- During the year, 49 members also availed the facility for reimbursement of medical check-up amounting to ₹0.66 Lacs.

## BYE-LAW AMENDMENT

In the last Annual General Meeting held on 25th June, 2016, the Board of Directors had proposed the following amendment to Bye-Laws of the Bank -

1. Bye-Law No. 3 – Area of Operation to be extended to the State of Madhya Pradesh

The Central Registrar of Co-operative Societies have vide their letter dated 5th October, 2016 conveyed their approval to the above amendment.

The Board has now proposed amendment to Bye-Law No. 51 adding a proviso for restricting shareholding upto 5% of the total paid up share capital of the Bank or ₹ 5,00,000, whichever is less, as per RBI guidelines. (as per Annexure II)

## ACKNOWLEDGEMENT

The Bank expresses deep gratitude to our members, customers, staff members, well wishers, patrons and various institutions, officials and dignitaries for their co-operation, guidance and advice from time to time. To mention specially,

- Chief General Managers, General Managers and other Officials of Reserve Bank of India
- Central Registrar of Co-operative Societies, New Delhi
- Commissioner of Co-operation of Maharashtra State, Divisional Jt. Registrar & other officials of Co-op. Department at Pune & Mumbai
- President of Co-op Banks' Employees Union
- M/s. A. P. Sanzgiri & Co., Chartered Accountants, Statutory Auditors
- Internal Auditors, Concurrent Auditors and Stock Auditors
- College of Agricultural Banking, Pune
- National Institute of Bank Management, Pune
- Indian Banks' Association, Mumbai
- National Federation of Urban Banks & Credit Societies Ltd., New Delhi
- Maharashtra State Co-op. Banks' Federation
- Maharashtra State Co-op. Banks' Association, Mumbai
- Brihan Mumbai Co-op. Banks' Association, Mumbai
- Legal Advisors, Consulting Architects, Engineers and Contractors
- Press, T.V. and other Media, Artists and Printers
- All those inadvertently missed, who helped us directly or indirectly

For and on behalf of the Board,

PLACE: MUMBAI  
DATE: July 4, 2017

**KISHORE KULKARNI**  
CHAIRMAN

## INDEPENDENT AUDITOR'S REPORT

To,

The Shareholders of **NKGSB Co-op. Bank Ltd.**

**(Report on the Financial Statements as required under Section 30 of Banking Regulation Act, 1949 & Section 73(4) of Multi State Co-operatives Societies Act, 2002 and Rule 27 of Multi State Co-operative Societies Rule 2002.)**

1. We have audited the accompanying Financial Statements of the **NKGSB Co-op. Bank Ltd. (The Bank)**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017 and the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank prepared in accordance with the Multi State Co-operative Societies Act, 2002 and the Rules made thereunder, the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) and the accounting principles generally accepted in India, including the 'Accounting Standards' (AS) issued by the 'Institute of Chartered Accountants of India' (ICAI). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as Multi State Co-operative Societies Act, 2002 and rules made thereunder, in the manner so required, for the Urban Co-operative Bank and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Bank as at 31<sup>st</sup> March, 2017;
- (ii) In the case of the Profit and Loss Account of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Matters**

- 6. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and the Multi State Co-operatives Societies Act, 2002 and rules made there under.
- 7. 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 our audit and have found them to be satisfactory.
  - (ii) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
  - (iii) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, to the extent applicable.
- 8. We further report that:
  - (i) The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account.
  - (ii) In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.

**For and on behalf of**  
**A. P. Sanzgiri & Co.**  
**Chartered Accountants**  
**Firm Regn. No.: 116293W**

**Abhijit P. Sanzgiri**  
**Partner**  
**Membership Number: 43230**

Place: Mumbai  
Date: 4<sup>th</sup> July, 2017



## Balance Sheet

(₹ in Lacs)

CAPITAL AND LIABILITIES	Schedule	As at 31-Mar-17	As at 31-Mar-16
SHARE CAPITAL	1	9,448	9,238
RESERVE FUND , OTHER FUNDS & RESERVES	2	61,201	56,577
PROFIT & LOSS ACCOUNT		2	1
DEPOSITS	3	7,09,489	6,03,797
BORROWINGS (Long Term Subordinated Deposits)	4	15,972	10,572
OVERDUE INTEREST RESERVE ON LOANS AND ADVANCES (As per Contra)		11,351	9,087
INTEREST ACCRUED ON DEPOSITS		5,371	429
OTHER LIABILITIES	5	7,317	10,239
BILLS FOR COLLECTION BEING BILLS RECEIVABLE (As per Contra)		8,549	5,339
SETTLEMENT CREDIT ACCOUNT (As per Contra) (Refer Schedule 14, Note no. 4)		96	92
<b>GRAND TOTAL</b>		<b>8,28,796</b>	<b>7,05,371</b>
<b>CONTINGENT LIABILITIES</b>	12	37,117	34,467
Significant Accounting Policies	13		
Notes to Accounts	14		
Schedules referred to above form an integral part of Balance Sheet			

As per our report of even date attached  
For and on behalf of  
**A. P. SANZGIRI & CO.**  
Chartered Accountants,  
Firm Regn. No.: 116293W  
sd/-  
**ABHIJIT P. SANZGIRI**  
**PARTNER (MEMBERSHIP NO.: 43230)**

Mumbai, 4<sup>th</sup> July, 2017

## as at 31st March, 2017

(₹ in Lacs)

PROPERTY AND ASSETS	Schedule	As at 31-Mar-17	As at 31-Mar-16
CASH AND BANK BALANCES	6	77,985	53,258
MONEY AT CALL & SHORT NOTICE		14,495	7,998
INVESTMENTS	7	1,59,708	1,35,003
ADVANCES	8	5,12,751	4,53,184
INTEREST RECEIVABLE			
a) On Investments & Earmarked Funds	9	3,554	2,917
b) On Staff Loans		732	626
c) On Loans and Advances		11,351	9,087
(As per Contra)			
FIXED ASSETS	10	29,171	30,976
OTHER ASSETS	11	9,046	5,936
DEFERRED TAX ASSET (NET) (Refer Schedule 14, Note no. 22)		1,358	918
BRANCH ADJUSTMENT		-	37
BILLS RECEIVABLE BEING BILLS FOR COLLECTION (As per Contra)		8,549	5,339
SETTLEMENT DEBIT ACCOUNT (As per Contra) (Refer Schedule 14, Note no. 4)		96	92
<b>GRAND TOTAL</b>		<b>8,28,796</b>	<b>7,05,371</b>

**KISHORE KULKARNI**  
Chairman  
**SUNIL GAITONDE**  
Vice - Chairman  
**CHINTAMANI NADKARNI**  
Managing Director  
**SAMIR REGE**  
Chief Manager (Finance)

**RAJAN BHAT**  
Director  
**ALKA DIWADKAR**  
Director  
**NAGESH FOVKAR**  
Director  
**RAMESH KASBEKAR**  
Director  
**KAUSHAL MUZUMDAR**  
Director

**ANIL NADKARNI**  
Director  
**NAGESH PINGE**  
Director  
**LAXMIKANT PRABHU**  
Director  
**SUJATA RANGNEKAR**  
Director

Mumbai, 4<sup>th</sup> July, 2017

## Profit and Loss Account

(₹ in Lacs)

EXPENDITURE	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Interest on Deposits	46,916	43,599
Interest on Borrowings	1,155	659
Staff Salaries, Allowances and Benefits	7,644	7,069
Rent, Rates, Taxes, Service Charges, Insurance and Electricity	2,559	2,182
Legal and Professional Charges	187	163
Postage, Telegrams and Telephone Charges	372	307
Travelling, Lodging and Conveyance	90	96
Audit Fees	117	103
Repairs and Maintenance	535	434
Depreciation on Fixed Assets	1,517	1,453
Premium on Securities amortised	371	371
Printing and Stationery	127	160
Advertisement	232	242
Sundry Expenses	2,262	1,609
Bad Debts Written Off	1,342	1,259
<b>Provisions and Contingencies:</b>		
A) Bad and Doubtful Debts Reserve	3,340	1,806
B) Contingent Reserve against Standard Assets	374	354
C) Interest Transferred to Leave Encashment Fund	103	80
D) Provision for Restructured Advances	-	10
E) Provision for Election Fund	29	-
<b>Profit Before Tax c/f</b>	<b>6,430</b>	<b>6,556</b>
	<b>75,702</b>	<b>68,512</b>
<b>Provision for Taxes:</b>		
Income Tax	2,215	1,810
Deferred Tax	(440)	179
<b>Net Profit for the year</b>	<b>4,655</b>	<b>4,567</b>
<b>TOTAL</b>	<b>6,430</b>	<b>6,556</b>

As per our report of even date attached  
For and on behalf of  
**A. P. SANZGIRI & CO.**  
Chartered Accountants,  
Firm Regn. No.: 116293W  
sd/-  
**ABHIJIT P. SANZGIRI**  
**PARTNER (MEMBERSHIP NO.: 43230)**

Mumbai, 4<sup>th</sup> July, 2017



(₹ in Lacs)

**ANIL NADKARNI**  
Director  
**NAGESH PINGE**  
Director  
**LAXMIKANT PRABHU**  
Director  
**SUJATA RANGNEKAR**  
Director

Mumbai, 4<sup>th</sup> July, 2017

## Profit and Loss Appropriation Account

(₹ in Lacs)

EXPENDITURE	Year Ended 31-Mar-17	Year Ended 31-Mar-16
<b>Appropriations subject to Approval in AGM</b>		
<b>A) Statutory Appropriations :-</b>		
1 Statutory Reserve Fund (25% of Net Profit)	1,164	1,142
2 Contingency Reserve Fund (10% of Net Profit)	465	457
3 Education Fund (1% of Net Profit)	47	46
<b>B) Other Appropriations :-</b>		
1 Building Fund	286	243
2 Bad & Doubtful Debts Fund	500	325
3 Reserve for Donations	4	2
4 Investment Fluctuation Reserve	83	79
5 Proposed Dividend @ 12% p.a. (pro-rata) (Incl 2% special dividend for Centenary Year)	1,045	1,095
6 Proposed Dividend @ 7% p.a. (pro-rata) on PNCPS	55	12
7 Ex-Gratia to Staff (Incl 2% Additional for Centenary Year )	860	740
8 Staff Welfare Fund	80	80
9 Members' Welfare Fund	22	24
10 Centenary Fund	-	101
11 Special Reserve U/s 36 (1) (viii) of I.T. Act, 1961	340	253
	<b>4,951</b>	<b>4,599</b>
<b>PROFIT CARRIED TO BALANCE SHEET</b>	<b>2</b>	<b>1</b>
<b>TOTAL</b>	<b>4,953</b>	<b>4,600</b>

As per our report of even date attached  
For and on behalf of

**A. P. SANZGIRI & CO.**  
Chartered Accountants,  
Firm Regn. No.: 116293W

sd/-  
**ABHIJIT P. SANZGIRI**  
PARTNER (MEMBERSHIP NO.: 43230)

Mumbai, 4<sup>th</sup> July, 2017

(₹ in Lacs)

INCOME	Year Ended 31-Mar-17	Year Ended 31-Mar-16
Profit of last year b/f	1	-
Net Profit for the year	4,655	4,567
Excess Appropriation of previous year written back :-		
a) Ex-gratia	11	31
b) Dividend on Equity Shares	8	2
c) Dividend on Preference Shares (PNCPS)	2	-
d) Centenary Fund	275	-
e) Education fund	1	-
TOTAL	4,953	4,600

**KISHORE KULKARNI**  
Chairman  
**SUNIL GAITONDE**  
Vice - Chairman  
**CHINTAMANI NADKARNI**  
Managing Director  
**SAMIR REGE**  
Chief Manager (Finance)

**RAJAN BHAT**  
Director  
**ALKA DIWADKAR**  
Director  
**NAGESH FOVKAR**  
Director  
**RAMESH KASBEKAR**  
Director  
**KAUSHAL MUZUMDAR**  
Director

**ANIL NADKARNI**  
Director  
**NAGESH PINGE**  
Director  
**LAXMIKANT PRABHU**  
Director  
**SUJATA RANGNEKAR**  
Director

Mumbai, 4<sup>th</sup> July, 2017



## Schedules

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16
<b>Schedule - 1</b>		
<b>Share Capital</b>		
Authorised Share Capital	20,000	20,000
20,00,00,000 shares of Rs. 10/- each		
<b>I Issued Subscribed and Paid up Equity Capital</b>	<b>8,519</b>	<b>8,860</b>
8,51,96,374 shares of Rs. 10/- each (P.Y. 8,85,98,282 shares)		
Individuals	6,357	6,552
Co-op Institutions	-	-
Others	2,162	2,308
<b>II Perpetual Non Cumulative Preference Share (PNCPs) Capital</b>		
92,87,000 shares of Rs.10/- each		
Issued Subscribed and Paid up Preference Shares Capital	929	378
<b>TOTAL CAPITAL (I+II)</b>	<b>9,448</b>	<b>9,238</b>
<b>Schedule - 2</b>		
<b>Reserve Fund, Other Funds &amp; Reserves</b>		
<b>I Reserves as per Multi-State Co-op.Soc.Act</b>		
(i) Statutory Reserve Fund	11,744	10,565
(ii) Contingency Reserve Fund	4,188	3,723
(iii) Building Fund	8,436	8,150
(iv) Reserve for Donation	5	17
<b>II Reserves as per RBI guidelines</b>		
(i) Investment Fluctuation Reserve	1,525	1,442
(ii) Contingent Reserve against Standard Assets	2,075	1,701
(iii) Bad and Doubtful Debts Reserve	7,982	5,984
(iv) Provision for Restructured Advances	48	48
<b>III Other Funds as per Bye Laws</b>		
(i) Election Fund	8	10
(ii) Members' Welfare Fund	207	191
(iii) Centenary Fund	-	275
<b>IV Others</b>		
(i) Special Reserve U/s 36(1) (viii) of I.T. Act,1961	1,824	1,484
(ii) Capital Reserve	4	4
(iii) Revaluation Reserve	19,678	20,248
(iv) Deferred Tax Reserve	292	292
(v) Bad and Doubtful Debt Fund	1,625	1,125

## Schedules

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16
<b>V Funds for the benefit of staff</b>		
(i) Staff Welfare Fund	406	394
(ii) Staff Leave Encashment Fund	1,154	924
<b>TOTAL RESERVES (I+II+III+IV+V)</b>	<b>61,201</b>	<b>56,577</b>

### Schedule - 3

#### Deposits

<b>I Current Deposits</b>		
(i) Individuals & Others	28,745	22,637
(ii) Societies	290	272
<b>II Savings Deposits</b>		
(i) Individuals & Others	1,30,228	1,04,869
(ii) Societies	5,035	4,849
<b>III Term Deposits</b>		
(i) Individuals & Others	4,83,973	4,19,684
(ii) Societies	49,866	44,275
<b>IV Matured Deposits</b>	11,352	7,211
<b>Total ( I+II+III+IV)</b>	<b>7,09,489</b>	<b>6,03,797</b>
(Includes amt of Rs. 5,976 Lacs (P.Y. Rs.4,518 Lacs) collateralized towards LCs / Guarantees. Also an amt of Rs. 43,655 Lacs (P.Y. Rs. 46,295 Lacs) is lien marked against overdraft / loan against FDs).		

### Schedule - 4

#### Borrowings

<b>I Long Term Subordinated Deposits</b>		
Series I		
Tenure of 5 years @ 10.00% p.a.	2,283	2,283
Tenure of 7 years @ 10.25% p.a.	2,717	2,717
<b>II Long Term Subordinated Deposits</b>		
Series II		
Tenure of 5 years @ 9.00% p.a.	1,392	1,392
Tenure of 7 years @ 9.25% p.a.	4,180	4,180

## Schedules

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16
<b>III Long Term Subordinated Deposits</b>		
Series III		
Tenure of 5 years @ 9.00% p.a.	2,854	-
Tenure of 7 years @ 9.25% p.a.	2,546	-
<b>TOTAL (I+II+III)</b>	<b>15,972</b>	<b>10,572</b>

### Schedule - 5

#### Other Liabilities

(i) Payorders Issued	2,463	4,713
(ii) Proposed Dividend	1,100	1,107
(iii) Ex-gratia for Staff	860	740
(iv) TDS on Interest on Fixed Deposit	183	439
(v) Int.Recd.in Adv on Bill Discounting	643	416
(vi) Unclaimed Dividend	58	48
(vii) Others	2,010	2,776
<b>Total ( i+ii+iii+iv+v+vi+vii)</b>	<b>7,317</b>	<b>10,239</b>

### Schedule - 6

#### Cash and Bank Balances

##### I Cash and Current Accounts with Banks

(i) Cash in Hand	3,581	3,357
(ii) Balances with Reserve Bank of India	48,558	31,196
(iii) Balances with State Bank of India & its subsidiaries	25	23
(iv) Current Deposits with Banks	2,252	3,347
	<b>54,416</b>	<b>37,923</b>

##### II Fixed Deposits with Banks

(i) Reserve Fund Investment	15,802	12,703
(ii) Investment against Earmarked Funds	1,630	1,406
(iii) Other Fixed Deposit Receipts	6,137	1,226
	<b>23,569</b>	<b>15,335</b>

(FD includes Rs. 1,109.89 Lacs placed with other Banks as margin for Credit Line (P.Y. Rs. 922.19 Lacs))

<b>Total (I+II)</b>	<b>77,985</b>	<b>53,258</b>
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### Schedule - 7

#### Investments

(i) Government Securities	1,59,683	1,34,978
(ii) Mutual Funds / Other Investments	25	25
<b>Total (i + ii)</b>	<b>1,59,708</b>	<b>1,35,003</b>



## Schedules

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16
<b>Schedule - 8</b>		
<b>Advances</b>		
<b>I Short Term Loans, Cash Credit, Bills Discounted and Purchased</b>	<b>1,62,549</b>	<b>1,34,453</b>
<b>of which secured against:</b>		
(i) Govt. and Other Approved Securities	104	74
(ii) Other Tangible Securities	1,62,084	1,34,132
(iii) Unsecured - Personal /Surety Loans	361	247
(Amount due from Individuals - Rs. 15,535.91 Lacs (P.Y. Rs. 14,224.53 Lacs), amount overdue Rs. 11,605.31 Lacs (P.Y. Rs. 11,063.89 Lacs), considered Bad & Doubtful of recovery Rs. 3,836.05 Lacs (P.Y. Rs. 4,175.78 Lacs) and fully provided for).		
<b>II Medium Term Loans :</b>	<b>35,416</b>	<b>35,273</b>
<b>of which secured against:</b>		
(i) Govt. and Other Approved Securities	34	71
(ii) Other Tangible Securities	34,209	34,120
(iii) Unsecured - Personal /Surety Loans	1,173	1,082
(Amount due from Individuals - Rs. 14,136.40 Lacs (P.Y. Rs. 13,847.69 Lacs), amount overdue Rs. 3,623.76 Lacs (P.Y. Rs. 2,525.52 Lacs), considered Bad & Doubtful of recovery Rs. 1,106.52 Lacs (P.Y. Rs. 1,659.05 Lacs) and fully provided for).		
<b>III Long Term Loans :</b>	<b>3,14,786</b>	<b>2,83,458</b>
<b>of which secured against:</b>		
(i) Govt. and Other Approved Securities	1,199	1,013
(ii) Other Tangible Securities	3,11,396	2,80,238
(iii) Unsecured - Personal /Surety Loans	2,191	2,207
(Amount due from Individuals - Rs. 2,06,508.16 Lacs (P.Y. Rs. 1,83,555.98 Lacs), amount overdue Rs. 9,181.01 Lacs (P.Y. Rs. 4,503.83 Lacs), considered Bad & Doubtful of recovery Rs. 7,574.76 Lacs (P.Y. Rs. 4,477.66 Lacs) and fully provided for).		
<b>Total (I+II+III)</b>	<b>5,12,751</b>	<b>4,53,184</b>
<b>Schedule - 9</b>		
<b>I Interest Receivable</b>		
(i) On Investments	3,523	2,870
(ii) On Investments against Earmarked Funds	31	47
<b>Total (i+ii)</b>	<b>3,554</b>	<b>2,917</b>

## Schedules

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16
<b>Schedule - 10</b>		
<b>Fixed Assets</b>		
<b>I Premises (Including Land)</b>		
Opening Balance as on 01.04.2016	31,436	31,185
Add: Additions during the year	144	260
Less: Sales during the year	(45)	(9)
	<b>31,535</b>	<b>31,436</b>
Less: Depreciation upto last year	4,007	3,163
Depreciation for the current year	862	853
Depreciation on assets sold	(7)	(9)
	<b>4,862</b>	<b>4,007</b>
<b>Sub-Total</b>	<b>26,673</b>	<b>27,429</b>
<b>II Furniture and Fixtures</b>		
Original Cost as on 01.04.2016	2,873	2,619
Add: Additions during the year	344	293
Less: Sales during the year	(59)	(39)
	<b>3,158</b>	<b>2,873</b>
Less: Depreciation upto last year	1,412	1,191
Depreciation for the current year	286	247
Depreciation on assets sold	(54)	(26)
	<b>1,644</b>	<b>1,412</b>
<b>Sub-Total</b>	<b>1,514</b>	<b>1,461</b>
<b>III Other Fixed Assets</b>		
Original Cost as on 01.04.2016	3,274	2,984
Add: Additions during the year	571	332
Less: Sales during the year	(64)	(42)
	<b>3,781</b>	<b>3,274</b>
Less: Depreciation upto last year	2,490	2,172
Depreciation for the current year	369	352
Depreciation on assets sold	(62)	(34)
	<b>2,797</b>	<b>2,490</b>
<b>Sub-Total</b>	<b>984</b>	<b>784</b>

## Schedules

(₹ in Lacs)

	As at 31-Mar-17	As at 31-Mar-16
<b>IV Capital Advance</b>		
(i) Branches	-	104
(ii) Core Banking System	-	1,198
	-	<b>1,302</b>
<b>Total Fixed Assets (I+II+III+IV)</b>	<b>29,171</b>	<b>30,976</b>

### Schedule - 11

#### Other Assets

(i) Premium paid on Investment	4,352	2,708
(ii) Lease Deposits	722	680
(iii) Intangible Assets (Software)	2,119	443
(iv) Security Deposits	67	28
(v) Deferred Revenue Expenditure	-	3
(vi) Others	1,786	2,074
<b>Total (i+ii+iii+iv+v+vi)</b>	<b>9,046</b>	<b>5,936</b>

### Schedule - 12

#### Contingent Liabilities

(i) Forward Contracts	18,538	19,418
(ii) Forward Contract Sale	371	-
(iii) Guarantees *	10,441	8,831
(iv) Letter of Credit *	6,997	5,594
(v) DEAF Account	647	471
(vi) Income Tax Demand	96	131
(vii) Others	27	22
<b>Total (i+ii+iii+iv+v+vi+vii)</b>	<b>37,117</b>	<b>34,467</b>

\* These amounts are collateralised by Fixed Deposits, Counter Guarantees and Secured Charges of Rs. 5,975.74 Lacs (P.Y. Rs. 4,518.47 Lacs)

\* These amounts includes expired LCs / Guarantees of Rs. 726.59 Lacs, (P.Y. 260.23 Lacs) which have not been cancelled being Govt. Guarantees / Original LCs / BGs not being received back.



## Cash Flow For The Year Ended 31st March, 2017

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit as per Profit and Loss Account	4,655	4,567
Add: Previous year excess provision written back	297	34
Add: Opening balance as per Profit and Loss Account	1	0
<b>Profit Available for Appropriations</b>	<b>4,953</b>	<b>4,600</b>
<b>Less : Appropriations</b>	<b>4,951</b>	<b>4,599</b>
Net Profit as per Balance Sheet	2	1
<b>Add:</b>		
Depreciation on Assets	947	883
Deferred Tax	(440)	179
Current Tax	2,215	1,810
Bad Debts Written off	1,342	1,259
Premium on Securities Amortised	371	370
Amortisation of Software	432	321
Other than Software written-off	3	9
	4,869	4,832
<b>Add:</b>		
Loss / (Profit) on Sale of Assets	(2)	11
	(2)	11
<b>Less :</b>		
BDDR written back	(1,342)	(1,259)
	(1,342)	(1,259)
<b>Adjustments for:</b>		
(Increase )/ Decrease in Investments	(24,704)	(18,089)
(Increase )/ Decrease in Other Investments	2,747	21,196
(Increase)/ Decrease in Advances	(59,567)	(89,730)
(Increase )/ Decrease in Interest receivable and OIR	(3,007)	187
(Increase )/ Decrease in Other Assets	(4,024)	(2,348)
Increase/( Decrease )in Funds	6,277	3,982
Increase/( Decrease )in Deposits	1,05,691	70,344
Increase/ (Decrease) in Interest Payable	4,942	(5)
Increase /( Decrease) in Other Liabilities	(681)	5,560
Branch Adjustment	37	(44)
	27,712	(8,946)
<b>Net Cash Generated from Operating Activities (A)</b>	<b>31,239</b>	<b>(5,361)</b>

## Cash Flow For The Year Ended 31st March, 2017

(₹ in Lacs)

Particulars	2016-17	2015-16
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1,023)	(883)
Payment for Software	(805)	(349)
Sale Proceeds of Fixed Assets	12	8
Payment of Capital Work in Progress	-	(1,302)
<b>Net Cash Generated from Investing Activities (B)</b>	<b>(1,817)</b>	<b>(2,527)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/( Decrease ) in Equity Share Capital	(317)	(288)
Increase/( Decrease ) in Preference Share Capital	547	378
Increase in Borrowings	5,400	5,572
Dividend Paid	(1,081)	(1,036)
<b>Net Cash Generated from Financing Activities (C)</b>	<b>4,549</b>	<b>4,627</b>
<b>Net increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>33,970</b>	<b>(3,261)</b>
Cash & Cash Equivalents at the beginning of the year	45,991	49,250
Cash & Cash Equivalents at the end of the year	<u>79,961</u>	<u>45,991</u>
	<b>33,970</b>	<b>(3,261)</b>
<b>Cash &amp; Cash Equivalents</b>		
Cash in hand & Balances with Notified Banks	52,170	34,576
Balances with Other Banks	13,296	3,416
Money at Call and Short Notice	<u>14,495</u>	<u>7,999</u>
	<b>79,961</b>	<b>45,991</b>

As per our report of even date attached  
For and on behalf of  
**A. P. SANZGIRI & CO.**  
Chartered Accountants,  
Firm Regn. No.: 116293W  
sd/-  
**ABHIJIT P. SANZGIRI**  
**PARTNER (MEMBERSHIP NO.: 43230)**  
Mumbai, 4<sup>th</sup> July, 2017

**KISHORE KULKARNI**  
Chairman  
**SUNIL GAITONDE**  
Vice - Chairman  
**CHINTAMANI NADKARNI**  
Managing Director  
**SAMIR REGE**  
Chief Manager (Finance)

**RAJAN BHAT**  
Director  
**ALKA DIWADKAR**  
Director  
**NAGESH FOVKAR**  
Director  
**RAMESH KASBEKAR**  
Director  
**KAUSHAL MUZUMDAR**  
Director

**ANIL NADKARNI**  
Director  
**NAGESH PINGE**  
Director  
**LAXMIKANT PRABHU**  
Director  
**SUJATA RANGNEKAR**  
Director  
Mumbai, 4<sup>th</sup> July, 2017

## Background:

NKGSB Co-op Bank Ltd. was incorporated under Maharashtra Co-operative Societies Act in 1917. Subsequently in 1996, the same was brought under Multi State Co-operative Societies Act 2002, upon opening branches outside the State of Maharashtra. Bank is designated a Scheduled Bank under Schedule II of the R.B.I Act. Presently, the Bank has 105 branches as at 31.03.2017 spread over in the States of Maharashtra, Goa, Karnataka and Gujarat. Two new Branches were opened in the current year. Five Branches are proposed to be opened in the F.Y. 2017-18 for which necessary RBI permission have been received. The Bank provides various banking products which cater to the needs of both corporate and retail customers.

## Schedule No. 13:-

### SIGNIFICANT ACCOUNTING POLICIES: -

#### 1. ACCOUNTING CONVENTION:

The accompanying Financial Statements have been prepared and presented under the historical cost convention as a going concern on accrual basis of accounting, unless otherwise stated, and comply with the Generally Accepted Accounting Principles, statutory requirements prescribed under the Banking Regulation Act, 1949, and the Multi State Co-operative Societies Act, 2002, circulars and guidelines issued by the 'Reserve Bank of India' (RBI) from time to time, the applicable 'Accounting Standards' (AS) issued by the 'Institute of Chartered Accountants of India' (ICAI) and the current practices prevailing amongst the Co-operative Banks in India.

The Accounting Policies adopted in the current year are consistent with those of previous year except otherwise stated.

#### 2. USE OF ESTIMATES:

The presentation of Financial Statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the Financial Statements. Actual results could differ from those estimated. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

#### 3. INVESTMENTS :

For presentation in the Balance Sheet, Investments are classified under the following heads as required under RBI guidelines – Government Securities, Other Approved Securities, Shares in Co-operative Institutions/Financial Corporations, Bonds of Public Sector undertaking, Mutual Funds and other Investments.

##### 3.1 Classification

Investments other than shares in Co-operative Banks, Societies and Mutual Funds are classified into three categories viz; 'Held To Maturity' (HTM), 'Available For Sale' (AFS) and 'Held For Trading' (HFT) in accordance with the guidelines issued by the RBI on "Classification and Valuation of Investments by Primary (Urban) Co-operative Banks (Primary UCBs)".

##### 3.2 Valuation and Accounting of Investments

- Investments in HTM category are valued at acquisition cost unless it is more than the face value in which case the premium (if any) paid on the investments under this category is shown under "Other Assets" and is amortised over the period remaining to maturity.
- Investments under AFS and HFT categories are valued scrip-wise at lower of Book Value and Market Value and depreciation/appreciation is aggregated for each classification. Net depreciation, if any, is provided for, while net

appreciation, if any, is ignored. Net Depreciation for the year under these categories is charged to the Profit and Loss Account and shown under Other Liabilities as "Contingent Provisions against Depreciation in Investment".

- c) Treasury Bills under all categories/classifications are valued at carrying cost.
- d) Units of Mutual Fund are valued at lower of Cost or Net Asset Value.
- e) Shares of Co-operative Institutions and Financial Corporations are valued at cost unless there is a diminution in the value thereof in which case the diminution is fully provided for.
- f) Market Value of Debt Securities is determined in terms of Yield To Maturity (YTM) method indicated by Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- g) Broken period Interest, Brokerage, Commission paid if any, in respect of investments purchased is treated as an item of expenditure under the Profit and Loss Account.
- h) Realized gains if any, on sale of investments under HTM category are recognised in the Profit and Loss Account and subsequently appropriated to the Investment Fluctuation Reserve (IFR) in accordance with RBI guidelines. Loss if any, on sale is recognised in the Profit and Loss Account.

### 3.3 Transfer between categories

Reclassification of investments from one category to another, is done in accordance with RBI guidelines and any such transfer is accounted for at the acquisition cost/book value/market value, whichever is lower, as at the date of transfer. Depreciation, if any, on such transfer is fully provided for.

## 4. ADVANCES:

- a) The classification of advances into Standard, Sub Standard, Doubtful and Loss Assets as well as provisioning on Standard Advances, Restructured Advances and Non Performing Advances is arrived at in accordance with the Income Recognition, Assets Classification and Provisioning Norms prescribed by the RBI for Primary UCBs. Certain advances have been kept outstanding at nominal amounts to continue the charge on securities in respect of other standard facilities enjoyed by them with the Bank. Accordingly, these advances are classified as Standard Assets.
- b) Any lending under the Collateralised Borrowing and Lending Obligations (CBLO) facility which is repayable beyond 15 days is classified under Advances (Short Term) Secured against Government and Other Approved Securities. Other CBLO lending repayable within 15 days is classified under "Money at Call and Short Notice".
- c) The Bank also makes provision for diminution in fair value of Restructured Advances as per norms issued by RBI.

## 5. FIXED ASSETS AND DEPRECIATION :

- a) Fixed Assets, other than those that have been revalued, are carried at historical cost less depreciation accumulated thereon. Cost includes incidental stamp duty, registration charges and civil work in case of ownership premises, and in case of other fixed assets, amounts incurred to put the asset in a working condition.
- b) Depreciation is provided on a straight line basis over the estimated useful life of the asset at the following rates:

Assets	% of Depreciation
Land and Building	2.50%
Furniture and Fixture	10.00%
Office Machinery (including Air Conditioner & Fire Extinguisher)	15.00%
Glow Sign Board & Vehicles	20.00%
Computer Hardware & Software	33.33%
Leasehold Improvements	Equally over the primary period of lease



- c) Depreciation on vehicles as well as fixed assets acquired in newly opened branches is charged pro-rata on completed month basis.
- d) Assets disposed off during the year are depreciated up to the quarter before the date of disposal.
- e) Books are capitalised and depreciated to Re.1/- per book in the year of purchase.
- f) Depreciation on the revalued portion of such assets is included in Depreciation expenses and the same amount is correspondingly reversed from Revaluation Reserve and credited to the Profit and Loss Account. (Refer Note No.11 in Schedule 14).
- g) Fixed Assets which have been fully depreciated but are still in use, are carried in the books at Re.1/-.
- h) Assets individually costing less than Rs. 5,000.00 is charged to Profit and Loss Account in the year of purchase.
- i) UPS and Batteries are Capitalized & Depreciated as "Office Machinery". Subsequent replacement and recharges are expensed off to Profit and Loss Account.
- j) Chairs / Tables are capitalized under "Furniture & Fixtures" irrespective of value of Individual Chair thereof.

#### **6. RESERVE FUND AND OTHER RESERVES:**

- I) As per the requirement of Multi-State Co-op. Soc. Act. 2002,
  - a) The Statutory Reserve Fund has been bifurcated into 2 Categories viz. :
    - i) Statutory Reserve Fund (Comprising 25% of Net Profit of each year transferred).
    - ii) Contingency Reserve Fund (Comprising 10% of Net Profit of each year transferred).
  - b) Co-operative Education Fund maintained by National Co-operative Union of India (Comprising 1% of Net Profit of each year transferred).
- II) Membership Entrance fees and Dividend payable remaining unclaimed for over 3 years are taken directly to the Statutory Reserve Fund.
- III) Interest accruing on investments against certain earmarked funds viz. Members' Welfare Fund and Staff Welfare Fund is credited initially to Profit and Loss Account and thereafter transferred to the respective funds through Appropriation of Profits for the year.
- IV) Surplus arising on account of revaluing of fixed assets over their book value is transferred to Revaluation Reserve.

#### **7. REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. Items of income and expenditure are accounted for on accrual basis except the following items:-

- a) Interest income on Non Performing Advances is recognised on cash basis in accordance with guidelines issued by RBI.
- b) Commission, Exchange, Brokerage and Locker Rent are recognized as income upfront on receipt.
- c) Income from investments is accounted for on accrual basis except dividend on shares of Corporates and Mutual Funds, if any, which is accounted for on cash basis.
- d) Income from distribution of Insurance Products is accrued on the basis of business booked.

#### **8. INTEREST ON MFD:**

Interest on Matured Fixed Deposits (MFD) where no renewal instructions are obtained from customers is provided at prevailing Savings Bank Deposit Rate.

**9. OVERDUE INTEREST RESERVE:**

- a) Overdue Interest Reserve (OIR) represents unrecovered interest on Non Performing Advances, which is correspondingly shown under Interest Receivable as per RBI directives.
- b) Provision for Interest Capitalised on Non Performing Assets which was hitherto shown separately under "Liabilities" is now netted off from Advances.

**10. RECOVERY FROM NPAs:**

Recovery from Non Performing Advances is firstly appropriated as under:-

- a) In case of Loss Assets towards Principal.
- b) In case of Substandard Assets towards Interest.
- c) In case of Doubtful Assets, where there are chances of recovery, appropriation is firstly towards Interest, in other cases towards Principal.

**11. STAMP DUTY AND REGISTRATION CHARGES OF LEASED PREMISES:**

Stamp Duty and Registration Charges in respect of Leased Premises is now expensed to the Profit and Loss Account. In Earlier years, this was classified under Deferred Revenue Expenditure (DRE) and written off over the primary period of lease.

DRE has been Completely Zeroised in the Current year and this account is discontinued.

**12. FOREIGN EXCHANGE TRANSACTIONS:**

- a) Transactions denominated in foreign currency are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency Assets and Liabilities reflected in the Balance Sheet on the date are translated at the rates notified by Foreign Exchange Dealers Association of India (FEDAI). The Profit / Loss due to revaluation are recognised in the Profit and Loss Account.
- b) The outstanding spot and forward contracts are revalued at the applicable rates notified by FEDAI. The resulting Profit / Loss is accounted in Profit and Loss Account as per FEDAI / RBI guidelines.
- c) Premium/discount in respect of foreign exchange hedge contracts is amortised over the period of contract.
- d) Contingent Liabilities on account of foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI. These Policies are in accordance with RBI Guidelines.

**13. ACCOUNTING FOR AMALGAMATION:**

Accounting for Amalgamation in case of Amalgamated Banks with the Bank is carried out as per the amalgamation orders passed by RBI and Other Appropriate Statutory Authorities.

**14. EMPLOYEE BENEFITS:**

**a) Gratuity**

Retirement Benefit in the form of Gratuity is a Defined Benefit Plan. The Bank has a Gratuity Trust for its Employee under the Group Gratuity cum Life Assurance Scheme managed by Life Insurance Corporation of India (LIC). Gratuity is provided for on the basis of Actuarial Valuation done by an Independent Actuary as at the year end, using the Projected Unit Credit Method in accordance with AS-15 on Employee Benefit as issued by ICAI.

b) **Compensated Absences (Leave Encashment)**

Employee Leave Benefits in the nature of Privilege Leave is a defined benefit plan. Employees are not entitled to encashment of Sick Leave. Casual Leave is en-cashed at the year end and not carried forward. Privilege Leave which is en-cashable is provided for on the basis of Actuarial Valuation done by an Independent Actuary as at the year end using the Projected Unit Credit Method in accordance with the guidelines issued under AS-15 on Employee Benefits as issued by ICAI.

c) **Provident Fund Contribution**

Retirement Benefit in the form of Provident Fund is a Defined Contribution Plan and contributions made to the Commissioner of Provident Fund at rates prescribed in the Employees Provident Fund and Misc. Provisions Act, 1952 are accounted for on accrual basis.

d) **Superannuation Contribution**

Contribution towards superannuation scheme of LIC is accounted for on accrual basis as a Defined Contribution Plan.

**15. SEGMENT REPORTING:**

The Business Segments is considered as primary reporting format and the Bank does not have any geographical segment. In accordance with the guidelines issued by RBI, Bank has adopted following Business Segments:

- a) Treasury includes all Investment Portfolio, Profit/Loss on sale of investments (Bonds and Government Securities) money market operations and foreign exchange transactions including trade finance. The expenses of this segment consist of interest expenses on funds borrowed from external/internal sources and depreciation/amortization of premium on Held To Maturity investments. Bank has Internal Parameters in place which are reviewed at half yearly intervals to calculate the internal fund transfer pricing.
- b) Other Banking operations include all other operations not covered under Treasury Operations. It primarily comprises of Loans and Advances to wholesale and retail customers and other banking services to such customers. The revenue consists of interest earned on loans and advances, fee income on various services and foreign exchange products to corporate.

**16. OPERATING LEASES:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as Operating Leases. Operating Lease payments are recognized as an expense in the Profit and Loss Account during the year as per lease agreement.

**17. EARNING PER SHARE (EPS):**

Basic Earning Per Share is calculated by dividing the Net Profit for the period by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares are calculated on monthly basis.

**18. DEPOSITS FOR SERVICES:**

Security Deposits for Electricity and Telephone services are written off equally over a period of 5 financial years.

**19. INCOME TAX:**

- a) Income Tax expense comprises of Current Tax and Deferred Tax. Current Tax is provided for and Deferred Tax is accounted for in accordance with the applicable provisions of the Income Tax Act, 1961 and Rules framed there under.
- b) Provision for Current Tax is made on the basis of estimated taxable income for the year arrived at as per the provision of Income Tax Law and applicable Income Computation and Disclosure Standards (ICDS) issued by Central Board of Direct Tax (CBDT).
- c) Deferred Tax is recognised on account of timing differences between the book profits and the taxable profits. The tax effect of timing differences between the book profits and taxable profits measured using the tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date are reflected through Deferred Tax Asset (DTA)/Deferred Tax Liability (DTL). DTA is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such DTA can be realised.

**20. INTANGIBLE ASSETS:**

Amortisation of Software is calculated on Cost of Purchase as per agreement value plus all incidental & connected expenses related to the implementation and is depreciated from date of commercial usage over a period of 36 months.

**21. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

The Bank makes provisions when it has a present obligation as a result of past event(s), where it is probable that an outflow of resources embodying economic benefit to settle the obligation will be required and a reliable estimate can be made of such an obligation.

Contingent assets are not recognized in the Financial Statements.

Contingent liabilities of the Bank are in respect of guarantees, acceptances and letters of credit with customers under approved limits and the liability thereon is dependent upon terms of contractual obligations, devolvement and raising of demand by the concerned parties. These amounts are partly collateralised by margins/guarantees/secured charges. A disclosure of contingent liability is made when there is a possible obligation, arising from a past event(s), the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or any present obligation that arises from past event(s) but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation cannot be made.

**22. IMPAIRMENT OF ASSETS:**

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired and provides for impairment loss, if any, in the Profit and Loss Account.

**Schedule No. 14:-**

**NOTES FORMING PART OF THE ACCOUNTS:**

**1. Appropriation of Profits:**

The Bank has made the following appropriations of profits for the year ended March 31, 2017 which are subject to shareholders approval in the Annual General Meeting proposed to be held on 05.08.2017.

Particulars	Amount (₹ in Lacs)
Net Profit for F.Y. 2016-17	4,655
Add: Opening Balance in Profit and Loss Account	1
Add: Write-back of excess appropriation for expenses, Centenary Fund, Education Fund	297
<b>Total Profit available for appropriation</b>	<b>4,953</b>
<b>Appropriations :-</b>	
Statutory Reserve Fund @25% of Net Profit	1,164
Contingency Reserve Fund @10% of Net Profit	465
Education Fund @1% of Net Profit	47
Building Fund	286
Bad and Doubtful Debts Fund	500
Reserve for Donations	4
Investment Fluctuation Reserve	83
Proposed Dividend @ 12% p.a. (pro-rata) (Including 2% Special Dividend for Centenary Year)	1,045
Proposed Dividend on PNCPS @ 7% p.a.	55
Ex-Gratia to Staff (Including 2% additional Ex- Gratia for Centenary Year)	860
Staff Welfare Fund	80
Members' Welfare Fund	22
Special Reserve U/s 36 (1) (viii) of I.T. Act, 1961	340
<b>Balance carried forward</b>	<b>2</b>
<b>Total</b>	<b>4,953</b>

**2. Perpetual Non-Cumulative Preference Shares (PNCPS) :**

As per approval for Rs.5,000.00 Lacs granted by RBI vide its letter no. DCBS/MRO/BSS I/5911/12.07.163/ 2014-15 dated February 25, 2015 and the Director to Central Registrar of Co-operative Societies vide its letter no. R-11017/6/2004 – L and M (Pt.) dated 28th November, 2014, and Board Approval dated 23rd September, 2014, in the current year, the Bank has raised Rs. 550.30 Lacs by way of Perpetual Non-Cumulative Preference Shares (PNCPS) (P.Y. 378.40 Lacs) for raising Tier I Capital thus, cumulatively amounting to Rs. 928.70 Lacs.

The terms and conditions regarding issue of Preference Shares remains same as detailed in Notes to Accounts of last year.



### 3. Long Term Subordinated (Tier-II) Deposits (LTD):

In accordance with the approval for Rs.5,400.00 Lacs upto 31.03.2017 granted by the Deputy Director to Central Registrar of Co-operative Societies vide its letter no. R-11017/6/2004 – L and M (Pt.) dated 5th September, 2016, and Board Approval dated 22nd July, 2016, during the year 2016-2017, the Bank has raised Rs.5,400.00 Lacs by way of Long Term Subordinated (Tier-II) Deposits (Series-III) { In P.Y. Rs. 5,571.75 Lacs by way of Long Term Subordinated (Tier-II) Deposits (Series-II) for F.Y. 2015-16 and for F.Y. 2014-15, the Bank has raised Rs. 5,000.00 Lacs by way of Long Term Subordinated (Tier-II) Deposits (Series-I)}, cumulatively amounting to Rs.15,971.75 Lacs.

Repayment of LTD Series III will be done only at maturity with prior approval of the Reserve Bank of India.

The amount of LTD Series I, Series II and Series III after applying relevant discounting factors is included in the Tier-II capital funds of the Bank for Capital Adequacy purpose as per RBI Guidelines.

### 4. Settlement Credit/Debit Account:

Settlement Debit and Credit Accounts (Contra) represents mirror impact of the cost of acquisition of Shree Shahu Co-operative Bank Ltd. (SSCBL) and the entries pertaining to the Gains / Losses incurred post merger on Assets and Liabilities taken over.

5. During the year, the Bank has transferred an amount of Rs. 82.54 Lacs (P.Y. Rs.78.36 Lacs), being profit on redemption of investments held in HTM category, to IFR through Appropriation.
6. During the year, the Bank has written off an amount of Rs. 1,341.50 Lacs (P.Y. Rs. 1,259.49 Lacs) towards bad debts which is identified by the Management as irrecoverable, approved by the Board of Directors and certified by the Statutory Auditors. The said amount has been fully provided for, and accordingly an equivalent amount has been written back from the Bad and Doubtful Debt Reserve.
7. The Bank has not sold any of its assets to Assets Reconstruction Company, during the year (P.Y. NIL).
8. Old Unclaimed Pay Orders and Sundry Deposits transferred from Reserve Fund to Depositor Education and Awareness Fund (DEAF) Liability Account.

Amounts in DEAF Liability Account which are over 10 years amounting to Rs.11.29 Lacs (P.Y. Rs.21.39 Lacs) have been transferred during the year to RBI.

9. Claims receivable over 1 year is provided over a period of 3 years. The same is disclosed net of provisions thereon.
10. In respect to those Fixed Assets that have been revalued by the Bank, depreciation on the revalued portion of such assets is included in Depreciation Expenses and the same amount is correspondingly reversed from Revaluation Reserve and credited to the Profit and Loss Account.
11. Commission and Exchange Income include Income from Forex Business Rs. 299.14 Lacs (P.Y. Rs. 379.72 Lacs). Exchange Profit is Rs.132.29 Lacs (P.Y. Rs. 97 Lacs)
12. The Bank has earned an Income of Rs. 215.62 Lacs (P.Y. Rs. 276.38 Lacs) on account of Corporate Agency of Insurance Business with Bajaj Allianz and Max Life Insurance & ICICI Lombard General Insurance Co. Ltd. The same is disclosed under Commission, Exchange and Brokerage in the Profit and Loss Account.
13. The Bank has earned an Income of Rs. 8.60 Lacs (P.Y. NIL) on account of Corporate Agency of Mutual Fund business with Birla Sunlife Asset Management Co. Ltd. & Reliance Nippon Life Asset Management Ltd. The same is disclosed under Commission, Exchange and Brokerage in the Profit and Loss Account.

**14. Disclosure under AS - 15 “Employee Benefits” Provident Fund:**

(₹ in Lacs)

Sr. No.	Particulars	Provident Fund	
		31.03.2017	31.03.2016
1	<b>Employment and Retirement Benefits</b>		
	<b>Post Employment Benefits</b>		
	Bank’s contribution to Provident Fund debited to Profit and Loss Account	<b>569.12</b>	501.44

**15. Disclosure under AS - 15 “Employee Benefits” - Gratuity :**

The following table sets out the status of the Gratuity Plan as required under AS 15. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:

(₹ in Lacs)

Sr. No.	Particulars	Gratuity Funded	
		31.03.2017	31.03.2016
1	<b>Principal actuarial assumptions as at the date of balance date:</b>		
	Discount Rate	7.10%	7.90%
	Salary Escalation	4.00%	4.00%
	Expected Return on Plan Assets	7.10%	7.90%
2	<b>Reconciliation of opening and closing balance of present value of obligation</b>		
	Present value of obligation as at the beginning of the year	<b>1,804.95</b>	<b>1,496.85</b>
	Interest cost	135.86	118.02
	Current service cost	119.21	97.40
	Benefit Paid	(140.73)	(104.02)
	Actuarial (Gain)/ Loss on obligations	227.74	196.70
	Present value of obligation as at the end of the year	<b>2,147.03</b>	<b>1,804.95</b>
3	<b>Reconciliation of opening and closing balance of present value of plan assets</b>		
	Fair value of plan assets as at the beginning of year	<b>1,640.12</b>	<b>1,598.52</b>
	Adjustment to Opening Fund	-	-
	Expected return on plan assets	127.55	151.14
	Contributions	374.18	1.56
	Benefits paid	(140.73)	(104.02)
	Actuarial Gain/ (Loss) on plan assets	7.60	(7.08)
	Fair value of plan assets as at the end of the year	<b>2,008.72</b>	<b>1,640.12</b>

(₹ in Lacs)

Sr. No.	Particulars	Gratuity Funded	
		31.03.2017	31.03.2016
4	<b>Amount to be recognized in the Balance Sheet</b>		
	Present value of obligation as at the end of the year	2,147.03	1,804.95
	Present value of plan assets as at the end of the year	2,008.72	1,640.12
	Funded Status	138.31	164.83
	Net (Asset)/Liability in Balance Sheet	138.31	164.83
5	<b>Expenses Recognised in the Profit and Loss Account</b>		
	Current service cost	119.21	97.40
	Interest cost	135.86	118.02
	Expected return on plan assets	(127.55)	(151.15)
	Net Actuarial (Gain)/ Loss recognised in the year	220.14	203.79
	Expenses recognised in statement of Profit and Loss	347.66	268.06

**16. Disclosure under AS - 15 “Employee Benefits” - Leave Encashment:**

(₹ in Lacs)

Sr. No.	Particulars	Leave Encashment	
		31.03.2017	31.03.2016
1	<b>Principal actuarial assumptions as at the date of balance date:</b>		
	Discount Rate	7.10%	7.90%
	Salary Escalation	4.00%	4.00%
	Expected Return on Plan Assets	7.10%	7.90%
2	<b>Reconciliation of opening and closing balance of present value of obligation</b>		
	Present value of obligation as at the beginning of the year	924.34	792.44
	Interest cost	70.12	61.73
	Current service cost	44.56	37.52
	Benefit Paid	(105.23)	(107.36)
	Actuarial (Gain)/ Loss on obligations	220.17	140.01
	Present value of obligation as at the end of the year	1,153.96	924.34
3	<b>Reconciliation of opening and closing balance of present value of plan assets</b>		
	Fair value of plan assets as at the beginning of year	896.11	936.00
	Adjustment to Opening Fund	-	-
	Expected return on plan assets	69.64	74.65
	Contributions / (Utilization)	173.97	(12.84)
	Benefits paid	(105.23)	(107.36)
	Actuarial Gain/ (Loss) on plan assets	8.51	5.66
	Fair value of plan assets as at the end of the year	1,043.00	896.11

(₹ in Lacs)

Sr. No.	Particulars	Leave Encashment	
		31.03.2017	31.03.2016
4	<b>The amounts to be recognised in the Balance Sheet</b>		
	Present value of obligation as at the end of the year	1,153.96	924.34
	Present value of plan assets as at the end of the year	1,043.00	896.11
	Funded Status	110.96	28.23
	Net (Asset)/Liability in Balance Sheet	110.96	28.23
5	<b>Expenses Recognised in the statement of Profit and Loss</b>		
	Current service cost	44.56	37.52
	Interest cost	70.12	61.73
	Expected return on plan assets	(69.65)	(74.65)
	Net Actuarial (Gain)/ Loss recognised in the year	211.66	134.35
	Expenses recognised in statement of Profit and Loss	256.69	158.95

Discounting Rate is benchmarked to 10 years Government Security yield.

#### 17. Disclosure under AS - 17 on “Segment Reporting”:

Information about Primary Business Segments:

(₹ in Lacs)

Business Segments	For 2016-17			For 2015-16		
	Treasury and Forex	Other Banking Operations	Total	Treasury and Forex	Other Banking Operations	Total
Revenue	19,094.40	56,605.35	75,699.75	17,454.99	51,056.86	68,511.86
Expenses	13,614.94	55,418.59	69,033.54	13,005.22	48,725.23	61,730.46
Result	5,479.46	1,186.75	6,666.22	4,449.77	2,331.63	6,781.40
Unallocated expenses			235.81			225.44
Profit Before Tax			6,430.41			6,555.96
Income Tax			1,775.32			1,989.37
Extraordinary profit/loss			-			-
Net Profit			4,655.08			4,566.59
Other Information						
Segment assets	2,07,253.56	5,97,075.29	8,04,328.85	1,64,217.18	5,18,541.30	6,82,758.48
Unallocated assets			24,465.88			22,612.97
Total assets			8,28,794.74			7,05,371.45
Segment liabilities	1,74,417.96	6,02,495.46	7,76,913.42	1,67,500.64	4,86,099.40	6,53,600.04
Unallocated liabilities			20,411.18			22,027.20
Shareholders' Funds			31,470.14			29,744.21
Total liabilities			8,28,794.74			7,05,371.45

**Notes:** The Bank is engaged into two main business segments, (described in Policy Note 15).

The above segments are based on the currently identified segments taking into account the nature of services provided, the risks and returns, overall organisation structure of the Bank and the internal financial reporting system. Segment revenue, results, assets and liabilities include the respective amounts directly identifiable to each of the segments and also amounts apportioned/allocated on a reasonable basis.

**18. Disclosure under AS - 18 on “Related Party Transactions”:**

The Bank is a Co-operative society under the Multi State Co-operative Societies Act, 2002 and there are no Related Parties requiring a disclosure under Accounting Standard 18 issued by The Institute of Chartered Accountants of India (ICAI) other than of the Key Management Personnel.

There being only one Managing Director Shri. Chintamani V. Nadkarni for the financial year 2016-17, in terms of RBI circular dated 29th March, 2003, he being a single party coming under the category, no further details thereon are required to be disclosed.

**19. Disclosure under AS - 19 “Leases”:**

The Bank has entered into cancellable operating leases for the branches' premises except for the initial lock in period. The disclosures under AS 19 on 'Leases' issued by ICAI are as follows:

- a) Lease payments of Rs. 1,278.35 Lacs (P.Y. Rs. 1,026.74 Lacs) have been recognised during the year in the Profit and Loss Account.
- b) The lease agreements entered into pertain to use of premises at the branches. The lease agreements do not have any undue restrictive or onerous clauses other than those normally prevalent in similar agreements regarding use of assets, lease escalations, renewals and a restriction on sub-leases.

**Operating Lease comprises leasing of office premises (AS 19):**

(₹ in Lacs)

Particulars	31.03.2017	31.03.2016
Future lease rental payable as at the end of the year :	8,000.49	6,105.80
-Not later than one year	1,443.54	1,346.71
-Later than one year and not later than five years	5,145.69	4,162.04
-Later than five years	1,411.26	597.05
Total of minimum lease payments recognised in the Profit and Loss account for the year.	1,278.35	1,026.74

**20. Depositor Education and Awareness Fund ( DEAF ) (Schedule 12)- Contingent Liability**

As required under RBI circular DBOD no. DEAF.Cell.BC.101/30.01.002/2013-14 dated 21st March, 2014, the Bank has transferred so far following funds to DEAF with RBI. The movement of the DEAF funds is as follows:

(₹ in Lacs)

Particulars	31.03.2017	31.03.2016
Opening Balance of amounts transferred to DEAF	471.40	445.04
Add : Amounts transferred to DEAF during the year	181.69	36.10
Less : Amounts reimbursed by DEAF towards claims*	6.00	9.74
Closing Balance of amounts transferred to DEAF	647.09	471.40

\*Does not include an amount of Rs. 1.53 Lacs (P.Y. Rs. 1.45 Lacs) that has already been paid by the Bank to the eligible depositors, claim for which has been lodged with the RBI and reimbursement of which is expected. This amount is shown as receivable under Other Assets- Schedule 11.



**21. EARNINGS PER SHARE (EPS) (AS 20):**

(₹ in Lacs)

Particulars	2016-17	2015-16
Net Profit/(Loss) after income tax	4,655.08	4,566.59
Weighted average number of shares	874.15	910.32
Nominal Value of Shares (Rs.)	10.00	10.00
EPS (Rs.)	5.33	5.02

**22. Accounting for Taxes on Income (AS 22):**

Disclosures on major components of DTA/DTL are as under:

(₹ in Lacs)

Particulars	As At 31.03.2016	During 2016-17	As At 31.03.2017
<b>DTA</b>			
Provision for Advances	1,485.39	624.51	2,109.90
Provision for Leave Encashment	319.92	79.47	399.39
<b>TOTAL</b>	<b>1,805.31</b>	<b>703.98</b>	<b>2,509.29</b>
<b>DTL</b>			
Depreciation on Fixed Assets	378.84	146.78	525.62
Others (Special Reserve U/s 36 (1) (viii) of the Income Tax Act, 1961)	508.45	117.52	625.97
<b>TOTAL</b>	<b>887.29</b>	<b>264.30</b>	<b>1,151.59</b>
<b>NET DTA/(DTL)</b>	<b>918.02</b>	<b>439.68</b>	<b>1,357.70</b>

**23. Intangible Assets (AS 26) :**

Details of Computer Software Expenses (Intangible Asset) disclosed under Schedule 11 – Other Assets, are as under:

(₹ in Lacs)

Particulars	2016-17	2015-16
Carrying Amount at the Beginning of the Year	443.09	414.87
Additions during the Year	2,107.35	349.31
	<b>2,550.44</b>	<b>764.18</b>
Amortisation during the Year	431.75	321.09
Carrying Amount at the End of the Year	<b>2,118.69</b>	<b>443.09</b>

**24. Impairment of Assets (AS 28) :**

The Bank has ascertained that there is no material impairment of any of its assets and as such no provision under Accounting Standard 28 issued by ICAI is required.

**25.** The Bank has taken a Group Mediclaim Policy and has paid a premium of Rs. 56.35 Lacs (P.Y. Rs. 47.12 Lacs) on this account.

**26.** The Bank has not undertaken any transaction in respect of Interest Rate Future (As per RBI Circular UBD (PCB) BPD CIR NO. 17/13.01.000/2009-10 dated 28th October, 2009).

**27.** Bills for Collection being Bill Receivable as per Contra includes cheques sent for clearing on 31.03.2017 to RBI amounting Rs. 2,075.84 Lacs (P.Y. Rs. 1,495.44 Lacs).

**28.** In respect of Court litigations against the Bank, there are necessary legal opinions that there will be no adverse orders causing any monetary impact. The Bank considers no provisioning necessary in respect of these court litigation.

Bank is contesting Income Tax Cases for / against in appeal at various levels. Bank has necessary opinion from Independent Tax Counsels that there will be no liabilities / demands to be paid in this regard. Bank also has favorable judgment substantiating their view. Consequently no provision is considered necessary in this regard.

Contingent Liability in respect of Court/Tax cases is disclosed at principal amount claimed excluding interest and penalties thereon.

**29.** Bank was hitherto paying interest on deposit repayable on quarterly basis at the quarter end.

Post Migration to new software, the same is done after completion of 90 days from date of deposit placement. There is no impact on Profit & Loss Account as a result.

**30. Capital Commitments:**

Estimated amount of contracts executed on capital account as of date aggregate to Rs.600.00 Lacs towards relocation of Premises of an existing Branch (P.Y. Rs. 2,092.77 Lacs for CBS Software).

**31.** Previous year figures are re-grouped, re-arranged or modified wherever necessary to conform to the presentation of the current year.

◆◆◆◆

**Schedule No. 15:-**

**Disclosures as per RBI Guidelines: –**

(₹ in Lacs)

Sr. No.	Capital to Risk Asset Ratio (CRAR)	31.03.2017	31.03.2016
1.	A. Tier I Ratio	6.83%	7.46%
	B. Tier II Ratio	5.49%	5.24%
	<b>CRAR</b>	<b>12.32%</b>	<b>12.70%</b>
2.	<b>Movement of CRAR</b>		
	A. Tier I Capital	32,460.67	32,092.50
	B. Tier II Capital	26,085.56	22,543.77
	Capital Funds	58,546.23	54,636.27
	C. Risk Weighted Assets	4,75,100.31	4,30,088.68

(₹ in Lacs)

3.	<b>Value of Investments is as under:</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
	Government/ Approved Securities (Market Value)	1,65,380.27	1,36,349.56
	Bonds of Public Sector Undertakings (Market Value)	-	-
	Other Investments (Cost Value or Market Value whichever is less)	25.08	25.08
	Shares in Co-operative Institution (Cost Value)	0.14	0.14
	<b>TOTAL MARKET VALUE</b>	<b>1,65,405.49</b>	<b>1,36,374.78</b>
	<b>TOTAL FACE VALUE</b>	<b>1,60,276.33</b>	<b>1,35,738.03</b>
	<b>TOTAL BOOK VALUE</b>	<b>1,59,708.15</b>	<b>1,35,003.74</b>

Investment of Face Value Rs. 2,000.00 Lacs (Face Value P.Y. Rs. 2,000.00 Lacs and Market Value Rs. 2,191.40 Lacs as on 31<sup>st</sup> March, 2017 (Market Value P.Y. Rs. 2,116.60 Lacs) have been lodged with CCIL as Collateral / Settlement Guarantee Fund.

Further, Investment of Face Value Rs. 5,000.00 Lacs as on 31<sup>st</sup> March, 2017 (Face Value P.Y. 5,000.00 Lacs) and Market Value Rs. 4,964.00 Lacs as on 31<sup>st</sup> March, 2017 (Market Value P.Y. Rs. 4,829.31 Lacs) have been lodged with CBLO as Collateral / Settlement Guarantee Fund.

Investment of Face Value Rs. 125.00 Lacs as on 31<sup>st</sup> March, 2017 (Face Value P.Y. Rs. 125.00 Lacs) and Market Value Rs. 113.23 Lacs as on 31<sup>st</sup> March, 2017 (Market Value P.Y. 108.36 Lacs) have been lodged with CCIL as Contribution to Default Fund - USD INR Segment.

Investment of Face Value Rs. 125.00 Lacs as on 31<sup>st</sup> March, 2017 (Face Value P.Y. Rs. 125.00 Lacs) and Market Value Rs. 113.23 Lacs as on 31<sup>st</sup> March, 2017 (Market Value P.Y. Rs. 108.36 Lacs) have been lodged with CCIL as Contribution to Default Fund- Forex Forward Segment.

(₹ in Lacs)

Sr. No.	Particulars	31.03.2017	31.03.2016
4.	A. Foreign Currency Liabilities	621.67	46.58
	B. Foreign Currency Assets	621.67	688.26

(Excludes an amount of USD 2,11,893.83 (INR Rs.137.20 Lacs) received in Nostro Account on 31.03.2017 shown in reconciliation).

5. There have been no transactions in Repo and Reverse Repo during the current and the previous Financial Year.

6. Disclosure regarding Non SLR Investments in Bonds as on 31.03.2017.

**A. Issuer Composition :-**

(₹ in Lacs)

No.	Issuer	Amount	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)
A.	PSU's	-	-	-	-
B.	FI's	-	-	-	-
C.	Nationalised Banks	-	-	-	-
D.	Mutual Funds	-	-	-	-
E.	Others	25.22	-	25.22	25.22
F.	Provisions held towards Depreciation	-	-	-	-
	<b>TOTAL</b>	<b>25.22</b>	<b>-</b>	<b>25.22</b>	<b>25.22</b>

**B. Non Performing Investments: -NIL (For F.Y. 2016-17 and F.Y. 2015-16). Hence movement not disclosed.**

(₹ in Lacs)

7.	Advances to sensitive sectors	31.03.2017	31.03.2016
	Against -		
	a. Housing*	88,778.92	77,516.09
	b. Construction business (excluding rent discounting)	11,257.59	9,931.51
	c. Real estate **	6,064.43	4,658.89
	d. Against Shares and Debentures	15.83	23.97
	*Includes staff housing loans of Rs 5,217.38 Lacs (P.Y. Rs. 4,106.47 Lacs) **Includes Rent Discounting of Rs.3,713.44 Lacs, Non-Funded CRE Advances of Rs. 488.54 Lacs and overdraft against property of Rs.1,862.45 Lacs, but excludes Mortgage Loans.		

8. There have been no sanctioned limits to directors and relatives (Funded and Non Funded) as at 31.03.2017 (P.Y. – NIL). Advances to directors outstanding as at 31.03.2017 is NIL (P.Y. - NIL). Directors and relatives have not given any guarantees for any limits sanctioned by the Bank.

Particulars	31-03-2017	31-03-2016
<b>9. Average cost of deposits</b>	<b>7.17%</b>	<b>7.77%</b>

(₹ in Lacs)

Particulars	31-03-2017	31-03-2016
<b>10. NPAs at the end of the year</b>		
a. Gross NPAs	<b>24,398.14</b>	17,216.13
b. Net NPAs **	<b>14,790.71</b>	9,771.31

\*\* During the year, the Bank has proposed appropriation subject to approval of AGM of an amount of Rs. 500.00 Lacs (P.Y. Rs. 325.00 Lacs) towards Bad and Doubtful Debts Fund(BDDF) over and above the existing provision made towards Bad and Doubtful Debts. The proposed amount in the said fund is netted off against NPAs in arriving at the figure of net NPAs. cumulative BDDF is Rs. 1,625.00 Lacs.

(₹ in Lacs)

	Particulars	31-03-2017	31-03-2016
<b>11.</b>	<b>Movements in NPA</b>		
	Opening Balance – Gross NPAs	<b>17,216.13</b>	<b>17,049.91</b>
	Additions during the year *	<b>12,668.42</b>	5,433.26
	Less: Closed/ Recovered / Written Off/upgraded	<b>5,486.41</b>	5,267.04
	<b>Closing Balance</b>	<b>24,398.14</b>	<b>17,216.13</b>
* Does not include amounts of NPAs of Rs. 11,215.87 Lacs added and recovered during the current year. (P.Y. Rs. 4,728.53 Lacs)			

		31-03-2017	31-03-2016
<b>12.</b>	<b>Profitability **</b>		
	A. Interest income as a percentage of working funds	<b>8.58%</b>	9.04%
	B. Non-Interest income as a percentage of working funds	<b>0.54%</b>	0.51%
	C. Operating profit as a percentage of working funds	<b>1.27%</b>	1.27%
	D. Return on Assets (Net Profit /Average of working funds)	<b>0.62%</b>	0.70%
	E. Business (Deposits + Advances) per employee (Rs. Lacs)	<b>1,003.48</b>	901.86
	F. Profit per employee (Rs. Lacs)	<b>3.82</b>	3.90
	** Working Fund excludes Contra items in Balance Sheet.		



(₹ in Lacs)

Particulars	31-03-2017	31-03-2016
<b>13. Provisions made towards NPA during the year debited to Profit and Loss Account</b>	<b>3,340.00</b>	<b>1,805.93</b>

(₹ in Lacs)

Particulars	31-03-2017	31-03-2016
<b>14. Contingent provision made/ (written back) during the year against depreciation in investment</b>	<b>(15.00)</b>	<b>-</b>

(₹ in Lacs)

Particulars	31-03-2017	31-03-2016
<b>15. Movement in provisions</b>		
<b>A. Towards NPAs</b>		
Opening Balance	<b>5,983.93</b>	<b>6,160.09</b>
Add: Provision during the year	<b>3,340.00</b>	<b>1,805.93</b>
<b>Total</b>	<b>9,323.93</b>	<b>7,966.02</b>
Less: Written back of provision on account of Closed /Recovered/ Written off of NPAs	<b>(1,341.50)</b>	<b>(1,982.09)</b>
<b>Closing Balance</b>	<b>7,982.43</b>	<b>5,983.93</b>
**Amount proposed to be appropriated from Net profit to Bad and Doubtful Debts Fund	<b>500.00</b>	<b>325.00</b>
<b>B. Towards Standard Assets</b>		
Opening Balance	<b>1,701.33</b>	<b>1,347.33</b>
Add: Additions during the year	<b>373.67</b>	<b>354.00</b>
Less: Written back during the year	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>2,075.00</b>	<b>1,701.33</b>

(₹ in Lacs)

	31-03-2017	31-03-2016
<b>16. Movements in Contingent provisions against depreciation in investment</b>		
Opening Balance	<b>16.30</b>	<b>16.30</b>
Add: Provision made during the year	<b>-</b>	<b>-</b>
Less: Excess provision reversed	<b>15.00</b>	<b>-</b>
<b>Closing Balance</b>	<b>1.30</b>	<b>16.30</b>

(₹ in Lacs)

		31-03-2017	31-03-2016
<b>17.</b>	<b>Movements in Investment Fluctuation Reserve</b>		
	Opening Balance	1,442.54	1,363.54
	Additions during the year	-	-
	<b>Appropriations :</b>		
	Amount Transferred	83.00	79.00
	Less : Excess amount reversed	-	-
	<b>Closing Balance</b>	<b>1,525.54</b>	<b>1,442.54</b>

**18. Disclosure in respect of Restructured Accounts as per RBI master circular no. RBI/2009-10/93UBD. PCB.MC.No. 3 / 09.14.000 / 2009-10 July 1, 2009 (Annexure - VIII)**

(₹ in Lacs)

<b>Restructured Accounts during F.Y. 2016-17</b>				
		<b>Housing Loans</b>	<b>SME Debt Restructuring</b>	<b>Others</b>
Standard	No of Borrowers	-	1	1
Advances	Amount Outstanding	-	78.72	5.00
Restructured	Sacrifice *	-	3.94	0.25
Substandard	No of Borrowers	-	-	-
Account	Amount Outstanding	-	-	-
Restructured	Sacrifice*	-	-	-
Doubtful	No of Borrowers	-	2	1
Accounts	Amount Outstanding	-	253.04	372.57
Restructured	Sacrifice *	-	12.65	18.63
<b>Total</b>	<b>No of Borrowers</b>	-	<b>3</b>	<b>2</b>
	<b>Amount Outstanding</b>	-	<b>331.76</b>	<b>377.57</b>
	<b>Sacrifice</b>	-	<b>16.59</b>	<b>18.88</b>

\*Diminution in Fair Value (Calculated @ ROI charged to the borrower / PLR whichever is higher).

Note: There are no accounts pending for restructuring where applications have been received and not approved.

**19.** DICGC Insurance Premium paid for the current financial year is Rs. 686.08 Lacs (P.Y. Rs. 612.69 Lacs).

**20.** No penalty has been charged by the RBI for the current financial year.

## 21. Capital Charge on Market Risk :

### Market Risk in Trading book - Standardized Modified Duration Approach:

#### Qualitative Disclosures:

The general qualitative disclosure requirement for market risk:-

#### Strategies and Processes:

Investment Policy which includes Market Risk Management is in line with the RBI regulations vide circular UBD.BPD.(PCB). Cir. No. 42/09.11.600/2009-10 dated February 8, 2010 and business requirements.

The overall objective of market risk management is to enhance profitability by improving the Bank's competitive advantage and mitigate loss from all types of market risk loss events.

#### Scope and Nature of Risk Reporting / Measurement Systems:

The Bank has regulatory / internal limits for various Instruments in place.

Various exposure limits for market risk management such as Overnight Limit, Aggregate Gap Limit and Investment Limit etc. are in place.

The portfolio covered by Standardized Modified Duration Approach for computation of Capital Charge for Market Risk includes investment portfolio held under AFS and Forex Open positions.

#### Quantitative Disclosures :

(₹ in Lacs)

Particulars	Amount of Capital Required	
	31.03.2017	31.03.2016
• Interest rate risk	3.01	4.46
• Equity position risk	5.11	5.11
• Foreign exchange risk	52.74	31.05

## 22. Information under Micro Small and Medium Enterprises (Development) Act, 2006 (MSMED Act, 2006)

The information from suppliers/service providers regarding their registration under MSMED Act, 2006 is not received by the Bank. Therefore, information relating to cases of delays if any, in payment to such enterprises or of interest payments due to such delays is not given.

◆◆◆◆

## ANNEXURE 'I'

<b>NAME OF THE BANK</b>	:	NKGSB CO-OPERATIVE BANK LTD.
<b>REGISTERED OFFICE ADDRESS</b>	:	'LAXMI SADAN', 361, V.P. ROAD, GIRGAUM, MUMBAI 400 004.
<b>DATE OF REGISTRATION</b>	:	SEPTEMBER 26, 1917
<b>NO. &amp; DATE OF RBI LICENCE</b>	:	UBD MH 493 P, DT. JULY 26, 1986
<b>AREA OF OPERATION</b>	:	STATES OF MAHARASHTRA, KARNATAKA, GUJARAT, GOA, MADHYA PRADESH AND UNION TERRITORY OF DAMAN, DIU, DADRA & NAGAR HAVELI

(₹ in Cr.)

ITEMS	AS ON MARCH 31, 2017
No. of Branches (including Head Office)	105
<b>Membership</b>	
No of Regular Members	53,442
No of Nominal Members	13,009
Paid up Share Capital	₹ <b>94.48</b>
Total Reserves and Funds	₹ <b>706.49</b>
<b>Deposits</b>	
Current	₹ 403.87
Savings	₹ 1,352.63
Term	₹ 5,338.39
Total	₹ <b>7,094.89</b>
<b>Advances:</b>	
Secured	₹ 5,090.25
Unsecured	₹ 37.26
Total	₹ <b>5,127.51</b>
Total % of Priority Sector	40.83%
Total % of Weaker Section	6.81%
Overdues	₹ 24,410.08
Overdue Percentage	4.76%
<b>Borrowings</b>	₹ <b>159.72</b>
<b>Investments</b>	₹ <b>1,977.72</b>
<b>Audit Classification</b>	A
<b>Profit for the year</b>	₹ <b>46.55</b>
<b>Working Capital</b>	₹ <b>8,088.00</b>
<b>Total Staff</b>	<b>1,218</b>

# PROGRESS REPORT OF THE BANK (1917-2017)

Year	Members	Paid up Capital *	Reserves *	Deposits *	Advances *	Investments *	Cash & Bank *	Working Capital *	Net Profit *	Total Dividend On Equity Shares	Rate of Dividend On Equity Shares
<b>1917-18</b>	<b>104</b>	<b>2881</b>	<b>112</b>	<b>1494</b>	<b>3593</b>	<b>-</b>	<b>915</b>	<b>4487</b>	<b>22</b>	<b>-</b>	<b>-</b>
1920	183	5404	512	14587	19106	190	1967	21468	870	352	5%
1930	334	6699	4782	36395	31346	12567	7208	51768	1409	594	6 1/4%
1940	716	15960	15288	224314	125638	101065	38675	268656	3610	905	6 1/4%
<b>Silver Jubilee 1942</b>	<b>800</b>	<b>0.24</b>	<b>0.18</b>	<b>3.39</b>	<b>1.19</b>	<b>2.34</b>	<b>0.39</b>	<b>3.97</b>	<b>0.03</b>	<b>0.01</b>	<b>6 1/4%</b>
1950	1335	0.72	0.99	17.34	1.61	17.21	0.33	20.17	0.15	0.04	6 1/4%
1960	2206	1.25	1.74	26.63	17.01	13.09	0.42	31.39	0.36	0.08	6 1/4%
<b>Golden Jubilee 1967</b>	<b>3530</b>	<b>2.15</b>	<b>3.78</b>	<b>63.68</b>	<b>46.84</b>	<b>14.05</b>	<b>10.65</b>	<b>73.20</b>	<b>0.69</b>	<b>0.18</b>	<b>9%</b>
1977	17357	12.12	17.41	335.81	190.01	79.88	101.18	383.58	3.50	1.35	12%
1980	24361	17.93	34.96	631.30	312.58	150.74	229.84	715.89	8.76	1.96	12%
1990	41439	97.88	279.58	4764.95	2931.95	1001.74	1280.81	5410.51	48.33	10.80	12%
<b>Platinum Jubilee 1992</b>	<b>45393</b>	<b>136.47</b>	<b>475.90</b>	<b>6563.33</b>	<b>4560.83</b>	<b>1746.97</b>	<b>919.01</b>	<b>7575.84</b>	<b>84.01</b>	<b>14.50</b>	<b>12%</b>
2003	62810	1294.28	6017.92	74705.35	40626.75	26990.41	14090.44	85618.10	863.90	162.38	14%
2004	65127	1553.19	7398.20	84819.00	45354.59	35533.12	12684.13	97719.94	1164.89	197.73	14%
2005	66373	1734.40	8585.41	96738.57	50387.21	42965.86	12222.15	110821.76	1207.75	231.07	14%
2006	67613	1925.95	9833.88	111213.44	58710.04	44158.81	18769.64	127094.06	1250.79	253.87	14%
2007	69715	2278.11	10193.84	128499.71	78870.39	40563.85	20930.12	145586.40	1503.34	293.94	14%
2008	71461	2699.03	10838.93	154986.27	99518.13	46944.62	22947.74	174748.49	2068.07	341.54	14%
2009	72990	3131.74	12694.04	184025.12	108901.45	59998.08	32904.96	207836.87	2717.20	438.00	15%
2010	74396	3541.19	14071.71	229798.45	136979.83	68382.68	44293.90	258067.27	2740.87	496.00	15%
2011	75663	4090.93	29772.07	264764.88	174895.38	91617.90	16779.35	305584.43	3060.42	584.00	15%
2012	77675	5327.64	32561.60	325365.65	196124.31	132208.34	19764.25	372355.21	3600.50	700.00	15%
2013	42345	6376.45	38756.83	366571.56	240453.06	132010.36	20480.44	419600.13	4,345.95	865.00	15%
2014	45152	8333.83	42324.64	429305.57	281201.28	147485.74	27337.33	486568.14	4031.62	881.00	12%
2015	49110	9168.49	54253.56	533453.27	363718.74	174333.13	28294.16	608864.81	4012.68	1057.00	12%
2016	51562	#9238.22	56577.43	603797.54	453184.17	158336.70	37922.90	691189.76	4566.59	1095.00	12%
<b>2017</b>	<b>53442</b>	<b>#9448.34</b>	<b>61201.11</b>	<b>709488.81</b>	<b>512750.74</b>	<b>197772.33</b>	<b>54416.36</b>	<b>808800.03</b>	<b>4655.08</b>	<b>1045.00</b>	<b>**12%</b>

\* 1917-1940 : Actual  
1942-2017 : in lacs of ₹  
# Including : PNCPS

\*\*(Recommended)



## संचालक मंडळाचा अहवाल (संक्षिप्त गोषवारा)

आपल्या बँकेचा १००वा वार्षिक अहवाल व ३१ मार्च २०१७ या वर्षाखेरीचा ताळेबंद व नफातोटा पत्रक आपल्यापुढे सादर करताना संचालक मंडळास अतिशय आनंद होत आहे.

### ✱ बँकिंग क्षेत्राचा आढावा :

जागतिक आर्थिक प्रक्रियेला वेग येऊन जागतिक वाढीचा दर हा गतवर्षाच्या ३.१% वरून या वर्षी ३.५% वर गेला व पुढील वर्षी ३.६% वर जाण्याची अपेक्षा आहे. गेल्या काही वर्षांत भारतीय अर्थव्यवस्था तीव्रगतीने वाढली असून भारताचा Gross Domestic Product (GDP) दर पुढील वर्षी अखेरीस ७.२% पर्यंत जाण्याची शक्यता आहे. जागतिक बँकेच्या अहवालात याचा उल्लेख दिसतो.

- भारतीय बँकिंग क्षेत्र प्रयोगशील बँकिंगचे साक्षीदार बनत असून रिझर्व बँकेच्या नवीन धोरणानुसार लघुवित्तीय व पेमेंट बँकांच्या निर्मितीद्वारा, बँकिंग कार्यक्षेत्र पुनर्रचित होत आहे.
- आपल्या ५ संलग्न बँका व भारतीय महिला बँक यांच्या विलीनी करणामुळे भारतीय स्टेट बँक ही देशाची अग्रगण्य बँक ठरली असून जागतिक क्रमवारीत तिने पहिल्या ५० बँकांमध्ये आपले स्थान मिळवले आहे.
- नकली नोटांच्या अस्तित्वामुळे चाललेले बेकायदेशीर व्यवहार संपूर्ण पणे नष्ट करण्यासाठी तसेच अतिरेक्यांना होणारा आर्थिक पुरवठा बंद करण्यासाठी भारत सरकारने ८ नोव्हेंबर, २०१६ रोजी रु. ५००/- व रु. १०००/- च्या जुन्या नोटांचे निश्चलीकरण करण्याचा निर्णय घेतला.
- १ जुलै २०१७ पासून वस्तू व सेवा कर (GST) कायदा अंमलात आला असून भारतीय करप्रणालीतील स्वातंत्र्यानंतरची ही सर्वात मोठी सुधारणा ठरली आहे.
- इलेक्ट्रॉनिक प्रणालीचा जास्तीत जास्त वापर करण्याच्या उद्देशाने रिझर्व बँकेने "Vision 2018 document" सादर केले आहे.
- भारतीय बँकिंग व्यवस्थेपुढे नक्त अनुत्पादित कर्जाचे (NPA) एक मोठे आव्हान असून त्याकरिता भारत सरकारने "Insolvency & Bankruptcy code 2016" हे bill पारित केले आहे. तसेच "National Investment Infrastructure Fund" गठित केला आहे.

### ✱ २०१६-१७ या वर्षातील आपल्या बँकेची ठळक वैशिष्ट्ये :

(रु. कोटीत)

तपशील	२०१६-१७	२०१५-१६	२०१४-१५
ठेवी (वाढीची टक्केवारी)	७,०९५ १८	६,०३८ १३	५,३३५ २४
कर्जे (वाढीची टक्केवारी)	५,१२८ १३	४,५३२ २५	३,६३७ २९
उलाढाल (वाढीची टक्केवारी)	१२,२२३ १६	१०,५७० १८	८,९७२ २६
कर व तरतूदीपूर्वीचा नफा	१०२.७६	८८.०६	७८.२२
निव्वळ नफा	४६.५५	४५.६७	४०.१३
ढोबळ अनुत्पादित कर्जे (एकूण कर्जाशी टक्केवारी)	२४३.९८ ४.७६	१७२.१६ ३.८०	१७०.५० ४.६९
निव्वळ अनुत्पादित कर्जे (नक्त कर्जाशी टक्केवारी)	१४७.९१ २.९४	९७.७१ २.१९	९८.२६ २.७६

- ठेवींमध्ये रु. १,०५७ कोटींची वाढ झाली. गतवर्षीच्या १३% वाढी चा दर यंदा १८% वर पोहोचला, तसेच कर्जवाटपामध्ये १३% ची वाढ होऊन ती रु. ५९६ कोटींनी वाढली.
- बँकेची एकूण उलाढाल रु. १,६५३ कोटींनी म्हणजेच १६ टक्क्यांनी वाढली. यंदा बँकेने रु. १२,००० कोटी व्यवसायाचा टप्पा पार केला.
- बँकेचा कर व तरतुदीपूर्वीचा नफा रु. ८८.०६ कोटींवरून यावर्षी रु. १०२.७६ कोटींवर पोहोचला आहे. तरतूदीनंतरचा नक्त नफा रु. ४५.६७ कोटींवरून रु. ४६.५५ कोटींवर पोहोचला आहे.
- बँकेने (NII) Net interest income ३.३४% राखला असून बँकेचा स्वनिधी रु. ६५८.१६ कोटींवरून रु. ७०६.५१ कोटी इतका वाढला आहे.

✳ **विनीयोग :**

संचालक मंडळ वर्ष २०१६-१७ करता नोटीस क्रमांक २ अन्वये खालील विनीयोगांची शिफारस आपल्या मान्यतेसाठी करत आहे.

(रु. लाखात)

	तपशील	२०१६-१७	२०१५-१६
<b>अ)</b>	<b>वैधानिक विनीयोग :-</b>		
१)	वैधानिक राखीव निधी	१,१६४	१,१४२
२)	आकस्मिक विपत्ती निधी	४६५	४५७
३)	शैक्षणिक निधी	४७	४६
<b>ब)</b>	<b>इतर विनीयोग :-</b>		
१)	इमारत निधी	२८६	२४३
२)	अनुत्पादित कर्जासाठीचा निधी	५००	३२५
३)	देणग्यांची तरतूद	४	२
४)	गुंतवणूक चढउतार निधी	८३	७९
५)	नियोजित लाभांश @ १२% on Equity Shares	१,०४५	१,०९५
६)	नियोजित लाभांश @ ७% on Preference Shares (गतवर्षी ९%)	५५	१२
७)	कर्मचारी सानुग्रह अनुदान	८६०	७४०
८)	कर्मचारी कल्याण निधी	८०	८०
९)	सभासद कल्याण निधी	२२	२४
१०)	शताब्दी निधी	-	१०१
११)	विशेष निधी (आयकर कायदा १९६१ च्या कलम ३६ (१) (viii) नुसार)	३४०	२५३
	ताळेबंदात दर्शविलेला नक्त नफा	२	१
	<b>एकूण</b>	<b>४,९५३</b>	<b>४,६००</b>

✳ **बँकेची स्वनिधी पर्याप्तता : (CRAR)**

बँकेने आपल्या स्वनिधी पर्याप्ततेचे प्रमाण (CRAR) कायमस्वरूपी १२% हून अधिक राखण्यात यश मिळवले आहे. वर्षअखेरीस बँकेने आपला CRAR १२.३२% इतका राखला आहे.

✳ **लाभांश :**

शतकमहोत्सवी वर्ष लक्षात घेता, संचालक मंडळाने मार्च २०१७ अखेरीस १२% लाभांशाची शिफारस केली आहे.

✳ **भागभांडवल :**

३१ मार्च, २०१७ रोजी बँकेत भरणा झालेले भागभांडवल रु. ८५.१९ कोटी इतके आहे. यंदा ३,०३० सभासदांची भर पडली असून १,१५० सभासदांची घट झाल्यामुळे एकूण सभासद संख्या ५३,४४२ इतकी झाली आहे. तसेच बँकेचे Preference Share Capital (PNCPS) रु. ३.७८ कोटीवरून रु. ९.२९ कोटीवर पोहोचले आहे.

✳ **ठेवी संकलन :**

मार्च २०१७ च्या वर्षात बँकेच्या ठेवी रु. १,०५७ कोटींनी वाढून रु. ७,०९५ कोटीवर पोहोचल्या असून त्यात १८% वाढ झालेली दिसते.

ठेवींचे तपशील पुढील प्रमाणे :

(रु. कोटीत)

ठेव तपशील	३१/०३/२०१७	%	३१/०३/२०१६	%
बचत	१,३५३	१९.०७	१,०९७	१८.१७
चालू	४०४	५.६९	३०१	४.९८
मुदत	५,३३८	७५.२४	४,६४०	७६.८५
एकूण	७,०९५	१००.००	६,०३८	१००.००

बँकेचे CASA % २३% वरून जवळजवळ २५% इतके झाले आहे. गेल्या वर्षातील वाढीव CASA चे प्रमाण ३३% आहे व या वर्षातही ते वाढविण्याचे उद्दिष्ट बँकेने ठेवले आहे.

✳ **निधींचे आयोजन :**

उद्योग जगतातील मंदावलेली कर्जमागणी व वाढलेले अनुत्पादित कर्जांचे प्रमाण यांच्या परिणामामुळे बँकिंग क्षेत्रात केवळ ६% कर्जवाढ होऊ शकली. या पार्श्वभूमीवर तुमच्या बँकेने १३% ची कर्जवाढ या वर्षी साधली आहे. जोखीम कमी राखण्याच्या उद्दिष्टाने यावर्षी बँकेने किरकोळ (Retail) कर्जे व LCBD यावर लक्ष केंद्रित केले, तरीही NII ३.२७% वरून ३.३४% वर राखण्यात यश मिळवले आहे.

✳ **कर्जवितरणाचे तपशील पुढीलप्रमाणे :**

(रु. कोटीत)

क्षेत्र	२०१६-१७	%	२०१५-१६	%
वैयक्तिक/किरकोळ	१,७६८	३४.४८	१,९३६	४२.७२
व्यापार/सेवा	१,७९९	३५.०८	१,६५६	३६.५४
उत्पादन	१,५६१	३०.४४	९४०	२०.७४
एकूण	५,१२८	१००.००	४,५३२	१००.००

✳ **कर्जाची गुणवत्ता :**

गेल्या वर्षात एकूणच सार्वजनिक खाजगी बँकिंग क्षेत्रातील कर्जाच्या गुणवत्तेची पातळी खालावलेली दिसून आली. बँकेची ढोबळ अनुत्पादित कर्जे व नवत अनुत्पादित कर्जे अनुक्रमे ४.७६ व २.९४% वर पोहोचली. रिजर्व बँकेच्या निर्देशानुसार बँकेने याकरिता आवश्यक त्या तरतूदी केल्या आहेत.

✳ **गुंतवणूक :**

बँकेची सरकारी व इतर रोख्यांमधील एकूण गुंतवणूक रु. १,९७७.७२ कोटी इतकी आहे. बँकेच्या कोष विभागाने रु. १३.८८ कोटींचा व्यापारी नफा यंदा कमावला. यापुढेही गुंतवणूकीवरील उत्पन्न वाढवण्यावर बँकेचा जोर असेल.

✳ **तंत्रज्ञान :**

१६ जानेवारी, २०१७ रोजी बँकेने इन्फोसिसच्या “फिनेकल” या तंत्रप्रणालीचा अवलंब सर्व शाखांमध्ये केला. यानवीन व आधुनिक तंत्रप्रणालीमुळे बँक आपल्या ग्राहकांना अधिक प्रगत व चांगली सेवा देऊ शकेल.

✳ **बिझनेस डेव्हलपमेंट :**

२०१४ साली बँकेने स्थापन केलेल्या बिझनेस डेव्हलपमेंट डिपार्टमेंटने वार्षिक उद्दिष्ट साधण्यासाठी केलेल्या प्रयत्नांना यश येऊन गेल्या ३ वर्षांत सरासरी २०% व्यवसायवृद्धी झाली आहे.

✳ **पुरस्कार:**

- २०१४-१५ या वर्षासाठी बँकेला बृहन्मुंबई नागरी सहकारी बँक असोसिएशन कडून उत्कृष्ट बँकेच्या पुरस्काराने गौरवण्यात आले.
- एनएसडीएल (NSDL) या संस्थेकडून बँकेला पुरस्कारांनी गौरवण्यात आले.

✳ **निश्चलीकरण (Demonetisation) :**

८ नोव्हेंबर, २०१६ रोजी भारत सरकारने रु. १००० व रु. ५००च्या नोटा चलनातून बाद करण्याचा निर्णय घेतला ज्यामुळे सर्व बँकावर कामाचा अतिरिक्त ताण आला. त्या बिकट परिस्थितीतही बँकेच्या प्रत्येक कर्मचार्याने वेळाची पर्वा न करता अत्यंत तत्परतेने ग्राहकांना सेवा दिल्या. बँकेच्या मुख्यालयातील योग्य व्यवस्थापन व मार्गदर्शनामुळे ही परिस्थिती उत्कृष्टरित्या हाताळणे शक्य झाले.

✳ **लेखापरिक्षण :**

३१ मार्च, २०१६ या वर्षाअखेरीसाठी रिझर्व्ह बँकेने लेखापरिक्षण केले. बँकेच्या ९७ शाखा या समवर्ती (Concurrent) लेखापरिक्षणात तर उरलेल्या शाखा या अंतर्गत (internal) लेखापरिक्षणाद्वारे तपासल्या गेल्या.

✳ **वैधानिक लेखापरिक्षकांची पुर्ननियुक्ती :**

२५ जून २०१६ रोजी झालेल्या बँकेच्या ९९व्या वार्षिक सर्वसाधारण सभेत मे. अ.पी. संझगिरी आणि कं. यांची वैधानिक लेखापरिक्षक म्हणून पुर्ननियुक्ती झाली होती. कंपनीची योग्य पात्रता व यंदाही बँकेचे लेखापरिक्षण करण्याची त्यांची इच्छा पाहून संचालक मंडळाने पुढील वार्षिक सर्वसाधारण सभेपर्यंत त्यांच्या पुर्ननियुक्तीचा प्रस्ताव मांडला आहे.

✳ **कार्यविस्तार :**

बँकेच्या वार्षिक व्यवसाय आराखड्या अन्वये रिझर्व्ह बँकेकडून २०१७-१८ या वर्षासाठी बँकेला ५ शाखा उघडण्याचा परवाना मिळाला आहे. त्यानुसार यंदा बँकेने मुंबई, औरंगाबाद, अहमदाबाद व इंदोर या शहरात शाखा उघडण्याचे ठरविले आहे.

✳ **मनुष्यबळ विकास :**

कोणत्याही संस्थेच्या यशामध्ये कर्मचार्यांचा सर्वात महत्वाचा वाटा असतो. या कर्मचार्यांच्या हुशारी व अनुभवाचा संस्थेला जास्तीत जास्त फायदा करून देण्यासाठी वेगवेगळे कार्यक्रम, प्रशिक्षण यांची आखणी करणे हे मनुष्यबळ विकास विभागाचे काम असते.

यंदा ५७ कर्मचार्यांनी त्यांच्या शिक्षणात उन्नती तर ९ कर्मचार्यांनी उच्चशिक्षण तसेच ४८ कर्मचार्यांनी विविध संस्थांचे अभ्यासक्रम पूर्ण केले. यंदाही बँकेने वेलिंगकर इन्स्टिट्यूट या मान्यवर संस्थेकडून कर्मचार्यांसाठी प्रशिक्षण आयोजित केले.

श्री. पी. जी कामथ यांना उप व्यवस्थापकीय संचालकाची पदोन्नती मिळाली. श्री कुमार नारायणस्वामी हे बँकेत सरव्यवस्थापक या पदावर सप्टेंबर २०१६ रोजी तर श्री. गणेश पै हे सह-सरव्यवस्थापक (IT) या पदावर नोव्हेंबर २०१६ रोजी कार्यरत झाले.

✽ **श्रद्धांजली :**

देवनार शाखेत काम करणारी कु. जान्हवी पोखरे, Ancillary Business Dept. मध्ये काम करणारे श्री. महेश धनवानी, कोल्हापूर शाखेचे श्री. नरसू निकम तर पुणे कोथरुड शाखेत काम करणारे श्री. श्रीरंग जाधव यांचे यंदा निधन झाले. ईश्वर या सर्व मृतात्म्यांस शांती देवो अशी श्रद्धांजली बँक व्यक्त करित आहे.

✽ **संचालक मंडळाची निवडणूक :**

५ वर्षांच्या कार्यकालसमाप्तीनंतर जानेवारी २०१७ रोजी नवीन संचालक मंडळाची निवडणूक झाली. २००३ सालापासून संचालक मंडळावर असलेले श्री. वासुदेव मसुरेकर यांनी यंदा संचालक मंडळाची निवडणूक न लढवण्याचा निर्णय घेतला. संचालक मंडळाला त्यांच्या कार्याची नेहमीच आठवण राहिल. महाराष्ट्राबाहेरून श्री. श्रीधर पी. कामत हे बिनविरोध निवडून आले. १९९५ ते २०१२ पर्यंत संचालक मंडळावर असलेल्या अलका दिवाडकर या १ नोव्हेंबर २०१६ रोजी संचालकपदी सहनियुक्त झाल्या. व्यवसायाने सनदी लेखापाल व ३० वर्षांचा आर्थिक क्षेत्राचा दीर्घ अनुभव असलेले श्री रमेश कसबेकर हे २०१६-१७ ते २०२१-२२ या कालावधीसाठी मुंबई विभागातून संचालकपदी निवडून आले. श्री. किशोर कुळकर्णी यांची अध्यक्ष तर श्री. सुनील गायतोंडे यांची उपाध्यक्ष म्हणून २०१६-१७ ते २०२१-२२ या कालावधीसाठी एकमताने निवड करण्यात आली. श्री. गायतोंडे हे व्यवसायाने सनदी लेखापाल व कायदेतज्ञ आहेत.

✽ **ब्रँड बिल्डिंग :**

बँकेच्या मार्केटिंग विभागाने यंदा मुंबई गोवा मार्गावर धावणाऱ्या कोकणकन्या व मांडवी एक्सप्रेस या रेल्वे गाड्यांवर जाहिराती द्वारा प्रभावीपणे बँकेची प्रसिद्धी केली. त्याचबरोबर मुंबई पुणे राष्ट्रीय महामार्गावरही बँकेची जाहिरात दिसून आली. जनसंपर्काच्या अनेक मार्गांचा यंदाही बँकेने वापर केला..

✽ **ठेव विमा :** बँकेच्या ठेवी ‘‘ठेव विमा व कर्ज हमी संस्थेवरील विमा (DICGC)’’ या योजनेद्वारे सुरक्षित आहेत. बँकेने दरवर्षीप्रमाणे यंदाही विम्याचा हप्ता भरला आहे.

✽ **शेठ श्री शांताराम मंगेश कुळकर्णी स्मृती व्याख्यानमाला :**

२४ सप्टेंबर २०१६ रोजी बँकेने शेठ श्री शांताराम मंगेश कुळकर्णी स्मृती व्याख्यानमाले अंतर्गत आदित्य बिरला समूहाचे अध्यक्ष व मुख्य अर्थतज्ञ श्री. अजित रानडे यांचे ‘‘फायनान्शियल इन्क्लुजन अँड टॅक्स पॉलिसी फॉर इन्क्लुजिव्ह इकॉनॉमिक ग्रोथ’’ या विषयावरचे व्याख्यान आयोजित केले होते. याच कार्यक्रमात २०१५-१६ या वर्षात उत्कृष्ट काम करणाऱ्या शाखांना गौरवण्यात आले. यंदा १४ ऑक्टोबर २०१७ रोजी अशीच स्मृती व्याख्यानमाला आयोजित करण्याचा बँकेचा मानस आहे. तसेच बँकेचे आद्य संस्थापक व अध्यक्ष शेठ श्री. शांताराम मंगेश कुळकर्णी यांच्या स्मरणार्थ त्यांचा अर्धपुतळा बँकेच्या मुख्य कार्यालयात स्थापित करण्याचे बँकेने ठरविले आहे.

✽ **शताब्दी वर्ष :** शताब्दी वर्षाच्या निमित्ताने २ ऑक्टोबर, २०१६ रोजी षण्मुखानंद सभागृहात एक भव्यदिव्य सोहळा बँकेने आयोजित केला होता. त्याला बँकेचे हितचिंतक, ग्राहक, सभासद, इतर बँकांचे अध्यक्ष व संचालक मंडळ सदस्य उपस्थित होते. असेच सोहळे बँकेने पुणे, कोल्हापूर, कर्नाटक, कारवार, बंगलोर, हुबळी, फोंडा इथे आयोजित केले. २३ सप्टेंबर २०१७ रोजी शताब्दी समापन सोहळाही असाच स्मरणीय असेल याची खात्री वाटते.

✽ **उपविधी मधील बदल: (Bye-law Amendment)**

गतवर्षीच्या वार्षिक सर्वसाधारण सभेत प्रस्तावित केलेला उपविधी क्र. ३ सेंट्रल रजिस्ट्रार ऑफ को-ऑप. सोसायटी यांनी मान्य केला असून याद्वारे बँक व्यवसाय क्षेत्राचा विस्तार मध्य प्रदेश या राज्यात करू शकते. यावर्षी संचालक मंडळ उपविधी ५१ मध्ये रिझर्व्ह बँकेच्या मार्गदर्शन पर तत्वानुसार बदल करण्याचा प्रस्ताव मांडत आहे ज्यामुळे बँकेचा सभासद बँकेच्या एकूण भागभांडवलाच्या कमाल ५ टक्क्यांपर्यंत किंवा रु.५,००,०००/- पर्यंत भाग घेऊ शकतो.



✽ आभार :

आम्ही आमचे सर्व सभासद, ग्राहक, कर्मचारी, हितचिंतक, इतर संस्था व त्यांचे अधिकारी, यांनी वेळोवेळी दिलेल्या सहकार्याबद्दल आभारी आहोत.

विशेषत :

- रिझर्व्ह बँकेचे मुख्य महाव्यवस्थापक, सरव्यवस्थापक व इतर अधिकारी वर्ग
- केंद्र व राज्यसरकारचे सहकार खाते
- सहकारी बँक कर्मचारी संघटना
- वैधानिक लेखापरिक्षक में अ. पी. संझगिरी, आणि कं. चार्टर्ड अकाउंटंटस्
- सर्व लेखापरिक्षक
- कृषि बँकिंग महाविद्यालय, पुणे
- नॅशनल इन्स्टिट्यूट ऑफ बँक मॅनेजमेंट.
- इंडियन बँकस् असोसिएशन
- नॅशनल फेडरेशन ऑफ अर्बन बँक व क्रेडिट सो.लि., नवी दिल्ली.
- महाराष्ट्र स्टेट को-ऑप. बँक फेडरेशन व असोसिएशन.
- बृहन्मुंबई को-ऑप. बँक असोसिएशन, मुंबई.
- कायदेतज्ज्ञ, स्थापत्यशास्त्रज्ञ, अभियंते.
- वृत्तपत्रे, दूरदर्शन, इतर माध्यमे व त्यांचे कलाकार तसेच बँकेच्या प्रगतीमध्ये ज्यांनी प्रत्यक्ष वा अप्रत्यक्षपणे हातभार लावला त्या सर्वांचे आम्ही मनःपूर्वक आभार मानतो.

मुंबई

दि. ४ जुलै, २०१७

संचालक मंडळाच्या वतीने

किशोर कुळकर्णी

अध्यक्ष

३१ मार्च २०१७

(₹ लाखात)

भांडवल व देणी	३१ मार्च २०१७ रोजी	३१ मार्च २०१६ रोजी
भाग भांडवल	९,४४८	९,२३८
राखीव व इतर निधी	६१,२०१	५६,५७७
नफा / तोटा	२	१
ठेवी	७,०९,४८९	६,०३,७९७
घेतलेली कर्जे	१५,९७२	१०,५७२
थकित कर्जावरील जमा न केलेल्या व्याजावरील तरतूद	११,३५१	९,०८७
व्याज देणे	५,३७१	४२९
इतर देणी	७,३१७	१०,२३९
सेटलमेंट क्रेडिट अकाऊंट	९६	९२
इतर देणी वसूलीची बिले (येणे बाजूप्रमाणे)	८,५४९	५,३३९
<b>एकूण</b>	<b>८,२८,७९६</b>	<b>७,०५,३७१</b>
संभाव्य देणी	३७,११७	३४,४६७

आमच्या याच तारखेच्या अहवालानुसार  
अ.प. संझगिरी व कंपनी  
चार्टर्ड अकाऊंटंट्स  
सही/-

श्री. अभिजित संझगिरी  
भागदार (मे.नं. ४३२३०)  
वैधानिक लेखापरिक्षक  
मुंबई, ४ जुलै, २०१७

## चा ताळेबंद

(₹ लाखात)

मालमत्ता व येणी	३१ मार्च २०१७ रोजी	३१ मार्च २०१६ रोजी
रोख व बँकेतील जमा	७७,९८५	५३,२५८
मागणी योग्य ठेव	१४,४९५	७,९९८
गुंतवणूक	१,५९,७०८	१,३५,००३
दिलेली कर्जे	५,१२,७५१	४,५३,१८४
<b>येणे व्याज:-</b>		
अ) गुंतवणूक व कर्मचारी कर्जे (येणे व्याज)	४,२८६	३,५४३
ब) बुडीत व संशयित कर्जांवरील (येणे व्याज)	११,३५१	९,०८७
स्थावर मालमत्ता	२९,१७१	३०,९७६
इतर मालमत्ता	९,०४६	५,९३६
डिफर्ड टॅक्स असेट (नेट)	१,३५८	९१८
शाखा जूळवणी	---	३७
सेटलमेंट डेबिट अकाऊंट	९६	९२
इतर देणी वसुलीची बिले (येणे बाजूप्रमाणे)	८,५४९	५,३३९
<b>एकूण</b>	<b>८,२८,७९६</b>	<b>७,०५,३७१</b>

किशोर कुळकर्णी  
(अध्यक्ष)  
सुनिल गायतोंडे  
(उपाध्यक्ष)  
चिंतामणी नाडकर्णी  
(व्यवस्थापकीय संचालक)  
समीर रेगे  
(मुख्य व्यवस्थापक - अर्थ व कोष)

राजन भट  
नागेश फोवकार  
नागेश पिंगे  
सुजाता रांगणेकर  
(संचालक)

कौशल मुझुमदार  
अनिल नाडकर्णी  
लक्ष्मीकांत प्रभू  
अलका दिवाडकर  
रमेश कसबेकर  
(संचालक)

मुंबई, ४ जुलै, २०१७

## ३१ मार्च २०१७ अखेर

(₹ लाखात)

खर्च	३१ मार्च २०१७ अखेरीस	३१ मार्च २०१६ अखेरीस
ठेवीवरील व्याज	४६,९१६	४३,५९९
घेतलेल्या कर्जावरील व्याज	१,१५५	६५९
कर्मचारी व अधिकारी वर्गाचा पगार व भत्ते	७,६४४	७,०६९
भाडे, कर, विमा व वीज खर्च	२,५५९	२,१८२
कायदा व व्यावसायिक तज्ञांचे शुल्क	१८७	१६३
टपाल व टेलिफोन खर्च	३७२	३०७
प्रवास खर्च	९०	९६
हिशेब तपासणी शुल्क	११७	१०३
दुरुस्ती व देखभाल	५३५	४३४
मालमत्तेवरील घसारा	१,५१७	१,४५३
रोख्यावरील अतिरिक्त भार	३७१	३७१
छपाई व लेखन सामुग्री खर्च	१२७	१६०
जाहिरात खर्च	२३२	२४२
इतर खर्च	२,२६२	१,६०९
निर्लेखित बुडित खर्च	१,३४२	१,२५९
<b>तरतूदी व संभाव्य देणी</b>		
अ) बुडित व संशयित कर्जांची तरतूद	३,३४०	१,८०६
ब) उत्पादित कर्जावरील तरतूद	३७४	३५४
क) रजा मोबदला निधीवरील व्याज	१०३	८०
ड) पुनर्निर्चित कर्जांची तरतूद	--	१०
ई) मतदान निधीची तरतूद	२९	-
कर पूर्व नफा	६,४३०	६,५५६
	<b>७५,७०२</b>	<b>६८,५१२</b>
आयकर	२,२१५	१,८१०
डिफर्ड टॅक्स	(४४०)	१७९
निव्वळ नफा	४,६५५	४,८६७
<b>एकूण</b>	<b>६,४३०</b>	<b>६,५५६</b>

आमच्या याच तारखेच्या अहवालानुसार  
अ.प. संझगिरी व कंपनी  
चार्टर्ड अकाऊंटंट्स  
सही/-

श्री. अभिजित संझगिरी  
भागिदार (मे.नं. ४३२३०)  
वैधानिक लेखापरिक्षक  
मुंबई, ४ जुलै, २०१७

## संपलेल्या वर्षाचे नफा/तोटा पत्रक

(₹ लाखात)

जमा	३१ मार्च २०१७ अखेरीस	३१ मार्च २०१६ अखेरीस
<b>दिलेल्या कर्जावरील व गुंतवणूकीवरील व्याज</b>		
१) दिलेल्या कर्जावरील व्याज	५५,९३९	४८,७६२
२) गुंतवणूकीवरील व्याज	११,८१२	१०,५९७
३) बँकांतील ठेवीवरील व्याज	१,६८०	३,११०
४) वठणावळ व हुंडणावळ	२,४६९	२,४९५
५) बुडित व संशयित कर्जनिधीतील तरतूदीचे प्रतिक्रमण	१,३४२	१,९८२
६) इमारत पुर्नमुल्यांकन निधीवरील घसारा	५७०	५७०
<b>इतर उत्पन्न</b>		
सरकारी रोख्यांच्या उलाढालीवरील नफा	१,२९२	५५६
म्युच्युअल फंडवरील नफा	१७९	१३६
सुरक्षा तिजोरीवरील भाडे	१९३	१८०
इतर किरकोळ उत्पन्न	७७	२७
विदेशी मुद्रा व्यवहारावरील नफा	१३२	९७
गुंतवणुकीच्या घसाऱ्यावरील तरतूदीचे प्रतिक्रमण	१५	-
स्थावर मालमत्तेच्या विक्रीवरील नफा	२	-
	<b>७५,७०२</b>	<b>६८,५१२</b>
<b>कर पूर्व नफा</b>	<b>६,४३०</b>	<b>६,५५६</b>
<b>एकूण</b>	<b>६,४३०</b>	<b>६,५५६</b>

किशोर कुळकर्णी  
(अध्यक्ष)  
सुनिल गायतोंडे  
(उपाध्यक्ष)  
चिंतामणी नाडकर्णी  
(व्यवस्थापकीय संचालक)  
समीर रेगे  
(मुख्य व्यवस्थापक - अर्थ व कोष)

राजन भट  
नागेश फोवकार  
नागेश पिंगे  
सुजाता रांगणेकर  
(संचालक)

कौशल मुझुमदार  
अनिल नाडकर्णी  
लक्ष्मीकांत प्रभू  
अलका दिवाडकर  
रमेश कसबेकर  
(संचालक)

मुंबई, ४ जुलै, २०१७



Annexure II				
BYE LAW NO.	PRESENT BYE-LAW	AMENDMENT PROPOSED IN THE EXISTING BYE-LAW	TEXT OF BYE-LAW AFTER PROPOSED AMENDMENT	REASON FOR AMENDMENT
51	<p><b>LINKING OF SHARE HOLDING WITH LOAN LIMITS:</b></p> <p>The Shareholding of a member in the Bank shall be in the following proportion to his borrowings:</p> <p>a. 5% of borrowings if such borrowings are on unsecured basis</p> <p>b. 2½% of borrowings in case of secured borrowings and</p> <p>c. 2½% of borrowings in case of small scale industrial units, of which 1% to be collected initially and balance 1½% to be collected in the course of next two years</p> <p>Provided that no member other than authorities referred to in clause (c) to (g) of Sub-Section (1) of Section 25 of the Act shall hold more than 1/5th of the total share capital of the Bank or Rs.5,00,000/- whichever is less.</p> <p>Provided further that any notification, change in percentage of the share-linking by the Reserve Bank of India from time to time shall be binding on the borrower.</p>	<p><b>To replace the existing Bye-Law No. 51 as under:</b></p> <p>The Shareholding of a member in the Bank shall be in the following proportion to his borrowing:</p> <p>a. 5% of borrowings if such borrowings are on unsecured basis</p> <p>b. 2½% of borrowings in case of secured borrowings and</p> <p>c. 2½% of borrowings in case of small scale industrial units, of which 1% to be collected initially and balance 1½% to be collected in the course of next two years</p> <p>Provided that no member other than authorities referred to in clause (c) to (g) of Sub-Section (1) of Section 25 of the MSCS Act, 2002 shall hold more than 5% of the total paid up share capital of the Bank or Rs.5,00,000/- whichever is less.</p> <p>Provided further that any notification, change in percentage of the share-linking by the Reserve Bank of India from time to time shall be binding on the borrower.</p>	<p>The Shareholding of a member in the Bank shall be in the following proportion to his borrowing:</p> <p>a. 5% of borrowings if such borrowings are on unsecured basis</p> <p>b. 2½% of borrowings in case of secured borrowings and</p> <p>c. 2½% of borrowings in case of small scale industrial units, of which 1% to be collected initially and balance 1½% to be collected in the course of next two years</p> <p>Provided that no member other than authorities referred to in clause (c) to (g) of Sub-Section (1) of Section 25 of the MSCS Act, 2002 shall hold more than 5% of the total paid up share capital of the Bank or Rs.5,00,000/- whichever is less.</p> <p>Provided further that any notification, change in percentage of the share-linking by the Reserve Bank of India from time to time shall be binding on the borrower.</p>	<p>In terms of the RBI circular No. UBD CO BPD (PCB) Cir. No. 25/09.18.200/2013-14 dated 1st October, 2013 on 'Share Linking to Borrowing Norm in Urban Co-operative Banks' as also the RBI Master Circular on 'Prudential Norms on Capital Adequacy – UCBs':</p> <p>'A borrowing member may be required to hold shares for an amount that may be computed as per the extant share linking norms or for an amount that is 5% of the total paid up share capital of the bank, whichever is lower.'</p> <p>Further in the course of the RBI Annual Financial Inspection for the year 2015-16, the Inspecting Official has directed the Bank that the proviso 1 to Bye-Law No.51 be changed in terms of the above circulars of RBI.</p> <p>The Board of Directors has therefore proposed amendment to Bye-Law No.51.</p>

**TABLE NO. 1**

Distribution of Shareholders as on March 31, 2017

No. of shares held	No. of Members	%
50 -100	19,811	37.07
101-500	16,387	30.66
501-5000	13,917	26.04
5001 and Above	3,327	6.23
<b>Total</b>	<b>53,442</b>	<b>100</b>

**TABLE NO. 2**

Distribution of Deposit Accounts as on March 31, 2017

(₹ in Cr.)

Amount	No. of Accounts	Amount of Deposits	%
Upto Rs 10,000	2,51,511	66.46	0.94
Rs 10,001 to Rs 50,000.	1,93,736	563.50	7.94
Rs 50,001 to Rs 1,00,000.	1,16,035	872.24	12.29
Rs 1,00,001 to Rs 2,00,000.	71,988	993.76	14.01
Rs 2,00,001 to Rs 10,00,000.	52,140	2,092.79	29.50
Rs 10,00,001 and Above	6,921	2,506.14	35.32
<b>Total</b>	<b>6,92,331</b>	<b>7,094.89</b>	<b>100.00</b>

**TABLE NO. 3**

Distribution of Advances as on March 31, 2017

(₹ in Cr.)

Amount	No. of Accounts	Balance O/s	%
Upto Rs 25,000	1,086	1.07	0.02
Rs 25,001 to Rs 1,00,000.	2,311	13.77	0.27
Rs 1,00,001 to Rs 2,00,000.	1,933	29.00	0.57
Rs 2,00,001 to Rs 10,00,000.	6,721	353.29	6.89
Rs 10,00,001 and Rs 25,00,000	4,713	777.27	15.16
Rs 25,00,001 and Rs 50,00,000	1,988	693.11	13.52
Rs 50,00,001 and Above.	1,821	3,260.00	63.57
<b>Total</b>	<b>20,573</b>	<b>5,127.51</b>	<b>100.00</b>

## PERFORMANCE AND BUDGET ESTIMATE

**A]**

### ASSETS AND LIABILITIES

(₹ in Lacs)

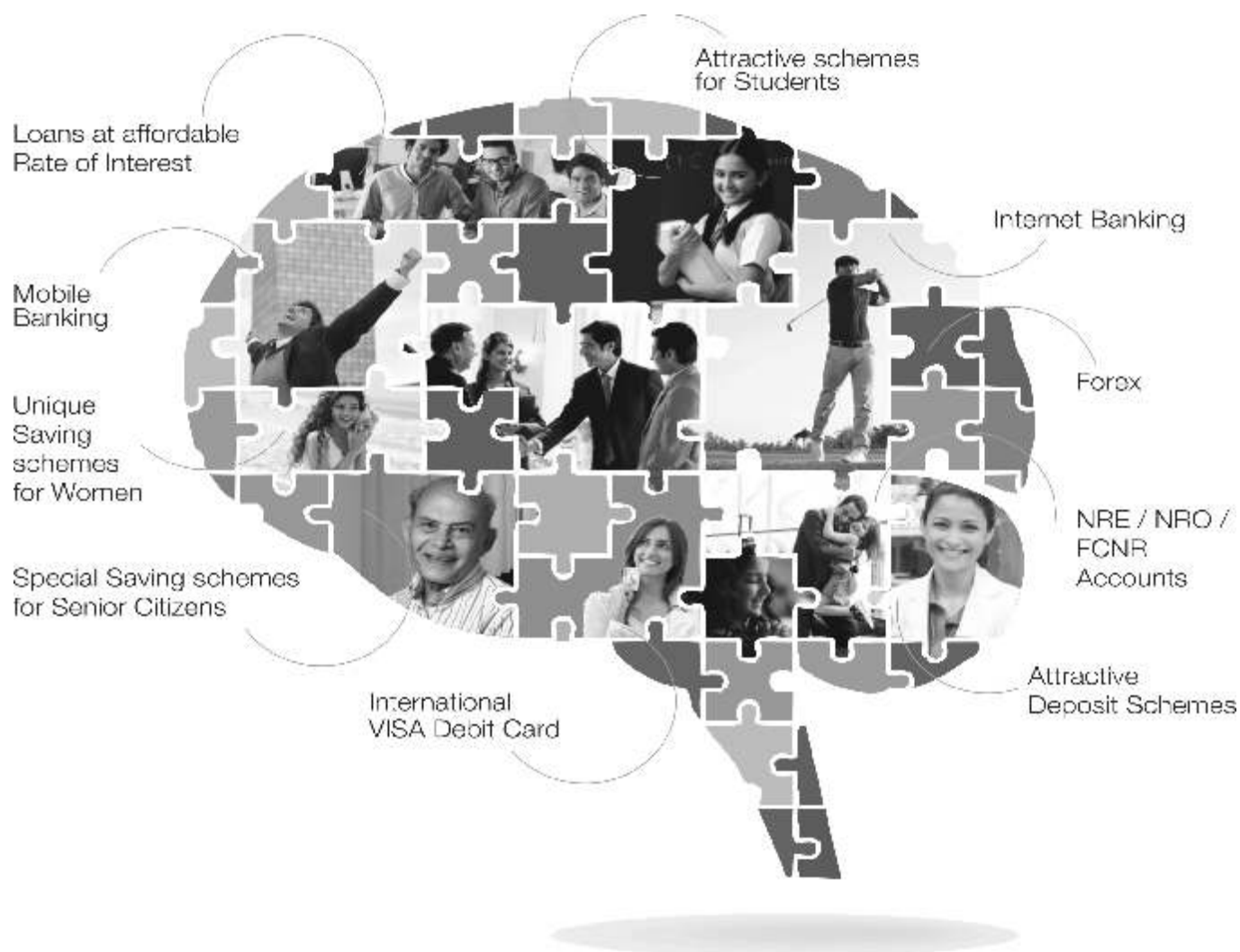
ACTUAL 2016	PARTICULARS	BUDGET 2017	ACTUAL 2017	% INCREASE OVER 2016	BUDGET 2018	% INCREASE OVER ACTUAL 2017
<b>LIABILITIES</b>						
9,238	Share Capital	11,000	9,448	2	13,700	45
56,577	Reserves	60,400	61,201	8	66,701	9
1	Net Distributable Surplus	1	2	-	1	-
<b>65,816</b>		<b>71,401</b>	<b>70,651</b>	<b>7</b>	<b>80,402</b>	<b>14</b>
6,03,797	Deposits	7,24,100	7,09,489	18	8,35,000	18
10,572	Borrowings	14,572	15,972	51	15,972	0
10,668	Sundries	8,127	12,688	19	15,626	23
<b>6,90,853</b>	<b>TOTAL</b>	<b>8,18,200</b>	<b>8,08,800</b>	<b>17</b>	<b>9,47,000</b>	<b>17</b>
<b>ASSETS</b>						
1,96,259	Liquid Assets	2,28,460	2,52,188	28	3,04,600	21
4,53,184	Advances	5,45,900	5,12,751	13	6,00,000	17
30,976	Fixed Assets	31,976	29,171	(6)	27,600	(5)
10,434	Sundries	11,864	14,690	41	14,800	1
<b>6,90,853</b>	<b>TOTAL</b>	<b>8,18,200</b>	<b>8,08,800</b>	<b>17</b>	<b>9,47,000</b>	<b>17</b>

**B]**

### INCOME AND EXPENDITURE

ACTUAL 2016	PARTICULARS	BUDGET 2017	ACTUAL 2017	% INCREASE OVER 2016	BUDGET 2018	% INCREASE OVER ACTUAL 2017
<b>68,512</b>	<b>INCOME</b>	<b>80,062</b>	<b>75,702</b>	<b>10</b>	<b>85,340</b>	<b>13</b>
<b>EXPENDITURE</b>						
44,258	Interest Paid	51,207	48,071	9	53,150	11
7,069	Establishment	7,250	7,644	8	8,100	6
8,379	Others	10,619	9,711	16	12,198	26
1,989	Provision for Taxes	2,540	1,775	(11)	2,319	31
2,250	Provisions	1,946	3,846	71	3,473	(10)
4,567	Net Profit	6,500	4,655	2	6,100	31
<b>68,512</b>	<b>TOTAL</b>	<b>80,062</b>	<b>75,702</b>	<b>10</b>	<b>85,340</b>	<b>13</b>

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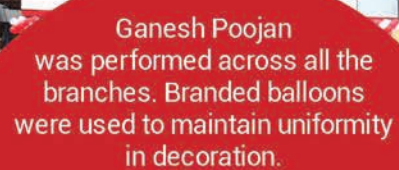
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**Regd. Office: Laxmi Sadan, 361, V. P. Road, Girgaum, Mumbai - 400004**  
**Customer Care No.: 022- 2860 2000 | Email: [customercare@nkgsb-bank.com](mailto:customercare@nkgsb-bank.com)**  
**Web: [www.nkgsb-bank.com](http://www.nkgsb-bank.com)**



**26<sup>th</sup> SEPT, 2016**



His Holiness Shivanand Saraswati Swamiji of Kavle Math visited the Corporate office, Laxmi Sadan, and showered his blessings.



# Centenary Inaugural Ceremony

2<sup>nd</sup> OCT, 2016



Dr. Nandkishore Laud



Dr. Premanand Ramani



Shri V. Leeladhar



Shri M. D. Mallya



The Centenary inaugural function at the Shanmukhanand auditorium was witnessed by over 3000 people consisting of Bank's customers, shareholders, well-wishers, staff, Chairmen, Board members & dignitaries from other peer Banks.

The Chief Guest at the function was Shri. V Leeladhar, former Dy. Governor, RBI & Guests of Honour were Shri. M. D. Mallya, former CMD Bank of Baroda, Dr. Premanand Ramani, Neuro & Spinal Surgeon & Dr. Nandkishore Laud, renowned Orthopedic Surgeon. The programme concluded with musical rendition by Smt. Devaki Pandit, Pt. Shounak Abhisheki & Vinayak Prabhu.



# Centenary Celebration Pune

11<sup>th</sup> MARCH, 2017

Dr. Prof. S. B Muzumdar

Admiral Jayant Nadkarni



The Chief Guest  
at the function was  
Admiral Jayant Nadkarni-  
Retired Admiral Indian Navy,  
Guest of Honour was  
Dr. Prof. S. B Muzumdar-  
Chancellor Symbiosis International,  
University Pune,

The event was attended by  
around 550 people consisting  
of the Bank's customers,  
shareholders,  
well-wishers & staff



# Centenary Celebrations Mumbai

8<sup>th</sup> APRIL, 2017



The event was attended by around 1300 staff and their family members. Honourable (MP) Shri Anandrao Adsul - President Co-op Bank's Employee Union, was the Chief Guest at the event. In his address, he appreciated the cordial relationship between the staff and the management. Staff members gave both vocal and instrumental performances at the event.



# Centenary Celebrations Goa

22<sup>nd</sup> APRIL, 2017



Shri Atmaram Nadkarni



The Centenary celebrations at Goa was organised at the Rajiv Gandhi Kala Mandir, Ponda.

Shri Atmaram Nadkarni, Addl. Solicitor General of India was the Chief Guest at the function. The event witnessed the presence of a large number of customers, shareholders, well-wishers and staff with their family members. The audience was entertained by the musical group Swarbandish, led by Shri Avdhut Rege, who sang Abhangs, old Hindi and Marathi film songs.



# Centenary Celebrations Karwar

23<sup>rd</sup> APRIL, 2017



Shri. Satish Sail

Shri. Jayant Kaikini

Shri. Arun Kulkarni

Shri. Mahabaleshwar Sail

The Centenary celebrations at Karwar the birth place of our founder Chairman Sheth Shantaram Mangesh Kulkarni was organised at Rang Mandir Hall. Eminent Konkani writer Shri Mahabaleshwar Sail was the Chief Guest at the function. The Guests of honour were Shri Jayant Kaikini, Eminent poet & lyricist Kannada cinema, Shri Satish Sail - MLA of Karwar & Shri Shantaram (Arun) Kulkarni grandson of the Bank's founder. The function was attended by the customers, shareholders & staff of our Karwar, Kumta & Sirsi branches.



# Centenary Celebrations Kolhapur

10<sup>th</sup> JUNE, 2017



The event at Kolhapur was attended by over 800 Customers, shareholders, well-wishers and staff. Shrimant Chatrapati Shahu Maharaj was the Chief Guest at the function. The gathering enjoyed a musical evening consisting of Abhangs, Natyageet, Marathi and Hindi film songs, conducted by the group "Panchami", which was led by Shri Abhay Kulkarni.



# Centenary Celebrations Bangalore

8<sup>th</sup> JULY, 2017



Shri R. V. Deshpande

Honourable  
Shri R V Deshpande-  
Minister for Industry & Commerce,  
Govt of Karnataka was the  
Chief Guest at the function.  
An all-women team of musicians,  
under the banner "Sthree Tal Tarang"  
led by Smt. Sukanya Ramgopal,  
entertained the audience  
with their instrumental  
performances ranging from  
Ghatam, Veena, Violin,  
Mridangam and Morching.



# Centenary Celebrations Hubli

9<sup>th</sup> JULY, 2017



Shri Krishnakumar Pai

Shri. R. N. Nayak

Customers, well-wishers and the staff of our Hubli, Dharwad and Belgaum branches gathered for the Centenary celebrations at Hotel Dennison-Hubli. Shri R. N. Nayak, a leading businessman and philanthropist from Hubli, was the Chief Guest at the function. Shri Krishnakumar Pai of Pai Transport was the Guest of Honour.



डोळे मिटून व्यवहार करावा इतकी विश्वासाची बँक



**NKGSB Bank**  
NKGSB Co-op. Bank Ltd.

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Customer Care No.: 022- 2860 2000 | Email: [customercare@nkgsb-bank.com](mailto:customercare@nkgsb-bank.com)  
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