



NKGSB Bank
NKGSB Co-op. Bank Ltd.
(Multi-State Scheduled Bank)



TRADITIONAL VALUES
MODERN OUTLOOK

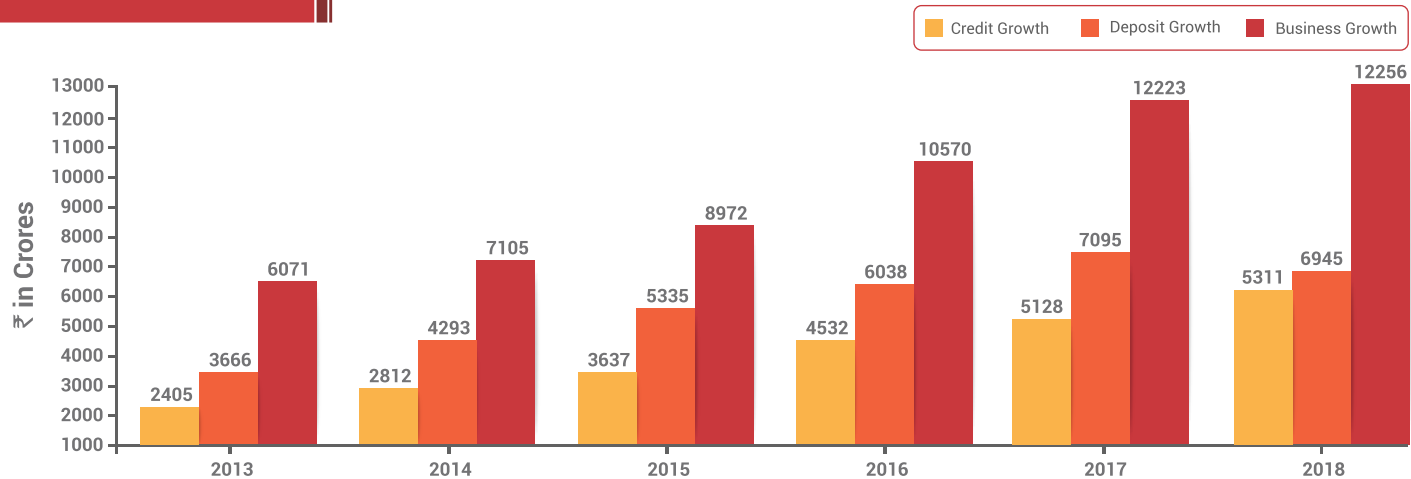
101st Annual Report 2017-18



BRANCH NETWORK ACROSS THE STATES OF MAHARASHTRA, KARNATAKA, GOA, GUJARAT & 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., FCA

Managing Director

CHINTAMANI NADKARNI, B.Com., ACA

Statutory Auditors

A.P.SANZGIRI & CO., Chartered Accountants

COMMITTEES OF THE BOARD

EXECUTIVE

**ADVANCES,
CREDIT MONITORING &
RECOVERY**

**ACCOUNTS,
AUDIT &
INVESTMENT**

**SPECIAL COMMITTEE OF
THE BOARD FOR MONITORING
OF LARGE VALUE FRAUDS**

NOTICE

Notice is hereby given that the 101st Annual General Meeting of the Members of NKGSB Co-operative Bank Ltd., Mumbai, will be held on **SATURDAY, THE 4TH AUGUST, 2018, 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, 2018 and Audited Balance Sheet as on that date.
2. To approve appropriation of Net Profit and to declare dividend for the year ended 31st March, 2018.
3. To appoint Statutory Auditors up to the date of the 102nd Annual General Meeting.
4. Any other business that may be brought forward with the permission of the Chair.

June 30, 2018

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 100th Annual General Meeting held on 5th August, 2017 were duly approved by the Board of Directors in its meeting held on 1st September, 2017 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 the 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 Shares Department. Members are also requested to intimate change of address to the Shares Department.
3. Members may please note that in terms of Bye-Law No. 54(iv), 'any dividend remaining undrawn for three years after having been declared shall be forfeited and shall be carried to the Reserve Fund of the Bank.' Members are therefore requested to collect the unclaimed dividend for the financial year 2015-16 on or before 30.06.2019, failing which the same will be forfeited and credited to Statutory Reserve Fund.
4. Members are requested to avail nomination facility by submitting Nomination form duly completed to the Shares Department.
5. Members will appreciate that to encourage the 'Go Green initiative and paperless communication', next year onwards, Annual Reports will be emailed to the members at their registered email ids and will also be displayed on the website of the Bank. The members interested may download the same from the website of the Bank. Members are also requested to get their email ids registered with the Bank. Members desirous of having a physical copy of the Annual Report may collect the same from the nearest branch or from the Registered Office of the Bank.

CHAIRMAN'S STATEMENT



Dear Shareholders,

It gives me great pleasure to welcome you all at NKGSB Bank's 101st Annual General Meeting.

Centenary Year

The Bank completed its 100th /Centenary year on 26th September, 2017, which is a mile stone in the history of the Bank, founded on 26th September, 1917.

The valedictory function of the Bank's centenary celebration was organized on Saturday, 23rd September, 2017 at Ravindra Natyamandir, Prabhadevi. The morning session of the function began with a felicitation of the Bank's former Chairmen, former Directors, existing Board of Directors, and staff members who have completed more than 30 years of service. The event also included various cultural performances by employees of the Bank.

Post the Felicitation function, a Valedictory function was organised in the afternoon. Hon. Shri P. B. Acharya, Governor of Nagaland and Arunachal Pradesh (holding additional charge then) was invited as the Chief Guest of the function. The function was also attended by other dignitaries as the Guests of Honour viz; Hon. Shri Anandrao Adsul, MP and President, Co-op. Banks' Employees' Union, Dr. Anita Borges (MD FRC Path)-President, SRL Diagnostic Centre, and Eminent Indian Stage and Cine Star, Shri Ashok Saraf.

Launch of our Bank's Platinum RuPay Debit Card

The NKGSB Bank is amongst the first few co-operative banks to launch the "RuPay Platinum Debit Card" with effect from 25th July, 2017. The word 'RuPay' itself has a spirit of nationality in it and gives a proud patriotic feeling.

The Memorandum of Settlement

A Memorandum of Settlement covering the period 1st April, 2017 to 31st March, 2020 was entered into at Mumbai on 28th November, 2017, between the NKGSB Bank and The Co-operative Banks' Employees' Union.

Memorial Lecture

The 19th Sheth Shantaram Mangesh Kulkarni Memorial Lecture was organized on 14th October, 2017 at Pracharya B. N. Vaidya Sabhagraha. Shri Girish Kuber, Editor of Loksatta was the Chief Guest at the event who delivered a lecture on the topic "What it takes to become a Super Power."

Proud Moments

For the year 2017, our Director Shri Nagesh Pinge received the award for "Outstanding Contribution in the field of Internal Audit" from the Asian Confederation of Institutes of Internal Auditors (ACIIA) at a function in Delhi.

Shri Chintamani Nadkarni, Managing Director of the Bank was elected as member of the Managing Committee of the Indian Banks' Association (IBA) on 1st September, 2016 representing Co-operative Member Banks until the conclusion of the AGM of IBA to be held in 2019. He was also appointed as a Chairman of the IBA Committee on Urban Co-operative Banks for the year 2017-18 as also a member of the IBA Standing Committee on Retail Banking and of the Finance Committee of IBA for the year 2017-18. We at NKGSB are indeed proud of both of them for their remarkable achievement.

The Bank has also received few awards in recognition of its performance from Brihan Mumbai Nagari Sahakari Banks' Association and from Maharashtra State Co-operative Banks' Association, etc.

Digitization

In line with the Bank's focus on creating a Competitive advantage through Digitization, the Bank has put in place a robust Core Banking System (CBS), by making capital investment in the CBS and the Mobile and Net Banking systems. The Bank invests in technology on an ongoing basis, being the future of Banking business in India.



Governance

For efficient governance, the Board of Directors continued its extensive engagement with the top and Senior Management of the Bank during various Board and Committee meetings. Such engagements allow the Board to provide guidance to the Leadership team to ensure the Bank's long term sustainable business strategy within the framework of regulatory compliance and Risk Management.

Women Centric Initiative

As on 31st March, 2018, out of the total of 1,157 employees of the Bank, 655 employees i.e. around 57% are women.

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 passed by the Ministry of Law and Justice, the Bank has formed an Internal Committee to address the complaints received.

The Bank also proposes to increase workshops and training programmes designed to sensitize, empower and support women in challenging situation.

Code of Conduct and Whistle Blower Policy

NKGSB Bank's "Vision and Mission" statement states that the conduct of its users should be fair and transparent. They are to work by adopting highest standard of professionalism, Honesty, Integrity with proper ethical and moral behavior. All are bound by the code of conduct.

The Board has also approved a "Whistle Blower Policy" providing the mechanism for reporting about unethical behavior, actual or suspected fraud or violation of conduct and ethics. It also provides an adequate safeguard against victimization of employees, who avail of this facility and also provides for direct access to the Chairman of the Audit Committee in exceptional circumstances.

Financials

The Financial Year 2017-18 was marked by critical economic conditions. Challenges arising out of impact of demonetization and implementation of GST (Goods and Services Tax) affected the business climate in the first half of the year. However, the second half of the year witnessed remonetization of the economy and smooth implementation of the GST architecture and consequently business revived to some extent.

Due to higher inflow of deposits in the second half of F.Y. 2016-17 consequent to demonetization, banks offered lower interest rates on deposits in the F.Y. 2017-18. Further, to face the challenges of the lower interest on lending and to retain good accounts, the Bank had to offer competitive rate of interest on advances. Such balancing of the interest rates, resulted in the business mix remaining more or less stagnant at ₹ 12,256 Cr. as against ₹ 12,223 Cr. in previous year. The benefit derived from reduction in cost of deposits was taken away by reduction in rate of interest on existing as well as new loans sanctioned by the Bank as well as increase in technology cost, wage revision and other administrative expenses. The Bank could however succeed in achieving marginal increase in Net Profit from ₹ 46.55 Cr. in the previous year to ₹ 48.53 Cr. in 2017-18.

NPA Management

Due to two critical conditions namely "Demonetization and implementation of GST" mentioned above, the NPA (Non Performing Assets) continued to remain critical and became matter of concern for the Bank. The repayment of loans by borrowers slowed down substantially. Gross NPA increased from 4.76% to 5.97% and net NPA from 2.94% to 3.66%. The Board of Directors of the Bank adopted various control measures and formed various committees at Board and Senior Management level and down below by taking various measures and legal actions on war-footing. We all at NKGSB Bank are committed to achieving a substantial business growth and controlling NPAs in the coming year.

Gratitude

I am grateful for the active and continuous support of all the members as well as the customers, employees, regulators and the 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 the challenging years.

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

Mumbai
June 30, 2018

Kishore Kulkarni
Chairman

BOARD OF DIRECTORS

KISHORE KULKARNI
CHAIRMAN



SUNIL GAITONDE
VICE CHAIRMAN



RAJAN BHAT
DIRECTOR



ALKA DIWADKAR
DIRECTOR



NAGESH FOVKAR
DIRECTOR



RAMESH KASBEKAR
DIRECTOR



SHREEDHAR KAMAT
DIRECTOR



KAUSHAL MUZUMDAR
DIRECTOR



ANIL NADKARNI
DIRECTOR



NAGESH PINGE
DIRECTOR



LAXMIKANT PRABHU
DIRECTOR



SUJATA RANGNEKAR
DIRECTOR



CHINTAMANI NADKARNI
MANAGING DIRECTOR

MANAGEMENT TEAM



CHINTAMANI NADKARNI
MANAGING DIRECTOR



P. G. KAMATH
DMD



RAVIKIRAN MANKIKAR
CIO



GIRISH HOSKOTE
DGM



SANTOSH BORKAR
DGM



RAJESH KAMAT
DGM



UPENDRA KINI
DGM

FUNCTIONAL HEADS

Shivprakash Nair - Audit & Inspection

Vanita Satam - International Banking

Laxmikant Desai - HRD

Sandeep Patki - Retail Credit & Ancillary Business

Ranjan Gujar - CPC

Samir Rege - Finance & Treasury

Dayanand Shenoy - Clearing

Vinay Rao - Marketing

Ashish Aldangadi - Facilities

Deepali Kandade - Secretarial

CLUSTER HEADS

Vilas Palande - Cluster I

Rohidas Raikar - Cluster II

Rajiv Mainkar - Cluster III

Vasant Kandloor - Cluster IV

Deepak Rao - Cluster V

Prasad Varpe - Cluster VI

Umesh Dhawale - Cluster VII

Nitin Khanolkar - Cluster VIII

Kiran Pai - Cluster IX

Nilesh Bandekar - Cluster X

Mukul Negandhi - Cluster XI

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the 101st Annual Report along with the audited accounts for the financial year ended March 31, 2018.

MACROECONOMIC LANDSCAPE

- i) Global economic activity has continued to expand, though there have been signs of easing of momentum off late.
- ii) Global trade growth has continued to strengthen, though geo-political tensions have contributed recently to declining export orders and air freight.
- iii) Crude oil prices rose sharply till May 24, 2018 on heightened geo-political tensions, but moderated thereafter on expectations of easing of supplies by the Organisation of Petroleum Exporting Countries (OPEC) and Russia.
- iv) In currency markets, the US dollar touched its highest level in June, 2018. The euro depreciated significantly against the dollar.

INDIAN ECONOMY

- i) The economy grew at 7.7% in Q4:2017-18, the fastest pace in the last seven quarters.
- ii) Estimates of agriculture and allied activities have been revised upwards, supported by an all-time high production of foodgrains and horticulture during the year. On a quarterly basis, agriculture growth increased sharply in Q4:2017-18.
- iii) With improving capacity utilisation and credit offtake, investment activity is expected to remain robust even as there has been some tightening of financing conditions in recent months.
- iv) The sharp rise in petroleum product prices, however, is likely to impact disposable incomes.
- v) GDP growth for 2018-19 is retained at 7.4%. GDP growth is projected in the range of 7.5-7.6% in H1 and 7.3-7.4% in H2, with risks evenly balanced.
- vi) A major upside risk to the baseline inflation path is increase in the price of Indian crude basket. Crude oil prices have been volatile recently and this imparts considerable uncertainty to the inflation outlook – both on the upside and the downside.
- vii) As forecasted by the IMD, if the monsoon is normal and well-distributed, it may help keep food inflation benign.

BANKING SCENARIO

Key developments in India's banking industry include:

- The Monetary Policy Committee of RBI has decided to increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.25%, signifying reversal of interest rate cycle, which was on the lower side for the last two years.
- RBI has constituted an expert committee to look into the entire gamut of issues relating to classification of bad loans, effectiveness of audits and rising incidents of frauds. The Committee will be headed by Y H Malegam, a former member of Central Board of Directors of RBI.
- RBI continues to give more thrust on digital banking in line with the Union Government's initiative. The digital payments system in India has evolved the most among 25 countries surveyed on parameters such as round-the-clock availability, adoption and immediacy of payments with India's Immediate Payment Service (IMPS) being the only system at level 5 in the Faster Payments Innovation Index (FPII).
- The Union Cabinet has decided that Government will bear Merchant Discount Rate (MDR) charges on transactions up to ₹ 2,000 made through debit cards, BHIM UPI or Aadhaar-enabled payment systems (AePS) to promote digital transactions. It will be for two years with effect from January 1, 2018 by reimbursing the same to the banks.

- The Government of India is planning to introduce a 2% discount in the Goods and Services Tax (GST) on business-to-consumer (B2C) transactions for which payment is made through cheque or digital mode, up to ₹100 per transaction.
- The SWIFT (Society for World Interbank Financial Telecommunication System) platform has expanded its GPI (Global Payment Innovation) Tracker system to help banks track their global transactions at all times and keep full vigil on payments activity.
- The bank recapitalisation plan announced by Government of India is expected to push credit growth in the country.
- Public sector banks are lining up to raise funds via qualified institutional placements (QIP), backed by better investor sentiment after the announcement of the Government of India's bank recapitalisation plan.
- The RBI has relaxed its branch licensing policy, thereby allowing banks (which meet certain financial parameters) to set-up new branches in tier-2 to tier-6 centers, without prior approval from RBI.
- The RBI has allowed lenders to invest in real estate investment trusts (REITs) and infrastructure investment trusts (InvITs) not exceeding 10 per cent of the unit capital of such instruments.
- The Government of India has introduced 'The Banking Regulation (Amendment) Bill, 2017' to allow the RBI to guide banks for resolving the problems of stressed assets.
- The Insolvency and Bankruptcy Code (Amendment) Ordinance, 2017 has been rolled out and the resolution of few cases under the Code is visible.

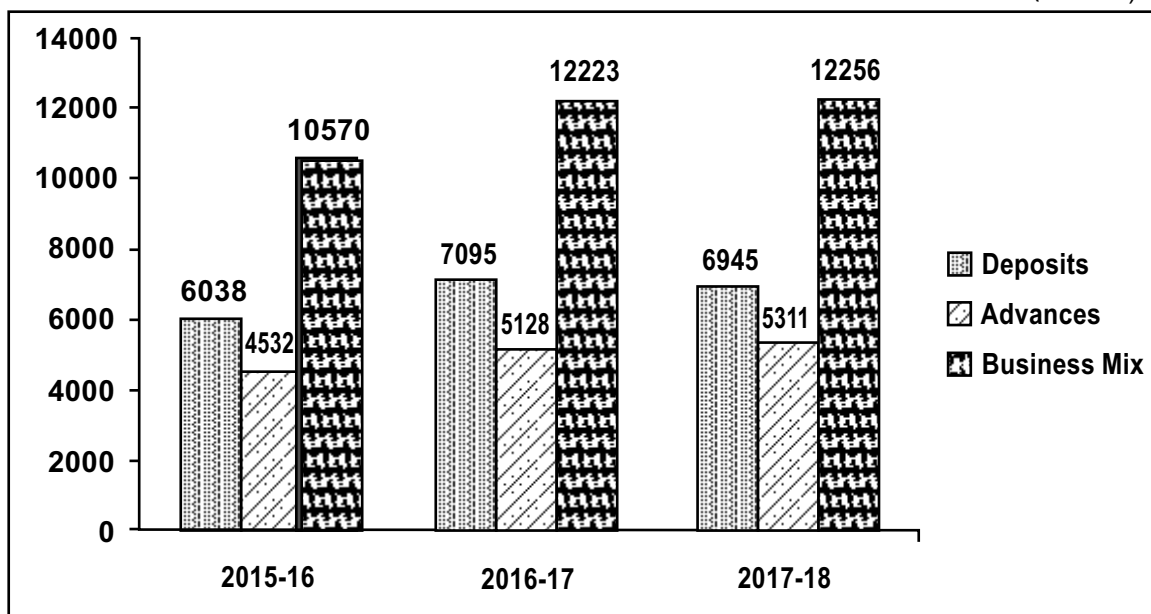
KEY PERFORMANCE HIGHLIGHTS:

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

(₹ in Cr.)

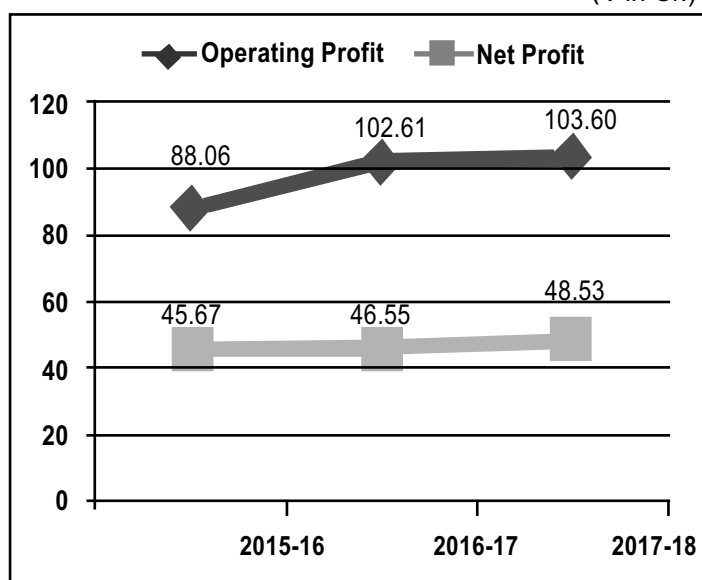
Particulars	2015-16	2016-17	2017-18
Deposits	6,038	7,095	6,945
% growth	13	18	(2)
Advances	4,532	5,128	5,311
% growth	25	13	4
Business-mix	10,570	12,223	12,256
% growth	18	16	0.27
Operating Profit	88.06	102.61	103.60
Net Profit	45.67	46.55	48.53
Gross NPA	172.16	243.98	317.16
% of Advances	3.80	4.76	5.97
Net NPA	97.71	147.91	189.86
% of Net Advances	2.19	2.94	3.66

(₹ in Cr.)



- Deposits of the Bank witnessed a marginal fall by 2% and reached ₹ 6,945 Cr. as at March 31, 2018, as against ₹7,095 Cr. in the previous year.
- Advances increased by 4% and reached ₹ 5,311 Cr., as against ₹ 5,128 Cr. in the previous year.
- The business mix has grown by 0.27% to ₹12,256 Cr. in 2017-18 as against ₹12,223 Cr. in the previous year.
- CD ratio improved to 76% from 72% last year.
- Owned funds stood at ₹ 759 Cr.
- The Bank has maintained NII at 3.30%

(₹ in Cr.)



- Operating Profit has increased from ₹102.61 Cr. to ₹103.60 Cr. during F.Y. 2017-18. Operating Profit per employee has increased from ₹8.44 Lac to ₹8.95 Lac.
- Net Profit after tax and provisions, has also increased from ₹46.55 Cr. to ₹48.53 Cr.

- The Net Profit has been arrived at after taking into account the following one time / extra-ordinary expenses:
 - i) Revision in AS-10 in Revaluation of Fixed Assets (Reversal of revaluation reserve through P&L Appropriation A/c.), causing reduction in Net Profit – ₹ 5.70 Cr. (hitherto routed through profit and loss account).
 - ii) Impact of implementation of new Core Banking Software, 'Finacle' – ₹ 12.58 Cr. (P. Y. ₹ 3.52 Cr.), towards amortization in Profit & Loss A/c. i.e. additional hit of ₹ 9.06 Cr.
 - iii) Increase in Establishment Cost (on account wage revision) – ₹ 4.15 Cr.
 - iv) Centenary Year Celebration Expenses charged to Profit & Loss A/c. – ₹ 2.50 Cr.

The net profit needs to be viewed considering the impact of these factors.

APPROPRIATIONS

The following appropriations are recommended for the financial year 2017-18 for your approval under item No. 2 of the Notice:

(₹ in Lacs)

A)	Statutory Appropriations :-	2016-17	2017-18
1	Statutory Reserve Fund	1,164	1,213
2	Contingency Reserve Fund	465	485
3	Education Fund	47	49
B)	Other Appropriations :-		
1	Building Fund	286	100
2	Bad and Doubtful Debt Fund	500	1,400
3	Donation Fund	4	5
4	Investment Fluctuation Reserve	83	-
5	Dividend @ 10% p.a. (pro-rata) on Equity Shares (P.Y. @10%+2% additional for centenary year)	1,045	835
6	Dividend @ 8.50% p.a. (pro-rata) on Perpetual Non-cumulative Preference Shares (PNCPS) (P.Y.@ 7% p.a.)	55	94
7	Ex-Gratia to Staff	860	800
8	Staff Welfare Fund	80	75
9	Members' Welfare Fund	22	18
10	Special Reserve u/s 36 (1) (viii) of I. T. Act, 1961	340	414
	NET PROFIT CARRIED TO BALANCE SHEET	2	1
	TOTAL	4,953	5,489

CAPITAL TO RISK ASSET RATIO (CRAR)

The Bank's Capital to Risk Asset Ratio (CRAR) is at 12.63% which is above the minimum required benchmark of 12% for a Foreign Exchange Authorized Dealer Category I license.

The Risk Weighted Assets at the end of March, 2018 amounted to ₹ 4,639.60 Cr. against which Capital Funds stood at ₹ 586.19 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 garnered ₹ 159.70 Cr. and through PNCPS, ₹ 12.55 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

The Bank aims to maintain a balance between rewarding the shareholders and ploughing back the profits to maintain adequate CRAR for effectively dealing with the challenges faced by the Banking Industry. Hence the Board of Directors has recommended a dividend @ 10% p.a. on equity shares for the year ended March 31, 2018. This will result in a dividend outflow of ₹ 8.35 Cr. on Equity shares for F.Y. 2017-18 as against ₹10.45 Cr. (includes 2% additional for Centenary Year) for the last financial year.

Dividend on Perpetual Non Cumulative Preference Shares (PNCPS) has been recommended at 8.50% p.a. (P.Y. 7% p.a.)

SHARE CAPITAL

Equity Share Capital:

The paid up capital of the Bank as on March 31, 2018 was ₹ 85.05 Cr. (P.Y. ₹ 85.19 Cr.) subscribed by 54,547 members (P.Y. 53,442 members).

Perpetual Non Cumulative Preference Share Capital (PNCPS):

As on March 31, 2018, the Perpetual Non-Cumulative Preference Share Capital (PNCPS) was subscribed to the extent of ₹ 12.55 Cr. (P.Y. ₹ 9.29 Cr.)

RESOURCE MOBILISATION

The Bank's deposits stood at ₹ 6,945 Cr. as on March 31, 2018 registering a marginal decline of 2.11% i.e. ₹ 150 Cr. over the previous year.

The deposit mix is as under:

(₹ in Cr.)

Type	March 31, 2017	%	March 31, 2018	%
Savings	1,353	19.07	1,389	20.00
Current	404	5.69	338	4.87
Fixed	5,338	75.24	5,218	75.13
Total	7,095	100.00	6,945	100.00

The analysis of bank deposit in India in F.Y. 2017-18 shows that the aggregate deposits Pan India stood at ₹114.75 lakh crore, registering a growth of 6.7% (P.Y. 12%). The growth in this fiscal year is the slowest in the past 54 years.

The Banking Industry witnessed a shift of deposits to other Financial Instruments viz; Insurance and Mutual Funds in view of declining interest rate scenario.

The marginal decline in deposits of the Bank is on account of conscious efforts on part of the Bank to broaden the customer base and doing away with high cost bulk deposits. The Bank encouraged deposits from individual depositors, Credit Societies and Trusts, which has helped the Bank to reduce the cost of deposits from 7.17% in 2016-17 to 6.50% in 2017-18.

Despite the general slowdown in CASA growth, the Bank succeeded in maintaining CASA at around 25% of the total deposits.

RESOURCE DEPLOYMENT

The Bank could grow its credit portfolio to ₹ 5,311 Cr. in absolute terms, implying an increase of 4% over the previous year. Credit to Deposit (CD) ratio increased from 72% to 76%.

In order to face the challenges of the general interest rate war and to retain quality accounts, the Bank had to offer competitive rate of interest on advances. This has put a lot of pressure on the Net Interest Margin (NIM).

The composition of Credit portfolio is as under:

(₹ in Cr.)

Sector	2016-17	%	2017-18	%
Retail	2,036	39.70	1,923	36.20
Wholesale	2,200	42.91	2,505	47.16
Others	892	17.39	883	16.64
Total	5,128	100.00	5,311	100.00

ASSET QUALITY

Though there is increase in amount of Gross NPAs from ₹ 244 Cr. to ₹ 317 Cr., these advances are secured by immovable collateral securities and appropriate legal steps for recovery have been initiated that would result in reduction in the same. During the year under review, the Bank adopted a robust recovery mechanism. Under the able guidance of the Board of Directors, recovery targets were set at all levels and were percolated in the entire system. Strict controls were set to prevent slippage of accounts into NPAs. The recovery efforts will continue in the current year as well.

To improve the Provision Coverage Ratio, requisite provisions by way of Bad and Doubtful Debts Reserve (BDDR) and Bad and Doubtful Debt Fund (BDDF) have been made towards NPAs in accordance with the guidelines issued by the RBI. The Bank has created additional BDDF of ₹ 14 Cr. during F.Y. 2017-18 (P.Y. ₹ 5 Cr.) by way of appropriation out of net profit.

Although the net NPA percentage reported for F.Y. 2016-17 was 2.94%, during the course of last RBI Inspection, the said percentage was increased to 3.95% for F.Y. 2016-17. Current year's net NPA percentage stood at 3.66%.

INVESTMENTS

The 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 ₹ 1,813.02 Cr. Trading profit for the year under review was ₹ 4.28 Cr.

During the year under review, the benchmark yield has hardened from 6.96% in April, 2017 to 7.80% in March, 2018. Presently, the yield is at 7.90%. Due to the current increasing yield scenario, the Bank has taken a cautious approach in trading.

TECHNOLOGY

Post migration of Core Banking System (CBS) to Finacle in January, 2017, the Bank faced a number of challenges which were addressed on an ongoing basis. The CBS has now more or less stabilised and has improved the overall operational efficiency.

The Bank has introduced the facility of Pass-book printing through Kiosk machines at some of the leading branches of the Bank.

The Bank is also a participant in the payment initiative of NPCI viz; Unified Payments Interface (UPI), a system that powers multiple bank accounts into a single mobile application and allows any customer to send and receive money using a Virtual Payment Address (VPA), Mobile Telephone Contact Number, Aadhaar Number, Bank Account + IFSC Code in real time.

The UPI is also integrated with the payment systems using the QR code. The UPI is a 24x7 real time enabled payment mechanism that can also be used to collect money from any other customer registered on the UPI platform.

The Bank has launched an improved version of Net-Banking solution and will soon launch a user-friendly and appealing website for its customers.

The Bank is amongst the first few Co-operative Banks to launch the RuPay Platinum Debit Card in July, 2017 and is now a part of India's indigenous card scheme created by NPCI. The RuPay Platinum Cards offer fantastic benefits to our patrons through cashback or discount schemes and several other benefits.

The Bank will continue upscaling its technological platform for the benefit of its precious and valued customers.

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 focussing on enhancement of business in all areas and the evaluation of Branch and Zone performance.

With the aim of achieving a higher operational efficiency and rendering better customer services, the Bank has created Clusters of the branches.

To be in line with the overall business target, the Bank has always focussed on selected segments viz; CASA Deposit, Retail Credit, and Ancillary Products viz; Insurance, Demat and Mutual Funds.

The Bank is already into Insurance Business by way of Corporate Agency since long and has now ventured into an Open Architecture, as approved by IRDAI. The Bank has tied up with Max life Insurance Co. Ltd. and Bajaj Allianz Life Insurance Co. Ltd. for Life Insurance, with Bajaj Allianz General Insurance Co. Ltd. and ICICI Lombard General Insurance Co. Ltd. for General Insurance and with Religare Health Insurance Co. Ltd. for Health Insurance business. For Mutual Fund business, the Bank has tied up with Aditya Birla Sun Life Asset Management Co. Ltd., Reliance Nippon Life Asset Management Ltd. and HDFC Asset Management Co. Ltd. Due to these multiple tie-ups, the customers get a wider choice. The Bank has also tied-up with LIC and Bajaj Allianz for Pradhan Mantri Yojana Schemes. The Bank will shortly launch ASBA facility to its customers who wish to subscribe for IPO and E-Insurance facility.

RECOGNITION

- For the second consecutive year, the Bank has bagged the Top Performer in new Demat Accounts opened – 1st position in the Co-operative Banks' category by NSDL.
- The Maharashtra Urban Co-op. Banks' Federation Ltd. has in September, 2017 awarded the Bank with 'Best Bank-2017' Award - 3rd place in the category of 'Banks having Deposits above ₹ 3000 Crores.'
- The Bank has been awarded 2nd rank by The Brihan Mumbai Nagari Sahakari Banks' Association Ltd. in the category of 'Banks having Deposits above ₹ 2001 Crores' in September, 2017.
- In February, 2018, the Bank was felicitated by the Maharashtra State Co-operative Banks' Association Ltd., Mumbai for completion of its Centenary Year.
- In February, 2018, the Bank was awarded the 'Green World Sahakar Bhushan' award in the category of 'Best Business Progress' for the year 2016-17 by Green World Publication, Pune.

- Inauguration of NKGSB Bank Centenary Skill Development Centre at World Konkani Centre (WKC), Mangalore by Shri Kishore Kulkarni, Chairman of the Bank took place in February, 2018.

CORPORATE GOVERNANCE

The Board recognises the importance of "Good Corporate Governance" to ensure conduct of business ethically in a transparent manner for maximizing long-term value of the Bank for its shareholders and all other stakeholders. These have evolved not only by ensuring compliances with regulatory requirement but also being responsive to growing customer needs.

The Bank is managed by a team of qualified and experienced Directors with 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:

Upto 31.12.2017

	No. of Meetings	No. of Directors in the Committee	Average Attendance
Board	14	12	10
Advances	19	8	6
Recovery	9	5	4
Development	16	8	7
Audit	7	8	7
Investment	9	6	5
Special Committee of the Board for Monitoring of Large Value Frauds	2	7	5

As per RBI direction, the Committees of the Board have been reconstituted effective 01.01.2018 as under:

	No. of Meetings	No. of Directors in the Committee	Average Attendance
Board	3	12	10
Advances, Credit Monitoring & Recovery Committee	13	7	5
Accounts, Audit & Investment Committee			
Audit	4	7	5
Investment	3	8	6
Executive Committee			
Execution	4	6	5
Development & HR	3	7	5
Digitisation	2	7	5
Special Committee of the Board for Monitoring of Large Value Frauds	1	6	4

AUDIT & INSPECTION

The Bank has in place a system for internal and concurrent audit. All branches are covered under concurrent audit (monthly/quarterly) as also put under internal audit. The Accounts, Audit & Investment 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 comprises of Directors with Banking, Audit, Accounting and Information Technology Experience.

During the year under review, RBI carried out its on-sight inspection of the Bank with respect to financial position as on March 31, 2017.

REAPPOINTMENT OF STATUTORY AUDITORS

In the 100th Annual General Meeting held on August 5, 2017, M/s. A. P. Sanzgiri & Co., Chartered Accountants were appointed as Statutory Auditors. They have consented their willingness to be reappointed. Being eligible, the Board of Directors recommends their reappointment up to the date of next Annual General Meeting.

EXPANSION

During the year under review, the Bank made its maiden entry into the State of Madhya Pradesh, starting a new branch at Bhanwar Kuwa, Indore in October, 2017.

The Bank has also set up a new branch at Gurukul, Ahmedabad in March, 2018 and a Branch at Waluj, Aurangabad in May, 2018.

Opening of a branch at Maninagar, Ahmedabad is scheduled in July, 2018.

Currently, the Bank has a network of 108 branches spread across the states of Maharashtra, Goa, Karnataka, Gujarat and Madhya Pradesh.

HUMAN RESOURCE

An efficiently run human resources department can provide any organization with a structure and ability to meet business needs by managing its most valuable resources - its employees.

Learning and development plays a vital role in the success of any organization and develops skills and competencies among the workforce leading to sustainable growth. With this objective, the Bank has initiated the concept of "Train the Trainers" and "Capacity Building" to encourage the employees with talent, skill and enthusiasm to come forward and take the initiative for training others. The Bank has set its sight on a minimum 24 hours training in a year for all its employees. The aim of this initiative is to reduce dependence on external trainers in the long run.

Various inhouse and external specialized trainings from reputed Institutions have been planned during the current year to develop skills of the employees.

As an initiative to encourage and reward the employees suitably, a wage settlement was arrived at with the Employees' Union.

The Bank also encourages its employees to continually upgrade their knowledge in different fields. During the year under review, 37 employees took initiative in upgrading their academic qualifications. 10 employees attained their post graduation / professional qualifications and as many as 27 employees completed various courses conducted by the Indian Institute of Bankers.

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

BRAND BUILDING

Creating a strong brand and delivering on the brand promise, helps to build a loyal customer base.

The Bank has made consistent efforts to promote and sustain its brand through various initiatives. Some bus shelters and Konkan Railway trains were used as a medium for spreading the Brand.

The Bank participated in events of economic and social importance viz; 'Badalta Maharashtra – Current Status and Challenges in the Energy Sector' by a leading Marathi daily "Loksatta" and also participated in the event, "Improving health through Surya Namaskar" organized by Thane Vaibhav.

The Bank has 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.

CENTENARY YEAR CELEBRATION

The Valedictory function of the Bank's Centenary Celebration was organized on September 23, 2017 at The Ravindra Natya Mandir, Prabhadevi. The event included a felicitation function of former Chairmen, former Directors, existing Board of Directors and staff members who have completed over 30 years of service. The felicitation function was followed by a Valedictory function attended by Hon. Shri P. B. Acharya, Governor of Nagaland and Arunachal Pradesh (holding additional charge then) as the Chief Guest. The Guests of Honour were :

- i) Hon. Shri Anandrao Adsul, MP and President, Co-op. Banks' Employees' Union,
- ii) Dr. Anita Borges, President, SRL Diagnostic Centre, and
- iii) Shri Ashok Saraf, Eminent Indian Stage & Cine Star.

The event also included a musical program and release of the Bank's History book at the hands of the Chief Guest.

SHRI SHETH SHANTARAM MANGESH KULKARNI MEMORIAL LECTURE

The 19th Sheth Shantaram Memorial lecture was organized on October 14, 2017 at Pracharya B.N. Vaidya Sabhagraha, IES School, Dadar. The lecture was addressed by Shri Girish Kuber, Editor of Loksatta on the topic "What it Takes to be a Super Power." 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 2016-17 were also given to the branches for excelling in their performance. The Bank's 'Souvenir' was released at the hands of the Guest Speaker.

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."

DEPOSIT INSURANCE

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

GRIEVANCE REDRESSAL UNIT

For efficient customer service it is imperative for a Bank to ensure that the customer grievances are addressed and resolved promptly. Towards this objective, the Bank has in place a Grievance Redressal Unit (GRU) under the Nodal Officer of the Bank, presently, Shri P. G. Kamath, Deputy Managing Director. The GRU addresses the complaints received through various

sources including Banking Ombudsman and resolves them promptly and efficiently. The facility for registering online complaints is available on the Grievance Redressal page of the Bank's website.

MEMBERS' WELFARE

- The Bank has been felicitating the meritorious wards of the members encouraging them by recognizing their achievements in academics & sports. This year, 52 students were felicitated through Members' welfare fund.
- In all, 17 members have availed the benefit of the scheme for reimbursement of hospitalization expenses.
- During the year, 36 members availed the facility for reimbursement of medical check-up.

BYE-LAW AMENDMENT

In the last Annual General Meeting held on August 5, 2017, the members had approved amendment to Bye-Law No. 51 of the Bank's Bye-Laws adding a proviso for restricting shareholding upto 5% of the total paid up share capital of the Bank or ₹ 5 Lacs, whichever is less, as per RBI guidelines.

The Central Registrar of Co-operative Societies has approved the above amendment w.e.f. December 7, 2017.

BOARD OF DIRECTORS / MANAGEMENT

For the year 2017, Shri Nagesh Pingre, Director of the Bank received the award for "Outstanding Contribution in the field of Internal Audit" from the Asian Confederation of Institutes of Internal Auditors (ACIIA) at a function in Delhi. Shri Pingre is the first Indian to receive the award.

Shri Chintamani Nadkarni, Managing Director of the Bank was elected as member of the Managing Committee of the Indian Banks' Association (IBA) in September, 2016 representing Co-operative Member Banks, until the conclusion of the AGM of IBA to be held in 2019. He was also appointed as a Chairman of the IBA Committee on Urban Co-operative Banks for the year 2017-18 as also a member of the IBA Standing Committee on Retail Banking and of the Finance Committee of IBA for the year 2017-18.

OBITUARY

The Board of Directors express their profound grief at the sad demise of the following:

- i) Shri K. P. Prabhu, Former Director (1962-1973) and Former Vice Chairman (1973 – 1980)
- ii) Shri Girish Pingre, former employee
- iii) Ms. Manjiri Borkar, staff member

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

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.

PLACE: MUMBAI
DATE: June 30, 2018

For and on behalf of the Board,

KISHORE KULKARNI
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT

To,
The Shareholders,
NKSGB Co-op. Bank Ltd., Mumbai.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **NKSGB Co-op. Bank Ltd. (hereinafter referred to as 'the Bank')** as at 31st March 2018, which comprise the Balance Sheet as at 31st March 2018, the statement of Profit and Loss Account, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. The returns of Head Office and its departments audited by us and returns of all 107 branches certified by the Concurrent Auditors/Internal Auditors are consolidated in these financial statements. Of the total number of branches, 105 are under monthly/quarterly Concurrent Audit. 2 branches have been newly opened in the last quarter of 2018 and hence are not covered under Concurrent Audit. These branches account for 0.048 % of total deposits, 0.003% of total advances & no share in profit. As informed by the management, the Bank has not received any specific guidelines from the Central Registrar of Co-operative Societies with respect to selection of branches to be covered under audit. During the course of our audit we performed select relevant procedures at 19 branches. Key operations of the Bank are automated. With the key applications largely integrated to the core banking systems it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at the Head Office and Central Processing Units, based on the necessary records and data required for the purposes of the audit being made available to us and further the matter of percentages of advances, deposits, interest income and of interest expenses is not applicable to the Bank.

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 in accordance with provisions of the Banking Regulations Act, 1949, the guidelines issued by the Reserve Bank of India and the guidelines issued by the Central Registrar of Co-operative Societies, the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002 (as applicable) and accounting principles generally accepted in India so far as applicable to Banks. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that 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 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 misstatements.
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 effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes, give the information required thereon 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 banks, guidelines issued by Reserve Bank of India and the Central Registrar of Co-operative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- In the case of the Balance Sheet, of state of affairs of the Bank as at 31st March 2018;
 - In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949 and the Multi State Co operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002.
8. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, we report that:
- 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 to be satisfactory;
 - In our opinion, proper books of accounts as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/offices;
 - The transactions of the Bank which came to our notice have been within the powers of the Bank;
 - The Balance Sheet and the Profit and Loss Account dealt with by this report, are in the agreement with the books of account and the returns;
 - The reports on the accounts of the branches/offices certified by the branch auditors have been forwarded to us and have been properly dealt with by us in preparing this Report;
 - The accounting standards adopted by the Bank are consistent with those laid down by accounting principles generally accepted in India so far as applicable to Banks;
 - In our opinion and according to information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realization of money due to the bank.
9. As required by the Rule 27 (3) of the Multi State Co-operative Societies Rules, 2002, we report on the matters specified in clauses (a) to (f) of the said Rule to the extent applicable to the Bank.
- During the course of our audit, we have generally not come across transactions which appear to be contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.
 - During the course of our audit, we have not come across material and significant transactions which appear to be contrary to the guidelines issued by RBI. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding transactions contrary to the

guidelines issued by the said Bank are not called for.

- c. Following monies due to the Bank appear to be doubtful of recovery against which a provision of Rs. 9,649.06 lacs is made in the accounts. Advances categorized as doubtful and loss assets as per Prudential Norms are considered as doubtful of recovery:-

Category	Outstanding on 31.03.2018 (Rs. In Lacs)
Doubtful Assets	18,536.86
Loss Assets	1,468.20

- d. As per the information provided to us and to the best of our knowledge, following credit facilities have been sanctioned by the Bank to the members of the Board or their relatives:

Particulars	Amount outstanding (Rs. In Lacs)	Security Value if any (Rs. In Lacs)	Overdues if any (Rs. In Lacs)
Fund Based	Nil	-	-
Non Fund Based	Nil	-	-

- e. We have generally not come across any violations of guidelines, instructions etc. issued by the RBI. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding violations of guidelines issued by the said Bank are not called for.
- f. To the best of our knowledge, no other matters have been specified by the Central Registrar, which require reporting under this Rule.

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: 30th June, 2018

Balance Sheet

(₹ in Lacs)

CAPITAL AND LIABILITIES	Schedule	As at 31-Mar-18	As at 31-Mar-17
SHARE CAPITAL	1	9,760	9,448
RESERVE FUND AND OTHER RESERVES	2	66,151	61,201
PROFIT & LOSS ACCOUNT		1	2
DEPOSITS	3	6,94,531	7,09,489
BORROWINGS (Long Term Subordinated Deposits)	4	15,970	15,972
OVERDUE INTEREST RESERVE ON LOANS AND ADVANCES (As per Contra)		15,081	11,351
INTEREST ACCRUED ON DEPOSITS		1,985	5,371
OTHER LIABILITIES	5	6,453	7,317
SETTLEMENT CREDIT ACCOUNT (As per Contra) (Refer Schedule 14, Note no. 4)		99	96
BILLS FOR COLLECTION BEING BILLS RECEIVABLE (As per Contra)		8,014	8,549
GRAND TOTAL		8,18,045	8,28,796
CONTINGENT LIABILITIES	12	34,781	37,117
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, 30th June, 2018

as at 31st March, 2018

(₹ in Lacs)

PROPERTY AND ASSETS	Schedule	As at 31-Mar-18	As at 31-Mar-17
CASH AND BANK BALANCES	6	60,696	77,985
MONEY AT CALL AND SHORT NOTICE		10,294	14,495
INVESTMENTS	7	1,50,180	1,59,708
ADVANCES	8	5,31,129	5,12,751
INTEREST RECEIVABLE			
a) On Investments and Earmarked Funds	9	3,441	3,554
b) On Staff Loans		815	732
c) On Loans and Advances		15,081	11,351
(As per Contra)			
FIXED ASSETS	10	28,519	29,171
OTHER ASSETS	11	8,053	9,046
DEFERRED TAX ASSET (NET) (Refer Schedule 14, Note no. 19)		1,724	1,358
SETTLEMENT DEBIT ACCOUNT (As per Contra) (Refer Schedule 14, Note no.4)		99	96
BILLS RECEIVABLE BEING BILLS FOR COLLECTION (As per Contra)		8,014	8,549
GRAND TOTAL		8,18,045	8,28,796

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

Mumbai, 30th June, 2018

Profit and Loss Account

(₹ in Lacs)

EXPENDITURE	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Interest on Deposits	45,091	46,916
Interest on Borrowings	1,482	1,155
Staff Salaries, Allowances and Benefits	7,941	7,644
Rent, Rates, Taxes, Service Charges, Insurance and Electricity	2,554	2,559
Legal and Professional Charges	239	187
Postage, Telegrams and Telephone Charges	325	372
Travelling, Lodging and Conveyance	91	90
Audit Fees	118	117
Repairs and Maintenance	761	535
Depreciation on Fixed Assets	1,555	1,517
Premium on Securities Amortised	495	371
Printing and Stationery	101	127
Advertisement	232	232
Sundry Expenses	3,065	2,262
Bad Debts Written Off	1,167	1,342
Operating Profit (c/f)	10,360	10,261
	75,577	75,687
Provisions and Contingencies:		
A) Bad and Doubtful Debts Reserve	2,890	3,340
B) Contingent Reserve against Standard Assets	114	374
C) Interest Transferred to Leave Encashment Fund	80	103
D) Provision for Election Fund	7	29
Profit Before Tax (c/f)	7,269	6,430
	10,360	10,276
Provision for Taxes:		
Income Tax	2,782	2,215
Deferred Tax	(366)	(440)
Net Profit for the year	4,853	4,655
TOTAL	7,269	6,430

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, 30th June, 2018

for the year ended 31st March, 2018

(₹ in Lacs)

INCOME	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Interest and Discount :		
a) Interest on Advances	56,396	55,939
b) Income from Investments	12,415	11,812
c) Interest on Deposits with Banks	1,685	1,680
Commission, Exchange and Brokerage	3,075	2,469
Bad Debts Provision Reversed	1,167	1,342
Amortisation of Revaluation Reserve (Refer Schedule No. 13-5(g) on AS-10)	-	570
Profit on Sale of Investments	225	1,292
Profit on Sale of Mutual Fund	203	179
Profit on Forex Transactions	130	132
Rent on Safe Deposit Lockers	241	193
Profit on Sale of Fixed Assets	2	2
Miscellaneous Income	38	77
	75,577	75,687
Operating Profit (b/f)	10,360	10,261
Provision no longer required written back from :		
Contingent Provision against Depreciation in Investment	-	15
	10,360	10,276
Profit Before Tax (b/f)	7,269	6,430
TOTAL	7,269	6,430

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

Mumbai, 30th June, 2018

Profit and Loss Appropriation Account

(₹ in Lacs)

EXPENDITURE	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Appropriations subject to Approval in AGM		
A) Statutory Appropriations :-		
1 Statutory Reserve Fund (25% of Net Profit)	1,213	1,164
2 Contingency Reserve Fund (10% of Net Profit)	485	465
3 Education Fund (1% of Net Profit)	49	47
B) Other Appropriations :-		
1 Building Fund	100	286
2 Bad & Doubtful Debts Fund	1,400	500
3 Donation Fund	5	4
4 Investment Fluctuation Reserve	-	83
5 Proposed Dividend @ 10.00% p.a. (pro-rata) on Equity Shares (P.Y.@10%+2% additional for Centenary year)	835	1,045
6 Proposed Dividend @ 8.50% p.a. (pro-rata) on PNCPS (P.Y. @7% p.a.)	94	55
7 Ex-Gratia to Staff	800	860
8 Staff Welfare Fund	75	80
9 Members' Welfare Fund	18	22
10 Special Reserve U/s 36 (1) (viii) of I.T. Act, 1961	414	340
	5,488	4,951
PROFIT CARRIED TO BALANCE SHEET	1	2
TOTAL	5,489	4,953

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, 30th June, 2018

**for the year ended 31st March, 2018**

(₹ in Lacs)

INCOME	Year Ended 31-Mar-18	Year Ended 31-Mar-17
Profit of last year (b/f)	2	1
Net Profit for the year	4,853	4,655
Excess Appropriation of previous year written back :-		
a) Amortisation of Revaluation Reserve*	570	-
b) Centenary Fund	-	275
c) Ex-gratia	13	11
d) Dividend and Education Fund	51	11
TOTAL	5,489	4,953

* As per Revised AS-10 w.e.f. 01.04.2017

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

Mumbai, 30th June, 2018

Schedules

(₹ in Lacs)

	As at 31-Mar-18	As at 31-Mar-17
Schedule - 1		
Share Capital		
Authorised Share Capital	20,000	20,000
20,00,00,000 shares of Rs. 10/- each		
I Issued Subscribed and Paid up Equity Capital	8,505	8,519
8,50,45,737 shares of Rs. 10/- each (P.Y. 8,51,96,374 shares)		
Individuals	6,463	6,357
Co-op Institutions	-	-
Others	2,042	2,162
II Perpetual Non Cumulative Preference Share (PNCPS) Capital		
1,25,54,000 Shares of Rs.10/- each (P. Y. 92,87,000 Shares)		
Issued Subscribed and Paid up Preference Share Capital	1,255	929
TOTAL CAPITAL (I+II)	9,760	9,448

Schedule - 2		
Reserve Fund And Other Reserves		
I Reserves as per Multi-State Co-op.Soc.Act		
(i) Statutory Reserve Fund	12,971	11,744
(ii) Contingency Reserve Fund	4,673	4,188
(iii) Building Fund	8,536	8,436
(iv) Donation Fund	9	5
II Reserves as per RBI guidelines		
(i) Investment Fluctuation Reserve	1,525	1,525
(ii) Contingent Reserve against Standard Assets	2,189	2,075
(iii) Bad and Doubtful Debts Reserve	9,706	7,982
(iv) Provision for Restructured Advances	48	48
III Other Funds as per Bye Laws		
(i) Election Fund	15	8
(ii) Members' Welfare Fund	222	207
IV Others		
(i) Special Reserve U/s 36(1) (viii) of I.T. Act, 1961	2,238	1,824
(ii) Capital Reserve	4	4
(iii) Revaluation Reserve	19,108	19,678
(iv) Deferred Tax Reserve	292	292
(v) Bad and Doubtful Debt Fund	3,025	1,625

Schedules

(₹ in Lacs)

	As at 31-Mar-18	As at 31-Mar-17
V Funds for the benefit of staff		
(i) Staff Welfare Fund	418	406
(ii) Staff Leave Encashment Fund	1,172	1,154
TOTAL RESERVES (I+II+III+IV+V)	66,151	61,201

Schedule - 3

Deposits

I Current Deposits		
(i) Individuals & Others	31,044	28,745
(ii) Societies	293	290
II Savings Deposits		
(i) Individuals & Others	1,32,208	1,30,228
(ii) Societies	6,665	5,035
III Term Deposits		
(i) Individuals & Others	4,74,922	4,83,973
(ii) Societies	46,937	49,866
IV Matured Deposits	2,462	11,352
Total (I+II+III+IV)	6,94,531	7,09,489
(Includes amt of Rs. 9,960 Lacs (P.Y. Rs. 5,976 Lacs) collateralized towards LCs / Guarantees. Also an amt of Rs. 40,478 Lacs (P.Y. Rs. 43,655 Lacs) is lien marked against overdraft / loan against FDs).		

Schedule - 4

Borrowings

I Long Term Subordinated Deposits		
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
II Long Term Subordinated Deposits		
Series II		
Tenure of 5 years @ 9.00% p.a.	1,392	1,392
Tenure of 7 years @ 9.25% p.a.	4,178	4,180

Schedules

(₹ in Lacs)

	As at 31-Mar-18	As at 31-Mar-17
III Long Term Subordinated Deposits		
Series III		
Tenure of 5 years @ 8.50% p.a.	2,854	2,854
Tenure of 7 years @ 8.75% p.a.	2,546	2,546
TOTAL (I+II+III)	15,970	15,972

Schedule - 5

Other Liabilities

(i) Payorders Issued	1,350	2,463
(ii) Proposed Dividend (Equity + PNCPS)	929	1,100
(iii) Ex-gratia for Staff	800	860
(iv) T.D.S. on F.D.R.	291	183
(v) Int. Recd. in Adv on Bill Discounting	479	643
(vi) Unclaimed Dividend	88	58
(vii) Sundry Deposits	555	525
(viii) Security Deposits from Staff	50	48
(ix) Others	1,911	1,437
Total (i+ii+iii+iv+v+vi+vii+viii+ix)	6,453	7,317

Schedule - 6

Cash and Bank Balances

I Cash and Current Accounts with Banks

(i) Cash in Hand	3,458	3,581
(ii) Balances with Reserve Bank of India	33,567	48,558
(iii) Balances with State Bank of India & its' Subsidiaries	16	25
(iv) Current Deposits with Banks	2,828	2,252
	39,869	54,416

II Fixed Deposits with Banks

(i) Reserve Fund Investment	12,960	15,802
(ii) Investment against Earmarked Funds	1,932	1,630
(iii) Other Fixed Deposit Receipts	5,935	6,137
	20,827	23,569

(FD includes Rs. 899.53 Lacs placed with other Banks as margin for Credit Line (P.Y. Rs.1,109.89 Lacs))

Total (I+II)	60,696	77,985
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Schedules

(₹ in Lacs)

	As at 31-Mar-18	As at 31-Mar-17
Schedule - 7		
Investments		
(i) Government Securities	1,46,098	1,59,683
(ii) Government Securities (Earmarked for Reserve Fund Investment)	4,047	-
(iii) Mutual Funds / Other Investments	35	25
Total (i + ii + iii)	1,50,180	1,59,708
Schedule - 8		
Advances		
I Short Term Loans, Cash Credit, Bills Discounted and Purchased	1,67,557	1,62,549
of which secured against:		
(i) Govt. and Other Approved Securities	32	104
(ii) Other Tangible Securities	1,67,148	1,62,084
(iii) Unsecured - Personal /Surety Loans	377	361
(Amount due from Individuals - Rs. 17,426.62 Lacs (P.Y. Rs. 15,535.91 Lacs), amount overdue Rs. 20,582.92 Lacs (P.Y. Rs. 11,605.31 Lacs), considered Bad & Doubtful of recovery Rs. 5,773.16 Lacs (P.Y. Rs. 3,836.05 Lacs) and fully provided for).		
II Medium Term Loans :	34,584	35,416
of which secured against:		
(i) Govt. and Other Approved Securities	10	34
(ii) Other Tangible Securities	33,583	34,209
(iii) Unsecured - Personal /Surety Loans	991	1,173
(Amount due from Individuals - Rs. 15,129.17 Lacs (P.Y. Rs. 14,136.40 Lacs), amount overdue Rs. 4,010.16 Lacs (P.Y. Rs. 3,623.76 Lacs), considered Bad & Doubtful of recovery Rs. 1,785.08 Lacs (P.Y. Rs. 1,106.52 Lacs) and fully provided for).		
III Long Term Loans :	3,28,988	3,14,786
of which secured against:		
(i) Govt. and Other Approved Securities	1,293	1,199
(ii) Other Tangible Securities	3,23,757	3,11,396
(iii) Unsecured - Personal /Surety Loans	3,938	2,191
(Amount due from Individuals - Rs. 2,16,463.70 Lacs (P.Y. Rs. 2,06,508.16 Lacs), amount overdue Rs. 11,756.14 Lacs (P.Y. Rs. 9,181.01 Lacs), considered Bad & Doubtful of recovery Rs. 12,446.82 Lacs (P.Y. Rs. 7,574.76 Lacs) and fully provided for).		
Total (I+II+III)	5,31,129	5,12,751

Schedules

(₹ in Lacs)

	As at 31-Mar-18	As at 31-Mar-17
Schedule - 9		
Interest Receivable		
(i) On Investments	3,386	3,523
(ii) On Investments against Earmarked Funds	55	31
Total (i+ii)	3,441	3,554
Schedule - 10		
Fixed Assets		
I Premises (Including Land)		
Opening Balance as on April, 1	31,535	31,436
Add: Additions during the year (Includes Leasehold Improvements)	649	144
Less: Sales during the year	(1)	(45)
	32,183	31,535
Less: Depreciation upto last year	4,862	4,007
Depreciation for the current year	869	862
Depreciation on assets sold	(1)	(7)
	5,730	4,862
Sub-Total	26,453	26,673
II Furniture and Fixtures		
Original Cost as on April, 1	3,158	2,873
Add: Additions during the year	89	344
Less: Sales during the year	(42)	(59)
	3,205	3,158
Less: Depreciation upto last year	1,644	1,412
Depreciation for the current year	278	286
Depreciation on assets sold	(38)	(54)
	1,884	1,644
Sub-Total	1,321	1,514
III Other Fixed Assets		
Original Cost as on April, 1	3,781	3,274
Add: Additions during the year	175	571
Less: Sales during the year	(62)	(64)
	3,894	3,781

Schedules

(₹ in Lacs)

	As at 31-Mar-18	As at 31-Mar-17
Less: Depreciation upto last year	2,797	2,490
Depreciation for the current year	407	369
Depreciation on assets sold	(55)	(62)
	3,149	2,797
Sub-Total	745	984
Total Fixed Assets (I+II+III)	28,519	29,171

Schedule - 11

Other Assets

(i) Premium paid on Investment	3,989	4,352
(ii) Lease & Security Deposits	832	789
(iii) Intangible Assets (Software)	1,384	2,119
(iv) CCIL & CBLO Segment Cash Margins	208	175
(v) Advance Income Tax (Net)	390	521
(vi) Prepaid Expenses	102	76
(vii) Others	1,148	1,014
Total (i+ii+iii+iv+v+vi+vii)	8,053	9,046

Schedule - 12

Contingent Liabilities

(i) Forward Contracts	4,795	18,538
(ii) Forward Contract Sale	5,470	371
(iii) Guarantees *	15,384	10,441
(iv) Letter of Credit *	8,167	6,997
(v) DEAF Account	837	647
(vi) Income Tax Demand	96	96
(vii) Others	32	27
Total (i+ii+iii+iv+v+vi+vii)	34,781	37,117

* These amounts are collateralised by Fixed Deposits, Counter Guarantees and Secured Charges of Rs. 9,960.23 Lacs (P.Y. Rs. 5,975.74 Lacs)

* These amounts includes expired LCs / Guarantees of Rs. 1,457.92 Lacs, (P.Y. 726.59 Lacs) which have not been cancelled being Govt. Guarantees / Original LCs / BGs not being received back.

Cash Flow For The Year Ended 31st March, 2018

(₹ in Lacs)

Particulars	2017-18	2016-17
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit and Loss Account	4,853	4,655
Add: Previous year excess provision written back	635	297
Add: Opening balance as per Profit and Loss Account	2	1
Profit Available for Appropriations	5,489	4,953
Less : Appropriations	5,488	4,951
Net Profit as per Balance Sheet	1	2
Add:		
Depreciation on Assets	985	947
Deferred Tax	(366)	(440)
Current Tax	2,782	2,215
Bad Debts Written off	1,167	1,342
Premium on Securities Amortised	495	371
Amortisation of Software	887	432
Other than Software written-off	-	3
	5,949	4,869
Add:		
Loss / (Profit) on Sale of Assets	(2)	(2)
Less :		
BDDR written back	(1,167)	(1,342)
Adjustments for:		
(Increase)/ Decrease in Investments	13,585	(24,704)
(Increase)/ Decrease in Other Investments	(3,487)	3,083
(Increase)/ Decrease in Advances	(18,378)	(59,567)
(Increase)/ Decrease in Interest receivable and OIR	(3,336)	(3,008)
(Increase)/ Decrease in Other Assets	(3,016)	(4,024)
Increase/(Decrease) in Funds	6,474	6,277
Increase/(Decrease) in Deposits	(14,958)	1,05,691
Increase/ (Decrease) in Interest Payable	(3,385)	4,942
Increase /(Decrease) in Other Liabilities	2,555	(681)
Branch Adjustment	-	37
	23,948	28,049
Net Cash Generated from Operating Activities (A)	(19,166)	31,576

Cash Flow For The Year Ended 31st March, 2018

(₹ in Lacs)

Particulars	2017-18	2016-17
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(914)	(1,023)
Payment for Software	(152)	(805)
Sale Proceeds of Fixed Assets	13	12
Net Cash Generated from Investing Activities (B)	(1,054)	(1,817)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Equity Share Capital	(2)	(317)
Increase/(Decrease) in Preference Share Capital	351	547
Increase/(Decrease) in Borrowings	(2)	5,400
Dividend Paid	(1,048)	(1,081)
Net Cash Generated from Financing Activities (C)	(701)	4,549
Net increase in Cash & Cash Equivalents (A+B+C)	(20,921)	34,308
Cash & Cash Equivalents at the beginning of the year	80,306	45,998
Cash & Cash Equivalents at the end of the year	59,385	80,306
	(20,921)	34,308
Cash & Cash Equivalents		
Cash in hand & Balances with Notified Banks	37,041	52,170
Balances with Other Banks	12,050	13,641
Money at Call and Short Notice	10,294	14,495
	59,385	80,306

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, 30th June, 2018

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

Mumbai, 30th June, 2018

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 107 branches as at 31.03.2018 spread over in the States of Maharashtra, Goa, Karnataka, Gujarat and Madhya Pradesh. In the current year, two Branches were opened. In F. Y. 2018-19, three Branches are proposed to be opened for which necessary permission from RBI have been obtained. 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.

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.
- d) Advances backed by legally valid documentation are treated as secured.

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, UPS & Batteries)	15.00%
Glow Sign Board & Vehicles	20.00%
Computer Hardware & Software	33.33%
Leasehold Improvements	Equally over the primary period of lease

- c) Assets purchased during the year are depreciated for the entire year except for those at Branches opened during the year, which are depreciated pro-rata on completed month basis from the date of commissioning of the respective branch.

- d) Depreciation on vehicles is charged pro-rata on completed month basis.
- e) Assets disposed off during the year are depreciated up to the quarter before the date of disposal.
- f) Books are capitalised and depreciated to Rs. 1/- per book in the year of purchase.
- g) From F.Y. 2017-18, Depreciation on the revalued portion of assets is included in Depreciation expenses and the same amount is directly reversed from revaluation reserves through the Profit and Loss Appropriation Account (hitherto routed through the Profit and Loss Accounts. The same is in conformity with revised AS-10 issued by the ICAI and applicable to non corporate assesses from 01.04.2017
- h) Fixed Assets which have been fully depreciated but are still in use, are carried in the books at Re. 1/-.
- i) Assets individually costing less than Rs. 5,000/- is charged to Profit and Loss Account in the year of purchase.
- j) UPS and Batteries are capitalized as "Office Machinery". Subsequent replacement are also capitalized in the books. AMC & Recharges are expensed off to Profit and Loss Account.
- k) 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 & 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. OTHER EXPENSES:

Expenses are accounted for an accrual basis except as stated below:

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

- b) Ex-gratia given, if any, is accounted as an appropriation at the rates decided by the Management in accordance with provisions of Multi State Co-operative Societies Act, 2002.

9. OVERDUE INTEREST RESERVE:

Overdue Interest Reserve (OIR) represents unrecovered interest on Non Performing Advances, which is correspondingly shown under Interest Receivable as per RBI directives.

10. RECOVERY FROM NPAs:

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

- In case of Loss Assets towards Principal.
- In case of Substandard Assets towards Interest.
- 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.

12. FOREIGN EXCHANGE TRANSACTIONS:

- 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.
 - 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.
 - Premium/discount in respect of foreign exchange hedge contracts is amortised over the period of contract.
 - 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). During the year, certain amounts have been additionally invested with HDFC Standard Life Insurance Company. 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 Calendar 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 commission based Trade Finance transactions. 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 funded Trade finance transactions and 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 customers.

In the current year, Funded Trade Finance transactions is classified under other Banking Operations.

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 events 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 assets may be impaired and provides for impairment loss, if any, in the Profit and Loss Account.

23. CASH & CASH EQUIVALENTS:

This includes Cash in hand, Current Account Balances with Banks (as per Schedule-6(I)), Money at Call and Short Notice and highly liquid deposits maturing within 90 days.

24. CASH FLOW STATEMENT (AS-3):

The Cash flows are reported using the indirect method whereby profit before tax is adjusted for effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the bank are segregated based on available information.

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, 2018 which are subject to shareholders approval in the Annual General Meeting proposed to be held on 04.08.2018.

Particulars	Amount (R in Lacs)
Net Profit for F.Y. 2017-18	4,853
Add: Opening Balance in Profit and Loss Account	2
Add: Reversal of Revaluation Reserve, Write-back of excess appropriation for Education Fund, Dividend and Ex-gratia	634
Total Profit available for appropriation	5,489
Appropriations :-	
Statutory Reserve Fund @25% of Net Profit	1,213
Contingency Reserve Fund @10% of Net Profit	485
Education Fund @1% of Net Profit	49
Building Fund	100
Bad and Doubtful Debt Fund	1,400
Donation Fund	5
Proposed Dividend on equity shares @ 10.00% p.a. (pro-rata)	835
Proposed Dividend on PNCPS @ 8.50% p.a. (pro-rata)	94
Ex-Gratia to Staff	800
Staff Welfare Fund	75
Members' Welfare Fund	18
Special Reserve U/s 36 (1) (viii) of I.T. Act, 1961	414
Balance carried forward	1
Total	5,489

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 November 28, 2014 and Board Approval dated September 23, 2014 in the current year, the Bank has raised Rs. 326.70 Lacs by way of Perpetual Non-Cumulative Preference Shares (PNCPS) (P.Y. Rs. 550.30 Lacs) for raising Tier I Capital thus, cumulatively amounting to Rs. 1255.40 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):

The LTD subscribed as at 31st March, 2018 is Rs. 15,970.25 Lacs which includes:-

- Rs. 5,000.00 Lacs during F.Y. 2014-15 (Series-I)
- Rs. 5,570.25 Lacs during F.Y. 2015-16 (Series-II)
- Rs. 5,400.00 Lacs during F.Y. 2016-17 (Series-III)

Repayment of all LTD Series 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.

- During the year, the Bank has transferred an amount of Rs. Nil (P.Y. Rs. 82.54 Lacs), being profit on redemption of investments held in HTM category, to IFR through Appropriation.
- During the year, the Bank has written off an amount of Rs. 1,166.73 Lacs (P.Y. Rs. 1,341.50 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.
- Claims receivable outstanding more than 1 year is provided in the accounts over a period of 3 years. The same is disclosed net of provisions thereon.
- Commission and Exchange Income include Income from Forex Business Rs. 503.57 Lacs (P.Y. Rs. 299.14 Lacs). Exchange Profit is Rs. 129.87 Lacs (P.Y. Rs. 132.29 Lacs)
- The Bank has earned an Income of Rs. 195.79 Lacs (P.Y. Rs. 215.62 Lacs) on account of Corporate Agency of Insurance Business with Bajaj Allianz Insurance Co. Ltd., Bajaj Allianz General Insurance Co. Ltd., Max Life Insurance Co. Ltd., Religare Health Insurance Co. Ltd. and ICICI Lombard General Insurance Co. Ltd. The same is disclosed under Commission, Exchange and Brokerage in the Profit and Loss Account.
- The Bank has earned an Income of Rs. 39.67 Lacs (P.Y. Rs. 8.60 Lacs) on account of Corporate Agency of Mutual Fund business with Aditya Birla Sun Life AMC Ltd., Reliance Nippon Life Asset Management Ltd. and HDFC Asset Management Co. Ltd. The same is disclosed under Commission, Exchange and Brokerage in the Profit and Loss Account.

11. Disclosure under AS - 15 "Employee Benefits" Provident Fund :

(R in Lacs)

Sr. No.	Particulars	Provident Fund	
		31.03.2018	31.03.2017
1	Employment and Retirement Benefits		
	Post Employment Benefits		
	Bank's contribution to Provident Fund debited to Profit and Loss Account	607.87	569.12

12. 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:

(R in Lacs)

Sr. No.	Particulars	Gratuity Funded	
		31.03.2018	31.03.2017
1	Principal actuarial assumptions as at the date of balance date:		
	Discount Rate	7.60%	7.10%
	Salary Escalation	4.00%	4.00%
	Expected Return on Plan Assets	7.60%	7.10%
2	Reconciliation of opening and closing balance of present value of obligation		
	Present value of obligation as at beginning of the year	2,147.03	1,804.95
	Interest cost	145.22	135.86
	Current service cost	142.49	119.21
	Benefit Paid	(141.21)	(140.73)
	Actuarial (Gain)/ Loss on obligations	57.38	227.74
	Present value of obligation as at end of the year	2,350.91	2,147.03
3	Reconciliation of opening and closing balance of present value of plan assets		
	Fair value of plan assets at beginning of year	2,008.72	1,640.12
	Expected return on plan assets	140.46	127.55
	Contributions	323.71	374.18
	Benefits paid	(141.21)	(140.73)
	Actuarial Gain/ (Loss) on plan assets	(10.18)	7.60
	Fair value of plan assets at end of the year	2,321.50	2,008.72
4	Amount to be recognized in the Balance Sheet		
	Present value of obligation as at the end of the year	2,350.91	2,147.03
	Present value of plan assets as at the end of the year	2,321.50	2,008.72
	Funded Status	29.41	138.31
	Net (Asset)/Liability in Balance Sheet	29.41	138.31
5	Expenses Recognised in the Profit and Loss Account		
	Current service cost	142.49	119.21
	Interest cost	145.22	135.86
	Expected return on plan assets	(140.46)	(127.55)
	Net Actuarial (Gain)/ Loss recognised in the year	67.57	220.14
	Expenses recognised in statement of Profit and Loss Account	214.82	347.66

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

Discounting Rate is benchmarked to 10 years Government Security yield.

(R in Lacs)

Sr. No.	Particulars	Leave encashment	
		31.03.2018	31.03.2017
1	Principal actuarial assumptions as at the date of balance date:		
	Discount Rate	7.60%	7.10%
	Salary Escalation	4.00%	4.00%
	Expected Return on Plan Assets	7.60%	7.10%
2	Reconciliation of opening and closing balance of present value of obligation		
	Present value of obligation as at beginning of the year	1,153.96	924.34
	Interest cost	78.85	70.12
	Current service cost	53.71	44.56
	Benefit paid	(137.60)	(105.23)
	Actuarial (Gain)/ Loss on obligations	23.09	220.17
	Present value of obligation as at end of the year	1,172.01	1,153.96
3	Reconciliation of opening and closing balance of present value of plan assets		
	Fair value of plan assets at beginning of year	1,043.00	896.11
	Expected return on plan assets	72.88	69.64
	Contributions / (Utilization)	287.98	173.97
	Benefits paid	(137.60)	(105.23)
	Actuarial Gain/ (Loss) on plan assets	6.74	8.51
	Fair value of plan assets at end of the year	1,273.00	1,043.00
4	The amounts to be recognised in the Balance Sheet		
	Present value of obligation as at the end of the year	1,172.01	1,153.96
	Present value of plan assets as at the end of the year	1,273.00	1,043.00
	Funded Status	100.99	110.96
	Net (Asset)/Liability in Balance Sheet	100.99	110.96
5	Expenses Recognised in the statement of Profit and Loss Account		
	Current service cost	53.71	44.56
	Interest cost	78.85	70.12
	Expected return on plan assets	(72.88)	(69.65)
	Net Actuarial (Gain)/ Loss recognised in the year	16.36	211.66
	Expenses recognised in statement of Profit and Loss Account	76.04	256.69

14. Disclosure under AS 17 on "Segment Reporting" :

Information about Primary Business Segments:

(R in Lacs)

Business Segments	For 2017-18			For 2016-17		
	Treasury and Forex	Other Banking Operations	Total	Treasury and Forex	Other Banking Operations	Total
Revenue	15,464.98	60,103.06	75,568.03	15,495.87	60,203.88	75,699.75
Expenses	12,028.99	56,099.10	68,128.09	13,614.94	55,418.59	69,033.54
Result	3,435.99	4,003.95	7,439.94	1,880.93	4,785.29	6,666.22
Unallocated expenses			171.54			235.81
Operating profit			7,268.40			6,430.41
Income Tax			2,415.78			1,775.32
Net Profit			4,852.62			4,655.08
Other Information						
Segment assets	1,89,538.70	6,05,111.22	7,94,649.92	2,07,253.56	5,97,075.29	8,04,328.85
Unallocated assets			23,395.29			24,466.89
Total assets			8,18,045.21			8,28,795.74
Segment liabilities	1,76,904.76	5,87,791.82	7,64,696.58	1,74,417.96	6,02,495.46	7,76,913.42
Unallocated liabilities			19,765.87			20,412.18
Shareholders' Funds			33,582.76			31,470.14
Total liabilities			8,18,045.21			8,28,795.74

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.

15. 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 2017-18, in terms of RBI circular dated March 29, 2003, he being a single party coming under the category, no further details thereon are required to be disclosed.

16. 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:

- Lease rental payments of Rs. 1,301.17 Lacs (P.Y. Rs. 1,278.35 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):

(R in Lacs)

Particulars	31.03.2018	31.03.2017
Future lease rental payable as at the end of the year :	7,400.72	8,000.49
-Not later than one year	2,124.46	1,443.54
-Later than one year and not later than five years	4,331.12	5,145.69
-Later than five years	945.14	1,411.26
Total of minimum lease payments recognised in the Profit and Loss Account for the year.	1,301.17	1,278.35

Lease agreement respect of all leased premises are renewed as of date.

17. 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 March 21, 2014, the Bank has transferred so far following funds to DEAF with RBI. The movement of the DEAF funds is as follows:

(R in Lacs)

Particulars	31.03.2018	31.03.2017
Opening Balance of amounts transferred to DEAF	647.09	471.40
Add : Amounts transferred to DEAF during the year	204.00	181.69
Less : Amounts reimbursed by DEAF towards claims*	14.42	6.00
Closing Balance of amounts transferred to DEAF	836.67	647.09

*Does not include an amount of Rs. 3.65 Lacs (P.Y. Rs. 1.53 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.

18. EARNINGS PER SHARE (EPS) (AS 20):

(R in Lacs)

Particulars	2017-18	2016-17
Net Profit/(loss) after income tax	4852.72	4655.08
Weighted average numbers of shares	840.38	874.15
Nominal Value of Shares (Rs.)	10	10
EPS (Rs.)	5.77	5.33

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

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

(R in Lacs)

Particulars	As At 31.03.2017	During 2017-18	As At 31.03.2018
DTA			
Provision for Advances	2,109.90	410.26	2,520.17
Provision for Leave Encashment	399.39	6.25	405.63
TOTAL	2,509.29	416.51	2,925.80
DTL			
Depreciation on Fixed Assets	525.62	(92.93)	432.69
Others (Special Reserve U/s 36 (1)(viii) of the Income Tax Act, 1961)	625.97	143.19	769.16
TOTAL	1,151.59	50.26	1,201.85
NET DTA / (DTL)	1,357.70	366.25	1,723.95

20. Intangible Assets (AS 26) :

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

(R in Lacs)

Particulars	2017-18	2016-17
Carrying Amount at the Beginning of the Year	2,118.69	443.09
Additions during the Year	152.34	2,107.35
	2,271.03	2,550.44
Amortisation during the Year	886.96	431.75
Carrying Amount at the End of the Year	1,384.07	2,118.69

21. 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.

- 22.** There are no material prior period items included in Profit & Loss Account required to be disclosed as per Accounting Standard – 5.
- 23.** The Bank has taken a Group Mediclaim Policy and has paid a premium of Rs. 63.72 Lacs (P.Y. Rs. 56.35 Lacs) on this account.
- 24.** 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 October 28, 2009).

25. Bills for Collection being Bill Receivable as per Contra includes cheques sent for clearing on 31.03.2018 to RBI amounting Rs. 2,980.12 Lacs (P.Y. Rs. 2,075.84 Lacs)

26. 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 judgement 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.

27. Goods and Service Tax:

Goods and Services Tax (GST) has been implemented w.e.f. 1st July, 2017. Accordingly, GST collected is accounted in 'GST' on liabilities side and GST paid to Vendor is accounted in 'VGST' on assets side. Out of the 'VGST' on assets side, eligible Input Tax Credit is availed as set off. In case, eligible Input Tax Credit remains unutilized, the same is carried forward and set off subsequently. The Input Tax Credit on expenses which is not allowable to be set off as per GST Law, is expensed out.

In case of fixed assets, eligible Input Tax Credit of GST paid to the vendor is utilized against the amount of GST collected from the customers and disallowed portion of Input Tax Credit is added back to the value of the asset i.e. the same is capitalized.

Income and Expenses on which GST is applicable are accounted for net of GST. Bank has appointed an independent external firm of chartered accountants as a GST Consultant to advise on the applicability of Income liable to GST.

28. Collection Account disclosed in Other liabilities under Schedule-5 of Accounts represents amounts due to shareholders of erstwhile Shri. Shahu Co-op. Bank on date of merger amounting to Rs. 210 Lacs repayable after 10 years i.e. before 31.07.2018 as per merger order issued by Registrar Co-operative Societies, Maharashtra State, dt. 23.06.2008.

The Bank has initiated the process of repaying the shareholders before the aforesaid date. Outstanding share amounts of defaulter Borrowers/Guarantors of erstwhile Shri. Shahu Co-op. Bank towards loans taken by them which are not payable, have been extinguished in the current year.

29. Capital Commitments:

Estimated amount of contracts stated net of CWIP executed on capital account as of date aggregate to Rs. 39.93 Lacs. (P.Y. Rs. 600.00 Lacs towards relocation of Premises of an existing Branch).

30. 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)	31.03.2018	31.03.2017
1.	A. Tier I Ratio	7.60%	6.83%
	B. Tier II Ratio	5.03%	5.49%
	CRAR	12.63%	12.32%
2.	Movement of CRAR		
	A. Tier I Capital	35,285.82	32,460.67
	B. Tier II Capital	23,332.81	26,085.56
	Capital Funds	58,618.63	58,546.23
	C. Risk Weighted Assets	4,63,960.10	4,75,100.31

*As per ICAI guidelines, Bank conservatively considers Software as an intangible assets & deducts the same from Capital funds to arrive at CRAR. Had it not done so, the CRAR would have been 12.89%.

(` in Lacs)

Sr. No.	Value of Investments is as under :	31.03.2018	31.03.2017
3.	Government/ Approved Securities (Market Value)	1,50,978.26	1,65,380.27
	Bonds of Public Sector Undertakings (Market Value)	-	-
	Other Investments (Cost Value or Market Value whichever is less)	35.08	25.08
	Shares in Co-operative Institution (Cost Value)	0.14	0.14
	TOTAL MARKET VALUE	1,51,013.48	1,65,405.49
	TOTAL FACE VALUE	1,50,436.23	1,60,276.33
	TOTAL BOOK VALUE	1,50,180.22	1,59,708.15

Investment of Face Value Rs. 2,000.00 Lacs as on 31st March, 2018 (Face Value P.Y. Rs. 2,000.00 Lacs) and Market Value Rs. 2,140.00 Lacs as on 31st March, 2018 (Market Value P.Y. Rs. 2,191.40 Lacs) have been lodged with CCIL as Collateral /Settlement Guarantee Fund.

Further, Investment of Face Value Rs. 5,000.00 Lacs as on 31st March, 2018 (Face Value P.Y. Rs. 5,000.00 Lacs) and Market Value Rs. 4,983.63 Lacs as on 31st March, 2018 (Market Value P.Y. Rs. 4,964.00 Lacs) have been lodged with CBLO as Collateral/Settlement Guarantee Fund.

Investment of Face Value Rs. 125.00 Lacs as on 31st March, 2018 (Face Value P.Y. Rs. 125.00 Lacs) and Market Value Rs.111.43 Lacs as on 31st March, 2018 (Market Value P.Y. Rs.113.23 Lacs) have been lodged with CCIL as Contribution to Default Fund- USD INR Segment.

Investment of Face Value Rs. 125.00 Lacs as on 31st March, 2018 (Face Value P.Y. Rs. 125.00 Lacs) and Market Value Rs. 111.43 Lacs as on 31st March, 2018 (Market Value P.Y. Rs. 113.23 Lacs) have been lodged with CCIL as Contribution to Default Fund- Forex Forward Segment.

Investment of Face Value Rs. 4,142.50 Lacs as on 31st March 2018, Book Value Rs. 4,047.46 Lacs and Market Value Rs. 4,066.49 Lacs as on 31st March, 2018 have been lien marked for Reserve Fund Investment.

(` in Lacs)

Sr. No.	Particulars	31.03.2018	31.03.2017
4.	A. Foreign Currency Liabilities	933.25	621.67
	B. Foreign Currency Assets	933.25	621.67

(Excludes an amount of USD 2,90,662.13 (INR Rs.189.45 Lacs) received in Nostro Account on 31.03.2018 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 31.03.2018.

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*	35.22	-	35.22	35.22
F.	Provisions held towards Depreciation	1.60	-	1.60	-
	TOTAL	36.82	-	36.82	35.22

* includes Shares of National Payment Corporation of India towards membership and Group Employee Benefit Plan with HDFC Standard life Insurance Company - earmarked for Leave Encashment Fund Investment.

B. Non Performing Investments: -NIL (For F.Y. 2017-18 and F.Y. 2016-17). Hence movement not disclosed.

(` in Lacs)

7.	Advances to sensitive sectors	31.03.2018	31.03.2017
	Against -		
	a. Housing*	93,057.64	88,778.92
	b. Construction business (excluding rent discounting)	7,331.41	11,257.59
	c. Real estate **	15,123.97	6,064.43
	d. Against Shares and Debentures	6.83	15.83
	*Includes staff housing loans of Rs 7,477.68 Lacs (P.Y. Rs. 5,217.38 Lacs) ** Excludes IPRE (Income Producing Real Estate) of Rs. 5,064.18 Lacs **Includes Non-Funded CRE Advances of Rs. 422.66 Lacs and Overdraft against property of Rs. 2,189.52 Lacs, but excludes Mortgage Loans		

8. There have been no sanctioned limits to directors and relatives (Funded and Non Funded) as at 31.03.2018 (P.Y. – NIL). Advances to directors outstanding as at 31.03.2018 is Nil (P.Y. - NIL). Directors and relatives have not given any guarantees for any limits sanctioned by the Bank.

Particulars	31-03-2018	31-03-2017
9. Average cost of deposits	6.50%	7.17%

(` in Lacs)

Particulars	31-03-2018	31-03-2017
10. NPAs at the end of the year		
a. Gross NPAs	31,716.24	24,398.14
b. Net NPAs **	18,985.54	14,790.71

** During the year, the Bank has proposed appropriation subject to approval of AGM of an amount of Rs. 1,400.00 Lacs (P.Y. Rs. 500.00 Lacs) towards Bad and Doubtful Debt 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. 3,025.00 Lacs.

(₹ in Lacs)

	Particulars	31-03-2018	31-03-2017
11.	Movements in NPA		
	Opening Balance – Gross NPAs	24,398.14	17,216.13
	Additions during the year *	14,270.73	12,668.42
	Less: Recovered /Upgraded/ Written Off/closed	6,952.63	5,486.41
	Closing Balance	31,716.24	24,398.14
* Does not include amounts of NPAs of Rs. 14,110.34 Lacs added and recovered during the current year (P.Y. Rs. 11,215.87 Lacs)			

		31-03-2018	31-03-2017
12.	Profitability **		
	A. Interest income as a percentage of working funds.	8.87%	8.58%
	B. Non-interest income as a percentage of working funds.	0.49%	0.54%
	C. Operating profit as a percentage of working funds.	1.30%	1.27%
	D. Return on Assets (Net Profit /Average of working funds).	0.61%	0.62%
	E. Business (Deposits + Advances) per employee (Rs. Lacs).	1059.34	1,003.48
	F. Profit per employee (Rs. Lacs).	4.19	3.82
	** Working Fund excludes Contra items in Balance Sheet.		

(₹ in Lacs)

	Particulars	31-03-2018	31-03-2017
13.	Provisions made towards NPA during the year debited to Profit and Loss Account	2,890.00	3,340.00

(₹ in Lacs)

	Particulars	31-03-2018	31-03-2017
14.	Contingent provision made written back during the year against depreciation in investment	0.30	(15.00)

(₹ in Lacs)

	Particulars	31-03-2018	31-03-2017
15.	Movement in provisions		
	A. Towards NPAs		
	i. Bad and Doubtful Debts Reserve		
	Opening Balance	7,982.43	5,983.93
	Add: Provision during the year	2,890.00	3,340.00
	Total	10,872.43	9,323.93
	Less: Write back of provision on account of closure of/recovery in/ write off of NPA	(1,166.73)	(1,341.50)
	Closing Balance	9,705.70	7,982.43
	ii. Bad and Doubtful Debt Fund		
	Opening Balance	1,625.00	1,125.00
	Add: Amount proposed to be appropriated from profits after tax	1,400.00	500.00
	Closing Balance	3,025.00	1,625.00
	C. Towards Standard Assets		
	Opening Balance	2,075.00	1,701.33
	Add: Additions during the year	114.00	373.67
	Less: Written back during the year	-	-
	Closing Balance	2,189.00	2,075.00

(₹ in Lacs)

		31-03-2018	31-03-2017
16.	Movements in Contingent provisions against depreciation in investment		
	Opening Balance	1.30	16.30
	Add: Provision made during the year	0.30	-
	Less: Excess provision reversed	-	15.00
	Closing Balance	1.60	1.30

(₹ in Lacs)

		31-03-2018	31-03-2017
17.	Movements in Investment Fluctuation Reserve		
	Opening Balance	1,525.54	1,442.54
	Additions during the year	-	-
	Appropriations :		
	Amount Transferred	-	83.00
	Less : Excess amount reversed	-	-
	Closing Balance	1,525.54	1,525.54

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)

Restructured Accounts during F.Y. 2017-18				
		Housing Loans	SME Debt Restructuring	Others
Standard Advances Restructured	No of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice	-	-	-
Substandard Accounts Restructured	No of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice	-	-	-
Doubtful Accounts Restructured	No of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice	-	-	-
Total	No of Borrowers	-	-	-
	Amount Outstanding	-	-	-
	Sacrifice	-	-	-

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. 762.24 Lacs (P.Y. Rs. 686.08 Lacs).

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

21. There has been no default on CRR & SLR stipulated requirement by the Bank during the year.

22. 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	
	31.03.2018	31.03.2017
• Interest rate risk	-	3.01
• Equity position risk	5.11	5.11
• Foreign exchange risk	52.74	52.74

23. 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.

24. There is no breach in Single Borrower / Group Borrower limit.

ANNEXURE 'I'

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

(` in Cr.)

ITEMS	AS ON MARCH 31, 2018
No. of Branches (including Head Office)	108
Membership	
No of Regular Members	54,547
No of Nominal Members	14,380
Paid up Share Capital	97.60
Total Reserves and Funds	759.11
Deposits	
Current	337.99
Savings	1388.73
Term	5,218.59
Total	6,945.31
Advances:	
Secured	5,258.23
Unsecured	53.06
Total	5,311.29
Total % of Priority Sector	43.17%
Total % of Weaker Section	6.86%
Overdues	363.49
Overdue Percentage	6.84%
Borrowings	159.70
Investments	1,813.02
Audit Classification	A
Profit for the year	48.53
Working Capital	7,948.50
Total Staff	1,157



PROGRESS REPORT OF THE BANK (1917-2018)

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
Inception	1917-18	104	2881	112	1494	3593	-	915	4487	22	-
	1920	183	5404	512	14587	19106	190	1967	21468	870	5%
	1930	334	6699	4782	36395	31346	12567	7208	51768	1409	6 ¼%
	1940	716	15960	15288	224314	125638	101065	38675	268656	3610	6 ¼%
Silver Jubilee	1942	800	0.24	0.18	3.39	1.19	2.34	0.39	3.97	0.03	6 ¼%
	1950	1335	0.72	0.99	17.34	1.61	17.21	0.33	20.17	0.15	6 ¼%
	1960	2206	1.25	1.74	26.63	17.01	13.09	0.42	31.39	0.36	6 ¼%
Golden Jubilee	1967	3530	2.15	3.78	63.68	46.84	14.05	10.65	73.20	0.69	9%
	1977	17357	12.12	17.41	335.81	190.01	79.88	101.18	383.58	3.50	12%
	1980	24361	17.93	34.96	631.30	312.58	150.74	229.84	715.89	8.76	12%
	1990	41439	97.88	279.58	4764.95	2931.95	1001.74	1280.81	5410.51	48.33	12%
Platinum Jubilee	1992	45393	136.47	475.90	6563.33	4560.83	1746.97	919.01	7575.84	84.01	12%
	2003	62810	1294.28	6017.92	74705.35	40626.75	26990.41	14090.44	85618.10	863.90	14%
	2004	65127	1553.19	7398.20	84819.00	45354.59	35533.12	12684.13	97719.94	1164.89	14%
	2005	66373	1734.40	8585.41	96738.57	50387.21	42965.86	12222.15	110821.76	1207.75	14%
	2006	67613	1925.95	9833.88	111213.44	58710.04	44158.81	18769.64	127094.06	1250.79	14%
	2007	69715	2278.11	10193.84	128499.71	78870.39	40563.85	20930.12	145586.40	1503.34	14%
	2008	71461	2699.03	10838.93	154986.27	99518.13	46944.62	22947.74	174748.49	2068.07	14%
	2009	72990	3131.74	12694.04	184025.12	108901.45	59998.08	32904.96	207836.87	2717.20	15%
	2010	74396	3541.19	14071.71	229798.45	136979.83	68382.68	44293.90	258067.27	2740.87	15%
	2011	75663	4090.93	29772.07	264764.88	174895.38	91617.90	16779.35	305584.43	3060.42	15%
	2012	77675	5327.64	32561.60	325365.65	196124.31	132208.34	19764.25	372355.21	3600.50	15%
	2013	42345	6376.45	38756.83	366571.56	240453.06	132010.36	20480.44	419600.13	4,345.95	15%
	2014	45152	8333.83	42324.64	429305.57	281201.28	147485.74	27337.33	486568.14	4031.62	12%
	2015	49110	9168.49	54253.56	533453.27	363718.74	174333.13	28294.16	608864.81	4012.68	12%
	2016	51562	#9238.22	56577.43	603797.54	453184.17	158336.70	37922.90	691189.76	4566.59	12%
	2017	53442	#9448.34	61201.11	709488.81	512750.74	197772.33	54416.36	808800.03	4655.08	12%
	2018	54547	#9759.97	66151.20	694530.53	531129.20	181301.61	39868.52	794852.10	4852.72	835.00

** (Recommended)

* 1917-1940 : Actual
1942-2018 : ` in lacs
Including : PNCPS

संचालक मंडळाचा अहवाल (संक्षिप्तगोषवारा)

आपल्या बँकेचा १०१वा वार्षिक अहवाल व ३१ मार्च २०१८ या वर्षाखेरीचा ताळेबंद व नफातोटा पत्रक आपल्यापुढे सादर करताना संचालक मंडळास अतिशय आनंद होत आहे.

* जागतिक आर्थिक क्षेत्र :

- १) जागतिक आर्थिक क्षेत्र वेगाने वाढत आहे तसेच जागतिक व्यापारक्षेत्रही अधिकाधिक मजबूत होत आहे.
- २) भौ गोलिक व राजकीय दबावामुळे कच्चा तेलाचे दर तीव्रगतीने वाढले परंतु OPEC व रशियाने केलेल्या पुरवठ्यामुळे स्थिरावले.
- ३) डिसेंबर २०१७ च्या तुलनेत अमेरिकन डॉलरने जून २०१८ मध्ये उच्चतम पातळी गाठली परंतु युरो चलनाची अमेरिकन डॉलरच्या तुलनेत घसरण झाली.

भारतीय अर्थव्यवस्था-

- १) गेल्या सात तिमाहीमध्ये अर्थव्यवस्थेमध्ये ७.७% ची तीव्र वेगाने वाढ झाली.
- २) अन्नधान्याच्या मुबलक उत्पादनामुळे शेती क्षेत्रातील वाढ उंचावली.
- ३) कच्च्या तेलाच्या व पेट्रोलच्या वाढत्या दरामुळे उत्पन्नावर परिणाम होणार आहे.
- ४) IMD च्या अंदाजानुसार जर देशात सर्वत्र पाऊस आवश्यकतेनुसार झाल्यास महागाई नियंत्रणात राहील.

बँकिंग क्षेत्र-

भारतीय बँकिंग क्षेत्रातील प्रमुख घटना-

- रिझर्व्ह बँकेच्या आर्थिक धोरण समितीने रेपो रेट मध्ये वृद्धि करून तो ६.२५% इतका केला, जे व्याजदरवर्तुळाचे उलट दिशेने प्रवास सुरू झाल्याचे द्योतक आहे.
- रिझर्व्ह बँकेने अनुत्पादित कर्जाचे वर्गीकरण, लेखापरिक्षणाचे कार्यक्षेत्र व प्रभाव तसेच आर्थिक गुन्ह्यांचे वाढते प्रमाण यावर उपाययोजना करण्यासाठी एक समिती श्री. वाय्. एच्. मालेगाम यांच्या नेतृत्वाखाली स्थापन केली.
- इलेक्ट्रॉनिक प्रणालीचा जास्तीत जास्त वापर करण्यावर भर देऊन केंद्र सरकारने IMPS च्या माध्यमातून भरणा करण्यावर प्राधान्य दिले आहे.
- SWIFT प्लॅटफॉर्मचा विस्तार साधून GPI मागोवा व्यवस्था निर्माण करून आंतरराष्ट्रीय व्यवहारावर काटेकोर लक्ष ठेवण्यावरही भर दिला गेला आहे.
- भारत सरकारने स्वनिधी मजबूत करण्यासाठी योजना घोषित केल्यामुळे बँकामधील कर्जवितरणामध्ये निश्चितपणे वाढ होण्याची अपेक्षा आहे.
- रिझर्व्ह बँकेने पात्र बँकांसाठी शाखा परवाना धोरणात शिथीलता आणली आहे.
- भारतीय बँकिंग क्षेत्रापुढील अनुत्पादित कर्जाचे प्रश्न सोडवण्याच्या दृष्टीने भारत सरकारने "The Banking Regulation (Amendment) Bill २०१७ पारित केले.

✱ २०१७-१८ या वर्षातील आपल्या बँकेची ठळक वैशिष्टे :

(रु. कोटीत)

तपशील	२०१७-१८	२०१६-१७	२०१५-१६
ठेवी (वाढीची टक्के वारी)	६,९४५ (२)	७,०९५ १८	६,०३८ १३
कर्जे (वाढीची टक्के वारी)	५,३११ ४	५,१२८ १३	४,५३२ २५
उलाढाल (वाढीची टक्के वारी)	१२,२५६ ०.२७	१२,२२३ १६	१०,५७० १८
कर व तरतूदीपूर्वीचा नफा	१०३.६०	१०२.६१	८८.०६
निव्वळ नफा	४८.५३	४६.५५	४५.६७
ढोबळ अनुत्पादित कर्जे (एकूण कर्जाशी टक्के वारी)	३१७.१६ ५.९७	२४३.९८ ४.७६	१७२.१६ ३.८०
निव्वळ अनुत्पादित कर्जे (नक्कल कर्जाशी टक्के वारी)	१८९.८६ ३.६६	१४७.९१ २.९४	९७.७१ २.१९

- यंदा ठेवींमध्ये २%ची अल्पशी घट झाली, तसेच कर्जवाटपामध्ये ४%ची वाढ होऊन ती रु. १८३ कोटींनी वाढली.
- बँकेची एकूण उलाढाल रु. ३३ कोटींनी वाढली. कर्जाचे ठेवींशी गुणोत्तर(CD Ratio) गतवर्षाच्या ७२% वरून ७६% झाले.
- बँकेने (NII) Net Interest Income ३.३०% राखण्यात यश मिळविले आहे.
- बँकेचा स्वनिधी रु. ७०६ कोटींवरून रु. ७५९ कोटींवर पोहोचला आहे.

✱ विनियोग :

संचालक मंडळ वर्ष २०१७-१८ करता नोटीस क्रमांक २ अन्वयेखालील विनियोगांची शिफारस आपल्या मान्यतेसाठी करत आहे (रु. लाखात)

तपशील	२०१७-१८	२०१६-१७
अ) वैधानिक विनियोग :-		
१) वैधानिक राखीव निधी	१,२१३	१,१६४
२) आकस्मिक विपत्ती निधी	४८५	४६५
३) शैक्षणिक निधी	४९	४७
ब) इतर विनियोग :-		
१) इमारत निधी	१००	२८६
२) अनुत्पादित कर्जासाठीचा निधी	१,४००	५००
३) देणगी निधी	५	४
४) गुंतवणूक चढउतार निधी	-	८३

तपशील	२०१७-१८	२०१६-१७
५) नियोजित लाभांश @ १०% on Equity Shares (गतवर्षी १२%)	८३५	१,०४५
६) नियोजित लाभांश @ ८.५% on PNCPS (गतवर्षी ७%)	९४	५५
७) कर्मचारी सानुग्रह अनुदान	८००	८६०
८) कर्मचारी कल्याणनिधी	७५	८०
९) सभासद कल्याणनिधी	१८	२२
१०) विशेष निधी (आयकर कायदा १९६१च्या कलम ३६ (१) (viii) नुसार)	४१४	३४०
ताळेबंदात दर्शविलेला नक्का नफा	१	२
एकूण	५,४८९	४,९५३

* बँकेची स्वनिधी पर्याप्तता (CRAR) :

बँकेने आपल्या स्वनिधी पर्याप्ततेचे प्रमाण (CRAR) कायमस्वरूपी १२% हून अधिक राखण्यात यश मिळवले आहे. वर्षअखेरीस बँकेने आपला CRAR १२.६३% इतका राखला आहे.

* लाभांश :

भागधारकांचे हित लक्षात घेता तसेच बँकेच्या स्वनिधी पर्याप्ततेचे प्रमाण अधिक राखण्याकरता संचालक मंडळाने मार्च २०१८ अखेरीस १०% लाभांशाची शिफारस केली आहे.

* भागभांडवल :

३१ मार्च, २०१८ रोजी बँकेत भरणा झालेले भागभांडवल रु. ८५.०५ कोटी इतके आहे. तसेच एकूण सभासद संख्या ५४,५४७ इतकी झाली आहे. तसेच बँकेचे Perpetual Non-Cumulative Preference Share Capital (PNCPS) गतवर्षीच्या रु.९.२९ कोटींवरून रु.१२.५५ कोटींवर पोहोचले आहे.

* ठेवी संकलन :

मार्च २०१८ च्या वर्षात ठेवी कमी होऊन त्या रु. ६,९४५ कोटी झाल्या. गतवर्षीपेक्षा ठेवीमधे येरु. १५० कोटींची घट दिसून आली.

ठेवींचे तपशील पुढील प्रमाणे :

(रु. कोटीत)

ठेव तपशील	३१/०३/२०१७	%	३१/०३/२०१८	%
बचत	१,३५३	१९.०७	१,३८९	२०.००
चालू	४०४	५.६९	३३८	४.८७
मुदत	५,३३८	७५.२४	५,२१८	७५.१३
एकूण	७,०९५	१००.००	६,९४५	१००.००

यावर्षी ठेवीवरील खर्च (Cost of Deposits) गतवर्षीच्या ७.१७% वरून ६.५०% इतका घटवण्यास बँकेला यश आले आहे.

* निर्धीचे आयोजन :

बँकिंग क्षेत्रातील कर्जावरील व्याजाच्यादरांच्या चढाओढीमुळे तसेच चांगले ग्राहक राखण्याकरता बँकेला स्पर्धात्मक व्याजदराने कर्जवाटप करावे लागले. यामुळे नफ्यावर परिणाम झाला.

✱ कर्जवितरणाचे तपशील पुढीलप्रमाणे :

(रु. कोटीत)

क्षेत्र	२०१६-१७	%	२०१७-१८	%
रिटेल	२,०३६	३९.७०	१,९२३	३६.२०
होलसेल	२,२००	४२.९१	२,५०५	४७.१६
इतर	८९२	१७.३९	८८३	१६.६४
एकूण	५,१२८	१००.००	५,३११	१००.००

✱ कर्जाची गुणवत्ता:

गेल्या वर्षात बँकिंग क्षेत्रातील गुणवत्तेची पातळी खालावलेली दिसून आली. बँकेची ढोबळ अनुत्पादित कर्जे रु. २४४ कोटींवरून रु. ३१७ कोटींवर पोहोचली. परंतु ही सर्व कर्जे पूरक तारणाद्वारे सुरक्षित आहेत व यासाठी आवश्यक ती वसूली करण्यावर बँकेचा भर आहे. रिझर्व्ह बँकेच्या निर्देशानुसार बँकेने या करता आवश्यक त्या तरतूदी केल्या आहेत. बँकेचे नक्कल अनुत्पादित कर्जाचे प्रमाण ३.६६% इतके आहे.

✱ गुंतवणूक :

बँकेची सरकारी व इतर रोख्यांमधील गुंतवणूक रु. १,८१३.०२ कोटी इतकी आहे. यंदा बँकेच्या कोष विभागाने रु. ४.२८ कोटींचा व्यापारीनफा कमावला आहे.

✱ तंत्रज्ञान :

२०१७ मध्ये अवलंबलेल्या 'फिनेकल' तंत्रप्रणाली नंतर बँकेला अनेक आव्हानांना तोंड द्यावे लागले. ही तंत्रप्रणाली आता बऱ्याच अंशी स्थिरावली आहे. बँकेने आपल्या मोठ्या शाखांमध्ये पासबुक छपाईसाठी किऑस्क मशीन्स लावली आहेत अशा अनेक नवीन व आधुनिक तंत्रप्रणालींच्या आधारे बँक आपल्या ग्राहकांना प्रगत व उत्तमसेवा प्रदान करू शकेल.

✱ बिझनेस डेव्हलपमेंट:

२०१४-१५ या वर्षात स्थापन झालेल्या बिझनेस डेव्हलपमेंट डिपार्टमेंटने व्यवसाय वृद्धी कडे लक्ष केंद्रित केले आहे व उत्तम ग्राहक सेवेसाठी बँकेने शाखांचे गट केले आहेत. बँकेने आधीच विमा क्षेत्रात आपला पाया भक्कम केला असून मॅक्स लाईफ, बजाज अलायन्स, आयसीआयसीआय लॉबार्ड, रेलिगेयर अशा विविध कंपन्याबरोबर करार केले आहेत.

✱ पुरस्कार:

- १ सलग दुसऱ्या वर्षी बँकेला को ऑपरेटिव्ह बँकांच्या गटात डीमॅट खाती उघडण्या बाबतीत नेत्रदीपक कामगिरी केल्याबद्दलचा प्रथम पुरस्कार.
- २ सप्टेंबर २०१७ साली बँकेला महाराष्ट्र अर्बन को-ऑप. फेडरेशन लि. चा उत्कृष्ट बँक पुरस्कार.
- ३ सप्टेंबर २०१७ साली बृहन्मुंबई नागरी सहकारी बँक असोसिएशन कडून रु. २००१ कोटींवर ठेवी असलेल्या वर्गात बँकेला द्वितीय पुरस्कार. तसेच आपल्या बँकेला महाराष्ट्र राज्य सहकारी बँक असोसिएशन तर्फे शतकपूर्ती बद्दल गौरवण्यात आले.

✱ लेखापरिक्षण :

३१ मार्च, २०१७ या वर्षासाठी रिझर्व्ह बँकेने लेखापरिक्षण केले. बँकेच्या सर्व शाखा या समवर्ती व अंतर्गत लेखापरिक्षणाद्वारे तपासल्या जातात.

✱ वैधानिक लेखापरिक्षकांची पुर्ननियुक्ती :

५ ऑगस्ट २०१७ रोजी झालेल्या बँकेच्या १००व्या वार्षिक सर्वसाधारण सभेत मे. अ.पी. संझगिरी आणि कं. यांची वैधानिक लेखापरिक्षक

म्हणून पुर्ननियुक्ती झाली होती. कंपनीची योग यपात्रता व यंदाही बँकेचे लेखापरिक्षण करण्याची त्यांची इच्छा पाहू नसंचालक मंडळाने पुढील वार्षिक सर्वसाधारण सभेपर्यंत त्यांच्यापुर्ननियुक्तीचा प्रस्ताव मांडला आहे.

✽ कार्यविस्तार :

ऑक्टोबर २०१७ मध्ये बँकेने इंदौर येथे शाखा उघडून मध्य प्रदेश राज्यातही आपल्या कार्यक्षेत्राचा विस्तार केला आहे. मार्च २०१८ मध्ये अहमदाबाद गुरुकुल येथे तर मे २०१८ मध्ये वाळुज औ रंगाबाद येथे नवीन शाखा विस्तार केला आहे. जुलै २०१८ मध्ये मणीनगर, अहमदाबाद येथे नवीन शाखा कार्यान्वित होईल. सध्या बँकेच्या १०८ शाखांचे जाळे महाराष्ट्र, गोवा, कर्नाटक, गुजरात व मध्य प्रदेशात पसरले आहे.

✽ मनुष्यबळ विकास :

एखाद्या संस्थेच्या उत्तमवाढीसाठी शिक्षण व विकास यांचा महत्वाचा वाटा असतो. हेच ध्येय समोर ठेवून बँकेने यंदा "Train the Trainers" व "Capacity Building" ही २ नवीन शैक्षणिक धोरणे आखली आहेत ज्यात अनुभवी कर्मचारीच इतर कर्मचाऱ्यांना शिक्षण देऊन त्यांचा विकास करतील. येत्या वर्षात प्रत्येक कर्मचाऱ्याला कमीत कमी २४ तासांचे प्रशिक्षण देण्याचा बँकेचा मानस आहे. यंदा ३७ कर्मचाऱ्यांनी शिक्षणात उत्तम, १० कर्मचाऱ्यांनी उत्तम शिक्षण तसेच २७ कर्मचाऱ्यांनी विविध संस्थांचे अभ्यासक्रम पूर्ण केले आहेत.

✽ ब्रँड बिल्डिंग:

बँकेच्या मार्केटिंग विभागाने यंदाही जनसंपर्काच्या विविध मार्गांचा अवलंब करीत बँकेला प्रसिद्धी मिळवून दिली आहे. लोकसत्ता या दैनिकाने आयोजित केलेल्या "बदलता महाराष्ट्र" या कार्यक्रमाचे प्रायोजकत्व स्विकारून त्याच प्रमाणे ठाणे वैभव तर्फे आयोजित करण्यात आलेल्या "सूर्यनमस्कार" या कार्यक्रमात भाग घेऊन प्रसिद्धीची एक वेगळी वाट अनुसरली आहे. त्याच प्रमाणे प्रसिद्धीच्या विविध पर्यायांचाही उदाहरणार्थ: दूरचित्रवाणी, आकाशवाणी तसेच इतर माध्यमांचाही अवलंब केला आहे.

✽ शतक महोत्सवी सोहळा :

२३ सप्टेंबर २०१७ रोजी रविंद्र नाट्य मंदिर, प्रभादेवी येथे संपन्न झालेल्या शतक महोत्सवी समारंभाच्या समारोप सोहळ्यात बँकेने आपले पूर्वाश्रमीचे अध्यक्ष, आजी व माजी संचालक मंडळे, नोकरीची ३० वर्षे पूर्ण झालेले कर्मचारी या सर्वांचा सत्कार आयोजित केला होता. या सोहळ्याला नागालँड व अरुणाचल प्रदेशचे राज्यपाल श्री. पी. बी. आचार्य प्रमुख पाहुणे म्हणून उपस्थित होते. या कार्यक्रमाची सांगता सांगितीक कार्यक्रम व बँकेच्या इतिहास पुस्तिकेच्या अनावरणाने झाली.

शेठ श्री. शांताराम मंगेश कुळकर्णी स्मृती व्याख्यानमाला:

१४ ऑक्टोबर, २०१७ रोजी बँकेने शेठ श्री. शांताराम मंगेश कुळकर्णी स्मृती व्याख्यानमाले अंतर्गत 'लोकसत्ता' या वृत्तापत्राचे संपादक श्री. गिरीश कुबेर यांचे "व्हॉट इट टेल्स टू बी अ सुपरपॉवर" या विषयावरचे व्याख्यान आयोजित केले होते. याच कार्यक्रमात २०१६-१७ या वर्षात उत्कृष्ट काम करणाऱ्या शाखांना प्रमुख अतिथींच्या हस्ते गौरवण्यात आले. बँकेच्या गौरवशाली इतिहासाच्या स्मृतिपत्रिकेचे अनावरणही प्रमुख अतिथींच्या हस्ते करण्यात आले.

✽ ठेव विमा :

बँकेच्या ठेवी "ठेव विमा व कर्ज संस्थेवरील विमा" (DICGC) या योजनेद्वारे सुरक्षित असून नियमितपणे बँक विम्याचा हप्ता भरते आहे.

✽ तक्रार निवारण कक्ष : ग्राहकांच्या तक्रारीचे लवकरात लवकर निवारण करून उत्तम ग्राहकसेवा देण्याच्या दृष्टिकोनातून तक्रार निवारण कक्षाची (Grievance Redressal Cell) स्थापना करण्यात आली. बँकेचे उप कार्यकारी संचालक श्री. पी. जी. कामथ हे नोडल ऑफिसर म्हणून या तक्रार निवारण कक्षाचे काम समर्थपणे सांभाळत आहेत.

✽ सभासद कल्याण योजना :

सभासद कल्याण योजनेतील फंडाद्वारे बँकेने सभासदांच्या ५२ पाल्यांचा त्यांची शैक्षणिक, क्रीडा क्षेत्रातील गुणवत्ता पाहू नसत कार केला. १७ सभासदांना रूग्णालयातील खर्चासाठी तर ३६ सभासदांना वैद्यकीय तपासणीसाठीचा परतावा बँकेतर्फे देण्यात आला.

✽ उपविधीतील बदल :

गत वर्षाच्या वार्षिक सर्वसाधारण सभेत उपविधी क्र. ५१ मध्ये येरिझव्ह बँकेच्या मार्गदर्शनपर तत्वानुसार प्रस्ताव मांडण्यात आला होता ज्यामुळे

बँकेचा सभासद बँकेच्या एकूण भागभांडवलाच्या कमाल ५ टक्कांपर्यंत किंवा रु. ५,००,०००/- पर्यंत भाग घेऊ शकतो. हा प्रस्ताव सेंट्रल रजिस्टार ऑफ को-ऑपरेटिव्ह सोसायटी यांच्याकडून संमत होऊन तो ७ डिसेंबर २०१७ पासून अमलात आणला गेला.

✽ संचालक मंडळ :

बँकेचे विद्यमान संचालक श्री नागेश पिंगे यांना २०१७ या वर्षासाठीचा अंतर्गत लेखापरिक्षणात नेत्रदीपक कामगिरी केल्याबद्दलचा पुरस्कार 'एशियन कॉन्फिडरेशन ऑफ इन्स्टिट्यूट्स ऑफ इंटर्नल ऑडिटर्स (ACIA) या संस्थेकडून दिल्ली येथे झालेल्या समारंभात प्रदान करण्यात आला. हा पुरस्कार प्राप्त करणारे श्री. पिंगे हे पहिलेच भारतीय आहेत.

बँकेचे कार्यकारी संचालक श्री. चिंतामणी नाडकर्णी हे इंडियन बँक् असोसिएशनच्या मॅनेजिंग कमिटीवर २०१६ पासून कार्यरत आहेतच. २०१७-१८ या वर्षासाठी त्यांची आयबीएच्या नागरी सहकारी बँकांच्या विभागाचे अध्याक्षमणून निवड झाली. श्री. नाडकर्णी हे आयबीएच्या रिटेल बँकिंगच्या स्टॅंडिंग कमिटी व फायनान्स कमिटीवरही आहेत.

✽ श्रद्धांजली :

बँकेचे माजी उपाध्यक्ष माजी संचालक श्री. के. पी. प्रभू माजी कर्मचारी श्री. गिरीश पिंगे व सौ. मंजिरी बोरकर यांचे निधन झाले. ईश्वर या सर्व मृतात्म्यास शांती देवो अशी श्रद्धांजली बँक व्यक्त करीत आहे.

✽ 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 मॅ. अ. पी. संझगिरी आणि कं., चार्टर्ड अकाउंटंट्स
- सर्व लेखापरिक्षक
- कृषि बँकिंग महाविद्यालय, पुणे
- नॅशनल इन्स्टिट्यूट ऑफ बँक मॅनेजमेंट.
- इंडियन बँक् 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.
- वृत्तापत्रे, दूरदर्शन इतर माध्यमे व त्यांचे कलाकार तसेच बँकेच्या प्रगतीमधे येण्यांनी प्रत्यक्ष वा अप्रत्यक्षपणे हातभार लावला त्या सर्वांचे आम्ही मनःपूर्वक आभार मानतो.

मुंबई

दि. ३० जून, २०१८

संचालक मंडळाच्या वतीने

किशोर कुळकर्णी

अध्यक्ष

TABLE NO. 1

Distribution of Shareholders as on March 31, 2018

No. of shares held	No. of Members	%
50-100	21,705	39.79
101-500	16,051	29.43
501-5000	13,496	24.74
5001 and Above	3,295	6.04
Total	54,547	100.00

TABLE NO. 2

Distribution of Deposit Accounts as on March 31, 2018

(₹ in Cr.)

Amount	No of Accounts	Amount of Deposits	%
Upto Rs. 10,000	2,81,227	63.70	0.92
Rs. 10,001 to Rs. 50,000	1,76,006	501.02	7.21
Rs. 50,001 to Rs. 1,00,000	1,08,285	803.86	11.57
Rs. 1,00,001 to Rs. 2,00,000	70,978	977.84	14.08
Rs. 2,00,001 to Rs. 10,00,000	53,452	2,168.15	31.22
Rs. 10,00,001 and Above	7,082	2,430.74	35.00
Total	6,97,030	6,945.31	100.00

TABLE NO. 3

Distribution of Advances as on March 31, 2018

(₹ in Cr.)

Amount	No of Accounts	Balance O/S	%
Upto Rs. 25,000	954	0.90	0.02
Rs. 25,001 to Rs. 1,00,000	2,041	12.33	0.23
Rs. 1,00,001 to Rs. 2,00,000	1,760	26.16	0.49
Rs. 2,00,001 to Rs. 1,00,0000	6,487	341.09	6.42
Rs. 10,00,001 to Rs. 25,00,000	4,594	760.99	14.33
Rs. 25,00,001 to Rs. 50,00,000	1,951	675.42	12.72
Rs. 50,00,001 and Above	1,653	3,494.40	65.79
Total	19,440	5,311.29	100.00

३१ मार्च २०१८

(₹ लाखात)

भांडवल व देणी	३१ मार्च २०१८ रोजी	३१ मार्च २०१७ रोजी
भाग भांडवल	९,७६०	९,४४८
राखीव व इतर निधी	६६,१५१	६१,२०१
नफा / तोटा	१	२
ठेवी	६,९४,५३१	७,०९,४८९
घेतलेली कर्जे	१५,९७०	१५,९७२
थकित कर्जावरील जमा न केलेल्या व्याजावरील तरतूद	१५,०८१	११,३५१
व्याज देणे	१,९८५	५,३७१
इतर देणी	६,४५३	७,३१७
सेटलमेंट क्रेडिट अकाऊंट	९९	९६
इतर देणी वसूलीची बिले (येणे बाजूप्रमाणे)	८,०१४	८,५४९
एकूण	८,१८,०४५	८,२८,७९६
संभाव्य देणी	३४,७८१	३७,११७

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

श्री. अभिजित संझगिरी
भागिदार (मे.नं. ४३२३०)
वैधानिक लेखापरिक्षक
मुंबई, ३० जून, २०१८

चा ताळेबंद

(₹ लाखात)

मालमत्ता व येणी	३१ मार्च २०१८ रोजी	३१ मार्च २०१७ रोजी
रोख व बँकेतील जमा	६०,६९६	७७,९८५
मागणी योग्य ठेव	१०,२९४	१४,४९५
गुंतवणूक	१,५०,१८०	१,५९,७०८
दिलेली कर्जे	५,३१,१२९	५,१२,७५१
येणे व्याज: -		
अ) गुंतवणूक व नियोजित निधी	३,४४१	३,५५४
ब) कर्मचारी कर्जे (येणे व्याज)	८१५	७३२
क) बुडीत व संशयित कर्जावरील (येणे व्याज)	१५,०८१	११,३५१
स्थावर मालमत्ता	२८,५१९	२९,१७१
इतर मालमत्ता	८,०५३	९,०४६
डिफर्ड टॅक्स असेट (नेट)	१,७२४	१,३५८
सेटलमेंट डेबिट अकाऊंट	९९	९६
इतर देणी वसुलीची बिले (येणे बाजूप्रमाणे)	८,०१४	८,५४९
एकूण	८,१८,०४५	८,२८,७९६

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

राजन भट
नागेश फोवकार
नागेश पिंगे
(संचालक)

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

मुंबई, ३० जून, २०१८

३१ मार्च २०१८ अखेर

(₹ लाखात)

खर्च	३१ मार्च २०१८ अखेरीस	३१ मार्च २०१७ अखेरीस
ठेवीवरील व्याज	४५,०९१	४६,९१६
घेतलेल्या कर्जावरील व्याज	१,४८२	१,१५५
कर्मचारी व अधिकारी वर्गाचा पगार व भत्ते	७,९४१	७,६४४
भाडे, कर, विमा व वीज खर्च	२,५५४	२,५५९
कायदा व व्यावसायिक तज्ञांचे शुल्क	२३९	१८७
टपाल व टेलिफोन खर्च	३२५	३७२
प्रवास खर्च	९१	९०
हिशेब तपासणी शुल्क	११८	११७
दुरुस्ती व देखभाल	७६१	५३५
मालमत्तेवरील घसारा	१,५५५	१,५१७
रोख्यावरील अतिरीक्त भार	४९५	३७१
छपाई व लेखन सामुग्री खर्च	१०१	१२७
जाहिरात खर्च	२३२	२३२
इतर खर्च	३,०६५	२,२६२
निर्लेखित बुडित खर्च	१,१६७	१,३४२
व्यावसायिक नफा	१०,३६०	१०,२६१
	७५,५७७	७५,६८७
तरतूदी व संभाव्य देणी		
अ) बुडित व संशयित कर्जाची तरतूद	२,८९०	३,३४०
ब) उत्पादित कर्जावरील तरतूद	११४	३७४
क) रजा मोबदला निधीवरील व्याज	८०	१०३
ड) मतदान निधीची तरतूद	७	२९
कर पूर्व नफा	७,२६९	६,४३०
	१०,३६०	१०,२७६
आयकर	२,७८२	२,२१५
डिफर्ड टॅक्स	(३६६)	(४४०)
निव्वळ नफा	४,८५३	४,६५५
एकूण	७,२६९	६,४३०

आमच्या याच तारखेच्या अहवालानुसार

अ.प. संझगिरी व कंपनी

चार्टर्ड अकाऊंटंट्स

सही/-

श्री. अभिजित संझगिरी

भागिदार (मे.नं. ४३२३०)

वैधानिक लेखापरिक्षक

मुंबई, ३० जून, २०१८

संपलेल्या वर्षाचे नफा/तोटा पत्रक

(₹ लाखात)

जमा	३१ मार्च २०१८ अखेरीस	३१ मार्च २०१७ अखेरीस
दिलेल्या कर्जांवरील व गुंतवणूकीवरील व्याज		
१) दिलेल्या कर्जांवरील व्याज	५६,३९६	५५,९३९
२) गुंतवणूकीवरील व्याज	१२,४१५	११,८१२
३) बँकांतील ठेवींवरील व्याज	१,६८५	१,६८०
४) वठणावळ व हुंडणावळ	३,०७५	२,४६९
५) बुडित व संशयित कर्जनिधीतील तरतूदीचे प्रतिक्रमण	१,१६७	१,३४२
६) इमारत पुर्नमुल्यांकन निधीवरील घसारा	-	५७०
इतर उत्पन्न		
सरकारी रोख्यांच्या उलाढालीवरील नफा	२२५	१,२९२
म्युच्युअल फंडवरील नफा	२०३	१७९
विदेशी मुद्रा व्यवहारावरील नफा	१३०	१३२
स्थावर मालमतेच्या विक्रीवरील नफा	२	२
सुरक्षा तिजोरीवरील भाडे	२४१	१९३
इतर किरकोळ उत्पन्न	३८	७७
	७५,५७७	७५,६८७
व्यावसायिक नफा	१०,३६०	१०,२६१
आवश्यक नसलेल्या तरतूदीचे प्रतिक्रमण		
गुंतवणुकीच्या घसान्यावरील तरतूदीचे प्रतिक्रमण	-	१५
	१०,३६०	१०,२७६
कर पूर्व नफा	७,२६९	६,४३०
एकूण	७,२६९	६,४३०

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

राजन भट	कौशल मुझुमदार
नागेश फोवकार	अनिल नाडकर्णी
नागेश पिंगे	लक्ष्मीकांत प्रभू
सुजाता रांगणेकर	अलका दिवाडकर
(संचालक)	रमेश कसबेकर
	(संचालक)

मुंबई, ३० जून, २०१८

PERFORMANCE AND BUDGET ESTIMATE

A]

ASSETS AND LIABILITIES

(₹ in Lacs)

ACTUAL 2017	PARTICULARS	BUDGET 2018	ACTUAL 2018	% INCREASE/ DECREASE OVER 2017	BUDGET 2019	% INCREASE/ DECREASE OVER ACTUAL 2018
LIABILITIES						
9,448	Share Capital	13,700	9,760	3	11,760	20
61,201	Reserves	66,701	66,151	8	72,775	10
2	Net Distributable Surplus	1	1	-	1	-
70,651		80,402	75,912	7	84,536	11
7,09,489	Deposits	8,35,000	6,94,531	(2)	8,20,000	18
15,972	Borrowings	15,972	15,970	-	15,970	-
12,688	Sundries	15,626	8,437	(34)	8,004	(5)
8,08,800	TOTAL	9,47,000	7,94,850	(2)	9,28,510	17
ASSETS						
2,52,188	Liquid Assets	3,04,600	2,21,170	(12)	2,84,332	29
5,12,751	Advances	6,00,000	5,31,129	4	6,00,000	13
29,171	Fixed Assets	27,600	28,519	(2)	29,677	4
14,690	Sundries	14,800	14,032	(4)	14,500	3
8,08,800	TOTAL	9,47,000	7,94,850	(2)	9,28,510	17

B]

INCOME AND EXPENDITURE

ACTUAL 2017	PARTICULARS	BUDGET 2018	ACTUAL 2018	% INCREASE/ DECREASE OVER 2017	BUDGET 2019	% INCREASE/ DECREASE OVER ACTUAL 2018
75,702	INCOME	85,340	75,577	-	82,646	9
EXPENDITURE						
48,071	Interest Paid	53,150	46,573	(3)	52,060	12
7,644	Establishment	8,100	7,941	4	8,400	6
9,711	Others	12,198	10,703	10	10,571	(1)
1,775	Provision for Taxes	2,319	2,416	36	2,800	16
3,846	Provisions	3,473	3,091	(20)	2,728	12
4,655	Net Profit	6,100	4,853	4	6,087	25
75,702	TOTAL	85,340	75,577	-	82,646	9

SHETH SHANTARAM MANGESH KULKARNI - 19TH MEMORIAL LECTURE

The 19th Sheth Shantaram Mangesh Kulkarni Memorial lecture was organized on 14th October, 2017 at Pracharya B. N. Vaidya Sabhagraha, IES School, Dadar. The lecture was addressed by Shri Girish Kuber, Editor of Loksatta on the topic "What it Takes to be a Super Power". The event was attended by around 400 people consisting of the Bank's customers, shareholders, well-wishers and the staff. The Centenary Souvenir was released by the keynote speaker Shri Girish Kuber. Awards were also given to branches for their performance during the financial year 16-17.



MEMORANDUM OF SETTLEMENT

The Memorandum of Settlement for the span 1st April, 2017 to 31st March, 2020 was entered into at Mumbai on 28th November, 2017, between NKGSB Co-operative Bank Ltd. & The Co-operative Banks' Employee's Union.

Present at the ceremony were Shri Kishore Kulkarni, Chairman, Shri Sunil Gaitonde, Vice Chairman, Members of the Board of NKGSB Bank, Hon'ble Shri Anandrao Adsul, President of The Co-operative Banks' Employees' Union along with the Office bearers, Shri Amul Prabhu, Secretary, Shri Jaganath More, Jt. Secretary, Unit NKGSB and staff of the Bank.



BEST BANK AWARDS



The Brihan Mumbai Nagari Sahakari Banks' Association Best Bank award F.Y. 2015-16



The Brihan Mumbai Nagari Sahakari Banks' Association Best Bank award 2nd place F.Y. 2016-17



Maharashtra Urban Co-op. Banks' Federation
Best Bank award 3rd place F.Y. 2016-17



NKGSB BANK BAGS AWARD FROM NSDL 2ND TIME IN A ROW



For the second consecutive year, your Bank has bagged the **TOP PERFORMER IN NEW DEMAT ACCOUNTS OPENED – 1ST POSITION** in the Co-operative Banks' category. This coveted award is no doubt a hard earned and well deserved accomplishment for our Bank.

BRANCH OPENING (INDORE & AHMADABAD)



NKSGB Bank sets its foot prints in the state of Madhya Pradesh with opening of its 106th branch at Indore on 8th October, 2017.



Bank opened its 107th branch and 2nd in Ahmedabad at Drive In Road (Gurukul), on 7th March, 2018. The branch was inaugurated at the hands of our MD, Shri Chintamani Nadkarni.

BRANCH SHIFTED TO NEW SPACIOUS PREMISES



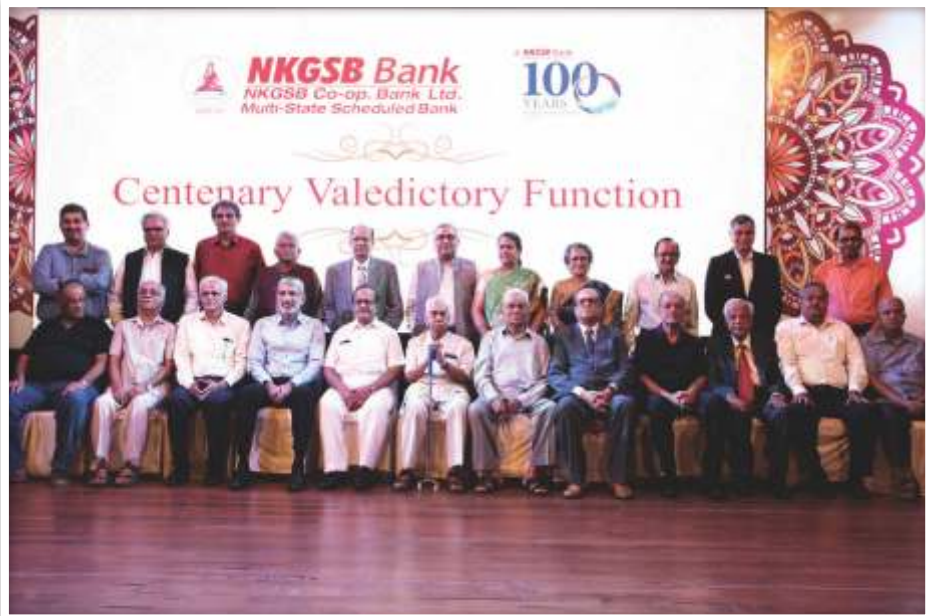
Bandra Branch - 11th Dec, 17 - shifted to new premises at Kalpataru Sparkle, R.P. Marg, Next to MIG Club, Bandra (E), Mumbai - 58.



Dahisar West Branch - 26th Feb, 2018 - shifted to new premises at 1st Floor, Sai Shakti CHSL, L.T. Rd., Opp. Dahisar Railway Station, Dahisar (W), Mumbai - 68.

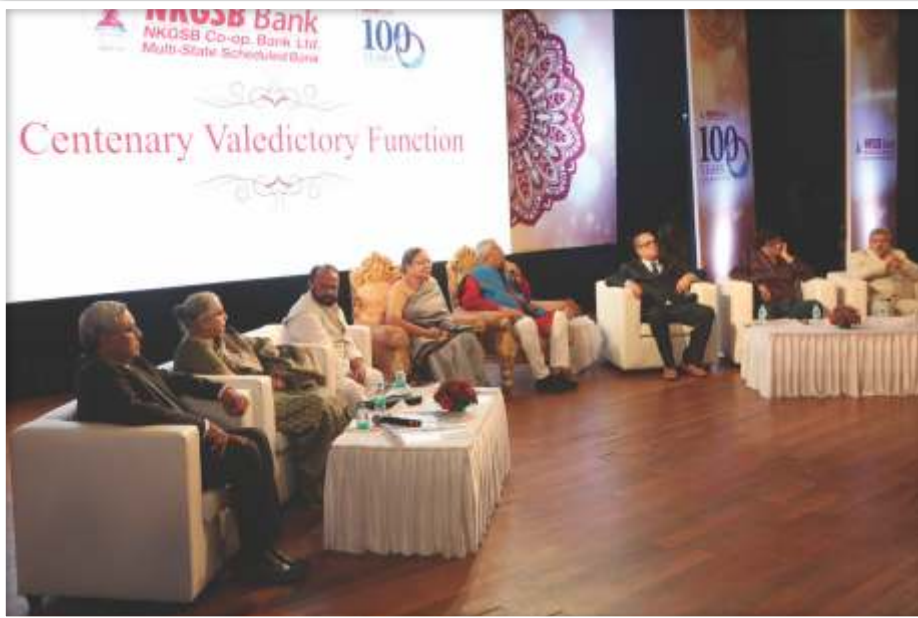


THE BANK'S CENTENARY VALEDICTORY FUNCTION



23RD SEPTEMBER 2017

VENUE: RAVINDRA NATYA MANDIR, MUMBAI



NKGSB BANK CENTENARY SKILL DEVELOPMENT CENTRE INAUGURATED AT WORLD KONKANI CENTRE



The NKGSB Bank Skill Development Centre at the World Konkani Centre (WCT), Mangalore was inaugurated on 24th February, 2018. With this, WKC now has a classroom space with high definition projectors, computers, etc. to simultaneously train 160 students. At this centre, under the Kshamata and Kshamata UGetin, the Centre conducts soft skill & personality development programmes. The trainings are provided free of cost.

BRAND BUILDING



As a brand building exercise, your Bank branded the entire rake consisting of 24 bogies of the Konkankanya/Mandovi express running between Mumbai & Goa. Also the 8 bogies of the Madgaon- Mangalore passenger train which runs between Madgaon & Mangalore was branded. This has created a good brand recall.



NKGsb Bank
NKGsb Co-op. Bank Ltd.
(Multi-State Scheduled Bank)

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NKGSB Bank

NKGSB Co-op. Bank Ltd.

(Multi-State Scheduled Bank)

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