



NKGSB Bank
NKGSB Co-op. Bank Ltd.

99th Annual Report 2015 - 2016

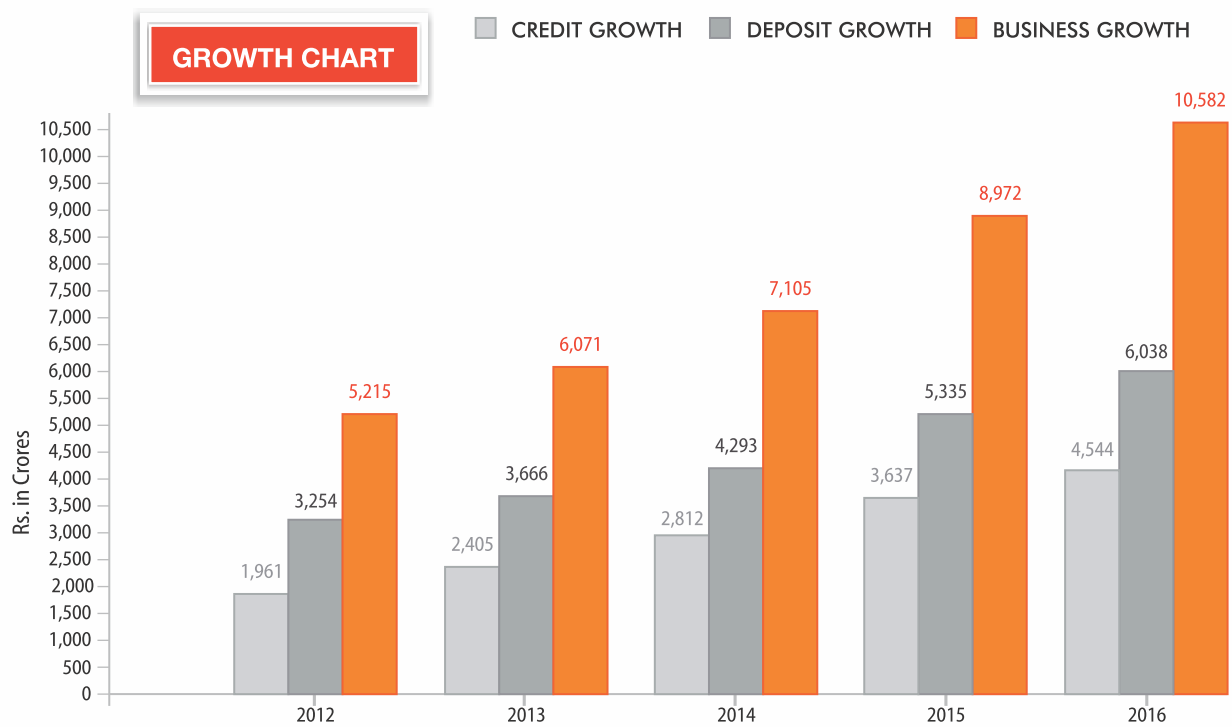
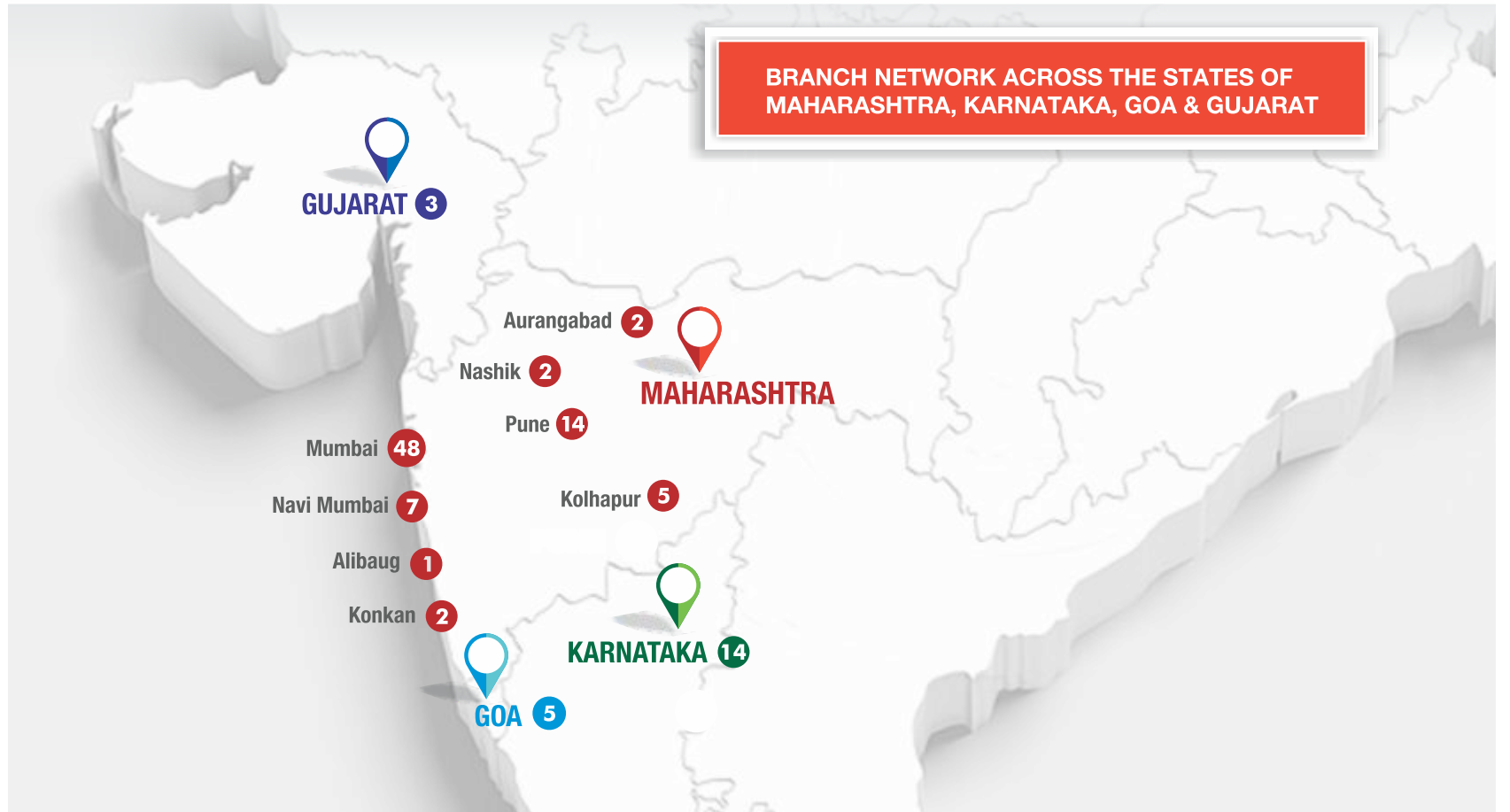
GARNERED GOODWILL
OVER 99 YEARS...

99

ON THE THRESHOLD
OF THE CENTENARY!



Sheth Shri Shantaram Mangesh Kulkarni (Founder Chairman)





NKGSB Bank
NKGSB Co-op. Bank Ltd.

99th Annual Report



Sheth Shri Shantaram Mangesh Kulkarni
(Founder Chairman)

BOARD OF DIRECTORS

Chairman

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

Vice-Chairman

NAGESH PINGE, B.Com (Hons.), LL.B.(Gen), ACA

Directors

RAJAN BHAT, M.Com.

NAGESH FOVKAR, Civil Engineer

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

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

VASUDEV MASUREKAR, B.Sc., LL.B., D.T.M.

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

ANIL NADKARNI, B.Sc., PGDCM

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

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

Managing Director

CHINTAMANI NADKARNI, B.Com., ACA

Statutory Auditors

M/S. A.P. SANZGIRI & CO., Chartered Accountants

COMMITTEES

ADVANCES & RECOVERY

RAJAN BHAT
SUNIL GAITONDE
SHREEDHAR KAMAT
KAUSHAL MUZUMDAR
SUJATA RANGNEKAR

DEVELOPMENT & STAFF

NAGESH FOVKAR
VASUDEV MASUREKAR
KAUSHAL MUZUMDAR
ANIL NADKARNI
LAXMIKANT PRABHU

AUDIT

NAGESH FOVKAR
SUNIL GAITONDE
LAXMIKANT PRABHU
SUJATA RANGNEKAR

INVESTMENT

RAJAN BHAT
SUNIL GAITONDE
SHREEDHAR KAMAT
SUJATA RANGNEKAR

Chairman and Vice-Chairman are members of all the Committees

99th Annual Report



NOTICE

Notice is hereby given that the Ninety-Ninth Annual General Meeting of the Members of NKGSB Co-operative Bank Ltd., Mumbai, will be held on **SATURDAY, THE 25th JUNE, 2016, 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, 2016 and Audited Balance Sheet as on that date.
2. To approve appropriations of Profit and to declare dividend for the year ended 31st March, 2016.
3. To appoint Statutory Auditors up to the date of the 100th Annual General Meeting.
4. To approve amendment to Bye-Law No. 3 as per Annexure II.
5. Any other business that may be brought forward with the permission of the Chair.

May 27, 2016

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 98th Annual General Meeting held on 27th June, 2015 were duly approved by the Board of Directors in its meeting held on 21st July, 2015 and copies thereof were made available at the branches and 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 Share Department. Members are also requested to intimate change of address to the Share Department.
3. Many members have not collected their past dividend amounts for the year 2012-13 and onwards, in spite of repeated notices given in Annual Reports. 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 year 2012-13 on or before 30.06.2016, otherwise 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 Share Department.



CHAIRMAN'S STATEMENT

In the year 2012, when I took over the Chairmanship of the Bank, I have stated in my first Chairman's Statement that "I assure on behalf of the new Board to all our members, customers and well-wishers that newly constituted Board will continue to make all efforts for the progress and prosperity of the Bank."

Accordingly, during the period 2012-2016, the Bank has recorded quantum jump with deposits increasing from ₹ 3,254 Cr. to ₹ 6,038 Cr., advances growing from ₹ 1,961 Cr. to ₹ 4,535 Cr., and thus Business-Mix has doubled from ₹ 5,215 Cr. to ₹ 10,573 Cr. With this, the Bank has joined the Elite club of Co-operative Banks having Business mix of over ₹ 10,000 Cr. We are the only 8th Co-operative Bank to have Business mix of over ₹ 10,000 Cr. among more than 1000 Co-operative Banks in the country.

As on 31st March, 2012, the Branch Network was 65 and as on 31st March, 2016, the Branch network has increased to 103. Thus Bank has achieved two milestones of Business Mix of ₹ 10,000 Cr. and Branch Network of more than 100 branches. The present Board had set these targets in the beginning of its tenure and has achieved these milestones one year ahead of the end of its term in 2017.

The Bank has 81 branches in Maharashtra (out of which 55 branches are in Mumbai, 14 branches in Pune and 12 branches spread across other places in Maharashtra), 14 branches in Karnataka, 5 branches in Goa and 3 branches in Gujarat. I assure that, if present Board is re-elected, with the support of all of you, the Board will target doubling of Business Mix, Profit and Branch Network in next five years i.e. 2017 to 2022.

This is the 99th year of Bank's existence, having founded on 26th September, 1917. The Bank will be celebrating its Centenary year from 26th September, 2016 to 26th September, 2017. The Board has already constituted Centenary Celebration Committee to celebrate the Centenary year with your active participation.

The Financial year 2015-16 has not been as good as expected for the Banking sector as a whole on account of various factors such as stressed asset quality, poor credit growth, sluggish deposit growth, depreciating rupee, subdued Stock market conditions and so on.

The Deposit growth of Banking industry in 2015-16 has slipped to 9.9%, an annual rate of growth last seen in 1962-63. The slowdown seems to fly in the face of RBI's contention that higher real rates of interest lead to an increase in savings and deposit growth.

The Credit growth in the banking sector has remained subdued and a cause of concern for most part of this year. Stressed assets in banks' credit portfolios have also constrained credit delivery, but the situation is gradually improving. The Reserve Bank of India has also facilitated rectification through a number of well-thought-out initiatives. Restricting incremental non-performing assets through early detection, monitoring, corrective action plans, shared information and disclosures is also likely to keep a future recurrence in check. Proposed mechanisms for asset resolution, including the recently cleared Bankruptcy Code, will help speedier recovery. The GDP growth story for India looks positive and the Government is helping to boost the infrastructure sector, which in turn, will help the banking sector to do well.

The landscape of India's financial sector is changing. Anytime, anywhere banking, using differentiated channels and



technology, will enable a multi-fold increase of reach in rural and remote areas. Coupled with the emergence of a new class of banks—the small and payment banks—one of the biggest impacts of technology adoption will be rapidly accelerating financial inclusion by making last-mile access more cost effective and expanding the reach of banking to the unbanked. Customers are increasingly weaving their digital and physical worlds together, with transactions conducted using multiple channels. Banks will integrate financial services, wallets, payments, shopping services etc., to deliver an enhanced customer experience.

The sector should start to see the roll-out of differentiated banking models like payment banks and small finance banks. In addition, existing banks are all trying to catch up with changing financial technology trends to stay relevant.

In the background of the above scenario of the Banking Sector in India, your Bank has succeeded in improving its financial parameters as under:-

(₹ in Cr.)		
Particulars	2015-16	2014-15
Deposits	6,038	5,335
% growth	13	24
Advances	4,535	3,637
% growth	25	29
Business-mix	10,573	8,972
% growth	18	26
Operating Profit	88	78
Net Profit	46	40
Gross NPA	172	170
% of Advances	3.80	4.69
Net NPA	98	98
% of Net Advances	2.19	2.76
CD Ratio	75	68
Owned Funds	658	634
Net Interest Income	3.27%	2.97%

NON PERFORMING ASSETS

Bank has succeeded in arresting NPAs, due to lots of efforts put by the Top Management of the Bank and more particularly the Recovery Department. Gross NPA stands at ₹ 172 Cr. as against ₹ 170 Cr. last year, resulting in reduction of Gross NPA percentage from 4.69% to 3.80%. Net NPA Ratio has also come down from 2.76% to 2.19%.

PROFITABILITY

The average cost of deposits has decreased from 8.03% to 7.77% during the financial year 2015-2016. Advances have increased by ₹ 898 Cr. (25%) during the year. Major increase in core advances was achieved due to Retail credit growth, however since the average lending rate of retail credit is lesser, the resultant impact was seen in reduction of average yield on advances from 12.52% to 12.39%.

The Operating Profit is ₹ 88 Cr. for 31st March, 2016 as against last year's profit of ₹ 78 Cr. Thus there is an increase in Operating Profit by ₹ 10 Cr.



Considering the provision required under Multi-State Co-op. Societies Act for Advances and Provision for taxation, Net Profit has increased to R 45.67 Cr. as against R 40.13 Cr. last year. The above profit has been arrived at, after meeting substantial, provision for salary arrears for 2 years viz. 2014-15 and 2015-16 arising out of Wage Revision Agreement with the Employees' Union with retrospective effect from 1st April, 2014.

The above increase in the Net Profit has enabled the Bank to make higher provision towards NPA reducing Net NPA from 2.76% to 2.19%.

BRANCH EXPANSION AND AREA OF OPERATION

During the year, 9 new branches were opened, taking the Bank's Network of branches to 103 as on 31st March, 2016 and further addition of 2 branches thereafter taking total branches to 105. This enabled the Bank to cross milestone of 100 branches during the current year 2015-16.

As you are aware, Bank's area of operation is in the State of Maharashtra, Karnataka, Goa, Gujarat and Union territories of Daman, Diu, Dadra & Nagar Haveli. The strong Network of 105 branches spread over these states. With a view for further expansion in mind, the Bank had applied to Reserve Bank of India for a license to operate in the state of Madhya Pradesh. RBI has advised that they have no objection to the extension of Area of Operation of the Bank to the State of Madhya Pradesh subject to submission of amended bye-laws duly registered with the competent authority within a period of six months. Expansion of area of operation of the Bank in the State of Madhya Pradesh would require approval of the shareholders. The Board of Directors has therefore proposed amendment to Bye-Law No.3.

OTHER HIGHLIGHTS

Some of the Key accomplishments in other areas during last 5 years are as follows :-

- Full-fledged Foreign Exchange Department with Authorised Dealership License (AD-I) from RBI.
- Centralised Credit and Marketing Department to reduce turn-around time in Loan sanctioning and disbursement along with better Credit monitoring.
- CRISIL (Credit Risk Solution)
To strengthen the credit under-writing process, minimize manual activities and quick turn-around time to assist all customers.
- Tied up with Infosys for migration to new Core Banking Solution- 'Finacle'.
It is expected to be operational within next 3 months.
- Launch of 'Quick-Mobil', Mobile Banking facility.
- Launch of Visa Debit Card, which allows customers to access the account from across the world through ATM and POS.
- Net Banking (QUICK NET) became fully operational, allowing customers to do banking from their home or office.
- 24/7 Call Centre to take all the customers' enquiry and reporting of loss of cards, etc.

FUTURE PLANS & INITIATIVES FOR NEXT 5 YEARS

- Own Corporate Office Building
- Full-fledged Training Centre
- Business Mix to be doubled in next 5 years.



Estd. 1917

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

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

Mumbai
May 27, 2016

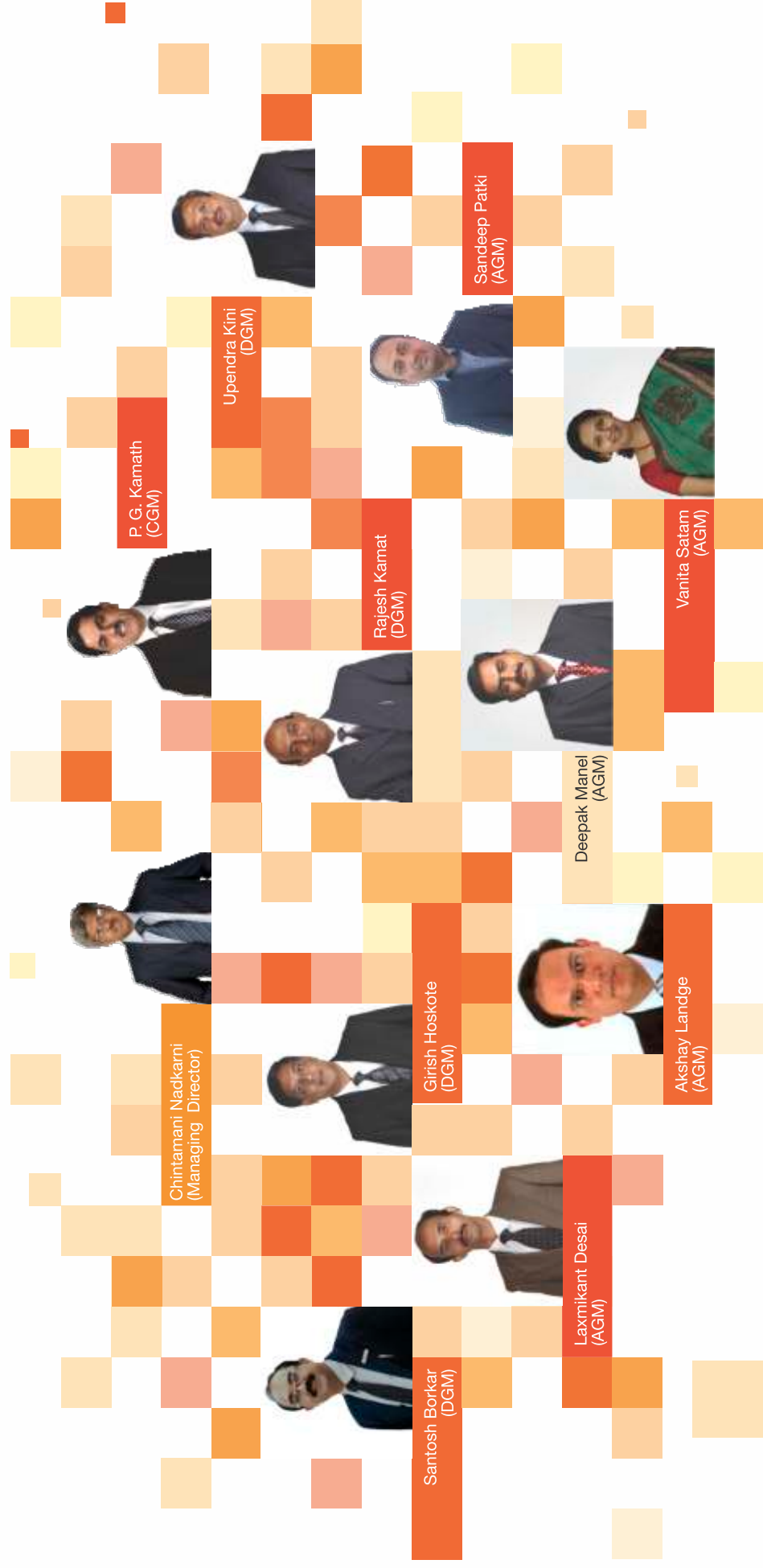
Kishore Kulkarni
Chairman

BOARD OF DIRECTORS



www.nksb-bank.com

MANAGEMENT TEAM



www.nksb-bank.com



DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Ninety-Ninth Annual Report together with the audited accounts for the financial year ended March 31, 2016.

MACROECONOMIC LANDSCAPE

The baseline projection for global growth in 2016 is a modest 3.2 percent, broadly in line with last year, and a 0.2 percentage point downward revision. The recovery is projected to strengthen in 2017 and beyond, driven primarily by emerging market and developing economies, as conditions in stressed economies start gradually to normalize. But uncertainty has increased, and risks of weaker growth scenarios are becoming more tangible.

The global macroeconomic landscape is currently chartering a rough and uncertain terrain characterized by weak growth of world output. The situation has been exacerbated by: (i) declining prices of a number of commodities, with reduction in crude oil prices being the most visible of them, (ii) turbulent financial markets (more so equity markets), and (iii) volatile exchange rates. These conditions reflect extreme risk-aversion behaviour of global investors, thus putting many, and in particular, commodities exporting economies under considerable stress.

Even in these trying and uncertain circumstances, India's growth story has largely remained positive on the strength of domestic absorption, and the country has registered a robust and steady pace of economic growth in 2015-16 as it did in 2014-15. Additionally, its other macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited distinct signs of improvement. However, weak growth in advanced and emerging economies has taken its toll on India's exports.

Growth in agriculture has slackened due to two successive years of less than normal monsoon. Saving and investment rates are hardly showing any signs of revival. Given the prevalent overall macroeconomic scenario, and assuming a normal level of monsoon in 2016-17, it is expected that the Indian economy is all set to register growth in excess of 7 per cent for the third year in succession.

BANKING SCENARIO

- During the year, Reserve Bank of India (RBI), reduced the Repo rate from 7.50% to 7.25% in June, 2015 and again to 6.75% in September, 2015. The Repo Rate was further reduced in April, 2016 to 6.50% by RBI.
- The RBI has granted in-principle licenses to 10 applicants to open small finance banks, which will help expanding access to financial services in rural and semi-urban areas.
- The RBI has also given in-principle approval to 11 applicants to establish Payment Banks. These banks can accept deposits and remittances, but are not allowed to extend any loans.
- During the year, two new Private Sector banks, IDFC Bank and Bandhan Bank, started operations.
- The RBI has allowed Indian Alternative Investment Funds (AIFs), to invest abroad, in order to increase the investment opportunities for these funds.
- In order to boost the infrastructure sector and the banks financing long gestation projects, the RBI has extended its flexible refinancing and repayment option for long-term infrastructure projects to existing ones where the total exposure of lenders is more than ₹ 500 crore (US\$ 75.1 million).



- RBI governor, Mr. Raghuram Rajan and European Central Bank President, Mr. Mario Draghi have signed an MoU on cooperation in central banking. The memorandum of understanding provides a framework for regular exchange of information, policy dialogue and technical cooperation between the two institutions. Technical cooperation may take the form of joint seminars and workshops in areas of mutual interest in the field of central banking.
- The Government of India is looking to set up a special fund, as a part of National Investment and Infrastructure Fund (NIIF), to deal with stressed assets of banks. The special fund will potentially take over assets which are viable but don't have additional fresh equity from promoters coming in to complete the project.
- The RBI plans to come out with guidelines soon, such as common risk-based know-your-customer (KYC) norms, to reinforce protection for consumers, especially since a large number of Indians have now been financially included post the government's massive drive to open a bank account for each household.

The Indian economy is on the brink of a major transformation, with several policy initiatives set to be implemented shortly. Positive business sentiments, improved consumer confidence and more controlled inflation are likely to prop-up the country's economic growth. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth. All these factors suggest that India's banking sector is also poised for robust growth as the rapidly growing business would turn to banks for their credit needs. Also, the advancements in technology have brought the mobile and internet banking services to the fore. The banking sector is laying greater emphasis on providing improved services to their clients and also upgrading their technology infrastructure.

While the medium term prospects point towards an improving growth scenario, the Indian economy still continues to battle falling exports and sluggish investments which may lead to slowdown in credit offtake and piling up of bad loans.

KEY PERFORMANCE HIGHLIGHTS OF F. Y. 2015-16

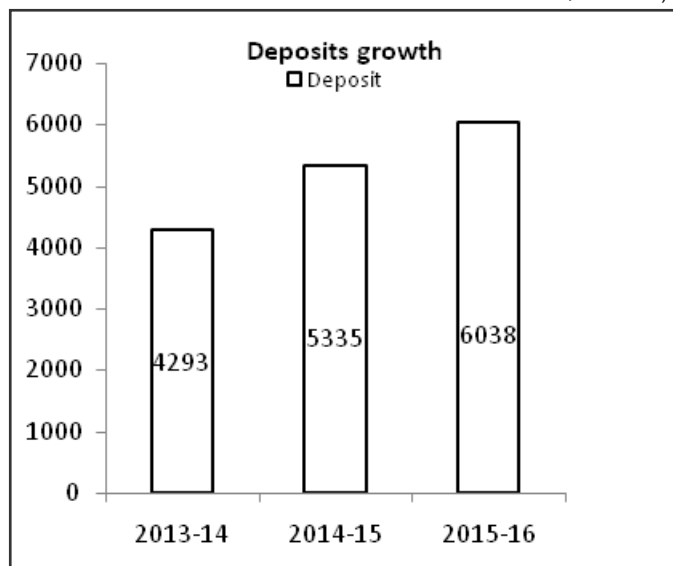
The performance of the Bank at a glance is as follows:

(₹ in Cr.)			
Particulars	2015-16	2014-15	2013-14
Deposits	6,038	5,335	4,293
% growth	13	24	17
Advances	4,535	3,637	2,812
% growth	25	29	17
Business-mix	10,573	8,972	7,105
% growth	18	26	17
Operating Profit	88.06	78.22	77.59
Net Profit	45.67	40.13	40.32
Gross NPA	172.16	170.50	113.34
% of Advances	3.80	4.69	4.03
Net NPA	97.71	98.26	61.06
% of Net Advances	2.19	2.76	2.21



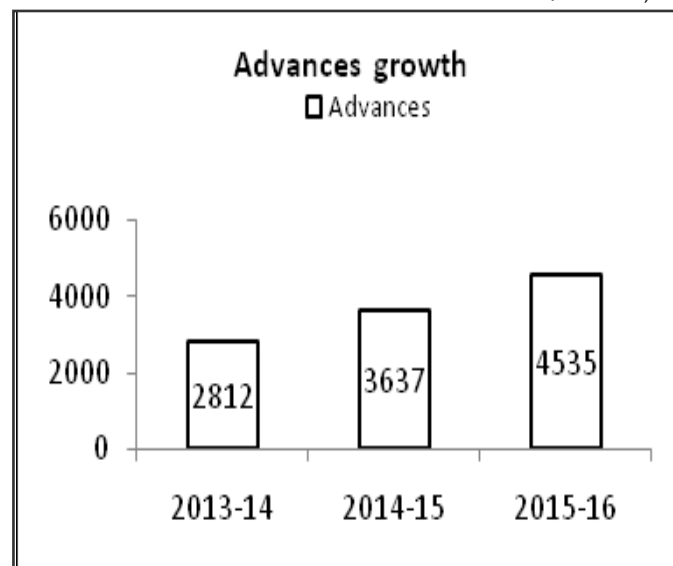
Estd. 1917

(₹ in Cr.)



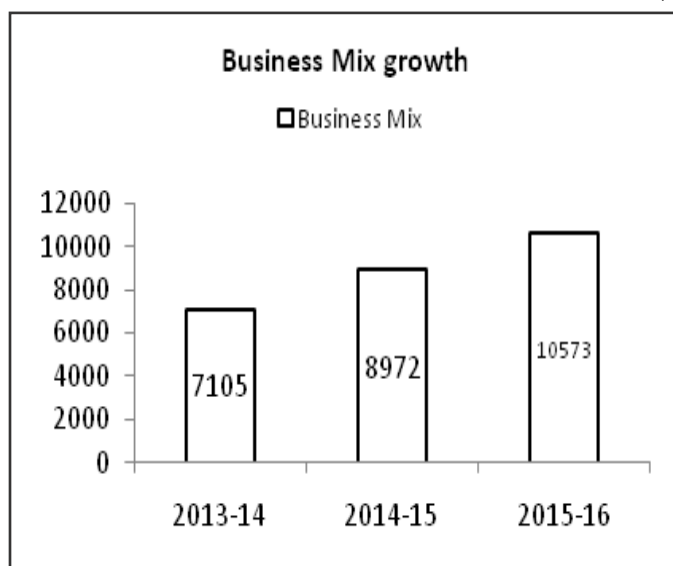
Deposits witnessed a growth of 13% i.e. ₹ 703 Cr. as against 24% i.e. ₹ 1,042 Cr. in the previous year. The growth of Deposits is more than the overall deposit growth in the banking industry of 9.9%.

(₹ in Cr.)



Advances increased by 25% i.e. ₹ 898 Cr., as against 29% i.e. ₹ 825 Cr. in the previous year. CD ratio improved from 68% to 75%.

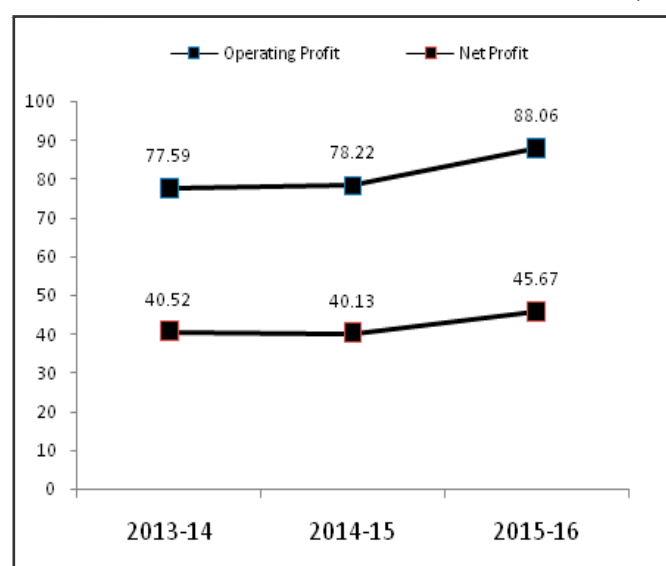
(₹ in Cr.)



The business mix has grown by 18% i.e. ₹1,601 Cr. in 2015-16 as against 26% i.e. ₹1,867 Cr. in the previous year. The Bank has crossed the milestone of ₹10,000 Cr. in Business Mix on 24th February, 2016.

Business per employee has gone up from ₹8.51 Cr. to ₹9.02 Cr.

(₹ in Cr.)



Operating Profit has increased from ₹ 78.22 Cr. to ₹ 88.06 Cr. Net Profit after tax and provisions increased from ₹ 40.13 Cr. to ₹ 45.67 Cr.

Profit per employee has increased from ₹ 3.81 Lac to ₹ 3.90 Lac.



- There is an average growth of 24% in Business Mix in last two years.
- Gross Non Performing Assets (NPAs) have increased marginally from ₹ 170.50 Cr to ₹ 172.16 Cr. The Bank was able to curtail substantial growth in NPAs.
- With the overall asset liability management, there was improvement in NII from 2.97% to 3.27%.
- Owned funds increased from ₹ 634.22 Cr. to ₹ 658.16 Cr.
- One of the prerequisites for Foreign Exchange Authorized Dealer Category I license is to maintain Capital to Risk Asset Ratio (CRAR) at minimum 12%. The Bank's CRAR is at 12.70% which is above the minimum required benchmark.

APPROPRIATIONS

The following appropriations are recommended for the financial year 2015-16 for your approval under item No. 2 of the Notice:

(₹ in Lacs)

A)	Statutory Appropriations :-	2015-16	2014-15
1	Statutory Reserve Fund	1,142	1,003
2	Contingency Reserve Fund	457	402
3	Education Fund	46	41
B)	Other Appropriations :-		
1	Building Fund	243	-
2	Bad and Doubtful Debts Fund	325	800
3	Donation Fund	2	3
4	Investment Fluctuation Reserve	79	248
5	Dividend @ 12% p.a. on Equity (pro-rata)	1,095	1,057
6	Dividend @ 9% p.a. on Preference Shares (pro-rata)	12	-
7	Ex-Gratia to Staff	740	545
8	Staff Welfare Fund	80	59
9	Members' Welfare Fund	24	16
10	Centenary Fund	101	2
11	Special Reserve u/s 36 (1) (viii) of I. T. Act, 1961	253	239
		4,599	4,415
	NET PROFIT CARRIED TO BALANCE SHEET	1	-
	TOTAL	4,600	4,415

CAPITAL TO RISK ASSET RATIO (CRAR)

The Bank's Capital adequacy ratio stood at a level of 12.70%. The Bank's Risk Weighted Assets at the end of March, 2016 amounted to ₹ 4,300.89 Cr. against which Capital Funds stood at ₹ 546.36 Cr.

The Bank raised Tier II capital through available modes viz; through Long Term Subordinated Deposits (LTD) and Perpetual Non-Cumulative Preference Shares (PNCPS). Through the LTD issue, the Bank could garner deposits worth ₹ 105.72 Cr. and through PNCPS, Tier II capital of around ₹ 3.78 Cr. could be achieved. The Bank will continue to explore the possibility of raising capital through various modes so as to maintain the required level of CRAR.



DIVIDEND

The Board of Directors has recommended to maintain the dividend of 12% on equity shares for the year ended March 31, 2016. With this, there will be an overall dividend outflow of ₹ 10.95 Cr. for the year 2015-16 as against ₹ 10.57 Cr. for the last year.

SHARE CAPITAL

The paid up equity share capital of your Bank as on 31.03.2016 was ₹ 88.60 Cr. subscribed by 51,562 members, with addition of 3,640 members and cessation of 1,188 members during the year.

RESOURCE MOBILISATION

The Bank's deposits stood at ₹ 6,038 Cr. as on March 31, 2016 registering a growth of 13% with an accretion of ₹ 703 Cr. over previous year.

The deposit mix is as under:

(₹ in Cr.)

Type	March 31, 2016	%	March 31, 2015	%
Savings	1,097	18.17	960	18.00
Current	301	4.98	261	4.90
Fixed	4,640	76.85	4,114	77.10
Total	6,038	100.00	5,335	100.00

The deposit growth of 13% is above the industry growth of 9.9%. During the year, the deposits witnessed a steady growth. The term deposits of the Bank remained constant at approx. 77% showing faith of the depositors in the Bank. During the year, the CASA composition stood more or less same at 23%. The Bank has launched various new products during the year, of which Maitreyi, a product for women received a good response. The Bank realizes the importance of growth in CASA for overall improvement in profitability and this year the Bank has taken a target of 30% CASA of the incremental deposits. This will improve the overall percentage of CASA and customer base in future years.

RESOURCE DEPLOYMENT

With incremental CD ratio of 127.74%, the Bank has deployed the funds effectively registering volume growth of ₹ 898 Cr. at 25% as against average industry growth of 9.80%. This growth has been on the back of retail lending, very much in line with the industry.

The composition of Credit portfolio is as under:

(₹ in Cr.)

Sector	2015-16	%	2014-15	%
Personal / Retail	1,936	42.69	1,153	31.70
Trade / Services	1,656	36.52	1,747	48.00
Manufacturing	943	20.79	737	20.30
Total	4,535	100.00	3,637	100.00

Considering the overall business environment, the Bank had earlier taken a conscious call to focus more on Retail Banking. The credit portfolio had shown a steady growth in the first nine months and the CD ratio was hovering around 70%. The momentum picked up in the last quarter and incremental advances of ₹ 898 Cr. were achieved. This will also help the Bank to improve NIM in the coming years.



ASSET QUALITY

While the overall banking sector's asset quality has worsened during the last year in both public and private sector banks, your Bank was able to curtail the amount as well as percentage of Non Performing Assets. The Bank's Gross NPA and Net NPA stood at 3.80% and 2.19% respectively as at the end of March 2016.

In order to control NPAs, the Bank has distributed accounts to various Executives for constant monitoring and follow up. This has given focused attention to those accounts thereby curtailing the addition in NPAs and speedy recovery. The Recovery Department of the Bank has taken all round efforts to recover the old NPA accounts and the recovery in these accounts is noteworthy.

Besides this, the Bank has undertaken stringent measures to curtail fresh accretions through diligent follow-up by Credit Monitoring Cell and the Recovery Department. With these measures, the Bank expects to put a further check on rising NPAs.

Keeping this in mind, as an abundant precaution, in addition to the requisite provisions made towards NPAs in accordance with the guidelines issued by RBI, Bank has created Bad and Doubtful Debts Fund (BDDF) of ₹ 3.25 Cr. during F.Y. 2015-16 (P.Y. ₹ 8 Cr.) by way of appropriation out of net profits.

INVESTMENTS

Aggregate investment in Government and Other Securities of the Bank stood at ₹ 1350.03 Cr.

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

Despite the market volatility, the Treasury earned an impressive trading profit amounting to ₹ 6.14 Cr. during the year. The contribution of profit realized from sale of HTM securities is to the tune of ₹ 0.78 Cr. The Bank aspires to improve the yield on Investment for overall increase in profitability.

TECHNOLOGY

In the last Directors' Report, it was mentioned that the migration of Core Banking System is underway. The Bank is now in advanced stage of migration to the new Core Banking solution, Finacle v10.2.14, provided by Infosys. Finacle implementation provides a future-proof technology platform with robust capabilities and support for true 24X7 multi-channel and multi-currency transactions. The software is currently being used by many public sector, private sector as also many Co-operative Banks in India.

Along with the Core Banking Solution, your Bank is also implementing the Finacle Treasury module and several other modules.

Your Bank has initiated the process of setting up new Data Centre and Disaster Recovery Centre with considerable investments. These new Data Centre and DR Centre will be housed with NetMagic, one of the leading service providers in this field to have better management of services.

INITIATIVES OF BUSINESS DEVELOPMENT DEPARTMENT

Bank had set up a Business Development Department in the year 2014 to primarily focus on ensuring consistency in achievement of targets through regular monitoring of branches. Such close monitoring has helped the Bank to achieve an average business growth of 24% in last 2 years.



Summary of initiatives taken by the Bank in Business Development is given below:

- Bank has carved a Business Hub at Dyna Business Park, MIDC, Andheri East, Mumbai. The Business Hub comprises of departments like Retail & Wholesale Credit, Credit Risk, Credit Monitoring, Market Risk, Legal, Operations, Business Development and Marketing. The Business Hub is named as Centralized Credit and Marketing Department.
- The Bank has tied-up with Infosys- Finacle Core Banking Solutions for better service to the customers.
- The Bank has entered into correspondent relations with many Foreign Banks which has helped it to improve the Forex business.
- In order to serve to the investment needs of customers and convenience of having all the financial products under one roof, the Bank has tied up with Mutual fund companies for the distribution of mutual fund products.

RECOGNITION

- The Bank was awarded by 'The Brihan Mumbai Nagari Sahakari Banks Association Limited' in the category of Business Mix of more than ₹1500 crores in 2013-14.
- The Bank was also Awarded by Lokmat for 'The Best CSR Activity in Co-operative Bank- 2015.'
- NSDL in its 30th DP Conference held in Mumbai has awarded 2 awards to the Bank under Co-op. Banks category viz; Top Performer in Demat Account growth Rate in 2015 and also Top Performer in new Demat Account opened in 2015 (2nd position).

CORPORATE GOVERNANCE

The Bank has a long history of managing very ethically, with the highest standards of corporate governance, continuously evaluating and adopting the best practices within the industry. These have evolved not only by ensuring compliances with regulatory requirement but also being responsible to growing customer needs.

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

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

	No. of Meetings	No. Of Directors in the Committee	Average Attendance
Board	21	11	8
Advances & Recovery Committee	35	7	4
Development & Staff Committee	33	8	6
Audit Committee	10	6	5
Investment Committee	12	6	4

AUDIT & INSPECTION

The Bank has system in place for internal / concurrent audit. 94 branches are following the system of concurrent audit (monthly/quarterly) and the remaining branches are put under internal audit system. The Audit Committee of the Board gives



directions, oversees the total audit function of the Bank and follows-up on the statutory / concurrent audit of the Bank. The Committee is headed by the Chairman of the Bank and comprises of Directors with Banking, Audit and Accounting Experience.

During the year, RBI carried out its customary on-sight inspection of the Bank with respect to financial position as on 31st March, 2015.

REAPPOINTMENT OF STATUTORY AUDITORS

In the 98th Annual General Meeting held on 27th June, 2015, M/s. A. P. Sanzgiri & Co., Chartered Accountants were appointed as Statutory Auditors. Being eligible, the Board of Directors recommends their reappointment up to the date of next Annual General Meeting. They have signified their willingness to be reappointed.

EXPANSION

The Bank has set a new milestone with the opening of its 100th Branch at Market Yard, Pune on February 27, 2016.

Beginning the year with a network of 94 branches, your Bank has opened 9 more branches this year. The Bank has opened 2 more branches in the current Financial Year 2016-17 and the total number of branches stood at 105 as at date. During the current financial year, the Bank proposes to consolidate the existing network. The Bank has entered new regions with 5 branches in Bengaluru and 1 branch in Mangaluru region. The Bank has witnessed good business potential in Bengaluru and the branches in this region have come into profit within a year.

HUMAN RESOURCE

Human resources have a significant bearing on the profitability, efficiency and overall organizational effectiveness. The HRD Department continues to perform its role of recruiting and nurturing human resources and creating an environment conducive for learning, growth and creation of better service conditions. The Bank has shown a major network expansion in the last few years. The employees of the Bank are equipped with knowledge specific to the fields of Banking and Finance. The team has an ideal mix of young personnel that complement each other ensuring quality results. The young talent is required to be groomed and hence the Bank has tied up with N. L. Welingkar Management School as Educational Partner.

Wage incentive is a useful tool for securing a better utilisation of manpower, better productivity scheduling and performance control, and a more effective personnel policy. It encourages employees to be innovative. They come out with more efficient ways of doing work. Incentive plans help to improve discipline and industrial relations. Effective incentive plan helps in minimizing absenteeism. The employees are encouraged to work as a team with mutual co-operation as their activities are interdependent. To encourage the employees of the Bank to contribute their best, a wage settlement was arrived with the employee Union for the betterment of the employees.

53 employees took initiative in upgrading their academic qualifications. 18 employees attained their post graduation / professional qualifications and as many as 35 employees completed various courses of the Indian Institute of Bankers. They have also excelled in sports, the cricket team winning the runner-up prize in Inter Co-op. Bank cricket tournament.

Shri Ranjan Gujar, Chief Manager, was awarded the 'Certificate of Excellence' for being the winner of the 'InfoSec Maestros Awards 2016' by BITSTREAM MEDIAWORKS and INFOSECURITY.

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

BRAND BUILDING

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



The Marketing Department has left no stone unturned for the Brand publicity of the Bank. The department as always has utilised various media channels like Television, Radio, Print as well as outdoor branding like gantry, hoardings etc. to boost the Brand image of the Bank. The Marketing Department is now ready to shoulder the responsibility of Brand building in the Bank's Centennial Year by not only utilising the above publicity media but also venturing in the Social Media publicity. The customers would soon be able to approach the Bank through the social media channels like Facebook and Twitter.

For the Centennial Year, the Bank intends to support the society by participating in various CSR activities. The Bank also intends to cherish the Indian culture by conveying best wishes through advertisements, to the customers, for different festivals.

DEPOSIT INSURANCE

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

SHRI SHETH SHANTARAM MANGESH KULKARNI MEMORIAL LECTURE

On 26th September, 2015, a lecture on "Criminal Law-In Banking Perspective" was delivered by eminent Former Chief Public Prosecutor, Shri Ramanath V. Kini. The lecture was conducted as a part of the Sheth Shantaram Mangesh Kulkarni 17th Memorial Lecture Series. The Memorial Lecture Series, which started since 1997, has witnessed presence of various eminent speakers who held expertise in their fields.

Annual Awards for 2014-15 were given to the branches for excelling in their performance. The Awards were given away by Shri Ramanath V. Kini. Along with the category of Best Branch and the Runner Up Branch Award, few additional categories of the awards were included to appreciate and motivate the staff members.

Award	Branch
Best Branch	Ichalkaranji
Best Branch Runner Up	Mulund East
Best Emerging Branch	Malad
Super CASA Cluster Branch	Ichalkaranji
Super Life Insurance Premium Achiever	Vasai West
Super Non- Life Insurance Premium Achiever	Naupada
Super Retail Credit Cases	Ambad
Super Retail Credit Sanction	Charkop
Super Digital Banking	Badlapur
Brand Image Platinum	Baroda
Brand Image Gold	Ratnagiri
Brand Image Silver	Sinhagad Road

The Bank, as a mark of respect towards its Founder member- Sheth Shantaram Mangesh Kulkarni and to celebrate the legacy in the Co-operative Banking sector, would continue to conduct the series of "Sheth Shantaram Mangesh Kulkarni Memorial Lecture." This year the Bank proposes to hold the Memorial Lecture on Saturday, the 24th September, 2016.



CENTENARY YEAR

The Bank will be celebrating its Centenary year from 26th September, 2016 to 26th September, 2017. This is a very proud moment in the history of the Bank. The Board has formed a separate Centennial Celebration Committee which consists of the Chairman, Vice Chairman and few members of the Board as also the former Director viz; Ms. Alka Diwadkar, and Shri D. N. Nadkarni, Editor, NKGSB Sangh Mukhapatrika. The Committee has already chalked out various programs to be held during the year which will cover all the stakeholders viz; customers, shareholders, employees, etc.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Your Bank has been felicitating the meritorious wards of the members encouraging them by recognizing their achievements in academics and sports. This year, 79 students were felicitated rewarding them ₹ 1.19 lacs through members welfare fund in a function held on 11th October, 2015.
- Bank has been contributing to the welfare funds of various charitable trusts working in the field of health, education, art and culture and various other social needs of the downtrodden strata of the society.
- This year in all, 17 members have availed the benefit of the scheme for reimbursement of hospitalization expenses, resulting in disbursing an amount of ₹ 1.92 Lacs.
- During the year, 49 members also availed the facility for reimbursement of medical check-up amounting to ₹ 0.77 Lacs.

BYE-LAW AMENDMENT

In the last Annual General Meeting held on 27th June, 2015, the Board of Directors had proposed the following amendments to Bye-Laws of the Bank:

1. Bye-Law No. 3 – Area of Operations to be extended to the entire Union of India.
2. Bye-Law No. 10 (ii) – Deletion of provision of Society registered under Societies Registration Act, 1860 becoming an ordinary member.
3. Bye-Law No. 36 – To enable co-option of two directors in addition to the maximum number of directors specified in the Bye-Law.
4. Bye-Law No. 40 – To authorize the Board of Directors to fill the casual vacancy.

The members had approved the above amendments. The Central Registrar of Co-operative Societies have vide their letter dated 26th October, 2015 conveyed their approval to the amendment to Bye-Law No. 10 (ii) and 36. Amendment to Bye-Law No. 3 and 40 has not been approved due to the following reasons:

- i) Bye-Law No. 3- The Bank had proposed extension of area of operation to the entire Union of India. However, as per the present policy of RBI, the Bank will be able to extend its area of operation in one preferred State contiguous to the States in which the Bank is currently having its area of operation. As such the Bank had applied to RBI for expansion in the State of Madhya Pradesh. RBI has advised that they have no objection to the extension of Area of Operation of the Bank to the State of Madhya Pradesh subject to submission of amended bye-laws duly registered with the competent authority within a period of six months. Expansion of area of operation of the Bank in the State of Madhya Pradesh would require approval of the shareholders.

The Board of Directors has therefore proposed amendment to Bye-Law No.3 (as per Annexure II).

- ii) Bye-Law No. 40- The existing provision to be continued as per the provisions of the Multi State Co-operative Societies Act, 2002.



MANAGEMENT

Shri Chintamani Nadkarni, Managing Director of the Bank has been appointed as a member of the Managing Committee of Indian Banks' Association (IBA) in the category of Co-operative Member Banks on 3rd November, 2015. He has also been inducted as a Member on the IBA Standing Committee on Retail Banking on 28th September, 2015.

ELECTION OF THE BOARD OF DIRECTORS

The election of the Board of Directors was held in February, 2012 and the tenure of the Board is for 5 years upto January, 2017. The Board will take necessary steps for conducting the elections as per the present law.

OBITUARY

Mr. Kishor Jadhav, staff member (Kolhapur branch) passed away on 10th May, 2015.

The Board of Directors and the management of the Bank express their profound grief at the sad demise of Mr. Jadhav.

The Board also 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, Chartered Accountants, Statutory Auditors
- Internal Auditors, Concurrent Auditors and Stock Auditors
- College of Agricultural Banking, Pune
- National Institute of Bank Management, Pune
- Indian Banks' Association, Mumbai
- National Federation of Urban Banks & Credit Societies Ltd., New Delhi
- Maharashtra State Co-op. Banks' Federation
- Maharashtra State Co-op. Banks' Association, Mumbai
- Brihan Mumbai Co-op. Banks' Association, Mumbai
- Legal Advisors, Consulting Architects, Engineers and Contractors
- Press, T.V. and other Media, Artists and Printers
- All those inadvertently missed, who helped us directly or indirectly

For and on behalf of the Board,

PLACE: MUMBAI
DATE: May 27, 2016

KISHORE KULKARNI
CHAIRMAN



INDEPENDENT AUDITOR'S REPORT

To,
The Shareholders of **NKGSB Co-Op. Bank Ltd.**

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

1. We have audited the accompanying financial statements of the **NKGSB Co-op.Bank Ltd. (The Bank)**, which comprise the Balance Sheet as at 31st March, 2016 and the Profit and Loss account and the Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon give the information required by the Banking Regulation Act, 1949 as well as Multi State Co-operative Societies Act, 2002 and rules made thereunder, in the manner so required, for the Urban Co-operative Bank and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2016;
 - (ii) in the case of the Profit and Loss Account of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.



Report on Other Legal and Regulatory Matters

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

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

Abhijit P. Sanzgiri
Partner
Membership Number: 43230

Place: Mumbai
Date: 27th May, 2016



Balance Sheet

(₹ in Lacs)

CAPITAL AND LIABILITIES	Schedule	As at 31-Mar-16	As at 31-Mar-15
SHARE CAPITAL	1	9,238	9,168
RESERVE FUND, OTHER FUNDS & RESERVES	2	56,577	54,254
PROFIT & LOSS ACCOUNT		1	-
DEPOSITS	3	6,03,797	5,33,453
BORROWINGS (Long Term Subordinated Deposits)	4	10,572	5,000
PROVISION FOR INTEREST CAPITALISED ON NPA		336	264
OVERDUE INTEREST RESERVE ON LOANS AND ADVANCES (As per Contra)		9,087	7,408
INTEREST ACCRUED ON DEPOSITS		429	434
OTHER LIABILITIES	5	10,239	6,285
SETTLEMENT CREDIT ACCOUNT (As per Contra) (Refer Schedule 14, Note no. 4)		92	89
BILL FOR COLLECTION BEING BILLS RECEIVABLE (As per Contra)		5,339	4,218
GRAND TOTAL		7,05,707	6,20,573
CONTINGENT LIABILITIES	12	34,467	18,098
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, 27th May, 2016



as at 31st March, 2016

(₹ in Lacs)

PROPERTY AND ASSETS	Schedule	As at 31-Mar-16	As at 31-Mar-15
CASH AND BANK BALANCES	6	53,258	78,444
MONEY AT CALL & SHORT NOTICE		7,998	7,268
INVESTMENTS	7	1,35,003	1,16,914
ADVANCES	8	4,53,520	3,63,719
INTEREST RECEIVABLE			
a) on Investments & Earmarked Funds	9	2,917	4,880
b) on Staff Loans		626	530
c) on Loans and Advances		9,087	7,408
(As per Contra)			
FIXED ASSETS	10	30,976	30,262
OTHER ASSETS	11	5,936	5,750
DEFERRED TAX ASSET (NET) (Refer Schedule 14 Note No. 22)		918	1,098
BRANCH ADJUSTMENT		37	(7)
SETTLEMENT DEBIT ACCOUNT (As per contra) (Refer Schedule 14, Note No.4)		92	89
BILLS RECEIVABLE, BEING BILLS FOR COLLECTION (As per Contra)		5,339	4,218
GRAND TOTAL		7,05,707	6,20,573

KISHORE KULKARNI
Chairman
NAGESH PINGE
Vice-Chairman
CHINTAMANI NADKARNI
Managing Director
SAMIR REGE
Chief Manager (Finance)

RAJAN BHAT
Director
NAGESH FOVKAR
Director
SUNIL GAITONDE
Director
VASUDEV MASUREKAR
Director

KAUSHAL MUZUMDAR
Director
ANIL NADKARNI
Director
LAXMIKANT PRABHU
Director

Mumbai, 27th May, 2016



Profit and Loss Account

(₹ in Lacs)

EXPENDITURE	Year Ended 31-Mar-16	Year Ended 31-Mar-15
Interest on Deposits	43,599	38,961
Interest on Borrowings	659	209
Staff Salaries, Allowances and Benefits	7,069	5,212
Rent, Rates, Taxes, Service Charges, Insurance and Electricity	2,182	1,797
Legal and Professional Charges	163	162
Postage, Telegrams and Telephone Charges	307	215
Travelling, Lodging and Conveyance	96	71
Audit Fees	103	91
Repairs and Maintenance	434	400
Depreciation on Fixed Assets	1,453	1,379
Premium on Securities amortised	371	289
Printing and Stationery	160	107
Advertisement	242	240
Sundry Expenses	1,609	1,412
Bad Debts Written Off	1,259	175
Provisions and Contingencies:		
A) Bad and Doubtful Debts Reserve	1,806	1,965
B) Contingent Reserve against Standard Assets	354	260
C) Interest Transferred to Leave Encashment Fund	80	72
D) Provision for Restructured Advances	10	-
Profit Before Tax c/f	6,556	5,584
	68,512	58,601
Provision for Taxes:		
Income Tax	1,810	1,912
Deferred Tax	179	(147)
Income tax for earlier years	-	(194)
Net Profit for the year	4,567	4,013
TOTAL	6,556	5,584

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, 27th May, 2016

(₹ in Lacs)

KISHORE KULKARNI
Chairman

NAGESH PINGE
Vice-Chairman

CHINTAMANI NADKARNI
Managing Director

SAMIR REGE
Chief Manager (Finance)

RAJAN BHAT
Director
NAGESH FOVKAR
Director
SUNIL GAITONDE
Director
VASUDEV MASUREKAR
Director

KAUSHAL MUZUMDAR
Director
ANIL NADKARNI
Director
LAXMIKANT PRABHU
Director

Mumbai, 27th May, 2016



Profit and Loss Appropriation Account

(₹ in Lacs)

EXPENDITURE	Year Ended 31-Mar-16	Year Ended 31-Mar-15
Appropriations subject to Approval in AGM		
A) Statutory Appropriations :-		
1 Statutory Reserve Fund (25% of Net Profit)	1,142	1,003
2 Contingency Reserve Fund (10% of Net Profit)	457	402
3 Education Fund (1 % of Net Profit)	46	41
B) Other Appropriations :-		
1 Building Fund	243	-
2 Bad & Doubtful Debts Fund	325	800
3 Reserve for Donations	2	3
4 Investment Fluctuation Reserve	79	248
5 Proposed Dividend @ 12% p.a. (pro-rata) Equity Shares	1,095	1,057
6 Proposed Dividend @ 9% p.a. (pro-rata) Preference Shares	12	-
7 Ex-Gratia to Staff	740	545
8 Staff Welfare fund	80	59
9 Members' Welfare Fund	24	16
10 Centenary Fund	101	2
11 Special Reserve U/s 36 (1) (viii) of I.T. Act, 1961	253	239
	4,599	4,415
PROFIT CARRIED TO BALANCE SHEET	1	-
TOTAL	4,600	4,415

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, 27th May, 2016



for the year ended 31st March, 2016

(₹ in Lacs)

INCOME	Year ended 31-Mar-16	Year ended 31-Mar-15
Profit of last year b/fd	-	1
Net Profit for the year	4,567	4,013
Excess Appropriation of previous year written back:-		
a) From IFR	-	389
b) Ex-gratia	31	8
c) Dividend	2	4
TOTAL	4,600	4,415

KISHORE KULKARNI
Chairman
NAGESH PINGE
Vice-Chairman
CHINTAMANI NADKARNI
Managing Director
SAMIR REGE
Chief Manager (Finance)

RAJAN BHAT
Director
NAGESH FOVKAR
Director
SUNIL GAITONDE
Director
VASUDEV MASUREKAR
Director

KAUSHAL MUZUMDAR
Director
ANIL NADKARNI
Director
LAXMIKANT PRABHU
Director

Mumbai, 27th May, 2016



Schedules

(₹ in Lacs)

	As at 31-Mar-16	As at 31-Mar-15
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	8,860	9,168
8,85,98,282 shares of Rs. 10/- each		
(Previous Year 9,16,84,857 shares)		
Individuals	6,552	6,662
Co-op Institutions	-	-
Others	2,308	2,506
II Perpetual Non Cumulative Preference Share (PNCPS) Capital	378	-
37,84,000 shares of Rs 10/- each		
Issued Subscribed and Paid up Preference Shares Capital		
TOTAL CAPITAL (I+II)	9,238	9,168
Schedule - 2		
Reserve Fund, Other Funds & Reserves		
I Reserves as per Multi-State Co.Op.Soc.Act		
(i) Statutory Reserve Fund	10,565	9,466
(ii) Contingency Reserve Fund	3,723	3,266
(iii) Building Fund	8,150	7,907
(iv) Reserve for Donation	17	17
II Reserves as per RBI guidelines		
(i) Investment Fluctuation Reserve	1,442	1,363
(ii) Contingent Reserve against Standard Assets	1,701	1,347
(iii) Bad and Doubtful Debts Reserve	5,984	6,160
(iv) Provision for Restructured Advances	48	38
III Other Funds as per Bye Laws		
(i) Election Fund	10	10
(ii) Members' Welfare Fund	191	171
(iii) Centenary Fund	275	174
IV Others		
(i) Special Reserve U/s 36(1) (viii) of I.T. Act	1,484	1,231
(ii) Capital Reserve	4	4
(iii) Revaluation Reserve	20,248	20,818
(iv) Share Forfeited Fund	-	21
(v) Deferred Tax Reserve	292	292
(vi) Bad and Doubtful Debt Fund	1,125	800



Schedules

(₹ in Lacs)

	As at 31-Mar-16	As at 31-Mar-15
V Funds for the benefit of staff		
(i) Staff Welfare Fund	394	377
(ii) Staff Leave Encashment Fund	924	792
TOTAL RESERVES (I+II+III+IV+V)	56,577	54,254

Schedule -3

Deposits

I Current Deposits		
(i) Individuals & Others	22,637	20,124
(ii) Societies	272	158
II Savings Deposits		
(i) Individuals & Others	1,04,869	91,469
(ii) Societies	4,849	4,533
III Term Deposits		
(i) Individuals & Others	4,19,684	3,74,636
(ii) Societies	44,275	36,754
IV Matured Deposits	7,211	5,779
Total (I+II+III+IV)	6,03,797	5,33,453

Schedule-4

Borrowings

A Long Term Subordinated Deposits		
Series I		
Tenure of 5 years @ 10% p.a.	2,283	2,283
Tenure of 7 years @ 10.25% p.a.	2,717	2,717
B Long Term Subordinated Deposits		
Series II		
Tenure of 5 years @ 9% p.a.	1,392	-
Tenure of 7 years @ 9.25% p.a.	4,180	-
TOTAL (A+B)	10,572	5,000



Schedules

(₹ in Lacs)

	As at 31-Mar-16	As at 31-Mar-15
Schedule-5		
Other Liabilities		
(i) Payorders Issued	4,713	2,844
(ii) Proposed Dividend	1,107	1,057
(iii) Ex-gratia for Staff	740	545
(iv) T.D.S.on F.D.R.	439	111
(v) Int.Recd.in Adv on Bill Discounting	416	278
(vi) Unclaimed Dividend	47	46
(vii) Others	2,777	1,404
Total (i+ii+iii+iv+v+vi+vii)	10,239	6,285

Schedule -6		
Cash and Bank Balances		
(A) Cash and Current Accounts With Banks		
(i) Cash in Hand	3,357	3,153
(ii) Balances with Reserve Bank of India	31,196	23,506
(iii) Balances with State Bank of India & its subsidiaries	23	33
(iv) Current Deposits with Banks	3,347	1,601
	37,923	28,293
(B) Fixed Deposits with Banks		
(i) Reserve Fund Investment	12,703	12,729
(ii) Investment against Earmarked Funds	1,406	1,579
(iii) Other Fixed Deposit Receipts	1,226	35,843
	15,335	50,151
(FD includes Rs 922.19 lacs placed with other Banks as margin for Credit Line (P.Y. Rs.882.90 lacs))		
Total (A+B)	53,258	78,444

Schedule-7		
Investments		
(i) Government Securities	1,34,978	1,16,414
(ii) Other Approved Securities	-	-
(iii) Shares in Co-op. Institutions & Co-op. Hsg. Societies (Rs. 23,000/- P.Y. RS 40,000/-)	-	-
(iv) P.S.U. Bonds & Bonds of All India Financial Institutions	25	500
(v) Mutual Funds / Other Investments	-	-
Total (i+ii+iii+iv+v)	1,35,003	1,16,914



Schedules

(₹ in Lacs)

	As at 31-Mar-16	As at 31-Mar-15
Schedule-8		
Advances		
I Short Term Loans, Cash Credit, Bills Discounted and Purchased	1,34,453	1,20,180
of which secured against:		
(i) Govt. and Other Approved Securities	74	60
(ii) Other Tangible Securities	1,34,132	1,19,774
(iii) Unsecured - Personal /Surety Loans	247	346
Of the above advances:		
(Amount due from individuals - Rs. 14,224.53 Lacs (P.Y. Rs. 14,344.37 Lacs)		
Amount overdue Rs. 11,063.89 Lacs (P.Y. Rs. 2,363.55 Lacs),		
Considered Bad & Doubtful of recovery Rs. 4,175.78 Lacs (P.Y. Rs. 2,601.10 Lacs)		
and fully provided for.)		
II Medium Term Loans :	35,273	29,750
of which secured against:		
(i) Govt. and Other Approved Securities	71	45
(ii) Other Tangible Securities	34,120	28,821
(iii) Unsecured - Personal /Surety Loans	1,082	884
Of the above advances:		
(Amount due from individuals - Rs. 13,847.69 Lacs (P.Y. Rs. 12,503.52 Lacs)		
Amount overdue Rs. 2,525.52 Lacs (P.Y. Rs. 2,340.81 Lacs)		
Considered Bad & Doubtful of recovery Rs. 1,659.05 Lacs (P.Y. Rs. 2,323.97 Lacs)		
and fully provided for.)		
III Long Term Loans :	2,83,794	2,13,789
of which secured against:		
(i) Govt. and Other Approved Securities	1,013	1,401
(ii) Other Tangible Securities	2,80,574	2,11,186
(iii) Unsecured - Personal /Surety Loans	2,207	1,202
Of the above advances:		
(Amount due from individuals - Rs. 1,83,555.98 Lacs (P.Y. Rs. 1,37,092.01 Lacs)		
Amount overdue Rs. 4,503.83 Lacs (P.Y. Rs. 8,077.65 Lacs)		
Considered Bad & Doubtful of recovery Rs. 4,477.66 Lacs (P.Y. Rs. 3,407.76 Lacs)		
and fully provided for.)		
Total (I+II+III)	4,53,520	3,63,719
(includes interest capitalised on NPA Rs. 336 Lacs (P.Y. Rs. 264 Lacs))		

(₹ in Lacs)



Schedules

(₹ in Lacs)

	As at 31-Mar-16	As at 31-Mar-15
III Other Fixed Assets		
Original Cost as on 01.04.2015	2,984	2,669
Add : Additions during the year	332	424
Less : Sales during the year	(42)	(109)
	3,274	2,984
Less : Depreciation upto last year	2,172	1,923
Depreciation for the current year	352	337
Depreciation on assets sold	(34)	(88)
	2,490	2,172
Sub-Total	784	812
IV Capital Advance		
(i) Branches	104	-
(ii) Core Banking System	1,198	-
Sub Total	1,302	-
Total Fixed Assets (I+II+III+IV)	30,976	30,262

Schedule-11

Other Assets

(i) Premium paid on Investment	2,708	2,749
(ii) Lease Deposits	680	600
(iii) Intangible Assets (Software)	443	415
(iv) Security Deposits	28	28
(v) Deferred Revenue Expenditure	3	12
(vi) Others	2,074	1,946
Total (i+ii+iii+iv+v+vi)	5,936	5,750

Schedule -12

Contingent Liabilities

(i) Forward Contracts	19,418	330
(ii) Guarantees *	8,831	10,748
(iii) Letter of Credit *	5,594	6,443
(iv) DEAF Account	471	445
(v) Income Tax Demand	131	131
(vi) Others	22	1
Total (i+ii+iii+iv+v+vi)	34,467	18,098

* These amounts are collateralised by Fixed Deposits, Counter Guarantees and Secured Charges of Rs. 4518.47 lacs

* These amounts includes expired LCs / Guarantees of Rs. 260.23 lacs, (P.Y. Rs. 2660.42 lacs) which have not been cancelled being Govt Guarantees / Original LCs / BGs not being received back.



Cash Flow For The Year Ended 31st March, 2016

(₹ in Lacs)

Particular	2015-16	2014-15
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit and Loss Account	4,567	4,013
Add: Previous year excess provision written back	34	13
Add: Opening balance as per Profit & Loss Account	-	1
Add:- Investment Fluctuation Reserve Reversal	-	389
Profit Available for Appropriations	4,600	4,415
Less : Appropriations	4,599	4,415
Net Profit as per Balance sheet	1	-
Add:		
Depreciation On Assets	883	809
Software written-off (including DRE)	330	248
Add:		
Loss (Profit) on Sale of Assets	11	(2)
Adjustments for:		
(Increase)/ Decrease in Investments	(18,089)	(5,895)
(Increase)/ Decrease in Other Investments	21,196	(8,174)
(Increase)/ Decrease in Advances	(89,801)	(82,517)
(Increase)/ Decrease in Interest receivable and OIR	188	(2,762)
(Increase)/ Decrease in Other Assets	12	(1,330)
Increase/(Decrease)in Funds	3,982	4,822
Increase/(Decrease)in Deposits	70,344	1,04,148
Increase /(Decrease) in Borrowings	5,572	5,000
Increase/ (Decrease) in Interest Payable	(5)	(123)
Increase /(Decrease) in Other Liabilities	5,653	1,824
Branch Adjustment	(44)	7
Net Cash Generated from Operating Activities (A)	232	16,055
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(883)	(1,763)
Payment of DRE	-	(2)
Payment For Software	(349)	(532)
Sale Proceeds of Fixed Assets	8	7
Payment of Capital Advance	(1,302)	-
Net Cash Generated from Investing Activities (B)	(2,527)	(2,290)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	70	835
Dividend Paid	(1,036)	(864)



Cash Flow For The Year Ended 31st March, 2016

(₹ in Lacs)

Particular	2015-16	2014-15
Net Cash generated from Financing Activities (C)	(966)	(29)
Net increase in cash & cash equivalents (A+B+C)	(3,261)	13,736
Cash & Cash Equivalents at the beginning of the year	49,250	35,515
Cash & Cash Equivalents at the end of the year	45,990	49,251
	(3,261)	13,736
Cash & Cash Equivalents		
Cash in hand & Balances with Notified Banks	34,576	26,693
Balances with Other Banks	3,416	15,290
Money at Call and Short Notice	7,998	7,268
	45,990	49,251

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, 27th May, 2016

KISHORE KULKARNI

Chairman

NAGESH PINGE

Vice-Chairman

CHINTAMANI NADKARNI

Managing Director

SAMIR REGE

Chief Manager (Finance)

RAJAN BHAT

Director

NAGESH FOVKAR

Director

SUNIL GAITONDE

Director

VASUDEV MASUREKAR

Director

KAUSHAL MUZUMDAR

Director

ANIL NADKARNI

Director

LAXMIKANT PRABHU

Director



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 103 branches as at 31/03/2016 spread over in the States of Maharashtra, Goa, Karnataka and Gujarat. Nine new Branches were opened in the current year. 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.

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 and Societies 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

- a) 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.
- b) 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 the value thereof in which case the diminution is fully provided for.
- 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 in respect of investments purchased is treated as an item of expenditure under the Profit and Loss Account.
- h) Realized gains if any, on sale of investments under HTM category are recognised in the Profit and Loss Account and subsequently appropriated to the Investment Fluctuation Reserve (IFR) in accordance with RBI guidelines. Loss if any, on sale is recognised in the Profit and Loss Account

3.3 Transfer between categories :

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

4. ADVANCES:

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

5. FIXED ASSETS AND DEPRECIATION:

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

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



- c) Depreciation on vehicles as well as fixed assets acquired in newly opened branches is charged pro-rata on completed month basis.
- d) Assets disposed off during the year are depreciated up to the quarter before the date of disposal.
- e) Books are capitalised and depreciated to Re. 1/- per book in the year of its purchase.
- f) Depreciation on the revalued portion of such assets is included in Depreciation expenses and the same amount is correspondingly reversed from Revaluation Reserve and credited to the Profit and Loss Account (Refer Note No. 11 in Schedule 14).
- g) Fixed Assets which have been fully depreciated but are still in use, are carried in the books at Re. 1/-.
- h) Assets individually costing less than Rs. 5,000/- are not capitalised but charged to Profit and Loss Account in the year of purchase.

6. RESERVE FUND AND OTHER RESERVES:

- a) As per the requirement of Multi State Co-op. Soc. Act. 2002, the Statutory Reserve Fund has been bifurcated into 3 Categories viz.
 Statutory Reserve Fund (Comprising 25% of Net Profit of each year transferred)
 Contingency Reserve Fund (Comprising 10% of Net Profit of each year transferred)
 Co-operative Education Fund maintained by National Co-operative Union of India (Comprising 1% of Net Profit of each year transferred).
- b) Membership Entrance Fees and Dividend payable remaining unclaimed for over 3 years are taken directly to the Statutory Reserve Fund.
- c) 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.
- d) Surplus arising on account of revaluing of fixed assets over their book value is transferred to Revaluation Reserve.

7. REVENUE RECOGNITION:

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

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

8. INTEREST ON MFD:

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

9. OVERDUE INTEREST RESERVE:

- a) Overdue Interest Reserve (OIR) represents unrecovered interest on Non-Performing Advances, which is correspondingly shown under Interest Receivable as per RBI directives.
- b) Provision for Interest Capitalised on Non-Performing Assets represents unrecovered interest on Non-Performing



Advances which was reversed from Profit and Loss Account as per RBI directives.

10. RECOVERY FROM NPAs:

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

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

11. DEFERRED REVENUE EXPENDITURE (DRE):

DRE represent Stamp Duty and Registration expenses in respect of leased premises and are written off equally over the primary period of the lease.

12. FOREIGN EXCHANGE TRANSACTIONS:

In accordance with the guidelines issued by RBI, Bank has adopted following policies:

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

13. ACCOUNTING FOR AMALGAMATION (AS-14):

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

14. EMPLOYEE BENEFITS:

a) **Gratuity**

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

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

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

c) **Provident Fund Contribution**

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



d) **Superannuation Contribution**

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

15. SEGMENT REPORTING:

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

- a) Treasury includes all investment portfolio, Profit/Loss on sale of investments (Bonds and Government Securities) money market operations and foreign exchange transactions including trade finance. The expenses of this segment consist of interest expenses on funds borrowed from external sources and depreciation/ amortization of premium on Held to Maturity investments.
- b) Other banking operations include all other operations not covered under Treasury operations. It primarily comprises of Loans and Advances to wholesale and retail customers and other banking services to such customers. The revenue consists of interest earned on loans and advances, fee income on various services and foreign exchange products to corporate.

16. OPERATING LEASES:

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

17. EARNING PER SHARE (EPS):

Basic Earning per share is calculated by dividing the Net Profit or Loss for the period by the weighted average number of shares outstanding during the year. The weighted average numbers of 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) Tax expense comprises of current and deferred tax- current tax is measured based on estimated taxable income for the year in accordance with Income Tax Act, 1961 enacted in India at rates prevailing on the Balance Sheet date considering legal pronouncements and opinions of counsels wherever appropriate.
- b) 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:

Intangible Assets consist of Computer Software Expenses which are amortised equally over a period of 3 financial years. In respect of new branches same are amortised on pro-rated basis for completed 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.

Schedule No. 14 :-**NOTES FORMING PARTS OF THE ACCOUNTS****1. Appropriation of Profits:-**

The Bank has made the following appropriations of Profits for the year ended March 31, 2016 in the financials which are subject to shareholders approval in the ensuing Annual General Meeting:

Particulars	Amount (₹ in Lacs)
Net Profit for F.Y. 2015-16	4,567
Add: Opening Balance in Profit and Loss Account	-
Add: Write-back of excess provision for expenses, IFR, Education fund	33
Total Profit available for appropriation	4,600
Appropriations :-	
Statutory Reserve Fund	1,142
Contingency Reserve Fund	457
Education Fund	46
Building Fund	243
Bad & Doubtful Debts Fund	325
Reserve for Donations	2
Investment Fluctuation Reserve	79
Proposed Dividend @ 12% p.a. (pro-rata)	1,095
Proposed Dividend on PNCPS @ 9% p.a. (pro-rata)	12
Ex-Gratia to Staff **	740
Staff Welfare fund ***	80
Members' Welfare Fund	24
Centenary Fund	101
Special Reserve U/s 36 (1) (viii) of I.T. Act, 1961	253
Balance carried forward	1
Total	4,600

** Includes Arrears of Ex- Gratia of F.Y. 2014-15 of Rs. 23.33 Lacs.

*** Includes amounts of Staff Loan Fund Rs. 38.00 Lacs (P.Y. Rs. 24.00 Lacs)

2. As per approval for Rs.5000.00 Lacs granted by RBI vide its letter no. DCBS/MRO/BSS I/5911/12.07.163/ 2014-15 dated February 25, 2015 and the Director to Central Registrar of Co-operative Societies vide its letter no. R-11017/6/2004 - L and M (Pt.) dated 28th November, 2014, and Board Approval dated 23rd September, 2014, in the Current year, the Bank has raised Rs. 378.40 Lacs by way of Perpetual Non-Cumulative Preference Shares (PNCPS). (P.Y. NIL) for raising Tier I Capital.

Following are Terms and Conditions regarding issue of Preference Shares:-

- Minimum subscription is 1000 shares of Rs. 10/- each and thereafter multiples of 1000 shares.
- For repaying PNCPS Bank has reserved right of "Call Option", which may be subscribed only after PNCPS



has been held for at least 10 years with prior permission of RBI. PNCPS shall not have "Put Option" or "Step Up Option".

- Allotment / Rejection of PNCPS application shall be done within 60 days from date of realization of cheque / DD proceeds 'OR' date of Committee /Board Meeting in which PNCPS application is placed for approval, which is earlier.

In case Bank fails to allot or reject the application within said period, bank will be liable to pay interest at savings rate to the applicant from date of realisation of cheque / DD till date of refund of PNCPS.

- Maximum rate of dividend is 10.25% p.a. or as specified in terms of RBI circular as applicable on date of issue, on pro-rata basis which will be on non cumulative basis. The Dividend will be decided by Board.
- PNCPS claim shall be prior to Equity Share holder claim and subordinate to the claims of all other creditors and depositors.
- Interim Dividend is not applicable.
- PNCPS does not have voting right, nor is it convertible.

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

In accordance with the approval for Rs.8,800.00 Lacs upto 31/03/2016 granted by RBI vide its letter no. DCBS/MRO/BSS I/6858/12.07.163/ 2014-15 dated April 7, 2015 and the Deputy Director to Central Registrar of Co-operative Societies vide its letter no. R-11017/6/2004 - L and M dated 5th January, 2015, and Board Approval dated 17th January, 2015, during the year 2015-2016, the Bank has raised Rs. 5,571.75 Lacs by way of Long Term Subordinated (Tier-II) Deposits (Series-II). (In previous F.Y. 2014-15, the Bank has raised Rs. 5,000.00 Lacs by way of Long Term Subordinated (Tier-II) Deposits (Series-I)).

Rate of Interest fixed @ 9% p.a. for 60 months and 9.25% p.a. for 84 months LTD, and is payable on quarterly basis.

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

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

4. Settlement Credit/Debit Account:

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

5. During the year, the Bank has transferred an amount of Rs. 78.36 Lacs (P.Y. Rs. 224.17 Lacs), being profit on sale of investments held in HTM category, to IFR through Appropriation.
6. During the year, the Bank has written off an amount of Rs. 1,259.49 Lacs (P.Y. Rs. 175.28 Lacs) towards bad debts which is identified by the Management as irrecoverable, approved by the Board of Directors and certified by the Statutory Auditors. The said amount has been fully provided for, and accordingly an equivalent amount has been written back from the Bad and Doubtful Debt Reserve.
7. The Bank has not sold any of its assets to Assets Reconstruction Company, during the year. (P.Y. NIL)

8. Old Unclaimed Pay Orders and Sundry Deposits transferred from Reserve Fund:

Bank was earlier transferring Unclaimed Payorders and Sundry Deposits over 3 years to Statutory Reserve Fund. RBI



Circular dated 27.05.2014, mandated transfer of Old Unclaimed Payorders and Sundry Deposits over 10 years to **Depositor Education and Awareness Fund** (DEAF) Liability Account. To comply with the above Circular, Bank has transferred so far amount of Rs. 65.74 Lacs of Payorders and Rs.15.30 Lacs of Sundry Deposits lying in the Statutory Reserve Fund to DEAF Liability Account. Amounts in DEAF Liability Account which are over 10 years have been paid to RBI.

(₹ in Lacs)

Movement of Reserve Fund	Amount
Opening Balance as on 01.04.2015	9,465.62
Add : Transfer from Share Forfeited Fund **	21.29
Dividend Unclaimed (F.Y. 2011-12)	16.24
Entrance Fees	0.88
Appropriation for the year	1,142.00
	10,646.03
Less : Unclaimed Payorder and Sundry Deposits transfer to Depositor Education and Awareness Fund (DEAF) Liability Account	81.04
Closing Balance as on 31.03.2016	10,564.99

** Represents Shares Forfeited less than 50 Shares of Rs.10/- per member in 2012, who have failed to claim the same within 3 years of Forfeiture under Bye- Law No. 11 (ii).

9. Staff Loan Fund is merged with Staff Welfare Fund as their objectives are similar.
10. Staff Salaries, Allowances and Benefits includes an amount of Rs. 800.00 Lacs (P.Y. NIL) being revision in wages and other allowances as a result of Wage Revision Agreement entered into by the Bank with Staff Union dated 22nd March, 2016 (Includes Rs. 400.00 Lacs for F.Y.2014-15). No provision has been made for arrears of salaries in Senior Management Cadre as decision on payment has not been finalized and the liability has not been crystallized.
11. In respect to those Fixed Assets that have been revalued by the Bank, depreciation on the revalued portion of such assets is included in Depreciation Expenses and the same amount is correspondingly reversed from Revaluation Reserve and credited to the Profit and Loss Account. The said accounting treatment was permitted under ICAI Guidance Note on Treatment of Reserve on Revaluation of Fixed Assets. The ICAI has withdrawn the said Guidance Note on 14.10.2015 subsequent to which no Guidance is presently available from ICAI. The Bank has continued its past practice in this regards pending any new Guidelines applicable for F.Y. 2015-16.
12. Commission and Exchange Income includes Income from Forex Business Rs. 379.72 Lacs (P.Y. Rs. 372.68 Lacs). Exchange Profit is Rs. 95.76 Lacs (P.Y. Rs. 17.42 Lacs)
13. The Bank has earned an Income of Rs. 276.38 Lacs (P.Y. Rs. 133.69 Lacs) on account of Corporate Agency of Insurance business with Bajaj Allianz and Max Life Insurance. The same is disclosed under Commission, Exchange and Brokerage in the Profit and Loss Account.

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

(₹ in Lacs)

Sr. No.	Particulars	Provident Fund	
		31.03.2016	31.03.2015
1	Employment and Retirement Benefits		
	Post Employment Benefits		
	Bank's contribution to Provident Fund debited to Profit and Loss Account	501.44	448.10

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

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

(₹ in Lacs)

Sr. No.	Particulars	Gratuity Funded	
		31.03.2016	31.03.2015
1	Principal actuarial assumptions as at the date of balance date:		
	Discount Rate	7.90%	8.00%
	Salary Escalation	4.00%	4.00%
	Expected Return on Plan Assets	7.90%	9.30%
2	Reconciliation of opening and closing balance of present value of obligation		
	Present value of obligation as at beginning of the year	1,496.85	1,452.65
	Interest cost	118.02	128.63
	Current service cost	97.40	96.68
	Benefit Paid	(104.02)	(111.19)
	Actuarial (Gain)/ Loss on obligations	196.70	(69.92)
	Present value of obligation as at end of the year	1,804.95	1,496.85
3	Reconciliation of opening and closing balance of present value of plan assets		
	Fair value of plan assets at beginning of year	1,598.52	1,377.56
	Adjustment to Opening Fund	-	-
	Expected return on plan assets	151.14	121.42
	Contributions	1.56	200.06
	Benefits paid	(104.02)	(111.19)
	Actuarial Gain/ (Loss) on plan assets	(7.08)	10.67



(₹ in Lacs)

Sr. No.	Particulars	Gratuity Funded	
		31.03.2016	31.03.2015
	Fair value of plan assets at end of the year	1,640.12	1,598.52
4	Amount to be recognized in the Balance Sheet		
	Present value of obligation as at the end of the year	1,804.95	1,496.85
	Present value of plan assets as at the end of the year	1,640.12	1,598.52
	Funded Status	164.83	(101.67)
	Net (Asset)/Liability in balance sheet	164.83	(101.67)
5	Expenses Recognised in the Profit and Loss Account		
	Current service cost	97.40	96.68
	Interest cost	118.02	128.63
	Expected return on plan assets	(151.15)	(121.42)
	Net Actuarial (Gain)/ Loss recognised in the year	203.79	(80.59)
	Expenses recognised in statement of Profit and Loss	268.06	23.30

16. Disclosure under AS - 15 "Employee Benefits" Leave Encashment

(₹ in Lacs)

Sr. No.	Particulars	Leave Encashment	
		31.03.2016	31.03.2015
1	Principal actuarial assumptions as at the date of balance date:		
	Discount Rate	7.90%	8.00%
	Salary Escalation	4.00%	4.00%
	Expected Return on Plan Assets	7.90%	8.88%
2	Reconciliation of opening and closing balance of present value of obligation		
	Present value of obligation as at beginning of the year	792.44	717.50
	Interest cost	61.73	63.66
	Current service cost	37.52	31.10
	Benefit Paid	(107.36)	(77.78)
	Actuarial (Gain)/ Loss on obligations	140.01	57.96
	Present value of obligation as at end of the year	924.34	792.44
3	Reconciliation of opening and closing balance of present value of plan assets		
	Fair value of plan assets at beginning of year	936.00	785.00



(₹ in Lacs)

Sr. No.	Particulars	Leave Encashment	
		31.03.2016	31.03.2015
	Adjustment to Opening Fund	-	-
	Expected return on plan assets	74.65	71.58
	Contributions / (Utilization)	(12.84)	79.42
	Benefits paid	(107.36)	-
	Actuarial Gain/ (Loss) on plan assets	5.66	-
	Fair value of plan assets at end of the year	896.11	936.00
4	The amounts to be recognised in the Balance Sheet		
	Present value of obligation as at the end of the year	924.34	792.44
	Present value of plan assets as at the end of the year	896.11	936.00
	Funded Status	28.23	(143.56)
	Net (Asset)/Liability in balance sheet	28.23	(143.56)
5	Expenses Recognised in the statement of Profit and Loss		
	Current service cost	37.52	31.10
	Interest cost	61.73	63.66
	Expected return on plan assets	(74.65)	-
	Net Actuarial (Gain)/ Loss recognised in the year	134.35	(13.62)
	Expenses recognised in statement of Profit and Loss	158.95	81.14

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

Information about Primary Business Segments:

(₹ in Lacs)

Business Segments	For 2015-16			For 2014-15		
	Treasury & Forex	Other Banking Operations	Total	Treasury & Forex	Other Banking Operations	Total
Revenue	17,454.99	51,056.86	68,511.85	16,655.29	42,528.04	59,183.33
Expenses	13,005.22	48,725.23	61,730.45	14,456.30	38,768.24	53,224.54
Result	4,449.77	2,331.63	6,781.40	2,198.99	3,759.80	5,958.79
Unallocated expenses			225.44			181.36
Profit Before Tax			6,555.96			5,777.43
Income Tax			1,989.37			1,764.75
Extraordinary profit/loss			-			-
Net Profit			4,566.59			4,012.68
Other Information						
Segment assets	1,64,217.18	5,18,877.19	6,83,094.37	1,82,649.17	4,12,396.86	5,95,046.03
Unallocated assets			22,612.97			25,526.95
Total assets			7,05,707.34			6,20,572.98
Segment liabilities	1,67,500.64	4,86,435.29	6,53,935.93	1,83,552.21	3,94,406.86	5,77,959.07
Unallocated liabilities			22,027.20			24,089.37
Shareholders' Funds			29,744.21			18,524.54
Total liabilities			7,05,707.34			6,20,572.98

Notes: -

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

The above segments are based on the currently identified segments taking into account the nature of services provided, the risks and returns, overall organisation structure of the Bank and the internal financial reporting system.

Segment revenue, results, assets and liabilities include the respective amounts directly identifiable to each of the segments and also amounts apportioned/allocated on a reasonable basis.

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

The Bank is a Co-operative society under the Multi State Co-operative Societies Act, 2002 and there are no Related Parties requiring a disclosure under AS- 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 2015-16, in terms of RBI circular dated 29th March, 2003, he being a single party coming under the category, no further details thereon are required to be disclosed.

19. Disclosure under AS - 19 “Leases”:

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

- Lease payments of Rs. 1,026.74 Lacs (P.Y. Rs.740.86 Lacs) have been recognised during the year in the Profit and Loss Account.
- The lease agreements entered into pertain to use of premises at the branches. The lease agreements do not have any undue restrictive or onerous clauses other than those normally prevalent in similar agreements regarding use of assets, lease escalations, renewals and a restriction on sub-leases.

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

(₹ in Lacs)

Particulars	31-03-2016	31-03-2015
Future lease rental payable as at the end of the year :	6,105.80	5,586.22
-Not later than one year	1,346.71	1,045.13
-Later than one year and not later than five years	4,162.04	3,940.86
-Later than five years	597.05	600.23
Total of minimum lease payments recognised in the Profit and Loss Account for the year.	1,026.74	740.86

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

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

(₹ in Lacs)

Particulars	31-03-2016	31-03-2015
Opening Balance of amounts transferred to DEAF	445.04	-
Add : Amounts transferred to DEAF during the year	36.10	453.79
Less : Amounts reimbursed by DEAF towards claims*	9.74	8.75
Closing Balance of amounts transferred to DEAF	471.40	445.04

*does not include an amount of Rs. 1.45 Lacs (P.Y. Rs. 1.68 Lacs) that has already been paid by the Bank to the eligible depositors, claim for which has been lodged with the RBI and reimbursement of which is expected. This amount is shown as receivable under Other Assets- Schedule 11.

21. EARNINGS PER SHARE (EPS)

(₹ in Lacs)

Particulars	2015-16	2014-15
Net Profit/(Loss) after income tax	4,566.59	4,012.68
Weighted average numbers of shares	910.32	866.31
Nominal Value of Shares (Rs.)	10.00	10.00
EPS (Rs.)	5.02	4.63

22. Accounting for Taxes on Income:

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

(₹ in Lacs)

Particulars	As At 31-03-2015	During the year 2015-16	As At 31-03-2016
DTA			
Provision for Advances	1,546.14	(60.75)	1,485.39
Provision for leave encashment	269.35	50.57	319.92
Lease equalisation account	0.42	(0.42)	-
TOTAL	1,815.91	(10.60)	1,805.31
DTL			
Depreciation on Fixed Assets	305.24	73.60	378.84
Others (Special Reserve U/s 36 (1)(viii) of the Income Tax Act)	413.28	95.17	508.45
TOTAL	718.52	168.77	887.29
NET DTA / (DTL)	1,097.39	(179.37)	918.02

23. Intangible Assets:

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

(₹ in Lacs)

Particulars	2015-16	2014-15
Carrying Amount at the Beginning of the Year	414.87	109.13
Additions during the Year	349.31	532.21
	764.18	641.34
Amortisation during the Year	321.09	226.47
Carrying Amount at the End of the Year	443.09	414.87



24. Capital Advance :

Capital Advance consists of items pending certification / inspection of final invoices from vendors / contractors and proposed implementation of new Core Banking System.

25. Impairment of Assets:

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

26. The Bank has taken a Group Medclaim Policy and has paid a premium of Rs. 47.12 Lacs (P.Y. Rs. 30.33 Lacs) on this account.

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

28. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account as at March 31, 2016 (Net of CWIP) aggregate to Rs. 2,092.77 Lacs (P.Y. Rs. 59.28 Lacs) towards procurement of New Core Banking System Rs.2,001.77 Lacs and Rs.91.00 Lacs towards capitalization of assets at branches proposed to be opened in 2016-17.

29. Bills for Collection being Bill Receivable as per Contra includes Cheques sent for Clearing on 31.03.2016 to RBI amounting Rs.1,495.44 Lacs (P.Y. Rs. 2,366.56 Lacs)

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)	31.03.2016	31.03.2015
1.	A. Tier I Ratio	7.46%	8.04 %
	B. Tier II Ratio	5.24%	4.58 %
	CRAR	12.70%	12.62%
2.	Movement of CRAR		
	A. Tier I Capital	32,092.50	29,983.00
	B. Tier II Capital	22,543.77	17,078.88
	Capital Funds	54,636.27	47,061.88
	C. Risk weighted assets	4,30,088.68	3,73,041.70

(₹ in Lacs)

3.	Value of Investments is as under:	31.03.2016	31.03.2015
	Government/ Approved Securities (Market Value)	1,36,349.56	1,16,920.46
	Bonds of Public Sector Undertakings (Market Value)	-	-
	Other investments (Cost Value or Market Value whichever is less)	25.08	500.09
	Shares in Co-operative Institution (Cost Value)	0.14	0.31
	TOTAL MARKET VALUE	1,36,374.78	1,17,421.14
	TOTAL FACE VALUE	1,35,738.03	1,17,843.64
	TOTAL BOOK VALUE	1,35,003.74	1,16,914.49

Investment of Face Value Rs. 2,000.00 Lacs (P.Y. Rs. 2,000.00 Lacs) and Market Value Rs. 2,116.60 Lacs as on 31st March, 2016 (P.Y. Rs. 2,068.44 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, 2016 (Face Value P.Y. Rs.5,000.00 Lacs) and Market Value Rs. 4,829.31 Lacs as on 31st March, 2016 (Market Value P.Y. Rs. 4,722.20 Lacs) have been lodged with CBLO as Collateral/Settlement Guarantee Fund.

Investment of Face Value Rs. 125.00 Lacs and Market Value Rs. 108.36 Lacs as on 31st March, 2016 have been lodged with CCIL as Contribution to Default Fund- USD INR Segment.

Investment of Face Value Rs. 125.00 Lacs and Market Value Rs. 108.36 Lacs as on 31st March, 2016 have been lodged with CCIL as Contribution to Default Fund- Forex Forward Segment.



Sr. No	Particulars	31.03.2016	31.03.2015
4.	A. Foreign Currency Liabilities	46.58	-
	B. Foreign Currency Assets	688.26	319.02

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 31.03.2016.

A. Issuer Composition :-

(₹ in Lacs)

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

B. Non Performing Investments: -NIL (For F.Y. 2015-16 & F.Y. 2014-15). Hence movement not disclosed.

(₹ in Lacs)

7	Advances to sensitive sectors	31.03.2016	31.03.2015
	Against -		
	a. Housing*	77,516.09	55,711.79
	b. Construction business (excluding rent discounting)	9,931.51	9,768.22
	c. Real Estate **	4,658.89	5,314.85
	d. Against Shares & debentures	23.97	28.76
	*Includes staff housing loans of Rs. 4,106.47 Lacs (P.Y. Rs. 3,896.64 Lacs)		
	** Includes Rent Discounting of Rs. 3,653.33 Lacs, Non-Funded CRE advances of Rs. 444.22 Lacs & Overdraft against property Rs. 561.34 Lacs, but excludes mortgage loans.		



8. There have been no sanctioned limits to directors & relatives (Funded and Non Funded) as at 31.03.2016 (P.Y. – Nil). Advances to directors outstanding as at 31.03.2016 is Nil (P.Y. - Nil). Directors & Relatives have not given any guarantees for any limits sanctioned by the Bank.

Particulars	31-03-2016	31-03-2015
9. Average cost of deposits	7.77%	8.03%

(₹ in Lacs)

Particulars	31-03-2016	31-03-2015
10. NPAs at the end of the year		
a. Gross NPAs	17,216.13	17,049.91
b. Net NPAs **	9,771.31	9,825.66

** During the year, the Bank has proposed appropriation subject to approval of AGM of an amount of Rs. 325.00 Lacs (P.Y. Rs. 800.00 Lacs) towards Bad and Doubtful Debts Fund 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.

(₹ in Lacs)

	Particulars	31-03-2016	31-03-2015
11.	Movements in NPA		
	Opening Balance – Gross NPA's	17,049.91	11,334.22
	Additions during the year *	5,433.26	8,007.50
	Less: Closed/ Recovered/ Written off/upgraded	5,267.04	2,291.81
	Closing Balance	17,216.13	17,049.91
* Does not include amounts of NPA's of Rs. 4,728.53 Lacs added and recovered during the current year. (P.Y. Rs.6,089.42 Lacs)			

		31-03-2016	31-03-2015
12.	Profitability **		
	A. Interest income as a percentage of working funds	9.04%	8.78%
	B. Non-interest income as a percentage of working funds.	0.51%	0.60%
	C. Operating profit as a percentage of working funds	1.27%	1.28%
	D. Return on Assets (Net Profit /Average of working funds)	0.70%	0.73%
	E. Business (Deposits + Advances) per employee (Rs. Lacs)	902.13	851.21
	F. Profit per employee (Rs. Lacs)	3.90	3.81
	** Working Fund excludes Contra items in Balance Sheet.		



(₹ in Lacs)

Particulars	31-03-2016	31-03-2015
13. Provisions made towards NPA during the year debited to P&L Account	1,805.93	1,964.73

(₹ in Lacs)

Particulars	31-03-2016	31-03-2015
14. Contingent provision made/ (written back) during the year against depreciation in investment	-	(49.01)

(₹ in Lacs)

	Particulars	31-03-2016	31-03-2015
15.	Movement in provisions		
	A. Towards NPAs		
	Opening Balance	6,160.09	5,059.37
	Add: Provision during the year	1,805.93	1,964.72
	Total	7,966.02	7,024.09
	Less: W/b of prov. on account of Closed /Recovered/ Written off of NPAs	(1,982.09)	(864.00)
	Closing Balance	5,983.93	6,160.09
	**Amount proposed to be appropriated from profits after tax to Bad and Doubtful Debts Fund	325.00	800.00
	B. Towards standard assets		
	Opening Balance	1,347.33	1,087.31
	Add: Additions during the year	354.00	260.02
	Less: Written back during the year	-	-
	Closing Balance	1,701.33	1,347.33

(₹ in Lacs)

		31-03-2016	31-03-2015
16.	Movements in Contingent provisions against depreciation in investment		
	Opening Balance	16.30	65.31
	Add: Provision made during the year	-	-
	Less: Excess provision reversed	-	(49.01)
	Closing Balance	16.30	16.30

(₹ in Lacs)

	31-03-2016	31-03-2015
17. Movements in Investment Fluctuation Reserve		
Opening Balance	1,363.54	1,504.54
Additions during the year	-	-
Appropriations :		
Amount Transferred	79.00	248.00
Less : Excess amount reversed	-	(389.00)
Closing Balance	1,442.54	1,363.54

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 FY 2015-16				
		Housing Loans	SME Debt Restructuring	Others
Standard	No of Borrowers	-	-	1
Advances	Amount Outstanding	-	-	29.82
Restructured	Sacrifice *	-	-	1.04
Substandard	No of Borrowers	-	-	-
Account	Amount Outstanding	-	-	-
Restructured	Sacrifice*	-	-	-
Doubtful	No of Borrowers	-	-	-
Accounts	Amount Outstanding	-	-	-
Restructured	Sacrifice *	-	-	-
Total	No of Borrowers	-	-	1
	Amount Outstanding	-	-	29.82
	Sacrifice	-	-	1.04

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

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

19. DICGC Insurance Premium paid for the current financial year is Rs. 612.69 Lacs (P.Y. Rs. 500.16 Lacs).

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

21. Capital Charge on Market risk :**Market risk in Trading book - Standardized Modified Duration Approach:****Qualitative Disclosures:**

The general qualitative disclosure requirement for market risk:-

Strategies and Processes:

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

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

Scope and Nature of Risk Reporting / Measurement Systems:

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

Various exposure limits for market risk management such as Overnight limit, Aggregate Gap limit & 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	
	Current Year	Previous Year
• Interest rate risk	4.46	12.42
• Equity position risk	5.11	-
• Foreign exchange risk	31.05	31.05

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

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

◆◆◆◆

**ANNEXURE 'I'**

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 AND UNION TERRITORY OF DAMAN, DIU, DADRA & NAGAR HAVELI

(₹ in Cr.)

ITEMS	AS ON MARCH 31, 2016
No. of Branches (including Head Office)	104
Membership	
No. of Regular Members	51,562
No. of Nominal Members	11,318
Paid Up Share Capital	₹ 92.38
Total Reserves and Funds	₹ 658.15
Deposits	
Current	₹ 301.20
Savings	₹ 1,097.18
Term	₹ 4,639.59
Total	₹ 6,037.97
Advances	
Secured	₹ 4,470.16
Unsecured	₹ 65.04
Total	₹ 4,535.20
Total % of Priority Sector	47.08%
Total % of Weaker Section	6.01%
Overdues	₹ 180.93
Overdue Percentage	3.99%
Borrowings	₹ 105.72
Investments	₹ 1,583.36
Audit Classification	'A'
Profit for the year	₹ 45.67
Working Capital	₹ 6,911.89
Total Staff	1,172



PROGRESS REPORT OF THE BANK (1917-2016)

	Year	Members	Paid up Capital *	Reserves *	Deposits *	Advances *	Investments *	Cash & Bank *	Working Capital *	Net Profit *	Total Dividend Amount	Rate of Dividend
Inception	1917-18	104	2881	112	1494	3593	-	915	4487	22	-	-
	1920	183	5404	512	14587	19106	190	1967	21468	870	352	5%
	1930	334	6699	4782	36395	31346	12567	7208	51768	1409	594	6 1/4%
	1940	716	15960	15288	224314	125638	101065	38675	268656	3610	905	6 1/4%
Silver Jubilee	1942	800	0.24	0.18	3.39	1.19	2.34	0.39	3.97	0.03	0.01	6 1/4%
	1950	1335	0.72	0.99	17.34	1.61	17.21	0.33	20.17	0.15	0.04	6 1/4%
	1960	2206	1.25	1.74	26.63	17.01	13.09	0.42	31.39	0.36	0.08	6 1/4%
	1967	3530	2.15	3.78	63.68	46.84	14.05	10.65	73.20	0.69	0.18	9%
Golden Jubilee	1977	17357	12.12	17.41	335.81	190.01	79.88	101.18	383.58	3.50	1.35	12%
	1980	24361	17.93	34.96	631.30	312.58	150.74	229.84	715.89	8.76	1.96	12%
	1990	41439	97.88	279.58	4764.95	2931.95	1001.74	1280.81	5410.51	48.33	10.80	12%
	1992	45393	136.47	475.90	6563.33	4560.83	1746.97	919.01	7575.84	84.01	14.50	12%
Platinum Jubilee	2002	60017	1042.65	4882.23	66116.13	35433.75	30497.71	5025.95	75302.70	695.05	128.20	14%
	2003	62810	1294.28	6017.92	74705.35	40626.75	26990.41	14090.44	85618.10	863.90	162.38	14%
	2004	65127	1553.19	7398.20	84819.00	45354.59	35533.12	12684.13	97719.94	1164.89	197.73	14%
	2005	66373	1734.40	8585.41	96738.57	50387.21	42965.86	12222.15	110821.76	1207.75	231.07	14%
	2006	67613	1925.95	9833.88	111213.44	58710.04	44158.81	18769.64	127094.06	1250.79	253.87	14%
	2007	69715	2278.11	10193.84	128499.71	78870.39	40563.85	20930.12	145586.40	1503.34	293.94	14%
	2008	71461	2699.03	10838.93	154986.27	99518.13	46944.62	22947.74	174748.49	2068.07	341.54	14%
	2009	72990	3131.74	12694.04	184025.12	108901.45	59998.08	32904.96	207836.87	2717.20	438.00	15%
	2010	74396	3541.19	14071.71	229798.45	136979.83	68382.68	44293.90	258067.27	2740.87	496.00	15%
	2011	75663	4090.93	29772.07	264764.88	174895.38	91617.90	16779.35	305584.43	3060.42	584.00	15%
	2012	77675	5327.64	32561.60	325365.65	196124.31	132208.34	19764.25	372355.21	3600.50	700.00	15%
	2013	42345	6376.45	38756.83	366571.56	240453.06	132010.36	20480.44	419600.13	4,345.95	865.00	15%
	2014	45152	8333.83	42324.64	429305.57	281201.28	147485.74	27337.33	486568.14	4031.62	881.00	12%
	2015	49110	9168.49	54253.56	533453.27	363718.74	174333.13	28294.16	608864.81	4012.68	1057.00	12%
	2016	51562	9238.22	56577.43	603797.54	453520.06	158336.70	37922.90	691189.76	4566.59	1095.00	**12%

* 1917-1940 : Actual
1942-2016 : in lacs of ₹

** (Recommended)

संचालक मंडळाचा अहवाल (संक्षिप्त गोपवारा)

आपल्या बँकेचा ९९वा वार्षिक अहवाल व ३१ मार्च २०१६ या वर्षाखेरीचा ताळेबंद व नफातोटा पत्रक आपल्यापुढे सादर करताना संचालक मंडळास अतिशय आनंद होत आहे.

✽ बँकिंग क्षेत्राचा आढावा :

- चालू वर्षातील जून महिन्यात रिझर्व्ह बँकेने रेपोरेट गतवर्षीच्या ७.५०% वरून ७.२५% तसेच सप्टेंबर महिन्यात तो ६.७५% पर्यंत कमी केला. पुन्हा एप्रिलमध्ये रिझर्व्ह बँकेने रेपो रेट कमी करून तो ६.५०% वर आणला.
- ग्रामीण व छोट्या शहरी विभागात आर्थिक व बँकिंग सेवा पुरवण्यासाठी रिझर्व्ह बँकेने १० लघुवित्तिय बँकांना परवाने दिले आहेत. तसेच ११ पेमेंट बँकांनाही रिझर्व्ह बँकेची मंजूरी मिळाली आहे. या बँका ठेवी स्वीकारू शकतील व इतर बँकिंग सुविधा देऊ शकतील, पण त्या कर्जवाटप करू शकणार नाहीत.
- भारतीय अर्थव्यवस्था ही एका मोठ्या परिवर्तनातून जात आहे. याकरिता सरकारने काही धोरणात्मक योजना आखल्या आहेत, जेणे करून उत्पादनास आवश्यक असलेली साधने तयार करणे, तत्परतेने प्रकल्प पूर्णत्वास नेणे तसेच विकसनशील योजना राबविणे यावर भर दिला गेला आहे. या सर्व आर्थिक घडामोडींमुळे व्यवसायास चालना मिळून बँकांकडील कर्जाची मागणी वाढणार आहे.

✽ २०१५-१६ या वर्षातील आपल्या बँकेची ठळक वैशिष्ट्ये :

(रु. कोटीत)

तपशील	२०१५-१६	२०१४-१५	२०१३-१४
ठेवी (वाढीची टक्केवारी)	६,०३८ १३	५,३३५ २४	४,२९३ १७
कर्जे (वाढीची टक्केवारी)	४,५३५ २५	३,६३७ २९	२,८१२ १७
उलाढाल (वाढीची टक्केवारी)	१०,५७३ १८	८,९७२ २६	७,१०५ १७
कर व तरतूदीपूर्वीचा नफा	८८.०६	७८.२२	७७.५९
निव्वळ नफा	४५.६७	४०.१३	४०.३२
ढोबळ अनुत्पादित कर्जे (एकूण कर्जाशी टक्केवारी)	१७२.१६ ३.८०	१७०.५० ४.६९	११३.३४ ४.०३
निव्वळ अनुत्पादित कर्जे (नक्त कर्जाशी टक्केवारी)	९७.७१ २.१९	९८.२६ २.७६	६१.०६ २.२१

- ठेवीमध्ये रु. ७०३ कोटींची वाढ होऊन त्या ६,०३८ कोटींवर पोहोचल्या तसेच कर्जवाटपामध्ये २५% नी वाढ होऊन ती रु. ८९८ कोटींनी वाढली. याचाच परिणाम म्हणून कर्ज व ठेवीचे गुणोत्तर (CD Ratio) ६८% वरून ७५% इतके पोहोचले.
- बँकेची एकूण उलाढाल रु. १,६०१ कोटींनी वाढली. यावर्षी बँकेने रु. १०,००० कोटी व्यवसायाचा टप्पा पार केला आहे.
- कर व तरतूदी पूर्वीचा नफा रु. ७८.२२ कोटींवरून रु. ८८.०६ कोटींवर पोहोचला आहे. तर निव्वळ नफा रु. ४०.१३ कोटींवरून रु. ४५.६७ कोटी इतका झाला आहे.
- ढोबळ अनुत्पादित कर्जाची रक्कम रु. १७०.५० कोटींवरून रु. १७२.१६ कोटींवर पोहोचली आहे. त्याचे कर्जवाटपाशी प्रमाण गतवर्षीच्या ४.६९% वरून ३.८०% पर्यंत कमी झाले आहे.

✳ विनियोग :

संचालक मंडळ वर्ष २०१५-१६ करता नोटीस क्रमांक २ अन्वये खालील विनियोगांची शिफारस आपल्या मान्यतेसाठी करत आहे.

(रु. लाखात)

	तपशील	२०१५-१६	२०१४-१५
अ)	वैधानिक विनियोग :-		
१)	वैधानिक राखीव निधी	१,१४२	१,००३
२)	आकस्मिक विपत्ती निधी	४५७	४०२
३)	शैक्षणिक निधी	४६	४१
ब)	इतर विनियोग :-		
१)	इमारत निधी	२४३	—
२)	अनुत्पादित कर्जासाठीचा निधी	३२५	८००
३)	देणग्यांची तरतूद	२	३
४)	गुंतवणूक चढउतार निधी	७९	२४८
५)	नियोजित लाभांश @ १२% on Equity Shares	१,०९५	१,०५७
६)	नियोजित लाभांश @ ९% on Preference Shares	१२	—
७)	कर्मचारी सानुग्रह अनुदान	७४०	५४५
८)	कर्मचारी कल्याण निधी	८०	५९
९)	सभासद कल्याण निधी	२४	१६
१०)	शताब्दी निधी	१०१	२
११)	विशेष निधी (आयकर कायदा १९६१च्या कलम ३६ (१) (viii) नुसार)	२५३	२३९
		४,५९९	४,४१५
	ताळेबंदात दर्शविलेला नक्त नफा	१	—
	एकूण	४,६००	४,४१५

✳ बँकेची स्वनिधी पर्याप्तता : (CRAR)

बँकेने आपल्या स्वनिधी पर्याप्ततेचे प्रमाण कायमस्वरूपी १२% हून अधिक राखण्यात यश मिळवले आहे. वर्षअखेरीस बँकेने आपला CRAR १२.७०% इतका राखला आहे.

✳ लाभांश :

गतवर्षाप्रमाणे यंदाही संचालक मंडळाने मार्च २०१६ अखेरीस १२% लाभांशाची शिफारस केली आहे.

✳ भागभांडवल :

३१ मार्च, २०१६ रोजी बँकेत भरणा झालेले भागभांडवल रु. ८८.६० कोटी इतके आहे. यंदा ३,६४० सभासदांची भर पडली असून १,१८८ सभासदांची घट झाल्यामुळे एकूण सभासद संख्या ५१,५६२ इतकी झाली आहे.

✳ ठेवी संकलन :

३१ मार्च २०१६ च्या वर्षात बँकेच्या ठेवी रु. ६,०३८ कोटींवर पोहोचल्या असून त्यात १३% वाढ झालेली दिसते.

ठेवींचे तपशील पुढील प्रमाणे :

(रु. कोटीत)

ठेव तपशील	३१/०३/२०१६	%	३१/०३/२०१५	%
बचत	१,०९७	१८.१७	९६०	१८.००
चालू	३०१	४.९८	२६१	४.९०
मुदत	४,६४०	७६.८५	४,११४	७७.१०
एकूण	६,०३८	१००.००	५,३३५	१००.००

या वर्षभरात ठेवीमध्ये स्थिर वाढ झालेली दिसून येते. मुदत ठेवीही ७७% वर स्थिर राहिल्या. यातूनच ठेवीदारांचा बँकेवरील अढळ विश्वास दिसून आला.

नवनवीन योजनांअंतर्गत बँकेच्या "मैत्रेयी" या स्त्रियांसाठीच्या योजनेला यंदा विशेष प्रतिसाद मिळाला.

✳ निधींचे आयोजन :

या वर्षात वाढलेल्या कर्ज व ठेवींचे गुणोत्तर १२७.८०% असून बँकेने ८९८ कोटींचे कर्जवाटप करून २५% ची वाढ साधली आहे.

कर्जवितरणाचे तपशील पुढीलप्रमाणे

(रु. कोटीत)

क्षेत्र	२०१५-१६	%	२०१४-१५	%
वैयक्तिक/किरकोळ	१,९३६	४२.६९	१,१५३	३१.७०
व्यापार/सेवा	१,६५६	३६.५२	१,७४७	४८.००
उत्पादन	९४३	२०.७९	७३७	२०.३०
एकूण	४,५३५	१००.००	३,६३७	१००.००

एकंदरीत व्यवसाय परिस्थिती लक्षात घेता बँकेने किरकोळ (रिटेल) क्षेत्रावर अधिक भर देण्याचा निर्णय घेतला.

✳ कर्जाची गुणवत्ता :

गेल्या वर्षात एकूणच सार्वजनिक खाजगी बँकिंग क्षेत्रातील कर्जाच्या गुणवत्तेची पातळी खालावलेली दिसून आली, पण आपल्या बँकेने मार्च २०१६ अखेरीस एनपीए मर्यादित ठेवण्यात यश मिळविले. बँकेची ढोबळ अनुत्पादित कर्जे व नक्त अनुत्पादित कर्जे अनुक्रमे ३.८०% व २.१९% वर पोहोचली. अनुत्पादित कर्जावर नियंत्रण ठेवण्यासाठी बँकेने यंदा या कर्जखात्यांची विभागणी आपल्या अधिकाऱ्यांकडे केली असून त्यामुळे अनुत्पादित कर्जाच्या वाढीवर नियंत्रण बसले आहे. बँकेच्या वसुली विभागाने केलेल्या अथक प्रयत्नांमुळे जुन्या अनुत्पादित कर्जखात्यामधील वसुली लक्षणीय ठरली आहे.

✽ गुंतवणूक :

बँकेची सरकारी व इतर रोख्यांमधील एकूण गुंतवणूक रु. १,३५०.०३ कोटी इतकी आहे. मार्केटमध्ये चढ-उतार असूनही बँकेच्या कोष विभागाने रु. ६.९२ कोटींचा व्यापारी नफा मिळविला आहे. तसेच बँकेला लागू असणारे रोख तरलतेचे व्यवस्थापन योग्य रितीने राखून बँकेने रिझर्व्ह बँकेच्या सर्व नियमांची पूर्तता केली आहे.

✽ तंत्रज्ञान :

गतवर्षीच्या संचालक मंडळाच्या अहवालात बँकेचा उच्च प्रणालीच्या तंत्रज्ञानाकडे जाण्याचा मानस व्यक्त केला गेला होता. यानुसार बँकेने आता इन्फोसिसच्या “फिर्नॅकल” तंत्रप्रणालीचा अवलंब करण्यास सुरुवात केली आहे. ही तंत्रप्रणाली बहुतांश सार्वजनिक खाजगी व सहकारी बँकांमध्ये वापरली जाते.

✽ बिझनेस डेव्हलपमेंट :

२०१४ साली बँकेने स्थापन केलेल्या बिझनेस डेव्हलपमेंट डिपार्टमेंटने बँकेच्या व्यवसाय वृद्धीसाठी केलेल्या अथक प्रयत्नामुळे बँक गेल्या २ वर्षांत सरासरी २४% वाढ करू शकली.

✽ पुरस्कार:

- २०१३-१४ या वर्षासाठी बँकेला बृहन्मुंबई नागरी सहकारी बँक असोसिएशन लि. यांच्याकडून पुरस्कार प्रदान करण्यात आला. त्याचप्रमाणे लोकमत तर्फे “दी बेस्ट सीएसआर ऑक्टिव्हिटी” या सहकार क्षेत्रातील पुरस्काराने बँकेला गौरवण्यात आले.
- एनएसडीएल (NSDL) कडूनही यदा बँकेला डीमॅट विभागात २ पुरस्कार प्रदान करण्यात आले.

✽ लेखापरिक्षण :

३१ मार्च २०१५ या वर्षाअखेरीसाठी रिझर्व्ह बँकेने लेखापरिक्षण केले. बँकेच्या ९४ शाखा या समवर्ती (Concurrent) लेखापरिक्षणात तर उरलेल्या इतर शाखा या अंतर्गत (internal) लेखापरिक्षणाद्वारे तपासल्या गेल्या.

✽ वैधानिक लेखापरिक्षकांची पुनर्नियुक्ती :

२७ जून २०१५ रोजी झालेल्या बँकेच्या ९८व्या वार्षिक सर्वसाधारण सभेत मे. अ.पी. संझगिरी आणि कं. यांची वैधानिक लेखापरिक्षक म्हणून पुनर्नियुक्ती झाली होती. कंपनीची योग्य पात्रता व यंदाही बँकेचे लेखापरिक्षण करण्याची त्यांची इच्छा पाहून संचालक मंडळाने पुढील वार्षिक सर्वसाधारण सभेपर्यंत त्यांच्या पुनर्नियुक्तीचा प्रस्ताव मांडला आहे.

✽ कार्यविस्तार :

बँकेने आपली १००वी शाखा २७ फेब्रुवारी, २०१६ रोजी मार्केटयार्ड, पुणे येथे सुरू केली. वर्षाच्या सुरुवातीला असलेल्या ९४ शाखांमध्ये यंदा आणखी ९ शाखांची भर पडली. तसेच २०१६-१७ या आर्थिक वर्षात अजून २ शाखा उघडून आजमितीला बँकेच्या एकूण १०५ शाखा आहेत. यंदा बँकेने बंगळूरू व मंगळूरू इथे आपल्या शाखा उघडल्या. या शाखांमध्ये झालेल्या चांगल्या व्यवसायवृद्धीमुळे या शाखा केवळ १ वर्षातच नफा कमवू लागल्या.

✽ मनुष्यबळ विकास :

बँक सततच कर्मचारी प्रशिक्षणावर भर देत आलेली आहे. ग्राहकाभिमुख सेवांचा लाभ देण्यासाठी जुन्या कर्मचाऱ्यांबरोबरच नवीन तरुण कर्मचाऱ्यांना तयार करण्यासाठी बँकेने ‘वेलिंगकर मॅनेजमेंट स्कूल’ यांच्याबरोबर संलग्नता साधली आहे.

✽ ब्रँड बिल्डिंग :

दरवर्षीप्रमाणे यंदाही जनसंपर्काच्या अनेक साधनांचा वापर करून जास्तीत जास्त लोकांपर्यंत बँकेचेनाव व कार्यप्रणाली पोहोचवण्यात बँकेचा मार्केटिंग विभाग या शताब्दी वर्षात जोरदार तयारीला लागला आहे. फेसबुक व ट्विटरसारख्या प्रभावी माध्यमातून लवकरच ग्राहक बँकेशी संपर्क साधू शकतील.

✽ ठेव विमा : बँकेच्या ठेवी “ठेव विमा व कर्ज हमी संस्थेवरील विमा (DICGC)” या योजनेद्वारे सुरक्षित असून बँकेने विम्याचा हप्ता नियमितपणे भरला आहे.

✽ शेठ श्री शांताराम मंगेश कुळकर्णी व्याख्यानमाला :

२६ सप्टेंबर २०१५ रोजी बँकेने शेठ श्री शांताराम मंगेश कुळकर्णी व्याख्यानमाले अंतर्गत प्रसिद्ध माजी मुख्य पब्लिक प्रॉसिक्यूटर श्री. रामनाथ किणी यांचे “क्रिमीनल लॉ इन् बँकिंग पर्सपेक्टिव्ह” या विषयावरचे व्याख्यान आयोजित केले होते. २०१४-१५ या वर्षात उत्कृष्ट कामगिरी करणाऱ्या शाखांचे गौरव करण्यात आले.

✽ शताब्दी वर्ष : सप्टेंबर २०१६-सप्टेंबर १७ हे वर्ष बँकेचे शताब्दी वर्ष आहे. हा क्षण बँकेच्या इतिहासातील एक अतिशय गौरवपूर्ण क्षण आहे. संचालक मंडळाने शताब्दी समितीची स्थापना केली आहे. या समितीने शताब्दी वर्षात होणाऱ्या कार्यक्रमाची आखणी केली आहे.

✽ व्यवस्थापन : बँकेचे व्यवस्थापकीय संचालक श्री. चिंतामणी नाडकर्णी यांची इंडियन बँक असोसिएशनच्या मॅनेजिंग कमिटीवरचे सभासद म्हणून नियुक्ती झाली. त्याचप्रमाणे असोसिएशनच्या रिटेल बँकिंगच्या स्टँडिंग कमिटीवरही त्यांची सभासद म्हणून नियुक्ती झाली आहे.

✽ श्रद्धांजली :

बँकेच्या कोल्हापूर शाखेचे कर्मचारी श्री. किशोर जाधव यांचे निधन झाले. त्यांच्या मृतात्मास सद्गती प्राप्त होवो 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 में अ. पी. संझगिरी, चार्टर्ड अकाउंटंटस्
- सर्व लेखापरिक्षक

- कृषि बँकिंग महाविद्यालय, पुणे
- नॅशनल इन्स्टिट्यूट ऑफ बँक मॅनेजमेंट, पुणे
- इंडियन बँकस् असोसिएशन
- नॅशनल फेडरेशन ऑफ अर्बन बँक व क्रेडिट सो.लि., नवी दिल्ली
- महाराष्ट्र स्टेट को-ऑप. बँक फेडरेशन व असोसिएशन
- बृहन्मुंबई को-ऑप. बँक असोसिएशन, मुंबई
- कायदेतज्ज्ञ, स्थापत्यशास्त्रज्ञ, अभियंते
- वृत्तपत्रे, दूरदर्शन, इतर माध्यमे व त्यांचे कलाकार तसेच बँकेच्या प्रगतीमध्ये ज्यांनी प्रत्यक्ष वा अप्रत्यक्षपणे हातभार लावला त्या सर्वांचे आम्ही मनःपूर्वक आभार मानतो.

मुंबई
दि. २७ मे, २०१६

संचालक मंडळाच्या वतीने
किशोर कुळकर्णी
अध्यक्ष

३१ मार्च २०१६

(₹ लाखत)

भांडवल व देणी	३१ मार्च २०१६ रोजी	३१ मार्च २०१५ रोजी
भाग भांडवल	९,२३८	९,१६८
राखीव व इतर निधी	५६,५७७	५४,२५४
नफा / तोटा	१	-
ठेवी	६,०३,७९७	५,३३,४५३
घेतलेली कर्जे	१०,५७२	५,०००
थकित कर्जावरील जमा केलेल्या व्याजावरील तरतूद	३३६	२६४
थकित कर्जावरील जमा न केलेल्या व्याजावरील तरतूद	९,०८७	७,४०८
व्याज देणे	४२९	४३४
इतर देणी	१०,२३९	६,२८५
सेटलमेंट क्रेडिट अकाऊंट	९२	८९
इतर देणी वसूलीची बिले (येणे बाजूप्रमाणे)	५,३३९	४,२१८
एकूण	७,०५,७०७	६,२०,५७३
संभाव्य देणी	३४,४६७	१८,०९८

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

श्री. अभिजित संझगिरी
भागिदार (मे.नं. ४३२३०)
वैधानिक लेखापरिक्षक
मुंबई, २७ मे, २०१६

चा ताळेबंद

(₹ लाखात)

मालमत्ता व येणी	३१ मार्च २०१६ रोजी	३१ मार्च २०१५ रोजी
रोख व बँकेतील जमा	५३,२५८	७८,४४४
मागणी योग्य ठेव	७,९९८	७,२६८
गुंतवणूक	१,३५,००३	१,१६,९१४
दिलेली कर्जे	४,५३,५२०	३,६३,७१९
येणे व्याज:-		
अ) गुंतवणूक व कर्मचारी कर्जे (येणे व्याज)	३,५४३	५,४१०
ब) बुडीत व संशयित कर्जांवरील (येणे व्याज)	९,०८७	७,४०८
स्थावर मालमत्ता	३०,९७६	३०,२६२
इतर मालमत्ता	५,९३६	५,७५०
डिफर्ड टॅक्स असेट (नेट)	९१८	१,०९८
शाखा जूळवणी	३७	(७)
सेटलमेंट डेबिट अकाऊंट	९२	८९
इतर देणी वसुलीची बिले (येणे बाजूप्रमाणे)	५,३३९	४,२१८
एकूण	७,०५,७०७	६,२०,५७३

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

राजन भट
नागेश फोवकार
सुनिल गायतोंडे
वासुदेव मसुरेकर
(संचालक)

कौशल मुझुमदार
अनिल नाडकर्णी
लक्ष्मीकांत प्रभू
(संचालक)

मुंबई, २७ मे, २०१६

३१ मार्च २०१६ अखेर

(₹ लाखात)

खर्च	३१ मार्च २०१६ अखेरीस	३१ मार्च २०१५ अखेरीस
ठेवीवरील व्याज	४३,५९९	३८,९६१
घेतलेल्या कर्जावरील व्याज	६५९	२०९
कर्मचारी व अधिकारी वर्गाचा पगार व भत्ते	७,०६९	५,२१२
भाडे, कर, विमा व वीज खर्च	२,१८२	१,७९७
कायदा व व्यावसायिक तज्ञांचे शुल्क	१६३	१६२
टपाल व टेलिफोन खर्च	३०७	२१५
प्रवास खर्च	९६	७१
हिशेब तपासणी शुल्क	१०३	९१
दुरुस्ती व देखभाल	४३४	४००
मालमत्तेवरील घसारा	१,४५३	१,३७९
रोख्यावरील अतिरिक्त भार	३७१	२८९
छपाई व लेखन सामुग्री खर्च	१६०	१०७
जाहिरात खर्च	२४२	२४०
इतर खर्च	१,६०९	१,४१२
निर्लेखित बुडित खर्च	१,२५९	१७५
तरतूदी व संभाव्य देणी		
अ) बुडित व संशयित कर्जाची तरतूद	१,८०६	१,९६५
ब) उत्पादित कर्जावरील तरतूद	३५४	२६०
क) रजा मोबदला निधीवरील व्याज	८०	७२
ड) पुनर्चित कर्जाची तरतूद	१०	-
कर पूर्व नफा	६,५५६	५,५८४
	६८,५१२	५८,६०१
आयकर	१,८१०	१,९१२
डिफर्ड टॅक्स	१७९	(१४७)
आयकरातील मागील वर्षाचा परतावा	-	(१९४)
निव्वळ नफा	४,५६७	४,०१३
एकूण	६,५५६	५,५८४

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

श्री. अभिजित संझगिरी
भागिदार (मे.नं. ४३२३०)
वैधानिक लेखापरिक्षक
मुंबई, २७ मे, २०१६

संपलेल्या वर्षाचे नफा/तोटा पत्रक

(₹ लाखात)

जमा	३१ मार्च २०१६ अखेरीस	३१ मार्च २०१५ अखेरीस
दिलेल्या कर्जावरील व गुंतवणूकीवरील व्याज		
१) दिलेल्या कर्जावरील व्याज	४८,७६२	३८,९०२
२) गुंतवणूकीवरील व्याज	१०,५९७	९,८४१
३) बँकांतील ठेवीवरील व्याज	३,११०	४,७२६
४) वठणावळ व हुंडणावळ	२,५९२	२,२१२
५) बुडित व संशयित कर्जनिधीतील तरतूदीचे प्रतिक्रमण	१,९८२	८६४
६) इमारत पुर्नमुल्यांकन निधीवरील घसारा	५७०	५७०
इतर उत्पन्न		
सरकारी रोख्यांच्या उलाढालीवरील नफा	५५६	१,१०६
म्युच्युअल फंडवरील नफा	१३६	१४५
सुरक्षा तिजोरीवरील भाडे	१८०	१४६
स्थावर मालमतेच्या विक्रीवरील नफा	-	२
इतर किरकोळ उत्पन्न	२७	२८
गुंतवणूकीवरील घसाराच्या तरतूदीवरील प्रतिक्रमण	-	४९
पुनर्घटित कर्जावरील तरतूदीचे प्रतिक्रमण	-	१०
	६८,५१२	५८,६०१
कर पूर्व नफा	६,५५६	५,५८४
एकूण	६,५५६	५,५८४

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

राजन भट
नागेश फोवकार
सुनिल गायतोंडे
वासुदेव मसुरेकर
(संचालक)

कौशल मुझुमदार
अनिल नाडकर्णी
लक्ष्मीकांत प्रभू
(संचालक)

मुंबई, २७ मे, २०१६

**TABLE NO. 1**

Distribution of Shareholders as on March 31, 2016

No. of shares held	No. of Members	%
50 - 100	17,160	33.28
101 - 500	16,607	32.21
501 - 5,000	14,326	27.78
5,001 and Above	3,469	6.73
TOTAL	51,562	100.00

TABLE NO. 2

Distribution of Deposit Accounts as on March 31, 2016

(₹ in Cr.)

Amount	No. of Accounts	Amount of Deposits	%
Upto Rs. 10,000	2,98,525	67.01	1.11
Rs. 10,001 to Rs. 50,000	1,94,899	567.39	9.40
Rs. 50,001 to Rs. 1,00,000	1,14,221	856.18	14.18
Rs. 1,00,001 to Rs. 2,00,000	65,867	904.36	14.98
Rs. 2,00,001 to Rs. 10,00,000	46,856	1,883.91	31.20
Rs. 10,00,001 and Above	5,782	1,759.12	29.13
TOTAL	7,26,150	6,037.97	100.00

TABLE NO. 3

Distribution of Advances as on March 31, 2016

(₹ in Cr.)

Amount	No. of Accounts	Balance O/s	%
Upto Rs. 25,000	1,764	938.11	20.69
Rs. 25,001 to Rs. 1,00,000	2,077	10.21	0.23
Rs. 1,00,001 to Rs. 2,00,000	1,540	18.56	0.41
Rs. 2,00,001 to Rs. 10,00,000	6,389	260.86	5.75
Rs. 10,00,001 to Rs. 25,00,000	4,541	657.32	14.49
Rs. 25,00,001 to Rs. 50,00,000	1,775	562.49	12.40
Rs. 50,00,001 and Above	1,431	2,087.65	46.03
TOTAL	19,517	4,535.20	100.00

27th
JUN
2015

98TH ANNUAL GENERAL MEETING



26th
SEP
2015

17TH SHETH SHANTARAM MANGESH KULKARNI MEMORIAL LECTURE



A lecture on “**Criminal Law In Banking Perspective**” was delivered by eminent Former Chief Public Prosecutor, **Shri Ramnath V. Kini** under the Sheth Shantaram Mangesh Kulkarni 17th Memorial Lecture Series.

Sr. No.	Branch Opening Date	Name of The Branch	Branch Inaugurated By	ATM Inaugurated By
01	06th June 2015	Bengaluru - Rajaji Nagar (95th Branch)	Mr. Madhukar Dangi Senior Citizen of the prestigious Dangi Family of Bengaluru	Mr. Kishore Kulkarni Chairman- NKGSB Co-op Bank Ltd
02	06th June 2015	Bengaluru - Jaya Nagar (96th Branch)	Mr. Prashant Deshpande Industrialist	Mr. Shreedhar Kamat Director- NKGSB Co-op Bank Ltd
03	11th July 2015	Mangaluru - Kodialbail (97th Branch)	HH.Shivanand Saraswati Swamiji Kaivalya Mathadheesh	Mr. Gokuldas Naik Joint Director of District Industries Centre
04	01st August 2015	Goa - Vasco (98th Branch)	Mr. Narayan Bandekar Chairman- Goa Chambers of Commerce	Mr. Narayan Bandekar Chairman- Goa Chambers of Commerce
05	25th October 2015	Thane - Ghodbunder Road (99th Branch)	Dr. Milind Patil Orthopaedic Surgeon	Dr. Milind Patil Orthopaedic Surgeon
06	27th February 2016	Pune - Market Yard (100th Branch)	CA Dilip Muzumdar Partner- Borkar & Muzumdar	CA Dilip Muzumdar Partner- Borkar & Muzumdar
07	12th March 2016	Bengaluru - Sheshadripuram (101st Branch)	Dr. Mahendra Orthopaedic Surgeon	Dr. Mahendra Orthopaedic Surgeon
08	12th March 2016	Bengaluru - Banashankari (102nd Branch)	Mr. Shreedhar Kamat Director- NKGSB Co-op Bank Ltd	Mr. Shreedhar Kamat Director- NKGSB Co-op Bank Ltd
09	12th March 2016	Bengaluru - HRBR Layout (103rd Branch)	Mr. Kishore Kulkarni Chairman- NKGSB Co-op Bank Ltd	Mr. Rajan Bhat Director- NKGSB Co-op Bank Ltd

*For Us, The Greatest Compliment is
"Your Trust"*

THE NAVIGATOR



NKGSB Co-op Bank's Beloved **Managing Director Shri. Chintamani Nadkarni** has been selected as a Member of the Managing Committee of the Indian Bank's Association in the category of Co-operative Member Banks. Shri. Nadkarni is on the IBA Standing Committee of Retail Committee.

22nd
MAR
2016

MEMORANDUM OF SETTLEMENT



A Memorandum of Settlement for the span 1st April 2014 to 31st March 2017 was made and entered into at **Mumbai** on **22nd March 2016**, between **NKGSB Co-op Bank Ltd** and **The Co-operative Bank Employees Union, Mumbai**. Present for the ceremony was **Shri Kishore Kulkarni**- Chairman of NKGSB Bank along with the Board of Directors and **Shri A V. Adsul**- President Co-operative Bank Employees Union along with the Co-op Bank Employees' Union, Unit NKGSB and the committee members.

11th
OCT
2015

FELICITATION CEREMONY OF MERITORIOUS WARDS

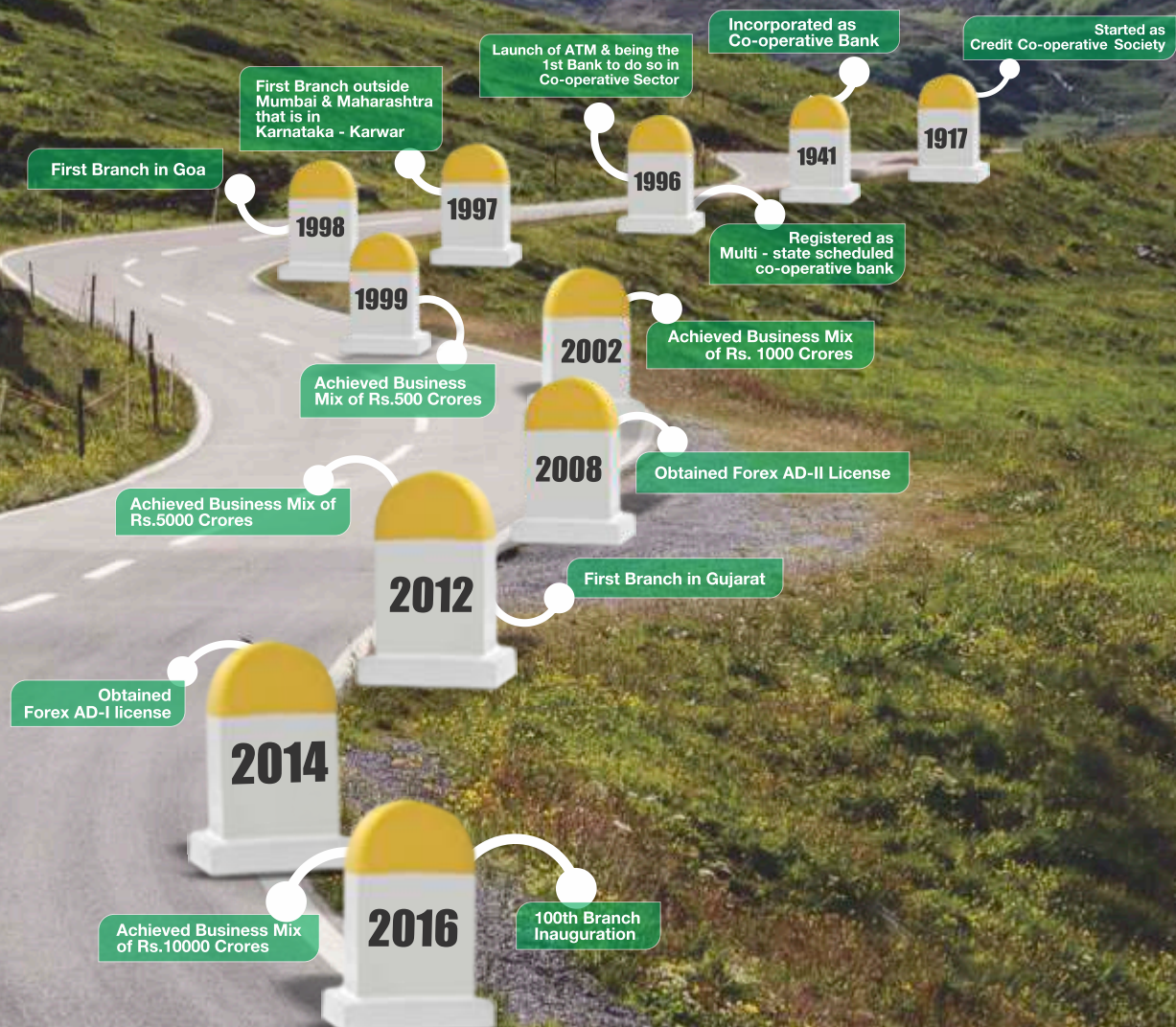


L - R : Kishore Kulkarni (Chairman), Nagesh Pinge (Vice Chairman)
And Nagesh Fovkar (Director)



L - R : Kaushal Muzumdar (Director), Anil Nadkarni (Director), Chintamani Nadkarni (Managing Director)
And P. G. Kamath (Chief General Manager)

Journey of Success...



डोळे मिटून व्यवहार करावा इतकी विश्वासाची बँक



NKGSB Bank
NKGSB Co-op. Bank Ltd.

Regd. Office: Laxmi Sadan, 361, V. P. Road, Girgaum, Mumbai - 400004
Customer Care No.: 022- 2860 2000 | **Email:** customer care@nkg sb-bank.com
Web: www.nkg sb-bank.com