

Reply  
to the queries  
raised by  
Members

26<sup>th</sup> Nov, 2020

To,

Mr. Mangesh Nadkarni,

Dear Sir,

We appreciate your participation in the 103<sup>rd</sup> AGM of the Bank.

With reference to the queries raised we wish to inform you as follows:

<b>Queries</b>	<b>Reply</b>
1) It has been mentioned in the Annual Report that the Bank had sought permission from Reserve Bank of India (RBI) to open 4 branches, but RBI has put the Bank's proposal on hold. My question is which are the Cities/Towns where the Bank wanted to open the branches for which permission has not yet been accorded by RBI.	Bank had sought permission for opening of branches in Nagpur, Solapur & 2 branches in North Goa. However, RBI has kept the permission on hold.
2) My second question is how many branches have been opened by the Bank in the States of Madhya Pradesh (M.P) and Gujarat. Further, how many those branches have posted profits?	As on date we have 5 branches in Gujarat and 1 branch in Indore Madhya Pradesh  Of the 6 branches in Surat, Varadora & Ahmedabad are in profits. Proper Business strategies have been initiated at the other three branches to turn around to profits.

Sd/-

Kishore Kulkarni

Chairman

26<sup>th</sup> Nov, 2020

To,

Vivek Redkar,

Dear Sir,

We appreciate your participation in the 103<sup>rd</sup> AGM of the Bank.

With reference to the queries raised we wish to inform you as follows:

<b>Queries</b>	<b>Reply</b>
Resolution no 1 : In the provisions of bad debts, are there any quick mortality cases and what is the amount, in Advances disbursed to borrowers in this financial year 2019-20. If yes what action is taken against the concerned officials as per RBI guidelines.	There are only three customers amounting to Rs. 203.55 Lakhs of quick mortality in FY 2019-20. All these accounts are fully secured by collateral securities.  The accountability process is being analysed wherever required.
Resolution no 2 1. We can understand that Dividend cannot be paid due to Government notification. 2. If all goes well, and government remove the notifications on paying dividends, will the Board consider increase in percentage of paying more dividends in the next year.  3. In Chairman Sirs' address in the AGM that "due to relentless and seamless service given by staff", why Exgratia was not paid to staff in this year 2019-20. 4. If possible in the resolution no 2 of appropriation of profits, I propose whether the board can consider by amending and recommending, a nominal amount could be provided for Exgratia to staff this year.	Bank is taking various steps to improve profit and other financial parameters.  Bank may consider the dividend pay-out depending on the financials as at 31 <sup>st</sup> March, 2021 subject to the RBI directives on this matter at that time.  While Bank acknowledges the seamless service given by staff. As you are aware on account of lower profit the Bank has decided not to provide for ex-gratia for the FY 2019-20.

Sd/-

Kishore Kulkarni

Chairman

26<sup>th</sup> Nov, 2020

To

TSR Rao,

Dear Sir,

We appreciate your participation in the 103<sup>rd</sup> AGM of the Bank. We thank you for your support and faith imposed on the Bank.

<b>Queries</b>	<b>Reply</b>
<p>My hearty greetings for Diwali, though it is belated. May i take the pleasure of congratulating you as you are going to be managing director of NKGSB Bank shortly, the bank which has done very successfully for a span of 100 years. We hope that you will follow the same trend and bring it up to greater heights under your able guidance and leadership.</p> <p>I am a senior citizen of 81 years with no pension as I had retired from BHEL corporate R&amp;D in 1999, as the interest rate in government banks are dwelling down day by day, life has become very hard and quite difficult to meet both the ends. Recently i had been affected by Corona and had to spend lot of my reserves to come out of corona disease safely. In view of the above circumstances, I was attracted by the performance of your bank and became a shareholder with the hope to get a better returns as dividend compared to banks interest.</p> <p>I came to know that RBI has given instruction not to declare any dividend for the year 2019-20. On account of my financial hurdles, i request to consider some relief to the senior citizens as exgracia or in any other form of some amount so that we can continue our confidence in NKGSB.</p> <p>Kindly understand our plight as senior citizens and grant us some relief on the eve of you taking over as managing director. Request for a positive response from your end. Wishing you all the best by the grace of Lord Shiva.</p>	<p>As you had correctly pointed out, as per RBI directives, Banks shall not make any dividend pay-out from the profits pertaining to financial year ended 31<sup>st</sup> March, 2020.</p> <p>We regret to inform you that there is no such provision for payment of exgratia or any other financial pay-outs.</p> <p>However Bank has schemes under Members' Welfare Fund for reimbursement of hospitalisation expenses and medical checkup for members. The details of the same are available on the website of the Bank. Last year 75 members have availed these benefits under the above scheme as stated on page 25 of Annual Report.</p>

Sd/-

Kishore Kulkarni

Chairman

26<sup>th</sup> Nov, 2020

To,

ANIL KHIMJI MOTA,

Dear Sir,

We appreciate your participation in the 103<sup>rd</sup> AGM of the Bank.

With reference to the queries raised we wish to inform you as follows:

<b>Queries</b>	<b>Reply</b>
<p>I have been maintaining accounts from last 6 years and more in your bank and it has been wonderful association for all this years. I would like to submit my request for lower present interest rate 9% to 7.75% which is your new interest rate on my Housing loan with account number – 036300400000059. I had already requested at branch BORIVALI (east) manager for the same but no response received yet.</p> <p>Since I have Car Loan with ICICI bank. I have received offer to transfer HOME LOAN with interest 6.90% as they got to know my EMI's were on time since then. But I had great relationship with your earlier branch manager and Bank Staff, I don't want to transfer to another bank.</p> <p>HENCE, In this Pandemic Situation, requesting to lower my housing interest to 7.75%.</p> <p>And also requesting some needful help with TOPUP of 35 lacs for my Business in this COVID situation.</p>	<p>The interest rate of loans of each of the bank is depending on the cost of funds of the bank. The present cost on deposit of our bank does not permit to bring down lending rates at parity with other Bank.</p> <p>Your request for top up of Loans shall be considered on assessment of your financials.</p>

Sd/-

Kishore Kulkarni

Chairman

26<sup>th</sup> Nov, 2020

To,

Satish R. Murdeshwar,

Dear Sir,

We appreciate your participation in the 103<sup>rd</sup> AGM of the Bank.

With reference to the queries raised we wish to inform you as follows:

<b>Queries</b>	<b>Reply</b>
1] There is a sharp 'decrease' in the Advances to the extent of minus 6.62%. Any specific reason.	Due to slow down in economy, frequent rate of reduction in interest and thereby competition in economy there as degrowth in advances.  The reason for the decrease in Advance has been mentioned in Chairman's Statement on page no 07 of Annual Report
2] Why there is a sharp reduction in Net Profit from Rs.40.26 to Rs,3.07 Lacs.	The degrowth in credit, increased NPA are the prime reasons for reduced profit. The reasons for reduction in Net Profit are mention in the Directors' Report on page no 15 of the Annual Report
3] It is observed profit per employee has been reduced from Rs.3.47 to Rs. 0.27 Lacs. Any specific reason.	The reduced profit of the bank has impacted the profit per employee.
4] B.D. under L/C of P.M.C. Bank. What is the total Quantum of exposure of the Bank and whether provision has been made towards it in P.& L, A/c ? Are there any chances of Recovering the same from your borrower to whom you must have sanctioned limits i.e. collateral securities if any obtained from the borrower.	The Quantum under L/C is Rs. 77 cr. for which necessary provisions as required by the Reserve Bank of India has been made.  As on date, recovery of Rs. 17 cr. has been made. Further, Bank is making concerted efforts including legal course for the recovery of the balance exposure.
5] C.A.S.A funds are only 22 % of total deposits. Whether Bank is making any sincere efforts to scout for such business because such funds are cheaply available which Bank can utilise profitably.	Bank is making all out efforts to increase the CASA funds. Bank is in the process of initiating new products to incentivise and attract CASA customers.
6] Perpetual Non Commulative Preference Shares and Long Term Subordinated Deposit amount are substantial. Is it profitable proposition though this year R.B.I. has put 'embargo' on declaration of any dividend ?	The PNCPS and Tier II bonds have supplemented to augment capital of the bank. With the expected redemptions and lower interest rate regime, the cost is likely to come down in the coming years.

<p>7] Gross N.P.A.s of the Bank Rs.361 Crore are alarming compared to the last year. Any specific reason for such rise?</p>	<p>One of the major reasons for the increase in NPA is the one off PMC LC BD exposure of Rs 77 cr. Further on account of slowdown in overall economic activities, the levels of NPA have increased globally and your bank is not an exception. Besides making provisions, many of these NPA accounts are having collateral securities and bank has initiated legal course for recovery.</p>
<p>8] Is Bank satisfied by transferring Stressed Assets to A.R.C.? Are there any significant recovery under such head? What has been the 'hair cut' to the Bank while transferring such assets?</p>	<p>The Bank has assigned its stressed assets to ARC within the guidelines of Reserve Bank of India. The Bank has recovered a net sum of Rs. 12.26 cr. In FY 2019 – 20 and during the current financial year so far bank has recovered a further sum of Rs. 6.61 cr.</p>
<p>9] Auditor has opined [page 31] that Bank has Doubtful Assets outstanding to the extent Rs.14422.38 Lacs and Loss Assets of Rs.954.14 Lacs. Any comments on this observation?</p>	<p>The classification of Doubtful debts &amp; Loss Assets is as per RBI directives and adequate provisions have been made in line with the RBI guidelines. Further all recovery efforts including legal action have been initiated for recovery.</p>
<p>10] Under Borrowing [Sch.4] item of Rs.10,300/-lac shown as REPO. How these funds utilised by the bank as there is no significant increase in advances.</p>	<p>These funds were borrowed at a cheaper rate of 5.3%. . They have been profitably deployed</p>
<p>11] Under Sch 9. Investment in Bonds and N.C.D.'s as shown Rs.7763 Lacs . Are there any Corporate N.C.D.'s and if yes what is the Credit Rating of such Corporate Companies? Also whether Bank is receiving income from such investment?</p>	<p>Yes, Bank has investments in Corporate NCDs. All these NCDs are top rated from Top companies such as IRFC, L&amp;T, Tata, HDFC etc. Bank is also receiving sizeable interest on the interest on these NCDS.</p>
<p>12] It has been mentioned on page 45 Overdue of Rs.441.91 Crores which is quite high. What steps Bank proposes to take to improve the situation?</p>	<p>Due to slow down in economy and covid 19 impact the overdues have gone up. The bank has tightened its monitoring and recovery efforts by setting up special task force and this is expected to yield good results in the current year.</p>
<p>13] Under H.R.D. it has been mentioned that the Bank has been making efforts to impart training to Employees at all levels. However per Employee profit has been considerably reduced from 3.47 to 0.27.</p>	<p>As detailed earlier for question 2, the reduced profit has impacted the per employee profits.</p>

Any specific reason for such sharp 'decrease' in Employee contribution?	The reasons for reduction in profit are given on page No. 15 of the Annual Report.
14] A suggestion to the Bank that whether the Bank has any Tech wing which can 'evaluate' technical aspect of the proposal which can be appropriately done by Engineers[Mech.Civil,Chemical] rather than by C.A.s or Cost Accountants, or M.B.A.'s who can assess Financial viability.	The suggestion is noted.
15] There is an entry of Written Off amount of Rs.3543.76 [page 54].What is the No. of accounts wherein borrowers owed to Bank Rs.50 Lac and above? .Further what has been recoveries made during last five years out of such Written Off amount?	The bank has gone for write off after exhausting all its recovery efforts and where provisions have been made. During the last 5 years the recovery from write off accounts is Rs 1.16 cr. The bank has formed a team during the current year to concentrate on write off accounts which can add to its bottom line.
16] What has been the Quantum [Total amount]of Exposure under L.C.B.D. for which Rs.7.70 cr has been provided this year [page 60]	The LCBD exposure is of Rs. 77 cr.
17] Advances to Sensitive Sector. The Real Estate Sector is Rs.17460.05 Lacs which appears to be on higher side and the Sector is in bad shape at present and hence Bank may reduce its exposure to this sector and instead it may concentrate giving loans to Housing Sector. [This is suggestion only].	Suggestion noted.
18] Movements of Gross N.P.A. upto Rs.36106.64 is substantial hence Bank may have to give special attention for reduction of such amount in years to come.	Special task force for recovery Recovery have been formed and all out efforts are being made for recoveries.
19] Profitability Chart Operating profit as percentage of working capital 2019 2020 1.07 0.53 Return on Assets. 0.49 % 0.03 % Profit Per Employee 3.47 0.27 Any specific reasons for such a steep decrease in employee contribution and under parameters of profitability on other aspects. What efforts the Bank proposes to do in this behalf so as to achieve reasonable profit in years to come. I wish	The reduced profit as detailed earlier has impacted profitability ratios as well.  During the current year the Bank is focussing mainly on recoveries of NPAs, reducing cost of deposits, reduction of Overheads and increase in Net increase income to boost profitability.



the Bank Management and Entire Staff for further progress in years to come.	
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Sd/-

Kishore Kulkarni

Chairman

26<sup>th</sup> Nov, 2020

To,

Advo. M R Sabnis,

Dear Sir,

We appreciate your participation in the 103<sup>rd</sup> AGM of the Bank. I place my sincere gratitude for the patronage and support that you have been continuously giving to the bank.

With reference to the queries raised we wish to inform you as follows:

Queries	Reply
<p>आपले अध्यक्षिय भाषण पारदर्शी झाले पण त्यातले काही मुद्दे पटले नाहीत . १) आपण जो अहवाल मांडत होतात . तो ०१ एप्रिल १९२० ते ३१ मार्च २०२० या कालावधीचा आहे. यातला कोरोनाचा सहभाग जेमतेम मार्च अखेरच्या १५ दिवसांचा आहे . त्यामुळे जर आपण बँकेच्या या परिस्थिला जबाबदार धरत असाल तर २०२०-२०२१ हे वर्ष पूर्णपणे कोरोना बाधित आहे. या वर्षाचे जवळपास ०८ महिने संपलेले आहेत . सभासदांनी काय अपेक्षा ठेवावी ? २) आपण बँकेच्या नफ्याच्या घसरणीसाठी आपण नोटांबंदीला जबाबदार धरत असाल ( पृ. १५ i ) अहो ती घटना २०१५ ची आहे . आणि त्यामुळे जर आपले many borrowers वेळेत कर्जपरतफेड करू शकत नसतील तर आपले many borrowers हे काळ्या पैशात उलाढाल करणारे आहेत अस आपणास सुचवायचे आहे कां ? मग ह्याची जबाबदारी कोणाची ? वस्तुस्थिती ही आहे की ९९% हून अधिक नोटा RBI कडे परत आल्या अस RBI म्हणत असताना आपल्या बँकेचे many borrowers काय उरलेल्या लोकांतून निवडून घेतलेले आहेत कां ?</p> <p>अध्यक्ष महोदय हा impact पूर्णपणे PMC Bank fraud चा आहे . आणि त्याची सद्यस्थिती सभासदां समोर येणे अपेक्षित आहे.</p>	<p>Though demonetisation happened 4 years back the impact continued to affect the volume of business on many enterprises.</p> <p>In the annual report we have mention the impact of PMC Bank fraud on the Cooperative Banking Sector, hence also impacting our Bank.</p> <p>Our LC BD exposure on PMC Bank of Rs. 77 cr has affected our bottom line &amp; resulted in addition to NPAs. Our efforts has resulted in recovery of a sum of Rs. 17 cr in this FY and further recoveries are expected.</p> <p>We agree that the effect of COVID 19 pandemic will have a large effect on the economy during FY 2020-21. We will remain prudent in our management.</p>

\*आता\* \*मुद्दा\* \*OAV\* \*AGM\* \*चा\*

मी शासकीय पातळीवरील अशा बैठकांत सहभागी झालेला आहे . यांत परस्परांत संवाद होतो. आपल्या या मिटिंगमध्ये तुमच्या आमच्यात काही संवादच झाला नाही .

मुळात १) आपल्या ५६,६०१ (पृ. १७ ) सभासदांपैकी किती सभासदांनी या प्रक्रियेत सहभागी होण्यात रस दाखवून आपली नोंदणी केली. ? २) अवघे २८१ सभासद log - in झाल्याचे कळते. मग ह्या वेळचा हा अहवाल मात्र ०. ५ % सभासदांसमोर मंजुरीसाठी मांडला गेला असे समजावे कां ? ३) यातील किती questions & query post करतील आणि शेवटी ४) या २८१ सभासदांपैकी प्रत्यक्ष किती सभासद e voting करतील त्यावर या ठरावांच्या मंजूरत्वाची कसोटी लागणार आहे.

माझ तर ठाम मत आहे की यात सभासदांचा सहभाग पूर्णपणे डावलला गेला.

आता हा परिस्थितीचा परिणाम की परिपत्रकाची अदूर दृष्टी ? काळच ठरवेल .

The conduct of AGM online was for the first time in the history of Banking.

The AGM was conducted as per the directives laid down by Central Registrar. The procedure followed is in line with the directives and as followed by our other peer Banks

The final count of Login was 285.

Our experience during the physical AGM in the earlier years is, the attendance of members has always been in the range of 250 to 300 members.

अहवाल साली आपला नक्त नफा अवघा ३ कोटी ०७ लाख आहे. (पृ. ३७ ) हा ही एक \*रेकार्डच\* आहे. सर्वात कमी नक्त नफ्याचा .

इतर जमवाजमव करून तो ९ कोटी ६७ लाखात आला आहे .

मुळ मुद्दा आहे ३०७ लाखात statutory provisions नंतर आपण काय लाभांश देऊ शकणार होतो ? या साली आपण लाभांश देऊ शकणारच नव्हतो . हा हि एक \*रेकार्डच\* होय .

मग वस्तुस्थिती ही असताना RBI च्या परिपत्रकाची लंगडी सबब घेण कितपत योग ? ( पृ. १७ )

सांगा अन्यथा आपण किती लाभांश जाहीर करणार होतात ?

The dividend payout track record of the Bank over the last 100 years has been excellent.

Bank is taking various steps to improve profit and other financial parameters.

Bank may consider the dividend payout which will depend on the financials as at 31st March, 2021 subject to the RBI guidelines on this matter at that time.

माझा महत्त्वाचा मुद्दा आहे जी कांहीं जमवाजमव बँकेने केलेली आहे त्यात ९० लाखांची रक्कम excess Ex - gratia (69 L +) Dividend (21 L ) (पृ. ३७ ) मागिल वर्षातून वळती केलेली आहे .

मग लाभांश सोडा किमान कर्मचाऱ्यांना बोनस नाही तर \*उचल\* देण्याचे जे सविस्तर पत्र मी आपणांस यापूर्वीच पाठवलेले आहे त्याचा गांभीर्याने विचार व्हावा ही आग्रहाची आणि कळकळीची विनंती.

आपल्या कर्मचाऱ्यांनी करोना काळात खरच उत्तम सेवा दिली आहे त्यांचे फक्त आभार नको त्यांना अर्थसहाय्य व्हावे ही माझी ठाम अपेक्षा आहे.

Bank has always been supporting staff by way of loans at concessional rate, Interest free Festival Advance and support from Staff Welfare Fund.

Sd/

Kishore Kulkarni

Chairman

26 March, 2020

Dear Mr. G. S. Nayak,

<b>Queries</b>	<b>Reply</b>
<p>The Chairman N K G S B BANK MUMBAI. RESPECTED Chairman sir, Board of DIRECTORS, MD &amp; CEO. I am in receipt Of Bank's Annual report for the year 20192020 and Thank you. For the same. As you wrote in your annual report the year under reference was one of .the most difficult year for Banking Industry as a whole. Banks are worried today about the assets quality concerns, subdued earnings. no meaningful recovery, slow or no credit growth I would say in a more than 100 years corporate Trajectory of our of bank fy 2020 is most difficult in view of Pandemic, difficult Economy situations ,public lockdown ect which was main reason for.no credit growth low profit. In all these realistic circumstances our bank has come out with fair balanced results. Financials The total business mix of the Bank stands 12780.cr The total Business Mix is satisfactory. Though the bank has shown no growth in credit the bank has maintained CD RATIO at 63 percent despite the disruption. It is really important to note that after decrease in deposits of 600 crs before the year the bank Overcame this by exceeding the amount drawn by clients. This shows the people have got immense faith n confidence in the NKGSB bank. My hearty compliments. Most important is Tier1 Ratio 8.69% n CRAR RATIO 13.18% at the end of this year much satisfying and bank has shown profit of 3 crs where has many banks have shown loss on their balance sheet in view of difficult situations. This year bank has not declared dividend, n the same has strengthen the capital of the bank. Lastly I would say NKGSB BANK one of the multi state prime COOP bank response to the needs of Employee. I wish the bank all the best for the futuristic growth. G S Nayak</p>	<p>I am in receipt of your mail dated 24<sup>th</sup> Nov 2020 and 25<sup>th</sup> Nov 2020.</p> <p>I place my sincere gratitude for the patronage and support that you have been continuously giving to the bank.</p> <p>Your instilled support has also played its part in the 103 years of glory of the bank.</p> <p>As you have rightly observed despite pandemic and post PMC challenges your bank could show a business mix of Rs12780 cr with a small profit.</p> <p>We assure you sir, during the current year with more quality lending and strong recovery measures the bank shall post a more decent bottom line.</p> <p>It shall be the primary responsibility of the bank to protect the interest of all its stake holders, wealth of shareholders and also the brand image of the 103 year old bank.</p> <p>Once again assuring our best services always.</p>

Sd/

Kishore Kulkarni  
Chairman