



NKGSB Bank
NKGSB Co-op. Bank Ltd.

OFFER DOCUMENT

ISSUE OF PERPETUAL NON-CUMULATIVE PREFERENCE SHARES (PNCPS) (SERIES I) UNDER TIER-I CAPITAL.

NKGSB Co-operative Bank Limited (herewith referred to NKGSB Bank/the Bank) proposes to issue 5,00,00,000 PERPETUAL NON-CUMULATIVE PREFERENCE SHARES (hereinafter referred to as "PNCPS") of the face value Rs.10/- (Rupees Ten Only) each at par, aggregating to Rs.50,00,00,000.00 (Rupees Fifty Crores Only), pursuant to this Offer Document.

ABOUT THE BANK :

- NKGSB Co-operative Bank Ltd. was registered on 26th September, 1917, initially as a co-operative credit society and later on was converted into a full fledged Co-operative Bank on 23.08.1933. The Bank achieved Scheduled Bank status in 1996.
- As on date, Bank has a network of 96 branches spread across the states of Maharashtra, Goa, Gujarat & Karnataka.
- In terms of our commitment for harnessing the state of art technology, networking all the branches under 'Core Banking Solution', customers can access their accounts and perform banking operations 'anywhere anytime' with value added services viz; ATM (linked to over one lac ATMs pan India), Internet Banking, Mobile banking, International Visa Debit Card etc.
- We are amongst the few Co-operative banks, having License to deal in foreign exchange as Authorised Dealer Category I.
- The well qualified & experienced professionals on the Board of the Bank not only ensure emphasis on profits but also in the spirit of co-operative principles, keeping focus on welfare of its stakeholders.
- The Bank enjoys 'A' Audit Classification.
- Over the years, the Bank has not only grown BIG in terms of business volume crossing Rs.9,000 crores of Business Mix, but has also grown STRONG having multiplied its net worth many folds making the institution sound & fundamentally strong.

BOARD OF DIRECTORS:

The existing elected Board brings in an amalgam of knowledge, talent and vast experience. Professionals and entrepreneurs coming from varied and diverse fields like Finance, Engineering, Business, Ex-bankers, Advocates and CA Professionals.

Following are the details of Board of Directors of the Bank :

Sr. No.	Name of Director	Designation	Qualification
01	Mr. Kishore Kulkarni	Chairman	B.COM (Hons), LL.B, ACMA
02	Mr. Nagesh Pinge	Vice Chairman	B.COM (Hons), LL.B (Gen), ACA
03	Mr. Nagesh Fovkar	Director	Civil Engineer
04	Mr. Sunil Gaitonde	Director	B.COM, LL.B, FCA
05	Mr. Vasudev Masurekar	Director	B.Sc, LL.B, D.T.M
06	Mr. Kaushal Muzumdar	Director	B.COM, FCA, PGDBM (IIMB)
07	Mr. Anil Nadkarni	Director	B.Sc, PGDCM
08	Mr. Rajan Bhat	Director	M.COM
09	Mr. Laxmikant Prabhu	Director	B.E(Civil), PG-HRM
10	Mrs. Sujata Rangnekar	Director	B.COM, LL.B, ACA
11	Mr. Shreedhar Kamat	Director	B.A (Hons), LL.B
12	Mr. Chintamani Nadkarni	Managing Director	B.COM, ACA

FINANCIAL GROWTH OF THE BANK: Financial growth of the Bank for last 3 financial years is as follows

		(Rs. in Crores)		
Sr. No.	Particulars	31.03.2013	31.03.2014	31.03.2015
I	Share Capital	63.76	83.34	91.68
II	Reserves	387.57	423.25	542.54
III	Total Deposits	3665.72	4293.06	5,334.53
IV	Deposits Growth (in %)	13	17	24
V	Total Advances	2404.53	2812.01	3,637.19
VI	Advances Growth (in %)	23	17	29
VII	Gross NPA (in %)	3.93	4.03	4.69
VIII	Net NPA (in %)	2.22	2.21	2.76
IX	Operating Profit	63.53	77.94	78.22
X	Net Profit after Tax	43.46	40.32	40.13
XI	CRAR (%)	13.43	13.09	12.62
XII	No. of Branches	70	80	94
XIII	Audit Classification	A	A	A

The above analysis depicts :

- Healthy rise in Deposits, Advances & Operating Profits.
- High Quality of Credit portfolio, as is evident from the low levels of Gross & Net NPAs
- CRAR is maintained above RBI stipulated norms.



ISSUE STRUCTURE

1	Number of Perpetual Non Cumulative Preference Shares approved	5,00,00,000(Five Crores) shares
2	Face Value per share(Rs.)	Rs.10/-per share
3	Issue price per Share(Rs.)	Rs.10/-per share.
4	Nature of Instrument	Perpetual Non-Cumulative Preference Shares (PNCPS)
5	Tenor	Perpetual
6	Exercise of Put/Call option	Bank reserves right of "Call option" (i.e. repaying of PNCPS) which may be exercised by the Bank only after the instrument of PNCPS has run for at least 10 years, with prior permission of the RBI. PNCPS holder shall not have "Put Option" or "Step Up Option".
7	Minimum Investment Amount - For all applicants (subject to the compliance with the eligibility norms as specified in the terms of issue)	1000 shares of Rs.10/- each amounting to minimum of Rs.10,000/- and thereafter in multiples of 1000 shares i.e. Rs.10,000/-.
8	Maximum Investment amount per applicant	5% of the Bank's paid up equity capital as on previous year ending, March 2015 i.e. maximum of Rs. 4.50 Cr.
9	Issue open date	15 July, 2015
10	Date of Allotment/Rejection of PNCPS application	Within 60 days from the date of realization of cheque/DD proceeds, (along with duly signed and completed share application form) or date of Committee / Board Meeting in which the PNCPS applicant is admitted as a member/is rejected, whichever is earlier. If the Bank fails to allot or reject the PNCPS application within the said period, the Bank will pay interest at the savings rate to the applicant from the date of realization of cheque/DD till the date of allotment/ refund of PNCPS.
11	Issue close Date	A date which will be notified by the Bank
12	Eligibility for Dividend	The dividend, shall be recommended by the Board of Directors in its meeting held after conclusion of Bank's audited financial results. The dividend will be distributed after AGM Approval.
13	Rate of Dividend	Maximum 10.25% p.a. or a rate specified in terms of RBI circular as applicable on the date of issue, on a pro-rata basis which will be on non cumulative basis. The dividend will be decided by Board for every financial year subject to minimum regulatory requirement prescribed by RBI.
14	Interim Dividend	Not Applicable.
15	Claim Preference	The claims of investors in PNCPS shall be prior/senior to the claims of the investors in equity shares and subordinated to the claims of all other creditors and depositors.
16	Conversion	Non-convertible.
17	Voting Rights	No Voting rights.

OFFER INFORMATION

TERMS OF ISSUE

The "Terms of Issue" sets out the conditions pertaining to this issue of 5,00,00,000 PERPETUAL NON-CUMULATIVE PREFERENCE SHARES ("PNCPS") at the face value of Rs.10/-each, to be issued by NKGSB Co-op. Bank Ltd., and will be fully paid up, unsecured and free of any restrictive clauses.

The Reserve Bank of India ("RBI") and the Central Registrar of Co-operative Societies, have granted permission to NKGSB Bank Ltd to raise funds to the tune of Rs.50,00,00,000.00 (Rupees Fifty Crores only) through the instrument of PNCPS for augmenting Tier-I Capital of Bank.

The PNCPS are offered subject to the provisions of the Master Circular UBD. BPD. (PCB) MC No.6/09.18.201/2014-2015 dated 01.07.2014 issued by RBI ,the permission granted by RBI vide their Letter No DCBS.MRO.BSS-I/5911/12.07.163/2014-15 dated 25.02.2015, the Permission granted by Joint Secretary & Central Registrar of Co-operative Societies, Government of India Ministry of Agriculture, Department of Agriculture & Co-operation Krishi Bhavan, New Delhi vide their letter dated 28.11.2014.

OBJECTS OF THE ISSUE AND ISSUE SIZE

To strengthen the capital base of the Bank under Tier-I Capital, the Bank wishes to issue PNCPS to the extent of Rs.50 Crores.

AUTHORITY FOR THE ISSUE

The Board of Directors of the Bank at its meeting held on 23.09.2014 has approved the proposed Issue of PNCPS as permitted under the provisions of the Master Circular UBD. BPD. (PCB) MC No.6/09.18.201/2014-2015 dated 01.07.2014 issued by RBI.



NKGSB Bank
NKGSB Co-op. Bank Ltd.

NATURE AND RANKING OF THE PNCPS

The PNCPS shall be perpetual, unsecured and free of any restrictive clauses. The claims of investors in PNCPS shall rank prior/senior to the claims of investors in equity shares and subordinate to the claims of all other creditors and the depositors.

DIVIDEND RATE

A maximum dividend of 10.25% p.a. on PNCPS will be made from the date of allotment in the financial year in which allotment has been done, on prorata basis.

The declaration of payment of dividend will be recommended by the Board of Directors and the Bank shall pay dividend subject to fulfillment of the following Conditions:

- Availability of distributable surplus out of the current year's earnings.
- The Bank's CRAR is above the minimum regulatory requirement prescribed by RBI;
- The impact of such payment does not result in Bank's capital to risk weighted asset ratio (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by the Reserve Bank of India from time to time and
- While paying dividend, the relevant current year's balance sheet should not show any accumulated losses.

The dividend shall not be cumulative .i.e. dividend not declared in financial year will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum in that year.

When dividend is paid at a rate less than the prescribed rate of 10.25% p.a., the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum in that year.

MODE OF DIVIDEND PAYMENT

In case of PNCPS holder maintaining an account with our Bank, dividend will be credited to the Saving/Current account of such PNCPS holder. In case of PNCPS holder not having an account with our Bank, the dividend will be paid by NECS /RTGS/ NEFT as per choice given by the PNCPS holder.

JURISDICTION

All disputes/transactions are subject to the jurisdiction with the competent courts in Mumbai, India.

TRANSMISSION

- a) PNCPS are not transferable.
- b) No voting rights are available to PNCPS holders.
- c) Transmission of the PNCPS shall be subject to provisions of the Bye-laws of the Bank.
- d) Nomination facility is available and shall be in accordance with the provisions of Bye- laws of the Bank and RBI guidelines.

AVAILABILITY OF APPLICATION FORMS & OFFER DOCUMENT

PNCPS Application form together with the Offer Document may be obtained from the Branches of the Bank.

WHO CAN APPLY

Application may be made by:

1. Indian Nationals resident in India who have completed 18 years of age, in single or joint names (not more than three names)
2. Companies registered under the applicable law in India.
3. Scheduled Commercial Banks within 10 % of ceiling for their unlisted securities as prescribed by DBOD, Central Office, Reserve Bank of India, if rated .
4. Registered Partnership Firms.
5. Public trusts registered under any other law for the time being.
6. Any other entity permitted to hold PNCPS of the Bank in accordance with the provisions of the Act and the Bye-laws.

Following entities are not eligible for applying to PNCPS issue:

1. Minors.
2. Foreign Nationals and NRIs.
3. Urban Co-operative Banks (UCBs).
4. Hindu Undivided Family (HUF).
5. Person not entitled to hold shares of the Bank as per the provisions of the Act and Bye-laws i.e. Co-operative housing societies /Credit Co-operative societies, registered under any State's Co-operative Societies Act.

PROCEDURE FOR APPLICATION AND TERMS OF PAYMENT

1. Application must be made by Indian Resident only in the prescribed application form accompanying the Offer Document.
2. Application form to be filled in 'BLOCK' letters only.
3. Each applicant or the joint applicant of PNCPS shall be KYC compliant.
4. Submission of PAN number is compulsory for first applicant/joint applicant(s) of PNCPS.
5. Multiple applications by eligible applicants for PNCPS are permitted. However a separate Cheque / Demand Draft should accompany every PNCPS application form.
6. Applicants have to submit the application form to the branch of NKGSB Co- operative Bank Limited. Cheque (s) /Demand Draft(s) should be drawn in favour of "NKGSB Co- Op Bank Ltd- PNCPS issue" and crossed "Account Payee Only" payable at any centre where the Bank's branches are located. The full value of the PNCPS applied for is to be paid along with the said application form.
7. Applicant should indicate the PAN number and name of first applicant on the reverse of Cheque(s)/Demand Draft(s) through which the payment is made.
8. The Cheque(s)/Demand Draft returned unpaid by other bank will not be relodged and the said PNCPS application form will stand rejected.



NKGSB Bank
NKGSB Co-op. Bank Ltd.

9. The branch receiving the application form will acknowledge receipt of the application by stamping and returning the acknowledgment slip at the bottom of each application form. For further instructions, please read the PNCPS application form carefully. No separate receipt will be issued for the PNCPS application money.

10. The Date of closure of the issue shall be notified by the Bank on the notice boards of the Bank's offices and also displayed on website of the Bank.

RIGHT TO ACCEPT OR REJECT APPLICATION

The Bank is entitled at its sole and absolute discretion to accept or reject any application and to allot PNCPS in part or in full, without assigning any reasons.

ALLOTMENT :

Acceptance of applications for PNCPS will be stopped by the Bank on receipt of the total amount of Rs.50 crores, which is the maximum amount permitted by RBI to raise capital by issuance of PNCPS by the Bank. The Bank reserves right to accept an amount lesser than the Issue size, without assigning any reasons.

PNCPS CERTIFICATE

PNCPS Certificate or Letter of Rejection, as the case may be, will be dispatched by standard mode of delivery, to the postal address of the First applicant/Sole applicant as mentioned on the PNCPS application form or it may be collected from the applicant's branch. The PNCPS certificate will be issued only in physical form.

All enquiries in connection with the PNCPS offer Document or the Application Form should be addressed to the Share Department at NKGSB Co-op. Bank Ltd, 361, Laxmi Sadan, Girgaum, Mumbai-400 004, quoting the name of the First/Sole applicant and NKGSB Branch.

REFUND

The Refund if any, will be as under :

- (a) In case the applicant is maintaining an account with our Bank, there fund amount will be credited to the Saving/Current account of the applicant.
- (b) In case the applicant is not maintaining an account with NKGSB Co-operative Bank Limited., their fund amount will be paid by Demand draft/pay order/NECS/NEFT/RTGS.

GENERAL CONDITIONS

- (i) The holders of PNCPS will not be eligible for any voting rights.
- (ii) Duplicate PNCPS Certificate will be issued, subject to rules and regulations framed by the Bank from time to time.

NOTICE(S)

The Bank will issue notice by publishing on its website and/or in the offices/branches.

SHARE LINKAGE

The Bank at its sole discretion and subject to the fulfillment of other conditions, as may be prescribed by the Bank from time to time, may treat the PNCPS for the purpose of compliance with extant share linkage norms. Accordingly, the Preference share linkage will be as per the norms of credit policy of NKGSB Co-op. Bank Ltd.

GENERAL DISCLAIMER

This Offer Document is neither a Prospectus nor a statement in Lieu of Prospectus and is prepared in accordance with the stipulations issued by the Urban Banks Department, Reserve Bank of India vide Circular No. UBD.BPD.(PCB).MC.NO.06/09.18.201/2014-15 dated 01.07.2014 and letter dated 28.11.2014, issued by Director (C.,L & M), Central Registrar of Co-operative Societies, Ministry of Agriculture, Department of Agriculture & Co-operation, Krishi Bhvan, New Delhi. The Bank certifies that the disclosures made in this document are generally adequate and are in conformity with the Reserve Bank of India Regulations. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

DISCLAIMER OF THE ISSUER

The Bank confirms that the information contained in this Offer Document is true and correct in all material respects and is not misleading in any material respect. All information considered adequate and relevant about the issue and the Bank has been made available in this Offer Document for the use and perusal of the potential investors and no selective or additional information would be available to any investors in any manner whatsoever. The Bank accepts no responsibility for statements made otherwise than in this Offer Document and any one placing reliance on any other source of information would be doing so at his/her/their own risk. No person other than the Bank's authorized employees has been authorized to give any information or to make any representations not confirmed in this Offer Document in connection with this offer. Any information or representations not contained herein must not be relied upon as having been authorized by the Bank.

This Offer Document sets forth concisely the information about the PNCPS that a prospective investor ought to know before investing. Investors should carefully read the Offer Document before making an investment decision. This Offer Document remains effective until a material change occurs. As required, a copy of this Offer Document has been submitted to the Reserve Bank of India, Urban Banks Department and the Central Registrar of Co-operative societies. The particulars of this Offer Document have been prepared in accordance with the stipulations of the Urban Banks Department, Reserve Bank of India issued vide Circular No. UBD.BPD.(PCB).MC.NO.06/09.18.201/2014-15 dated 01.07.2014 and as per the permission granted by the Director (C.,L & M), Central Registrar of Co-operative Societies, Government of India Ministry of Agriculture, Department of Agriculture & Co-operation, Krishi Bhavan, New Delhi vide their letter dated 28.11.2014

sd/-

C. V. Nadkarni
Managing Director