

ATM RTGS/NEFT
RuPay Debit Card
DIGITAL BANKING
Online Tax
SMS BANKING
Online Transaction
e-LOBBY
Passbook Printing
Internet Banking
A/c Balance
Online Shopping PoSBILLPAY
Cash Deposit
Cheque Deposit
Mobile Banking

*Personalised Service
with a **Digital Touch...***

44th Annual Report 2016-17



JANAKALYAN
SAHAKARI BANK LTD.

(Scheduled Bank)

Come and See the Change...



जनकल्याण
सहकारी बँक लि.
एकदा प्रत्यक्ष भेता, बदल अनुभवा...

नोंदणी क्र: बी ओ एम/बी एन के/ १३४ दि. २९ मे १९७४
नोंदणीकृत कार्यालय: विवेक दर्शन, १४०, सिंधी सोसायटी,
चेंबूर, मुंबई ४०००७१.

वार्षिक सर्वसाधारण सभेची सूचना

याद्वारे जनकल्याण सहकारी बँक लिमिटेडच्या सभासदांना (भागधारकांना) अशी सूचना देण्यात येत आहे की बँकेची ४४वी वार्षिक सर्वसाधारण सभा मंगळवार दिनांक २२ ऑगस्ट २०१७ रोजी सायंकाळी ५ वाजता एन. जी. आचार्य आणि डी. के. मराठे कॉलेज, सुभाष नगर, एन. जी. आचार्य मार्ग, चेंबूर, मुंबई - ४०००७१ येथे खाली नमूद केलेले कामकाज करण्यासाठी आयोजित केली आहे.

१. मंगळवार दिनांक ३० ऑगस्ट २०१६ रोजी झालेल्या ४३व्या वार्षिक सर्वसाधारण सभेचे इतिवृत्त वाचून मंजूर करणे.
२. दिनांक ३१ मार्च २०१७ रोजी पूर्ण झालेल्या वर्षातील बँकेच्या कामकाजाचा संचालक मंडळाने सादर केलेला अहवाल तसेच लेखापरिक्षकांनी तपासलेल्या वर्ष २०१६-१७ च्या नफा तोटा पत्रकास व दिनांक ३१-०३-२०१७ चे अखेरच्या ताळेबंदास संमती देणे व लेखा परिक्षक मे. मुकुंद एम. चितळे अँड कं., चार्टर्ड अकौंटंटस् यांनी सादर केलेल्या परिक्षण अहवालाची नोंद घेणे.
३. आर्थिक वर्ष २०१६-१७ मध्ये झालेल्या नफ्यासह एकूण शिल्लक नफ्याच्या प्रस्तावित विनियोगाला मान्यता देणे.
४. मे. मुकुंद एम. चितळे अँड कं., चार्टर्ड अकौंटंटस् लेखापरिक्षकांनी सन २०१५-१६ वर्षासाठी दिलेल्या लेखापरिक्षण अहवालावरील दुरुस्ती अहवालाची दखल घेऊन तो मंजूर करणे.
५. महाराष्ट्र सहकारी संस्था अधिनियम १९६० च्या कलम ७५ (२अ) अन्वये आर्थिक वर्ष २०१७-१८ साठी लेखा परिक्षकांची नेमणूक करणे.
६. आर्थिक वर्ष २०१७-१८ साठी अंतर्गत व समकालीन लेखा परिक्षकांची केलेली नेमणूक मंजूर करून कायम करणे.
७. कर्मचारी भरती नमुनापध्दती (पॅटर्न) संदर्भात निबंधक, सहकारी संस्था आणि सहकार आयुक्त, पुणे यांचे द्वारे दिनांक १७/०३/२०११ रोजी जारी केलेल्या परिपत्रकांतील दिलेल्या दिशेनुसार बँकेने केलेल्या कार्यवाहीची नोंद घेणे व त्यासंबंधीच्या प्रस्तावास मंजूरी देणे.
८. संचालकांनी प्रस्तावित केलेल्या उपविधी क्र. ५८ उपनियम 'ड' मधील दुरुस्तीस मान्यता देणे ज्यामुळे सर्वसाधारण सभा लाभांश स्विकारण्याच्या मुदतीत वाढ करू शकेल.
९. आर्थिक वर्ष २०१२-१३ साठी जाहिर केलेला लाभांश अद्याप न स्विकारलेल्या सभासदांना, लाभांश स्विकारण्यासाठी मुदतवाढ मिळणेबाबत.
१०. १०० पेक्षा कमी भाग धारण करणाऱ्या आणि उपविधी क्र. ११ च्या तरतुदीनुसार आवश्यक असलेले अधिकचे भागमुल्य अदा न करणाऱ्या सभासदांचे भागमुल्य परत करणेसंबंधी विचार करणे.
११. बँकेच्या दीर्घकालीन यथार्थ आराखड्याचे संदर्भातील संचालक मंडळाच्या प्रस्तावाची नोंद घेऊन आर्थिक वर्ष २०१७-१८ साठी बँकेच्या वार्षिक अंमलबजावणी आराखड्याला मान्यता देणे.
१२. वैधानिक लेखापरिक्षकांनी प्रमाणित केलेली संशयित व बुडीत येणेबाकी संबंधीत व्यक्तींकडून करावयाच्या वसुलीचे सर्व अधिकार अबाधित ठेऊन, निर्लेखित करण्यास मान्यता देणे.
१३. बँकेचे संचालक आणि त्यांच्या नातेवाईकांना दिलेल्या कर्ज आणि अग्रिम यांच्या माहितीची नोंद घेणे.
१४. अध्यक्षशांच्या परवानगीने येणारे इतर विषय.

संचालक मंडळाच्या आदेशानुसार

श्रीराम दाते

मुख्य कार्यकारी अधिकारी

मुंबई, दि. ४ ऑगस्ट २०१७

महत्वाची सूचना

१. ताळेबंद, नफा-तोटा पत्रक आणि संचालकांच्या अहवालासहित लेखापरिक्षित खाते अहवाल सभासदांनी कृपया बँकेच्या कोणत्याही शाखेतून अथवा मुख्य कार्यालयातून घ्यावा. ही कागदपत्रे बँकेच्या www.jksbl.com या वेबसाईटवर सुध्दा उपलब्ध आहेत.
२. ज्या सभासदांना अधिक काही माहिती हवी असेल किंवा ज्यांना काही सूचना करावयाच्या असतील त्यांनी त्या कृपया लेखी स्वरूपात बँकेच्या नोंदणीकृत कार्यालयाच्या पत्त्यावर १६ ऑगस्ट २०१७ किंवा त्यापूर्वी पोहोचतील अशा रितीने सादर कराव्यात जेणे करून बँकेला सादर माहिती उपलब्ध करून देता येईल.
३. सभेच्या नियोजित वेळी सभास्थानी गणसंख्या अपूरी असल्यास, सादर सभा तहकूब करून ती त्याच दिवशी त्याच ठिकाणी सायंकाळी ५.३० वाजता संपन्न होऊन त्यामध्ये नियोजित कामकाज करण्यात येईल. या सभेला गणसंख्येचे बंधन राहणार नाही.
४. न वटवलेला लाभांश: सभासदांनी कृपया लक्षात घ्यावे की वर्ष २०१४-१५ चा लाभांश काही सभासदांनी अजून त्यांचे खात्यात जमा करून घेतलेला नाही. त्यांनी तो ३० सप्टेंबर २०१८ पर्यंत वटविणे आवश्यक आहे. अन्यथा न वटविलेला लाभांश उपविधी क्र. ५८ नुसार सादर लाभांशाची रक्कम 'राखीव निधीत' जमा केली जाईल.
५. जे सभासद सभेला उपस्थित राहतील त्यांनी सभास्थानी असलेल्या हजेरीपटावर तसेच उपस्थिती निर्दर्शक पत्रावर सही करावी. तसेच वार्षिक सर्वसाधारण सभेला हजर राहिल्याचा पुरावा म्हणून सादर पत्राची पोच पावती देखिल घेऊन जावी.

सर्व भागधारकांना विनंती

- बँकेच्या उपविधी क्र. १५ नुसार सर्व सभासदांनी सक्रिय सभासद होण्यासाठी उपविधी क्र. १५ मध्ये नमूद केल्यानुसार किमान रकमेची ठेव ठेवून वा कर्ज घेऊन बँकेच्या सेवेचा लाभ घ्यावा तसेच मागील ५ वर्षांमध्ये झालेल्या सर्वसाधारण सभांपैकी किमान एका सभेला उपस्थित राहण्याचे सुनिश्चित करावे असे आवाहन करण्यात येत आहे.
- कृपया ज्यांचा पत्ता बदललेला आहे त्यांनी त्याची सूचना/माहिती बँकेला द्यावी व सोबत पुरावा म्हणून खालील पैकी कोणताही एक दस्तऐवज सादर करावा. पासपोर्ट/ निवडणूक ओळखपत्र/ आधार कार्ड/ नरेगा कार्ड/ वाहन चालक परवाना
- कृपया आपला भ्रमणध्वनी क्र. (मोबाईल क्र.) आणि ई मेल आयडी आमहाला कळवावा म्हणजे आपल्याशी संपर्क साधणे शक्य होईल.



**JANAKALYAN
SAHAKARI BANK LTD.**
Come and See the Change...

REGN. NO.BOM/BNK/134 of 29th May, 1974
Regd. Off : "Vivek Darshan", 140 Sindhi Society,
Chembur, MUMBAI – 400 071

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 44th Annual General Meeting of the Members (Shareholders) of Janakalyan Sahakari Bank Limited will be held on Tuesday the 22nd of August 2017 at 5.00 p.m. at N.G. Acharya and D.K. Marathe College, Subhash Nagar, N.G.Acharya Marg, Chembur, Mumbai-400 071 to transact the following business:

1. To read and confirm the Minutes of the 43rd Annual General Meeting held on Tuesday the 30th August 2016;
2. To consider and adopt the Annual Report on affairs of the Bank placed by the Board of Directors, the Balance Sheet as at March 31, 2017 and Profit and Loss Account for the financial year ended March 31, 2017, duly audited and to take note of the Audit Report submitted by M/s Mukund M. Chitale & Co., Chartered Accountants & Auditors;
3. To approve appropriation of profit for the financial year ended 31st March 2017;
4. To consider and adopt the Rectification Report on Audit Report of M/s Mukund M. Chitale & Co., Chartered Accountants & Auditors of the financial year 2015-16;
5. To appoint the Auditors as per Sec 75(2A) of the Maharashtra Co-operative Societies Act, 1960 for the financial year 2017-18
6. To confirm the appointment of Internal / Concurrent Auditors for the financial year 2017-18;
7. To note the directions issued by the Registrar of Co-operative Societies and Commissioner of Co-operation, Pune in respect of Staffing Pattern and compliance made by the Bank in this regard;
8. To amend Bye Law no. 58 (d) so as to enable Annual General Meeting to give extension in time limit to members for claiming dividend declared;
9. To seek extension of time to Members for claiming payment of undrawn dividend declared for FY 2012-13;
10. To consider refund of the amount of share capital to those persons holding less than 100 shares of the Bank and have failed to subscribe for the additional capital as required in the Bye – Law no. 11;
11. To consider the Long Term Perspective Plan and approve the Annual Operational Plan for the Financial Year 2017-18;
12. To write off the Bad & Doubtful Debts and Investments as certified by the Statutory Auditors keeping all the rights of recovery intact against all concerned parties involved;
13. To note the details of the Loans and Advances to Directors and their relatives extended by the Bank;
14. Any other business with the permission of the Chair.

By Order of the Board of Directors

**Shriram Date
Chief Executive Officer**

Date: 4th August 2017

Important Notes

1. Audited statements of Accounts including Balance Sheet, Profit & Loss Account and the Report of the Board of Directors may please be obtained by members from any of our Branches or Head Office. The statements will also be available on the Bank's website : www.jksbl.com.
2. Members who require any further information or desire to offer any suggestions are requested to submit the same in writing at the Registered Office address of the Bank on or before 16 August 2017, to enable the Bank to provide the information.
3. In case there is no quorum as required at the appointed time, the meeting will stand adjourned for half an hour and will be held at 5.30 p.m. on the same day and at the same venue. The adjourned meeting need not have the required quorum and will be held to transact business as per the Agenda given in the Notice irrespective of the quorum.
4. Unclaimed Dividend : Members are requested to note that dividend for the year 2014-15, if not drawn on or before 30th September 2018 will be forfeited by the Bank and credited to the Reserve Fund in terms of Bye-Law no.58.
5. Members who attend the meeting are required to sign the Attendance Slip, which will be available at the venue and collect their Acknowledgement Copy as proof of having attended the Annual General Meeting.

Request To All Shareholders

- As per the Bank's Bye – Law no.15, Members are appealed to avail at least one service of the Bank by maintaining deposit account or availing loan of minimum amount as prescribed in Bye Law 15 and attend at least one General Body Meeting in the previous five consecutive years, so as to be an active member.
- Please intimate the change in your address if any along with the documentary proof i.e. Passport / Election Card / Aadhar Card / NREGA Card / Driving License.
- Please intimate your mobile number and e-mail ID to send e-communication to you.



SELECT FINANCIAL INDICATORS

(Amount In Crore)

Sr. No.	Select Indicators	2014-15	% Incr/ (Decr) Over Previous Year	2015-16	% Incr/ (Decr) Over Previous Year	2016-17	% Incr/ (Decr) Over Previous Year
1	SHARE CAPITAL	60.56	(3.71)	58.52	(3.37)	56.93	(2.72)
2	DEPOSITS	2,000.26	1.94	2,094.01	4.69	2,249.12	7.41
3	LOANS AND ADVANCES	1,449.09	8.70	1,476.28	1.88	1,552.37	5.15
4	BUSINESS MIX	3,449.35	4.68	3,570.29	3.51	3,801.49	6.48
5	PERFORMING ADVANCES	1,353.56	9.24	1,360.22	0.49	1,416.37	4.13
6	INVESTMENTS	596.95	(11.05)	675.39	13.14	990.09	46.60
7 A)	LOW COST DEPOSIT (SB/CA)	651.21	5.11	678.25	4.15	813.46	19.94
7 B)	LOW COST DEPOSIT(SB/CA)%	32.56	3.11	32.39	(0.52)	36.17	11.67
8	NETWORTH	100.94	4.36	98.69	(2.23)	94.48	(4.27)
9	CRAR %	11.37	(6.67)	13.63	19.88	11.55	(15.26)
10	GROSS NPA %	6.59	(6.63)	7.86	19.27	8.76	11.45
11	NET NPA %	2.83	(33.23)	3.29	16.25	3.69	12.16
12	OPERATING PROFIT	15.93	4.10	15.68	(1.57)	16.61	5.93
13	NET PROFIT / (LOSS)	17.67	-	2.26	-	1.12	-
14	ACCUMULATED PROFIT / (LOSS)	15.22	-	15.22	-	15.37	-
15	TOTAL ASSETS	2,345.03	4.06	2,539.92	8.31	3,089.46	21.64
16	WORKING CAPITAL	2,342.33	4.08	2,537.42	8.33	3,080.84	21.42
17	COST OF DEPOSIT (%)	7.34	(1.74)	7.18	(2.18)	6.64	(7.52)
18	NET INTEREST INCOME	57.84	8.76	56.77	(1.85)	58.26	2.62

Note : In Case Of Net Profit / (Loss) and Accumulated Profit / (Loss), the Figures are not comparable and show abnormal variation. Hence percentages are not shown.



BOARD OF DIRECTORS

Chairman

Shri C. N. Vaze B.Com., LL.B, FCA, ACS

Vice Chairman

Shri S. V. Kelkar B. Com., FCA

Directors

Shri K. R. Bagade B. Com., LL.B.

Mrs. M. H. Bhatkar B.A. Psychology,
Dip. in Public Relations,
Special Education and
Psychological Counselling

Shri V. V. Dandekar B. Tech (Mechanical), M.B.A.

Shri T. V. Deshmukh Tech. Diploma

Shri A. P. Gondarkar Master of Fine Arts (Dance)

Shrii S. K. Hegde FCA, LL.B.

Shri S. R. Kamble HSC, Dip. in Library Science

Mrs. U. D. Karambelkar B. Sc., DBM., CSW

Shri K. V. Murarka B. Com., A.C.A.

Shri N. B. Pawar Dip. in Civil Engineering

Shri M. K. Salekar B. Com., CAIIB, Dip. in Counselling

Shri N. I. Thapar B. Sc., D.B.M.

Shri V. P. Vaidya B. Sc., LL.M.

Staff Representatives (From 31.03.2017)

Shri P. L. Patil

Shri B.Y. Dhargalkar B. Com.

Chief Executive Officer

Shri Shriram Date B.Sc. (Hon.), CAIIB

संचालक मंडळ

अध्यक्ष

श्री. चंद्रशेखर वझे

उपाध्यक्ष

श्री. संतोष केळकर

संचालक

श्री. किशोर बागडे

सौ. माया भाटकर

श्री. विवेक दांडेकर

श्री. तुळशीदास देशमुख

श्री. अरुण गोंदरकर

श्री. संजय हेगडे

श्री. शरद कांबळे

सौ. उज्वला करंबेळकर

श्री. कल्पेश मुरारका

श्री. नरेंद्र पवार

श्री. मोहन सालेकर

श्री. नरेंद्र थापर

श्री. विजय वैद्य

कर्मचारी प्रतिनिधी (३१-०३-२०१७ पासून)

श्री. पांडुरंग पाटील

श्री. भार्गव धारगळकर

मुख्य कार्यकारी अधिकारी

श्री. श्रीराम दाते



Management

Shri S. A. Kadam, Sr. Dy. General Manager
Mrs. B. J. Sheth, Dy. General Manager
Shri S. P. Date, Asst. General Manager
Shri S. A. Gawade, Asst General Manager
Shri S. M. Joshi, Asst. General Manager

Statutory Auditors

M/s Mukund M. Chitale & Co.
Chartered Accountants

Internal Auditors

S. G. C. O. & Co.
Chartered Accountants

व्यवस्थापन

श्री. श्रीकांत कदम, वरिष्ठ उपसरव्यवस्थापक
सौ. बिंदू शेठ, उपसरव्यवस्थापक
श्री. शैलेश दाते, सहाय्यक सरव्यवस्थापक
श्री. सत्यविजय गावडे, सहाय्यक सरव्यवस्थापक
श्री. श्रीदत्त जोशी, सहाय्यक सरव्यवस्थापक

वैधानिक लेखापरिक्षक

मुकूंद म. चितळे आणि कंपनी
चार्टर्ड अकाउंटंटस्

अंतर्गत लेखापरिक्षक

एस. जी. सी. ओ. आणि कंपनी
चार्टर्ड अकाउंटंटस्

Mission Statement

Janakalyan Sahakari Bank Ltd. (JKSBL) will strive to be the leader amongst the Urban Co-operative Banks in terms of profitability, productivity and innovation while striving to meet its social commitments. It shall endeavor to be the most modern and model bank in the emerging Financial Supermarket. JKSBL aims at total customer satisfaction by rendering efficient, quick and diversified services at reasonable cost through the use of modern technology.

JKSBL will build a highly motivated and committed team of staff through professional work culture and good governance, to achieve individual and collective superior performance and endeavor to make JKSBL, a place of pride for all Stakeholders viz. Shareholders, Depositors, Staff as also Regulatory Authorities.



44th ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear Members,

On behalf of the Board of Directors, I extend a warm welcome to all of you to the 44th Annual General Meeting of the Bank. The Directors have pleasure in presenting the Annual Report on the business and operations of the Bank together with the Audited Accounts for the Financial Year ended March 31, 2017.

ECONOMIC SCENARIO: During FY2016-17, the global economic growth was slow and volatile whereas domestic economic growth prospects remained positive due to expected higher public investments. Global trade remained subdued due to an increasing tendency towards protectionist policies, heightened political tensions and BREXIT. Globally, financial conditions are likely to tighten as Central Banks in Advanced Economies gradually move away from accommodative Monetary Policies.

On the domestic front, the Indian economy remained at a transformative stage since last year and growth momentum on most counts is expected to accelerate. The key structural reforms including the Insolvency and Bankruptcy Code, Goods and Services Tax (GST), clarity on policy prescriptions in key infrastructure sectors, higher public investments and other such initiatives were taken in 2016-17. The Union Budget for 2017-18 highlighted agriculture, rural hinterland, affordable housing and infrastructure as the focus areas. The key policy initiatives taken in the past and those in the process of implementation are expected to provide momentum to the investment cycle, further economic stability and growth impetus.

Industrial output in the country remained negative at end of the financial year 2016-17 (-1.2% in February 2017) which was at almost the same level (-0.8% in April 2016). The Central Statistics Office (CSO) in India released its second advance estimates for 2016-17 on 28th February 2017 placing India's real Gross Value Added (GVA) growth at 6.7 per cent for the year, down from 7.8 per cent which was estimated earlier. Growth is expected to recover sharply in 2017-18 on account of several factors. Discretionary consumer demand held back by demonetization is expected to bounce back. Economic activity in cash-intensive sectors such as retail trade, hotels and restaurants, transportation, as well as in the unorganised sector, is expected to be rapidly restored.

Demonetization-induced ease in bank funding conditions has led to a sharp improvement in transmission of past policy rate reductions into marginal cost-based lending rates (MCLR), and in turn, to lending rates for healthy borrowers, which should spur a pick-up in both consumption and investment demand. The India Meteorological Department (IMD) has forecast normal and well-distributed south-west (June-September) monsoon, which augurs well for the agricultural outlook. Accordingly, GVA growth for 2017-18 is projected at 7.4 per cent, with risks evenly balanced.

INDIAN BANKING SECTOR: The Banking Sector witnessed hectic activity during the year with demonetization of ₹ 500 and ₹1000 notes in November 2016 and easy liquidity prompting the RBI to change its policy stance. These factors caused temporary dislocation in growth momentum creating sluggishness and led to significant fall in credit off – take and deterioration of asset quality in the loan books, in turn leading to fall in profitability.

Rising stressed assets and consequent challenges of appropriate resolution continued to plague the banking industry during the year. As per news reports, there has been a continuous rise in Gross Non – Performing Assets (NPAs) since March 2015. The average Gross NPAs of Public Sector Banks (PSBs) which were 5.12% in FY2014-15 increased to 9.91% in FY2015-16 and further to 11.97% in FY2016-17. The Banking Sector was saddled with NPAs of over ₹ 8 lakh crore, of which ₹ 6 lakh crore is on the books of PSBs.

The Banks faced enormous volume pressures during the demonetization period and the employees worked with dedication, displaying prudence and responsiveness during this critical period in meeting expectations of customers and the authorities.

The reduction in lending rates of banks, post-demonetization, shall provide support to consumption and investment demand, of both households and corporates. Moreover, Government spending is expected to continue to be robust, cushioning the impact of a slowdown in other segments. Going forward, the implementation of proposals in the Union Budget will boost private investment as the business environment improves with structural reforms, including the GST, the Insolvency and Bankruptcy Code and the abolition of the Foreign Investment Promotion Board.

During the FY2016–17, RBI kept Cash Reserve Ratio unchanged at 4.00%. However, it cut the Repo rate twice by 25 basis points each in April 2016 and October 2016. RBI in its 29th September 2015 policy had laid a roadmap for banks to cut the Statutory Liquidity Ratio holdings to 20.50% by January 2017 resulting in 100 basis points reduction. Sudden increase in liquidity in the banking system after demonetization, coupled with the weak demand for credit, necessitated a significant step up in the liquidity



absorption operations by the Reserve Bank so that money market rates remained consistent with the policy repo rate. The Reserve Bank used a mix of conventional and unconventional instruments. In the Sixth Bi-monthly Monetary Policy Statement of 2016-17 issued in February 2017, the Monetary Policy Committee in a surprise move decided to change the monetary stance from Accommodative to Neutral to assess the transitory effects of demonetization on inflation with the objective of achieving consumer price index (CPI) inflation at 5 per cent by Q4 of 2016-17 and the medium-term target of 4 per cent within a band of +/- 2 per cent, while supporting growth. This turned the market sentiment which resulted in hardening of yields and fall in bond prices.

In this backdrop, the highlights of the Bank's Financial Performance during FY2016-17 are as under:-

PERFORMANCE HIGHLIGHTS OF THE BANK DURING THE YEAR 2016 – 17

(₹ in lakh)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Share Capital	5,693	5,852
Reserve Fund & Other Funds	21,109	20,096
Deposits	2,24,912	2,09,401
Saving	67,757	56,899
Current	13,589	10,926
Term	1,43,566	1,41,576
CASA (%)	36.17	32.39
Advances	1,55,237	1,47,628
Business Mix	3,80,149	3,57,029
Gross Non-Performing Assets	13,599	11,606
Net Non-Performing Assets	5,429	4,620
Investments	94,420	67,539
Working Capital	3,08,740	2,53,742
Net Worth	9,448	9,869
CRAR (%)	11.55	13.63
Operating Profit	1,661	1,568
Net Profit	112	226



SHARE CAPITAL: The Paid-up Share Capital of the Bank as on 31.03.17 stood at ₹ 5,693 lakh showing net decrease of ₹159 lakh over previous year's level. During the year, the Bank had issued fresh capital of ₹ 343 lakh consequent to incremental lending whereas capital refunded, upon request for refund by eligible Members amounted to ₹ 502 lakh. As regards refund of share capital, there is a ceiling of 10% of capital outstanding as on last Balance Sheet date. The Share Refund Policy of the Bank ensures compliance with this requirement. While it is proposed to approve refund requests upto the prescribed ceiling, with disbursement of loans projected during FY2017-18, it is expected that the accretion to capital shall partially compensate the reduction in capital due to refund. The total number of Members enrolled stood at 56,352 as on 31.03.17, as compared to 55,197 at the beginning of the financial year. Out of these, 19,802 members are holding less than 100 shares and hence are deprived of any rights of a Member.

RESERVE FUND AND OTHER FUNDS: The Total Reserves and other Funds were at ₹ 21,109 lakh as on 31.03.17. Statutory Reserve and Investment Fluctuation Reserve were provided as per RBI guidelines and showed increase of ₹ 115 lakh. Investment Depreciation Reserve increased by ₹ 470 lakh due to rise in yields and fall in "Marked to Market" valuations of Government Securities in the Bank's AFS / HFT portfolio. The Bank also made provision of ₹ 22 lakh to meet probable future tax liability in keeping with the provisions of Section 36(1) (viii) of the IT Act, 1961. As witnessed across the banking sector, the Bank also had to face rise in stressed assets during the year and further downgrading of existing NPAs, on account of which net additional Bad Debts provisioning attracted was to the extent of ₹ 1,186 lakh. In addition, provision of ₹ 29 lakh was made towards Standard Assets. In the previous FY2015-16, the Bank had carried out revaluation of its properties and ten percent of the balance outstanding of the Revaluation Reserve i.e. ₹ 808 lakh was written down from the Revaluation Reserve during FY2016-17 as per guidelines. The Net result of these additions and reductions was increase of ₹1,013 lakh in total reserves over the previous year's level.

DEPOSITS : During FY2016-17, the total deposits of the Bank increased by ₹15,511 lakh (7.41%) and were seen at ₹ 2,24,912 lakh. The share of CASA was ₹ 81,346 lakh and percentage share of CASA was at 36.17% which is higher than 32.39% in the previous year. The rise in CASA can be partially attributed to the demonetization exercise. Overall growth in deposits at 7.41% was higher than that in the previous year when the growth in deposits showed increase of 4.69 %. Post demonetization, there was a surge in CASA deposits across the Banking Industry due to Specified Bank Notes (₹ 500 and ₹ 1000) deposited with Banks. It was expected that the funds lying in the CASA accounts, particularly the Savings Account would move to the Term Deposits. Following the increase in liquidity, the interest rates across the banking industry started falling and many of the peer group co-operative banks also made a downward revision in their Term Deposit interest rates. Consequently the Bank also revised the Term Deposit rates so as to be at par with the industry. Despite lowering of interest rates in November 2016 and January 2017, the total Term Deposits increased marginally by 1.40%. The cost of deposits was at 6.64% in FY2016-17 compared to 7.18% in the previous year due to increase in CASA in percentage terms and revision in Term Deposit rates as mentioned earlier. The Bank has intensified its marketing efforts to increase its CASA deposits base during the current year, through its Cluster Set-up under which the Bank has grouped Branches for effective marketing and follow up. During the year, through these efforts total 11,060 new CASA accounts were opened.

The Bank has taken insurance cover for deposits upto ₹ 1.00 lakh from the Deposit Insurance and Credit Guarantee Corporation (DICGC) and has been prompt in paying the premium to the DICGC at specified intervals. The particulars in respect of DICGC insurance cover are displayed on the Notice Board at all our Branches.

ADVANCES : The Gross Advances of the Bank witnessed growth of ₹ 7,609 lakh during the year with total advances at ₹ 1,55,237 lakh as on 31.03.17 compared to ₹ 1,47,628 lakh as on 31.03.16. The share of performing advances increased from ₹1,36,022 lakh as on 31.03.16 to ₹1,41,637 lakh as on 31.03.17. The outstanding advances at the end of both the years included lending under CBLO, without which core advances were at ₹1,04,393 lakh (FY2016-17) and ₹ 97,823 lakh (FY2015-16) indicating increase of ₹ 6,570 lakh. The Bank could achieve growth in retail and corporate loans during the year inspite of slow credit off take following demonetization.

In the current financial year, the Bank proposes to focus on Small and Medium Scale Enterprises and Retail Loans mainly for housing, vehicles and personal use. The Bank offers these products at low rates of interest comparable with the best in the industry. The Bank has also tied up for lending to large credit worthy clients in consortium with other banks. These initiatives are expected to increase Core Advances.



The average Credit Deposit ratio was maintained at 46.79% (50.49% in the previous year) and at the year – end the CD ratio including CBLO lending was 69.02% as against 70.50% in FY2015-16.

The lending to Priority Sector as on 31.03.17 was at 17.75% of the total Advances and at 26.40% of Core Advances as compared to the prescribed norm of 40%. The Bank shall endeavor to increase Core Advances with focus on Priority Sector lending to meet the specified norm.

The Bank offers services pertaining to Foreign Exchange and Bank Guarantees through Lines of Credit established with Bank of Baroda, Karnataka Bank Ltd. and The Saraswat Co-operative Bank Ltd. During the year under review, the income earned from this activity was to the tune of ₹ 79.80 lakh as compared to ₹ 83.98 lakh in the FY2015-16.

ASSET QUALITY: The Bank continued its untiring efforts on speedy recovery of the Non – Performing Loans with the complete involvement of the employees and with the able support of the directors. During the year, the total recovery of Non-Performing Assets was at ₹ 1,674 lakh (Principal ₹ 1,453 lakh and Interest ₹ 221 lakh). However due to procedural and administrative delays in reaching the logical end of various actions initiated against defaulters, actual recovery was not at desired level. Due to downgrading of a few large exposures, there was addition of principal outstanding of ₹ 3,447 lakh in Gross Non - Performing Assets which increased to ₹ 13,600 lakh as on 31.03.17.

In percentage terms, the Gross NPA as on 31.03.17 increased to 8.76% as compared to 7.86% on 31.03.16. The Net NPA was noted at 3.69% as on 31.03.17 as compared to 3.29% as on 31.03.16.

During the year ended March 2017, recovery proceedings were initiated u/s 101 of MCS Act, 1960 in 82 accounts involving claim amount of ₹ 4,052 lakh. The awards received during the year were 66 with the amount of claim at ₹ 2,173 lakh. As on 31.03.17, number of awards on hand was 300 with aggregate outstanding of ₹ 5,918 lakh.

Close follow up is underway to ensure recovery in most of the Non-Performing accounts. It has been decided to step up recovery efforts by resorting to various methods, including auction sale of properties charged as security or attached in execution, which is expected to yield good results in the current year. It has also been decided to acquire assets attached at offset price, if auctions do not yield desired results.

NET WORTH: The Net Worth of the Bank has decreased to ₹ 9,448 lakh as on 31.03.17 from ₹ 9,869 lakh as on 31.03.16. The decrease in the Net Worth is due to net decrease in share capital on account of refunds, additional DTA creation of ₹ 421 lakh and reduced profit during FY2016-17 as compared to earlier year. The Net Worth excluding IFR and CPSA i.e. assessed as per RBI has decreased to ₹ 7,962 lakh as on 31.03.17 from ₹ 8,496 lakh as on 31.03.16.

TREASURY & INVESTMENTS: The financial year 2016-17 started on an optimistic note as the CPI data for February 2016 was within the RBI target of 5%. In April 2016, RBI reduced repo rate by 25 basis points with an “Accommodative” stance. Considering the normal monsoon, 7th pay commission report and OROP (One Rank One Pension), RBI further reduced the Repo rates by 25 basis points to 6.25% in October policy. Demonetization in November 2016 sucked off liquidity from the economy and banks were flooded with the cash and were allowed to deposit it in RBI after around 2 months. Considering the rise in NDTL and to maintain SLR, banks were forced to buy Government securities to maintain SLR. However, RBI in its bi-monthly policy in December 2016 held the Repo rates unchanged while mentioning the upward risk of inflation by March 2017 above its trajectory. Subsequently in February, the CPI inflation was at 3.41% i.e. 26 months low and below the RBI’s trajectory of 5%. Despite this favorable situation, RBI surprised the markets by not reducing the Repo rates and also by changing its stance from “Accommodative” to “Neutral” in February 2017 policy. This change in stance shocked the G-Sec market and the market erased all the gains since April 2016. Bench mark yields which once have reached low of 6.03% hardened to 6.70%. Consequently at the end of FY2016-17, additional provision of ₹ 470 lakh had to be made towards IDR on account of “Marked to Market” requirements.

The Investment portfolio excluding Fixed Deposits has increased to ₹ 94,420 lakh as on 31.03.17 compared to ₹ 67,539 lakh in the previous year, due to increased investment in Government securities and in bonds of public sector units. The average investment was higher at ₹ 1,20,791 lakh (₹1,08,482 lakh in FY2015-16) during the year. The interest income from investment amounted to ₹ 9,163 lakh in the FY 2016-17 as compared to ₹ 8,578 lakh in the previous year. Trading profit from securities was at ₹ 314 lakh (previous year : ₹ 292 lakh). The Yield on investment portfolio reduced from 7.91% in the FY 2015-16 to 7.59% in the FY 2016-17 due to falling interest rate scenario.



WORKING CAPITAL: As on 31.03.17, the Working Capital of the Bank was ₹ 3,08,740 lakh as compared to ₹ 2,53,742 lakh as on 31.03.16 indicating growth of 21.67% compared to 8.32% in the previous year.

CAPITAL ADEQUACY RATIO: The CRAR percentage has decreased to 11.55% as on 31.03.17 as compared to 13.63% last year. This was mainly due to net decrease of ₹ 533 lakh in Tier I capital elements comprising mainly of decrease in Paid up Capital of ₹ 159 lakh, increase in Intangible Assets by ₹ 421 lakh on account of Deferred Tax Assets. Tier II capital elements recorded net decrease of ₹ 252 lakh comprising of decrease in Revaluation Reserve eligible for CRAR of ₹ 364 lakh, increase in General Reserve of ₹ 28 lakh and increase in the Investment Fluctuation Reserve by ₹ 84 lakh. Additionally, there was increase in Risk Weighted Assets from ₹ 99,082 lakh in FY2015-16 to ₹ 1,10,93 lakh in FY2016-17. The CRAR though lower at 11.55% is much above the requirement of 9.00% prescribed by the Reserve Bank of India indicating financial stability of the Bank.

PROFITABILITY:

(₹ in lakh)

A. INCOME	2016-17	% To Total Income	2015-16	% To Total Income
Interest & Discount	20,238	92.72	20,460	93.17
Commission & Exchange	127	0.58	104	0.47
Other Receipts	1,462	6.70	1,395	6.35
TOTAL INCOME	21,827	100.00	21,959	100.00
B. EXPENDITURE				
Interest on Deposits & Borrowings	14,412	66.03	14,783	67.32
Salaries & Allowances	3,249	14.88	3,465	15.78
Other Establishment Expenses	2,504	11.47	2,143	9.76
TOTAL EXPENDITURE	20,165	92.38	20,391	92.86
C. OPERATING PROFIT	1,661	7.61	1,568	7.14
D. PROVISIONS	1,820	8.34	1,459	6.65
E. TAXES (Income + Deferred)	(271)	(1.24)	(117)	(0.53)
F. NET PROFIT (C - D - E)	112	0.52	226	1.03
TOTAL (B + D + E + F)	21,827	100.00	21,959	100.00

The decrease in lending rates and investment yields led to reduced interest earnings in FY2016-17. At the same time, with reduction in interest rates on Term Deposits, the Interest pay-out on deposits also reduced. This alongwith reduced salaries and allowances and other operating expenses in FY2016-17 compared to the previous year, has resulted in increased Operating Profit at ₹ 1,661 lakh compared to ₹ 1,568 lakh in the previous year (i.e. higher ₹ 93 lakh). Operating Profit as a percentage of Total Income improved to 7.61% compared to 7.14% in the previous year. However, fresh slippages, migration of existing non-performing assets to lower category attracting higher provision requirement and marked to market provisions attracted on investment made it obligatory to make higher provisioning by ₹ 361 lakh and with higher Deferred Tax Assets created arising from BDDR / OIR, the Net Profit in FY2016-17 was ₹ 112 lakh compared to ₹ 226 lakh in the previous year.



APPROPRIATION OF NET PROFIT: After making all the necessary provisions as per RBI guidelines, the Net profit for the year ended 31st March 2017 is ₹ 112 lakh. Total Profit available for appropriation including balance carried forward works out to ₹ 1,649 lakh. The Board of Directors has recommended appropriation of profits (Item No 3 of the Notice) for the approval of the Members and the details are as under:-

(₹ in lakh)

PARTICULARS	31.03.2017	31.03.2016
Profit / (Loss) as per last Balance Sheet	1,522	1,522
Profit for the year (as per Profit & Loss A/c)	112	226
Add: Excess Provision Transferred from Dividend Payable Account	15	0
Less: Transferred to Statutory Reserve	28	56
Less: Transferred to Investment Fluctuation Reserve	84	169
Profit carried forward	1,537	1,522

The profit generated from operations during the year is not adequate to fulfill the Investment Fluctuation Reserve (IFR) requirement of ₹ 1,854 lakh. Considering the earlier balance in the IFR, after proposed appropriation, there will be shortfall of ₹ 996 lakh. The profit carried forward from FY2015-16 is mainly from earlier balance in the Profit and Loss account which comprised DTA and transfer from Special Contingency Reserve. Hence it is not treated as available for distribution. Also it is not available for providing IFR which is to be created from Profits earned in the year. As a conservative measure, the Bank proposes to transfer from balance in the Profit & Loss Appropriation account, amount of ₹ 1,000 lakh to Special Contingency Reserve and ₹ 500 lakh to Building Fund (total ₹1,500 lakh) so that these funds become available for future projects of the bank. Accordingly, Resolution will be placed for consideration at the Annual General Meeting under Item No. 3 of the Notice.

HUMAN RESOURCES: The Bank appreciates the vital role played by employees in the progress of the Bank.

The Bank took many initiatives to empower its employees with required knowledge and skills which included in-house and external training, e-learning, etc. During the year, the Bank has imparted training to employees on various topics related to Behavioral Skills, Operations, Information Technology, Customer Service, Banking Development, etc. through 21 training programmes covering 30 training days in which almost all the employees were covered. The Bank organized staff get-together for newly recruited staff and retired employees during the year to improve morale and as a team building exercise. Employees are provided quick access to all Circulars on the bank's "Bulletin Board" as also to circulars issued by the Reserve Bank of India, Indian Banks Association, etc. Online access is also available for e-learning about the developments in the Banking and affiliated industries as well as the Reserve Bank of India's site.

Bank had earlier entered into settlement with representative Union of Non-Management employees for period upto 31.03.15 and revision in the service terms was due during FY2015-16. The terms of settlement were discussed and negotiated in FY2016-17 and the Bank concluded Memorandum of Settlement on 24.04.17 with the representative Union of Non – Management employees. Thereafter the Board has also revised pay scales and service conditions of the employees in the Management Cadre on 22.06.17. The revision in service terms of employees is expected to boost the morale of employees to achieve better results.

TECHNOLOGY INITIATIVES: The Bank has undertaken and proposed various technology initiatives to enhance customer service and improve back office operations as under :-

- E-Commerce services were made available to Bank's customers through Bank's RuPay Debit Card.
- Implementation of e-LOBBY set – up with deployment of additional equipment i.e. Cash Deposit Machines, Multipurpose KIOSK, Automated Teller Machine (ATMs), Upgradation of old ATMs
- Implementation of Centralised KYC Registry module
- Introduction of Immediate Payment System (IMPS) for inward remittances

Proposed Initiatives

- Implementation of Audit Compliance Software
- Incorporation of GST related features in Core Banking Solution (CBS)



- Upgradation to Browser based Core Banking Solution (CBS-OMNI 3.0)
- Online Liquidity Module for Treasury Department
- a. Software for Management Information System (MIS)

AUDIT & INSPECTION

STATUTORY AUDIT: M/s Mukund M. Chitale & Co., Chartered Accountants, were appointed as Auditors by the AGM for the financial year 2016-17 and the Audit was concluded on 21.07.17. Independent Auditor's Report presented by the Statutory Auditors is printed in the Annual Report.

The Bank has been assigned 'A' rating for FY2016-17.

The Bank also has in place various types of audits as per RBI guidelines as follows:-

CONCURRENT & INTERNAL AUDIT: During the year under review, all 25 Branches and 1 Extension Counter were under Concurrent Audit with monthly / quarterly reporting.

M/s. S.G.C.O. & Co., Chartered Accountants were assigned Internal Audit of Head Office Departments for the financial year 2016-17. Also 13 Chartered Accountants firms were given assignment of Concurrent Audit for FY2016-17 which was reported to the 43rd Annual General Meeting. Reports of Concurrent and Internal Auditors are received and compliance of observations is done from time to time. Audit department monitors the compliance position of the audit observations and irregularities. The entire Audit function is overseen by the Audit Sub-Committee of Board which provides guidance and undertakes review and directs action on audit remarks while ensuring compliance of statutory prescriptions. Concurrent Audit assignments given for FY2017-18 will be reported to the Annual General Meeting under Agenda Item No. 6.

SYSTEMS AUDIT: Bank has appointed M/s Sanjay & Snehal, Chartered Accountants for undertaking Information Systems Audit for Financial Year 2017-18 and the audit is in progress. Compliance of the same will be submitted as and when report is received. This audit is expected to strengthen the IT / IS related infrastructure of the Bank and help mitigate the risks to which the Bank is exposed in technology driven banking operations.

INSPECTION OF RBI: The Reserve Bank of India carried out Inspection of books of accounts of the Bank with reference to the financial position as of 31.03.16 in October 2016. The report of the Inspecting Officer has been received now and the compliance report will be submitted in the prescribed time frame. The Inspection with reference to the financial position of the Bank as of 31.03.17 by RBI will be conducted in due course.

APPOINTMENT OF STATUTORY AUDITOR: M/s Mukund M. Chitale & Co. have been Bank's Statutory Auditors for the last three years which is the maximum continuous period for which a firm can be appointed as per Section 75(2A) of the MCS Act. Hence the Board of Directors recommends to the General Body, appointment of M/s Gokhale & Sathe, Chartered Accountants as Statutory Auditors, who have consented to be appointed as Statutory Auditors under Section 75(2A) of the MCS Act for the Financial Year 2017-18. The resolution for their appointment will be moved under agenda item no.5 of the notice.

AMENDMENT OF BYE LAWS

BYE LAW NO.11: At the Annual General Meeting of the Bank held on 21.08.15, it was resolved vide Resolution moved under Agenda Item No. 8, that time limit for subscription for additional shares be extended upto 31.12.16 to enable Members to comply and the Board was authorized to extend the time limit upto 31.03.17 in case of need. Accordingly, the time limit was extended upto 31.03.17.

As on 31.03.17, the Bank has 19,802 Members holding less than 100 shares indicating that only 58 Members got reduced in this category most of whom chose to have refund of their share capital. In this backdrop, Board proposes to solicit the directions of the General Body as regards refund of share capital held by these Members or giving them further time to subscribe for additional shares to comply with the Bye Law requirement.



BYE LAW NO.55: In the past the Bank had issued shares without any ceiling mainly to meet share holding linkage being prescribed at 2.50% of loan. However, now the Borrowers are not willing to subscribe 2.50% of their credit limit without ceiling and lending becomes difficult in this scenario. Hence in the Annual General Meeting dated 21.08.15, it was decided to restrict the value of share holding of a Member to ₹ 10,00,000/- and accordingly the relevant Bye-Law was proposed to be amended. But the Registrar has not given his approval to the said amendment. In the meantime, the Registrar has brought to our notice State Government's Notification published in the Official Gazette dated 31st October, 2001 which capped the maximum holding limit at ₹ 5,00,000/- simultaneously indicating that it is still in force and until the amendment submitted is approved, the said directive should be observed. Thus the position prevalent is that the notification in the Official Gazette dated 31st October 2001 which fixes the upper limit for share-holding by a member at ₹ 5,00,000/- is in force and will have to be observed pending approval of our proposed Bye-Law amendment. In the circumstances, the Board has resolved that in keeping with the provisions of Section 28 of the Maharashtra Cooperative Societies Act and notification issued by the State Government which is in force, holding of capital per member be restricted to ₹ 5,00,000/- in case of new applications to be received till the Bye-Law amendment is approved. As regards refund of excess holding of members (above ₹ 5,00,000/-), the Board has already put in place a Share Refund Policy so as to restrict total refund during the financial year to 10% of the Capital as on the last Balance Sheet date which will be adhered to.

BOARD OF DIRECTORS : The present Board of Directors took charge from 08.06.15 following elections to the Board of Directors as per the provisions of the Maharashtra Co-operative Societies Act, 1960 under Sub Section (15) of Section 73 CB. The Election Process was carried out in the financial year 2015-16 through the Divisional Deputy Registrar. An amalgam of expertise, professionalism and experience reflects in the constitution of the Board comprising of 15 Directors and includes a Lawyer, four Chartered Accountants, two Engineers, Social Workers, Businessmen and Business Consultants who are well reputed with proven competency in their chosen fields. The Board has functioned through 10 Sub-Committees namely Audit, Business Development & General Administration, Business Loan, Executive, Information Technology, Property, Recovery, Staff, Treasury & Investments and Vision. The Board of Directors and the Sub-Committees met regularly during the year. The Board formulates policies keeping in view the guidelines issued by the Reserve Bank of India and State / Central Government, exercising overall supervision and control. The present Board of Directors of the Bank will hold office upto June 2020.

On request by the Representative Union and keeping in view the larger interests of the organization, the Board resolved at its meeting held on 31.03.17 to induct two Staff Representatives namely, Shri B. Y. Dhargalkar and Shri P. L. Patil as 'Staff Directors' on the Board u/s 73AAA of MCS Act.

ANNUAL OPERATIONAL PLAN FOR THE FINANCIAL YEAR 2017 - 18: During 2016-17, the Bank remained in consolidation mode and thrust was placed on restricting slippages of credit exposures to Non – Performing category, maximum recovery from existing Non- Performing Assets and increasing share of CASA in deposits of the Bank. Measures already initiated include strengthening the branch level marketing activity through Cluster Concept, focusing on identified Non-Performing Assets having better chances of recovery, rationalizing interest rates of deposits and advances in tune with market trend. These initiatives did not result in desired growth for reasons mentioned earlier and it is expected to give better results in the current financial year. Detailed budget for 2017-18 will be presented at the Annual General Meeting.

LONG TERM PERSPECTIVE PLAN: With achievement of reasonable operating profits in FY2014-15 and expecting further improvement, it was envisaged that the Bank would enter the growth phase in FY2015-16. However, due to various constraints faced, mainly on the recovery front, the Bank remained in consolidation phase in FY2015-16. During FY2016-17, the Bank though was set to be on the path of growth, some developments beyond the control of Bank, such as demonetization occurred due to which the working of the Bank was constrained mainly during November 2016 – January 2017 as also overall growth of the banking sector remained subdued. It is however the endeavor of the Board to achieve all the benchmarks prescribed by RBI with regard to financial parameters during FY2017-18 itself. It is proposed to chart out Long Term Perspective Plan commencing from 01.04.18 in the current year.



STAFFING PATTERN: The Bank has received guidelines from Maharashtra Urban Co-op. Banks' Federation Ltd. (Federation) with reference to Circular dt. 17.03.2011 issued by the RCS & CC, Pune. The Federation has pointed out that Urban Co-operative Banks (UCBs) are required to decide their Staffing Pattern after ensuring compliance with criteria as laid out in the Circular. The criteria applicable to the Bank (i.e. Business Mix of more than ₹ 1,000 cr.) are as under:-

	Parameter / Criteria	Criteria Value Prescribed
I.	Per Employee Business	More than ₹ 4 cr.
II.	Per Employee Profitability	More than ₹ 2.20 lakh
III	Staff Cost as a percentage of Working Capital	Less than 1.50%

It is prescribed in the said Circular that the Bank should adhere to atleast 2 out of the above – stated 3 criteria and get approved the Staffing Pattern from the Annual General Meeting. As on 31.03.17, the Bank has complied with two Parameters/Criteria as under:-

	Parameter / Criteria	Value as on 31.03.17
I.	Per Employee Business	₹ 7.63 cr.
III	Staff Cost as a percentage of Working Capital	1.05%

The status in this respect and the proposed Staffing Pattern will be placed at the Annual General Meeting.

UNCLAIMED DIVIDEND : As per the extant Bye Laws (No.58 sub clause (d) pertaining to Dividend), “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”. Dividend was declared for FY2012-13 @5% and after obtaining RBI permission in March 2014, the dividend was paid by credit to Members' accounts or through pay-orders sent to their addresses as per Bank's records. Of these pay-orders issued towards dividend, pay orders issued favoring 32,872 Members representing dividend amount of ₹ 59,43,564/- remained undrawn as on 31.03.17. The Bank's Statutory Auditors have contended that as three years are completed since declaration of dividend, the amount needs to be forfeited in keeping with the Bye-Laws provision. Since Bank had declared dividend for FY2012-13 after a gap of more than '7' years, many of the Members who have not updated their addresses might not have received Pay-orders. Also it is very challenging for branches to locate 32,872 members who may not have continued banking and addresses on record are not complete / correct. The provisions regarding forfeiture of the amount of dividend are only present in the Bye-Laws of the Bank and the Maharashtra Co-operative Societies Act, 1960 as well as the Rules there under are completely silent on the provisions relating to the forfeiture of dividend. Therefore we can conclude that the General Body of the Society (Bank) can extend the period of three years as contemplated in Bye-law No. 58 sub clause (d).

Efforts to identify and locate 32,872 such Members will have to be taken at multiple levels for which time is required. It is therefore proposed that time be given to the Members to draw the unclaimed dividend subject to approval of amendment to Bye Law No. 58 (d) which is proposed under Item No. 8 of the Notice.

EDUCATION AND TRAINING TO MEMBERS: The Bank conducted Educational Program for its Members on 12.02.17 at Mulund which was addressed by Shri Bhaskar, Assistant Registrar who spoke on the subject of Rights and Duties of Members. The program was attended by 31 Members which provided them an opportunity to garner information and knowledge as also interact with the staff and directors of the Bank and was well appreciated. It will be the Bank's endeavor to offer such opportunities to the Members to understand the provisions of the Maharashtra Co-operative Societies Act, Bye – Laws, their rights, benefits ensuing to them on being an Active Member of the Bank. Members are requested to enroll for these programs considering that restricted number of seats are available in the Bank's Training Centre, where the programs are proposed to be held in future. Information of such programs will be displayed in all the branches and on the Bank's website.



ACKNOWLEDGEMENTS:

The Board of Directors expresses its sincere thanks to -

- The Registrar & Commissioner for Co-operative Societies Pune, Divisional Joint Registrar, Co-operation Dept., Mumbai, District Deputy Registrar and Deputy Registrar, Konkan Bhavan, Navi Mumbai and other Officials of the Co-operation Department.
- Department of Co-operative Banking Regulation, RBI, Department of Payment and Settlement Systems and Clearing House of Reserve Bank of India.
- Co-operative Bank Employees' Union, Mumbai.
- Indian Banks' Association
- Clearing Corporation of India Ltd.
- Axis Bank Ltd., Bank of Baroda, HDFC Bank Ltd., IDBI Bank Ltd., Karnataka Bank Ltd. and The Saraswat Co-operative Bank Ltd.
- Maharashtra State Co-operative Bank Ltd., Mumbai, Mumbai Zilla Madhyavarti Sahakari Bank Ltd., Mumbai.
- Brihan Mumbai Nagari Sahakari Banks' Association Ltd., Mumbai, Maharashtra State Co-op. Banks' Federation Ltd., Mumbai, Maharashtra State Co-op. Banks' Association Ltd., Mumbai, National Federation of Urban Co-operative Banks and Credit Societies Ltd., New Delhi.

The Board of Directors also places on record their thanks to the Statutory Auditor, Internal and Concurrent Auditors, Legal Advisors and Solicitors, Labour Advisors, Insurers and other agencies for their services rendered from time to time

The Board of Directors takes this opportunity to thank all the Members, Depositors, Media persons and various institutions for their active co-operation and support in the progress of the Bank.

The Board of Directors places on record their appreciation for the contribution made by all the Staff Members in the progress of the Bank.

For and on behalf of Board of Directors

C.N. Vaze

Chairman

Date: 08.08.2017

Important information

1. Members are requested to inform about change of address (along with documentary proof), mobile number, land line number and e-mail address to enable the bank to be in touch with them.
2. As per RBI guidelines, it is mandatory for all account holders as also Members to comply with Know Your Customer (KYC) norms. All Members are requested to co-operate in this regard and submit the necessary documents, if not already done.
3. Unclaimed Dividend : Members are requested to note that dividend for the year ended March 31, 2015, if not drawn on or before 30th August 2018 will be forfeited by the Bank and credited to the Reserve Fund in terms of Bye-Law no.58.



INDEPENDENT AUDITORS' REPORT

To,

The Members of Janakalyan Sahakari Bank Limited
(Under Section 30 of the Banking Regulation Act, 1949,
Section 81 of Maharashtra Co-operative Societies Act, 1960 &
Rule 69 of Maharashtra Co-operative Societies Rules, 1961)

Report on the Financial Statements

1. We have audited the accompanying financial statements of Janakalyan Sahakari Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2017, the Profit and Loss account and Cash Flow statement for the year then ended and significant accounting policies and notes forming part of financial statements.

Management's Responsibility for the Financial Statements

2. The management is responsible for the preparation of these financial statements in accordance with the Maharashtra Co-operative Societies Act, 1960, and rules made there under and the Banking Regulations Act, 1949 as applicable to Co-operative Banks and the accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation 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 under MSC Act / BAct / RBI guidelines. 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, whether due to fraud or error.
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 judgment, 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 management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Banking Regulation Act, 1949 as well as Maharashtra State Co-operative Societies Act 1960 and Rules framed there under and guidelines issue by Reserve Bank of India in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Bank as at March 31, 2017;



(b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Financial statement have been drawn up in accordance with the provision of section 29 of Banking Regulation Act, 1949 read with the provision of Maharashtra Co-operative Act & Rules made there under Maharashtra Co-Operative Rules, 1961.
8. 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 power of the bank.
9. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the applicable accounting standards.
10. We further report that:
 - 1) The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with books of account.
 - 2) In our Opinion, proper books of accounts as required by law have been kept by the bank, as it appears from our examination.
 - 3) For the year under audit, the bank has been awarded "A" classification.

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. – 106655W

(A. V. Kamat)
Partner

Membership no. 39585

Place : Mumbai

Date : 21.07.2017



Balance Sheet as at March 31, 2017

(Amount in ₹)

	Capital and Liabilities	Notes	Current Year	Previous Year
A	Share Capital	1	56,93,37,540	58,51,50,690
B	Reserve Fund and Other Reserves	2	2,11,08,71,171	2,00,95,86,387
C	Profit and Loss Account	3	15,37,09,768	15,21,86,300
D	Principal/Subsidiary State		-	-
E	Partnership Fund Deposits		-	-
F	Deposits	4	22,49,12,07,964	20,94,00,88,280
G	Borrowings	5	4,71,78,38,463	1,27,26,63,512
H	Securities sold under RBI - REPO / REPO		45,89,19,750	-
I	Bills for Collection as per Contra		4,65,257	10,38,532
J	Branch Adjustment (Net)		7,32,473	2,65,93,155
K	Overdue Interest Reserve	6	2,02,20,390	2,39,70,514
L	Interest Payable		2,31,06,467	5,11,11,014
M	Other Liabilities & Provisions	7	34,82,27,527	33,68,61,283
	Total		30,89,46,36,770	25,39,92,49,667
N	CONTINGENT LIABILITIES	32	48,52,59,254	43,11,31,075



(Amount in ₹)

	Assets	Notes	Current Year	Previous Year
A	Cash and Bank Balances with RBI, SBI and State & Central Co-op Bank	8	2,10,38,88,425	1,34,41,59,972
B	Balances with Other Banks	9	1,72,01,14,108	95,27,33,795
C	Money at Call & Short Notice	10	9,99,56,868	5,00,00,000
D	Investments	11	9,44,19,89,621	6,75,38,54,449
E	Securities sold under RBI - REPO / REPO		45,89,19,750	-
F	Deferred Tax Asset	28	28,62,54,434	24,41,60,102
G	Advances	12	15,52,36,52,737	14,76,27,84,052
H	Interest Receivable	13	27,52,43,063	24,25,33,076
I	Bills for Collection as per Contra		4,65,257	10,38,532
J	Branch Adjustment (Net)		-	-
K	Fixed Assets	14	83,92,56,351	92,09,69,058
L	Other Assets	15	14,47,09,277	12,68,29,751
M	Non-banking assets acquired in satisfaction of Claims	35	1,86,879	1,86,879
	Total		30,89,46,36,770	25,39,92,49,667
N	SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS	1 to 44		

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

(A. V. Kamat) Partner

M. No. 39585

(Statutory Auditors)

Place: Mumbai, Dated: 21.07.2017

FOR JANAKALYAN SAHAKARI BANK LTD

C.N. Vaze

Chairman

S.V. Kelkar

Vice-Chairman

K.R. Bagade

Director

S.K. Hegde

Director

Shriram Date

Chief Executive Officer



Profit & Loss Account for the year ended March 31, 2017

(Amount in ₹)

	Particulars	Notes	Current Year	Previous Year
I	Income			
	Interest earned	16	2,02,38,17,929	2,04,60,60,374
	Other Income	17	15,88,93,584	14,99,35,345
	Total		2,18,27,11,513	2,19,59,95,719
II	Expenditure			
	Interest expended	18	1,44,12,19,949	1,47,83,65,878
	Operating expenses	19	57,53,59,766	56,07,89,050
			2,01,65,79,715	2,03,91,54,929
III	Operating Profit		16,61,31,798	15,68,40,791
	Less: Provision and Contingencies	20	18,55,51,426	14,85,51,930
	Add: Provisions no longer Required	21	34,86,054	25,81,000
IV	Profit / (Loss) Before Tax		(1,59,33,574)	1,08,69,861
	Less: Current Tax		1,44,81,668	1,76,47,654
	Less: Tax for Previous Year		5,10,641	-
	(Add)/Less : Deferred Tax		(4,20,94,332)	(2,93,56,109)
V	Net Profit for the year carried to Balance Sheet		1,11,68,449	2,25,78,316
VI	SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS	1 to 44		
	Basic and Diluted Earning Per Share (EPS)		0.19	0.38

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

(A. V. Kamat) Partner

M. No. 39585

(Statutory Auditors)

Place: Mumbai, Dated: 21.07.2017

FOR JANAKALYAN SAHAKARI BANK LTD

C.N. Vaze

Chairman

K.R. Bagade

Director

S.V. Kelkar

Vice-Chairman

S.K. Hegde

Director

Shriram Date

Chief Executive Officer



Cash Flow Statement for the year ended March 31, 2017

(Amount in ₹)

Particulars	Current Year	Previous Year
Cash Flows from Operating Activities:		
Profit Before Tax	(1,59,33,574)	1,08,69,861
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation on bank's property	2,60,36,866	2,41,15,541
(Profit) / Loss on sale of assets	1,01,100	3,96,078
Amortisation of Premium on Investments	1,92,97,844	1,73,89,806
Provisions and Contingencies	18,20,65,372	14,59,70,930
Cash Flow before adjustment for Working Capital Changes	21,15,67,608	19,87,42,216
Adjustments for changes in working capital:		
Increase in Deposits	1,55,11,19,685	93,74,99,620
Increase in Borrowings	3,90,40,94,701	57,32,54,099
Increase / (Decrease) in Interest Payable	(2,80,04,547)	1,55,04,070
Add: Decrease in Branch Adjustments (Asset)		
Increase / (Decrease) in Interest Receivable	(3,29,74,057)	-1,49,04,518
Increase in Other Assets	(2,57,68,058)	-49,56,614
Increase in Other Liabilities and Provisions	(2,89,29,521)	-13,71,80,779
Increase / Decrease in Investments	(3,16,63,52,766)	-80,17,58,345
Increase in Advances	(77,45,08,345)	-27,19,12,231
Cash Flow after adjustment for Working Capital Changes	1,61,02,44,700	49,42,87,518
Less: Taxes Paid / (Refunds Received)	(78,88,533)	2,03,11,585
Net Cash flow from operating activities (A)	1,61,81,33,233	47,39,75,933
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(2,78,04,293)	-2,61,72,686
Sale of Fixed Assets	25,49,843	28,69,674
Net Cash flow from Investing activities (B)	(2,52,54,450)	-2,33,03,012
Cash Flows from Financing Activities:		
Share Capital issued (Net)	(1,58,13,150)	-2,04,07,450
Net Cash flow from Financing activities (C)	(1,58,13,150)	-2,04,07,450
Net Increase in Cash & Cash Equivalents D = (A + B + C)	1,57,70,65,633	43,02,65,471
Cash & Cash Equivalents at the beginning of the year	2,34,68,93,768	1,91,66,28,297
Cash & Cash Equivalents at the end of the year	3,92,39,59,401	2,34,68,93,768



BREAK-UP OF CASH & CASH EQUIVALENTS

(Amount in ₹)

Particulars	Current Year	Previous Year
Cash and Bank Balances with RBI, SBI and State & Central Co-op Bank	2,10,38,88,425	1,34,41,59,972
Balances with Other Banks	1,72,01,14,108	95,27,33,795
Money at Call & Short Notice	9,99,56,868	5,00,00,000
Balances with Other Banks (pledged for non-fund facilities)	-	-
Cash & Cash Equivalents at the end of the year	3,92,39,59,401	2,34,68,93,768
NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS	1 to 44	

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

(A. V. Kamat) Partner

M. No. 39585

(Statutory Auditors)

Place: Mumbai, Dated: 21.07.2017

FOR JANAKALYAN SAHAKARI BANK LTD

C.N. Vaze

Chairman

S.V. Kelkar

Vice-Chairman

K.R. Bagade

Director

S.K. Hegde

Director

Shriram Date

Chief Executive Officer



NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

Note 1 - Share Capital

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Authorised Capital 10,00,00,000 (P.Y. 10,00,00,000) shares of Rs. 10/- each	1,00,00,00,000	1,00,00,00,000
II.	Issued, Subscribed & Paid-up Capital 5,69,33,754 (P.Y. 5,85,15,069) shares of Rs. 10/- each	56,93,37,540	58,51,50,690

Note 2 - Reserve Fund and Other Reserves

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Statutory Reserve		
	(a) Opening Balance	22,43,01,001	21,83,40,372
	(b) Additions during the year (Transferred from P&L A/c)	27,92,112	56,44,579
	(c) Additions during the year (Membership / Entrance Fee)	2,93,500	3,16,050
		22,73,86,613	22,43,01,001
II.	Building Fund	7,27,61,200	7,27,61,200
III.	Dividend Equalisation Fund	75,00,000	75,00,000
IV.	Members Welfare Fund		
	(a) Opening Balance	18,62,846	19,25,570
	(b) Deductions during the year	(53,575)	(62,724)
		18,09,271	18,62,846
V.	Investment Depreciation Reserve		
	(a) Opening Balance	90,12,850	25,12,850
	(b) Net Additions/(Deductions) during the year	4,70,43,260	65,00,000
		5,60,56,110	90,12,850
VI.	Bad & Doubtful Debt Reserve		
	(a) Opening Balance	69,85,25,513	56,08,79,513
	(b) Net Additions during the year	13,21,91,000	13,76,46,000
	(c) Deductions during the year (Write back)	(1,36,39,660)	-
		81,70,76,853	69,85,25,513



(Amount in ₹)

VII. Revaluation Reserve		
(a) Opening Balance	80,82,91,906	41,47,73,672
(b) Additions during the year	-	43,49,95,601
(c) Deductions during the year (Note 14)	(8,08,29,190)	(4,14,77,367)
	72,74,62,716	80,82,91,906
VIII. Contingent Provision Against Standard Assets		
(a) Opening Balance	5,99,02,000	5,54,46,000
(b) Additions during the year	28,82,000	44,56,000
	6,27,84,000	5,99,02,000
		(Amount in ₹)
IX. Investment Fluctuation Reserve		
(a) Opening Balance	7,74,29,071	6,04,95,334
(b) Additions during the year	83,76,337	1,69,33,737
	8,58,05,408	7,74,29,071
X. Special Reserve (U/s 36(I) (viii) of Income Tax Act, 1961)		
(a) Opening Balance	-	-
(b) Additions during the year	22,29,000	-
(c) Reduction during the year	-	-
	22,29,000	-
XI. Special Contingency Reserve (SCR)		
(a) Opening Balance	5,00,00,000	5,00,00,000
(b) Additions during the year	-	-
(c) Reduction during the year	-	-
	5,00,00,000	5,00,00,000
Total I to XI	2,11,08,71,171	2,00,95,86,387



Note 3 - Profit & Loss Account

(Amount in ₹)

Particulars	Current Year	Previous Year
Appropriation subject to AGM Approval		
Profit / (Loss) as per last Balance Sheet	15,21,86,300	15,21,86,300
Profit for the year (as per Profit & Loss A/c)	1,11,68,449	2,25,78,316
Add: Excess provision for Dividend (Write Back)	15,23,468	-
Less: Transferred to Statutory Reserve @25%	27,92,112	56,44,579
Less: Transferred to Investment Fluctuation Reserve	83,76,337	1,69,33,737
	15,37,09,768	15,21,86,300

Note 4 - Deposits

(Amount in ₹)

Particulars	Current Year	Previous Year
I. Term Deposits		
(i) From Individuals	13,10,27,93,877	12,51,52,30,554
(ii) From Central Co-op. Banks	-	-
(iii) From Other Societies	1,24,48,51,434	1,30,19,41,516
	14,34,76,45,311	13,81,71,72,070
II. Saving Bank Deposits		
(i) From Individuals	6,53,83,90,372	5,35,78,24,629
(ii) From Central Co-op. Banks	-	-
(iii) From Other Societies	23,73,04,866	33,20,84,930
	6,77,56,95,238	5,68,99,09,559
III. Current Deposits		
(i) From Individuals	1,35,16,08,689	1,07,62,24,552
(ii) From Central Co-op. Banks	-	-
(iii) From Other Societies	73,19,557	1,63,52,531
	1,35,89,28,246	1,09,25,77,083
IV. Matured Deposits	89,39,169	34,04,29,568
Total (I to IV)	22,49,12,07,964	20,94,00,88,280

Note 5 - Borrowings

(Amount in ₹)

Particulars	Current Year	Previous Year
I. Loans from other Sources		
CBLO Borrowings	2,24,89,18,713	-
Borrowings from Other Banks	45,89,19,750	-
Overdraft against FD	2,01,00,00,000	1,27,26,63,512
Total	4,71,78,38,463	1,27,26,63,512



Note 6 - Overdue Interest Reserve

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Overdue Interest Reserve		
	(a) Opening Balance	2,39,70,514	2,65,51,514
	(b) Recovered during the year	(34,86,054)	(25,81,000)
	(c) Deduction during the year (Written off)	(2,64,071)	-
	Total	2,02,20,389	2,39,70,514

Note 7 - Other Liabilities & Provisions

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	E-Payment of Govt. Taxes	79,04,180	52,69,758
II.	Service Tax	7,14,564	17,21,128
III.	Expenses Payable	6,90,45,129	5,24,34,621
IV.	Payorders Payable	8,80,93,807	11,98,58,627
V.	Sundry Creditors	3,11,98,380	4,03,48,650
VI.	Provision for Taxes	3,99,02,613	2,53,03,626
VII.	Provision for Other Impaired Assets	1,34,32,258	1,22,26,092
VIII.	Dividend Payable	-	15,26,468
IX.	Provision for Gratuity	62,78,510	58,77,557
X.	Provision for Leave Encashment	6,15,08,907	5,40,48,813
XI.	Sundry Liability (Interest Capitalisation - Funded Interest Term Loan)	37,74,139	37,88,906
XII.	Others	2,63,75,040	1,44,57,037
	Total (I to XII)	34,82,27,527	33,68,61,283

Note 8 - Cash and Bank Balances

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Cash on Hand	15,51,05,861	11,87,96,198
II.	Balances with Reserve Bank of India		
	(a) In Current Account	1,08,49,66,226	90,45,58,663
	(b) In Other Account (Fixed Deposit)	-	-
		1,08,49,66,226	90,45,58,663
III.	Balances with State Bank of India and Nationalised Banks		
	(a) In Current Account	1,85,01,899	1,48,71,552
	(b) In Other Account (Fixed Deposit)	84,04,02,705	29,36,95,053
		85,89,04,604	30,85,66,605
IV.	Balances with State and Central Co-operative Banks		
	(a) In Current Account	47,61,734	1,20,88,507
	(b) In Other Account (Fixed Deposit)	1,50,000	1,50,000
		49,11,734	1,22,38,507
	Total (I to IV)	2,10,38,88,425	1,34,41,59,972



Note 9 - Balances with Other Banks

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Balances with other Banks		
	(a) Current deposits	3,79,94,787	7,06,32,772
	(b) Saving bank deposits	-	-
	(c) Fixed deposits	1,68,21,19,321	88,21,01,023
	Total	1,72,01,14,108	95,27,33,795

Note 10- Money at Call & Short Notice

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Money at Call & Short Notice		
	(a) With banks	9,99,56,868	5,00,00,000
	(b) With other Institutions	-	-
	Total	9,99,56,868	5,00,00,000

Note 11 - Investments

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	In Central & State Government Securities Face Value Rs.7,71,50,00,000 (P.Y. Rs. 5,55,00,00,000) Market Value Rs.8,15,40,25,000 (P.Y. Rs.5,70,12,00,000)	8,18,47,04,160	5,72,90,20,550
II.	In other Approved Securities	-	-
III.	In Shares of Co-operative Institutions	75,30,000	75,30,000
IV.	In Debentures and Bonds Face Value Rs.1,18,89,76,000 (P.Y. Rs.96,89,76,000) Market Value Rs.1,27,69,62,723 (P.Y. Rs.1,06,11,09,035)	1,19,86,00,950	97,14,88,950
V.	Others (Refer note below) (In mutual funds units)	5,11,54,511	4,58,14,949
	Total (I to V)	9,44,19,89,621	6,75,38,54,449

(Note: These Investments are earmarked against the provision for Leave Encashment)



Note 12 - Advances

(Amount in ₹)

Particulars	Current Year	Previous Year
I. Short Term Loans (Cash Credit, Overdrafts & Bill Disc.)		
of which secured against		
Govt. & Other Approved Securities	5,27,44,80,448	5,17,61,08,593
Other Tangible Securities	3,94,92,38,043	3,96,27,98,220
Unsecured Advances	9,88,068	3,05,988
of which, Overdue Rs.85,51,33,649 (PY Rs. 67,56,21,785)		
of which NPA Rs.83,73,90,084 (PY Rs. 66,14,67,911)	9,22,47,06,559	9,13,92,12,801
II. Medium Term Loans		
of which Secured against		
Govt. & other Approved Securities	1,87,40,611	1,96,51,319
Other Tangible Securities	4,74,84,97,437	4,29,26,52,443
Unsecured Advances	32,47,53,956	26,84,76,905
of which, Overdue Rs.55,46,46,072 (PY Rs. 51,58,93,917)		
of which NPA Rs.49,48,08,480 (PY Rs. 47,31,77,100)	5,09,19,92,004	4,58,07,80,667
III. Long Term Loans		
of which Secured against		
Govt. & other Approved Securities	-	-
Other Tangible Securities	1,20,69,54,174	1,04,27,90,585
Unsecured Advances	-	-
of which, Overdue Rs.3,04,04,511 (PY Rs. 2,79,41,929)		
of which NPA Rs.2,77,36,394 (PY Rs. 2,59,12,385)	1,20,69,54,174	1,04,27,90,585
Total NPA is Rs. 1,35,99,34,958 (P.Y. Rs. 1,16,05,57,396) and adequately provided for as per RBI norms for NPAs.		
Total (I to III)	15,52,36,52,737	14,76,27,84,052

Note 13- Interest Receivable

(Amount in ₹)

Particulars	Current Year	Previous Year
I. Interest Receivable		
(a) from Performing Advances	7,50,06,311	7,45,56,526
(b) from Performing Investments	18,00,16,362	14,40,06,036
(c) from Non-Performing Advances	2,02,20,390	2,39,70,514
Total	27,52,43,063	24,25,33,076



Note 14 - Fixed Assets

(Amount in ₹)

Assets Description	Gross Block				Depreciation				Net Block	
	Opening Balance	Additions	Sale/Transfer/Write off	Closing Balance	Opening Balance	For the year ended	Sale/Transfer/Write off	Closing Balance	WDV as on	WDV as on
	Cost as on 01.04.2016	01.04.2016 to 31.03.2017	Write off	Cost As on 31.03.2017	As on 01.04.2016	31.03.2017	Write off	as on 31.03.2017	31.03.2017	31.03.2016
Premises	1,06,24,28,577	0	0	1,06,24,28,577	22,16,87,313	8,42,90,815	0	30,59,78,128	75,64,50,449	84,07,41,264
Civil Work	2,18,88,870	27,92,712	8,45,568	2,38,36,014	69,67,560	16,36,976	34,238	85,70,298	1,52,65,716	1,49,21,310
Dead Stock	1,16,34,089	4,77,023	0	1,21,11,112	37,58,603	8,31,108	0	45,89,711	75,21,401	78,75,486
Electrical Fittings	80,21,053	8,71,944	53,155	88,39,842	24,02,875	6,44,315	24,924	30,22,266	58,17,576	56,18,178
Furniture & Fixtures	2,36,09,275	25,25,840	68,529	2,60,66,586	71,08,614	18,89,315	23,929	89,74,000	1,70,92,586	1,65,00,661
Motor Vehicles	0	29,05,091	0	29,05,091	0	5,81,018	0	5,81,018	23,24,073	0
ATM	84,05,605	14,77,263	3,24,053	95,58,815	50,74,729	10,51,537	2,66,379	58,59,887	36,98,928	33,30,876
Office Equipment	3,27,36,335	42,26,245	3,63,177	3,65,99,403	1,44,35,439	55,04,982	2,42,580	1,96,97,841	1,69,01,562	1,83,00,896
Tenancy Rights	29,02,943	0	28,90,443	12,500	27,04,438	0	26,91,938	12,500	0	1,98,505
UPS	69,83,670	6,73,918	4,75,872	71,81,716	42,78,656	7,93,666	3,25,135	47,47,187	24,34,529	27,05,014
Computer Hardware	3,61,13,925	75,56,762	23,75,148	4,12,95,539	3,13,15,794	53,23,009	23,74,957	3,42,63,846	70,31,693	47,98,131
Computer Software	2,52,90,709	42,97,494	18,58,524	2,77,29,679	1,93,12,004	43,19,315	6,19,446	2,30,11,873	47,17,806	59,78,705
Networking	31,64,996	0	0	31,64,996	31,64,964	0	0	31,64,964	32	32
Total	1,24,31,80,047	2,78,04,293	92,54,469	1,26,17,29,870	32,22,10,989	10,68,66,056	66,03,526	42,24,73,519	83,92,56,351	92,09,69,058
Previous Year	78,76,20,906	46,11,68,287	56,09,146	1,24,31,80,047	25,89,61,475	6,55,92,908	23,43,395	32,22,10,989	92,09,69,058	

Depreciation for the year includes the following:

	Current Year	Previous Year
1 Depreciation on account amount of revaluation of premises (adjusted in Revaluation Reserve)	8,08,29,190	4,14,77,367
2 Depreciation for the year (debited to Profit & Loss Account)	2,60,36,866	2,41,15,541
Total	10,68,66,056	6,55,92,908



Note 15 - Other Assets

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Stationery	27,23,246	20,46,011
II.	Stamps	62,163	43,164
III.	Locker Rent Receivable	1,21,767	96,350
IV.	Sundry Debtors	60,08,996	1,01,05,506
V.	Deposit for Leased Premises	1,27,25,940	1,52,30,040
VI.	Other Deposits	1,45,66,641	75,46,399
VII.	Prepaid Expenses	25,01,117	12,94,228
VIII.	Other Misc. Assets	5,21,293	7,55,753
IX.	Advance Tax	8,18,23,767	8,97,12,300
X.	Other Advances	1,87,81,150	-
XI.	Interest Receivable - Others	48,73,197	-
	Total (I to X)	14,47,09,277	12,68,29,751



Note 16 - Interest Earned

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Interest/discout on advances/bills	1,10,75,40,981	1,18,82,63,266
II.	Income on Investments	91,62,76,948	85,77,97,108
	Total (I to II)	2,02,38,17,929	2,04,60,60,374

Note 17 - Other Income

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Commission, Exchange and Brokerage	1,26,67,965	1,04,18,707
II.	Profit on sale of Investment	3,14,24,927	2,91,75,355
III.	Bad Debts Recovery	2,77,500	2,97,15,550
IV.	BDDR Written Back against Written Off	1,36,39,660	-
V.	OIR Written Back against Written Off	2,64,071	-
VI.	Other Misc. Income	10,06,19,461	8,06,25,734
	Total (I to VI)	15,88,93,584	14,99,35,345

Note 18 - Interest Expended

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Interest on Deposits	1,42,92,25,975	1,46,56,77,719
II.	Interest on Borrowings	1,19,93,974	1,26,88,159
	Total (I to II)	1,44,12,19,949	1,47,83,65,878

Note 19 - Operating Expenses

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Payment to and provisions for employees	32,49,49,511	34,64,75,770
II.	Directors Fees, allowance and expenses	19,40,750	20,05,200
III.	Rent, Rates, Taxes, Insurance, Lighting etc.	5,47,87,973	5,49,04,338
IV.	Legal charges	20,16,585	13,01,943
V.	Postage, Telegram & Telephone Charges	47,68,604	52,08,777
VI.	Audit Fees	24,36,750	27,26,224
VII.	Depreciation on bank's property	2,60,36,866	2,41,15,541
VIII.	Repairs to furniture & property	28,57,681	14,85,163
IX.	Printing & Stationery	45,38,780	45,62,259
X.	Advertisement & Publicity	1,34,13,744	1,14,00,090
XI.	Loss on sale/scrap of assets (Net)	1,01,100	3,96,078
XII.	Computer expenses	32,06,909	30,47,292
XIII.	Amortisation of Premium on Investment	1,92,97,844	1,73,89,806
XIV.	Bad Debts Written off (Principal)	1,36,39,660	-
XV.	Bad Debts Written off (Interest)	2,64,071	-
XVI.	Other Expenses	10,11,02,938	8,57,70,570
	Total (I to XVI)	57,53,59,766	56,07,89,050



Note 20 - Provisions & Contingencies

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Bad & Doubtful Debt Reserve	13,21,91,000	13,76,46,000
II.	Provision for Restructure Advance	-	-
III.	Investment Depreciation Reserve	4,70,43,260	65,00,000
IV.	Provision for Other Impaired Assets	12,06,166	(50,070)
V.	Provision for Special Reserve	22,29,000	-
VI.	Contingent Provision against Standard Assets	28,82,000	44,56,000
	Total (I to VI)	18,55,51,426	14,85,51,930

Note 21 - Provision No Longer Required

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Overdue Interest Reserve	34,86,054	25,81,000
	Total	34,86,054	25,81,000



Note 22

Overview:

Janakalyan Sahakari Bank Limited is a Scheduled Co-operative Bank providing wide range of banking and financial services through twenty-five branches and one extension counter. It is governed by the provisions of Banking Regulation Act, 1949 as also the Maharashtra Co-operative Societies Act, 1960 and the Rules framed there under.

Basis of preparation:

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles (GAAP) in India, statutory requirements prescribed under the Banking Regulation Act 1949, and the Maharashtra Co-operative Societies Act 1960 and the rules framed there under, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, the Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') and current practices prevailing within the banking industry in India.

Use of Estimates:

The preparation of the financial statements, in conformity with generally accepted accounting principles (GAAP) in India, 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 estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates are recognized prospectively.

A. Significant Accounting Policies:

a) Revenue Recognition:

- (i) Income and expenditure are accounted on accrual basis, except otherwise stated
Interest income is recognized in the profit and loss account as it accrues except (i) Income from non-performing assets (NPAs), comprising of advances, leases and investments, which is recognized upon realization, as per the prudential norms prescribed by the RBI. In case of Non Performing advances, the recoveries in the accounts are first appropriated towards principal and then towards interest. (ii) Overdue interest on investments and bills discounted is recognized upon realization.
- (ii) Profit or loss on sale of investments is recognized in the profit and loss account, however, the profit on sale of investment in the 'Held to Maturity' category net of applicable taxes, is appropriated to statutory Reserve Account.
- (iii) Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- (iv) Commission (except for commission on Deferred Payment Guarantees which is recognized on accrual basis), exchange and brokerage are recognized on realization.

b) Investments:

Investments are accounted for in accordance with the extant RBI guidelines on investment classification and valuation as given below:

- (i) All investments are classified into 'Held for Trading', 'Available for Sale' and 'Held to Maturity' categories.
- (ii) Under each classification the investments are further categorized as (a) Central and State Government Securities, b) Other Approved Securities, c) Shares of Co-operatives Institutions, d) Debenture and Bonds e) Others
- (iii) Transfer of security between categories of investments is accounted as per RBI guidelines.
- (iv) Individual scrip classified under 'Held for Trading' and 'Available for Sale' (AFS) category is carried at Weighted Average Method. Securities are valued scrip-wise and diminution / appreciation are aggregated for each classification. Net diminution in each classification, if any, is provided for while net appreciation is ignored.



- (v) Investments held under 'Held to Maturity' (HTM) category are carried at FIFO Method. Wherever the book value is higher than the face value/ redemption value, the excess amount is amortized over the remaining period of maturity.
- (vi) Market value of Other Securities is determined in terms of YTM Method indicated by Fixed Income, Money Markets and Derivatives Association (FIMMDA).
- (vii) Non-Performing Investments are recognized as per RBI guidelines and provision is made as per RBI norms applicable to Non-Performing Investments.

The Bank has adopted the Uniform Accounting Procedure prescribed by the RBI for accounting of Repo and Reverse Repo transactions. Accordingly, the securities sold/purchased under Repo/Reverse Repo are treated as outright sales/purchases and accounted for in the Repo/Reverse Repo Accounts and the entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo/Reverse Repo Account is adjusted against the balance in the Investment Account.

c) Loans and Advances and Provisions thereon:

- (i) The classification of advances into Standard, Sub-standard, Doubtful and Loss Assets as well as provision on Non-performing Advances, have been arrived at in accordance with the income recognition and asset classification norms prescribed by RBI.
- (ii) Advances are shown net of unrealized interest on Non-Performing Assets (NPAs).
- (iii) Amount recovered against debts written off in earlier years is recognized as income.
- (iv) The Bank has been lending under Collateralized Lending and Borrowing Obligation (CBLO) facility. Any lending under this facility repayable beyond fifteen days is classified under Short Term Advances and below fifteen days is classified under Investment.
- (v) For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by RBI.
- (vi) In case of a loan account which was earlier classified as NPA, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

d) Fixed Assets and Depreciation:

- (i) Fixed assets other than Premises are carried at cost less accumulated depreciation. Premises are stated at revalued amount less accumulated depreciation.
- (ii) Cost includes cost of purchase and all expenditures such as site preparation, installation cost and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functioning capability.
- (iii) Depreciation in respect of the amount of revaluation of assets is not charged to Profit and Loss account and directly adjusted against Revaluation Reserve.



(iv) The rates of depreciation and method of charging depreciation are as under:

Asset Type	Depreciation Method	Rate of depreciation (%)
Computer Hardware	Straight Line Method	33.33
Computer Software	Straight Line Method	33.33
Networking	Straight Line Method	33.33
ATM	Written Down Value	25.00
Office Equipment	Written Down Value	25.00
Tenancy Rights	Written Down Value	25.00
UPS	Written Down Value	25.00
Motor Vehicles	Written Down Value	20.00
Premises	Written Down Value	10.00
Civil Work	Written Down Value	10.00
Dead Stock	Written Down Value	10.00
Electrical Fittings	Written Down Value	10.00
Furniture and Fixtures	Written Down Value	10.00

v) Revaluation Reserve:

- As per RBI Circular dated 9th January 2007, the Bank has revalued its own premises as on the end of working day on 31st March, 2016. Premises are stated at revalued amount less depreciation on account of revaluation as on 31st March, 2017.
- Balance in Revaluation Reserve as at 31st March, 2017 is ₹ 72,74,62,716 (previous year ₹80,82,92,906).

e) Foreign Exchange Transactions:

The Bank does not deal in Foreign Exchange directly. All the transactions on behalf of constituents are carried out through Karnataka Bank Limited, Bank of Baroda and Saraswat Co-operative Bank Limited.

f) Employee Benefits:

(i) Short Term Employee Benefits:

The undiscounted amount of short term employee benefits, such as medical benefits, casual leave etc. which are expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders the service.

(ii) Defined Benefit Plan

The bank operates gratuity scheme which is defined benefit plan.

The bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death during employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum amount of ₹10 lakh. Vesting occurs upon completion of five years of service. The bank makes periodic contributions to a fund administered by trustees based on an independent external actuarial valuation carried out annually using Projected unit Credit Method in accordance with the guidelines of AS-15 "Employee Benefit" issued by ICAI.



- (iii) The Bank provides long term compensated absences based on actuarial valuation conducted by an independent actuary. The actuarial valuation is carried out as per the Projected Unit Credit Method as on 31st March every year.
- (iv) The retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to Profit and Loss account for the year when the contributions are due.

g) Segment Reporting:

The business segment is considered as primary reporting format and Bank does not have any Geographical Segment. In accordance with the guidelines issued by RBI the Bank has identified the following Business Segments

(i) Treasury

The treasury segment primarily consists of net interest earnings on investment portfolio of bank and gains or losses on investment operations.

(ii) Other Banking operations

This includes all other operations not covered under treasury Operations.

h) Lease Accounting:

Lease payments for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term in accordance with the AS -19, "Accounting for Leases", issued by the ICAI.

i) Earnings Per Share:

The bank reports basic and diluted earnings per share in accordance with AS 20 – 'Earnings per share' issued by ICAI. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding for the year.

j) Taxes on Income:

Provision for Tax is made for current and deferred taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws.

Deferred tax assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognized using tax rates and tax laws, which have been enacted or substantively enacted.

Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

In case of carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is "virtual certainty" that such deferred tax assets can be realized against future taxable profits.

k) Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of asset to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset and value in use. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset or value in use.

l) Provisions, Contingent Liabilities and Contingent Assets:

In accordance with AS – 29, Provisions, Contingent Liabilities, Contingent Assets, issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions where it has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a



reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, neither recognized nor disclosed in the financial statements.

Note 23. Employee Benefits:

Actuarial assessment of Gratuity and Leave Encashment:

The principal assumptions used in the actuarial valuation of Gratuity and Leave Encashment are as follows.

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Discount rate	7.46%	7.99%	7.46%	7.99%
Expected Return on Plan Assets	7.46%	7.99%	7.46%	7.99%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Attrition rate	2.00%	2.00%	2.00%	2.00%

Table showing change in present value of defined benefit obligation:

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation at the Beginning of the Period	13,33,68,008	12,81,33,287	5,40,48,813	5,09,04,388
Interest Cost	1,06,56,104	1,01,48,156	43,18,500	40,31,628
Current Service Cost	62,75,366	62,35,155	49,84,256	47,71,165
(Benefits paid from Fund)	(98,77,595)	(1,01,58,448)	(67,45,137)	(91,90,030)
(Benefits paid directly by Employer)	0	0	0	0
Actuarial (Gain) / loss on obligations	(17,20,989)	(9,90,142)	49,02,475	35,31,662
Present Value of obligation as at the end of the Period	13,87,00,894	13,33,68,008	6,15,08,907	5,40,48,813



Table showing change in Fair Value of Plan Assets

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Fair value of Plan Assets at the Beginning of the Period	12,74,90,451	10,44,02,471	4,58,14,949	4,76,75,960
Expected Return on Plan Assets	1,01,86,487	82,68,676	36,60,614	37,75,936
Contribution by the Employer	58,77,557	2,37,30,816	83,83,864	32,28,428
Benefits paid	(98,77,595)	(1,01,58,448)	(68,13,756)	(91,90,030)
Actuarial Gain / (loss) on Plan Assets	(12,54,516)	12,46,936	1,08,840	3,24,655
Fair Value of Plan Assets as at the end of the Period	13,24,22,384	12,74,90,451	5,11,54,511	4,58,14,949

Amount recognized in the Balance Sheet:

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation at the Beginning of the Period	13,87,00,894	13,33,68,008	6,15,08,907	5,40,48,813
Fair Value of plan assets as at the end of the year	(13,24,22,384)	(12,74,90,451)	(5,11,54,511)	(4,58,14,949)
(Assets)/ Liability recognized in the Balance Sheet	62,78,510	58,77,557	1,03,54,396	82,33,864

Expenses recognized in the Profit and Loss Account:

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	62,75,366	62,35,155	49,84,256	47,71,165
Interest Cost	1,06,56,104	1,01,48,156	43,18,500	40,31,628
Expected return on plan assets	(1,01,86,487)	(82,68,676)	(36,60,614)	(37,75,936)
Net Actuarial Loss recognized during the year	(4,66,473)	(22,37,078)	47,93,635	32,07,007
Total Expenses recognized in the Profit and Loss A/c	62,78,510	58,77,557	1,04,35,777	82,33,864



Balance Sheet Reconciliation:

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Opening Net Liability	58,77,557	2,37,30,816	82,33,864	32,28,428
Expenses recognized in P&L account (Benefits paid directly by Employer)	62,78,510	58,77,557	1,04,35,777	82,33,864
Employer's Contribution	(58,77,557)	(2,37,30,816)	(83,83,864)	(32,28,428)
Net Liability Recognized in the Balance Sheet	62,78,510	58,77,557	1,02,85,777	82,33,864

Other Disclosures:

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	13,87,00,894	13,33,68,008	6,15,08,907	5,40,48,813
Plan Assets	(13,24,22,384)	(12,74,90,451)	(5,11,54,511)	(4,58,14,949)
Surplus / (Deficit)	(27,11,23,278)	(26,08,58,459)	(11,26,63,418)	(9,98,63,762)
Experience Adjustments on Plan Liabilities – (Gain) / Loss	(64,18,216)	(3,74,628)	28,18,827	37,97,973
Experience Adjustments on Plan Assets – Gain / (Loss)	(12,54,516)	12,46,936	1,08,840	3,24,655



Note 24: Segment reporting

Primary Segment Reporting by Business Segment

- The Bank caters mainly to the needs of Indian Customers, operates as a single unit in the State of Maharashtra. Hence, separate information regarding geographical segment is not provided.
- Business segments are classified as under:
 - Treasury: Dealing operations in Money Market instruments, Trading / Investment in Bonds / Government securities and Fixed Deposits.
 - Other Banking Operations: Retail and corporate lending and advances to customers and related fee based income.

(Amount in ₹)

Particulars	Treasury	Other Banking Operations	Total
Segment Revenue	94,81,69,936 (88,69,72,525)	1,23,45,41,577 (1,30,90,23,194)	2,18,27,11,513 (2,19,59,95,719)
Segment Result	18,83,06,369 (9,73,60,597)	-2,21,74,570 (6,47,02,578)	16,61,31,799 (16,20,63,175)
Unallocated Expenses			46,90,093 (52,22,384)
Profit before Tax			-1,59,33,574 (1,08,69,861)
Income Tax (Including Deferred Tax)			-2,71,02,023 (-1,17,08,455)
Net Profit before appropriation			1,11,68,449 (2,25,78,316)
Segment Assets	12,64,38,38,310 (8,05,63,81,921)	17,86,54,30,372 (16,99,94,02,934)	30,50,92,68,682 (25,05,57,84,855)
Unallocated assets			38,53,68,088 (34,34,64,812)
Total Assets			30,89,46,36,770 (25,39,92,49,667)
Segment Liabilities	13,92,18,63,405 (11,37,93,92,576)	14,09,03,33,529 (11,23,91,12,735)	28,01,21,96,934 (22,61,85,05,311)
Unallocated liabilities			2,88,24,39,835 (2,78,07,44,356)
Total Liabilities			30,89,46,36,770 (25,39,92,49,667)

(Figure in brackets pertains to previous year)

c. The segments are reported based on the nature of products / services and their attributable risks / returns, overall organizational structure and the internal management reporting system of the Bank.



Note 25 Related Party Disclosures

The Bank is a co-operative society under the Maharashtra Co-operative Societies Act, 1960 and there are no related parties requiring a disclosure under the Accounting Standard – 18, issued by the ICAI, other than Key Management Personnel, viz. Mr. Shriram Date the Chief Executive Officer (CEO) of the Bank for F.Y.2016-17. However in terms of RBI circular dated March 29, 2003, the CEO being a single party coming under the category, no further details therein need to be disclosed.

Note 26: Operating Leases

The Bank has entered in to lease agreements with various parties. The total of the future minimum lease payments under non-cancellable operating leases in terms of Accounting Standard (AS-19), Accounting for Leases, issued by The Institute of Chartered Accountants of India is as follows:

(Amount in ₹)

Particulars	Current Year	Previous Year
Not later than one year	3,24,33,079	2,47,14,662
Later than one year but not later than five years	7,37,93,127	4,99,57,363
Later than five years	1,52,86,198	5,964
Lease payment recognized in Profit and Loss Account	3,38,65,735	3,12,85,495

Note 27: Earnings Per Share:

The earnings per share are calculated by dividing the net profit for the year attributable to shareholders by the average number of shares outstanding during the year.

Particulars	Current Year	Previous Year
Net profit after tax (₹)	1,11,68,449	2,25,78,316
Weighted Average number of equity shares	5,73,20,466	5,90,06,005
Earnings per share (Basic and diluted) (₹)	0.19	0.38

Note 28: Taxes on Income

The major components of Deferred Tax Assets / Liabilities (Net) arising on account of timing differences between book profit and taxable profit as on March 31, 2017 are as follow:

(Amount in ₹)

Particulars	Deferred Tax Asset/(Liability) as at March 31, 2016	Addition/(Reversal) during the Year	Deferred Tax Asset/(Liability) as at March 31, 2017
Deferred Tax Asset			
Depreciation	21,38,188	4,13,111	25,51,299
Bad and Doubtful Debt Reserve	23,37,26,198	4,46,65,581	27,83,91,779
Overdue Interest Reserve	82,95,716	(12,97,844)	69,97,872
Deferred Tax Asset as at March 31 (A)	24,41,60,102	4,37,80,848	28,79,40,950
Deferred Tax Liability			
Interest Income receivable on Income Tax Refund	0	16,86,516	(16,86,516)
Deferred Tax Liability as at March 31 (B)	0	16,86,516	(16,86,516)
Deferred Tax Asset (Net) as at March 31 (A-B)	24,41,60,102	4,20,94,332	28,62,54,434



Note 29: Impairment of Assets

The Bank has ascertained that, there is no material impairment of any of its assets and as such no provision under impairment is to be provided for under Accounting Standard 28.

Note 30: Appropriation of Profit

As on 31st March, 2017 IFR requirement was of ₹18,54,13,478. A provision of ₹ 7,74,29,071 was held against the same during the year which resulted in a deficit of ₹ 10,79,84,407. Net Profit after Tax stood at ₹ 1,11,68,449. As per RBI guidelines, Realized Net Profit of ₹ 83,76,337 (Net of 25% transferred to Statutory Reserve Fund i.e. ₹ 27,92,112) was transferred towards creation of additional IFR.

Note 31: Disclosure of Complaints

There are no customer complaints pending as on March 31, 2017.

Note 32: Contingent Liabilities

The quantum of Contingent liabilities in respect of Bank guarantees, Letters of credit, Forward contracts, Income Tax etc. are as under:

(Amount in ₹)

Particulars	Current Year	Previous Year
Bank Guarantees	31,10,40,463	32,16,26,720
Import Letters of Credit	5,06,85,300	0
Depositor Education and Awareness Fund (DEAF) *	12,35,33,491	10,95,04,355
Total	48,52,59,254	43,11,31,075

* This amount is already transferred to Reserve Bank of India, as per their Circular No. RBI/2013-14/614 DBOD.No.DEAF Cell. BC.114/30.01.002/2013-14 dated May 27, 2014 and the same is disclosed as Contingent Liability.

No provisions other than those made, have been considered necessary by the management in respect of disputed Tax Liabilities in view of judgments in favor of Bank. Further, certain deductions have been considered while working out tax provisions in respect of some claims under Income Tax Act based on management perception.

Note 33: Balance with other banks

Fixed Deposits with other Banks include deposits aggregating to ₹ 6,00,79,833 (Previous year to ₹ 7,21,01,209) lodged as margin money for issuance of guarantees in respect of correspondent business.



Note 34 : Capital commitments:

At March 31, 2017, estimated amount of contracts remaining to be executed on capital accounts amount to ₹ 6,36,51,900 (Previous year ₹ 1,63,10,000).

Note 35 :

Non-Banking Assets represents shares of JIK Industries Ltd., which were held since 10.01.2007. The same has been valued at Rs.0.70 per share (266970 shares) amounting to Rs.186879. The Bank has made full provision against this, which has been reflected under Provision for Other Impaired Assets.

Note 36 : Overdue Interest Reserve:

Upto 31st December 2010, the Bank was charging interest on NPA and was shown as Interest Receivable. The Overdue Interest Reserve for equal amount was made. Subsequent to 01.01.2011, the Bank had accounted for the interest on NPA on realization only and the Interest Receivable was maintained in memorandum account. The balance in Interest Receivable in NPA account as on 31.03.2017 was ₹ 2,02,20,390.

The Bank has ascertained an amount of ₹ 1,69,33,02,542 (P.Y ₹1,35,90,42,032) towards accrued interest on Non-Performing Advances as on the date of Balance Sheet which bank records in Memorandum Account.

Note 37 :

Particulars of Repo / Reverse Repo transactions are as under:

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Outstanding as 31.03.2017
Securities sold under Repo	0.00	75,65,60,833	53,84,32,694	45,89,19,750
Securities purchased under Reverse Repo	0.00	2,19,44,33,792	77,34,59,310	0.00

Note 38 :

During the Financial year, penalty levied by Reserve Bank of India (RBI) is nil (In previous year same was nil)

Note 39 :

The Bank has reclassified previous year figures to confirm to the current year's classification



Note 40: Disclosure Requirements as per RBI guidelines

Sr. No.	Particulars	Current Year (₹)	Previous Year (₹)
I)	Capital Adequacy Ratio (%)	11.55	13.63
	Tier I	7.14	8.48
	Tier II	4.41	5.15
	Increase/(Decrease) in CRAR % Over Previous Year	(2.08)	2.26
II)	Movement of CRAR		
	Total Capital Fund	1,27,21,97,000	1,35,06,64,000
	Total Capital Fund (% to RWA) – CRAR	11.55	13.63
	Incr/(Decr) in CRAR % Over Previous Year	(2.08)	2.26
	Tier I Capital	78,69,40,000	84,02,39,000
	Tier I Capital (% to RWA)	7.14	8.48
	Incr/(Decr) in Tier I Capital % Over Previous Year	(1.34)	0.09
	Tier II Capital	48,52,57,000	51,04,25,000
	Tier II Capital (% to RWA)	4.41	5.15
	Incr/(Decr) in Tier II Capital % Over Previous Year	(0.74)	2.17
	Risk Weighted Assets (RWA)	11,01,93,59,000	9,90,82,32,000
	Incr/(Decr) in RWA Over Previous Year	1,11,11,27,000	(63,48,01,000.00)
III)	Investments		
	Government /Approved securities		
	Book Value	8,64,36,23,910	5,72,90,20,550
	Face Value	7,71,50,00,000	5,25,00,00,000
	Market Value	8,15,40,25,000	5,70,12,00,000
	Other Trustee Securities		
	Book Value	0	0
	Face Value	0	0
	Market Value	0	0
	Shares in Co-Op. Institutions and Others	75,30,000	75,30,000
	Bonds of Public Sector Undertakings		
	Book Value	1,19,86,00,950	97,14,88,950
	Face Value	1,18,89,76,000	96,89,76,000
	Market Value	1,27,69,62,723	1,06,11,09,035
	Others	5,11,54,511	4,58,14,949



Sr. No.	Particulars	Current Year (₹)	Previous Year (₹)
	Total Book Value of Investments	9,90,09,09,371	6,75,38,54,449
	Total Face Value of Investments	8,96,26,60,511	6,27,23,20,949
	Total Market Value of Investments	9,48,96,72,235	6,81,56,53,984
IV)	Advance against Real Estate, Const. Business, Housing	2,51,41,79,000	2,13,07,02,000
V)	Advance against Shares and Debentures	7,70,000	9,31,000
VI)	Advance to Directors, their relatives, companies/ firms in which they are interested.		
	a) Fund Based	0	0
	b) Non fund based (Guarantees, LCs etc)	0	0
VII)	Cost of Deposits: Average Cost of Deposits	6.64%	7.18%
VIII)	NPAs		
	a) Gross NPAs	1,35,99,34,958	1,16,05,57,396
	b) Net NPAs	54,28,58,106	46,20,31,883
IX)	Movement in NPAs		
	a) Balance at the beginning of the year	1,16,05,57,958	95,52,63,061
	b) Additions during the year	34,46,70,000	47,36,02,066
	c) Reductions during the year	14,52,93,000	26,83,07,169
	d) Balance at the end of the year	1,35,99,34,958	1,16,05,57,958
X)	Profitability		
	a) Interest Income as % of Working Funds	6.56	8.06
	b) Non-Interest Income as % of Working Funds.	0.47	0.59
	c) Operating Profit as % of Working Funds	0.54	0.62
	d) Return on Assets	0.04	0.09
	e) Average Business (Deposits+Advances)per Employee	7,66,56,033	7,11,96,505
	f) Profit/ (Loss) per Employee	26783	52,024



Sr. No.	Particulars	Current Year (₹)	Previous Year (₹)
XI)	Prov made towards NPAs, Depreciation in Investments, etc in the year Net of writebacks		
	a) Provision towards NPAs (BDDR)	13,21,91,000	13,76,46,000
	b) Provision towards OIR	(34,86,054)	(25,81,000)
	c) Provision for Depreciation on Investments	4,70,43,260	65,00,000
	d) Provision for Standard Assets	28,82,000	44,56,000
	e) Other Provisions	12,06,166	(50,070)
XII)	Movement in Provisions		
	a) Towards NPAs (BDDR)		
	As at the beginning of the year	69,85,25,513	56,08,79,513
	Add: Net Additions/(deductions)during the year	11,85,51,340	13,76,46,000
	As at the end of the year	81,70,76,853	69,85,25,513
	b) Towards NPAs (OIR)		
	As at the beginning of the year	2,39,70,514	2,65,51,514
	Less: Utilized/Write off during the year	37,50,124	25,81,000
	As at the end of the year	2,02,20,390	2,39,70,514
	c) Towards Depreciation on Investments		
	As at the beginning of the year	90,12,850	25,12,850
	Add: Net Additions/(deduction) during the year	4,70,43,260	65,00,000
	As at the end of the year	5,60,56,110	90,12,850
	d) Towards Standard Assets		
	As at the beginning of the year	5,99,02,000	5,54,46,000
	Add: Net Additions/(deduction) during the year	28,82,000	44,56,000
	As at the end of the year	6,27,84,000	5,99,02,000
	e) Towards Other Impaired Assets		
	As at the beginning of the year	1,22,26,092	1,22,76,162
	Add: Net Additions/(deduction) during the year	12,06,166	(50,070)
	As at the end of the year	1,34,32,258	1,22,26,092
XIII)	Foreign Currency Assets and Liabilities	Not Applicable	Not Applicable
XIV)	DICGC Premium paid upto	September-17	September-16



Note 41 :

Issuer Composition of Non-SLR Investments as at March 31, 2017

No.	Issuer	Amount (₹)	Extent of 'below Investment grade' Securities (₹)	Extent of 'unrated' Securities (₹)	Extent of 'unlisted' Securities (₹)
1.	PSUs	1,19,86,00,950 (97,14,88,950)	0 (0)	0 (0)	0 (0)
2	FIs	0 (0)	0 (0)	0 (0)	0 (0)
3	Public Sector Banks	0 (0)	0 (0)	0 (0)	0 (0)
4	Mutual Funds	0 (0)	0 (0)	0 (0)	0 (0)
5	Others	0 (0)	0 (0)	0 (0)	0 (0)
	Total	1,19,86,00,950 (97,14,88,950)	0 (0)	0 (0)	0 (0)
6	Provision held towards depreciation	0 (0)	0 (0)	0 (0)	0 (0)

(Figure in brackets pertains to previous year)

Note 42: Non-Performing Non-SLR Investment

Particulars	Current Year (₹)	Previous Year (₹)
Opening Balance	0	0
Additions during the year since 1st April	0	0
Reductions during the above period	0	0
Closing Balance	0	0
Total provisions held	0	0



Note 43: Details of loans subjected to restructuring during the year ended March 31, 2017

(Amount in ₹)

Sr. No.	Particulars		Housing Loan	SME Debt Restructuring	Others
1	Standard advances restructured	No. of Borrowers	-	-	-
		Amount outstanding	-	-	-
		Diminution in the fair value	-	-	-
2	Sub-standard advances restructured	No. of Borrowers	-	-	-
		Amount outstanding	-	-	-
		Diminution in the fair value	-	-	-
3	Doubtful advances restructured	No. of Borrowers	-	-	-
		Amount outstanding	-	-	-
		Diminution in the fair value	-	-	-
	Total	No. of Borrowers	-	-	-
		Amount outstanding	-	-	-
		Diminution in the fair value	-	-	-

Note 44: Movement in DEAF Accounts during the year ended March 31, 2017

Particulars	Current Year (₹)	Previous Year (₹)
Opening balance of amounts transferred to DEAF	10,95,04,355	8,44,33,392
Add: Amounts transferred to DEAF during the year	1,57,24,841	2,51,46,067
Less: Amounts reimbursed by DEAF towards claims	16,95,705	75,104
Closing balance of amounts transferred to DEAF	12,35,33,491	10,95,04,355

Signature On Notes On Accounts

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Reg. No. 106655W

FOR JANAKALYAN SAHAKARI BANK LTD

(A. V. Kamat)
Partner
M. No. 39585
(Statutory Auditors)

C.N. Vaze
Chairman

S.V. Kelkar
Vice-Chairman

K.R. Bagade
Director

S.K. Hegde
Director

Shriram Date
Chief Executive Officer

Place: Mumbai
Dated: 21.07.2017



POSITION AT A GLANCE

Name of the Bank	JANAKALYAN SAHAKARI BANK LTD. (Scheduled Bank)
Head Office Address	Vivek Darshan, 140, Sindhi Society, Chembur, Mumbai - 400 071.
Date of Registration	BOM/BNK/134 of 29th May 1974.
Date & No. of RBI Licence	UBD/MH/910 P dated 09.11.1987
Jurisdiction	Entire State of Maharashtra

(Rs. in lakh)

Particulars		As on 31st March 2017
No. of branches including H.O.		26 + 1 Extn. Counter
Membership	Regular	56352
	Nominal	7424
Paid Up Share Capital		5693.38
Total Reserves & Funds		21108.71
Deposits	Saving	67756.95
	Current	13589.28
	Fixed	143565.84
Advances	Secured	151979.11
	Unsecured	3257.42
	Total % to Priority Sector	17.75
	Total % Weaker Section	2.97
Borrowings	D.C.C. Bank	0.00
	M.S.C. Bank	0.00
	Others	51767.58
Investments	D.C.C. Bank (Shares)	0.01
	M.S.C. Bank (Shares)	0.41
	M.S.C. Bank (FDs)	1.50
	Others (FDs)	25225.22
Overdue (Percentage)		9.28%
Net NPAs (%)		3.69%
CRAR (%)		11.55%
Audit Classification		"A"
Profit / Loss for the year		111.68
Permanent Staff (Nos.)	Officers	174
	Clerks	200
	Sub-Staff	43
Total Staff (Nos.)		417
Working Capital		308739.51

As per our report of even date

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Reg. No. 106655W

(A. V. Kamat) Partner

M. No. 39585

(Statutory Auditors)

Place: Mumbai, Dated: 21.07.2017

FOR JANAKALYAN SAHAKARI BANK LTD

C.N. Vaze

Chairman

K.R. Bagade

Director

S.V. Kelkar

Vice-Chairman

S.K. Hegde

Director

Shriram Date

Chief Executive Officer



Directors' Attendance for Board Meetings held from 01.04.2016 to 31.03.2017

Sr No.	Name of the Director	No of Board Meetings Attended
1.	Shri C. N. Vaze - Chairman	14
2.	Shri S. V. Kelkar - Vice Chairman	10
3.	Shri K. R. Bagade	13
4.	Shri V. V. Dandekar	14
5.	Shri T. V. Deshmukh	14
6.	Shri S. K. Hegde	9
7.	Shri S. R. Kamble	12
8.	Mrs. U. D. Karambelkar	12
9.	Shri N. B. Pawar	8
10.	Mrs. M. H. Bhatkar	8
11.	Shir A. P. Gondarkar	13
12.	Shri K. V. Murarka	11
13.	Shri M. K. Salekar	14
14.	Shri N. I. Thapar	12
15.	Shri V. P. Vaidya	13
16.	Shri P. L. Patil - Staff Director (From 31.03.2017)	1
17.	Shri B.Y. Dhargalkar - Staff Director (From 31.03.2017)	1

Total No. of Board Meetings Held : 14

Introducing Janakalyan Bank RuPay Platinum Debit Card



- Withdraw Cash through over 2.25 Lakhs ATMs across India
- Online Shopping, Online Booking
- Shop and pay through Card (Point of Sale - PoS)
- Domestic Airport Lounge access at 30+ lounges
- International Airport Lounge access at 500+ lounges
- Monthly 5% Cashback on utility bill payments
- ₹ 2 Lakhs Personal Accidental Insurance
- Enjoy regular merchant offers



(Scheduled Bank)

**JANAKALYAN
SAHAKARI BANK LTD.**

Come and See the Change...

Corporate Off : "Vivek Darshan", 140 Sindhi Society, Chembur, Mumbai – 400 071
Tel: 25222582 / 25264101/02 • Fax: 25230266