

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



**जनकल्याण**  
**सहकारी बँक लि.**  
एकदा प्रत्यक्ष भेटा, बदल अनुभवा...

## वार्षिक सर्वसाधारण सभेची सूचना

याद्वारे जनकल्याण सहकारी बँक लिमिटेडच्या सभासदांना (भागधारकांना) अशी सूचना देण्यात येत आहे की बँकेची ४५वी वार्षिक सर्वसाधारण सभा बुधवार दिनांक १९ सप्टेंबर २०१८ रोजी सायंकाळी ५.०० वाजता राष्ट्रीय शिक्षण संशोधन मंडळ, यशवंत भवन, पांडुरंग बुधकर मार्ग, मुंबई - ४०० ०१३ येथे खाली नमूद केलेले कामकाज करण्यासाठी आयोजित केली आहे.

१. मंगळवार दिनांक २२ ऑगस्ट २०१७ रोजी झालेल्या ४४व्या वार्षिक सर्वसाधारण सभेचे इतिवृत वाचून मंजूर करणे.
२. दिनांक ३१ मार्च २०१८ रोजी पूर्ण झालेल्या वर्षातील बँकेच्या कामकाजाचा संचालक मंडळाने सादर केलेला अहवाल तसेच लेखापरिक्षकांनी तपासलेल्या वर्ष २०१७-१८ च्या नफा तोटा पत्रकास व दिनांक ३१-०३-२०१८ चे अखेरच्या ताळेबंदास संमती देणे व लेखा परिक्षक मे. गोखले अँड साठे, चार्टर्ड अकौंटंट्स यांनी सादर केलेल्या परिक्षण अहवालाची नोंद घेणे.
३. आर्थिक वर्ष २०१७-१८ मध्ये झालेल्या नफ्यासह एकूण शिल्लक नफ्याच्या प्रस्तावित विनियोगाला मान्यता देणे.
४. मे. मुकुंद एम. चितळे अँड कं., चार्टर्ड अकौंटंट्स लेखा परिक्षक यांनी सन २०१६-१७ वर्षासाठी दिलेल्या लेखा परिक्षण अहवालावरील दुरुस्ती अहवालाची दखल घेऊन तो मंजूर करणे.
५. महाराष्ट्र सहकारी संस्था अधिनियम १९६० च्या कलम ७५ (२अ) अन्वये आर्थिक वर्ष २०१८-१९ साठी लेखा परिक्षकांची नेमणूक करणे.
६. आर्थिक वर्ष २०१८-१९ साठी अंतर्गत व समकालीन लेखा परिक्षकांची केलेली नेमणूक मंजूर करून कायम करणे.
७. कर्मचारी भरती नमुनापद्धती (पॅटर्न) संदर्भात निबंधक, सहकारी संस्था आणि सहकार आयुक्त, पुणे यांचे द्वारे जारी केलेल्या परिपत्रकांतील दिलेल्या दिशेनुसार बँकेने केलेल्या कार्यवाहीची नोंद घेणे व त्यासंबंधीच्या प्रस्तावास मंजूरी देणे.
८. उपविधी क्र. ५८ उपनियम "ड बाबतच्या सद्यपरिस्थितीची नोंद घेणे.
९. 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.
१०. बँकेच्या दीर्घकालीन यथार्थ आराखड्याचे संदर्भातील संचालक मंडळाच्या प्रस्तावाची नोंद घेऊन आर्थिक वर्ष २०१८-१९ साठी बँकेच्या वार्षिक अंमलबजावणी आराखड्याला मान्यता देणे.
११. वैधानिक लेखापरिक्षकांनी प्रमाणित केलेली संशयित व बुडीत येणे बाकी संबंधीत व्यक्तींकडून करावयाच्या वसुलीचे सर्व अधिकार अबाधित ठेऊन, निर्लेखित करण्यास मान्यता देणे.
१२. बँकेचे संचालक आणि त्यांच्या नातेवाईकांना दिलेल्या कर्ज आणि अग्रिम यांच्या माहितीची नोंद घेणे.
१३. अध्यक्षांच्या परवानगीने येणारे इतर विषय.

संचालक मंडळाच्या आदेशानुसार

श्रीराम दाते

मुख्य कार्यकारी अधिकारी

मुंबई, दि. ५ सप्टेंबर २०१८

## 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 'रॅक्ट. मंदिर' 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 ११ सप्टेंबर २०१८ किंवा त्यापूर्वी म्हणजे ७ दिवस आधी पोहोचतील अशा रितीने सादर कराव्यात जेणे करून बँकेला सदर माहिती उपलब्ध करून देता येईल.
३. सभेच्या नियोजितवेळी सभास्थानी गणसंख्या अपूरी असल्यास, सदर सभा तहकूब करून ती सभा 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 ३१ मार्च २०१५ चा लाभांश काही सभासदांनी अजून त्यांच्या खात्यात जमा करून घेतलेला नाही. त्यांनी तो ३० सप्टेंबर २०१८ पर्यंत वटविणे आवश्यक आहे. अन्यथा न वटवलेला लाभांश उपविधी क्र. ५८ नुसार सदर लाभांशाची रक्कम राखीव निधीत जमा केली जाईल.
५. जे सभासद सभेला उपस्थित राहतील त्यांनी सभास्थानी असलेल्या हजेरीपटावर तसेच उपस्थिती निदर्शक पत्रावर सही करावी. तसेच वार्षिक सर्वसाधारण सभेला हजर राहिल्याचा पुरावा म्हणून सदर 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 पूढीलपैकी 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 आम्हाला कळवावा म्हणजे आपल्याशी संपर्क साधणे शक्य होईल.

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



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

## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting of the Members (Shareholders) of Janakalyan Sahakari Bank Limited will be held on Wednesday the 19th of September 2018 at 5.00 p.m. at Rashtriya Shikshan Sanshodhan Mandal, Yashwant Bhavan, Pandurang Budhkar Marg, Mumbai-400 013 to transact the following business:

1. To read and confirm the Minutes of the 44th Annual General Meeting held on Tuesday the 22nd August 2017;
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, 2018 and Profit and Loss Account for the financial year ended March 31, 2018, duly audited and to take note of the Audit Report submitted by M/s Gokhale & Sathe, Chartered Accountants & Auditors;
3. To approve appropriation of profit for the financial year ended 31st March 2018;
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 2016 – 2017;
5. To appoint the Auditors as per Sec 75(2A) of the Maharashtra Co-Operative Societies Act, 1960 for the financial year 2018-2019 and authorize the Board to fix their remuneration;
6. To confirm the appointment of Internal / Concurrent Auditors for the financial year 2018-19;
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 note the status of amendment of Bye – Law no. 58(d);
9. To note the status in respect of 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;
10. To consider the Long Term Perspective Plan and approve the Annual Operational Plan for the Financial Year 2018-19;
11. 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;
12. To note the details of the Loans and Advances to Directors and their relatives extended by the Bank;
13. Any other business with the permission of the Chair.

**By Order of the Board of Directors**

**Date: 5th September 2018**

**Shriram Date  
Chief Executive Officer**

### 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.jks-bl.com](http://www.jks-bl.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 11th September 2018 i.e., seven days in advance, 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 ended March 31, 2015, 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 atleast one service of the Bank by maintaining deposit account or availing loan of minimum amount as prescribed in Bye-Law No. 15 and attend atleast one General Body Meeting in previous five consecutive years, so has to be at 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	2015-16	% Incr/ (Decr) Over Previous Year	2016-17	% Incr/ (Decr) Over Previous Year	2017-18	% Incr/ (Decr) Over Previous Year
1	SHARE CAPITAL	58.52	(3.37)	56.93	(2.72)	55.21	(3.02)
2	DEPOSITS	2,094.01	4.69	2,249.12	7.41	2,236.69	(0.55)
3	LOANS AND ADVANCES	1,476.28	1.88	1,552.37	5.15	1,565.48	0.84
4	BUSINESS MIX	3,570.29	3.51	3,801.49	6.48	3,802.17	0.02
5	PERFORMING ADVANCES	1,360.22	0.49	1,416.37	4.13	1,437.51	1.49
6	INVESTMENTS	675.39	13.14	990.09	46.60	984.96	(0.52)
7 a)	LOW COST DEPOSIT (SB/CA)	678.25	4.15	813.46	19.94	794.30	(2.36)
7 b)	LOW COST DEPOSIT (SB/CA)% with Total Deposits	32.39	(0.52)	36.17	11.67	35.51	(1.81)
8	NETWORTH	98.69	(2.23)	94.48	(4.27)	100.96	6.86
9	CRAR %	13.63	19.88	11.55	(15.26)	9.23	(20.09)
10	GROSS NPA %	7.86	19.27	8.76	11.45	8.17	(6.74)
11	NET NPA %	3.29	16.25	3.69	12.16	3.67	(0.54)
12	OPERATING PROFIT	15.68	(1.57)	16.61	5.93	26.06	56.89
13	NET PROFIT / (LOSS)	2.26	-	1.12	-	5.23	-
14	ACCUMULATED PROFIT / (LOSS)	15.22	-	15.37	-	15.37	-
15	TOTAL ASSETS	2,539.92	8.31	3,089.46	21.64	2,946.68	(4.62)
16	WORKING CAPITAL	2,537.42	8.33	3,080.84	21.42	2,944.57	(4.42)
17	COST OF DEPOSIT (%)	7.18	(2.18)	6.64	(7.52)	6.18	(6.93)
18	NET INTEREST INCOME	56.77	(1.85)	58.26	2.62	70.87	21.64)

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.



## 45<sup>th</sup> 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 45th Annual General Meeting of the Bank. The Directors are pleased to present the Annual Report on the business and operations of the Bank together with the Audited Accounts for the Financial Year ended March 31, 2018.

### Economic Scenario:

After a prolonged slowdown, the global economy recorded a growth of 3.3% in FY2017-18 and is expected to remain at 3.7% in FY2019. Emerging markets have performed better with growth at 4.5% in 2017-18 moving towards 4.7% in FY2018-19. In comparison, our country's GDP growth is expected to bounce back to 7.5% in fiscal 2019, from a low base of 6.5% in fiscal 2018, driven by consumption. Export growth, held back in fiscal 2018 due to domestic disruptions, is expected to recover, taking advantage of the improving global trade and GDP growth. Structural changes implemented since the last couple of years viz. GST, RERA, and Benami Transactions (Prohibition) Amendment Act are expected to result in more robust GDP growth in due course.

During FY2017-18, RBI kept the Cash Reserve Ratio unchanged at 4.00%. However, it cut the Repo rate by 25 bps in August 2017 from 6.25% to 6.00%. In the current FY2018-19, the RBI has increased the Repo rate by 25 bps on two occasions in June 2018 and August 2018 and the Repo rate at present is 6.50%. Consequently, Reverse Repo at present stands adjusted to 6.25% and Marginal Standing Facility (MSF) and Bank Rate were adjusted to 6.75%. Inflation, both CPI and WPI remained under control in the range of 4% (+/-2) during FY2018 and expected to remain between 4- 5 % in FY2019. However, external factors like rising oil prices may lead to inflationary pressures and rising interest rates. The interest rates during the first three quarters of FY 2017-18 were trending low whereas during the last quarter many banks raised the rates on retail as well as bulk deposits.

There are clear signs of revival in investment activity as reflected in the sustained expansion in capital goods production and rising imports. The recapitalisation of public sector banks and the implementation of the Insolvency and Bankruptcy Code will help speed up resolution of non-performing assets. Continued growth in consumption demand will raise capacity utilisation, which will help trigger investments. Export growth is expected to catch up with the continued recovery in global trade which is expected to grow by 3.7% in 2018.

Risks are however predicted on account of increasing trade tensions, protectionist tariff policies, unstable oil prices, strained geo – politics and looming threat of trade sanctions resulting in excessive market volatility.

The Indian banking sector witnessed a tumultuous period of the last few years on account of rising stressed assets. Strong regulatory action, recognition of the issue and consequent corrective measures taken by banks are likely to restrict further slippages. The Insolvency and Bankruptcy Code (IBC) has initiated a robust process for resolution of stressed assets and prevent further accumulation.

Following unexpected events, RBI discontinued the practice of issuance of LoUs / LoCs for Trade Credits for imports into India resulting in increased borrowing costs for importer and further introduced the concept of Legal Entity Identifier (LEI) for large corporate borrowers.

Retail credit and personal loan segment witnessed higher growth compared to corporate lending. With growing digitization of banking operations / transactions and increased thrust on financial inclusion, there was a surge in unauthorized transactions and in July 2017, RBI introduced customer protection norms laying down guidelines for strengthening systems and procedures, reporting unauthorized transactions by customers, limiting liability and directing setting up of a Compensation Policy by banks. The customer protection norms were made applicable to co-operative banks in December 2017.

### Future Outlook:

On the domestic front, south-west monsoon has recovered after a brief spell of deficiency in the second half of June. But the unprecedented floods in the state of Kerala in the second week of August will negatively impact the state's GDP growth and have a short term negative impact on other sectors such as tourism, FMCG goods and insurance companies are likely to have large claims under general and life insurance.

Financial markets continue to be driven mainly by monetary policy stances in major advanced economies and geopolitical tensions. Looking ahead, the Banking Sector's key concern over high level of stressed assets is likely to be addressed under



the new framework of the IBC that provides for time bound resolution in the next couple of years. The recent recapitalization of public sector banks will further strengthen their Balance Sheets in addition to expected improvement in performance. Robust cyber security and data integrity firewalls are key challenging factors whereas technology, analytics, data management and mining are key enablers for diversified growth, risk mitigation, new product development and direct delivery platforms to customers.

In this backdrop, the highlights of the Bank's Financial Performance during FY2017-18 are as under:-

(₹ in lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Share Capital</b>	<b>5,521</b>	<b>5,693</b>
<b>Reserve Fund &amp; Other Funds</b>	<b>15,014</b>	<b>21,109</b>
<b>Deposits</b>	<b>2,23,669</b>	<b>2,24,912</b>
Saving	66,194	67,757
Current	13,236	13,589
Term	1,44,239	1,43,566
<b>CASA (%)</b>	<b>35.51</b>	<b>36.17</b>
<b>Advances</b>	<b>1,56,548</b>	<b>1,55,237</b>
<b>Business Mix</b>	<b>3,80,217</b>	<b>3,80,149</b>
<b>Gross Non-Performing Assets</b>	<b>12,796</b>	<b>13,599</b>
<b>Net Non-Performing Assets</b>	<b>5,474</b>	<b>5,429</b>
<b>Investments</b>	<b>98,496</b>	<b>94,420</b>
<b>Working Capital</b>	<b>3,00,110</b>	<b>3,08,740</b>
<b>Net Worth</b>	<b>10,096</b>	<b>9,448</b>
<b>CRAR (%)</b>	<b>9.23</b>	<b>11.55</b>
<b>Operating Profit</b>	<b>2,606</b>	<b>1,661</b>
<b>Net Profit</b>	<b>523</b>	<b>112</b>



#### SHARE CAPITAL:

The paid-up share capital of the Bank as on 31.03.2018 stood at ₹5,521 lakh showing net decrease of ₹172 lakh over previous year's level. During the year, the Bank had issued fresh capital of ₹385 lakh consequent to incremental lending whereas capital refunded, amounted to ₹557 lakh. As regards refund of share capital, there is a ceiling of 10% of capital outstanding as on last Balance Sheet date as per the provision of the Bank's Bye-Law No.22. The Share Refund Policy of the Bank ensures compliance with this requirement. While it is proposed to approve the refund requests upto the prescribed ceiling, with the disbursement of loans projected during FY2018-19, 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 57,992 as on 31.03.2018, as compared to 56,352 at the beginning of the financial year. However, out of these, 19,757 Members are holding less than 100 shares and as resolved at the previous Annual General Meeting of the Bank, will be refunded value of their share – holding during the course of the current year.

#### RESERVE FUND AND OTHER FUNDS:

The Total Reserves and other Funds were at ₹15,014 lakh as on 31.03.2018. Statutory Reserve was provided as per RBI guidelines and showed increase of ₹134 lakh. Investment Depreciation Reserve increased by ₹1364 lakh due to rise in yields and fall in 'Marked to Market' valuations of Government Securities in the Bank's AFS / HFT portfolio. Also provision for Investment Fluctuation Reserve of ₹392 lakh was made as required for the securities held in the AFS and HFT portfolio by way of appropriation of Net Profit after transfer to Statutory Reserve and the total balance held in this Reserve was ₹1250 lakh. As on 31st March, 2018 IFR requirement was of ₹2170 lakh resulting in a deficit of ₹920 lakh.

During the year, the Bank has written off Bad Debts utilizing Bad Debt Reserve to the extent of ₹1196 lakh as per approval of the last AGM. Provision attracted on account of fresh slippages and downgradation was ₹347 lakh only compared to ₹1322 lakh in FY2016-17 due to better recovery performance registering a decline of ₹975 lakh. Consequently the Bad and Doubtful Debts Reserve stands at ₹7,322 lakh as on 31.03.2018 compared to ₹8,170 lakh as on 31.03.2017. In addition, incremental provision of ₹64 lakh was made towards Standard assets. The Bank was further required to make provision of ₹75 lakh towards non-performing Non-SLR investment made by the Bank in Apex Co-operative Bank Ltd.

In alignment with Accounting Standard 10 (AS10) and AS 6, the Bank was carrying Fixed Assets other than Premises at cost less accumulated depreciation. Premises were stated at revalued amount less accumulated depreciation. Upto FY2016-17, the Bank had reduced revaluation reserve by the amount of depreciation at the rate of 10% per year. Now, in the current financial year 2017-18, Bank has adopted cost model in alignment with the amended AS 10 and brought down all the Fixed Assets including Premises at cost less accumulated depreciation value after reversing Revaluation Reserve.

The amended AS 10 for Property Plant and Equipment, as issued by the ICAI has become applicable to the Bank with effect from the financial year FY 2017-18 in consideration, of which the Bank has felt it fit to adopt the 'cost model' as specified in Para 33 of AS 10 for all assets including premises. Consequently, as required by the new AS 10, the brought forward Revaluation Reserve has been adjusted against the brought forward carrying value of premises. This has no impact on the Profit & Loss Account. Depreciation on the carrying value has been entirely debited to the Profit and Loss account as prescribed by AS 10.

The Members Welfare Fund (MWF) decreased by ₹0.32 lakh due to medical re-imbursement and education awards paid as per the MWF Scheme of the Bank.

The sum result was that there was decrease of ₹6,095 lakh in total reserves over the previous year's level.

#### DEPOSITS:

Deposit growth was sluggish throughout the year across the industry. The Bank took a considered decision to maintain the deposit level in keeping with the muted credit offtake, as a result of which the total deposits of the Bank marginally decreased. This helped to cut interest costs contributing to profitability.

The share of CASA was ₹79,430 lakh and percentage share of CASA was at 35.51% which is lower than the CASA share of 36.17% in the previous year. The fall in CASA can be partially attributed to withdrawal of deposits made post - demonetization. The interest rates remained at subdued level in the first three quarters of FY2017-18 and showed a rising trend in the fourth quarter. The Term Deposits increased only marginally by ₹673 lakh (0.47%) year-on-year as the Bank continued to offer competitive interest rates compared to its peers. The cost of deposits was at 6.18% in FY2017-18 compared to 6.64 % in the previous year due to repricing of Term Deposits on renewal at lower rates.

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 advances of the Bank witnessed marginal growth of ₹1,311 lakh during the year while the share of performing advances increased from ₹1,41,637 lakh as on 31.03.17 to ₹1,43,751 lakh as on 31.03.2018.

The outstanding advances at the end of both the years included lending under CBLO, without which core advances were at ₹1,12,202 lakh (FY2017-18) and ₹1,04,393 lakh (FY2016-17) respectively indicating increase of ₹7,809 lakh.

In the current financial year, the Bank proposes to follow strategy to focus on Small and Medium Scale Enterprises as also to maintain focus on vehicle, housing and personal loans. Various initiatives have been taken to improve the visibility and brand image of the Bank which will help increase the credit portfolio.

The Credit Deposit ratio was maintained at 49.25% through the year (46.79% in the previous year) and at the year – end it was 69.99% including CBLO lending as against 69.02% in FY2016-17. The lending to Priority Sector as on 31.03.2018 was at 14.20% of the total Advances and at 21.12% on Core Advances as compared to the prescribed norm of 40%. After revised guidelines on Priority Sector lending came into force w.e.f. 01.04.2018, the ratio is expected to improve. The Bank shall endeavor to increase Core Advances with focus on Priority Sector lending to meet the specified norm at the earliest.

The Bank offers services pertaining to Foreign Exchange and Bank Guarantees through Lines of Credit established with Bank of Baroda, Karnataka Bank Ltd., TJSB Ltd. and Saraswat Co-operative Bank Ltd. During the year under review, the income earned from this activity was to the tune of ₹103 lakh as compared to ₹80 lakh in the FY 2016-17.

#### ASSET QUALITY:

The Bank continued its untiring efforts on speedy recovery of the non – performing loans with the complete involvement of the employees and active support of the Board. During the year, the total recovery of Non-Performing Assets was at ₹4,192 lakh (Principal ₹2,224 lakh and Interest ₹551 lakh). This recovery also includes amount of ₹1,277 lakh written off during the year and recovery of ₹140 lakh in old written-off accounts. There was net addition of principal outstanding of Rs.2,688 lakh in Gross Non - Performing Assets which decreased by ₹803 lakh.

In percentage terms, the Gross NPA as on 31.03.2018 decreased to 8.17 % as compared to 8.76% on 31.03.2017. The Net NPA was noted at 3.67% as on 31.03.2018 as compared to 3.69% as on 31.03.2017. During the year ended March 2018, recovery proceedings were initiated u/s 101 of MSC Act, 1960 in 65 accounts involving claim amount of ₹1,759 lakh. The awards/decrees received during the year were 52 with the amount of claim at ₹2,226 lakh. As on 31.03.2018, number of awards on hand was 363 with aggregate outstanding of ₹4,765 lakh.

Vigorous 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. It has also been decided to acquire assets attached at Reserve Price/Upset Price, if auctions do not yield desired results. You will be pleased to know that all these efforts have yielded very good results and in first four months of the current year, recovery of ₹2,857 lakh has been effected.

#### NET WORTH:

The Net Worth of the Bank has increased to ₹10,096 lakh as on 31.03.2018 from ₹9,448 lakh as on 31.03.2017. The increase in the Net Worth of ₹648 lakh is due to net effect of decrease in net paid up share capital of ₹172 lakh, lower DTA creation of ₹230 lakh compared to the previous year and increase in the Statutory Reserve of ₹134 lakh, Investment Fluctuation Reserve of ₹392 lakh combined with decrease in the Members Welfare Fund by ₹0.32 lakh thereby leading to net increase in the Reserves by ₹526 lakh. Similarly, there was an increase in the Contingent Provision for Standard Assets by ₹64 lakh. Consequently, the Net Worth has shown an increase of ₹648 lakh during FY2017-18 as compared to earlier year. The Net Worth excluding IFR and CPSA i.e. assessed as per RBI has increased to ₹8,155 lakh as on 31.03.18 from ₹7,962 lakh as on 31.03.2017.

#### TREASURY & INVESTMENTS:

The financial year 2017-18 started on a positive note as the Monetary Policy Committee (MPC) of the RBI in its first bi-monthly policy maintained status quo on policy rates. However MPC flagged risk of higher inflation on account of HRA impact and likely El Nino effect on monsoon and this impacted market dynamics and yield hardened by 18 basis points. In June 2018, bi-monthly policy the RBI tone was less hawkish which favoured bond markets as it signaled the rate cut in next policy and before the third bi-monthly policy, the yields were trading at around 6.40-6.45 range. As expected by the market participants, RBI reduced REPO rate in its August policy. However, in the minutes of the MPC, though RBI maintained its neutral stance, which again raised concerns over inflation and apprehension of increase in policy rates in FY 2017-18. This dampened the sentiment of the market participants, further fueled by various domestic and international factors. In this background, overall second half of the FY 2017-18 was very poor for the debt markets and from September 2017 to March 2018, the yield hardened by 80 basis points taking benchmark yield from 6.60% to 7.40%. The adverse yield movement was so intense that RBI was forced to provide relief



in provisioning of IDR/ IFR to Commercial Banks which however was not made applicable for co-operative Banks. The adverse movement of yield during the FY2017-2018 from 6.40% to 7.40% even after 25 basis Repo rate cut ended in additional provisioning of ₹1,365 lakh for the FY 2017-18 adversely affecting the profitability.

The investment portfolio excluding Fixed Deposits has increased to ₹98,496 lakh (Repo:Nil) as on 31.03.2018 compared to ₹94,420 lakh ( including Repo: ₹4,589 Lakh) in the previous year, due to increased investment in Government Securities of ₹6,778 lakh and decrease in bonds of public sector units of ₹2,701 lakh. The average investment was lower at ₹1,16,766 lakh (₹1,20,791 lakh in FY2016-17) during the year. The interest income from investment amounted to ₹9,278 lakh in FY2017-18 as compared ₹9,163 lakh in the previous year.

Trading profit from securities was at ₹296 lakh (previous year : ₹314 lakh). The Yield on investment portfolio reduced marginally to 7.54 % in the FY 2017-18 from 7.59% in the FY 2016-17 due to falling interest rate scenario.

#### WORKING CAPITAL:

As on 31.03.2018, the Working Capital of the Bank was ₹2,94,457 lakh as compared to ₹3,08,740 lakh as on 31.03.2017 indicating decline of 4.63% compared to growth of 21.67% in the previous year. This was mainly due to decline in deposits of ₹1243 lakh and borrowings of ₹6,297 lakh.

#### CAPITAL ADEQUACY RATIO:

The CRAR percentage has decreased to 9.23% during FY2017-18 as compared to 11.55% last year. This was mainly due to net decrease of ₹2,818 lakh in Tier II capital elements comprising mainly of decrease in eligible Revaluation Reserve of ₹3,274 lakh, increase in General Reserve of ₹63 lakh and increase in the Investment Fluctuation Reserve by ₹392 lakh. Tier I capital elements show an increase of ₹193 lakh mainly on account of increase in Reserves & Surplus of ₹134 lakh and decrease in Intangible Assets by ₹231 lakh on account of Deferred Tax Assets and decrease in issued share capital by ₹172 lakh. The CRAR though lower at 9.23% 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	2017-18	% To Total Income	2016-17	% To Total Income
Interest & Discount	20,950	92.83	20,238	92.72
Commission & Exchange	161	0.71	127	0.58
Other Receipts	1,457	6.46	1,323	6.70
<b>TOTAL INCOME</b>	<b>22,568</b>	<b>100.00</b>	<b>21,688</b>	<b>100.00</b>
<b>B. EXPENDITURE</b>				
Interest on Deposits & Borrowings	13,864	61.43	14,412	66.80
Salaries & Allowances	3,620	16.04	3,249	15.06
Other Establishment Expenses	2,478	10.98	2,366	10.96
<b>TOTAL EXPENDITURE</b>	<b>19,962</b>	<b>88.45</b>	<b>20,027</b>	<b>92.82</b>
<b>C. OPERATING PROFIT</b>	<b>2,606</b>	<b>11.55</b>	<b>1,661</b>	<b>7.66</b>
<b>D. PROVISIONS</b>	<b>1,853</b>	<b>8.21</b>	<b>1,820</b>	<b>8.39</b>
<b>E. TAXES (Income + Deferred)</b>	<b>230</b>	<b>1.02</b>	<b>(271)</b>	<b>(1.25)</b>
<b>F. NET PROFIT (C – D - E)</b>	<b>523</b>	<b>2.32</b>	<b>112</b>	<b>0.52</b>
<b>TOTAL (B + D + E + F)</b>	<b>22,568</b>	<b>100.00</b>	<b>21,688</b>	<b>100.00</b>



The Interest pay-out during FY2017-18 was lower by 3.80% as the deposit growth was constrained during the year owing to market conditions and the studied decision of the Bank to maintain deposit level in line with the loan disbursals.

On the other hand, the Interest Income was ₹20,950 lakh compared to ₹20,238 lakh (increase by 3.52%) due to growth in advances while interest income from Investment increased due to increase in the investment portfolio by 4.32% though yield on investment reduced marginally. Commission and Exchange as well as Other receipts show an increase during the year mainly comprising of recovery in accounts written off earlier. Profit on Sale of investments was lower during the year due to volatile market conditions.

Operating expenditure i.e. salaries and allowances and other operating expenses showed increase of ₹484 lakh (8.61%) compared to the previous year FY2016-17 which was mainly due to Payments / Provisions made for employee related expenditure and Amortization of premium for securities held in the Bank's HTM Investment portfolio as per RBI guidelines.

The net result of all these factors was increase in Operating Profit at ₹2,606 lakh compared to ₹1,661 lakh in the previous year (i.e. higher by ₹945 lakh). Operating Profit as a percentage of Total Income improved to 11.55% compared to 7.66% in the previous year.

The provisioning during the year shows a marginal increase of 1.81%. Though net BDDR attracted was lower by ₹975 lakh, due to higher IDR of ₹893 lakh and other additional provisions required the net additional provisioning required was ₹33 lakh. After accounting for Deferred Tax Asset created arising from BDDR / OIR, there was Net Profit in FY2017-18 of ₹523 lakh compared to Net Profit of ₹112 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 31<sup>st</sup> March 2018 is ₹523 lakh. Total Profit available for appropriation including balance carried forward works out to ₹2,060 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	31.03.2018	31.03.2017
Profit / (Loss) as per last Balance Sheet	1,537	1,522
Profit for the year (as per Profit & Loss A/c)	523	112
Add: Excess Provision Transferred from Dividend Payable Account	-	15
Less: Transferred to Statutory Reserve	131	28
Less: Transferred to Investment Fluctuation Reserve	392	84
Profit carried forward	1,537	1,537

The profit generated from operations during the year is not adequate to fulfill the Investment Fluctuation Reserve (IFR) requirement of ₹2,170 lakh. Considering the earlier balance in the IFR, after appropriation, there will be shortfall of ₹920 lakh. The profit carried forward from FY2016-17 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.

#### CUSTOMER EDUCATION:

The Bank conducted awareness program and arranged lectures by experts in respect of new GST guidelines use of technology and digitization of banking operations for the education of existing and potential customers

#### BUSINESS EXPANSION and BRAND BUILDING:

Bank used to get good business from co-operative credit societies. The Chairman and the Vice Chairman toured Raigad and Ratnagiri districts and met with the officials of various Co-operative Societies to understand their needs and difficulties so as to rebuild rapport for mutual benefit. The Bank is in the process of improving its digital presence through Social Media such as Twitter, FB and Linked In where information of bank products and financial information is being posted to engage customers. The Bank took the initiative to convert plain ATM card to Debit card which can be used at Merchant outlets. Campaign was carried out to increase POS and E-Comm transactions by customers and the Bank tied up with NPCI for offering incentives for increasing POS transactions and introduced cash back schemes for use of the Bank's debit card holders. The Bank sponsored felicitation of notable artists which helped to create goodwill and promote recall value of the Bank's brand image.



As part of social responsibility and in support of the plastic ban, tree plantation drives were carried out and 'Go Green' initiatives were launched for distribution of alternatives like jute bags.

### **HUMAN RESOURCES**

The Bank appreciates the vital role played by employees in the progress of the Bank and employees are valuable assets of the organization and key to success.

Post conclusion of the Memorandum of Settlement of non-Management and Management employees in FY2016-17, the salary revisions and service conditions were made effective in FY2017-18. During the year, staff was recruited at various levels and the Bank also appointed Management trainees bringing good resources as assets to the Bank. Promotions were carried out for middle management level and process to promote other employees has been initiated to encourage eligible employees to take higher responsibility. The Bank has also undertaken the exercise of documenting job roles across the organization to bring clarity and focus. Certain HR processes were mechanized through implementation of the HRMS software. Employees were empowered through training on various topics related to Behavioural skills, Operations, Information Technology, Customer Service and Banking Developments etc.

### **TECHNOLOGY INITIATIVES**

The Bank has undertaken / proposed various technology based initiatives to enhance customer service and improve efficiency in back office operations as under :-

- Mobile Banking Services were made available to Bank's customers through Android and IOS mobile APPs.
- Funds Transfer facility within Bank and across other Bank Accounts through IMPS – Immediate Payment System through Mobile Banking App.
- e-LOBBY set –up with deployment of additional equipment i.e. Cash Deposit Machines, Multipurpose KIOSK, Automated Teller Machine (ATMs) at few more branches.
- Audit Compliance software for Internal and Concurrent Audit activities.
- Online Liquidity Module for Treasury Department.
- Internet Banking (View only) facilities for Bank's Customers.
- Centralized KYC Registry for CKYC facilities to Bank's Customers.
- RuPay – Platinum Debit Cards with additional facilities to Bank's Customers.
- Connection with customers on major Social platforms like FaceBook, Twitter, LinkedIn.

The following initiatives are proposed

- Incorporation of GST related features in Core Banking Solution (CBS)
- Upgradation to Browser based Core Banking Solution (CBS-OMNI 3.0)
- Software for Management Information System (MIS)
- Software for Fixed Assets Management

### **AUDIT & INSPECTION**

#### **STATUTORY AUDIT:**

Gokhale & Sathe Chartered Accountants, were appointed as Statutory Auditors at the Annual General Meeting of the Bank held on 22.08.2017 for the financial year 2017-18. The Audit for FY2017-18 was concluded on 31.07.2018. Independent Auditors Report presented by the Statutory Auditors is printed in the Annual Report.

The Bank has been assigned 'A' rating for FY2017-18.

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 Joshi & Karandikar, Chartered Accountants have been appointed as Internal Auditors of Head Office Departments for Financial Year 2017-18. 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 Committee of Board which provides guidance and undertakes review and directs action on audit remarks while ensuring compliance of statutory prescriptions.



#### **SYSTEMS AUDIT:**

The Bank had appointed Sanjay & Snehal, Chartered Accountants for undertaking Information Systems Audit for Financial year 2017-18. The audit report has been received and the compliance has been submitted. 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 31.03.2017 in September 2017. The report of the Inspecting Officer was received and the compliance report was submitted within the specified time. The Inspection with reference to the financial position of the Bank as of 31.03.2018 by RBI will commence in due course.

#### **APPOINTMENT OF STATUTORY AUDITOR:**

Gokhale & Sathe, Chartered Accountants were appointed as Statutory Auditors under Section 75(2A) of the MCS Act for the financial year 2017-18 and being eligible have offered for re-appointment as Statutory Auditors. The resolution for their appointment will be moved under agenda Item no.5 of the notice.

#### **AMENDMENT OF BYE LAWS**

##### **BYE LAW NO.11 – MINIMUM SHARE HOLDING**

The amended Bye Laws became effective from 23.02.2015 according to which a person has to hold minimum 100 shares to be a member. At the Annual General Meeting of the Bank held on 21.08.2015, the time limit for subscription for additional shares was given upto 31.03.2017 and again at the Annual General meeting held on 22.08.2017, final extension of time was given upto 31.03.2018 to enable the members to comply with the Bye Law requirement of holding the minimum number of shares. It was further resolved at the Annual General Meeting of 22.08.2017, that those Members who fail to comply with the Bye Law, will be refunded the capital held by them. Accordingly the Board of Directors in its meeting held on 12.07.2018 has approved refund of the value of shares of 19,757 Members holding less than 100 shares (as on 31.03.2018).

##### **BYE – LAW NO. 58 (d) - UNCLAIMED DIVIDEND**

The Bank had proposed amendment of Bye Law no.58 (d) to enable the Members to claim the undrawn dividend which was approved by Annual General Meeting on 22.08.2017. The proposed amendment was submitted for approval to the Commissioner of Co-operation who has denied the proposed amendment. In keeping with Bye-Law No. 58 (d), the Bank is required to transfer the unclaimed dividend for FY2012-13 to the Reserve Fund.



#### **BOARD OF DIRECTORS:**

The present Board of Directors took charge from 08.06.2015 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.

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 formulates policies keeping in view the guidelines issued by the Reserve Bank and State / Central Government, exercising overall supervision and control. The present Board of Directors of the Bank will hold office upto June 2020.

Shri C. N. Vaze who was elected as the Chairman by newly constituted Board, expressed his desire relinquish the post due to his pre-occupation other professional commitments. After his resignation was accepted by the Board on 17/10/2017, Shri S.V. Kelkar was unanimously elected as the Chairman and Shri K.R. Bagade was unanimously elected as the Vice Chairman. Shri S. V. Kelkar is a practising Chartered Accountant since 1996 specialising in Direct and Indirect Taxation and audit of all types of Assessee including banks. He was an active member of ABVP during his college days and was elected as University Representative during 1987. He was elected as District General Secretary of Bhartiya Janata Party (North Central Mumbai) and was held many responsible posts in Bhartiya Janata Party. Due to his association with the Bank since many years, Shri Kelkar is thoroughly versed with the Bank's affairs, its customers and share-holders.

Shri K. R. Bagade has been on the Board of Directors since 15 years and is a qualified Law Graduate. He was an active ABVP member during his college days and has devoted some years for ABVP work. He was the Sangh Chalak of Rashtriya Swayamsevak Sangh for Mahad city. He is active in social work since last 37 years especially in rural area of Konkan and was the President of Janakalyan Blood Bank in Mahad which is the first such blood bank in a remote and rural area. He has extended his contribution for sports area in State level Kabaddi and Volley Ball tournaments.

During the year, training was arranged for the Directors conducted by Sahakar Bharati on relevant topics such as 'Recovery – Process & Techniques' by the District Deputy Registrar – Shri Sonawane which helped the Directors to understand the intricacies and solutions. Besides some Directors also attended training programs individually on subjects such as Leadership Development.

During the year, the Bank has appointed Dr. Abhijit Phadnis as Advisor / Consultant to the Board for implementing transformational agenda to crystallise short-term and long-term vision alongwith action plan. Dr. Abhijit Phadnis is a renowned professional consultant who has done similar assignments for many organisations such as TJSB Ltd., Aditya Birla Group, Indian Institute of Technology, Bombay etc. Under the guidance of Dr. Abhijit Phadnis the task of formulating Vision and Mission and charting road map of action has been completed. The implementation and action plan is being monitored by the Vision Sub-Committee.

Shri Prashant Pole who is a renowned IT consultant and is associated with many co-operative Banks in that capacity, is appointed as IT Consultant and gives valuable guidance for all related IT related decisions particularly security aspects and systems.

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.

#### **ANNUAL OPERATIONAL PLAN FOR THE FINANCIAL YEAR 2018 -19:**

In the current financial year, the Bank will continue emphasis on maximum recovery of Bad Debts by focusing on identified Non – Performing accounts. The Bank recognizes the enhanced importance of Credit Mobilization as also Credit Monitoring to restrict slippages to Non-Performing category for which purpose a new department to focus on marketing and monitor functioning of non-traditional channels and technology-based initiatives including ATM, Mobile Banking, Internet Banking, Digital Banking and other e-Channels has been set up.

At the same time, the Bank will focus on increasing lending to credit-worthy MSME and Priority Sector advance accounts. The Bank has undertaken business expansion and brand building exercise which will prove beneficial in reaching out to new clientele and identifying opportunities. Close watch will be maintained on the market scenario to be in tune with the industry trend, rationalize the interest rates on deposits and advances, maximize trading opportunities to garner profit and introduce new products to attract customers. Detailed budget will be presented at the Annual General Meeting.



#### LONG TERM PERSPECTIVE PLAN:

In the last Annual Report it was proposed to chart out Long Term Perspective Plan for period commencing from 01.04.2018. As mentioned earlier in this report, this process has been initiated under the guidance of Dr. Abhijit Phadnis. A new Vision Statement indicating Management's Long Term Perspective has been crystallized. With the encouraging recovery performance recorded in first four months of the current year, we are confident to achieve the bench marks prescribed by RBI well before 31.03.2019 and Bank shall move on growth path with confidence while implementing the action plan in tune with its Long Term Perspective Plan.

#### 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 ₹1000 cr.) are as under:-

	Parameter	Criteria
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 31.03.2018, the Bank has complied in this regard. The status in this respect and the proposed Staffing Pattern will be placed at the Annual General Meeting.

#### EDUCATION AND TRAINING TO MEMBERS:

It will be the Bank's endeavor to offer 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 as and when announced by the Bank considering that restricted number of seats are available in the Bank's training Centre, where the programs will be held in the future.



### ACKNOWLEDGEMENTS:

The Board of Directors express their sincere thanks to -

- The Registrar & Commissioner for Co-operative Societies, Divisional Joint Registrar, Co-operative 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., State Bank of India, TJSB 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 is also grateful for the contributions made by the Members of the previous Board in putting the Bank on the path of consolidation.

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**

**S.V. Kelkar**  
**Chairman**

Date: 05.09.2018

### Important information

1. The initiative of the Bank to issue identity cards to all the Members has not received the desired response from the Members. New Members who have not collected their I-Cards are once again requested to collect the identity cards from the respective branches. Members who have not applied for I-Card may do so at the Branch or Head Office.
2. 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.
3. 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.
4. Unclaimed Dividend : Members are requested to note that dividend for the year ended March 31, 2015, if not drawn on or before 30<sup>th</sup> September 2018 will be forfeited by the Bank and credited to the Reserve Fund in terms of Bye-Law no.58 (d).



Balance Sheet as at March 31, 2018

(Amount in ₹)

	Capital and Liabilities	Notes	Current Year	Previous Year
A	Share Capital	1	55,21,48,180	56,93,37,540
B	Reserve Fund and Other Reserves	2	1,50,13,62,893	2,11,08,71,171
C	Profit and Loss Account	3	15,37,09,768	15,37,09,768
D	Principal/Subsidiary State		-	-
E	Partnership Fund Deposits		-	-
F	Deposits	4	22,36,69,16,115	22,49,12,07,964
G	Borrowings	5	4,54,70,46,834	4,71,78,38,463
H	Securities sold under RBI - REPO/REPO		-	45,89,19,750
I	Bills for Collection as per Contra		8,66,262	4,65,257
J	Branch Adjustment (Net)		17,53,715	7,32,473
K	Overdue Interest Reserve	6	2,02,20,390	2,02,20,390
L	Interest Payable		1,95,51,612	2,31,06,467
M	Other Liabilities & Provisions	7	30,31,75,105	34,82,27,527
	<b>Total</b>		<b>29,46,67,50,874</b>	<b>30,89,46,36,770</b>
N	<b>CONTINGENT LIABILITIES</b>	<b>32</b>	<b>79,81,41,830</b>	<b>48,52,59,254</b>



(Amount in ₹)

	Assets	Notes	Current Year	Previous Year
A	Cash and Bank Balances with RBI, SBI and State & Central Co-op Bank	8	1,47,35,32,676	2,10,38,88,424
B	Balances with Other Banks	9	1,69,94,54,762	1,72,01,14,108
C	Money at Call & Short Notice	10	-	9,99,56,868
D	Investments	11	9,84,96,03,149	9,44,19,89,621
E	Securities sold under RBI - REPO/REPO		-	45,89,19,750
F	Deferred Tax Asset	28	26,31,96,271	28,62,54,434
G	Advances	12	15,65,47,85,774	15,52,36,52,738
H	Interest Receivable	13	27,93,72,144	27,52,43,063
I	Bills for Collection as per Contra		8,66,262	4,65,257
J	Branch Adjustment (Net)		-	-
K	Fixed Assets	14	11,39,38,222	83,92,56,351
L	Other Assets	15	12,98,37,969	14,47,09,277
M	Non-banking assets acquired in satisfaction of Claims	35	21,63,645	1,86,879
	Total		29,46,67,50,874	30,89,46,36,770
N	SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS	1 to 44		

As per our report of even date

For GOKHALE & SATHE  
Chartered Accountants  
Firm Reg. No. 103264W

(Ms. Gauri S. Bedekar) Partner  
M. No. 108207  
(Statutory Auditors)  
Place: Mumbai, Dated: 31.07.2018

FOR JANAKALYAN SAHAKARI BANK LTD

S.V. Kelkar  
Chairman

K.R. Bagade  
Vice-Chairman

C.N.Vaze  
Director

S.K. Hegde  
Director

Shrikant Kadam  
Chief Executive Officer



**Profit & Loss Account for the year ended March 31, 2018**

(Amount in ₹)

	Particulars	Notes	Current Year	Previous Year
<b>I</b>	<b>Income</b>			
	Interest earned	16	2,09,50,24,994	2,02,38,17,929
	Other Income	17	16,17,45,757	14,49,89,853
	<b>Total</b>		<b>2,25,67,70,751</b>	<b>2,16,88,07,782</b>
<b>II</b>	<b>Expenditure</b>			
	Interest expended	18	1,38,63,50,457	1,44,12,19,949
	Operating expenses	19	60,98,21,215	56,14,56,035
			<b>1,99,61,71,672</b>	<b>2,00,26,75,984</b>
<b>III</b>	<b>Operating Profit</b>		<b>26,05,99,079</b>	<b>16,61,31,798</b>
	Less: Provision and Contingencies	20	18,52,70,884	18,55,51,426
	Add: Provisions no longer Required	21	-	34,86,054
<b>IV</b>	<b>Profit Before Tax</b>		<b>7,53,28,195</b>	<b>(1,59,33,574)</b>
	Less: Current Tax		-	1,44,81,668
	Less: Tax for Previous Year		-	5,10,641
	(Add)/Less : Deferred Tax		2,30,58,163	(4,20,94,332)
<b>V</b>	<b>Net Profit for the year carried to Balance Sheet</b>		<b>5,22,70,032</b>	<b>1,11,68,449</b>
<b>VI</b>	<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS</b>	<b>1 to 44</b>		
	<b>Basic and Diluted Earning Per Share (EPS)</b>		<b>0.92</b>	<b>0.19</b>

As per our report of even date

For GOKHALE & SATHE  
Chartered Accountants  
Firm Reg. No. 103264W

(Ms. Gauri S. Bedekar) Partner  
M. No. 108207  
(Statutory Auditors)  
Place: Mumbai, Dated: 31.07.2018

FOR JANAKALYAN SAHAKARI BANK LTD

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Chairman

K.R. Bagade  
Vice-Chairman

C.N.Vaze  
Director

S.K. Hegde  
Director

Shrikant Kadam  
Chief Executive Officer



**Cash Flow Statement for the year ended March 31, 2018**

(Amount in ₹)

Particulars	Current Year	Previous Year
Cash Flows from Operating Activities:		
Profit Before Tax	7,53,28,195	(1,59,33,574)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation on bank's property	2,33,46,389	2,60,36,866
(Profit) / Loss on sale of assets	7,81,838	1,01,100
Amortisation of Premium on Investments	2,75,78,950	1,92,97,844
Provisions and Contingencies	18,52,70,885	18,20,65,372
<b>Cash Flow before adjustment for Working Capital Changes</b>	<b>31,23,06,257</b>	<b>21,15,67,608</b>
Adjustments for changes in working capital:		
Increase / (Decrease) in Deposits	(12,42,91,848)	1,55,11,19,684
Increase / (Decrease) in Borrowings	(62,97,11,379)	3,90,40,94,701
Increase / (Decrease) in Interest Payable	(35,54,856)	(2,80,04,547)
(Increase) / Decrease in Interest Receivable	(41,29,082)	(3,29,74,057)
(Increase) / Decrease in Other Assets	84,71,082	(2,57,68,059)
Increase / (Decrease) in Other Liabilities and Provisions	(4,60,05,251)	(2,89,29,521)
(Increase) / Decrease in Investments	2,37,27,272	(3,16,63,52,766)
(Increase) / Decrease in Advances	(25,07,22,210)	(77,45,08,345)
Cash Flow after adjustment for Working Capital Changes	<b>(71,39,10,015)</b>	<b>1,61,02,44,698</b>
Less: Taxes Paid / (Refunds Received)	(64,00,226)	(78,88,533)
Net Cash flow from operating activities (A)	<b>(70,75,09,789)</b>	<b>1,61,81,33,231)</b>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(2,67,02,166)	(2,78,04,293)
Sale of Fixed Assets	4,29,353	25,49,844
Net Cash flow from Investing activities (B)	<b>(2,62,72,813)</b>	<b>(25,254,449)</b>
Cash Flows from Financing Activities:		
Share Capital issued (Net)	(1,71,89,360)	(1,58,13,150)
Net Cash flow from Financing activities (C)	(1,71,89,360)	(1,58,13,150)
Net Increase in Cash & Cash Equivalents D = (A + B + C)	<b>(75,09,71,962)</b>	<b>1,57,70,65,632</b>
Cash & Cash Equivalents at the beginning of the year	3,92,39,59,400	2,34,68,93,768
Cash & Cash Equivalents at the end of the year	<b>3,17,29,87,438</b>	<b>3,92,39,59,400</b>



**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	1,47,35,32,676	2,10,38,88,424
Balances with Other Banks	1,69,94,54,762	1,72,01,14,108
Money at Call & Short Notice	00	9,99,56,868
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>3,17,29,87,438</b>	<b>3,92,39,59,400</b>
NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS	1 to 44	

As per our report of even date

**For GOKHALE & SATHE**  
Chartered Accountants  
Firm Reg. No. 103264W

(Ms. Gauri S. Bedekar) Partner  
M. No. 108207  
(Statutory Auditors)  
Place: Mumbai, Dated: 31.07.2018

FOR JANAKALYAN SAHAKARI BANK LTD

**S.V. Kelkar**  
Chairman

**K.R. Bagade**  
Vice-Chairman

**C.N.Vaze**  
Director

**S.K. Hegde**  
Director

**Shrikant Kadam**  
Chief Executive Officer



## NOTES ON ACCOUNTS FORMING PART OF FINANCIAL STATEMENTS

### Note 1 - Share Capital

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	<b>Authorised Capital</b> 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.	<b>Issued, Subscribed &amp; Paid-up Capital</b> 5,52,14,818 (P.Y. 5,69,33,754) shares of Rs. 10/- each	55,21,48,180	56,93,37,540

### Note 2 - Reserve Fund and Other Reserves

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	<b>Statutory Reserve</b>		
	(a) Opening Balance	22,73,86,613	22,43,01,001
	(b) Additions during the year (Transferred from P&L A/c)	1,30,67,508	27,92,112
	(c) Additions during the year (Membership / Entrance Fee)	3,11,100	2,93,500
		24,07,65,221	22,73,86,613
II.	<b>Building Fund</b>	7,27,61,200	7,27,61,200
III.	<b>Dividend Equalisation Fund</b>	75,00,000	75,00,000
IV.	<b>Members Welfare Fund</b>		
	(a) Opening Balance	18,09,271	18,62,846
	(b) Deductions during the year	(31,910)	(53,575)
		17,77,361	18,09,271
V.	<b>Investment Depreciation Reserve</b>		
	(a) Opening Balance	5,60,56,110	90,12,850
	(b) Net Additions during the year	13,63,79,250	4,70,43,260
		19,24,35,360	5,60,56,110
VI.	<b>Bad &amp; Doubtful Debt Reserve</b>		
	(a) Opening Balance	81,70,76,853	69,85,25,513
	(b) Net Additions during the year	3,47,12,546	13,21,91,000
	(c) Deductions during the year (Written off)	(11,95,89,173)	(1,36,39,660)
		73,22,00,226	81,70,76,853
VII.	<b>Non-Performing Investment Reserve</b>		
	(a) Opening Balance	-	-
	(b) Additions during the year	75,29,000	-
		75,29,000	-



(Amount in ₹)

	Particulars	Current Year	Previous Year
VIII.	<b>Revaluation Reserve</b>		
	(a) Opening Balance	72,74,62,716	80,82,91,906
	(b) Deductions during the year (Note 14)	-	(8,08,29,190)
	(c) Reversal during the year	72,74,62,716	-
		-	<b>72,74,62,716</b>
IX.	<b>Contingent Provision Against Standard Assets</b>		
	(a) Opening Balance	6,27,84,000	5,99,02,000
	(b) Additions during the year	63,73,593	28,82,000
		<b>6,91,57,593</b>	<b>6,27,84,000</b>
X.	<b>Investment Fluctuation Reserve</b>		
	(a) Opening Balance	8,58,05,408	7,74,29,071
	(b) Additions during the year	3,92,02,524	83,76,337
		<b>12,50,07,932</b>	<b>8,58,05,408</b>
XI.	<b>Special Reserve</b>		
	(a) Opening Balance	22,29,000	-
	(b) Additions during the year	-	22,29,000
		<b>22,29,000</b>	<b>22,29,000</b>
XII.	<b>Special Contingency Reserve (SCR)</b>		
	(a) Opening Balance	5,00,00,000	5,00,00,000
		<b>5,00,00,000</b>	<b>5,00,00,000</b>
	<b>Total I to XII</b>	<b>1,50,13,62,893</b>	<b>2,11,08,71,171</b>

### Note 3 - Profit & Loss Account

(Amount in ₹)

	Particulars	Current Year	Previous Year
	Appropriation subject to AGM Approval		
	Profit / (Loss) as per last Balance Sheet	15,37,09,768	15,21,86,300
	Add: Profit for the year (as per Profit & Loss A/c)	5,22,70,032	1,11,68,449
	Add: Excess provision for Dividend (Write Back)	-	15,23,468
	Less: Transferred to Statutory Reserve @25%	1,30,67,508	27,92,112
	Less: Transferred to Investment Fluctuation Reserve	3,92,02,524	83,76,337
		<b>15,37,09,768</b>	<b>15,37,09,768</b>



#### Note 4 - Deposits

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	<b>Term Deposits</b>		
	(i) From Individuals	12,67,01,72,660	13,10,27,93,877
	(ii) From Central Co-op. Banks	-	-
	(iii) From Other Societies	1,74,55,59,613	1,24,48,51,434
		<b>14,41,57,32,273</b>	<b>14,34,76,45,311</b>
II.	<b>Saving Bank Deposits</b>		
	(i) From Individuals	6,56,74,53,758	6,53,83,90,372
	(ii) From Central Co-op. Banks	-	-
	(iii) From Other Societies	5,19,56,449	23,73,04,866
		<b>6,61,94,10,207</b>	<b>6,77,56,95,238</b>
III.	<b>Current Deposits</b>		
	(i) From Individuals	1,30,98,00,925	1,35,16,08,689
	(ii) From Central Co-op. Banks	-	-
	(iii) From Other Societies	1,37,85,358	73,19,557
		<b>1,32,35,86,283</b>	<b>1,35,89,28,246</b>
IV.	<b>Matured Deposits</b>	<b>81,87,352</b>	<b>89,39,169</b>
	<b>Total (I to IV)</b>	<b>22,36,69,16,115</b>	<b>22,49,12,07,964</b>

#### Note 5 - Borrowings

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	<b>Loans from other Sources</b>		
	CBLO Borrowings	3,19,63,39,928	2,24,89,18,713
	Borrowings from Other Banks		45,89,19,750
	Call Money Borrowing / Overdraft against FDs	1,35,07,06,906	2,01,00,00,000
	<b>Total</b>	<b>4,54,70,46,834</b>	<b>4,71,78,38,463</b>

#### Note 6 - Overdue Interest Reserve

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	<b>Overdue Interest Reserve</b>		
	(a) Opening Balance	2,02,20,390	2,39,70,514
	(b) Deduction during the year	-	(34,86,054)
	(c) Deduction during the year (Written off)	-	(2,64,070)
	<b>Total</b>	<b>2,02,20,390</b>	<b>2,02,20,390</b>



**Note 7 - Other Liabilities & Provisions**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	E-Payment of Govt. Taxes	45,81,032	79,04,180
II.	Service Tax / GST	1,27,285	7,14,564
III.	Expenses Payable	2,29,51,936	6,90,45,129
IV.	Payorders Payable	6,55,81,454	8,80,93,807
V.	Sundry Creditors	2,08,68,834	3,11,98,380
VI.	Provision for Taxes	3,79,40,907	3,99,02,613
VII.	Provision for Other Impaired Assets	1,32,28,325	1,34,32,258
VIII.	Provision for Gratuity	1,64,09,951	62,78,510
IX.	Provision for Leave Encashment	6,71,35,721	6,15,08,907
X.	Sundry Liability (Interest Capitalisation - Funded Term Loan)	35,68,028	37,74,139
XI.	Others	5,07,81,632	2,63,75,040
	<b>Total (I to XI)</b>	<b>30,31,75,105</b>	<b>34,82,27,527</b>

**Note 8 - Cash and Bank Balances**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Cash on Hand	13,93,97,854	15,51,05,861
II.	Balances with Reserve Bank of India		
	(a) In Current Account	96,38,06,996	1,08,49,66,226
	(b) In Other Account (Fixed Deposit)	-	-
		<b>96,38,06,996</b>	<b>1,08,49,66,226</b>
III.	Balances with State Bank of India and Nationalised Banks		
	(a) In Current Account	58,29,401	1,85,01,899
	(b) In Other Account (Fixed Deposit)	35,53,56,964	84,04,02,705
		<b>36,11,86,365</b>	<b>85,89,04,604</b>
IV.	Balances with State and Central Co-operative Banks		
	(a) In Current Account	89,91,461	47,61,733
	(b) In Other Account (Fixed Deposit)	1,50,000	1,50,000
		<b>91,41,461</b>	<b>49,11,733</b>
	<b>Total (I to IV)</b>	<b>1,47,35,32,676</b>	<b>2,10,38,88,424</b>



**Note 9 - Balances with Other Banks**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Balances with other Banks		
	(a) Current deposits	12,73,977	3,79,94,787
	(b) Saving bank deposits	-	-
	(c) Fixed deposits	1,69,81,80,785	1,68,21,19,321
	<b>Total</b>	<b>1,69,94,54,762</b>	<b>1,72,01,14,108</b>

**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
	(b) With other Institutions	-	-
	<b>Total</b>	<b>-</b>	<b>9,99,56,868</b>

**Note 11 - Investments**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	In Central & State Government Securities	8,86,44,20,160	8,18,47,04,160
	Face Value Rs.8,41,25,00,000 (P.Y. Rs. 7,71,50,00,000)		
	Market Value Rs.8,61,72,19,700 (P.Y. Rs.8,15,40,25,000)		
II.	In other Approved Securities	-	-
III.	In Shares of Co-operative Institutions	75,30,000	75,30,000
IV.	In Debentures and Bonds	92,84,79,950	1,19,86,00,950
	Face Value Rs.91,89,76,000 (P.Y. Rs.1,18,89,76,000)		
	Market Value Rs.97,43,85,816 (P.Y. Rs.1,27,69,62,723 )		
V.	Others (Refer note below)	4,91,73,039	5,11,54,511
	(In mutual fund units)		
	<b>Total (I to V)</b>	<b>9,84,96,03,149</b>	<b>9,44,19,89,621</b>

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



**Note 12 - Advances**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	<b>Short Term Loans (Cash Credit, Overdrafts &amp; Bill Disc.)</b>		
	of which secured against		
	Govt. & Other Approved Securities	4,63,48,32,425	5,27,44,80,448
	Other Tangible Securities	4,07,49,42,256	3,94,92,38,043
	Unsecured Advances	9,10,455	9,88,068
	of which, Overdue Rs.74,09,79,024 (P.Y 85,51,33,649)		
	of which NPA Rs.69,91,30,550 (P.Y 83,73,90,084)	8,71,06,85,136	9,22,47,06,559
II.	<b>Medium Term Loans</b>		
	of which Secured against		
	Govt. & other Approved Securities	1,88,21,995	1,87,40,611
	Other Tangible Securities	5,03,84,50,674	4,74,84,97,437
	Unsecured Advances	46,14,93,339	32,47,53,956
	of which, Overdue Rs.58,08,12,787 (P.Y 55,46,46,072)		
	of which NPA Rs.54,58,09,246 (P.Y 49,48,08,480)	5,51,87,66,008	5,09,19,92,004
III.	<b>Long Term Loans</b>		
	of which Secured against		
	Govt.& other Approved Securities	-	-
	Other Tangible Securities	1,42,53,34,630	1,20,69,54,175
	Unsecured Advances	-	-
	of which, Overdue Rs.3,73,73,551 (P.Y 3,04,04,511 )		
	of which NPA Rs.3,47,07,885 (P.Y 2,77,36,394)	1,42,53,34,630	1,20,69,54,175
	Total NPA is Rs. 1,27,96,47,682 ( P.Y.1,35,99,34,958) and adequately provided for as per RBI norms for NPAs.		
	<b>Total (I to III)</b>	<b>15,65,47,85,774</b>	<b>15,52,36,52,738</b>

**Note 13- Interest Receivable**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	<b>Interest Receivable</b>		
	(a) from Performing Advances	7,86,52,624	7,50,06,311
	(b) from Performing Investments	18,04,99,130	18,00,16,362
	(c) from Non-Performing Advances	2,02,20,390	2,02,20,390
	<b>Total</b>	<b>27,93,72,144</b>	<b>27,52,43,063</b>



**Note 14 - Fixed Assets**

(Amount in ₹)

Assets Description	Gross Block					Depreciation				Net Block	
	Opening Balance	Additions	Sale/ Transfer / Write off	Adjustment of Revaluation Reserve	Closing Balance	Opening Balance	For the year ended 31.03.2018	Sale/ Transfer / Write off	Closing Balance	WDV as on 31.03.2018	WDV as on 31.03.2017
	Cost as on 01.04.2017	01.04.2017 to 31.03.2018			Cost as on 31.03.2018	As on 01.04.2017			Closing Balance		
ATM	95,58,815	34,07,575	28,46,467		1,01,19,923	58,59,887	12,00,807	22,32,793	48,27,901	52,92,022	36,98,928
Premises	1,06,24,28,577	0	27,64,95,400	72,74,62,715	5,84,70,462	30,59,78,128	28,98,774	27,64,95,400	3,23,81,502	2,60,88,960	75,64,50,449
Computer Hardware	4,12,95,539	15,93,914	5,69,882		4,23,19,571	3,42,63,846	43,83,527	5,69,755	3,80,77,618	42,41,953	70,31,693
Computer Software	2,77,29,679	35,63,102	0		3,12,92,780	2,30,11,873	37,42,596	0	2,67,54,469	45,38,312	47,17,806
Civil Work	2,38,36,014	44,53,211	0		2,82,89,225	85,70,298	17,49,240	0	1,03,19,538	1,79,69,687	1,52,65,716
Dead Stock	1,21,11,112	14,10,741	0		1,35,21,854	45,89,711	8,41,362	0	54,31,073	80,90,781	75,21,401
Electrical Fittings	88,39,842	21,55,170	0		1,09,95,013	30,22,266	6,89,828	0	37,12,094	72,82,919	58,17,576
Furniture & Fixtures	2,60,66,586	48,33,917	0		3,09,00,503	89,74,000	19,51,671	0	1,09,25,671	1,99,74,832	1,70,92,586
Motor Vehicles	29,05,091	0	0		29,05,091	5,81,018	4,64,814	0	10,45,832	18,59,259	23,24,073
Networking	31,64,996	0	0		31,64,996	31,64,964	0	0	31,64,964	32	32
Office Equipment	3,65,99,403	43,43,102	8,17,410		4,01,25,096	1,96,97,841	47,80,216	6,34,378	23,8,43,679	1,62,81,417	1,69,01,562
Tenancy Rights	12,500	0	0		12,500	12,500	0	0	12,500	0	0
UPS	71,81,716	9,41,433	10,76,871		70,46,277	47,47,187	6,43,554	6,62,512	4728,229	23,18,048	24,34,529
Total	1,26,17,29,870	2,67,02,166	28,18,06,029	72,74,62,715	27,91,63,292	42,24,73,519	2,33,46,389	28,05,94,838	165225,070	11,39,38,222	83,92,56,351
Previous Year	1,24,31,80,047	2,78,04,293	92,54,469	0	1,26,17,29,870	32,22,10,989	10,68,66,056	66,03,526	42,24,73,519	83,92,56,351	

	Depreciation for the year includes the following	Current Year	Previous Year
1	Depreciation on account amount of revaluation of premises (adjusted in Revaluation Reserve)	0	80,829,190
2	Depreciation for the year (debited to Profit & Loss Account)	23,346,389	26,036,866
	<b>Total</b>	<b>23,346,389</b>	<b>1,06,866,056</b>



**Note 15 - Other Assets**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Stationery	24,32,260	27,23,246
II.	Stamps	68,784	62,163
III.	Locker Rent Receivable	1,04,533	121,767
IV.	Processing Charges Receivable	5,88,725	-
V.	Sundry Debtors	29,85,115	60,08,996
VI.	Deposit for Leased Premises	1,46,81,940	1,27,25,940
VII.	Other Deposits	1,52,17,461	1,45,66,641
VIII.	Prepaid Expenses	16,91,737	25,01,117
IX.	Other Misc. Assets	9,98,353	5,21,293
X.	Advance Tax	7,54,23,541	8,18,23,767
XI.	Other Advances	76,34,594	1,87,81,150
XII.	Interest Receivable - Others	25,56,746	48,73,197
XIII.	GST Input	54,54,180	-
	<b>Total (I to XIII)</b>	<b>12,98,37,969</b>	<b>14,47,09,277</b>

**Note 16 - Interest Earned**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Interest/discout on advances/bills	1,16,70,47,412	1,10,75,40,981
II.	Income on Investments	92,79,77,582	91,62,76,948
	<b>Total (I to II)</b>	<b>2,09,50,24,994</b>	<b>2,02,38,17,929</b>

**Note 17 - Other Income**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Commission, Exchange and Brokerage	1,60,63,816	1,26,67,965
II.	Profit on sale of Investment	2,95,84,458	3,14,24,927
III.	Bad Debts Recovery	1,39,68,871	2,77,500
IV.	Other Misc. Income	10,21,28,612	10,06,19,461
	<b>Total (I to IV)</b>	<b>16,17,45,757</b>	<b>14,49,89,853</b>

**Note 18 - Interest Expended**

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Interest on Deposits	1,35,71,00,593	1,42,92,25,975
II.	Interest on Borrowings	2,92,49,864	1,19,93,974
	<b>Total (I to II)</b>	<b>1,38,63,50,457</b>	<b>1,44,12,19,949</b>



## Note 19 - Operating Expenses

(Amount in ₹)

	Particulars	Current Year	Previous Year
I.	Payment to and provisions for employees	36,19,95,396	32,49,49,511
II.	Directors Fees, allowance and expenes	19,94,125	19,40,750
III.	Rent, Rates, Taxes, Insurance, Lighting etc.	5,74,45,159	5,47,87,973
IV.	Legal charges	6,96,820	20,16,585
V.	Postage, Telegram & Telephone Charges	42,06,731	47,68,604
VI.	Audit Fees	23,61,250	24,36,750
VII.	Depreciation on bank's property	2,33,46,389	2,60,36,866
VIII.	Repairs to furniture & property	23,52,114	28,57,681
IX.	Printing & Stationery	40,71,007	45,38,780
X.	Advertisement & Publicity	1,09,68,940	1,34,13,744
XI.	Loss on sale/scrap of assets (Net)	7,81,838	1,01,100
XII.	Computer expenses	37,76,041	32,06,909
XIII.	Amortisation of Premium on Investment	2,75,78,950	1,92,97,844
XIV.	Other Expenses	10,82,46,455	10,11,02,938
	<b>Total (I to XIV)</b>	<b>60,98,21,215</b>	<b>56,14,56,035</b>

## Note 20 - Provisions & Contingencies

(Amount in ₹)

	Particulars	Current Year	Previous Year
I	Bad & Doubtful Debt Reserve (Net)	3,47,12,546	13,21,91,000
	(a) Provision during the year	22,56,29,071	13,53,57,000
	(b) Write back during the year	(19,09,16,525)	(31,66,000)
II.	Investment Depreciation Reserve (Net)	13,63,79,250	4,70,43,260
	(a) Provision during the year	13,63,79,250	4,70,43,260
	(b) Write back during the year	-	-
III.	Provision for Special Reserve	-	22,29,000
	(a) Provision during the year	-	22,29,000
	(b) Write back during the year	-	-
IV.	Provision for Non - Performing Investment	75,29,000	-
	(a) Provision during the year	75,29,000	-
	(b) Write back during the year	-	-
V.	Provision for Other Impaired Assets	2,76,495	12,06,166
	(a) Provision during the year	2,76,495	-
	(b) Write back during the year	-	-
VI.	Contingent Provision against Standard Assets	63,73,593	28,82,000
	<b>Total (I to VI)</b>	<b>18,52,70,884</b>	<b>18,55,51,426</b>

## Note 21 - Provision No Longer Required

(Amount in ₹)

	Particulars	Current Year	Previous Year
	Overdue Interest Reserve (Net)	-	34,86,054
	<b>Total</b>	<b>-</b>	<b>34,86,054</b>



## 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 (AS 9):

- (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 is appropriated net of applicable taxes and amount required to be transferred 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 (AS10 and AS6):**

- (i) Fixed assets are carried at cost less accumulated depreciation in accordance with the cost model prescribed in Para 32 of the AS 10 - Property Plant and Equipment, which has become applicable from this year.
- (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) 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



**iv) Revaluation Reserve:**

- a) Balance in Revaluation Reserve as at 31st March, 2018 is Nil (previous year ₹72,74,62,716).
- b) The Bank was carrying a revaluation reserve in regard to premises and the same has been dealt with in accordance with the Transitional Provisions given in Para 91 of the AS 10.
- c) In accordance with an earlier RBI circular, we had revalued owned premises in March 2016. The Bank was disclosing the premises at the revalued figures and the revaluation reserve resulting therefrom in accordance with the accounting standard then applicable. The Accounting Standard 10 (AS 10) Property Plant and Equipment, as issued by the ICAI has become applicable to the bank with effect from the current financial year i.e. FY 2017-18. Considering the requirements of the standard to 'regularly' undertake revaluations, as also other added disclosure requirements, the bank has felt it fit to adopt the 'cost model' specified in Para 33 of AS 10 for all assets including premises. Such change is permitted by the transitional provisions contained in para 91 of AS 10. Had this change in accounting policy not been made, the depreciation on the revalued amount under the head premises would have been higher by Rs. 727.46 Lakhs. Further, as required by the new AS 10, the brought forward Revaluation Reserve has been adjusted against the brought forward carrying value of premises. This has no impact on the Profit & Loss Account. Depreciation on the carrying value has been entirely debited to the profit and loss account as prescribed by AS 10.

All Fixed Assets individual costing less than ₹5,000 are fully depreciated in the year of purchase.

**e) Foreign Exchange Transactions (AS 11):**

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 (AS 15):**

**(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, 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 revised maximum amount of ₹20 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 (AS 17):**

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 (AS 19):**

Lease payments are recognized as an expense in the Profit and Loss Account on straight line basis over the lease term in accordance with the AS -19, "Accounting for Leases", issued by the ICAI.

**i) Earnings Per Share (AS 20):**

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 (AS 22):**

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 (AS 28):**

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 (AS 29):**

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.



### 23. Employee Benefits (AS 15):

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	7.88%	7.46%	7.88%	7.46%
Expected Return on Plan Assets	7.88%	7.46%	7.88%	7.46%
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	13,87,00,894	13,33,68,008	6,15,08,907	5,40,48,813
Interest Cost	1,03,47,087	1,06,56,104	45,88,564	43,18,500
Current Service Cost	64,22,431	62,75,366	49,63,196	49,84,256
(Benefits paid from Fund)	(1,18,87,878)	(98,77,595)	(1,57,03,184)	(68,13,756)
(Benefits paid directly by Employer)	0	0	0	0
Actuarial (Gain) / loss on obligations	61,82,824	(17,20,989)	1,17,78,237	49,71,094
Present Value of obligation as at the end of the Period	15,17,09,068	13,87,00,894	6,71,35,720	6,15,08,907



**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	13,24,22,384	12,74,90,451	5,11,54,511	4,58,14,949
Expected Return on Plan Assets	98,78,710	1,01,86,487	38,16,127	36,60,614
Contribution by the Employer	62,78,510	58,77,557	1,03,55,000	83,83,864
Benefits paid	(1,18,87,878)	(98,77,595)	(1,57,03,184)	(68,13,756)
Actuarial Gain / (loss) on Plan Assets	(13,89,609)	(12,54,516)	(4,49,415)	1,08,840
Fair Value of Plan Assets as at the end of the Period	13,53,02,117	13,24,22,384	4,91,73,039	5,11,54,511

**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	15,17,09,068	13,87,00,894	6,71,35,720	6,15,08,907
Fair Value of plan assets as at the end of the year	(13,53,02,117)	(13,24,22,384)	(4,91,73,039)	(5,11,54,511)
<b>(Assets)/ Liability recognized in the Balance Sheet</b>	<b>1,64,06,951</b>	<b>62,78,510</b>	<b>1,79,62,681</b>	<b>1,03,54,396</b>

**Expenses recognized in the Profit and Loss Account:**

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	64,22,431	62,75,366	49,63,196	49,84,256
Interest Cost	1,03,47,087	1,06,56,104	45,88,564	43,18,500
Expected return on plan assets	(98,78,710)	(1,01,86,487)	(38,16,127)	(36,60,614)
Net Actuarial Loss / (Gain) recognized during the year	75,72,433	(4,66,473)	1,22,27,652	48,62,254
<b>Total Expenses recognized in the Profit and Loss A/c</b>	<b>1,44,63,241</b>	<b>62,78,510</b>	<b>1,79,63,285</b>	<b>1,05,04,396</b>



**Balance Sheet Reconciliation:**

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Opening Net Liability	62,78,510	58,77,557	1,03,54,396	82,33,864
Expenses recognized in P&L account	1,64,06,951	62,78,510	1,79,63,285	1,05,04,396
(Benefits paid directly by Employer)	0	0	0	0
Employer's Contribution	(62,78,510)	(58,77,557)	(1,03,55,000)	(83,83,864)
<b>Net Liability Recognized in the Balance Sheet</b>	<b>1,64,06,951</b>	<b>62,78,510</b>	<b>1,79,62,681</b>	<b>1,03,54,396</b>

**Other Disclosures:**

(Amount in ₹)

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Defined Benefit Obligation	15,17,09,068	13,87,00,894	6,71,35,720	6,15,08,907
Plan Assets	(13,53,02,117)	(13,24,22,384)	(4,91,73,039)	(5,11,54,511)
Surplus / (Deficit)	(1,64,06,951)	(62,78,510)	(1,79,62,681)	(1,03,54,396)
Experience Adjustments on Plan Liabilities – (Gain) / Loss	1,03,30,069	(64,18,216)	1,36,23,255	28,18,827
<b>Experience Adjustments on Plan Assets – Gain / (Loss)</b>	<b>(13,89,609 )</b>	<b>(12,54,516 )</b>	<b>(4,49,415)</b>	<b>1,08,840</b>



## 24. Segment reporting (AS 17):

### 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
<b>Segment Revenue</b>	95,80,30,101 (94,81,69,936)	1,29,87,40,650 (1,23,45,41,577)	2,25,67,70,751 (2,18,27,11,513)
<b>Segment Result</b>	25,08,00,362 (18,83,06,369)	97,98,718 (-2,21,74,570)	26,05,99,080 (16,61,31,799)
<b>Unallocated Expenses (*)</b>			46,34,684 (46,90,093)
<b>Profit before Tax (*)</b>			7,53,28,195 (-1,59,33,574)
Income Tax (Including Deferred Tax) (*)			2,30,58,163 (-2,71,02,023)
<b>Net Profit before appropriation (*)</b>			<b>5,22,70,032</b> <b>(1,11,68,449)</b>
Segment Assets	12,02,40,73,711 (12,64,38,38,310)	17,08,09,53,451 (17,86,54,30,372)	29,10,50,27,162 (30,50,92,68,682)
Unallocated assets (*)			36,17,23,712 (38,53,68,088)
<b>Total Assets (*)</b>			<b>29,46,67,50,874</b> <b>(30,89,46,36,770)</b>
Segment Liabilities	12,89,37,68,073 (13,92,18,63,405)	14,32,31,12,736 (14,09,03,33,529)	27,21,68,80,809 (28,01,21,96,934)
Unallocated liabilities (*)			2,24,98,70,065 (2,88,24,39,835)
<b>Total Liabilities (*)</b>			<b>29,46,67,50,874</b> <b>(30,89,46,36,770)</b>

(Figure in brackets pertains to previous year)

(\*) Heads which cannot be separately allocated between Treasury and Other Banking Operations are shown under Total column only.

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.



## 25. Related Party Disclosures (AS 18):

The Bank is a co-operative society under the Maharashtra Co-operative Societies Act, 1960 and there are no material transaction with 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. 2017-18. 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.

## 26. Operating Leases (AS 19):

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	3,51,35,264	3,24,33,079
Later than one year but not later than five years	8,14,70,833	7,37,93,127
Later than five years	1,05,27,000	1,52,86,198
Lease payment recognized in Profit and Loss Account	3,72,82,148	3,38,65,735

## 27. Earnings Per Share (AS 20):

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 (₹)	5,22,70,032	1,11,68,449
Weighted Average number of equity shares	5,68,21,563	5,73,20,466
Earnings per share (Basic and diluted)	0.92	0.19

## 28. Taxes on Income (AS 22):

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, 2018 are as follow:

(Amount in ₹)

Particulars	Deferred Tax Asset/(Liability) as at March 31, 2017	Addition/(Reversal) during the Year	Deferred Tax Asset/(Liability) as at March 31, 2018
<b>Deferred Tax Asset</b>			
Depreciation	25,51,299	11,32,085	36,83,384
Bad and Doubtful Debt Reserve	27,83,91,779	(2,49,91,925)	25,33,99,854
Overdue Interest Reserve	69,97,872	0	69,97,872
Deferred Tax Assets as at March 31 (A)	28,79,40,950	(2,38,59,840)	26,40,81,110
<b>Deferred Tax Liability</b>			
Interest Income receivable on Income Tax Refund	(16,86,516)	8,01,677	(8,84,839)
Deferred Tax Liability as at March 31 (B)	(16,86,516)	8,01,677	(8,84,839)
<b>Deferred Tax Asset as at March 31</b>	<b>28,62,54,434</b>	<b>(2,30,58,163)</b>	<b>26,31,96,271</b>



**29. Impairment of Assets: (AS 28):**

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

**30. Appropriation of Profit:**

As on 31st March, 2018 IFR requirement was of ₹21,70,28,891. A provision of ₹12,50,07,932 was held against the same during the year which resulted in a deficit of ₹9,20,20,959. Net Profit after Tax stood at ₹5,22,70,032. As per RBI guidelines, Realized Net Profit of ₹3,92,02,524 (Net of 25% transferred to Statutory Reserve Fund i.e. ₹1,30,67,508) was provided towards creation of additional IFR.

**31. Disclosure of Complaints:**

There are no customer complaints pending as on March 31, 2018.

**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	30,02,13,987	31,10,40,463
Import Letters of Credit	24,25,15,746	5,06,85,300
Depositor Education and Awareness Fund (DEAF) (*)	13,18,78,605	12,35,33,491
<b>Total</b>	<b>67,46,08,338</b>	<b>48,52,59,254</b>

(\*) 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.

**33. Balance with other banks:**

Fixed Deposits with other Banks include deposits aggregating to ₹18,05,29,828 (Previous year to ₹6,00,79,833) lodged as margin money for issuance of guarantees in respect of correspondent business.

**34. Capital commitments:**

At March 31, 2018, estimated amount of contracts remaining to be executed on capital accounts amount to ₹49,89,781 (Previous year ₹6,36,51,900).

**35. Non-Banking Assets** represents shares of 33 different scrips acquired from M/s Visualan Technologies Pvt. Ltd. (written off account) ., which were held since 05.01.2018. The total value of the shares as on 31.03.18 was ₹21,63,645

**36. Overdue Interest Reserve:**

- Up to 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 31.03.2018 was ₹2,02,20,390.
- The Bank has ascertained an amount of ₹1,95,02,21,500 (P.Y ₹1,69,33,02,542) towards accrued interest on Non-Performing Advances as on the date of Balance Sheet which bank records in Memorandum Account.

**Bad and Doubtful Debt Reserve (BDDR):**

- During the year additional Bad Debts have been identified and provision as per RBI guidelines has been made towards these Bad Debts in addition to provision required due to change in category of Bad Debts identified in earlier years, by debiting Profit and Loss A/c. Total provision made in current year is ₹22,56,29,071 (P.Y ₹13,53,57,000)



- During the year Bad Debts have been recovered partially / fully and therefore provision made earlier in respect of these accounts has been reduced / no longer required and hence credited to Profit and Loss A/c. Provision reduced in current year is ₹19,09,16,525 (P.Y ₹31,66,000)
- During the year Bad Debts (Loss Assets) amounting to ₹11,95,89,173 (P.Y ₹1,36,39,600) have been written off by utilizing provision held in respect of these accounts under BDDR. There is no impact on Profit and Loss A/c.

**37. Particulars of Repo / Reverse Repo transactions are as under:**

(Amount in ₹)

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Outstanding as 31.03.2018
Securities sold under Repo	5,09,78,611	1,13,40,77,542	13,56,01,431	0.00
Securities purchased under Reverse Repo	4,99,09,639	99,97,65,358	2,50,48,081	0.00

**38.** During the Financial year, penalty levied by Reserve Bank of India (RBI) is ₹1,02,863.00 (In previous year same was nil)

**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)	<b>Capital Adequacy Ratio (%)</b>	9.23	11.55
	Tier I	7.37	7.14
	Tier II	1.86	4.41
	Increase/(Decrease) in CRAR % Over Previous Year	(2.32)	(2.08)
II)	<b>Movement of CRAR</b>		
	<b>Total Capital Fund</b>	<b>1,00,96,31,000</b>	<b>1,27,21,97,000</b>
	Total Capital Fund (% to RWA) – CRAR	9.23	11.55
	Incr/(Decr) in CRAR % Over Previous Year	(2.32)	(2.08)
	<b>Tier I Capital</b>	<b>80,61,88,000</b>	<b>78,69,40,000</b>
	Tier I Capital (% to RWA)	7.37	7.14
	Incr/(Decr) in Tier I Capital % Over Previous Year	0.23	(1.34)
	<b>Tier II Capital</b>	<b>20,34,43,000</b>	<b>48,52,57,000</b>
	Tier II Capital (% to RWA)	1.86	4.41
	Incr/(Decr) in Tier II Capital % Over Previous Year	(2.55)	(0.74)
	<b>Risk Weighted Assets (RWA)</b>	<b>10,93,41,02,000</b>	<b>11,01,93,59,000</b>
	Incr/(Decr) in RWA Over Previous Year	(8,52,57,000)	1,11,11,27,000
III)	<b>Investments</b>		
	<b>Government /Approved securities</b>		
	Book Value	8,86,44,20,160	8,64,36,23,910
	Face Value	8,41,25,00,000	7,71,50,00,000
	Market Value	8,61,72,19,700	8,15,40,25,000
	<b>Other Trustee Securities</b>		
	Book Value	0	0
	Face Value	0	0
	Market Value	0	0
	<b>Shares in Co-Op. Institutions and Others</b>	<b>75,30,000</b>	<b>75,30,000</b>
	<b>Bonds of Public Sector Undertakings</b>		
	Book Value	92,84,79,950	1,19,86,00,950
	Face Value	91,89,76,000	1,18,89,76,000
	Market Value	97,43,85,816	1,27,69,62,724
	<b>Others</b>	<b>4,91,73,040</b>	<b>5,11,54,511</b>



Sr. No.	Particulars	Current Year (₹)	Previous Year (₹)
	<b>Total Book Value of Investments</b>	<b>9,84,96,03,150</b>	<b>9,90,09,09,371</b>
	<b>Total Face Value of Investments</b>	<b>9,38,81,79,040</b>	<b>8,96,26,60,511</b>
	<b>Total Market Value of Investments</b>	<b>9,64,83,08,556</b>	<b>9,48,96,72,235</b>
<b>IV)</b>	<b>Advance against Real Estate, Const. Business, Housing</b>	<b>3,15,44,27,000</b>	<b>2,51,41,79,000</b>
<b>V)</b>	<b>Advance against Shares and Debentures</b>	<b>6,24,000</b>	<b>7,70,000</b>
<b>VI)</b>	<b>Advance to Directors, their relatives, companies/ firms in which they are interested.</b>		
	a) Fund Based	0	0
	b) Non fund based (Guarantees, LCs etc)	0	0
<b>VII)</b>	<b>Cost of Deposits: Average Cost of Deposits</b>	<b>6.18%</b>	<b>6.64%</b>
<b>VIII)</b>	<b>NPAs</b>		
	a) Gross NPAs	1,27,96,47,682	1,35,99,34,958
	b) Net NPAs	54,74,47,455	54,28,58,106
<b>IX)</b>	<b>Movement in NPAs</b>		
	a) Balance at the beginning of the year	1,35,99,34,958	1,16,05,57,958
	b) Additions during the year	74,45,14,759	34,46,70,000
	c) Reductions during the year	82,48,02,035	14,52,93,000
	d) Balance at the end of the year	1,27,96,47,682	1,35,99,34,958
<b>X)</b>	<b>Profitability</b>		
	a) Interest Income as % of Working Funds	7.11	6.56
	b) Non-Interest Income as % of Working Funds.	0.14	0.42
	c) Operating Profit as % of Working Funds	0.89	0.54
	d) Return on Assets	0.18	0.04
	e) Average Business (Deposits + Advances) per Employee	7,95,97,602	7,66,56,033
	f) Profit/ (Loss) per Employee	1,26,256	26,783



Sr. No.	Particulars	Current Year (₹)	Previous Year (₹)
<b>XI)</b>	<b>Prov made towards NPAs, Depreciation in Investments, etc in the year Net of write-backs</b>		
	a) Provision towards NPAs (BDDR)	3,47,12,547	13,21,91,000
	b) Provision towards OIR	0.00	(34,86,054)
	c) Provision for Depreciation on Investments	13,63,79,250	4,70,43,260
	d) Provision for Standard Assets	63,73,593	28,82,000
	e) Provision for Non – Performing Investment Reserve	75,29,000	0
	f) Provision for Other Impaired Assets	2,76,495	12,06,166
<b>XII)</b>	<b>Movement in Provisions</b>		
	<b>a) Towards NPAs (BDDR)</b>		
	As at the beginning of the year	81,70,76,853	69,85,25,513
	Add: Net Additions/(deductions)during the year	(8,48,76,627)	11,85,51,340
	As at the end of the year	73,22,00,226	81,70,76,853
	<b>b) Towards NPAs (OIR)</b>		
	As at the beginning of the year	2,02,20,390	2,39,70,514
	Less: Utilized/Write off during the year	0.00	37,50,124
	As at the end of the year	2,02,20,390	2,02,20,390
	<b>c) Towards Depreciation on Investments</b>		
	As at the beginning of the year	5,60,56,110	90,12,850
	Add: Net Additions/(deduction) during the year	13,63,79,250	4,70,43,260
	As at the end of the year	19,24,35,360	5,60,56,110
	<b>d) Towards Standard Assets</b>		
	As at the beginning of the year	6,27,84,000	5,99,02,000
	Add: Net Additions/(deduction) during the year	63,73,593	28,82,000
	As at the end of the year	6,91,57,593	6,27,84,000
	<b>e) Towards Non Performing Investment</b>		
	As at the beginning of the year	0	0
	Add: Net Additions/(deduction) during the year	75,29,000	0
	As at the end of the year	75,29,000	0



Sr. No.	Particulars	Current Year (₹)	Previous Year (₹)
f)	<b>Towards Other Impaired Assets</b>		
	As at the beginning of the year	1,34,32,258	1,22,26,092
	Add: Net Additions/(deduction) during the year	(2,03,933)	12,06,166
	As at the end of the year	1,32,28,325	1,34,32,258
XIII)	<b>Foreign Currency Assets and Liabilities</b>	<b>Not Applicable</b>	<b>Not Applicable</b>
XIV)	<b>DICGC Premium paid up to</b>	<b>September-18</b>	<b>September-17</b>

#### Note 41 :

Issuer Composition of Non-SLR Investments as at March 31, 2018

No.	Issuer	Amount (₹)	Extent of 'below Investment grade' Securities (₹)	Extent of 'unrated' Securities (₹)	Extent of 'unlisted' Securities (₹)
1.	PSUs	92,84,79,950 (1,19,86,00,950)	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	<b>92,84,79,950</b> <b>(1,19,86,00,950)</b>	<b>0</b> <b>(0)</b>	<b>0</b> <b>(0)</b>	<b>0</b> <b>(0)</b>
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	75,29,000	0
Reductions during the above period	0	0
Closing Balance	75,29,000	0
<b>Total provisions held</b>	<b>75,29,000</b>	<b>0</b>



**Note 43: Details of loans subjected to restructuring during the year ended March 31, 2018**

(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	-	-	-
	<b>Total</b>	<b>No. of Borrowers</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>Amount outstanding</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>Diminution in the fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 44: Movement in DEAF Accounts during the year ended March 31, 2018**

Particulars	Current Year (₹)	Previous Year (₹)
<b>Opening balance of amounts transferred to DEAF</b>	<b>12,35,33,491</b>	<b>10,95,04,355</b>
Add: Amounts transferred to DEAF during the year	1,36,86,620	1,57,24,841
Less: Amounts reimbursed by DEAF towards claims	53,41,506	16,95,705
<b>Closing balance of amounts transferred to DEAF</b>	<b>13,18,78,605</b>	<b>12,35,33,491</b>

As per our report of even date

For GOKHALE & SATHE

Chartered Accountants

Firm Reg. No. 103264W

(Ms. Gauri S. Bedekar) Partner

M. No. 108207

(Statutory Auditors)

Place: Mumbai, Dated: 31.07.2018

FOR JANAKALYAN SAHAKARI BANK LTD

S.V. Kelkar

Chairman

K.R. Bagade

Vice-Chairman

C.N.Vaze

Director

S.K. Hegde

Director

Shriram Date

Chief Executive Officer



POSITION AT A GLANCE

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

(Rs. in lakh)

Particulars		As on 31st March 2018
No. of branches including H.O.		26 + 1 Extn. Counter
Membership	Regular	57,992
	Nominal	6,057
Paid Up Share Capital		5521.48
Total Reserves & Funds		15,013.63
Deposits	Saving	66,194.10
	Current	13,235.86
	Fixed	1,44,239.20
Advances	Secured	1,51,923.82
	Unsecured	4,624.04
	Total % to Priority Sector	14.20
	Total % Weaker Section	3.28
Borrowings	D.C.C. Bank	-
	M.S.C. Bank	-
	Others	45,470.47
Investments	D.C.C. Bank (Shares)	0.01
	M.S.C. Bank (Shares)	0.41
	M.S.C. Bank (FDs)	1.50
	Others (FDs)	20,535.38
Overdue (Percentage)		8.68%
Net NPAs (%)		3.67%
CRAR (%)		9.23%
Audit Classification		"A"
Profit / Loss for the year		522.70
Permanent Staff (Nos.)	Officers	163
	Clerks	202
	Sub-Staff	49
Total Staff (Nos.)		414
Working Capital		2,94,456.64

As per our report of even date

FOR JANAKALYAN SAHAKARI BANK LTD

For GOKHALE & SATHE

Chartered Accountants

Firm Reg. No. 103264W

S.V. Kelkar

Chairman

K.R. Bagade

Vice-Chairman

(Ms. Gauri S. Bedekar) Partner

M. No. 108207

(Statutory Auditors)

Place: Mumbai, Dated: 31.07.2018

C.N.Vaze

Director

S.K. Hegde

Director

Shriram Date

Chief Executive Officer



**Directors' Attendance for Board Meetings held from 01.04.2017 to 31.03.2018**

Sr No.	Name of the Director	No of Board Meetings Attended
1.	Shri C. N. Vaze	14
2.	Shri S. V. Kelkar - Chairman (from 30/11/2017)	15
3.	Shri K. R. Bagade - Vice Chairman (from 30/11/2017)	15
4.	Mrs. M. H. Bhatkar	11
5.	Shri V. V. Dandekar	15
6.	Shri T. V. Deshmukh	11
7.	Shri A. P. Gondarkar	13
8.	Shri S. K. Hegde	11
9.	Shri S. R. Kamble	15
10.	Mrs. U. D. Karambelkar	14
11.	Shri K. V. Murarka	10
12.	Shri N. B. Pawar	5
13.	Shri M. K. Salekar	15
14.	Shri N. I. Thapar	13
15.	Shri V. P. Vaidya	13
16.	Shri P. L. Patil - Staff Director (From 31.03.2017)	14
17.	Shri B.Y. Dhargalkar - Staff Director (From 31.03.2017)	15

Total No. of Board Meetings Held : 14