

51st
ANNUAL REPORT
2017-2018



Registered Office

New India Bhavan, Anant Vishram Nagwekar Marg,
Babasaheb Worlikar Chowk, Prabhadevi, Mumbai - 400 025.

☎ 022-6626 4000

Fax: 022-2438 2870

Bank's Website : www.newindiabank.in

Customer Care : 022 6658 6658

BOARD OF DIRECTORS 2017-2018

RANJIT BHANU
Chairman

HIREN BHANU
Vice Chairman

DIRECTORS

ANTHONY QUADROS
FREDERICK D'SA
MARCUS DABRE
RAMESHCHANDRA VEKARIA
KEDAR JAGIRDAR
AMAN CHADHA
KURUSH PAGHDIWALLA
CLIFFORD MARTIS
ANKIT DOSHI

MANAGING DIRECTOR D. M. SALUNKHE

SOLICITORS M/S. BINA RAO & CO.

LEGAL ADVISORS P.V. KAMATH SHRIDHAR POOJARY
M.V. RAJPUT VATSAL J. SHAH
BIMAL R. DESAI

STATUTORY AUDITORS M/S. SANJAY RANE & ASSOCIATES

INTERNAL AUDITORS M/S. S. I. MOGUL ASSOCIATES M/S. S. I. MOGUL & CO.
M/S. SHINDE NAYAK & ASSOCIATES M/S. GANDHI & ASSOCIATES
M/S. P.S. SHETTY & CO. M/S. YARDI PRABHU & ASSOCIATES LLP

INSURERS CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LIMITED

BANKERS ICICI BANK LTD. STATE BANK OF INDIA
HDFC BANK LTD. CORPORATION BANK
IDBI BANK LTD. INDUSIND BANK LTD.
IDFC BANK LTD.

NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty First Annual General Meeting of the Members of the New India Co-operative Bank Limited will be held on Monday, 17th September, 2018 at 10.30 a.m. at Bharatiya Vidya Bhavan, Munshi Sadan, Kulapati, K.M. Munshi Marg, Chowpatty, Mumbai-400 007 to transact the following business:

1. To consider and approve the Annual Accounts which consists of the Profit and Loss Account, the Balance Sheet, the Report of the Board of Directors and the Report of the Statutory Auditors for the year ended March 31, 2018.
2. To appropriate net profit as recommended by the Board of Directors for the year ended March 31, 2018.
3. To appoint Statutory Auditors for the year 2018-19 and to authorize the Board of Directors to fix their remuneration.
4. To approve amendments to bye-laws.

By Order of the
Board of Directors

DAMAYANTI SALUNKHE
MANAGING DIRECTOR

Place : Mumbai.
Dated: 1st September, 2018

Note: In terms of Bank's Bye law No. 29 (c), the notice alongwith Annual Report consisting of Profit and Loss Account, Balance Sheet, the Report of the Board of Directors and Statutory Auditors for the year ended March 31, 2018 is displayed on the notice board kept at the registered office of the Bank & its branches and website: www.newindiabank.in. Annual Report shall not be distributed at the Annual General Meeting in view of high cost of paper and printing.

Under the Bank's Bye law No. 20, a member who has availed the minimum level of Bank's services is qualified to attend the Annual General Meeting and exercise his / her right to vote.

If there is no quorum at the scheduled time, the Meeting shall stand adjourned and would be held after half an hour on the same day and the agenda of the Meeting shall be transacted at the same venue irrespective of quorum, in terms of Bye law No.30.

For any information in connection with the financial accounts, the members are requested to send an e-mail addressed to the Managing Director on memberservices@newindiabank.in on or before 12th September, 2018.

TO SERVE YOU BETTER:

- 1) Shareholders are hereby requested to kindly intimate the change in address, if any, to the Share Department for updating Bank's records. They are also requested to provide their e-mail address and cell numbers.
- 2) Shareholders are requested to avail of nomination facility by submitting prescribed Nomination Form as required under Section 36 of the Multi State Co-operative Societies Act, 2002 and Bye law No. 18.

UNCLAIMED DIVIDENDS

Notice is hereby given that dividend for the year ended March 31, 2015 (48th Dividend) if not drawn on or before 30th September 2018 will be forfeited by the Bank and credited to Reserve Fund in terms of Bye law No.54

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Dear Members,

Your Directors are pleased to present the Fifty First Annual Report on the business of the Bank together with the Audited Financial Statements of Accounts for the year ended March 31, 2018.

Economic Outlook

GLOBAL :

Global economy since mid of financial year 2017 – 2018 has witnessed upward growth momentum in both advanced and emerging economies and has continued to expand thereafter despite brief hiccup for a varied reason like Brexit vote, firming of oil prices, trade war, geo political tensions etc., which pose a threat to the outlook. The World Bank, in its report released in June 2018, has reported that, despite recent softening, global economic growth will remain robust at 3.1 percent in 2018 before slowing gradually over the next two years, as advanced-economy growth decelerates and the recovery in major commodity-exporting emerging market and developing economies levels off. It has reported that, activity in advanced economies is expected to grow at 2.20 percent in 2018 before easing to a 2 percent rate of expansion next year, as central banks gradually remove monetary stimulus. Growth in emerging market and developing economies overall is projected to strengthen to 4.5 percent in 2018, before reaching 4.7 percent in 2019 as the recovery in commodity exporters matures and commodity prices level off following this year's increase. This outlook of the World Bank is subject to considerable downside risks as possibility of disorderly financial market volatility has increased, the vulnerability of some emerging market

and developing economies to such disruption has risen, trade protectionist sentiment has also mounted and policy uncertainty & geopolitical risks remain elevated.

Among advanced economies, the US economy, which ended 2017 on a slightly weak note, appeared to have bounced back in 2018 with strong retail private spending and improved employment data.

In the Euro area, economic activity remained buoyant, although recent industrial production data & weak consumer and business sentiment suggest a loss of pace.

The Japanese economy expected to grow strongly as indicated by recent data prints on export and manufacturing purchasing managers' index (PMI).

In case of emerging market economies – EMEs, economic activities accelerated throughout 2018.

The Chinese economy started the year on a strong note and have maintained the momentum.

The Russian economy is witnessing momentum in growth.

In South Africa, prospects have improved with return of political stability as reflected in consumer confidence, manufacturing PMI and retail sales.

In Brazil, economic data on high unemployment and soft industrial production shows that the effect of recession exists.

Global trade growth has continued to strengthen.

Financial Market is driven mainly by monetary expectation and geo political developments. Equity market in Advance Economies have witnessed gain on strong Q1 earnings and easing of trade tensions.

DOMESTIC ECONOMY:

On a domestic front, economy, in the financial year 2017 – 2018 registered GDP at 6.60% by registering growth at 7.70% in Q4 of Financial Year 2017 – 2018, the fastest pace in last seven quarters. The Central Statistics Office has projected India's GDP growth for the financial year 2018 – 2019 at 7.40% as against 6.60% reported for the financial year 2017 – 2018 based on its assessment that there has been acceleration in investment and construction activity, industrial production, agriculture sector growth, capacity utilisation, credit off take, service sector growth etc.,

Major Macro Economic indicators which reflect the overall economic scenario are as under:

1. Overall GDP growth during financial year 2017 - 2018 is at 6.60% as against 6.70% during the financial year 2016- 2017.
2. Gross Fiscal Deficit of financial year 2017- 2018 is reported at 3.50% as against 3.50% for the financial year 2016- 2017, matching with revised estimate for the financial year 2017 – 2018.
3. The inflation as measured by Wholesale price Index (WPI) stood at 2.47% as on March 31, 2018 as against 5.70% as on March 31, 2017 and Consumer Price Index stood at 4.28% as on March 31, 2018 as against 3.81% as on March 31, 2017.

4. The Year on-Year (Y-o-Y) growth in bank credit was at 8.40%, for financial year 2017-18.
5. The Year-on-Year growth in deposits was 6.70% for the financial year 2017 – 2018 as against 11.20% reported in financial year 2016 – 2017.
6. The equity market during financial year 2017-2018 remained strong on a backdrop of various structural, financial reforms and some other factors like normal monsoon, strong economical data etc.

LIQUIDITY / INTEREST RATE SCENARIO

The Reserve Bank of India has managed to have liquidity in system at comfortable / neutral level, keeping all options open to suck excess liquidity from system through the variable rate reverse repos, issuance of Government Securities over and above as announced in budget through an open market operation, issuance of cash management bills (CMBs) and infuse liquidity in system, in case of need, through varied Repo instruments, buy back of Government Securities through an open market operation, reducing Statutory Liquidity Ratio requirement etc. so as there is no abnormal movement in interest rates.

REFORMS IN FINANCIAL & BANKING SECTOR

The Reserve Bank of India and Government of India, in its endeavour towards improving operational efficiency, technology up-gradation, maintaining liquidity & interest rate at comfortable level and bringing more transparency in financial market, introduced series of reforms. Notable among these as regards Banking Sector were as under:

1. Introduction of Goods & Service Tax – (“GST”)
2. Introduction of performance criteria for infusing capital in commercial Banks by the Government of India.
3. Rationalised Merchant Discount Rate for debit card transaction.
4. Announced introduction of Tri Party Repo.
5. Revised Prompt Corrective Action frame work for Banks.
6. Rationalised Risk – Weights and Loan to Value Ratio for individual housing loans.
7. Revision in criteria for Investment in Plant & Machinery for the purpose of classification as Macro, Small & Medium Enterprises – MSME-.
8. Limiting liability of customers in unauthorised electronic banking transactions.
9. Advised all Credit Information Companies to incorporate information on all accounts, both current & past, of customers having multiple borrowings, in his / her credit information report to lenders.
10. Assigned task of Valuation of Government Securities (G – sec) to Financial Benchmark India Pvt. Ltd. –FBIL –.
11. Revised guidelines on lending to priority sector for Banks.

1. Performance of the bank

PROFITABILITY

A comparative position of the profitability of the Bank for the two financial years is presented below:

	2016-2017	2017-2018
	<i>(Rs. in lakh)</i>	
A. Total Income.....	29,561.50	28,630.68
B. Total Expenditure.....	26,000.90	26,410.85
C. Provisions / Reserves / Contingency Other Than Provision For Income Tax	2,350.40	1,529.59
D. Total Expenditure Excluding Provision for Taxation.....	28,351.30	27,940.44
E. Provision for Taxation	(150.89)	(70.24)
F. Net Profit.....	1,361.09	760.48

2. Appropriation of net profit

According to section 63 of the Multi State Co-operative Societies Act, 2002, your Board of Directors recommend the appropriation of net profit of Rs.7,13,58,483.23 as under

1. Statutory Reserve Fund	Rs.	1,78,40,000.00
2. Payment of contribution to Education Fund of NCUI...	Rs.	7,14,000.00
3. Dividend @ 13% (Subject to RBI Approval)	Rs.	3,00,00,000.00
4. Contingency Reserve (@ 10% of Net Profit as introduced u/s 63 of Multi State Co-Op. Soc. Act, 2002)	Rs.	71,40,000.00
5. Investment Fluctuation Reserve.....	Rs.	1,56,00,000.00
6. General Reserve.....	Rs.	64,483.23
Total.....	Rs.	7,13,58,483.23

3. Dividend

Subject to RBI approval Board of Directors have recommended a Dividend of 13% for the financial year 2017-2018.

4. Membership

As on March 31, 2018 the number of regular members of the bank was 14,790 and nominal members was 2,864.

5. Members' Welfare Fund

Your Board of Directors are pleased to inform that the corpus of Members' Welfare fund is sufficient and some of the members have availed benefit under various schemes of the Members' Welfare Fund.

6. Owned Funds

The paid up share capital & Reserves of the Bank as on March 31, 2018 stood at Rs. 23.94 Crore and Rs. 224.22 Crore respectively.

7. Cash & Bank Balances

As on March 31, 2018, the Bank was required to maintain CRR at 4% of its DTL by way of balance in the current account with the Reserve Bank of India and SLR at 19.50% by way of investment in Government and other approved securities as stipulated by the Reserve Bank of India. With a view to comply with this statutory requirements the Bank has held balance in current account with Reserve Bank of India and invested in Government & other approved securities at the desired level.

8. Asset & Liability Management

I LIABILITIES

The working Capital of the bank was at Rs.3228.80 Crore as on March 31,2018 as against Rs.2,949.98 Crore as on March 31,2017.

The main components of the working capital besides Owned Funds were as under:

i. DEPOSITS

The deposits of the Bank as on March 31,2018 were Rs.2547.09 Crore as against Rs.2645.55 Crore as on March 31, 2017. Net decline is Rs.98.46 Crore i.e. -3.72%.

The composition is as under:

Type Of Deposit	31.03.2017		31.03.2018	
	Rs.	%	Rs.	%
Savings	725.09	27.41	717.64	28.17
Current	184.87	6.99	221.91	8.71
Term	1735.59	65.60	1607.54	63.12
Total	2645.55	100.00	2547.09	100.00

ii BORROWINGS

Your Bank resorted to borrowings during the financial year 2017 – 2018 with a view to avail benefit from money market operations by the Treasury Department.

II ASSETS

i ADVANCES

Bank's Advances portfolio decreased to Rs.1167.73 Crore as on March 31, 2018 from Rs.1,452.76 Crore as on March 31, 2017. Net decrease is Rs.285.03 Crore i.e. -19.61%.

ii INVESTMENTS

As on March 31, 2018, the investments of the Bank stood at Rs.1550.93 Crore as against Rs.1111.24 Crore as on March 31, 2017.

Your Bank's Investment Policy is continuously reviewed and fine-tuned in accordance with the guidelines issued by the Reserve Bank of India.

9. Capital Adequacy

The C R A R of the Bank as on March 31,2018 was at 12.81% against minimum requirement of 9% as stipulated by the R.B.I.

10. Audit & Inspection

The Bank has appointed Concurrent Auditors for all Branches/Departments for better control on the working of the Bank and has made an arrangements for auditors to check, verify and certify branch Profit and Loss A/c & Balance Sheet and NPA position from one central location.

The Bank has appointed separate external audit firms for auditing each activity as under:

1. Treasury Operations. (Concurrent Audit as per RBI guidelines)
2. Auditor cum Consultant for all Income Tax matters
3. Demat Activities. (As per SEBI guidelines)
4. Auditor cum Consultant for Service Tax & GST Matters
5. Forex Operations (as per RBI guidelines)
6. Know Your Customer (KYC) operations (as per RBI guidelines)
7. Depositor and Education Awareness Fund ("DEAF") (as per RBI guidelines)
8. Internal Auditor for various departments of Corporate Office

The Systems Audit of all information Technology related activities at Data Centre, Disaster Recovery site and all Branches were conducted by external System Audit Firm.

At the Annual General Meeting held on May 18,2017, M/s Sanjay Rane & Associates, Chartered Accountant Firm was appointed as Statutory Auditors of the Bank for the Financial Year 2017-2018. The Statutory Auditors have completed their audit assignment and submitted their report.

Reserve Bank of India conducted inspection of the Bank as per Section 35 of the Banking Regulation Act, 1949 (AACS) with reference to financial position as on March 31, 2017. Compliance report on the Inspection findings has already been submitted to the Reserve Bank of India in time. Inspection for the financial year 2017 – 2018 has also been completed.

The inspecting officials have offered some suggestions during the course of Inspection to enable the Bank to improve Bank's working. The Bank is thankful to them for their valuable suggestions.

11. Payment Of Premium To D.I. & C.G.C.

The Bank has been regular in payment of premium to the D.I. & C.G.C. and the deposits of up to Rs.1,00 lakh are fully insured by D.I. & C.G.C.

12. Human Resources Development

Human resources are the most valuable resource of your bank and the overriding reason behind the success of your bank. The Bank is fully aware of the growing need

of continuous training and educating of all staff. In addition to the “in-house” training programmes, the Bank has deputed/nominated staff regularly to various seminars, workshops and training programmes arranged by RBI Training College, CCIL, IIBF etc.

Your bank has introduced Centralisation, standardization and more automation of all administrative processes for having optimum productivity of human resources.

13. *Industrial Relations*

The Board of Directors would like to record their sincere appreciation for all the efforts by members of staff at all levels in providing better customer service and in achieving the present level of progress and growth.

14. *Third Party Products Distribution*

The Bank's forays into distribution of Life Insurance products of Max Life and Non-Life Insurance Products of ICICI Prudential Life Insurance Company & Cholamandalam MS General Insurance Company Limited have yielded encouraging results and the same are expected to grow further.

15. *Business Development - New Initiatives*

During the FY 2017-18, the Bank introduced Bharat Bill Payment Services that allows customer to pay utility bills at any of our branches. The Bank took several initiatives to increase retail lending and it included introduction of auto-rickshaw loans, aggressive pricing for home loans and launching of a special scheme for two-wheeler loans.

16. *Technology initiatives*

During FY 2017-18, the Bank has taken several technology initiatives and launched Digital Notice Boards which is one of the most innovative solution in the industry to handle branch notices. Digital Notice Board is an eco-friendly paperless solution to manage public notices at branches. It allows the Bank to centrally update all the notices across the branches.

Apart from above, major software roll-outs during the year included – GST implementation, CKYC implementation and implementation of Public Finance Management System.

17. *Foreign Exchange Transactions*

The Bank has been extending services to the customers in respect of Purchase / Sale of Foreign currency, Travellers Cheques, Travel Cards, Inward / Outward remittances as well as Trade Finance facilities.

18. *Amendment to Bye-Laws*

The Bank proposes for amendment to Bye-Laws so as to remain compliant to RBI directives.

The text of the proposed amendment of the Bank's Bye-Laws for approval of the General Body is furnished separately in this report.

19. *Acknowledgements*

1. I take this opportunity to acknowledge the dedicated and timely support extended by my colleagues on the Board.
2. The Board of Directors would like to place on record and express their sincere appreciation to Bank's valued shareholders, constituents, patrons, stakeholders and well-wishers for their generous and most welcomed goodwill, co-operation and patronage extended to the Bank throughout the year and their confidence in the Board and the management team.
3. The Board of Directors are also grateful to the Officials of the Reserve Bank of India, Central Registrar of Co-operative Societies, New Delhi and the Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra and Gujarat state for their valuable guidance, support and Cooperation.
4. The Bank is also grateful to the Indian Banks' Association, Maharashtra Urban Co-operative Banks Federation Ltd., Brihan Mumbai Nagari Sahakari Banks' Association Ltd., National Federation of Urban Co-operative Banks & Credit Societies Ltd. (NAFCUB), Solicitors, Legal Advisors, Internal Auditors and the Statutory Auditor.
5. The Board of Directors would also like to express their appreciation to all members of the staff and Executives for their valued contribution and dedicated services.

For and on behalf of
Board of Directors

Place : Mumbai
Date : 1st September, 2018.

RANJIT BHANU,
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT

To,

The Shareholders of New India Co-operative Bank Ltd.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **NEW INDIA CO-OPERATIVE BANK LTD.** ("the Bank") as at 31 March 2018, which comprise of the Balance Sheet as at 31 March 2018, the Profit and Loss Account, and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information. The returns of Head office and its department and 10 branches audited by us and the returns of other branches audited by concurrent/internal auditors of the respective branches are consolidated in these financial statements. The branches and other departments of Head Office covered by us account for 90.86 percent of advances, 62.51 percent of deposits, 89.41 percent of interest income and 63.03 percent of interest expenses.

Management's Responsibility for the Financial Statement

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with provisions of the Banking Regulations Act, 1949, the guidelines issued by the Reserve Bank of India, the Central Registrar of Cooperative Societies, the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002 (as applicable) and accounting principles generally accepted in India so far as applicable to Banks. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the Notes thereon give the information required by the Banking Regulation Act, 1949, the Multi State Co-operative Societies Act, 2002 and the Multi State Co-operative Societies Rules, 2002 and guidelines issued by Reserve Bank of India and the Central Registrar of Cooperative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of state of affairs of the Bank as at 31st March 2018
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Matters

7. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949 and the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002.
8. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found to be satisfactory;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/offices;
 - c) The transactions of the Bank which came to our notice have been within the powers of the Bank;
 - d) The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns;
 - e) The reports on the accounts of the branches/offices audited by the branch concurrent/internal auditors have been forwarded to us and have been properly dealt with by us in preparing this Report;
 - f) The accounting standards adopted by the Bank are consistent with those laid down by accounting principles generally accepted in India so far as applicable to Banks;
 - g) In our opinion and according to information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realization of money due to the bank.
9. As per the information and explanations given to us and based on our examination of the books of account and other records, we have come across the following material instances which need to be reported under Rule 27(3) of the Multi State Co-operative Societies Rules, 2002:
 - a) During the course of our audit, we have not come across transactions which appear to be contrary to the provisions of the Multi-State Cooperative Societies Act, 2002, the rules or the bye-laws of the Bank.
 - (b) During the course of our audit, we have not come across transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India.
 - (c) The following monies due to the Bank appear to be bad or doubtful of recovery against which a provision of Rs.1702.11 lacs is made in the accounts.

Category	Principal Outstanding on 31-03-2018 (Rs. in lacs)
Doubtful Assets	2392.44
Loss Assets	87.27
Total	2479.71

- (d) As per information no credit facilities have been given by the Bank to the members of the Board or their relatives.
- (e) During the course of our audit, we have generally not come across any violations of guidelines, conditions etc., issued by the Reserve Bank of India.
- (f) To the best of our knowledge, no other matters have been specified by the Central Registrar, which require reporting under this Rule.

Place : Mumbai
Dated : May 18, 2018

M/S. Sanjay Rane & Associates
Chartered Accountants
Firm Reg. No.121089W

(CA ABHIJEET DESHMUKH)
Partner
M. No.129145

Balance Sheet as at March 31, 2018

As at 31.03.2017		CAPITAL & LIABILITIES		As at 31.03.2018	
Rs.	P.	Rs.	P.	Rs.	P.
1. CAPITAL					
		i) Authorised Capital			
1,50,00,00,000.00		15,00,00,000 Shares of Rs.10 each		1,50,00,00,000.00	
		ii) Subscribed and Paid-up Capital			
37,17,83,560.00		2,39,49,633 (Previous Year 3,71,78,356) Shares of Rs. 10 each		23,94,96,330.00	
		a)	Individuals Rs. 17,76,56,870.00 (Previous Year Rs.29,18,56,400.00)		
		b)	Co-operative Institutions Rs. 0.00		
		c)	State Govt. Rs. 0.00		
		Note: Out of the amount of Share Capital, Shares of Rs. 6,18,39,460 (Previous Year Rs. 7,99,27,160.00) are held by Firms, Companies, Institutions & Associations.			
2. RESERVE & SURPLUS					
62,66,11,950.43		i)	Statutory Reserve 66,12,06,000.43		
28,70,00,000.00		ii)	Bad & Doubtful Debt Reserve 40,00,00,000.00		
6,70,00,000.00		iii)	Contingent Provision Against Standard Asset 5,95,00,000.00		
27,35,00,000.00		iv)	Building Fund 5,00,00,000.00		
79,73,448.17		v)	General Reserve 1,06,79,935.16		
31,56,191.07		vi)	Staff Welfare Reserve 31,56,191.07		
11,40,00,000.00		vii)	Investment Fluctuation Reserve 15,00,00,000.00		
19,57,000.00		viii)	Charity Fund 14,47,000.00		
15,71,07,546.00		ix)	Contingency Reserve 17,07,22,546.00		
45,92,333.00		x)	Members Welfare Fund 45,34,940.00		
74,97,61,335.59		xi)	Revaluation Reserves 73,10,17,302.19		
0.00		xii)	Provision for Restructured Advances 0.00		
2,29,26,59,804.26				2,24,22,63,914.85	
3. PRINCIPAL/SUBSIDIARY/STATE PARTNERSHIP FUND ACCOUNT					
0.00					0.00
4. DEPOSITS & OTHER ACCOUNTS					
i) Fixed Deposits					
		a)	Individuals Rs.12,44,31,68,506.43		
		b)	Other Societies Rs. 2,80,60,80,560.88	15,24,92,49,067.31	
ii) Savings Bank Deposits					
		a)	Individuals Rs. 6,70,64,06,496.19		
7,25,09,44,302.36		b)	Other Societies Rs. 46,99,79,582.04	7,17,63,86,078.23	
2,66,44,43,364.26		CARRIED FORWARD		2,48,17,60,244.85	

Balance Sheet as at March 31, 2018

As at 31.03.2017		PROPERTY & ASSETS		As at 31.03.2018	
Rs.	P.	Rs.	P.	Rs.	P.
1. CASH					
		In hand with Reserve Bank of India, State Bank of India and Associates, State Co-operative Banks & District Central Co-operative Banks			
1,97,15,91,097.89				2,90,08,76,033.59	
2. BALANCE WITH OTHER BANKS					
		i)	Current Deposit 14,57,85,416.38		
6,85,41,568.82		ii)	Fixed Deposits (including Rs. 40,95,00,000.00 [Previous Year Rs.42,95,00,000.00] earmarked for Statutory Reserve, Rs. 16,00,00,000.00 [Previous Year Rs. 17,50,00,000.00] pledged for Securing non-funded facilities)	74,20,00,000.00	88,77,85,416.38
85,70,00,000.00					
92,55,41,568.82					
19,99,17,481.35					19,98,98,626.75
3. MONEY AT CALL & SHORT NOTICE					
4. INVESTMENTS					
9,61,38,26,084.00		i)	In Central & State Government Securities (At Book Value)	12,94,30,22,683.50	
			Face Value Rs. 12,39,10,20,000.00 (Previous Year Rs.9,06,27,40,000.00)		
			Market Value Rs. 12,15,90,51,526.00 (Previous Year Rs.9,35,28,67,650.00)		
		ii)	Other Trustee Securities		0.00
		iii)	Shares of Co-operative Institutions		61,250.00
		iv)	Other Investments 1,62,42,18,000.00		
			PSU & Other Bonds / Mutual Funds / Commercial Paper		
			Face Value Rs. 1,60,25,38,000.00 (Previous Year Rs.42,00,38,000.00)		
			Market/Net Asset Value Rs. 1,60,97,27,325.17 (Previous Year Rs.44,63,93,869.77)		
			Including G-Sec. of face value of Rs. 4,84,63,23,000.00 (Previous Year Rs.1,72,50,00,000.00) pledged for RTGS, NDS Order Matching, CBLO Segment & Default Fund Securitites. Rs. 27,93,03,000.00 (Previous Year Rs3,00,00,000.00) earmarked for Statutory Reserve		
10,05,54,79,834.00					14,56,73,01,933.50
0.00					0.00
5. INVESTMENTS OUT OF THE PRINCIPAL/SUBSIDIARY/ STATE/PARTNERSHIP FUND					
13,15,25,29,982.06		CARRIED FORWARD		18,55,58,62,010.20	

Balance Sheet as at March 31, 2018

As at 31.03.2017		CAPITAL & LIABILITIES		As at 31.03.2018	
Rs.	P.	Rs.	P.	Rs.	P.
2,66,44,43,364.26		BROUGHT FORWARD		2,48,17,60,244.85	
1,84,86,96,659.13		iii) Current Deposits			
		a) Individuals	Rs. 1,50,45,41,844.26		
		b) Other Societies	Rs. 1,23,77,540.58		
		c) Matured Term Deposits	Rs. 70,22,06,026.22	2,21,91,25,411.06	
45,44,51,928.00		iv) Recurring Deposits			
		a) Individuals	Rs. 34,11,84,691.65		
		b) Other societies	Rs. 2,55,43,227.00	36,67,27,918.65	
46,08,22,645.25		v) Short Term Deposits		45,94,04,516.75	
26,45,55,40,586.60				25,47,08,92,992.00	
		5. BORROWINGS			
		i) From Reserve Bank of India/ State/ Central Govt.		0.00	
0.00				0.00	
0.00		ii) From State Bank of India /State Govt.		0.00	
		iii) From others			
		A) Short Term Loans of which secured against:			
13,245.00		a) Govt. and other approved securities		3,90,13,72,041.38	
0.00		b) Other Tangible securities		0.00	
		B) Long Term Loans of which secured against:			
0.00		a) Govt. and other approved securities		0.00	
0.00		b) Other Tangible securities		0.00	
13,245.00				3,90,13,72,041.38	
		6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE (as per Contra)			
1,34,86,432.52		i) Bills for Collection		1,14,99,100.52	
		ii) Acceptances, Endorsements & other obligations As per Contra Sundry Inward Bills for Collection		0.00	
1,34,86,432.52				1,14,99,100.52	
0.00				0.00	
23,03,06,926.19		7. BRANCH ADJUSTMENTS			
1,78,94,295.01		8. OVERDUE INTEREST RESERVE		8,24,11,255.98	
		9. INTEREST PAYABLE		2,69,13,058.89	
		10. OTHER LIABILITIES			
0.00		i) Deferred Tax Liability		0.00	
5,38,17,108.01		ii) Pay Orders		1,87,56,879.03	
34,16,331.00		iii) Provision for Audit Fees		39,54,237.00	
84,93,727.00		iv) Unclaimed Dividends		61,51,309.00	
16,00,79,159.31		v) Sundries		30,68,38,268.64	
22,58,06,325.32				33,57,00,693.67	
29,60,74,91,174.90		CARRIED FORWARD		32,31,05,49,387.29	

Balance Sheet as at March 31, 2018

As at 31.03.2017		PROPERTY & ASSETS		As at 31.03.2018	
Rs.	P.	Rs.	P.	Rs.	P.
13,15,25,29,982.06		BROUGHT FORWARD		18,55,58,62,010.20	
4,19,75,30,035.92		6. ADVANCES			
		i) Short Term Loans			
		Cash Credits, Overdrafts and Bills Discounted, Of which secured against:			
		a) Govt. & Other Trustee Securities	Rs. 3,99,01,406.84		
		b) Other Tangible Securities	Rs. 3,61,84,21,711.76		
		c) Personal Sureties with or without collateral Securities	Rs. 0.00	3,65,83,23,118.60	
		Of the advances, amount due from individuals	Rs. 1,06,40,20,477.91		
		Of the advances, amount overdue Considered Bad & Doubtful of recovery (fully provided for)	Rs. 25,10,77,695.22 Rs. 13,25,64,208.55		
3,47,55,27,083.01		ii) Medium Term Loans			
		Of which secured against:			
		a) Govt. & Other Trustee Securities	Rs. 6,45,460.07		
		b) Other Tangible Securities	Rs. 2,85,92,56,546.57		
		c) Personal Sureties with or without collateral Securities	Rs. 8,37,91,724.33	2,94,36,93,730.97	
		Of the advances, amount due from individuals	Rs. 91,36,01,219.13		
		Of the advances, amount overdue Considered Bad & Doubtful of recovery (fully provided for)	Rs. 6,59,63,124.08 Rs. 88,62,722.41		
6,85,45,28,157.08		iii) Long Term Loans:			
		Of which secured against:			
		a) Govt. & Other Trustee Securities	Rs. 0.00		
		b) Other Tangible Securities	Rs. 5,05,67,38,192.09		
		c) Personal Sureties with or without collateral Securities	Rs. 1,86,00,704.41	5,07,53,38,896.50	
		Of the advances, amount due from individuals	Rs. 2,28,46,37,185.00		
		Of the advances, amount overdue Considered Bad & Doubtful of recovery (fully provided for)	Rs. 17,50,39,801.21 Rs. 64,48,287.66		
14,52,75,85,276.01		7. INTEREST RECEIVABLE			
		i) On Loans & Advances		13,19,69,838.22	
5,60,42,818.77		ii) On Investments		25,29,72,853.00	
20,45,78,856.00		Of which amount overdue Considered Bad & doubtful of recovery (fully provided for)	Rs. 0.00 Rs. 0.00	38,49,42,691.22	
26,06,21,674.77		8. INTEREST RECEIVABLE ON NON PERFORMING ASSETS			
		Of which amount overdue Considered Bad & Doubtful of recovery (fully provided for)	Rs. 8,24,11,255.98 Rs. 8,24,11,255.98	8,24,11,255.98	
13,90,24,285.00		CARRIED FORWARD		30,70,05,71,703.47	
28,07,97,61,217.84		CARRIED FORWARD		30,70,05,71,703.47	

NEW INDIA CO-OPERATIVE BANK LIMITED FINANCIAL YEAR ENDED ON MARCH 31, 2018

I. NOTES ON ACCOUNTS

1. Reclassification and/or Regrouping of previous year's figures

1.1 Previous year's figures have been reclassified and/or regrouped, wherever necessary, to conform to current year's figures.

2. Provision for Non-Performing Assets ("NPA")

2.1 The Bank has made adequate provision for unrealized interest on NPA as well as for Standard, Sub-standard and Doubtful Assets to cover the provisioning requirements contained in Reserve Bank of India ("RBI") Memorandum of Instructions on Income Recognition, Assets Classification, Provisioning and other related matters.

2.2 While classifying an account as a NPA, due regard is given to the events occurring after the Balance Sheet date, like closure of NPA accounts, renewal of accounts or substantial recovery in the account which has an effect of altering the status of the account. The amount of such loan is ₹Nil (Previous Year ₹15,85,29,113.63). Other than this, there is no event occurring after the Balance Sheet date which may be deemed to have any material impact on the financial statements.

2.3 During the financial year 2017-2018, the Bank has transferred ₹22,35,00,000.00 from 'Building Fund' to 'Bad & Doubtful Debt Reserve'.

3. Credit facilities granted with RBI approval

3.1 The Bank, with the prior approval of RBI, has granted credit facility to a single borrower in excess of the per party exposure limit in the financial year 2012-2013. The credit facility continued in the financial year 2013-2014 and 2014-2015 and has been repaid in financial year 2015-2016.

4. Bad Debts

4.1 The Bank has during the financial year ended on March 31, 2017 and March 31, 2018 written off NPA in Doubtful category of ₹30,30,40,518.24 and ₹11,51,89,302.00 respectively debited to 'Bad & Doubtful Debt Reserve'.

5. Contingent Liability

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2018
5.1	Disputed Income-Tax		
	Total dues:		
	Assessment Year 1998-1999	3,42,554	3,42,554
	Assessment Year 1999-2000	2,43,063	2,43,063
	Assessment Year 2007-2008	47,35,910	47,35,910
	Assessment Year 2010-2011	0.00	75,36,990
	Assessment Year 2014-2015	44,57,150	44,57,150
	(a)	97,78,677	1,73,15,667
	Less: Amount Paid:		
	Assessment Year 1998-1999	(1,75,000)	(1,75,000)
	Assessment Year 1999-2000	(1,25,000)	(1,25,000)
	(b)	(3,00,000)	(3,00,000)
	Balance Disputed Dues (a) – (b)	94,78,677	1,70,15,667
5.2	Disputed Income-Tax deducted at Source ("TDS") and/or interest thereon:		
	Total Dues:		
	Assessment Year 2008-2009	3,86,830	2,84,500
	Assessment Year 2009-2010	1,35,030	1,31,790
	Assessment Year 2010-2011	10	-
	Assessment Year 2012-2013	5,270	5,270
	Assessment Year 2014-2015	75,520	75,520
	Assessment Year 2015-2016	500	500
	Assessment Year 2016-2017	1,230	1,250
	Assessment Year 2017-2018	530	-
	Assessment Year 2018-2019	-	1,52,970
	(a)	6,04,920	6,51,800
	Less: Amount Paid:		
	Assessment Year 2008-2009	2,07,230	2,07,230
	Assessment Year 2009-2010	1,31,770	1,31,770
	Assessment Year 2010-2011	-	-
	Assessment Year 2012-2013	5,270	5,270
	Assessment Year 2014-2015	-	-
	Assessment Year 2015-2016	500	500
	Assessment Year 2016-2017	-	-
	Assessment Year 2017-2018	-	-
	Assessment Year 2018-2019	-	-
	(b)	3,44,770	3,44,770
	Balance Disputed Dues (a) – (b)	2,60,150	3,07,030

5.3	Unclaimed Liabilities (amount transferred to the Depositor Education and Awareness Fund ["DEAF"]); refer Note 15	8,95,38,721	11,33,51,031
	Grand Total	9,92,77,548	13,06,73,728

6. Gratuity:

6.1 During the financial year ended on March 31, 2008, the Bank had set up a Trust to administer Staff Gratuity Fund of the employees of the Bank. The approval of the Income-tax Department for the above Trust has been received.

6.2 Disclosure pursuant to Accounting Standard 15 (revised 2005) 'Employee Benefits' issued by the Institute of Chartered Accountants of India ("ICAI"):

Gratuity (as certified by an actuary and relied upon by the auditor):

Sr. No.	Particulars	Year ended on March 31, 2017	Year ended on March 31, 2018
6.2.1	Change in benefit obligation		
	Liability at the beginning of the year	6,86,71,298.00	7,55,02,385.00
	Interest cost	56,31,046.00	55,79,626.00
	Current Service Cost	29,53,261.00	33,98,167.00
	Past service cost vested benefit	-	10,47,922.00
	Liability transfer in	-	-
	Benefit paid	-73,24,867.00	-35,95,627.00
	Actuarial (gain)/loss on obligation	55,71,647.00	-15,09,210.00
	Liability at the end of the current period	7,55,02,385.00	8,04,23,263.00
6.2.2	Fair Value of Plan Assets		
	Fair Value Plan Assets at the beginning of the year	6,41,52,163.00	7,24,65,632.00
	Expected return on plan assets	52,60,477.00	53,55,210.00
	Contributions	70,00,000.00	75,00,000.00
	Transfer from other company	-	-
	Transfer to other company	-	-
	Benefit paid	-73,24,867.00	-35,95,627.00
	Actuarial gain/(loss) on plan assets	33,77,859.00	-9,54,051.00
	Fair Value of Plan Asset at the end of the year	7,24,65,632.00	8,07,71,164.00
	Total Actuarial Gain/Loss to be recognized	-	-
6.2.3	Actual return on plan assets		
	Expected return on plan assets	52,60,477.00	53,55,210.00
	Actuarial gain/(loss) on plan assets	33,77,859.00	-9,54,051.00
	Actual return on plan assets	86,38,336.00	44,01,159.00
6.2.4	Amount recognized in the balance sheet		
	Liability at the end of the year	-7,55,02,385.00	-8,04,23,263.00
	Fair value of plan assets at the end of the year	7,24,65,632.00	8,07,71,164.00
	Funded Status (Surplus/-Deficit)	-30,36,753.00	3,47,901.00
	Amount recognized in the balance sheet	-30,36,753.00	3,47,901.00
6.2.5	Expenses recognized in the income statement		
	Current Service Cost	29,53,261.00	33,98,167.00
	Interest Cost	56,31,046.00	55,79,626.00
	Expected return on plan assets	-52,60,477.00	-53,55,210.00
	Actuarial (gain)/ loss	21,93,788.00	-5,55,159.00
	Past Service Cost-Vested benefit recognized during the year	-	10,47,922.00
	Expenses recognized in Profit & Loss Account	55,17,618.00	41,15,346.00
6.2.6	Balance Sheet Reconciliation		
	Opening net liability	45,19,135.00	30,36,753.00
	Expenses as above	55,17,618.00	41,15,346.00
	Transfer from other company	-	-
	Transfer to other company	-	-
	Employers contribution	-70,00,000.00	-75,00,000.00
	Amount recognized in the balance sheet	30,36,753.00	-3,47,901.00
6.2.7	Actuarial Assumptions		
	Discount Rate previous	8.20%	7.39%
	Rate of return on plan assets previous	8.20%	7.39%
	Salary Escalation previous	4.00%	4.00%
	Attrition Rate Previous Year	2.00%	2.00%
	Discount Rate Current	7.39%	7.73%
	Rate of Return on Plan Assets current	7.39%	7.73%
	Salary escalation current	4.00%	4.00%

Sr. No.	Particulars	Year ended on March 31, 2017	Year ended on March 31, 2018
	Attrition Rate Current	2.00%	2.00%
6.2.8	Category of Assets		
	Government of India Assets	-	-
	State Government Securities	-	-
	Special Deposit Scheme	-	-
	Debt Instruments	-	-
	Corporate Bonds	-	-
	Cash and Cash Equivalents	-	-
	Insurer Managed Funds	7,24,65,632.00	8,07,71,164.00
	Asset-Backed Securities	-	-
	Structured Debt	-	-
	Other	-	-

7. Leave Salary

7.1 During the financial year 2008-2009, the Bank had setup a defined benefit plan for employees relating to leave encashment with the HDFC Standard Life Insurance Company Limited.

7.2 Disclosure pursuant to Accounting Standard 15 (revised 2005) 'Employee Benefits' issued by the ICAI:
Leave Salary (as certified by an actuary and relied upon by the auditor):

Sr. No.	Particulars	Year ended on March 31, 2017	Year ended on March 31, 2018
7.2.1	Change in benefit obligation		
	Liability at the beginning of the current period	1,87,39,213.00	2,30,47,557.00
	Interest cost	15,36,615.00	17,03,214.00
	Current Service Cost	19,61,738.00	20,53,109.00
	Liability transferred in (Liability transferred out)	-	-
	Benefit paid	-50,08,622.00	-45,53,642.00
	Actuarial (gain)/loss on obligation	58,18,613.00	30,82,699.00
	Liability at the end of the current period	2,30,47,557.00	2,53,32,937.00
7.2.2	Fair Value of Plan Assets		
	Fair Value Plan Assets at the beginning of the year	13,46,304.00	15,05,490.00
	Expected return on plan assets	1,10,397.00	1,11,256.00
	Contributions	50,00,000.00	40,00,000.00
	Transfer from other company	-	-
	Transfer to other company	-	-
	Benefit paid	-50,08,622.00	-45,53,642.00
	Actuarial gain/(loss) on plan assets	57,411.00	-1,95,447.00
	Fair Value of Plan Assets at the end of the year	15,05,490.00	8,67,657.00
7.2.3	Actual return on plan assets		
	Expected return on plan assets	1,10,397.00	1,11,256.00
	Actuarial gain/(loss) on plan assets	57,411.00	-1,95,447.00
	Actual return on plan assets	1,67,808.00	-84,191.00
7.2.4	Amount recognized in the balance sheet		
	Fair value of plan assets at the end of the period	15,05,490.00	8,67,657.00
	Liability at the end of the period	-2,30,47,557.00	-2,53,32,937.00
	Difference	-2,15,42,067.00	-2,44,65,280.00
	Net Amount recognized in the balance sheet	-2,15,42,067.00	-2,44,65,280.00
7.2.5	Expenses recognized in the income statement		
	Current Service Cost	19,61,738.00	20,53,109.00
	Interest Cost	15,36,615.00	17,03,214.00
	Expected return on plan assets	-1,10,397.00	-1,11,256.00
	Actuarial (gain)/ loss	57,61,202.00	32,78,146.00
	Expenses recognized in Profit & Loss Account	91,49,158.00	69,23,213.00

Sr. No.	Particulars	Year ended on March 31, 2017	Year ended on March 31, 2018
7.2.6	Balance Sheet Reconciliation		
	Opening net liability	1,73,92,909.00	2,15,42,067.00
	Expenses as above	91,49,158.00	69,23,213.00
	Net transfer in	-	-
	Net transfer out	-	-
	Employers contribution	-50,00,000.00	-40,00,000.00
	Amount recognized in the balance sheet	2,15,42,067.00	2,44,65,280.00
7.2.7	Assumptions		
	Discount Rate Previous	8.20%	7.39%
	Rate of return on plan assets previous	8.20%	7.39%
	Salary escalation previous	4.00%	4.00%
	Attrition Rate previous	2.00%	2.00%
	Discount Rate current	7.39%	7.73%
	Rate of return on plan asset current	7.39%	7.73%
	Salary escalation current	4.00%	4.00%
	Attrition Rate current	2.00%	2.00%
7.2.8	Category of Assets		
	Government of India Assets	-	-
	State Government Securities	-	-
	Special Deposit Scheme	-	-
	Debt Instruments	-	-
	Corporate Bonds	-	-
	Cash and Cash Equivalents	-	-
	Insurer Managed Funds	15,05,490.00	8,67,657.00
	Asset-Backed Securities	-	-
	Structured Debt	-	-
	Other	-	-

8. Revaluation of Premises

8.1 As per the policy of the Bank, owned premises are revalued every 3 to 5 years.

8.2 On March 31, 2008, the Bank had revalued its ownership premises in respect of 13 premises (cost of acquisition Rs.17,19,06,397.99) at Rs.45,29,49,000.00 on the basis of valuation report of 13 branches. The difference between the revalued amount and the book value of the premises of Rs.32,26,48,432.66 was credited to 'Revaluation Reserve' account in financial year 2007-2008.

8.3 Subsequently, on March 7, 2011, the Bank had revalued premises in respect of 13 premises (cost of acquisition Rs.19,16,69,953.04) at Rs.86,42,50,000.00 on the basis of valuation report of 13 branches. The difference between the revalued amount and the book value of the premises of Rs.45,68,77,466.23 has been credited to 'Revaluation Reserve' during financial year 2010-2011.

8.4 Thereafter, on March 10, 2016, Bank had revalued its premises in respect of 14 premises (cost of acquisition Rs.25,91,01,473.92) at Rs.96,05,59,000.00 on the basis of valuation report of 13 branches. The difference between the revalued amount and the book value of the premises of Rs.15,89,84,251.47 has been credited to 'Revaluation Reserve' during the financial year 2015-2016.

8.5 Depreciation on the revalued ownership premises has been charged and an amount equivalent to the depreciation on revaluation has been transferred from 'Revaluation Reserve' to the Profit and Loss Account of financial year 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-2018 as per the 'Guidance Note on Treatment of Reserves created on Revaluation of Fixed Assets' issued by the ICAI.

9. Related Party Disclosures

9.1 There are no related parties requiring disclosure under Accounting Standard 18 'Related Party Disclosures' issued by the ICAI, other than Key Management Personnel i.e., D.M. Salunkhe, the Managing Director and Chief Executive Officer. However, in terms of RBI Circular dated March 29, 2003, there being a single party coming under the aforesaid category, no further details need to be disclosed. The above referred related party is as certified by the management of the Bank and relied upon by the auditor.

10. Statement of Cash Flows

Particulars	Year ended on	
	March 31, 2017 (Rs. in Lakhs)	March 31, 2018 (Rs. in Lakhs)
Cash Flow from operating activities		
Net Profit after Income tax	13,61.09	7,60.48
Adjustments for:		
Provision for Tax	(1,50.89)	(70.24)
Depreciation on fixed assets	5,79.22	5,60.87
Amortisation of premium on held to maturity investments	1,34.22	4,63.24
(Profit)/loss on sale of fixed assets [net]	5.13	3.63
Provision for Standard/Non-performing assets	23,50.41	(75.00)
Provision / charge for Diminution in value of investments	-	16,04.59
Assets written off	39.09	5.56
Profit on sale of investments	(27,22.25)	(1,16.91)
	15,96.02	23,75.75
Adjustments for:		
(Increase)/Decrease in investments	(2,20,08.60)	(4,43,14.36)
(Increase)/Decrease in advances	8,73.33	2,73,50.40
Increase/(Decrease) in deposits	3,29,53.53	(98,46.48)
(Increase)/Decrease in other assets	5,99.64	(21,01.23)
Increase/(Decrease) in Other Liabilities, Provisions and Reserves	4,70.75	(3,97.71)
Direct taxes paid (net of refunds)	(2,88.87)	(1,74.27)
Net cash flow from operating activities (a)	1,41,95.80	(2,63,47.43)
Cash flows used in investing activities		
Purchase of fixed assets	(6,88.41)	(7,55.95)
Proceeds from sale of fixed assets	14.86	0.67
Net cash used in investing activities (b)	(6,73.55)	(7,55.28)
Cash flows from financing activities		
Increase/(Decrease) in Borrowings	(79,93.35)	3,90,13.59
Issue/Reduction in Share Capital	88.18	(1,322.87)
Dividend paid during the year	(3,15.66)	(5,22.72)
Net cash generated from financing activities (c)	(82,20.83)	3,71,67.99
Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)	53,01.42	1,00,65.29
Cash and Cash Equivalents as at April 1st	1,50,99.91	2,04,01.33
Cash and Cash Equivalents as at March 31st	2,04,01.33	3,04,66.61

11. Segment Reporting

- 11.1 The Bank is catering mainly to the needs of Indian customers, operates as a single unit in India, hence separate information regarding geographical segment is not given.
- 11.2 Business segments are classified as under:
- 11.2.1 Treasury: Dealing operations in Money Market instruments, trading/investing in bonds/Government Securities.
- 11.2.2 Other Banking Operations: Lending/financing and other banking services.
- 11.3 The above segments are reported based on the nature of products/services and their attributable risks/returns, overall organisational structure and internal management reporting system of the Bank.
- 11.3.1 Segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount appropriated/allocated on a reasonable basis.

Particulars	Year ended on March 31, 2017 (Rs. in Lakhs)			Year ended on March 31, 2018 (Rs. in Lakhs)		
	Treasury	Other Banking	Total	Treasury	Other Banking	Total
		Operations			Operations	
Revenue	1,12,86.64	1,82,74.86	2,95,61.50	1,11,05.55	1,75,25.13	2,86,30.68
Segment Cost	82,86.89	20,064.41	2,83,51.30	1,23,15.60	1,56,24.84	2,79,40.44
Result	29,99.75	(17,89.55)	12,10.20	(12,10.05)	19,00.29	6,90.24
Profit before Tax			12,10.20			6,90.24
Less: Provision for Tax/ (benefit)			(1,50.89)			(70.24)
Net Profit			13,61.09			7,60.48

Particulars	Year ended on March 31, 2017 (Rs. in Lakhs)			Year ended on March 31, 2018 (Rs. in Lakhs)		
	Treasury	Other Banking	Total	Treasury	Other Banking	Total
		Operations			Operations	
Other Information:						
Segment Assets	11,32,95.11	18,35,85.17	29,68,80.28	15,77,55.94	16,54,05.38	32,31,61.32
Unallocated Assets			5,55.72			6,57.76
Total Assets			29,74,36.00			32,38,19.08
Segment Liabilities	11,43.06	27,27,33.59	27,38,76.65	4,21,46.84	26,21,53.91	30,43,00.75
Unallocated Liabilities			2,35,59.35			1,95,18.33
Total Liabilities			29,74,36.00			32,38,19.08

12. Deferred Tax

12.1 The Deferred Tax liability/asset comprises of tax effect of timing differences on account of:

Particulars	As at March 31, 2017	As at March 31, 2018
Deferred Tax Assets:		
Expenses allowable only on payment basis	85,06,238.11	82,35,603.12
Provision for BDDR	7,25,62,755.30	5,94,60,246.36
Unabsorbed Business Loss	-	2,86,10,052.91
	(a)	8,10,68,993.41
Deferred Tax Liability:		
Provision for Staff Gratuity	-	1,20,401.66
Depreciation on Fixed Assets	5,10,95,416.41	5,99,02,775.61
	(b)	5,10,95,416.41
Deferred Tax Assets/(Liability) [net]	(a)-(b)	2,99,73,577.00
		3,62,82,725.12

12.2 Deferred tax asset has been recognised to the extent the management is reasonably certain of its realisation.

12.3 During the financial year 2015-2016, deferred tax asset of Rs.1,86,44,385 was reversed due to reversal of timing differences. Out of Rs.1,86,44,385, Rs.1,67,82,776 was adjusted against General Reserve (transitional reserve) created on first time adoption of Accounting Standard 22 'Accounting for Taxes on Income' due to reversal of the timing differences and Rs.18,61,609 was charged to Profit & Loss Account in financial year 2015-2016.

12.4 In the financial year 2014-2015, in accordance with Accounting Standard 22 'Accounting for Taxes on Income', the Bank had recorded net cumulative deferred tax of Rs.1,67,82,776 up to March 31, 2014 as an addition to 'General Reserve'. Further, the impact of deferred tax asset of Rs.2,12,46,233.96 for financial year 2014-2015 had been credited to Profit & Loss Account in financial year 2014-2015.

13. Operating Leases

13.1 The Bank has taken a number of premises on operating lease. The details of maturity profile of future operating lease payments as per Accounting Standard 19 'Leases' issued by the ICAI are given below:

	Year ended on March 31, 2017 (Rs. in Lakhs)	Year ended on March 31, 2018 (Rs. in Lakhs)
Future lease rentals payable as at the end of the year:		
Not later than one year	8,85.40	9,23.45
Later than one year but not later than five years	31,75.83	29,77.10
Later than five years	28,18.15	22,71.74
Total of minimum lease payments recognised in the Profit and Loss Account for the year	9,31.63	9,65.02

14. Financial assets sold during the year to Securitisation Company (SC) / Reconstruction Company (RC)

Sr. No.	Particulars	Year ended on March 31, 2017 (Rs.in Lakhs)	Year ended on March 31, 2018 (Rs.in Lakhs)
1	No. of Accounts	0.00	32.00*
2	Aggregate Value (net of provision) of accounts sold to SC/RC	0.00	1,46,47.24
3	Aggregate Consideration	0.00	1,45,00.00
4	Additional consideration realised in respect of accounts transferred in earlier year	0.00	0.00
5	Aggregate gain/(loss) over net book value	0.00	(1,47.24)

* Includes four written off accounts

15. The Depositor Education and Awareness Fund Scheme, 2014

15.1 As per RBI Circular no. RBI/2013-14/DBOD No. DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014 on The Depositor Education Fund Scheme, 2014, every bank shall determine the credit balances in any account or any deposit in the bank remaining unclaimed or inoperative for ten years or more and transfer these amounts to the Depositor Education and Awareness Fund ("DEAF").

15.2 In accordance with the above referred RBI circular, the Bank has transferred the following amounts to DEAF:

Particulars	Year ended on March 31, 2017	Year ended on March 31, 2018
Opening balance of amounts transferred to DEAF	8,78,79,780.95	8,95,38,721.18
Add: Amounts transferred to DEAF during the year	36,33,597.00	2,42,14,556.69
Less: Amounts reimbursed by DEAF towards claims	19,74,656.77	4,02,247.32
Closing balance of amounts transferred to DEAF	8,95,38,721.18	11,33,51,030.55

II. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

- 1.1 The Bank has drawn up its accounts in conformity with the provisions of Multi-State Cooperative Societies Act, 2002 and rules framed thereunder and the Banking Regulation Act, 1949 as applicable to Co-operative Banks.
- 1.2 The financial statements are prepared on historical cost convention and on a going concern basis. They are in conformity with the generally accepted principles and practices prevailing in India, statutory provisions and guidelines issued by the RBI, except where otherwise stated, and the Accounting Standards ("AS") issued by the ICAI.

2. Revenue & Expenditure Recognition

- 2.1 Income and expenditure are accounted for on accrual basis, except as stated below:
 - 2.1.1 Income from NPA is accounted for on cash basis on realisation as per guidelines issued by RBI.
 - 2.1.2 Dividend on investments, rent on lockers, interest on RBI balance, commission, incidental charges, service charges are accounted on cash basis.
 - 2.1.3 Interest on income-tax refund is determined based on the order of the concerned authorities and is recognised on receipt of the relevant refund order.

3. Taxation

- 3.1 Provision for income tax is made for both current and deferred taxes. Provision for current income tax is made on the current tax rates based on the assessable income. The Bank provides for deferred tax based on the tax effect of timing differences resulting from the recognition of items in the financial statements and in estimating its current tax provision. Deferred tax assets are recognised where there is certainty that there will be sufficient future taxable income available against which such deferred tax assets can be realised.

4. Impairment of Assets

- 4.1 At each Balance Sheet date, the Bank reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to its present value using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The reversal of impairment loss is recognised immediately as income in the Profit & Loss Account.

5. Investments

- 5.1 The investment portfolio of the Bank is classified as per the RBI's guidelines on classification and valuation of investments for all primary (urban) co-operative banks into the following categories:
 - 5.1.1 Classification
 - 5.1.1.1 Held to Maturity ("HTM"): Securities acquired by the Bank with the intention to hold till maturity.
 - 5.1.1.2 Held for Trading ("HFT"): Securities acquired by the Bank with the intention to trade.
 - 5.1.1.3 Available for Sale ("AFS"): Securities which do not fall within the above two categories are classified as 'Available for Sale'.
 - 5.1.2 Valuation
 - 5.1.2.1 Held to Maturity Investments: This class is carried at their book value and any premium paid on acquisition of investment under 'Held to Maturity' category only is amortised over the balance period of maturity of the investment.
 - 5.1.2.2 Held for Trading Investments: This class is marked to market and net depreciation under each category is recognized in the profit and loss account. Net appreciation in each category is ignored.
 - 5.1.2.3 Available for Sale Investments: This class is marked to market and net depreciation under each category is recognized in the profit and loss account. Net appreciation in each category is ignored.
 - 5.1.2.4 Shares of Co-operative Institutions are carried at cost, except where there is a diminution in value, other than temporary, in which case the carrying value is reduced to recognise the decline.
 - 5.1.2.5 Security Receipts: These are valued at Net Asset Value as provided by the Asset Reconstruction Company.
- 5.2 The investments have been disclosed in the Balance Sheet as under:

- 5.2.1 Central & State Government Securities.
- 5.2.2 Other Trustee Securities
- 5.2.3 Shares of Co-operative Institutions
- 5.2.4 Other Investments.

6. Advances

- 6.1 The Bank has classified its advances portfolio into four categories as per the prudential norms on Income Recognition and Assets Classification as under:
 - 6.1.1 Standard Assets
 - 6.1.2 Sub-standard Assets
 - 6.1.3 Doubtful
 - 6.1.4 Loss Assets
- 6.2 The provision for each category is made in accordance with the prudential norms.
- 6.3 Overdue interest in respect of Non-Performing Assets is shown as 'Overdue Interest Reserve' as per RBI guidelines.

7. Fixed Assets and Depreciation

- 7.1 Fixed Assets:
 - 7.1.1 Fixed assets, other than ownership premises, are stated at written down value and ownership premises are stated at revalued value less accumulated depreciation.
 - 7.1.2 Fixed assets include incidental expenses incurred on acquisition and installation of the assets.
- 7.2 Depreciation
 - 7.2.1 Depreciation is charged on written down value method on fixed assets, other than computers.
 - 7.2.2 Depreciation on computers is charged on straight line method at 33.33% as per the guidelines issued by RBI.
 - 7.2.3 Depreciation is provided on revalued value of the assets which are revalued.
 - 7.2.4 Depreciation on fixed assets is charged as under:
 - 7.2.4.1 Depreciation on fixed asset purchased/acquired between April to September is charged at the applicable rate of depreciation for the full year.
 - 7.2.4.2 Depreciation on fixed asset purchased/acquired between October to March is charged at the applicable rate for the half year.
 - 7.2.5 Depreciation is charged on fixed assets, other than computers, at the following rates considered appropriate by the management of the Bank:

Sr. No.	Category of Assets	Type of Assets	Rate of Depreciation
7.2.5.1	Premises	Ownership Premises	2.50% on written down value method
7.2.5.2	Capital Expenditure on Rented Premises	Capital Expenditure on Rented Premises	5.00% on written down value method
7.2.5.3	Furniture & Fixture	Wooden/Metal made Furniture & Fixture	5.00% on written down value method
7.2.5.4	Furniture & Fixture	Electrical & Electronic products	7.50% on written down value method
7.2.5.5	Vehicles	Vehicles	15% on written down value method
7.2.6	Depreciation on fixed asset sold during the year is charged up to the month prior to the month in which the fixed asset is sold.		

8. Employees' Retirement Benefits

- 8.1 Gratuity
 - 8.1.1 During the financial year 2007-2008, the Bank had set up a Trust, 'NICBL Employees Gratuity Trust', to administer Staff Gratuity Fund of the employees of the Bank.
 - 8.1.2 The Staff Gratuity payable is determined based on actuarial valuation.
- 8.2 Provident Fund:
 - 8.2.1 The Bank's Contribution to provident fund is accounted for on the basis of contribution to the scheme.
- 8.3 Leave Encashment:
 - 8.3.1 During the financial year 2008-2009, the Bank has setup a defined benefit plan for employees relating to leave encashment with the HDFC Standard Life Insurance Company Limited.
 - 8.3.2 Provision for leave salary is determined based on actuarial valuation.

9. Foreign Currency Transactions:

- 9.1 All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- 9.2 Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. The resultant gain or loss is accounted during the year.

10. Provisions and Contingencies

10.1 A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at Balance Sheet date. These are reviewed at each Balance Sheet and adjusted to reflect the current best estimates. Contingent assets and liabilities are not recognised.

11. Leases

11.1 Lease payments for assets taken on operating lease are recognised in the Statement of Profit and loss over the lease term.

12. Material Events

12.1 Material events occurring after the Balance Sheet date are taken into cognizance.

13. Other Accounting Policies

13.1 These are consistent with the generally accepted accounting principles.

III. Disclosures as per RBI Circular dated October 30, 2002

Sr. No.	Particulars	March 31, 2017 Rs. in Lakhs	March 31, 2018 Rs. in Lakhs
1	Capital to Risk Asset Ratio ("CRAR")	12.39	12.81
2	Movement of CRAR		
	Capital Funds	1,96,21.32	1,85,17.16
	Risk Weight	15,83,07.56	14,45,88.53
3	Investments		
	Face Value	9,48,28.39	13,99,36.19
	Book Value	10,05,54.80	14,56,73.02
	Market Value	9,79,93.22	13,76,88.40
4	Advances		
4.1	Housing	1,25,21.05	1,25,46.85
4.2	Construction business	1,39,86.59	1,01,43.27
4.2	Real Estate	80,99.65	1,27,14.77
5	Advances against shares and debentures	22.14	37.04
6	Advance to Directors, their relatives, companies/firms in which they are interested (as certified by the management of the Bank and relied upon by the auditor):		
	Fund based	-	-
	Non-Fund based (Guarantees, L/C, etc.)	-	-
7	Cost of Deposits	7.22%	6.67%
8	NPAs		
8.1	Gross NPA	1,29,20.60	39,08.01
8.2	Net NPA	1,00,50.60	20,63.06
9	Movement in NPA		
	Opening Balance	66,26.06	1,29,20.60
	Add : Additions during the year	98,31.63	1,33,19.98
		1,64,57.69	2,62,40.58
	Less : Closed/Recovered/Written off/Transferred	35,37.09	2,23,32.57
	Closing Balance	1,29,20.60	39,08.01
10	Profitability		
10.1	Interest Income as a percentage of working funds	8.37%	8.17%
10.2	Non-interest income as a percentage of working funds	1.34%	0.46%
10.3	Operating profit as a percentage of working funds	1.17%	0.67%
10.4	Return on Assets	0.45%	0.23%
10.5	Business (Deposits + Advances) per employee	1,203.13	1,207.85
10.6	Profit per employee	4.14	2.35
11	Provisions made towards NPA	23,50.41	18,44.95
11.1	Provisions made towards NPA	23,50.41	18,44.95
11.2	Depreciation in Investment	-	16,04.59
11.3	Provision for Standard Assets	-	-
12	Movement in Provisions		
12.1	Towards NPA		
	Opening Balance	32,60.00	28,70.00
	Add: Additions during the year*	26,40.41	22,81.89
		59,00.41	51,51.89
	Less: Closed/Recovered/Written off/transferred during the year	30,30.41	11,51.89
	Closing Balance	28,70.00	40,00.00
12.2	Towards Investment Depreciation Reserve		

Sr. No.	Particulars	March 31, 2017 Rs. in Lakhs	March 31, 2018 Rs. in Lakhs
	Opening Balance	-	-
	Add : Additions during the year	-	16,04.59
		-	16,04.59
	Less: Closed/Recovered/Written-off/ transferred during the year	-	-
	Closing Balance	-	16,04.59
12.3	Towards Investment Fluctuation Reserve		
	Opening Balance	8,50.00	11,40.00
	Add: Additions during the year	2,90.00	3,60.00
		11,40.00	15,00.00
	Less: Closed/Recovered/Written off/transferred during the year	-	-
	Closing Balance	11,40.00	15,00.00
12.4	Towards Standard Assets		
	Opening Balance	6,70.00	6,70.00
	Add: Additions during the year	-	-
		6,70.00	6,70.00
	Less: Closed/Recovered/Written off/transferred during the year	-	75.00
	Closing Balance	6,70.00	5,95.00
13	Foreign Currency Assets and Liabilities:		
	Assets	-	-
	Liabilities	-	-

* Subject to approval of the appropriation of net profit at the ensuing Annual General Meeting

14. a. Composition of Non SLR Investments:

Sr. No.	Issuer	Amount (Rs. in Lakhs)		Extent Of Below Investment Grade Securities		Extent of Unrated Securities	
		As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018
		i.	PSU	-	-	-	-
ii.	FI	-	-	-	-	-	-
iii.	Public Sector Bank	-	-	-	-	-	-
iv.	Mutual Funds	-	-	-	-	-	-
v.	Others	44,15.93	1,62,42.79	-	-	-	-
vi.	Provision held towards depreciation	-	1,44.91	-	-	-	-
	Total	44,15.93	1,60,97.88	-	-	-	-

b. Non-Performing Non SLR Investments:

Particulars	Rs. in Lakhs	
	Year ended on March 31, 2017	Year ended on March 31, 2018
Opening Balance	Nil	Nil
Addition during the year	Nil	Nil
Reduction during the year	Nil	Nil
Closing balance	Nil	Nil
Total Provisions held	Nil	Nil

15. Bancassurance Business

Sr. No.	Nature of Income	Rs. in Lakhs	
		Year ended on March 31, 2017	Year ended on March 31, 2018
a.	For selling Life Insurance Policies	37.37	68.95
b.	For selling Non Life Insurance Policies	5.94	6.02
c.	For selling Mutual Fund Products	6.62	6.99
d.	Others (Specify)	-	-

16. Particulars of Accounts Restructured (Rs. in Lakhs)

Particulars	Housing Loan		Corporate Debt Restructuring ("CDR") Mechanism		Small and Medium Enterprise ("SME") Debt Restructuring		Others	
	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018
	Standard Advances restructured	No. of Borrowers	-	-	-	-	-	-
	Amount outstanding Sacrifice (diminution in fair value)	-	-	-	-	-	-	-
Sub Standard Advances restructured	No. of Borrowers	-	-	1	-	-	-	1
	Amount outstanding Sacrifice (diminution in fair value)	-	-	32,48.18	-	-	-	27,13.30
Doubtful Advances restructured	No. of Borrowers	-	-	-	-	-	-	-
	Amount outstanding Sacrifice (diminution in fair value)	-	-	-	-	-	-	-
Total	No. of Borrowers	-	-	1	-	-	-	1
	Amount outstanding Sacrifice (diminution in fair value)	-	-	32,48.18	-	-	-	27,13.30

17. Premium paid to Deposit Insurance & Credit Guarantee Corporation ("DICGC")

17.1 The Bank is regular in payment of premium to the DICGC. The premium is paid within the stipulated time and the deposits of up to Rs.1.00 lakh are fully insured by DICGC.

18. No penalty has been imposed by RBI on the Bank during the financial years 2016-2017 and 2017-2018.

ANNEXURE - A

Name of the Bank : New India Co-operative Bank Ltd.
Registered and Corporate : New India Bhavan, Anant Vishram Nagvekar Marg,
Office Address : Babasaheb Worlikar Chowk, Prabhadevi, Mumbai - 400 025.
Date of Registration : BOM/BNK/106 dated 21st November 1967
Date & No. of RBI License : ACD.MH.4-P dated 6th December 1967
Jurisdiction : The area of operation of the Bank is entire Union of India.

ITEM	(Rs. in Lakhs) As on 31st March, 2018
No. of Branches including H.O.	31
SHAREHOLDERS	
Regular	14,790
Nominal	2,864
Paid-up Share Capital	Rs. 2,394.96
Total Reserve Funds	Rs. 22,422.63
DEPOSITS	
Savings	Rs. 71,763.86
Current	Rs. 22,191.25
Fixed / Short Term	Rs. 1,60,753.81
ADVANCES	
Secured	Rs. 1,15,749.80
Unsecured	Rs. 1,023.76
Total % of Priority Sector	22.82 %
Total % of Weaker Sections	0.94 %
BORROWINGS	
D.C.C. / APEX	NIL
M.S.C.	NIL
Others	NIL
INVESTMENTS	
D.C.C. / APEX	NIL
M.S.C.	NIL
Others	1,55,092.00
Overdue %	4.21 %
Profit for the year	Rs. 760.48
Total Staff	321
Working Capital	Rs. 3,22,879.98

PROPOSED AMENDMENT TO BYE-LAWS

Bye-Law No.	Text of Present Bye-Law	PROPOSED amendment TO BYE-LAW
5	OBJECTS & FUNCTIONS	OBJECTS & FUNCTIONS
	a) Objects:	a) Objects:
	i) The principal object of the Bank will be to promote the interests of all its members to attain their social and economic betterment through self-help and mutual aid in accordance with the Co-operative principles.	i) The principal object of the Bank will be to promote the interests of all its members to attain their social and economic betterment through self-help and mutual aid in accordance with the Co-operative principles.
	ii) To encourage thrift, self-help and co-operation among members and to provide products and services to its members.	ii) To encourage thrift, self-help and co-operation among members and to provide products and services to its members.
	iii) To accept deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft order or otherwise.	iii) To accept deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft order or otherwise.
	iv) To borrow or raise money.	iv) To borrow or raise money.
	v) To lend or to advance money either upon or without security to members and others as permitted by the Reserve Bank of India.	v) To lend or to advance money either upon or without security to members and others as permitted by the Reserve Bank of India.
	vi) To draw, make, accept, discount, buy, sell, collect and deal in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts warrants, certificates, scrips and other instruments and other securities whether transferable or negotiable or not.	vi) To draw, make, accept, discount, buy, sell, collect and deal in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts warrants, certificates, scrips and other instruments and other securities whether transferable or negotiable or not.
	vii) To grant and issue letters of credit, traveller's cheques	vii) To grant and issue letters of credit, traveller's cheques and circular notes.
	viii) To buy and to sell foreign exchange including foreign notes.	viii) To buy and to sell foreign exchange including foreign notes.
	ix) To acquire, to hold, to issue on commission, to underwrite and to deal in stocks, funds, shares, debentures, debenture stocks, bonds, obligations, securities and investments of all kinds.	ix) To acquire, to hold, to issue on commission, to underwrite and to deal in stocks, funds, shares, debentures, debenture stocks, bonds, obligations, securities and investments of all kinds.
	x) To purchase and to sell bonds, scrips, or other forms of securities on behalf of constituents.	x) To receive all kinds of bonds, scrips, valuables on deposit or for safe custody or otherwise.
	xi) To receive all kinds of bonds, scrips, valuables on deposit or for safe custody or otherwise.	xi) To provide safe deposit vaults and ancillary services.
	xii) To provide safe deposit vaults and ancillary services.	xii) To collect and transmit money and securities.
	xiii) To collect and transmit money and securities.	xiii) To negotiate loans and advances.
	xiv) To negotiate loans and advances.	xiv) To carry on and to transact every kind of guarantee and indemnity business on behalf of constituents.
	xv) To carry on and to transact every kind of guarantee and indemnity business on behalf of constituents.	xv) To acquire, to construct, to maintain and to alter any building or works necessary or convenient for the purpose of the Bank.
	xvi) To effect, to insure, to guarantee, to underwrite, to participate in managing and carrying out any issue, public or private, of State, Municipal or other loans or of shares, stocks, debentures, debenture stock of any company, Co-operative society, corporation or association and to lend money for the purpose of any such issue.	xvi) To manage, to sell and to realize any property which may come into the possession of the in satisfaction or part satisfaction of any of its claims.
	xvii) To acquire, to construct, to maintain and to alter any building or works necessary or convenient for the purpose of the Bank.	xvii) To open branches and pay offices, with the permission of the Reserve Bank of India within the area of operation of the Bank so as to provide Banking services to the public.
	xviii) To manage, to sell and to realize any property which may come into the possession of the in satisfaction or part satisfaction of any of its claims.	xviii) To acquire, to manage and to undertake the whole or part of the business of any other Co-operative society with the prior permission of the Central Registrar.

xix) To open branches and pay offices, with the permission of the Reserve Bank of India within the area of operation of the Bank so as to provide Banking services to the public.

xx) To acquire, to manage and to undertake the whole or part of the business of any other Co-operative society with the prior permission of the Central Registrar.

xxi) To establish, to support or to aid in establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit members, employees/ex-employees of the Bank or the dependants or connections of such persons and to grant pensions.

xxii) To prepare and to finance schemes for amelioration of the financial condition of the members.

xxiii) To provide financial and technical assistance to Small Scale and Cottage Industries and to help self-employed persons for setting up their own business.

xxiv) To enter into participation, consortium arrangement/arrangements with any other Bank or Banks or financial institutions with the object of making loans and advances with the permission of the Reserve Bank of India wherever necessary.

xxv) To do any other form of business as specified in clause (1) of Section 6 of the Banking Regulation Act, 1949 (as applicable to Co-operative societies).

xxvi) To act as agents for collection of monies of various Government, quasi-Government and Statutory Bodies.

xxvii) To grant loans to Co-operative Housing Societies for temporary period pending reimbursement from the Maharashtra Co-operative Housing Finance Society Ltd., L.I.C., Government, Semi-Government, Institutions or other financing agencies with the prior permission of the Central Registrar and/or to grant loans to such societies on permanent basis as may be permitted by the Reserve Bank of India and the Central Registrar.

xxviii) To undertake any other form of business which the Central or State Government may specify as a form of business in which it is lawful for a Co-operative banking institution to engage.

xxix) To do all such other things as are incidental and conducive to the promotion or advancement of these objects and of the business of the Bank.

b) Functions:

In furtherance of the above objects, the Bank may undertake any or all the following activities.

- To do merchant banking.
- To engage in credit/debit cards business.
- To act as an insurance agent.

xix) To establish, to support or to aid in establishment and support of associations, institutions, funds, trusts and conveniences calculated to benefit members, employees/ex-employees of the Bank or the dependants or connections of such persons and to grant pensions.

xx) To prepare and to finance schemes for amelioration of the financial condition of the members.

xxi) To provide financial and technical assistance to Small Scale and Cottage Industries and to help self-employed persons for setting up their own business.

xxii) To enter into participation, consortium arrangement/arrangements with any other Bank or Banks or financial institutions with the object of making loans and advances with the permission of the Reserve Bank of India wherever necessary.

xxiii) To do any other form of business as specified in clause (1) of Section 6 of the Banking Regulation Act, 1949 (as applicable to Co-operative societies).

xxiv) To act as agents for collection of monies of various Government, quasi-Government and Statutory Bodies

xxv) To grant loans to Co-operative Housing Societies for temporary period pending reimbursement from the Maharashtra Co-operative Housing Finance Society Ltd., L.I.C., Government, Semi-Government, Institutions or other financing agencies with the prior permission of the Central Registrar and/or to grant loans to such societies on permanent basis as may be permitted by the Reserve Bank of India and the Central Registrar.

xxvi) To undertake any other form of business which the Central or State Government may specify as a form of business in which it is lawful for a Co-operative banking institution to engage.

xxvii) To do all such other things as are incidental and conducive to the promotion or advancement of these objects and of the business of the Bank.

b) Functions:

In furtherance of the above objects, the Bank may undertake any or all the following activities.

- To do merchant banking.
- To engage in credit/debit cards business.
- To act as an insurance agent.



	iv) Undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise with the previous permission of the Central Registrar.	iv) Undertaking and executing trusts, undertaking the administration of estates as executor, trustee or otherwise with the previous permission of the Central Registrar
	v) To promote a subsidiary institution/s.	v) To promote a subsidiary institution/s.
	vi) Doing all such things as are incidental and conducive to the promotion of advancement of the business of the Bank.	vi) Doing all such things as are incidental and conducive to the promotion of advancement of the business of the Bank.
8	AUTHORISED SHARE CAPITAL	AUTHORISED SHARE CAPITAL
	i) The Authorised Share Capital of the Bank shall be Rs.150,00,00,000/- (Rs. 150 crores) which shall comprise of 15,00,00,000 shares of the face value of Rs.10/- each.	i) The Authorised Share Capital of the Bank shall be Rs.150,00,00,000/- (Rs. 150 crores) which shall comprise of 15,00,00,000 shares of the face value of Rs.10/- each.
	ii) No member other than the authorities referred to in clauses (c) to (g) sub-section (1) of Section 25 of the Act, shall hold more than one fifth of the total paid up share capital of the Bank.	ii) No member other than the authorities referred to in clause (c) to (g) sub-section (1) of Section 25 of the Multi-State Co-operative Act , shall hold more than 5% of the total paid up share capital of the Bank.
11	THE PROCEDURE FOR OBTAINING ORDINARY MEMBERSHIP OF THE BANK	THE PROCEDURE FOR OBTAINING ORDINARY MEMBERSHIP OF THE BANK
	a) A Person who is eligible to become a member of the Bank may apply in writing in the form prescribed by the Bank.	a) A Person who is eligible to become a member of the Bank may apply in writing in the form prescribed by the Bank.
	b) On receipt of the duly filled in application form from the applicant for membership of the Bank, the particulars furnished therein, will be verified by the Bank. He having fulfilled all the conditions laid down in the Act, Rules and these Byelaws and his application having being approved by the Board and he having subscribed by making full payment towards 300 shares of Rs.10/- each may be admitted as a member of the Bank.	b) On receipt of the duly filled in application form from the applicant for membership of the Bank, the particulars furnished therein, will be verified by the Bank. He having fulfilled all the conditions laid down in the Act, Rules and these Byelaws and his application having being approved by the Board and he having subscribed by making full payment towards 500 shares of Rs.10/- each may be admitted as a member of the Bank.
	c) Every application for admission as a member of the Bank shall be disposed off by the Bank within a period of four months from the date of receipt of the application and the decision of the Bank on the application shall be communicated to the applicant within fifteen days from the date of such decision. Provided that if the application is not disposed off within the period aforesaid or the decision is not communicated within a period of fifteen days of the expiry of the aforesaid period of four months, the Bank shall be deemed to have made a decision, on the date of expiry of such period, refusing admission of the applicant.	c) Every application for admission as a member of the Bank shall be disposed off by the Bank within a period of four months from the date of receipt of the application and the decision of the Bank on the application shall be communicated to the applicant within fifteen days from the date of such decision. Provided that if the application is not disposed off within the period aforesaid or the decision is not communicated within a period of fifteen days of the expiry of the aforesaid period of four months, the Bank shall be deemed to have made a decision, on the date of expiry of such period, refusing admission of the applicant.
	d) A person applying for membership of the Bank shall pay Rs.50/- as admission fee per member irrespective of shares held by him.	d) A person applying for membership of the Bank shall pay Rs.50/- as admission fee per member irrespective of shares held by him.
	e) An identity card prescribed by the Bank will be issued to each member at the cost of member. The identity card shall be produced for any transaction with the Bank if desired by it and for participation in the Annual General and Special General Meetings of the Bank and for the purpose of voting for election to the Board.	e) An identity card prescribed by the Bank will be issued to each member at the cost of member. The identity card shall be produced for any transaction with the Bank if desired by it and for participation in the Annual General and Special General Meetings of the Bank and for the purpose of voting for election to the Board.
12	CONDITIONS FOR CONTINUING MEMBERSHIP	CONDITIONS FOR CONTINUING MEMBERSHIP
	i) The existing members of the Bank who do not hold the minimum number of shares i.e. 300 shares of Rs.10/- each shall subscribe to the same within a period of ninety days from the date of notice sent by the Bank in this regard.	i) The existing members of the Bank who do not hold the minimum number of shares i.e. 500 shares of Rs.10/- each shall subscribe to the same within a period of ninety days from the date of notice sent by the Bank in this regard.
	ii) If an existing member fails to subscribe to the minimum number of shares within the period stipulated in sub-clause (i) above, the membership shall be ceased and the share money shall be refunded.	ii) If an existing member fails to subscribe to the minimum number of shares within the period stipulated in sub-clause (i) above, the membership shall be ceased and the share money shall be refunded.
	iii) No member shall be entitled to exercise the right of voting and stand for election if he is a defaulter for any amount due and payable to the Bank.	iii) No member shall be entitled to exercise the right of voting and stand for election if he is a defaulter for any amount due and payable to the Bank.

20	DISQUALIFICATION OF MEMBERSHIP	DISQUALIFICATION OF MEMBERSHIP
	No person shall be eligible to continue as a member of the Bank if :	No person shall be eligible to continue as a member of the Bank if :
	a) His/Her business is in conflict or competition with the business of the Bank.	a) His/Her business is in conflict or competition with the business of the Bank.
	b) He/She has not availed the minimum level of services as defined below :	b) He/She does not hold the minimum number of shares i.e. 500 shares of Rs.10/- each and has not availed the minimum level of services as defined below :
	i) A Savings Account or a Current Account held singly or jointly by the member and	i) A Savings Account or a Current Account held singly or jointly by the member and
	ii) Fixed deposit of Rs.25,000/- held singly by the member only	ii) Fixed deposit of Rs.25,000/- held singly by the member only
	or	or
	iii) Loan of any type for an amount aggregating to Rs.1.01 lac and above	iii) Loan of any type for an amount aggregating to Rs.1.01 lakh and above
	c) He/She did not attend three consecutive General Body Meetings and such absence was not condoned by the members attending the meeting	c) He/She did not attend three consecutive General Body Meetings and such absence was not condoned by the members attending the meeting.
	d) He/She has defaulted in payment of any dues including contributions, subscriptions, if any, as decided by the Board of the Bank from time to time.	d) He/She has defaulted in payment of any dues including contributions, subscriptions, if any, as decided by the Board of the Bank from time to time.
50	LINKING OF SHARE HOLDING WITH LOAN LIMITS	LINKING OF SHARE HOLDING WITH LOAN LIMITS
	a) The Bank shall follow guidelines issued by the Reserve Bank of India from time to time, in respect of linking of Share Holding.	a) The Bank shall follow guidelines issued by the Reserve Bank of India from time to time, in respect of linking of Share Holding.
	b) No member shall hold shares more than 1/5th of the paid up share capital of the Bank. Provided that the Board may stipulate the maximum limit of shareholding within the above ceiling for linkage of shareholding to borrowing in accordance with the directions given by the Reserve Bank of India and / or the Central Registrar of Co-operative Societies from time to time	b) No member shall hold shares more than 5% of the paid up share capital of the Bank. Provided that the Board may stipulate the maximum limit of shareholding within the above ceiling for linkage of shareholding to borrowing in accordance with the directions given by the Reserve Bank of India and / or the Central Registrar of Co-operative Societies from time to time.
52	DISTRIBUTION OF PROFITS	DISTRIBUTION OF PROFITS
	a) Subject to the provisions of the Act and Rules framed thereunder, the net profits of a Multi-state Co-operative Bank shall be distributed by the General Body as follows:	a) Subject to the provisions of the Act and Rules framed thereunder, the net profits of a Multi-state Co-operative Bank shall be distributed by the General Body as follows:
	i) transfer at least 25% of net profit to the reserve fund.	i) transfer at least 25% of net profit to the reserve fund.
	ii) credit one percent of its net profit to the Co-operative education fund maintained by the National Co-operative Union of India.	ii) credit one percent of its net profit to the Co-operative education fund maintained by the National Co-operative Union of India.
	iii) An amount of at least 10% of the net profit shall be transferred to the reserve fund for meeting unforeseen losses.	iii) An amount of at least 10% of the net profit shall be transferred to the reserve fund for meeting unforeseen losses.
	b) The balance of the net profit may be utilized for all or any of the following purposes.	b) The balance of the net profit may be utilized for all or any of the following purposes.
	i) Payment of dividend to members on their paid up capital at the rate not exceeding 15%.	i) Payment of dividend to members on their paid up capital at the rate not exceeding 15%.
	ii) Contribution to the education fund at the rate of 5% or more and not exceeding 10%. The fund may be utilized for the education and training of members, directors and employees as approved by the Board of Directors.	ii) Contribution to the education fund at the rate of 5% or more and not exceeding 10%. The fund may be utilized for the education and training of members, directors and employees as approved by the Board of Directors.
	iii) Donation for the development of the Co-operative movement or charitable purpose as defined in Section 2 of the Charitable Endowment Act, 1890 not exceeding 5%.	iii) Donation for the development of the Co-operative movement or charitable purpose as defined in Section 2 of the Charitable Endowment Act, 1890 not exceeding 5%.

- | | |
|---|---|
| <ul style="list-style-type: none"> iv) Payment of ex-gratia amount to employees as approved by the Board of Directors. v) The remaining net profit if any shall be added to the reserve fund. | <ul style="list-style-type: none"> iv) Payment of ex-gratia amount to employees as approved by the Board of Directors. v) The remaining net profit if any shall be added to the reserve fund. |
|---|---|

62 INVESTMENT OF FUNDS	INVESTMENT OF FUNDS
The Bank may invest or deposit its funds in:	The Bank may invest or deposit its funds in :
i) In a Scheduled Urban co-operative Bank, State Co-operative Bank, Co-operative Land Development Bank or Central Co-operative Bank or	i) In any of the securities specified in Section 20 of the Indian Trusts Act, 1882 (2 of 1882) or
ii) In any of the securities specified in Section 20 of the Indian Trusts Act, 1882 (2 of 1882) or	ii) With any other bank or
iii) In the shares or securities of any other multi state co-operative society or any co-operative society; or	iii) In such other mode as may be permitted by R.B.I and or as provided in the bye-laws.
iv) In the shares, securities or assets of a subsidiary institution; or	
v) With any other bank or	
vi) In such other mode as may be permitted by R.B.I and or as provided in the bye-laws.	

Branches

Maharashtra State

Mumbai

Andheri (E)	: Kalpita Enclave, Andheri - Sahar Road, Andheri (E), Mumbai – 400 069.
Andheri (W)	: Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400 058.
Bandra	: Kohli House, 32nd Road, TPS III, Bandra (W), Mumbai – 400 050.
Borivali	: Kalpana Apts., Punjabi Lane, Borivali (W), Mumbai – 400 092.
Chembur	: Akshay Apts., 10th Road, Chembur, Mumbai – 400 071.
Fort	: 221/225, Harbour View, P D'Mello Road, Fort, Mumbai - 400 001
Ghatkopar	: V.C.Gurukul High School, Derasar Lane, Ghatkopar (E), Mumbai – 400 077.
Girgaum	: Nikko House, V. P. Road, Opp. Congress House, Mumbai – 400 004
Goregaon	: Hirnen Shopping Centre, M.G. Road, Goregaon (W), Mumbai – 400 062.
Kandivali (W)	: Shivam CHS Ltd., Near Charkop Village, Kandivali (W), Mumbai – 400 067.
Mahavir Nagar	: Gangotri Yamnotri Bldg., Mahavir Nagar, Kandivali (W), Mumbai- 400 067.
Malad (E)	: Temple View - I, Raheja Township, Malad (E), Mumbai – 400 097.
Malad (W)	: 37, Jimmit Apts., Marve Road , Malad (W), Mumbai – 400 064.
Mulund (E)	: Gurujyot, Mahatma Phule Road, Mulund (E), Mumbai – 400 081.
Mulund (W)	: Golden Willows, Vasant Garden, Off. LBS Road, Mulund (W), Mumbai - 400 080.
Santacruz	: Adarsh Apts., Golibar Road, Santacruz (E), Mumbai – 400 055.
Santacruz – Arun Society	: Santacruz Arun CHS Ltd., 6th Road, Santacruz (E), Mumbai – 400 055.
Versova	: Amit Nagar, Yari Road, Versova , Mumbai – 400 061.

Thane & Palghar Dist.

Majiwade	: Amrapali Arcade, Vasant Vihar, 2nd Pokharan Road, Majiwade, Thane (W) 400 610.
Panchpakhadi	: Shreeji Ville, Almeida Road, Panchpakhadi , Thane (W) – 400 601.
Mira Road -Shanti Nagar	: B-42/43, Sector – 1, Shantinagar, Mira Road (E), Dist. Thane – 401 107.
Mira Road -Poonam Garden	: Unique Heights, Poonam Garden, Mira Road (E), Dist. Thane – 401 107.
Mira Road – Shanti Park	: G-4, Poonam Residency, Shanti Park, Mira Road (E), Dist. Thane – 401 107.
Vasai	: Sarojini Apts., Par Naka, Vasai (W), Dist. Palghar - 401 201.
Virar	: Bayabai Shopping Centre, Agashi Road, Virar (W), Dist. Palghar - 401 303.

Navi Mumbai

Nerul	: Riddhi Siddhi Bldg., Sector – 20, Station Road, Nerul (W), Navi Mumbai - 400 706.
-------	---

Pune

Bibwewadi	: Gagan Samruddhi, Bibwewadi-Kondhwa Road, Market Yard, Pune – 411 037.
Wakad	: Shop nos. 1 to 4, Navdeep, Hissa No.1, Wakad, Taluka Mulshi, Pune – 411 057.

Gujarat State

Surat

Ring Road	: Annapurna Market, Kamela Darwaja, Ring Road, Surat – 395 003.
Varachha Road	: Ground Floor, CTC Tower, Varachha Main Road, Surat – 395 006.