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## BOARD OF DIRECTORS

<b>CHAIRMAN</b>	:	<b>Shri Sadanand A. Kotian</b> , B.Com, LLB, DBM
<b>VICE CHAIRMAN</b>	:	<b>Shri Suresh R. Kanchan</b> .
<b>DIRECTORS</b>	:	<b>Shri Krishnakumar L. Bangera</b> , A.I.H.S., Diploma in Computer Programming <b>Shri Dharmapala P.</b> , M Sc (Stat), CAIIB. <b>Shri Janardhan T. Mulki</b> , BA Eco, LLB (FNMIS) <b>Shri Gopal S. Puthran</b> <b>Shri Bhasker N. Kanchan</b> , B.Com, LLB, DBM <b>Shri Damodar D. Karkera</b> , MA(Economics) <b>Shri Mukesh K. Bangera</b> , Diploma in Aviation <b>Shri Jagdish J. Kanchan</b> , MBA <b>Shri Purushottam S. Shriyan</b> , B.com <b>Shri Jaysheel B. Thingalaya</b> , Diploma in Printing Technology, C.S.E. Diploma in Environment Science.
<b>WOMEN DIRECTORS</b>	:	<b>Smt. Sheela I. Amin</b> , B.Com, CAII-B, G.D.C.A. <b>Ms. Sonam A. Suvarna</b> , B.E (IT), MBA (Marketing).
<b>SC/ST DIRECTOR</b>	:	<b>Shri Arun H. Gaikwad</b>
<b>OBC DIRECTOR</b>	:	<b>Shri Vasudev J. Tandel</b>
<b>SP. BACKWARD DIRECTOR</b>	:	<b>Shri G.M. Tandel</b>
<b>CHIEF EXECUTIVE OFFICER</b>	:	<b>Shri M.C. Shetty</b> , M.Com.
<b>STATUTORY AUDITOR</b>	:	<b>M/s. R.S.V.A. &amp; Co.</b> Chartered Accountants
<b>CONCURRENT AUDITORS</b>	:	<b>M/s. K.B. Jorapur &amp; Co.</b> Chartered Accountants <b>M/s. Yashwant &amp; Co.</b> Chartered Accountants <b>M/s. Harish D. Shetty &amp; Co.</b> Chartered Accountants
<b>BANKERS</b>	:	<b>Reserve Bank Of India, State Bank Of India,</b> <b>Axis Bank Ltd., Bank Of India,</b> <b>The Maharashtra State Co-op. Bank Ltd.,</b> <b>The Mumbai Dist. Cen. Co-op. Bank Ltd.,</b> <b>The Feseral Bank Ltd.,</b> <b>IDBI Bank Ltd.</b>

**EXECUTIVES & BRANCH MANAGERS****EXECUTIVES**

<b>Shri Manjajya Shetty</b> , M.Com	Chief Executive Officer
<b>Shri Jayant Shah</b> B.Com., FCA	A.G.M. (Accounts)
<b>Shri Jaydev Karkera</b> B.A.,	Chief Manager
<b>Shri Kishore Amin</b> B.Sc., CAIIB, GDC&A	Chief Manager
<b>Smt Shilpa Pednekar</b> B.Sc. (Stats), DISM, PGDMS, MBA (HR)	Sr. Manager - HRD & Admin.
<b>Shri Giridhar Suvarna</b> B.A., LLB., CAIIB, GDC&A.	Sr. Manager - Internal Audit
<b>Shri Jagdish Kotian</b> B.Com., LLB., CAIIB, GDC&A	Sr. Manager – Recovery
<b>Shri Bipin.Parikh</b> B.Sc. (Hons.), CAIIB (I)	Manager - Loans & Advances
<b>Shri Srinivas Ramaswamy</b> B.Com., CAIIB	Manager - Loans & Advances
<b>Shri Mohd.Khalid Hussain</b> B.E. (Com.Sc.Engr), MCSE, CCNA.	Manager - IT
<b>Shri Shrikant Shintre</b> M.Com., CAIIB., Inter ICWAI	Advisor - Recovery
<b>Shri Vishwanath Puthran</b> B.Com., LLB (Gen), CAIIB	Manager Development - Marketing

**BRANCH MANAGERS :**

<b>Shri Harish Shriyan</b> M.Com., CAIIB, GDC&A. (Sr. Manager)	Fort Branch
<b>Shri Uday Kumar Kunder</b> M.Com., CAIIB, GDC&A. (Sr. Manager)	Andheri (West) Branch
<b>Shri Mohan Kotian</b> B.Com., LLB.(Gen.), CAIIB, GDC&A. (Sr. Manager)	Goregaon Branch
<b>Shri Narayan Mendon</b> M.Com., LLB., CAIIB, GDC&A. (Sr. Manager)	Kurla Branch
<b>Shri Suresh Amin</b> B.Com., CAIIB, GDC&A. (Sr. Manager)	Borivali Branch
<b>Shri Madhusudan Iddya</b> B.Com., CAIIB., GDC&A. (Asst. Manager)	Ghatkopar Branch
<b>Smt. Jayakshi Mendon</b> M.Com, CAIIB., GDC&A. (Asst. Manager)	Andheri (East) Branch
<b>Shri Gopal Karkera</b> M.Com., LLB, CAIIB (I), GDC&A. (Asst. Manager)	Saki Naka Branch
<b>Shri Ramesh Salian</b> B.Com., GDC&A (Asst. Manager)	Kandivali Branch
<b>Shri Keshav Puthran</b> B.Com., CAIIB(I), GDC& A (Asst. Manager)	Vikhroli Branch
<b>Shri. Premchandra Kunder</b> B.Com., CAIIB(I), GDC& A (Asst. Manager)	Dombivali Branch
<b>Shri D.B Puthran</b> B.Com, GDC & A (Asst. Manager)	Competency Centre - Kurla



## From the Chairman's Desk

Dear Members,

At the outset I would like to extend my sincere thanks and gratitude to Dr. G. Shankar, Mogaveera Vyavasthapaka Mandali, Mogaveera Yuvaka Sangha, Mogaveera seva Sangha, Hobali-Bahgwadi, All village Sabhas, Moolasthanas, other Mogaveera institutes, members of our Bank and all our Staff members for their whole hearted support in electing us to power with a decisive mandate in the recently concluded elections to the Board of Directors of the Bank.

In any vibrant and growing organization, and to be precise, in an Urban Co-operative Bank, a reasonably good performance in key areas of banking alone will yield the desired results. In our considered opinion this has not happened despite a set of Elected Directors were at the helm of affairs for continuously over a decade.

Hence we young, energetic candidates blended with, banking, legal, accounting expertise and visionary entrepreneurs have come together with the sole intention to enlarge the vision and mission established our founder forefathers several decades ago.

Although the performance for the year ended 31.03.2015 belongs to the previous Board, I as the present chairman of the bank take this opportunity to place before you the highlights of the Bank's performance during the financial year 2014-15. The Bank has made progress in some of the key parameters, however, the results are far from encouraging. The Deposits increased from 644.27 crores to 691.39 crores, an increase of Rs. 47.12 crores and a growth of 7.31%. The advances has seen a decline fro 355.12 crores to 339.03 crores. The decline can be attributed to lack of sufficient credit off take as well as the Banks decision to reduce the exposure on bills discounted under L.C. considerably as they form a part of the Inter Bank Deposit Exposure limit.

The Bank has been deploying its funds judiciously to get optimum yield and reduce the erosion in the value of assets. However lack of adequate credit off take has led to a low Credit Deposit Ratio which has impacted on operating margin. In spite of low C.D. ratio of 49.04%, Bank could improve upon its net profit from Rs. 3.06 crores to Rs.3.55 crores due to a substantial improvement in the Treasury operations.

The NPA's has always proved to be impediment to the growth of the Bank. This year the NPA has surged considerably from Rs. 17.51 crores to Rs. 42.90 crores as we have taken in to account all deviations observed by the RBI in its report for the year ended 31.03.2014. The Gross NPA thus stands at 12.65% and Net NPA ate 8.29%. The present Board is determined to take corrective steps to arrest new NPAs and facilitate the enforcement of decree to recover the old sticky NPAs. We are confident that we will achieve the desired results during the current year.



During the year we were able to shift the Sakinaka Branch to a more spacious and centrally located nearby premises. The new premises has more lobby space for the customers and also houses an onsite ATM.

There has been lot of transformation taking place in the Banking sector. Technology is playing a dominant role in driving down costs, building efficiency and working as an enabler to make available the best possible services to the customer. Your Bank has kept pace with the fast growing changes

and has been quick to put in place value added services like ATMs, RTGS/NEFT facility and SMS alerts.

In the recent Past, your bank undertook branding exercise and launched many products exclusively catering to specific customer segment. **Kiddoz** Recurring Deposit was introduced to enable parents to save regularly to secure the future of their children. **Sakhi** Accounts were launched to bring banking services to the Women customers. Similarly, **Vidya** Accounts were launched to introduce banking to the student community. **Golden Age** Accounts was developed to meet the needs of our Senior Citizen customers. So also, **Society Plus** was launched to specifically reach out & offer our services to the Co-op Hsg Societies. In keeping with Reserve Bank of India's stated objective of extending financial inclusion and bringing the benefits of banking to the vast majority of the population, your bank launched **Unnathi**, a savings account offering our banking services to the under-privileged section of our society. Your bank also launched many new loan products catering to the specific needs of the customers. **Medico** was launched to provide financial assistance to the Medical professionals and **Advance Against Rent Receivables** was introduced to help customers in raising funds against the future rents of their properties. Your bank jointly with UTI Infrastructure Technology and Services Limited launched **Swavalamban Pension Account** for those customers who do not presently enjoy the benefits under Employee Provident Fund.

Ancillary services like, facilitating purchase/sale of foreign exchange and payment of utility bills has helped us to generate more fee based income as well as cross sell our other products and services. The **RuPay Debit cum ATM Card** which is a domestic card like the Visa or Master has been successfully launched and more than 4000 RuPay card holders are reaping the benefits offered by the RuPay card. This card which gives access to all our customers to more than one lac RuPay enabled ATMs across the country, will soon be converted into a debit card and shall be accepted at selected outlets for purchase of merchandise.

Your Bank has set its sights high and has plans to reach a business mix of Rs. 5000 croress in the next couple of years and be in the league of the top 25 Co-operative Banks in the Country. We intend to become a Multi-State Bank and go beyond Maharashtra to start Banking operations in our home State of Karnataka. All these dreams and aspirations can only take shape if all our well-wishers and members come forward with a single purpose of seeing the growth and welfare of the Bank.

I would like to take this opportunity to thank all members of our staff for contributing whole heartedly to the Bank's progress. I would also like to extend my gratitude to our valued stakeholders for their continued patronage. We look forward to your continued faith and support to help us in scaling greater heights, and become one of the leading Co-operative Banks in Maharashtra.

Thanking you,

With Warm Regards,  
**Sadanand A. Kotian**  
Chairman



## **VISION & CORE VALUES OF THE BANK**

Bank has adopted the following Vision Statement and Core Values.

### **VISION STATEMENT**

**“A GROWING BANK RUN BY TRUSTWORTHY PROFESSIONALS DRIVING CUSTOMER RELATIONSHIP SINCE 1946”.**

### **CORE VALUES OF THE BANK**

- RELATIONSHIP BUILDING
- RESPONSIVENESS
- TRUST



**THE MOGAVEERA CO-OPERATIVE BANK LTD.**

Registered & Administrative Office:  
203, Venkatesh Chambers, G.T. Marg, (Prescot Road), Fort, Mumbai – 400 001.

**NOTICE**

Notice is hereby given that Seventieth Annual General Meeting of the Members of The Mogaveera Co-operative Bank Ltd. will be held on Saturday, the 19th September, 2015, at 3.30 p.m. at the "Mogaveera Bhavan", Convention Hall on the 1st floor, M.V.M. Educational Campus Road, Andheri (W), Mumbai – 400 058 to transact the following business.

1. To read and confirm the minutes of the 69th Annual General Meeting held on 27th September, 2014.
2. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2015 and Profit & Loss Account for the year ended 31st March, 2015 together with the Reports of the Board of Directors and the Auditors thereon.
3. To approve the appropriation of net profit & declare dividend as recommended by the Boar of Directors for the year ended 31st March, 2015.
4. Appoint Statutory Auditors of the Bank for the year 2015-16 and to authorize the Board of Directors to fix their remuneration. The Board of Directors recommended M/s. RSV & Co, Chartered Accountants to be appointed as Statutory Auditors of the Bank.
5. To approve the write off of old Bad & Doubtful Debts as certified by Statutory Auditors, without any prejudice to the rights of the Bank, to continue with the proceedings to recover the amounts from the parties involved.
6. To ratify the appointment of Auditors for the year 2015-16 for conducting Concurrent / other audits.
7. To condone the absence of the members, who are unable to attend the 70th Annual General Meeting.
8. Any other business with the permission of the Chair.

By Order of the Board of Directors,  
Sd/-

**M.C. Shetty**  
Chief Executive Officer

Place : Mumbai

Dated : 19th August, 2015.

**Notes**

1. If there is no quorum at the appointed time, the Meeting shall stand adjourned at 4.00 p.m. on the same day, at the same venue and the agenda of the Meeting shall be transacted whether there is a quorum or not in terms of Bye-law No. 35(iii).
2. The Members desiring to ask questions about the statement of accounts are requested to furnish the same in writing to the Chief Executive Officer, at the Registered Office, atleast Three (3) days before the Annual General Meeting to enable us to furnish the replies..
3. Members are requested to bring their copy of the Annual Report alongwith them to the meeting.



**THE MOGAVEERA CO-OPERATIVE BANK LTD.**

Registered & Administrative Office

203, Venkatesh Chambers, G.T. Marg (Prescot Road), Fort, Mumbai-400 001.

**REPORT OF THE BOARD OF DIRECTORS' TO THE SHARE HOLDERS**

Dear Members

**PRESENTATION OF THE ANNUAL REPORT**

The Board of Directors of your Bank have pleasure in presenting to you the 70th Annual Report on the business and operational results of your Bank together with Audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2015.

**Economic Scenario**

The Indian Economy has been confronted with various issues like lower growth, high level of inflation and increasing current deficit. However the new government's initiative to give thrust and impetus to infrastructure growth has bought in a whiff of optimism among the captions of the industry. The recent developments indicate that the economy is inching its way back on the growth track, with inflation coming under manageable limits, stable rupee and rising foreign exchange propelling a macroeconomic growth. The economy measured in terms of GDP growth improved from 6.1% in

2012-13 to 6.9% in 2013-14 to 7.4% in 2014-15. With the economy back on the growth track, economic growth for 2015-16 is projected at 7.8%. Mr. Raghuram Rajan RBI Governor stated that the Central Bank will continue to focus on targeting inflation and expressed confidence that it would come down to 6% by January,2016 and around 4% during 2017-18.

The Banking Sector, being the barometer of the economy is reflective of macro economic variables. While traditional economy is yet to catch strength, the traditional banking system continues to deal with improvement in asset quality, execution of prudent risk management practice and capital adequacy. Therefore, while a sense of optimism slowly creeping in, the banking industry expects that 2015 will bring better growth prospects. The optimism stems from factors such as the Government working hard to revitalize industrial growth and the RBI initiating a number of measures that would go a long way in helping the Banks to restructure itself.



**Financial Highlights – 2014-15**

During the year the Bank has registered a increase of Rs. 4711.70 lacs an growth of 7.3% over previous year. Bank's low cost (CASA) deposit stood at 27.10%

The salient financial features of the Bank for the year ended 31st March 2015 is summarized as under:

(₹ in Lacs)

		31/03/2014	31/03/2015	Growth (%)
1	Share Capital	1577.30	1607.91	1.94
2	Total Reserves	3866.30	4009.26	3.70
3	Total Deposits	64427.40	69139.10	7.31
4	Total Advances	35512.37	33902.63	-4.53
5	Working Capital	71186.81	76260.28	7.13
6	Investments	31251.11	37220.66	19.10
7	Net Profit	306.08	354.64	15.87

**Deposits**

Growth and composition of deposits for the last 3 years are given below:

(₹ in Lacs)

S.No.	Type of Deposits	2012-13	%	2013-14	%	2014-15	%
1	Current	2775.81	4.96	3253.33	5.05	2835.66	4.10
2	Savings	13454.55	24.07	14998.30	23.28	15903.07	23.00
3	Term & Other Deposits	39679.18	70.97	46175.77	71.67	50400.36	72.90
	Total	55909.54	100.00	64427.40	100.00	69139.09	100.00

It can be observed from the above that your Bank's deposit has registered an increase of ` 4711.69 Lacs which shows a growth of 7.31%. Bank's low cost deposit stood at 27.10%.

**Advances**

Your Bank has deployed funds judiciously and due to reduction in our credit exposure on LC discounting the Advances has declined from 35512.37lacs to Rs. 33902.63. The exposure Bills under L.C. discounting was reduced from Rs. 4902.57Lacs to Rs. 2492.28 lacs in view of RBI circular on Inter Bank Deposit exposure limit.



The purpose wise classification of loans and advances outstanding as on 31/03/2015 are as under:

(₹ in Lacs)

	<b>Purpose</b>	<b>Balance as on 31/03/2015</b>
1	Cottage & Small Scale Industries	10153.33
2	Professional & Self Employed	511.01
3	Road & Water Transport Operators	949.6
4	Retail Traders	1266.03
5	Wholesale Traders	385.52
6	Education	161.98
7	Ceremonial	98.41
8	Housing	-
	a) Acquisition of House Property	5,541.75
	b) Repairs to House Property	1,025.76
9	Medical	-
10	Others	13809.24
	<b>Total</b>	<b>33902.63</b>

### Share Capital & Membership

During the year your Bank has admitted 1217 new members. After deletion of 834 members who have ceased to be members on account of death, resignation and transfer of shares, the total membership stood at 45576 at the end of the current year as against 45193 in the previous year. Nominal membership stood at 2997 as against 2894 members last year.

### Reserve and Other Funds

Your Bank's Reserves and other funds as on 31/03/2015 vis-à-vis 31/03/2014 are as under:

(₹ in Lacs)

		<b>31/03/2014</b>	<b>31/03/2015</b>
1	Statutory Reserve Fund	771.73	848.47
2	Building Fund	655.40	695.40
3	Dividend Equalisation Fund	47.40	47.40
4	Bad & Doubtful Debt Reserve	1414.86	1414.86
5	Investment Fluctuation Fund	108.56	158.56
6	Development Fund	25.80	25.80
7	Staff Welfare Fund	1.67	1.67
8	Contingency Provision Against Standard Assets	162.88	162.88
9	Revaluation Reserve	544.00	489.60
10	Investment Depn. Reserve	134.00	134.00
11	Overdue Interest Reserve	1089.44	1581.06

**Proposed Appropriation of Profit**

Your Board of Directors recommended the appropriation of profit of Rs. 3,74,71,247.00 as under.

1	Statutory Reserve Fund 25%	Rs. 88,66,000/-
2	Building Fund	Rs. 40,00,000/-
3	Dividend @ 8% (Subject to RBI approval)	Rs. 1,20,00,000/-
4	Investment Fluctuation Reserve	Rs. 75,00,000/-
5	Contingency Reserve Fund	Rs. 36,00,000/-
6	To be carried over to next year	Rs. 15,05,247/-
<b>TOTAL</b>		Rs. 3,74,71,247/-

**Capital Adequacy**

Your Bank has always given importance to the Capital to Risk Assets Ratio which as per Reserve Bank of India guidelines is a vital financial parameter to assess the financial strength of a Bank. The Capital to Risk Asset Ratio (CRAR) of the Bank stood at a healthy 13.03% which is well above the stipulated / minimum level of 9%.

**Deposit Insurance Cover**

Deposit upto Rupees One Lac in respect of each depositor is fully protected by the Deposit Insurance and Credit Guarantee Corporation of India (DI&CGC).

Your Bank has been regular and prompt in payment of insurance premium to the DI&CGC. The Board of Directors confirm that the advance premium has been paid upto 30/09/2015.

**Loan to Staff**

Your Bank has been sanctioning Housing Loans to staff at concessional rate of interest ranging from 5% to 6 ½ % p.a. as the case may be as per the Memorandum of Settlement subject to overall ceiling of 2% NDTL of the Bank. In addition to Housing Loan, your Bank has also been sanctioning Surety Loan to Staff at a concessional rate of 6% p.a. Additionally Bank has also introduced Staff Overdraft (SOD) facility to the staff members carrying interest @ 10.5% p.a. The total outstanding in all the staff loans together aggregates to Rs.577.73 Lacs as on 31/03/2015.

**Staff Relations**

The Board of Directors would like to place on record their sincere appreciation to the efforts put in by the staff at all levels in rendering good customer service and achieving the present level of progress and growth of the Bank. The relationship between the Management and Employees continues to be cordial.

**Staff Training**

The Bank deputed management and staff to various training programs conducted by well established institutions like Reserve Bank of India - College of Agricultural Banking, VAMNICOM, NAF CUB etc. The Bank deputed Chief Managers / Sr. Managers / Branch Managers / Officers and other staff to various training programs conducted by these institutes to hone their skills and keep them abreast with the extant / guidelines issued by the regulators. Bank is also conducting in-house training programs for all staff periodically.

**NPA Management**

Your Bank is according top priority to the issue of NPA management and has been persistent in its efforts to restrict the NPA to the least possible levels. However, this year due to slackness in the overall market



conditions and procedural delay in executing the decree, there has been slippages in NPA. The Gross NPA has thus increased from 17.51 croress to 42.90 croress i.e. from 4.93% to 12.65%. Consequently the Net NPA has also increased from 1.00% to 8.21%. The silver lining is that these NPA's are covered by Collateral Securities and through stringent recovery and legal process we should be able to bring down the Gross NPA considerably in the current year.

## **Cash & Bank Balance**

The Bank maintains requisite cash balance with Reserve Bank of India and sufficient liquid assets were also maintained as per section 18 and 24 of the Banking Regulation Act, 1949 as applicable to Co-operative Societies.

## **Treasury Department - Investment Portfolio**

Your Bank has an investment of Rs.372.21 Crores as on 31/03/2015 out of which an amount of Rs.274.69 Crores has been invested in Government and other approved securities. The Bank's total investments in Government and other approved securities as on 31/03/2015 works out to 40.30% of the Net Demand and Time Liability (NDTL) of the Bank as against minimum 21.50% stipulated by the Reserve Bank of India.

The investment of funds has been made judiciously taking adequate care to avoid any adverse impact of the fluctuating market conditions. Your Bank has earned substantial income by carefully deploying its surplus funds in Fixed Deposits with Private, Commercial and Scheduled Co-operative Banks. Investment made by your Bank in securities, eligible for SLR are held in constituent SGL Account with the Federal Bank Limited and Non SLR Investments in Demat Account with Stock Holding Corporation of India.

Investments made in Government Securities are strictly as per Reserve Bank of India guidelines and adequate SLR has been maintained by the Bank throughout the year. Bank has earned income of Rs.5.61 crores from trading in Government Securities during the year.

## **Insurance Business**

Your Bank has tied-up with Bajaj Allianz General Insurance Company for General Insurance Business on referral basis. For Life Insurance solutions Bank has tied up as Corporate Agent of Kotak Mahindra Old Mutual Life Insurance Company. This has not only helped generate income to your Bank but also helped our customers / shareholders to easily avail General as well as Life Insurance facilities through our Branches.

The Board of Directors seek continued co-operation from the members to strengthen the insurance business with a view to broaden customer base and to augment commission income of the Bank.

## **Foundation Day**

Your Bank celebrated Foundation Day on 18th March 2015 at all the Branches & Administrative Office to commemorate the establishment of our Bank on the day in the year 1946. Directors visited branches and met the customers and enquired about the service rendered and if they had any suggestions for the improvement of the Bank.

## **Automated Teller Machine (ATM Facility) – RuPay Cards**

The Board of Directors are pleased to inform the members that Bank has already opened ATMs at Andheri (W), Kurla, Goregaon & Ghatkopar (E) branches. In order to give the ATM facility to all its customers, Bank has tied up with ICICI Bank to introduce RuPay Debit cum ATM Card which is linked



to the National Financial Switch managed by the National Payment Corporation of India. RuPay Card is a domestic card like Visa or Master Card and gives our customers access to more than One Lac ATMs across the country. During the year an ATM was opened at Sakinaka Branch

### **Core Banking Solutions (CBS)**

Your Bank has successfully implemented Core Banking Solutions. All its Branches are inter connected with each other enabling customers to avail Banking facility at any of the Branches. Your Bank is in consultations with the software vendor for providing value added services like internet banking and mobile banking.

Customers are already enjoying the services of SMS alerts enabling them to know their transactions taking place in their accounts through their mobiles.

All the members are requested to avail the additional facilities available in the CBS programme and register their mobile numbers with the respective branches immediately.

### **Audit and Inspection**

The Books of the Bank were audited by the Statutory Auditors M/s. RSV & Co, Chartered Accountants appointed by the Bank from the panel approved by Commissioner for Co- operation and Registrar, Co-operative Societies, Maharashtra State, Pune.

Besides the Statutory Audit, the Bank has also appointed Concurrent Auditors namely:

1. M/s. Yashwant & Co. – Chartered Accountants
2. M/s. K. B. Jorapur & Co. – Chartered Accountants
3. M/s. Harish D Shetty & Co – Chartered Accountants

Your Bank has also been appointing System Auditor and Investment Auditor as required by Reserve Bank of India.

### **Internal Audit Department**

In order to further strengthen Internal Control System the Bank had also set up a full fledged Internal Audit Department.

### **Audit Classification**

The Bank has been awarded Audit Class “A” for the year 2014-2015.

### **Various Ancillary Services to Customers**

#### **1) Demand Draft Facility**

We are happy to inform the members that Axis Bank is offering us Demand Draft drawing facility. We wish to state that large number of our customers are availing this service to remit their funds to places all over the country.

#### **2) RTGS / NEFT Facilities are available for our customers and members**

Bank has tied up with IDBI Bank Ltd. and is offering RTGS/NEFT facilities to all the customers. We have been allotted our own unique IFSC code (IBKL0452MCB).

#### **3) Foreign Exchange facility / Utility Bills Payment Services.**

During the year, we also introduced ancillary services like, facilitating purchase/sale of foreign exchange and payment of utility bills for our customers.



#### 4) Safe Deposit Lockers

We are offering Safe Deposit Locker Facility at our following Branches:

- |                   |                     |
|-------------------|---------------------|
| i) Andheri (W)    | v) Andheri (E)      |
| ii) Goregaon (W)  | vi) Kandivali (W)   |
| iii) Borivali (W) | vii) Vikhroli (W)   |
| iv) Ghatkopar (E) | viii) Dombivili (E) |

We request all our members to avail the Safe Deposit Locker Facilities at the aforesaid Branches.

#### Acknowledgement

The Board of Directors take this opportunity to express their gratitude to all the members, depositors, borrowers and well wishers for their whole hearted patronage.

The Board records its appreciation for all the co-operation extended by the officers of the:

- ❖ Reserve Bank of India especially the Urban Bank Department and Public Accounts Department
- ❖ Government of Maharashtra
- ❖ The Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State, Pune
- ❖ Divisional Joint Registrar
- ❖ District Deputy Registrar
- ❖ Deputy Registrar Co-operative Societies, Mumbai (I) City.

The Board is also thankful to

- ❖ The Mogaveera Vyavasthapaka Mandali – Sponsors of the Bank
- ❖ Brihan Mumbai Bankers Clearing House / National Clearing Cell / SBI Cheque Processing Centre
- ❖ The Statutory Auditors **M/s. R.S.V.A. & Co.** Chartered Accountants.
- ❖ The Concurrent Auditors **M/s. Harish.D.Shetty & Co.** Chartered Accountants, M/s. Yashwant & Co. – Chartered Accountants, M/s. K. B. Jorapur & Co. – Chartered Accountants.
- ❖ The Chairman, The Chief Executive Officer and other members of the Brihan Mumbai Nagari Sahakari Banks' Association, The Maharashtra Urban Co-operative Banks' Federation Ltd.
- ❖ The National Federation of Urban co-op. Banks and Credit Societies Ltd., (NAFCUB) – New Delhi.
- ❖ The Maharashtra State Co-operative Bank Ltd., Urban Banks Dept., Vashi
- ❖ The Mumbai District Central Co-op. Bank Ltd., Urban Banks' Dept., Fort, Mumbai 400 001.
- ❖ The Board conveys its sincere thanks to Our Bankers:

Reserve Bank of India State Bank of India

The Maharashtra State Co-op. Bank Ltd.

The Mumbai District Central Co-op. Bank Ltd.

Axis Bank Ltd.

IDBI Bank Ltd.

The Federal Bank Ltd.

Bank of India

The Saraswat Co-op. Bank Ltd.

The Shamrao Vithal Co-op. Bank Ltd.

The Cosmos Co-op. Bank Ltd.

ICICI Bank Ltd.

The Bharat Co-op. Bank Ltd.

The Abhyudaya Co-op. Bank Ltd.

The Karad Urban Co-op. Bank Ltd.



❖ The Board conveys its sincere thanks to:

**Bank's Legal Advisors Solicitors & Advocates**

M /s. Lata Desai & Pallavi Divakar

M/s. Annie Fernandes & Associates

M/s. Mahesh Menon & Co.

M/s. Legaleye Associates

M/s. Unisan & Co.

Sarvashri: M. S. Naik, P. V. Kamath, C. S. Karkera, Ishwar Badigannavar, K. B. Adhyantaya, M. S. Prasad, Yogendra M. Kanchan, Chandra Naik, M. I Para, Harish Pawar, Ms. Latika Hegde & Ms. Megha Mahajan.

For and on behalf of the Board of Directors

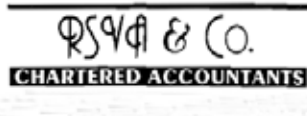
Sd/-

**Sadanand A. Kotian**

**Chairman**

Place: Mumbai

Date:



## Independent Bank Auditor's Report

To,  
The Members,  
The Mogaveera Co operative Bank Ltd.,  
Mumbai.

### Report on Financial Statements

1. We have audited the accompanying Financial Statements of The Mogaveera Co-operative Bank Ltd., Mumbai which comprise the Balance Sheet as at 31st March 2015, 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.

### Management's Responsibility for the Financial Statements:

2. Management of the Bank is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the Bank in accordance with the Banking Regulation Act, 1949, Banking Laws (Applicable to Co-operative Societies) Act 1965 and MCS Act 1960 and MCS Rules 1961 and the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, 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 an opinion on the 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 explanation given to us, read with the Notes to the accounts, the financial statements give the information required by the Maharashtra Co-operative Societies Act, 1960 and rules made thereunder and the Banking Regulation Act, 1949(as applicable to Co-operative 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 the state of affairs of the Bank as at March 31, 2015; and
  - (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date;
  - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 31 of the Banking Regulation Act, 1949 ( as applicable to Co operative societies);
8. Subject to the limitations of the audit as indicated in Paragraphs 3 to 5 above and subject to the Notes to the accounts, 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 the audit and have found them to be satisfactory.
  - b. The transactions of the bank which have come to our notice have been within the powers of the Bank.
  - c. The returns received from the branch offices of the bank have been found adequate for the purpose of the Audit.
9. We further report that:
- a. the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account and returns;
  - b. in our opinion, proper books of account as required by The Maharashtra State Co. operative Societies Act ,1960 , MCS Rules ,1961 and as required by the Byelaws have been kept by the bank so far as appears from our examination of those books;
  - c. Considering the overall performance of the Bank in various areas like deposit mobilization, advances, recovery of overdues, management, profitability, deployment and management of funds, compliance of various statutory obligations we award 'A' class to the Bank for the year 2014-15.

**For R S V A & CO.**  
CHARTERED ACCOUNTANTS  
FRN : 110504W

Sd/-  
JAGADISH B. SHETTY  
Partner  
M. No. 048042

Mumbai, 14<sup>th</sup> August, 2015

**BALANCE SHEET**

<b>31.03.2014</b>	<b>CAPITAL &amp; LIABILITIES</b>	<b>Rupees</b>	<b>Rupees</b>
	<b>SHARE CAPITAL</b>		
	<b>Authorised Capital</b>		
<b>250,000,000</b>	25,00,000 Shares of Rs. 100/- each		<b>250,000,000</b>
	<b>Subscribed &amp; Paid-up Capital</b>		
	19,25,408 Shares of Rs. 10/ each & 14,15,371 Shares of Rs. 100/- each		
157,730,040	Individuals & others	160,791,180	
0	Co-operative Institution	0	160,791,180
	<b>RESERVE FUND &amp; OTHER RESERVES</b>		
77,173,308	Statutory Reserve	84,847,853	
65,540,000	Building Fund	69,540,000	
4,739,772	Dividend Equalisation Fund	4,739,772	
0	Contingent Reserve Fund	3,061,000	
141,486,294	Bad & Doubtful Debts Reserve	161,486,294	
10,856,175	Investment Fluctuation Reserve	15,856,175	
13,400,000	Investment Depreciation Reserve	13,400,000	
166,574	Staff Welfare Fund	166,574	
16,288,000	Contingency Prov. against STD Assets	16,288,000	
54,400,185	Revaluation Reserve	48,960,167	
2,580,000	Development Fund	2,580,000	
<b>386,630,308</b>			<b>420,925,835</b>
	<b>DEPOSIT &amp; OTHER ACCOUNTS</b>		
	<b>(i) Fixed Deposits</b>		
1,059,273,671	1. Individuals	1,129,483,208	
0	2. Central Co-op. Banks	0	
9,380,899	3. Other Societies	26,093,379	
<b>1,068,654,570</b>		<b>1,155,576,587</b>	
	<b>(ii) Saving Deposits</b>		
1,465,231,716	1. Individuals	1,553,329,802	
0	2. Central Co-op. Banks	0	
34,598,097	3. Other Societies	36,976,947	
<b>1,499,829,813</b>		<b>1,590,306,749</b>	
	<b>(iii) Current Deposits</b>		
325,037,377	1. Individual	283,159,979	
295,548	2. Other Societies	406,660	
<b>325,332,925</b>		<b>283,566,639</b>	
	<b>(iv) Recurring Deposits</b>		
135,655,655	1. Individual	118,146,594	
18,500	2. Other Societies	228,205	
<b>135,674,155</b>		<b>118,374,799</b>	
544,360,348	<b>carried forward</b>		561,717,015

**As on 31st March 2015**

31.03.2014	PROPERTY & ASSETS	Rupees	Rupees
	<b>CASH AND BANK BALANCES</b>		
<b>48,794,807</b>	Cash on Hand		<b>48,246,537</b>
<b>162,366,715</b>	CD with Reserve Bank of India		<b>209,163,660</b>
	<b>Current Deposits with :</b>		
341,894	SCB/DCCB : SCHEDULE - I	273613	
11,062,780	SBI and Notified bank : SCHEDULE - II	5866938	
102,202,179	Pvt. and Comm. Bank : SCHEDULE -III	141512590	
<b>113,606,853</b>			<b>147653141</b>
0	<b>MONEY AT CALL &amp; SHORT NOTICE</b>	0	0
	<b>INVESTMENTS</b>		
2,190,511,733	Central & State Govt. Securities	2746860210	
	Face Value 2786840000/-		
	Market Value 273390836/-		
39,974,000	Non SLR Investments	39,974,000	
100,065	Shares & Debentures	20250	
<b>2,230,585,798</b>		<b>2,786,854,460</b>	
	<b>FIXED DEPOSIT WITH</b>		
760,100,000	Urban Co-op. Bank : SCHEDULE – IV	805,100,000	
134,425,388	Pvt. and Comm. Bank : SCHEDULE -V	130,111,448	
<b>894,525,388</b>		<b>935211448</b>	
<b>3,125,111,186</b>			<b>3,722,065,908</b>
	<b>LOANS AND ADVANCES</b>		
	<b>(i) Short Term Loans</b>		
1,512,627,363	(a) Secured against Tangible Security	1,278,068,986	
617,833	(b) Unsecured Loans	451,601	
1,513,245,196		1,278,520,587	
	Amount due from		
	Individuals 51,696,440		
	Amt overdue 173,419,892		
<b>3,449,879,561</b>	<b>carried forward</b>		<b>4,127,129,246</b>

**BALANCE SHEET**

<b>31.03.2014</b>	<b>CAPITAL &amp; LIABILITIES</b>	<b>Rupees</b>	<b>Rupees</b>
544,360,348	brought forward		561,717,015
	<b>(v) Laxmi Daily Deposits</b>		
109,288,686	1 Individual	118,612,063	
0	2 Other Societies	0	
<b>109,288,686</b>		<b>118,612,063</b>	
	<b>(vi) Matured FD</b>		
1,846,326	1 Individual	1,829,034	
0	2 Other Societies	0	
<b>1,846,326</b>		<b>1,829,034</b>	
	<b>(vii) Akshaya/Kshema Samridhi /MMS</b>		
3,229,414,305	1 Individual	3,563,509,391	
71,743,381	2 Other Societies	79,850,830	
<b>3,301,157,686</b>		<b>3,643,360,221</b>	
	<b>(viii) Non-Operative Accounts</b>		
165,946	1 Individual	165,947	
0	2 Other Societies	0	
<b>165,946</b>		<b>165,947</b>	
	<b>(ix) Other Deposits</b>		
789,505	1 Individual	2,118,038	
0	2 Other Societies	0	
<b>789,505</b>		<b>2,118,038</b>	<b>6,913,910,077</b>
<b>6,442,739,612</b>	<b>BORROWING FROM</b>		
-19,724	i) The Bharat Co-op Bank Ltd.	-35,740	
0	ii) The Saraswat Co-op Bank Ltd.	0	
-1,284,949	iii) The Shamrao Vittal Co-op. Bank Ltd.	0	
-4,125,131	iv) The Cosmos Co-op Bank Ltd.	0	
3,567	vii) IDBI Bank Ltd.	-40,043	
-689,312	viii) The Federal Bank Ltd.	9,692	
<b>-6,115,549</b>			<b>-66,091</b>
<b>426,434</b>	<b>BILLS FOR COLLECTION (As per contra)</b>		<b>36,926</b>
<b>108,944,009</b>	<b>OVERDUE INTEREST RESERVE (As per contra)</b>		<b>158,106,266</b>
<b>7,090,354,854</b>	<b>carried forward</b>		<b>7,653,704,193</b>

**As on 31st March 2015**

<b>31.03.2014</b>	<b>PROPERTY &amp; ASSETS</b>	<b>Rupees</b>	<b>Rupees</b>
3,449,879,561	brought forward		4,127,129,246
	<b>(ii) Medium Term Loans</b>		
283,740,962	(a) Secured against Tangible Security	262676834	
1,238,535	(b) Unsecured Loans	198944	
<b>284,979,497</b>		<b>262,875,778</b>	
	Amount due from		
	Individuals 2,175,374,492		
	Amt overdue 95,179,878		
	<b>(iii) Long Term Loans</b>		
1,753,012,116	(a) Secured against Tangible Security	1,848,866,643	
0	(b) Unsecured Loans	0	
<b>1,753,012,116</b>		<b>1,848,866,643</b>	
	Amount due from		
	Individuals 1,457,363,413		
	Amt overdue 55,784,879		
<b>3,551,236,809</b>			<b>3,390,263,008</b>
	<b>INTEREST RECEIVABLE</b>		
44,455,303	On Investments	52,496,186	
4,601,209	On other Deposits	4,308,911	<b>56,805,097</b>
<b>49,056,512</b>			
<b>15,311,460</b>	<b>BRANCH ADJUSTMENT</b>		<b>8,189,168</b>
<b>426,434</b>	<b>BILLS FOR COLLECTION (As per contra)</b>		<b>36,926</b>
<b>108,944,009</b>	<b>INTEREST RECEIVABLE ON LOANS &amp; ADV.</b>		<b>158,106,266</b>
<b>7,174,854,785</b>	<b>carried forward</b>		<b>7,740,529,711</b>

**BALANCE SHEET**

<b>31.03.2014</b>	<b>CAPITAL &amp; LIABILITIES</b>	<b>Rupees</b>	<b>Rupees</b>
7,090,354,854	brought forward		7,653,704,193
<b>19,905,303</b>	<b>INTEREST PAYABLE ON DEPOSITS</b>		<b>18,840,121</b>
<b>10,000</b>	<b>CLEARING CELL IMPREST ACCOUNT</b>		<b>0</b>
	<b>OTHER LIABILITIES</b>		
3,804,823	Unclaimed Dividend	11,734,116	
28,415,022	Pay Order	21,753,871	
1,088,948	Audit Fee Payable	1,069,030	
19,591,889	Sundry Liabilities	10,236,036	
14,283,315	Leave Encashment payable	18,083,315	
269,000	Contingent Liabilities for LDD	269,000	
<b>67,452,997</b>			<b>63,704,171</b>
<b>59,562,369</b>	<b>PROVISION FOR GRATUITY</b>		<b>67,600,775</b>
	<b>PROFIT &amp; LOSS ACCOUNT</b>		
55,157,292	Profit & Loss as per last Balance sheet	45,165,573	
40,600,000	Less: Appropriations	43,157,999	
14,557,292		2,007,574	
30,608,281	Add: Profit as per Profit & Loss A/c	35,463,673	
<b>45,165,573</b>			<b>37,471,247</b>
	<b>CONTINGENT LIABILITIES</b>		
	Bank Liabilities for Guarantee Issued on behalf of the customers for Rs. 4,636,346) ( Previous year : Rs 2,158,288)		
<b>7,282,451,096</b>	<b>carried forward</b>		<b>7,841,320,507</b>

**As on 31st March 2015**

<b>31.03.2014</b>	<b>PROPERTY &amp; ASSETS</b>	<b>Rupees</b>	<b>Rupees</b>
7,174,854,785	brought forward		7,740,529,711
	<b>PREMISES</b>		
73,465,073	Balance as per last Balance Sheet	66,118,636	
0	Additions during the year	0	
73,465,073		66,118,636	
0	Less: Deduction during the year	0	
73,465,073		66,118,636	
6,044,465	Less: Depreciation on Revaluation Reserve	5,440,018	
1,301,972	Less: Depreciation on Premises	1,171,774	
<b>66,118,636</b>		<b>59,506,844</b>	
	<b>CIVIL WORKS</b>		
953,774	Balance as per last Balance Sheet	858,397	
0	Additions during the year	2,566,050	
95,377	Less: Depreciation	257,837	
<b>858,397</b>		<b>3,166,610</b>	
	<b>FURNITURE &amp; FIXTURES</b>		
14,552,075	Balance as per last Balance Sheet	12,221,508	
500,324	Additions during the year	5,330,747	
15,052,399		17,552,255	
1,477,697	Less: Deduction during the year	5,455	
1,353,194	Less: Depreciation	1,638,352	
<b>12,221,508</b>		<b>15,908,448</b>	
	<b>ELECTRICAL FITTINGS</b>		
1,131,598	Balance as per last Balance Sheet	1,058,194	
118,432	Additions during the year	1,407,152	
1,250,030		2,465,346	
5,096	Less: Deduction during the year	0	
186,740	Less: Depreciation	325,286	
<b>1,058,194</b>		<b>2,140,060</b>	
	<b>OFFICE EQUIPMENTS</b>		
1,761,438	Balance as per last Balance Sheet	1,807,784	
364,233	Additions during the year	57,326	
2,125,671		1,865,110	
17,989	Less: Deduction during the year	3,445	
299,898	Less: Depreciation	277,242	
<b>1,807,784</b>		<b>1,584,423</b>	
	<b>SAFE DEPOSIT LOCKERS</b>		
730,851	Balance as per last Balance Sheet	657,766	
0	Additions during the year	0	
730,851		657,766	
73,085	Less: Depreciation	65,777	
<b>657,766</b>		<b>591,989</b>	
<b>7,257,577,070</b>	<b>carried forward</b>		<b>7,740,529,711</b>



**BALANCE SHEET**

<b>31.03.2014</b>	<b>CAPITAL &amp; LIABILITIES</b>	<b>Rupees</b>	<b>Rupees</b>
7,282,451,096	brought forward		7,841,320,507
<b>7,282,451,096</b>	<b>carried forward</b>		<b>7,841,320,507</b>



**As on 31st March 2015**

<b>31.03.2014</b>	<b>PROPERTY &amp; ASSETS</b>	<b>Rupees</b>	<b>Rupees</b>
7,257,577,070	brought forward		7,740,529,711
	<b>VEHICLE</b>		
905,550	Balance as per last Balance Sheet	724,440	
0	Additions during the year	0	
905,550		724,440	
181,110	Less: Depreciation	144,888	
<b>724,440</b>		<b>579,552</b>	
	<b>CORE BANKING - Hardware</b>		
2,339,923	Balance as per last Balance Sheet	3,131,497	
2,591,114	Additions during the year	1,214,147	
4,931,037		4,345,644	
1,600	Less: Deduction during the year	413,605	
1,797,940	Less: Depreciation	1,949,219	
<b>3,131,479</b>		<b>1,982,820</b>	
	<b>AIRCONDITIONER</b>		
0	Balance as per last Balance Sheet	1,357,763	
1,597,368	Additions during the year	1,103,510	
1,597,368		2,461,273	
0	Less: Deduction During the year	82,694	
239,605	Less: Depreciation	323,593	
<b>1,357,763</b>		<b>2,054,986</b>	
	<b>CORE BANKING - Software</b>		
1,146,240	Balance as per last Balance Sheet	1,472,989	
1,876,490	Additions during the year	1,301,969	
3,022,730		2,774,958	
1,549,741	Less: Depreciation	1,055,924	
<b>1,472,989</b>		<b>1,719,034</b>	
<b>7,264,263,759</b>	<b>carried forward</b>		<b>7,740,529,711</b>



**BALANCE SHEET**

<b>31.03.2014</b>	<b>CAPITAL &amp; LIABILITIES</b>	<b>Rupees</b>	<b>Rupees</b>
7,282,451,096	brought forward		7,841,320,507
<b>7,282,451,096</b>	<b>TOTAL RUPEES</b>		<b>7,841,320,507</b>

As per our report of even date

**M/s RSVA & Co**

Chartered Accountants

FRN: 110504W

Sd/-

Jagadish B Shetty

Partner

M.No. 042550

Sd/-

Shri M.C Shetty

Chief Executive Officer

Place: Mumbai

Dated : 14th August, 2015

**As on 31ST MARCH 2015**

<b>31.03.2014</b>	<b>PROPERTY &amp; ASSETS</b>	<b>Rupees</b>	<b>Rupees</b>
7,264,263,759	brought forward		7,740,529,711
	<b>ATM MACHINE</b>		
0	Balance as per last Balance Sheet	0	
0	Additions during the year	608,605	
		608,605	
0	Less: Depreciation	206,232	
<b>0</b>		<b>402,373</b>	
	<b>MTNL Lease Line for Core Banking</b>		
326,302	Balance as per last Balance Sheet	466,297	
191,806	Additions during the year	357,047	
518,108		823,344	
51,811	Less: Depreciation	82,334	
<b>466,297</b>		<b>741,010</b>	<b>90,378,149</b>
	<b>OTHER ASSETS</b>		
39,576	Locker Rent Receivable	44,702	
12,570	Stamps on hand	13,370	
2,053,047	Stock of Printing & Stationery	1,746,145	
2,939,808	Security Deposits	4,630,458	
6,012,052	Deferred Revenue Expenditure	0	
6,663,987	Miscellaneous Assets	3,977,972	
<b>17,721,040</b>			<b>10,412,647</b>
<b>7,282,451,096</b>	<b>TOTAL RUPEES</b>		<b>7,841,320,507</b>

For and on behalf of the Board

Shri. Sadanand A. Kotian  
ChairmanShri. Suresh R. Kanchan  
Vice – Chairman**DIRECTORS**Shri Shri Damodar D. Karkera  
Shri. Purushottam S. Shriyan  
Shri. Gopal S. Puthran  
Shri. Janardhan T. Mulki  
Shri. Dharmapala P  
Shri. Jaysheel B Thingalaya  
Shri. Bhaskar N. Kanchan  
Shri. Mukesh k. Bangera  
Smt. Sheela I. Amin  
Ms. Sonam A. Suvarna  
Shri Vasudev J.Tandel  
Shri G.M.Tandel  
Shri. Arun H. Gaikwad



## PROFIT & LOSS ACCOUNT

31.03.2014	EXPENDITURE	Rupees	Rupees
₹		₹	₹
479,800,679	Interest on Deposits & Borrowings		522,630,142
126,165,134	Salary & Allowance		145,926,385
1,160,045	Directors Fees & Allowances		1,151,025
15,649,080	Rent, Rates & Taxes.		17,031,943
987,888	Legal Charges		1,908,301
3,076,825	Postage, Telegram and Telephone		2,673,414
1,832,446	Audit Fees		1,958,787
5,103,541	Printing, Stationery & Advertisement		5,918,073
7,130,473	Depreciation on Fixed Assets		7,498,458
8,481,000	Depreciation on Investments		0
6,437,069	Commission on LDD		6,924,717
5,943,480	Repairs & Maintenance		4,852,504
19,321,294	Other Expenses		20,390,320
80,008,730	Bad & Doubtful Debts (Written Off)		0
4,754,141	Amortisation of Premium on Investments		4,721,491
6,518,790	DICGC Premium		7,400,910
30,000	Contribution to Education Fund		30,000
2,000,000	Contingency provision for Std Assets		0
269,000	Contingency provision for LDD		0
20,000,000	Provision for BDDR		20,000,000
30,608,281	Balance of Profit carried to Balance Sheet		35,463,673
<b>825,277,896</b>	<b>TOTAL RUPEES</b>		<b>806,480,143</b>

As per our report of even date

**M/s RSVA & Co**

Chartered Accountants

FRN: 110504W

Sd/-

Jagadish B Shetty

Partner

M.No. 042550

Sd/-

Shri M.C Shetty

Chief Executive Officer

Place: Mumbai

Dated : 14th August, 2015

**FOR THE YEAR ENDED 31ST MARCH 2015**

31.03.2014	INCOME	Rupees	Rupees
₹		₹	₹
	<b>Interest and Discount</b>		
455,153,464	Loans and Advances	407,991,525	
249,548,059	Investments	314,085,101	
704,701,523			722,076,626
8,403,250	Profit on Sale of Investments		56,233,585
1,200,722	Commission & Brokerage		1,252,971
1,640,140	Locker Rent		1,822,685
29,323,531	Miscellaneous Receipts		25,094,276
80,008,730	Bad & Doubtful Debts (Written Off)		0
<b>825,277,896</b>	<b>TOTAL RUPEES</b>		<b>806,480,143</b>

For and on behalf of the Board

Shri. Sadanand A. Kotian  
ChairmanShri. Suresh R. Kanchan  
Vice – Chairman**DIRECTORS**Shri Shri Damodar D. Karkera  
Shri. Purushottam S. Shriyan  
Shri. Gopal S. Puthran  
Shri. Janardhan T. Mulki  
Shri. Dharmapala P  
Shri. Jaysheel B Thingalaya  
Shri. Bhaskar N. Kanchan  
Shri. Mukesh k. Bangera  
Smt. Sheela I. Amin  
Ms. Sonam A. Suvarna  
Shri Vasudev J.Tandel  
Shri G.M.Tandel  
Shri. Arun H. Gaiwad



## CURRENT DEPOSITS WITH:

		31.03.2014	31.03.2015	
<b>A</b>	<b>SCB of the State/DCB of the District :</b>	<b>SCHEDULE - I</b>	<b>341894</b>	<b>273613</b>
	1) Maharashtra State Co-operative Bank.	101191	90867	
	2) Mumbai Distict Co-operative Bank.	240703	182746	
<b>B</b>	<b>SBI/NOTIFIED BANKS :</b>	<b>SCHEDULE – II</b>	<b>11062780</b>	<b>141512590</b>
	1) State Bank of India	299848	298680	
	2) Syndicate Bank	0	0	
	3) Dena Bank	0	0	
	4) Bank of India	10744619	132407844	
	6) Canara Bank	18313	2329896	
<b>C</b>	<b>PVT/ COMMERCIAL BANKS :</b>	<b>SCHEDULE – III</b>	<b>102202179</b>	<b>141512590</b>
	1) HDFC Bank	316959	316959	
	2) ICICI Bank (RuPay card)	3681945	3888083	
	3) Federal Bank	388389	2569809	
	4) Axis Bank	2352879	2329896	
	5) IDBI Bank	95462007	132407844	
	<b>GRAND TOTAL</b>	<b>113606853</b>	<b>147653142</b>	

## FIXED DEPOSITS WITH:

<b>D</b>	<b>URBAN CO-OP BANKS :</b>	<b>SCHEDULE – IV</b>	<b>760100000</b>	<b>805100000</b>
	1)The Saraswat Co-operative Bank Ltd.	0	0	
	2)The Bharat Co-operative Bank Ltd.	275000000	315000000	
	3)The Shamrao Vithal Co-op Bank Ltd.	55000000	100000000	
	4) The Cosmos Co-op. Bank Ltd.	160100000	101000000	
	5) Abhyudaya Co-op Bank Ltd.	0	0	
	6) Greater Bombay Co-op Bank Ltd.	0	0	
	7) Karad Urban Co-op Bank Ltd.	20000000	20000000	
	8) New India Co-op. Bank Ltd.	150000000	200000000	
	9) Sangli Urban Co-op Bank Ltd	30000000	30000000	
	10) Punjab & Maharashtra Co-op Bank Ltd	50000000	130000000	
	11) Ratnakar Bank	20000000	0	
<b>E</b>	<b>PVT/ COMMERCIAL BANKS :</b>	<b>SCHEDULE – V</b>	<b>134425388</b>	<b>130111448</b>
	1) Federal Bank	64322940	60000000	
	3) IDBI Bank	70102448	70111448	
	<b>GRAND TOTAL</b>	<b>894525388</b>	<b>935211448</b>	

**ANNEXURE – ‘A’****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS ON 31st MARCH, 2015****I. BACKGROUND: -**

**THE MOGAVEERA CO-OPERATIVE BANK LTD.**, was incorporated on 04.01.1946. The bank provides services through Eleven Branches and an Administrative office. The area of operation of the Bank as per the bye laws is entire state of Maharashtra.

**II. BASIS OF PREPARATION: -****Basis of Accounting**

The financial statements have been prepared by following going concern concept on historical cost convention and on the accrual basis of accounting unless otherwise stated, and in accordance with generally accepted accounting principles and conform to the statutory requirements prescribed under the Banking Regulation Act, 1949, circulars issued by the Reserve Bank of India (RBI) from time to time and current practices prevailing within the banking industry in India.

**Use of Estimates**

The presentation of the financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**III. SIGNIFICANT ACCOUNTING POLICIES: -****i) Accounting Convention:**

The financial statements are drawn up in accordance with the historical cost convention and on the going concern basis. They are in conformity with generally accepted principles and practices prevailing in India, Statutory provisions and guidelines issued by RBI, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) except where otherwise stated.

**ii) Revenue Recognition:**

Income and Expenditure are accounted on accrual basis except as stated below:

- a) Income from NPA is accounted on cash basis on realisation as per guidelines issued by the RBI.
- b) Interest for usance period in the case of Bills Discounted under Letter of Credit is recognized on cash basis at the time of discounting of bills. Interest on overdue bills is recognized at the time of its realization.
- c) Dividend on investment, commission, incidental charges, services charges are accounted on cash basis.
- d) Ex-gratia payment to employees on cash basis.

**iii) Advances:**

- a) The bank as per prudential norms on Income recognition and Assets classification has classified it's advances portfolio into three categories as under:
  - Standard Assets
  - Sub-Standard Assets
  - Doubtful and Loss Assets

The Provision for each category is made in accordance with prudential norms.

- b) Overdue interest in respect of NPA is shown as overdue interest reserve— as per guidelines of RBI.



#### iv) Investments :

- In accordance with the RBI directives, the bank has classified its investments portfolio into following categories as on 31st March, 2015.
  - a) Held to Maturity (HTM)**  
Comprising of investments acquired with the intention to hold them till maturity.
  - b) Held For Trading (HFT)**  
Comprising of investments acquired with the intention to trade .
  - c) Available For Sale (AFS)**  
Comprising of investments not covered by (a) & (b) above.

- The valuation of investments in the above categories has been done as follows:

##### **Held to Maturity (HTM):**

Investments in HTM category are carried at cost of acquisition. The premium if any, paid on acquisition is amortized over the balance period of maturity.

##### **Held For Trading (HFT) and Available For Sale (AFS) :**

Investments made under this category are valued at market rates as stipulated in FIMMDA guidelines and net depreciation in each category, if any is provided and net appreciation in each category is ignored.

##### **Amortization:**

Premium on acquisition of Government Securities under HTM category has been amortised over the balance period of maturity. The bank has the practice of debiting amortised premium to Profit & Loss Account.

The valuation of investments in Government Securities is determined as per the rates quoted in the FIMMDA guidelines.

#### v) Foreign Exchange Transaction:

Bank does not have any foreign exchange transaction..

#### vi) Fixed Assets:

Fixed Assets are stated at their written down value.

Depreciation on Fixed Assets is charged on written down value (WDV) basis as per the rates determined by the management except in the case of computer Hardware and Software where the depreciation is charged as per Straight Line Method (SLM) as stipulated by the RBI. The rates of depreciation charged on various assets are as under:

Premises	10%
Civil Works	10%
Furniture & Fixtures	10%
Electrical Fittings	15%
Office Equipment	15%
Vehicle	20%
Air condition	15%
Safe deposit vaults	10%
MTNL Lease Line	10%
Computer Hardware & Software	33.33% (SLM)

Depreciation on fixed assets purchased during the year is charged for entire year if the asset is purchased and retained for 180 days or more, otherwise it is charged at 50% of the normal rate.





No Depreciation is charged in case of Assets disposed during the Year. Profit / Loss on sale of asset is recognized in the year of sale / disposal.

Accounting standards 6 and 10 issued by the Institute of Chartered Accountants of India relating to Accounting for Fixed Assets and depreciation requires for disclosure of gross and net values of assets and accumulated depreciation thereon. However as per the format applicable to the Co operative banks, the above disclosure are not made in the accounts and to that extent, the disclosure norms of the Accounting Standards as referred above have not been followed. However, the same has no impact on the results of the bank.

#### **vii) Staff Retirement Benefits: (AS -15)**

Provident Fund contributions are made to Government Provident Fund on actual basis.

Bank has obtained Actuarial valuation of Gratuity liability towards employees and provision has been made accordingly in the accounts. However bank has not created any specific investment for gratuity fund and hence no investment has been specifically earmarked for this purpose.

Bank has obtained Actuarial valuation of liability towards Leave encashment to employees and provision has been made in the accounts.

The Bank follows the system of payment of Ex-Gratia to employees on cash basis.

#### **viii) Accounting for Provisions, Contingent Liabilities:**

As per Accounting Standard 29, Provisions, Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India, the bank recognizes provisions only when it has a present obligation as a result of past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank.

Contingent Assets are not recognized since this may result in the recognition of income that will never be realized.

#### **ix) Taxation:**

In view of Accumulated losses incurred by the bank in earlier years, bank has not made any provision for tax liability during the year.

Hence, Bank has not recognized the effect of deferred tax in the books of accounts.

### **IV. NOTES TO THE ACCOUNTS:**

- 1 Certain items of Income & Expenditure as stated in Para 'III (ii)' of the significant accounting policies are accounted on cash basis. These are in deviation from the generally accepted practice and as laid down by Accounting Standard-9 on 'Revenue Recognition' issued by The Institute of Chartered Accountants of India, which specifies such items to be accounted for on accrual basis of accounting. This has resulted in such items being accounted for only in the year of realization / payment instead of splitting the same over two or more accounting periods due to the nature of the transactions. Consequently the Income / Profit of the Bank is understated/ overstated to that extent. Further in the absence of information, we are unable to quantify the effect of the same to the profit of the bank.

#### **2. FIXED ASSETS:**

None of the assets have been revalued during the year.

Accounting standards 6 and 10 issued by the Institute of Chartered Accountants of India relating to Accounting for Fixed Assets and depreciation requires for disclosure of gross and net values



of assets and accumulated depreciation thereon. However as per the format applicable to the Co operative banks, the above disclosure are not made in the accounts and to that extent, the disclosure norms of the Accounting Standards as referred above have not been followed. However, the same has no impact on the results of the bank.

### 3. ETIREMENT BENEFITS (AS-15):

#### GRATUITY:

Bank has made provision as per actuarial valuation towards Gratuity fund as on 31st march 2015.

#### LEAVE ENCASHMENT:

As per Accounting Standard 15 with regards to Retirement benefits, the Provision for Leave Encashment is made on the basis of actuarial valuation of liability towards Leave encashment.

### 4. INVESTMENTS

The investment portfolio is as follows:

(₹ in Lacs)

Category Type	As on 31.03.2014			As on 31.03.2015		
	Book Value	Market Value	Face Value	Book Value	Market Value	Face Value
HTM	12014.82	11556.47	11878.40	7819.41	7668.60	7728.40
HFT	4154.80	4154.80	4180.25	11130.94	11130.94	11340.00
AFS	6136.24	5501.46	6200.30	8918.19	9852.05	9200.20

- Premium paid on Government Securities was amortized through profit & loss account over the period of maturity.

- Investment Fluctuation Reserve:

In compliance with the Master circular issued by the RBI on management of Investment Portfolio, Bank has to maintain Investment Fluctuation Reserve @ 5% of the investment held under Available for Sale and Held for trading category. However bank has not adhered to the same. The balance held in Investment Fluctuation Reserve as on 31.03.2015 is Rs. 1,58,56,175/-, as against the requirement of Investment fluctuation Reserve is Rs. 10,02,45,649/-

### 5. ANCILIARY BUISNESS

The Bank has tied up with Bajaj Alliance General Insurance Company for general Insurance business on referral basis. For Life insurance Solutions, the bank has tied up as corporate Agent of Kotak Mahindra Old Mutual life Insurance Company to enable customers/ shareholders to avail general as well as life insurance facilities.

### 6. ADVANCES

Bank has made adequate provision in respect of Substandard, Doubtful and Loss Assets classified by the bank, as stipulated in the Provisioning norms laid down by the RBI in this regard.

Bank has considered certain advances accounts which are closed after the Balance Sheet date but before the date of finalization of Accounts as Standard Assets, The total amount of such advances closed after the Balance sheet date is Rs. 26.74 lacs and provision short made is Rs.2.67 Lacs.

Bank has considered certain advances accounts which are regularized after the Balance Sheet date but before the date of finalization of Accounts as Standard Assets, The total amount of



such advances regularized after the Balance sheet date is Rs. 545.44 lacs and provision short made is Rs.54.54 Lacs.

#### 7. SHARE CAPITAL

As per resolution in AGM dated 2nd November 2002, members have approved the face value of shares be increased to Rs.100/- each from Rs.10/- each. However as on date of Balance sheet 1925408 shares of Rs. 10/- each has not yet been converted into face value of Rs.100/- each.

#### 8. CONTINGENT LIABILITY:

Contingent Liability towards Guarantees issued by the bank is Rs.46,36,346 /-(Previous Year Rs. 21,58,288/-).

##### Bank Guarantee:

Contingent Liability towards Guarantees issued by the bank is Rs.4636346 /-(Previous Year Rs. 2158288/-).

##### Depositor Education and Awareness Fund Account:-

Bank has not transferred Unclaimed Deposits/Credits/Accounts in India which have not been operated upon/remained unclaimed for 10 years or more to Depositor Education and Awareness Fund Account maintained at Reserve Bank of India as per the RBI master circular no. DBOD.NO.DEAF Cell.BC.101/30.01.002/2013-14 dated March 21, 2014.

#### 9. SEGMENT REPORTING (AS-17)

The disclosure under Accounting Standard -17 on "Segment Reporting" issued by ICAI is as follows:

(₹ in Lacs)

Previous Year Figure	Particulars	Treasury	Other Banning Operation	Total as on 31.03.2015
<b>6623.74</b>	<b>Revenue</b>	<b>3703.19</b>	<b>4361.61</b>	<b>8064.80</b>
100%	Result %	45.92	54.08	100%
5932.51	Segment Cost	2626.48	5064.04	7710.16
<b>691.23</b>	<b>Operationg Profit / Income</b>	<b>1057.07</b>	<b>-702.43</b>	<b>354.64</b>
466.22	Less:- Unallocation Expenditure	(NIL)	(NIL)	(NIL)
<b>(NIL)</b>	<b>Profit Before Tax</b>	<b>(NIL)</b>	<b>(NIL)</b>	<b>354.64</b>
	Income Tax	(NIL)	(NIL)	(NIL)
<b>466.22</b>	<b>Net Profit After Tax</b>	<b>(NIL)</b>	<b>(NIL)</b>	<b>354.64</b>
	<b>Other Information</b>			
63480.39	Segment Assets	37220.65	39611.50	76832.15
1259.81	Unallocated Assests	(NIL)	(NIL)	1581.06
<b>64740.2</b>	<b>Total Assets</b>	<b>(NIL)</b>	<b>(NIL)</b>	<b>78403.21</b>
63480.39	Segment Liabilities	292.56	76539.59	76832.15
1259.81	Unallocation Liabilities	0	0	1581.06
<b>64740.2</b>	<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>78413.21</b>

#### 10. The disclosure under AS- 18 on Related Party Disclosures:

The Bank is a Co-operative Society registered under The Maharashtra Co-operative Society Act 1960 and there are no related parties requiring disclosure under Accounting Standard 18 issued by ICAI other than key management personnel i.e. CEO of the Bank.