



Consolidating towards
Strategic **growth**



Saraswat
Bank

THE SARASWAT CO-OPERATIVE BANK LTD. (A SCHEDULED BANK)



Shri Ekanath Keshav Thakur (1941 – 2014)

We, the Board of Directors, Management and Staff of Saraswat Bank condole the sad demise of our beloved Chairman, Shri Ekanath Keshav Thakur.

Shri Thakur was a Member of Parliament, Rajya Sabha and was elected unopposed from the State of Maharashtra. He was also the President of Maharashtra Chamber of Commerce, Industry and Agriculture. He also held the position of Hon. Secretary and Chief Executive Officer of Indian Education Society.

Shri Thakur started his career as a Probationary Officer with State Bank of India in 1966. He was President, State Bank Officers' Association and All Bank Officers' Federation. He was appointed Director on the Central Board of State Bank of India in 2001. Shri Thakur was the Director of Saraswat Bank for last over twenty years. He was a true visionary and a leader in the Co-operative Banking Sector in India. Under his leadership, the Bank has grown by leaps and bounds making it the Number One Co-operative Bank in India. He was instrumental in making Saraswat Bank a truly modern bank.

We, at Saraswat Bank, join the bereaved family in mourning the sad demise of our beloved Chairman, Shri Thakur and pray to God Almighty for granting eternal peace to the departed soul.

THE SARASWAT CO-OPERATIVE BANK LIMITED

(A SCHEDULED BANK)

- **REGISTERED OFFICE & CORPORATE CENTER** : Saraswat Bank Bhavan,
953, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025.
Website: www.saraswatbank.com
- **DATE OF ESTABLISHMENT** : September 14, 1918.
- **NO. AND DATE OF RBI LICENCE** : ACD-MH-220-P, dated 27.08.1980.
- **AREA OF OPERATION** : ALL INDIA
- **AUDIT CLASSIFICATION** : 'A' (Since 1933, i.e. the year in which
we were registered as a Bank)

ANNUAL REPORT 2013-14

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NOTICE

The Ninety-Sixth Annual General Meeting of the Members of The Saraswat Co-operative Bank Ltd., will be held on Tuesday, 9th September, 2014 at 4.00 p.m. at Pracharya B.N.Vaidya Sabhagruha, 2nd Floor, Raja Shivaji Vidya Sankul, Patkar Guruji Chowk, Hindu Colony, Dadar (East), Mumbai - 400 014 to transact the following business concerning the Bank: -

1. To consider and approve the Annual Accounts, which consist of the Report of the Board of Directors, the Report of the Statutory Auditors, the Balance Sheet and the Profit and Loss Account, for the year ended 31st March, 2014.
2. To appropriate net profit and declare dividends on Equity Shares and Preference Shares as recommended by the Board of Directors for the year ended 31st March, 2014.
3. To approve amendments to Bank's Bye-law No. 6 & 25.
4. To appoint Statutory Auditors for the financial year 2014-15 and to authorize the Board of Directors to fix their remuneration. The Board of Directors recommends M/s Kulkarni & Khanolkar, Chartered Accountants, 13-14,

Bell Building, Sir P.M. Road, Fort, Mumbai - 400 001, for appointment as Statutory Auditors.

5. To place for consideration and adoption, the Annual Report and Audited Accounts of Saraswat Infotech Ltd. (Bank's wholly-owned subsidiary company, registered under Companies Act, 1956), which consists of the Report of the Board of Directors, the Report of the Statutory Auditors, the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2014.
6. To grant Leave of Absence to the members of the Bank other than to those whose names appear in the Attendance Register of this 96th Annual General Meeting.

By Order of the Board of Directors

Sd/-

S.K.Banerji

Managing Director

Mumbai, 14th August 2014

Note:

- The printed Annual Report of the Bank consisting of the Report of the Board of Directors, the Report of the Statutory Auditors, the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2014 is enclosed to this Notice.
- The printed Annual Report consisting of the Report of the Board of Directors, the Report of the Statutory Auditors, the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2014 of Saraswat Infotech Ltd., Bank's wholly-owned subsidiary, is also enclosed to this Notice.
- If there is no quorum for the Meeting at the appointed time, in terms of Bye-law No. 48, the Meeting shall stand adjourned to 5.00 p.m., on the same day and the Agenda of the Meeting shall be transacted at the same venue irrespective of the Rule of Quorum.
- Dividend, when declared, will be paid on or after 16th September, 2014, to those shareholders whose shares are fully paid as on 31st March, 2014 and whose names are on the record of the Bank as on 31st March, 2014.
- If any member desires to have information in connection with the Accounts, he/she is requested to address a letter to the Managing Director of the Bank, to reach his office at The Saraswat Co-operative Bank Ltd., Saraswat Bank Bhavan, Plot No. 953, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, not later than 5th September, 2014, so that the required information may be made available at the Annual General Meeting.

TO SERVE YOU BETTER:

1. Shareholders are hereby requested to kindly verify their names and addresses on the Annual Report sent to them. Change in address, if any, may kindly be intimated by post or by e-mail to the Share Department of the Bank for updating Bank's records. E-mail address of the Share Department is **incharge_share@saraswatbank.com**
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. 19.
3. Shareholders having Current / Savings Bank / Cash Credit accounts with the Bank and desirous of crediting their dividends to their accounts are once again requested to record their standing instructions with the Share Department.
4. **Kindly dispatch Form- A on Page No. 93 requesting to send Annual Report electronically to our Share Department.**

Unclaimed Dividend

Notice is hereby given that dividend for the year ended 31st March, 2011 (90th Dividend) if not drawn on or before 30th September, 2014, will be forfeited by the Bank and credited to Reserve Fund in terms of Bye-law No. 68A.

BOARD OF DIRECTORS

Shri E. K. Thakur, B.A. (Hons.), C.A.I.I.B.
Chairman
 (upto 6th August, 2014)

Shri S. B. Samant, B.Com., L.L.M., F.C.A.
Chairman
 (from 14th August, 2014)

Shri S.S. Sanzgiri, B.A.
Vice-Chairman

DIRECTORS

Late Shri M. K. Mantri, M.A.
 (upto 23rd May, 2014)

Shri S. N. Sawaikar, M.Com., DMA, C.A.I.I.B.

Shri P. N. Joshi, M.A.

Shri K. V. Rangnekar, M.A.

Shri G. E. Thakur, B.E. (Civil), DFM
 (from 6th December, 2013)

Shri H. M. Rathi, B.Com.

Dr. (Mrs.) Anuradha P. Samant, M.B.B.S.

Shri N. R. Warekar, B.Com., C.A.I.I.B.
 (upto 6th December, 2013)

Shri S. S. Dawra, M.A., M.B.A., I.A.S. (Retired)

Shri A.G. Joshi, M.Sc., D.B.M., C.A.I.I.B.

Late Shri Jagdish Pai K. L., B.Com.
 (upto 1st December, 2013)

Shri A. A. Pandit, B.Com., F.C.A., D.B.F.

Shri S. V. Saudagar, B.Com., F.C.A., D.I.S.A.

Shri S. S. Shirodkar, Dip. (Indl. Electronics), P.G.D.M.

Shri S. K. Banerji, B.Sc. (Hons.), D.B.M., LL.M., FIIBF.
Managing Director

STATUTORY AUDITORS

M/s Kulkarni & Khanolkar, Chartered Accountants

LEGAL ADVISORS

Shri A. V. Sabnis, LL.B.

Shri K. M. Naik, B.A., LL.B.

Shri S. N. Inamdar, B.Com., LL.B.

M/s Little and Company

Govind Desai Associates

Shri Shekhar Naphade, B.A., LL.B.

BANKERS

State Bank of India,

Bank of India,

HDFC Bank Ltd.,

Wells Fargo Bank N.A.,

Standard Chartered Bank Ltd.,

ICICI Bank Ltd.

— WHOLLY-OWNED SUBSIDIARY —

SARASWAT INFOTECH LIMITED

Shri E. K. Thakur, B.A. (Hons.), C.A.I.I.B.
Chairman
 (upto 6th August, 2014)

Shri S. K. Sakhalkar, M.Com., PGD (I.R.), PGD (Comp. Sc.)
Managing Director & Chief Executive Officer

Shri D. M. Chandgadkar, M.Com., LL.B., C.A.I.I.B., A.C.S.
Chief Domain Officer

PERFORMANCE HIGHLIGHTS

(₹ in crore)

Particulars	FOR THE YEAR ENDED		
	31-03-14	31-03-13	% change
Total Income	2,646.78	2,551.14	3.75
Total Expenditure	2,235.14	2,068.79	8.04
Gross Profit	411.64	482.35	-14.66
Less: Provisions	237.05	329.44	-28.04
Profit Before Tax and Exceptional Items	174.59	152.91	14.18
Less: Income Tax	27.02	31.18	-13.34
Profit after Tax and before Exceptional Items	147.57	121.73	21.23
Less: Exceptional Items	0.48	9.64	-95.02
Net Profit after Tax and Exceptional Items	147.09	112.09	31.22
	AT THE YEAR END		
Own Funds	2,141.81	1,961.31	9.20
Share Capital	167.69	126.91	32.13
Reserves and Surplus	1,974.12	1,834.40	7.62
Deposits	23,939.51	21,144.33	13.22
Current	1,130.05	965.83	17.00
Savings	4,793.19	4,416.18	8.54
Term	18,016.27	15,762.32	14.30
Advances	15,470.05	15,023.42	2.97
Secured	15,432.56	14,971.29	3.08
Unsecured	37.49	52.13	-28.08
Total Business	39,409.56	36,167.75	8.96
Priority Sector	6,350.41	6,465.78	-1.78
% to Advances	41.05	43.04	-
Small Scale Industries	2,229.91	2,241.60	-0.52
Small Businessmen and Traders	2,120.56	2,131.73	-0.52
Other Priority Sectors	1,999.94	2,092.45	-4.42
Working Capital	28,132.79	24,511.12	14.78
Investments	7,804.74	6,444.03	21.12
Borrowings and Refinance	820.56	406.90	101.66
Net NPAs (%)	0.00	0.00	0.00
Capital Adequacy (%)	12.11	11.15	
Number of Members			
Regular *	1,75,242	1,72,282	
Nominal	5,97,958	5,78,363	
Number of Branches	267	229	
Number of Employees	4,351	3,906	
Productivity per Employee	9.06	9.26	
Profit per Employee (₹ in lac)	3.38	2.87	
Return on Average Assets (%)	0.55	0.46	
Net Interest Margin (%)	2.79	3.30	

* Shareholders holding fifty shares and above

THE SARASWAT CO-OPERATIVE BANK LIMITED

REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Directors have great pleasure to present the Ninety-sixth Annual Report on the business and the operations of your Bank together with the Audited Accounts for the year ended 31st March, 2014.

1. THE GLOBAL ECONOMY AND INDIA

Growth in advanced economies is still some distance from a full fledged recovery. In the United States (US) itself, the economy which had shown recovery during FY 2013-14, contracted sharply at a much steeper pace i.e. by 2.9 per cent in the first quarter of this financial year. Drags to the first quarter growth are on account of lower household consumption, lower consumer spending and weak export growth. Growth numbers are expected to improve in the subsequent quarters. The situation in Euro zone is no better, where the fears of deflation have surfaced. The European Central Bank (ECB) has cut the deposit rate from 0 per cent to – 0.10 per cent recently. The latest GDP numbers stand at 0.2 per cent for Q1 of FY 2014-15. The Japanese economy advanced 1.6 per cent in Q1 of FY 2014-15, after decelerating for three previous quarters, on unexpected surge in capital spending. As regards China, growth seems to have moderated, with a gradual transition to a more market based economy.

As regards the Emerging Market Economies (EMEs), growth remained subdued as high inflation, pressure on exchange rates, tight Monetary Policy and tightening of financial conditions acted as a drag on the path of growth acceleration. The volatility unleashed in the second and third quarter of FY 2013-14 after the tapering indication by the US Federal Reserve (FED) has now subsided. Further, ECB's Policy of lower rates along with easing in Japan may also reduce the impact of the FED's tapering on global liquidity. Geo-political risks emanating in Iraq, Ukraine and their consequent impact on the global

crude oil prices remain a major source of concern.

To sum up, the global financial markets after major turmoil are showing early signs of improved stability and pick-up is taking place after a significant deceleration. Pent-up demand, lower interest rates for a foreseeable period and an easing of uncertainty are the factors which predict that the next stage of international growth will be stronger than seen so far.

The Indian Economy in FY 2013-14:

India's GDP growth remained at 4.7 per cent for FY 2013-14, which is marginally better than 4.5 per cent figure clocked for FY 2012-13. The growth numbers were sub 5 per cent for the second consecutive year. Primarily, this was driven by better agricultural output of 4.7 per cent vis-à-vis 1.4 per cent last year. Industrial growth contracted by 0.1 per cent, reflecting subdued investment and consumption demand. The services sector grew at 6.2 per cent.

The Indian economy during FY 2013-14 was characterized by a persistently elevated level of inflation, sharp industrial contraction, exchange rate volatility and worsening Current Account Deficit (CAD). During May 2013, as the possibility of the US Federal Reserve tapering its bond purchase programme surfaced, a cascading effect was felt with large-scale capital outflows from all financial markets. This led to heightened Rupee volatility and unsustainable Current Account Deficit (CAD). As an immediate measure to shield from the exchange rate volatility emanating from the tapering by the US FED, RBI introduced several measures and policies aimed at attracting capital flows and facilitating overseas borrowings. Measures include moderating outflows and encouraging forex inflows through liberalized External Commercial Borrowings (ECB) and Foreign Currency Non Resident or FCNR (B) deposits. With revival of portfolio flows, India's forex reserves touched USD 304.22 billion as on 31st March, 2014. Policy measures were also undertaken by Reserve

Bank of India to curb the gold imports which helped in reducing the Current Account Deficit (CAD). The CAD which had deteriorated to 4.7 per cent of the GDP narrowed down to 1.7 per cent of the GDP. With a lower CAD and build up of foreign exchange reserves, the Rupee which had touched a historical low of 68.80 per US Dollar during the turmoil stabilized to 59.89 per US Dollar on 31st March, 2014. Reserve Bank of India also announced unprecedented measures like capping Repo borrowing to 0.5 per cent of NDTL and increasing MSF rate by 200 bps to 10.25 per cent, which led to a sudden surge in bond yields despite repo rate being unchanged.

Price Situation and Reserve Bank of India:

On the domestic side, inflation remained the dominant macro risk. Consumer Price Index (CPI) averaged around 9.5 per cent throughout the year, even touching an all-time high of 11.16 per cent during November 2013, on the back of elevated food and fuel inflation.

Reserve Bank of India calibrated its Monetary Policy stance in line with macro-economic conditions. In the early part of the fiscal, considering easing inflation, Reserve Bank of India reduced the repo rate by 25 basis points from 7.50 per cent to 7.25 per cent. In the second half of the year as concerns over elevated inflation levels rose, Reserve Bank of India responded by hiking the repo rate by 75 bps to counter the elevated inflation and exchange rate depreciation.

Fiscal Situation:

The fiscal deficit during the year 2013-14 was 4.5 per cent of the GDP, narrower than 4.8 per cent a year earlier. The numbers show continued fiscal consolidation. Though expenses on subsidies, interest payments and pensions overshoot the budgeted target, their impact was absorbed by lower planned expenditure.

Financial Markets:

Indian stock markets which had closed at 18,835.77 as on 31st March, 2013 showed upward trend in the second half of FY 2013-14, as Foreign Institutional Investors (FII) flocked towards equities buoyed by Reserve Bank of India measures to boost the Rupee

and revive growth. The momentum of inflows picked up sharply towards year-end, when hopes of a stable Government at the Centre looked realistic. The markets moved nearly 3,500 points up and closed at 22,339.97 as on 31st March, 2014.

Exceptional Policy measures during June 2013-August 2013 followed by monetary tightening by Reserve Bank of India took its toll on the debt markets. The 10-year benchmark yield opened at 7.99 per cent, then sky-rocketed to 9.45 per cent during August 2013, and finally closed at 8.80 per cent as on 31st March, 2014.

Overall Assessment :

The domestic economic activity has remained sluggish with contracting industrial production and weak investment demand. External sector risks have receded because of timely policy interventions, although there is a need to work towards reducing structural current account imbalances. With the twin deficits viz. fiscal deficit and current account deficit within control and the Rupee regaining lost ground, the focus now will shift to addressing supply side constraints, which will help in reviving the investment cycle and moderating inflationary expectations. Domestically, with a strong Government at the Centre, the next level of reforms, better policy implementation, stronger governance and initiation of concrete steps by the new Government will be the deciding factors. Further progress on fiscal consolidation in the Budget, a predictable tax and policy regime, and low and stable inflation rates will be the key anchors for the economic progress, going forward. Barring failed monsoon and crude oil prices, Indian economy is expected to grow at 5 – 5.2 per cent in FY 2014 -15.

2. MAJOR DEVELOPMENTS IN THE BANKING AND FINANCIAL SECTOR IN INDIA

During the past year, the Reserve Bank of India has introduced several new policies and reforms that will affect the Banking and Financial Sector. Some of the major developments are as follows:

- **Approval of new Banking Licences in Private Sector:** IDFC and Bandhan Financial Services Private Ltd. have been selected by the Reserve Bank of India to set up commercial banks, from a

group of twenty-five aspirants. IDFC and Bandhan Financial Services Private Ltd. were granted “in-principle” approval by the High Level Advisory Committee set up by Reserve Bank of India. The “in-principle” approval granted will be valid for a period of eighteen months during which the applicants have to comply with all the regulatory requirements stipulated by the Reserve Bank of India. The Department of Posts is also in talks with the Government of India for similar banking licence.

- **Extension for implementation of the Basel III norms:** Following industry-wide concerns about asset quality and the consequential impact on the performance and profitability of banks, the Reserve Bank of India has extended the transitional period for full implementation of Basel III Capital Regulations in India up to 31st March, 2019, vis-à-vis the earlier stipulated 31st March, 2018. This will also align full implementation of Basel III in India closer to the internationally agreed date of 1st January, 2019.
- **Reserve Bank of India panel recommends buffers of up to 2.5 per cent of risk weighted assets:** A Reserve Bank of India panel has recommended banks to set aside up to 2.5 percent of risk weighted assets as a ‘Counter-Cyclical Capital Buffer’ (CCCB) to help remain solvent during times of stress. It is also expected to curb indiscriminate lending during spells of excessive growth.
- **Guidelines of restructuring of advances:** As per guidelines issued by Reserve Bank of India in May 2013, loans that are restructured from 1st April, 2015 onwards would be classified as non-performing. General Provision on standard accounts restructured after 1st June, 2013 was increased to 5 per cent. The General Provision required on standard accounts restructured prior to 1st June, 2013 has been increased to 3.5 per cent from 31st March, 2014 and would further increase to 4.25 per cent and 5 per cent from 31st March, 2015 and 31st March 2016 respectively.
- **Framework on Re-vitalising Distressed Assets in the Economy:** During January 2014, Reserve Bank of India has issued the said framework outlining an action plan for early recognition of financial distress, prompt steps for resolution and fair recovery for lenders, which will be effective from 1st April, 2014. Accounts have to be categorised as ‘Special Mention Accounts’ based on the period of overdues of principal and interest. Further, reporting of credit information of large borrowers to the proposed Central Repository of Information on Large Credits (CRILC), formation of Joint Lenders Forum (JLF) and Corrective Action Plan by JLF will be mandatory.
- **Discussion paper on structure of banking system in India:** Reserve Bank of India released a discussion paper on the structure of the banking system in India. The paper addresses various issues such as financial inclusion, providing specialised services, expanding competition, etc. The paper suggests to have continuous licensing for entry of new banks as against block licensing.
- **First All-Women Bank starts operations:** The Government of India has launched the country’s first All-Women Bank, called ‘Bharatiya Mahila Bank’ (BMB) on 19th November, 2013. BMB will offer loans to women for various activities such as education, housing, setting up of food and catering business, day-care centres, and SMEs. BMB will be an universal bank that will undertake multifarious banking activities including financial services such as insurance, mutual funds and commercial/investment banking.
- **Banks are free to open branches in Tier-1 cities:** Banks have been given freedom to open branches in Tier-1 cities without Reserve Bank of India’s prior approval. However, the freedom is linked to the number of branches a bank would open in an un-banked or under-banked centre. The number of branches opened in Tier-I centres cannot exceed the total number of branches opened in Tier-II to Tier-VI centres and all centres

in the North Eastern States & Sikkim. It was also specified that at least 25 per cent of total new branches opened in a year should be in unbanked rural Tier V and Tier VI centres.

➤ **Updated guidelines on Stress Testing:** Reserve Bank of India issued updated guidelines on stress testing. Banks would have to carry out stress tests for credit risk and market risk to assess their ability to withstand shocks. As per these guidelines, banks will be classified into three categories based on size of risk weighted assets.

➤ **Introduction of cash-settled Interest Rate Futures (IRF):** Reserve Bank of India has launched cash-settled contracts to help investors hedge interest rate risks while investing in Government securities. Reserve Bank of India has allowed IRF contracts in 91-day Treasury bills and other Government securities. IRF is a more transparent alternative to the current over-the-counter interest rate swaps.

➤ **Other Measures**

- **Reserve Bank of India launches new RTGS system:** Reserve Bank of India introduced the revamped Real-Time Gross Settlement (RTGS) system on 19th October, 2013 to facilitate online real time settlements of payments. The other features are advanced liquidity and queue management features, gridlock resolution mechanism, hybrid settlement facility, facility to accept future value dated transactions and options to process multi-currency transactions.

- **Withdrawal of old series of banknotes prior to 2005:** Reserve Bank of India has stipulated that all older series banknotes issued prior to 2005 will be completely withdrawn from circulation w.e.f. 1st January, 2015. The reason behind the withdrawal is that they have fewer security features compared to bank notes printed from 2005.

- **ATM transactions without bank account:** In another effort towards financial inclusion, RBI has given in-principle approval for establishing a new payment system to facilitate fund transfers from bank account holders to those without accounts through Automated Teller Machines (ATMs).
- **Investment limit for foreign investors raised to \$10 billion:** In order to attract more US dollars on a long-term basis into Government bonds, the RBI has hiked the investment limit for foreign investors (viz. sovereign wealth funds, pension funds and foreign central banks) from USD 5 billion to USD 10 billion.

3. MAJOR DEVELOPMENTS IN THE URBAN CO-OPERATIVE BANKING SECTOR

➤ **Scheduled Bank status to Urban Co-operative Banks (UCBs):** Reserve Bank of India has allowed Urban Co-operative Banks (UCBs) with total deposits of over ₹ 750 crore to graduate to the Scheduled Bank category. If UCBs fulfil certain listed criteria viz. continuous net profits for three years, CRAR at 12 per cent and gross NPAs less than 5 per cent, they will be eligible for inclusion in the second schedule. All the PSBs, RRBs, Private Sector Banks and Foreign Banks are part of the second schedule.

➤ **Well-managed UCBs permitted to undertake intra-day short selling of Government Securities:** Reserve Bank of India has permitted well managed Urban Co-operative Banks, who are members of NDS-OM and have regular concurrent audit of their treasury operations, to undertake intra-day short selling of Government Securities.

➤ **Guidelines to invest in Security Receipts (SR) issued by Securitisation Company/ Reconstruction Company (SC/RC):** Reserve Bank of India has issued guidelines to Urban Co-operative Banks (UCBs) to invest in Security Receipts issued by SC/RC in respect of financial assets sold by them to the SC/RC.

- **UCBs can now lend more for house repairs:** Reserve Bank of India has enhanced the ceiling on loans extended by UCBs to individuals for carrying out repairs / additions / alterations to their dwelling units. The new ceiling on such loans will be ₹ 2 lakh (₹ 1 lakh earlier) in rural and semi-urban areas and ₹ 5 lakh (₹ 2 lakh earlier) in urban areas. Loans granted under the enhanced limits will also be eligible for classification under priority sector.

4. THE COVER PAGE: A YEAR OF CONSOLIDATION

The downward spiral in India's growth momentum over the past two years has been markedly sharp. The economy faltered on several fronts viz. waning performance of the industrial sector, weakening in consumption and investment demand, persistence of high inflation and high interest rates. A direct consequence of this slump was in the form of strong impact on the asset quality of banks resulting in rising NPAs. Maximum distress was witnessed in infrastructure, metals, power, textiles and telecom sector. Your Bank also witnessed a rise in NPAs, especially with certain large sized consortium financed accounts slipping into NPA category.

Your Bank was aware that if deceleration in the industrial activity and adverse macro-economic conditions persist, credit quality could deteriorate further. In order to minimize such eventuality, your Bank at the start of the year itself, decided to refrain from aggressive commercial lending. During FY 2013-14, the Bank therefore focused on retail lending and only select corporate loans of the highest credit quality were disbursed. The Bank thus as a conscious strategy, utilized this period of economic slump to consolidate its existing business. In spite of this, your Bank could achieve an overall business growth of ₹ 3,241.81 crore, touching a business level of nearly ₹ 40,000 crore i.e. ₹ 39,409.56 crore as on 31st March, 2014. This growth could have been easily higher if we had continued with aggressive commercial lending. However, the Bank is aware of the perils of lending to riskier assets and hence has

utilized this year for the process of consolidation.

Our Cover Page for this year is symbolic of the consolidation process undertaken by your Bank during the year. Consolidation was undertaken at all fronts viz.

- **Garnering capital** - The CRAR of the Bank improved from 11.15 per cent as on 31st March, 2013 to 12.11 per cent as on 31st March, 2014.
- **Improving the CASA numbers** - The CASA deposits have increased from ₹ 5,382.01 crore as on 31st March, 2013 to ₹ 5,923.24 crore as on 31st March, 2014 i.e. by ₹ 541.23 crore during the year. During FY 2013-14, a total of 3,29,647 Savings and 8,525 Current accounts have been opened.
- **Maintaining the profitability levels** - The net profit after tax of your Bank has increased from ₹ 112.09 crore in FY 2012-13 to ₹ 147.09 crore in FY 2013-14.
- **Disbursement of retail loans** - Retail loan business of the Bank increased from ₹ 3,117 crore in FY 2012-13 to ₹ 3,803.41 crore in FY 2013-14.
- **Continuous monitoring of the existing loan accounts** - The amount of recovery of gross NPAs increased from ₹ 154.65 crore during FY 2012-13 to ₹ 183.10 crore during FY 2013-14.

All the above action plans were detailed by the Chairman of your Bank in his speech at the Bank's last Annual General Meeting. Once we sail smoothly through this tumultuous phase of economic downturn with minimum impact, the Bank can pick up pace and easily surpass Dr. Adarkar Mission of ₹ 50,000 crore by 31st March, 2016.

5. CHAIRMAN'S 2013 SPEECH IN RETROSPECT

The Chairman of your Bank, Shri E. K. Thakur, while delivering his speech on 30th September 2013, at the 95th Annual General Meeting of the Bank had elaborated on the difficult phase through which Indian economy was passing and its effects on the

banking sector, measures to control rising NPAs of your Bank and Bank's future plans to achieve goals set under Dr. Adarkar Mission.

The Chairman had during his speech, emphasized on the fact that the sticky and stubborn inflation will not allow RBI much elbow room to ease interest rates. As gauged by him, inflation remained at elevated levels throughout the year, with WPI and CPI numbers at all time high of 7.5 per cent and 11.16 per cent respectively during November 2013. With the food inflation remaining sticky, RBI had to raise the interest rates on three occasions during the financial year. Despite good agricultural output, the GDP numbers also came lower at 4.7 per cent for FY 2013-14, a prediction which was spelt by the Chairman in his last year's speech.

With the Reserve Bank of India granting the necessary permission, your Bank re-embarked on the 'Ashwamedh' programme of branch expansion during FY 2013-14. Your Bank opened thirty-eight branches during the year, thus making a total of 267 branches as on 31st March, 2014. In this expansion, we have covered Vadodara with four branches and apart from Bengaluru and Mangalore, also covered cities like Tumkur, Dharwad, Davangere in Karnataka. Since the beginning of the Ashwamedh programme in FY 2008-09, the Bank has thus expanded its branch network not only across the length and breadth of Maharashtra State but is also making footprints in the adjacent States of Gujarat, Karnataka and Goa, besides New Delhi. In today's e-age, even stand-alone ATMs serve the purpose of a branch. Your Bank opened forty-six ATMs during the year, taking the total number of ATMs to 205 as on 31st March, 2014.

Your Chairman had also explained the key challenge faced by the Bank in the form of rising gross Non Performing Assets (NPAs) and the priority given to recover these gross NPAs by establishing the Central Recovery Council (CRC), with a single point agenda of bringing down the gross NPAs. During the financial year 2013-2014, your Bank has recovered

₹ 183.10 crore of gross NPAs as against ₹ 154.65 crore during the previous year.

Your Chairman had also announced the establishment of a Special Credit Monitoring Cell (SCMC), comprising of a team headed by a Chief General Manager. The SCMC has been constantly monitoring each and every borrowal account showing early signs of sickness. With a focused approach, the SCMC to a great extent was able to detect early signs of problems and carry out corrective action so that the accounts do not fall in the NPA category.

As regards retail banking, your Bank had rolled out the 'Mobile Banking facility' - "Go-Mo" during FY 2013-14. The new technology, being more user-friendly, has attracted younger customers and we are pleased to inform that since the launch, 8,378 customers have registered for this facility.

With all such ongoing sustained efforts, your Bank is marching ahead with renewed vigour and zeal towards its Missions.

6. KEY ACHIEVEMENTS DURING FY 2013-14

The financial year 2013-14 was an even more challenging year for the banking sector compared to the preceding financial year. Sluggish domestic growth, continued uncertainty in the global markets and stalled infrastructure projects led to persistent strain on asset quality of the banks. This has affected the profitability of the banks as major portion of their profits needs to be kept aside for making provisions for the Non-Performing Assets.

Against this tough scenario, the key financials of your Bank during FY 2013-14 are as follows:

- The total business of your Bank increased from ₹ 36,167.75 crore as on 31st March, 2013 to ₹ 39,409.56 crore as on 31st March, 2014 i.e. a rise of ₹ 3,241.81 crore.
- The deposit figures increased from ₹ 21,144.33 crore as on 31st March, 2013 to ₹ 23,939.51 crore as on 31st March, 2014, a rise of 13.22 per

cent. Of these, the CASA deposits increased from ₹ 5,382.01 crore to ₹ 5,923.24 crore, a rise of 10.06 per cent.

- Advances rose from ₹ 15,023.42 crore as on 31st March, 2013 to ₹ 15,470.05 crore as on 31st March, 2014, a rise of 2.97 per cent. In view of the economic slowdown and the unprecedented rise in NPAs of banks, your Bank made a conscious effort to refrain from lending in risky corporate loans, instead focusing on the less risky retail housing loans.
- The net profit before tax of the Bank has increased from ₹ 152.91 crore in FY 2012-13 to ₹ 174.59 crore in FY 2013-14.
- The net profit after tax of your Bank has increased from ₹ 112.09 crore in FY 2012-13 to ₹ 147.09 crore in FY 2013-14.
- Own funds of your Bank have risen from ₹ 1,961.31 crore as on 31st March, 2013 to ₹ 2,141.81 crore as on 31st March, 2014. The Capital to Risk-Weighted Assets Ratio (CRAR) improved from 11.15 per cent as on 31st March, 2013 to 12.11 per cent as on 31st March, 2014, in spite of lack of adequate capital raising avenues.
- The net NPAs continued to remain zero per cent for the tenth consecutive year. The Provision Converge Ratio (PCR) of your Bank is 100 per cent as against 70 per cent prescribed by RBI for Scheduled Commercial Banks.
- Your Bank has between March 2006 till March 2009 acquired seven sick and weak Urban Co-operative Banks spread across Mumbai, Nasik, Sangli and Kolhapur. The total business of these banks as on the date of merger, which was ₹ 1,894.78 crore then, has crossed ₹ 10,000 crore as on 31st March, 2014. The following table details the business of these merged banks as on the date of merger.

Table No. 1:**Details of merged banks' Business***(₹ in crore)*

Name of Merged Bank	Date of Merger	Business on Date of Merger
Maratha Mandir Co-op Bank Ltd.	20.03.2006	292.55
Mandvi Co-op Bank Ltd.	30.03.2007	885.33
Annasaheb Karale Janata Sahakari Bank and Murgharajendra Sahakari Bank Ltd.	30.06.2007	253.57
Nashik People's Co-op Bank Ltd.	21.12.2007	207.95
South Indian Co-op Bank Ltd.	01.09.2008	167.21
Kolhapur Maratha Co-op Bank Ltd.	06.03.2009	88.17
Total		1,894.78

As a strategic business decision, your Board of Directors defined and created a Strategic Business Unit (SBU) on 17th August, 2009 by grouping together seven merged banks and naming it as 'SBU-Gandhakosh'. SBU-Gandhakosh has grown by leaps and bounds over the last five years and has been able to scale a total business level of ₹ 10,488.12 crore as on 31st March, 2014.

It may be noted that the original 'The Saraswat Co-operative Bank Ltd.' took eighty-eight years to accomplish the said feat. Thus, your Board of Directors' decision to assimilate these weak and sick banks has been fully vindicated by the business level achieved by SBU-Gandhakosh in a mere span of eight years from the date of first merger. The dream of establishing a "Bank within the Bank", which was conceptualized under SBU-Gandhakosh and mentioned in the Annual Report of FY 2009-10 has been accomplished. It needs to be highlighted that the total business of SBU-Gandhakosh, a unit of merged banks is bigger than some of the mid-sized Urban Co-operative Banks (UCBs) operating in this country for decades. Not only that, SBU-Gandhakosh today contributes one-fourth of the total business of your Bank. By 31st March, 2016, the share of business of SBU-Gandhakosh will be around one-third of the total business of your Bank.

7. OUR MISSION: ALL EYES ON ₹ ONE TRILLION!

Against the backdrop of weak fundamentals of the Indian economy and the paucity of good commercial advances in the market, emphasis was laid on schematic lending, in particular, housing loans which are backed by a strong security. This was a challenging task as every player in the banking industry was vying for the same. This retail push has given momentum to the advances portfolio and despite a total repayment of ₹ 2,400 crore during FY 2013-14, the Bank was able to cross the advances figure of FY 2012-13.

As regards deposit growth, your Bank registered 13.22 per cent rise in total deposits in tune with the banking industry growth rate. Thus, the total business of the Bank touched a level of ₹ 39,409.56 crore as on 31st March, 2014.

With stable Government at the Centre, the Policy reforms will gather pace resulting in pick-up in industrial and infrastructure activity leading to credit pick-up. This along with rising savings ratio will give a fillip to the growth rate. This buoyancy will get reflected in an improved performance of the banking industry and your Bank will not be an exception. Thus, your Bank is confident of achieving Dr. Adarkar Mission III target of ₹ 50,000 crore business level by 31st March, 2016 and Dr. Adarkar Mission IV target of ₹ 100,000 crore business level by 31st March, 2021.

8. HUMAN RESOURCES DEVELOPMENT DEPARTMENT

The HRD Department continues to perform its role of recruiting and nurturing the Bank's human resources and creating an environment conducive for learning, growth and creation of better service conditions than our peers in the industry to their staff.

Some of the initiatives taken by the HRD Department are as follows:

➤ **Deputing Executives for training programmes conducted by highly reputed Harvard Business School :**

Your Bank has always promoted a learning culture and believes in the power of knowledge and training in shaping the lives of individuals.

The Bank therefore utilizes every opportunity to ensure that the employees are well-informed and well-equipped through well-planned and organized training and development sessions.

Your Bank conducted three residential programmes for the officials of the Bank in partnership with Harvard Business School (HBS) at their new state-of-the-art class room at the Taj Land's End in Mumbai.

The said training programmes were as below:

- **Leadership in Financial Organisations-India:**

The objective of the programme was to help Executives to address the key issues related to the leadership and management of financial companies and improving the ability to lead change and drive growth in an uncertain global economy. The Bank nominated two officials of the level of Chief General Manager and above for this programme.

- **Improving Corporate Performance and Profitability-India:**

The objective of the programme was to help the Senior/Middle Management to explore the critical connections among business strategy, performance measurement, management accountability, organizational design, and corporate governance. The Bank nominated six officials of the cadre of Chief Manager and above for this programme.

- **Leading Growth Through Customer Centricity-India:**

The objective of the programme was to help Executives gain a deeper insight as regards building a customer-centric organization by identifying actionable market segments,

implementing segment-specific strategies and expanding the market share of the organization. The Bank nominated two Executives of the cadre of Deputy General Manager and above for this programme.

➤ **Policy Towards Women Co-workers:**

The Bank is committed to provide a safe and congenial work environment to its employees, more particularly, women employees and ensure that they are not subjected to any sexual harassment. The Bank appreciates that such harassment constitutes infringement of fundamental right to work in a safe and healthy environment. As you are aware, the Board of Directors of the Bank has approved the Policy Towards Women Co-workers and also formed a Complaint Committee as envisaged under the said Policy.

The Government of India has enacted Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (14 of 2013) on 9th December, 2013. The said Act makes it mandatory for every employer of a workplace to constitute a Committee known as the 'Internal Complaint Committee'. In cases where the offices or administrative units of the workplace are constituted at different places or divisional or sub-divisional level, it is directed that the Internal Committee be constituted at all the administrative units or offices.

In compliance with the provisions of the Act, your Bank has formed Internal Complaint Committees at all the Zonal Offices, which comprise respective Zonal Head, two lady Branch Managers/Management Staff from each Zone and one Committee Member of the Co-ordinating Committee representing an NGO. Mrs. Pearl R. Varghese, General Manager & Head-HRD will be the Chairperson of all the committees. The earlier existing Complaint

Committee now functions as the Central Complaint Committee.

➤ **Upgradation of select senior employees from Grade 'B' to Grade 'A':**

Since FY 2012-13, your Bank is absorbing "Select Grade 'B' Staff" employed by the Bank to Grade 'A' on the basis of their year-wise seniority. During the year 2013-14, 168 employees from various cadres of Grade 'B' pay scale were upgraded to Grade 'A' pay scale, based on their seniority and acceptable performance reports. During the preceding year, similar upgradation was done for 197 Grade 'B' employees.

➤ **Recruitment:**

In view of your Bank's continued expansion programme and also to fill in the vacancies created by exit of some employees, total 691 employees were recruited during the year. The 691 employees include 3 Executive cadre, 151 Management cadre and 537 Non-Management cadre employees. Of these, 79 candidates viz. 64 Executive/Management cadre and 15 Non-Management cadre are lateral recruits having rich and varied experience in the banking industry.

The new recruits include 29 Executives/Management Staff members in Grade 'A', 639 Management and Non-Management Staff members in Grade 'B' and 23 Management and Non-Management Staff members in Grade 'C'.

➤ **Promotional Exercises:**

Identifying the need for managerial positions in the Bank in the wake of vacancies generated due to retirement, resignation etc, the Bank conducted promotional exercises across various cadres. The Bank identified suitable employees with exemplary performance and potential to shoulder higher responsibilities, and promoted them to higher positions.

During the year under report, 133 employees were promoted to various cadres. (12 from Sub-staff cadre to Junior Officer cadre, 57 from Clerical cadre to the Dy. Manager cadre, 58 to various positions in the Management cadre and 6 to various positions in the Executive cadres). The 133 promoted employees include 75 Grade 'A', 57 Grade 'B' and 1 Grade 'C' employees.

Table No. 2:
Summary of Employees Recruited / Exited during FY 2013-14

Number of Employees as on 31.03.2013	3,906
Number of Employees recruited during the year 2013-14	691
Sub Total	4,597
Less the number of Employees who exited during the year 2013-14 due to:	
1. Natural Death	2
2. Retirement	32
3. Termination	11
4. Dismissals	1
5. Resignations	200
Total Employees exiting the Bank	246
Number of Employees as on 31.03.2014	4,351
Net Addition during the year 2013-14	445

Thus, there is a net increase of 445 employees during FY 2013-14. The recruitment exercise was undertaken based on a Manpower Plan, so as to adequately equip the newly opened thirty-eight branches.

➤ **Training for staff:**

During the year, the Staff Learning Centre imparted training to 3,379 employees comprising 1,427 members from Management cadre and 1,952 members from Non-Management cadre. In total, 130 training programmes were conducted which included induction training for new recruits, refresher programmes, orientation programmes for promoted staff members and programmes on marketing. Need-based programmes were also conducted for branches, zones and departments.

Staff members were also encouraged to update their knowledge on a regular basis through various initiatives like internal on-line tests, encouragement for Indian Institute of Banking and Finance (IIBF) tests and educative articles and columns in the magazine 'Madhusattva'.

9. PRESENT STATUS OF EARLIER INITIATIVES

➤ **Administrative Self Regulatory Authority (ASRA):**

It has been three years since your Bank put in place the post of the Administrative Self Regulatory Authority (ASRA), the first such initiative in the co-operative banking sector. ASRA has continued to perform its role of ensuring compliances, both regulatory as well as internal. Under the aegis of ASRA, your Bank updated and placed before the Board, thirty-nine Policy Documents and thirty-eight reviews pertaining to various Departments during FY 2013-2014. Due weightage was given to adherence to Policy documents, submission of reviews, compliance with systems and procedures at various branches and study of status of compliances.

Looking back, it can be stated that this unique initiative of ASRA started by your Bank has been a worthwhile one and has contributed to a healthier Bank in the area of compliances with the multi-pronged regulatory requirements.

➤ **Progress of New Initiatives Unit (NIU):**

The New Initiative Unit of your Bank was set up during October 2011. NIU refines and defines the Bank's Product Value Proposition, Product Feasibility, Benchmarking, Digital Branding and Marketing, Cost Benefit Analysis, Product Mix and New Product Development. NIU looks at possibilities for adopting modern technology platforms to continuously improve the quality of products/services offered and performs competitive analysis with similar products in

the market. Also, NIU is actively involved in conceptualizing ideas and finding best service providers for seamless and flawless service delivery.

NIU has been extensively working on various projects as seen below:

- **Stepping into the world of Digital Media:**

NIU successfully created Your Bank's digital persona by launching official Social Media Profiles/Pages of Saraswat Bank on Facebook and Twitter. This has facilitated your Bank to reach out to young population of the country which uses online media as their primary mode of information and communication. For easy access to our social media pages of Facebook and Twitter on the website, Facebook and Twitter icons were added by NIU on website's scroll bar.

NIU effectively made use of Search Engine Marketing (SEM), an alternate and measurable digital marketing platform to market our Home Loan product online. Through this campaign, your Bank could reach a tremendous section of home hunting customers and helped them fulfill their dream of a happy home. The final outcome exceeded estimates and the Bank received more than twice the leads with roughly half of them resulting in conversions post closure of campaign.

- **Your Bank on Electronic Media:**

NIU played a pivotal role in creating and establishing your Bank's presence in multiple languages on Electronic channels like TV and Radio across India. This is the first time in the history of your Bank that it set foot into these traditional yet unexplored media only to receive great response to the home loan category.

- **State of the Art Website:**

NIU recommended some structural modifications with regard to look, design and content of the website which has given visitors a visual feast to their eyes along with relevant details about the Bank's products and services. NIU also added latest widgets like currency convertor, branch locator powered by Google Maps, list of holidays, easy form downloads that increased visitors interests and enticed them to stay for long duration on the website.

- **Creation of New Product Development Team:**

NIU created a dedicated New Product Development (NPD) Team comprising senior management personnel that looks after innovative and new products to develop state of the art products or services to stay relevant in the banking industry.

NPD gives an open platform to all employees of your Bank to place their ideas and suggestions for improving your Bank's existing products/services. New concepts pertaining to technological and operational enhancement are also discussed and strategies are formulated to execute the same.

- **Research and Development in Technology Banking:**

While addressing the immediate concerns of Tech Banking, the Research and Development activity is focused towards anticipating the future needs and requirements of customers and developing platforms and roadmaps to address them. NIU is currently concentrating on researching Internet Banking features offered by other banks at large. This has helped your Bank in restoring and providing

value addition to the existing features of Internet Banking and Mobile Banking.

- **Payment Gateways:**

With tremendous growth potential seen in on-line shopping and e-commerce industry which is done using Payment Gateway platforms, NIU is working towards getting on-board payment gateway service providers so as to offer convenient shopping facilities to our Internet banking customers.

- **Online Trading:**

Many of your Bank's stakeholders felt that the Bank should provide online trading facility to its demat customers. NIU took up this project and met various brokers in order to set up a 3 in 1 account facility for your Bank's present as well as potential customers. Your Bank was following up with RBI to seek approval for the launch of online trading facility to our demat account holders. You will be pleased to note that RBI has granted permission to UCBs for offering such online trading facility, subject to approval on case-specific basis. Your Bank is in the process of getting the necessary regulatory clearances and furthering other operational requirements. We will thus soon be delivering this service to our 90,000 demat account-holders.

- **Building relations through networking:**

In order to stay relevant in the industry and ensure that your Bank doesn't miss out on value opportunities, NIU has been participating in various seminars and workshops significant to projects undertaken. NIU has also visited various organizations across industries that cater to Bank's technology, communication and services, networking actively to build healthy corporate relations.

NIU, with a dedicated and focused approach is all set to transform your Bank into a vibrant, Tech-Enabled New Age Bank. NIU has been working towards making your Bank meet innovative opportunities beneficial for business growth so as to make your Bank a global bank.

➤ **Credit Portfolio Audit:**

Credit Audit has, by now, stabilized well in your Bank and all accounts with total exposure of ₹ 5 crore and above, amounting to ₹ 13,152.46 crore were audited. Audit is conducted online and rectification of compliances particularly in the Critical Areas of : (i) Documentation (ii) Security Creation (iii) Mortgages (iv) ROC/ CERSAI Charges and (v) Insurance is accorded utmost importance.

Apart from the review of the risk rating for the accounts based on the warning signals and non-compliances in the critical areas, the adverse movements in risk ratings, if any, for the accounts subjected to audit are also being analyzed so that appropriate mitigating measures can be taken up urgently.

➤ **Progress of BPR Project:**

Your Bank embarked on the Business Process Re-engineering (BPR) exercise five years back. Under the said exercise, several Retail Asset and Small Enterprises Centres (RASECs) were formed. These units now act as a one shop window for the customers at one place. Further, Turn Around Time (TAT) has been reduced. Due to this set-up, control over quality of retail loans can also be achieved and retail loans of the highest standard can be tapped. Follow-up can be done from one centre.

The disbursements undertaken by RASEC since inception and the amount of NPAs is given in the table below:

Table No. 3:**RASEC-wise disbursements and NPAs since inception***(₹ in crore)*

NAME	DISBURSEMENTS UPTO 31 st March 2014	NPA AS ON 31 st March 2014
Borivali	1,001.56	0.58
Dadar	661.58	0.09
Thane	801.62	0.15
Pune	837.45	0.73
Aurangabad	219.60	0.07
Matunga	440.15	1.26
Others	323.61	0.00
Total	4,285.57	2.88

Thus, it is evident that percentage of NPAs to total disbursement of retail loans done through RASECs since their inception has been a meagre 0.06 per cent. This itself vindicated the fact that establishment of RASECs was a grand success.

10. EVALUATION OF MERGERS

At the time of takeover of erstwhile seven merged banks, there were total ninety-six branches of these banks. Out of these ninety-six branches, only forty-nine old branches are operational as on 31st March, 2014, i.e. they continue to remain located where they were in the erstwhile merged banks. These forty-nine

branches are operating under SBU-Gandhakosh. One branch of a merged bank has been transferred to Zone V of Legacy Saraswat – that is the original Saraswat Bank – for operational convenience. Similarly three branches of Legacy Saraswat are transferred to SBU-Gandhakosh. After a detailed viability study, forty-six branches of merged Banks have either been closed or merged with the nearby branches of SBU-Gandhakosh.

Of the closed branches, nineteen licences of merged banks have been utilized by SBU-Gandhakosh for opening new branches in new locations, as such shifting of unviable branches in new locations was permissible under RBI Policy. Besides, thirty-six branches were opened under SBU-Gandhakosh from the Annual Business Plans of your Bank approved by RBI for the period 2008-2012. These branches were opened in Mumbai, Pune, Western Maharashtra, New Delhi and Gujarat State. Seventeen licences of merged banks have been allowed to be utilized by Legacy Saraswat for opening of their new branches and ten licences of merged banks are still to be utilized for opening new branches.

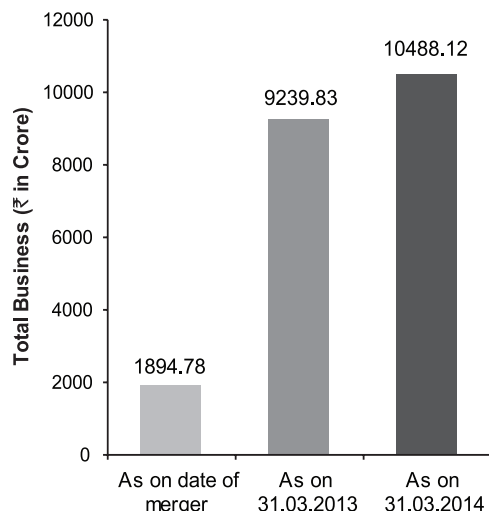
As on 31st March, 2014, SBU-Gandhakosh has in its fold a total of 107 branches and Legacy Saraswat has 160 branches.

Table No. 4:**Progress of Gandhakosh (SBU – Merged Banks) at a glance:***(₹ in crore)*

Total Business as on date of Merger (Original ninety-six branches of seven merged banks)	Total Business of one hundred and seven branches of Gandhakosh as on 31-03-14	Business per employee as on date of Merger	Business per employee as on 31-03-14 of Gandhakosh	Gross NPA as on date of Merger	Gross NPA as on 31-03-14	Aggregate recovery (including write off) till 31-03-14	Accumulated Operating profit earned by the Branches of Gandhakosh till 31-03-14	Post-tax Profit earned by Gandhakosh till 31-03-14
1,894.78	10,488.12	1.54	8.19	276.41	29.20	247.21	491.88	377.74

From the above table, it is observed that the total business of SBU-Gandhakosh has increased from ₹ 1,894.78 crore as on the date of mergers to ₹ 10,488.12 crore as on 31st March, 2014.

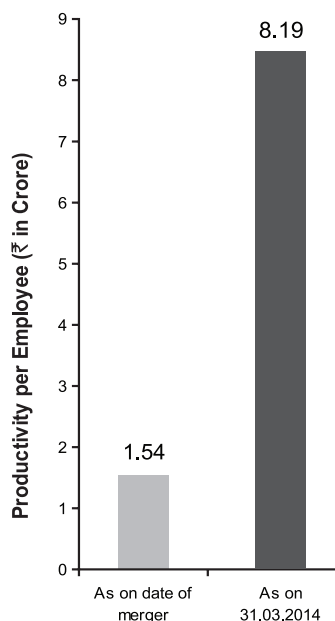
Graph - I
BUSINESS GROWTH OF GANDHAKOSH



It may be observed from Graph I, that rise in business on y-o-y basis i.e. in FY 2013-14 over FY 2012-13 has been ₹ 1,248.29 crore.

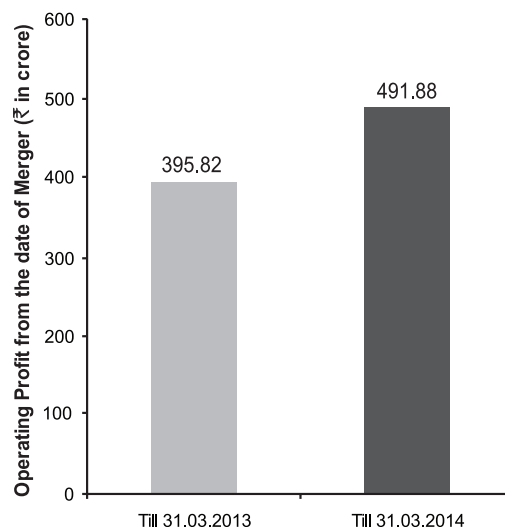
One of the most crucial aspects of the mergers of seven weak banks with our Bank has been the concerted efforts on recovery of NPAs. During the current financial year, the Gross NPAs of the SBU-Gandhakosh have been further reduced from ₹ 276.41 crore as on the date of merger to ₹ 29.20 crore as on 31st March, 2014.

Graph - II
PRODUCTIVITY PER EMPLOYEE



The productivity per employee of SBU-Gandhakosh branches which was ₹ 1.54 crore at the time of merger has improved to ₹ 8.19 crore as on 31st March, 2014.

Graph - III
OPERATING PROFIT



Operating profit of SBU-Gandhakosh has risen from ₹ 395.82 crore as on 31st March, 2013 to ₹ 491.88 crore on 31st March, 2014, recording a rise of ₹ 96.06 crore i.e. by 24.27 per cent.

The increase in operating profit indicates the fact that the experiment of mergers undertaken by your Bank has been a phenomenal success.

11. BRANCH EXPANSION

As mentioned in last year's Annual Report, the Branch Expansion programme-Ashwamedh has been re-initiated after a brief pause in FY 2012-13. In FY 2013-14, your Bank has opened thirty-eight new branches. The Bank added four more branches in Vadodara, Gujarat, four branches in various cities in Karnataka, one in Madhya Pradesh, one in Goa, eighteen branches in Mumbai and outskirts (including Thane District and Navi Mumbai) and ten in rest of Maharashtra. The Bank has thus strengthened its existing branch network, especially in Maharashtra, Karnataka and Gujarat.

The position of our branches during FY 2013-14 is as under:

Table No. 5:

Particulars	Number
Number of Branches as on 31 st March, 2013	229
Add: Number of Branches opened during FY 2013-14	38
Less: Number of Branches closed / merged during FY 2013-14	0
Total Number of Branches as on 31 st March, 2014	267

The details of the new branches opened during FY 2013-14 are as below:

Table No. 6:

Details of thirty-eight new branches opened during 1.04.2013 to 31.03.2014

Sr. No.	Name of the Branch	Location	Date of Opening
1	Karelibaug, Vadodara (with ATM)	A/49,Ranchodpark Housing Society, Ground Floor, Near Amit Nagar Circle, VIP Road, Karelibaug, Vadodara - 390 018.	23.04.2013
2	Manjalpur, Vadodara (with ATM)	A/8, Shreeji Dham Society,Ground Floor, Village Manjalpur,Deep Chamber Road, Vadodara – 390 011.	23.04.2013
3	Fatehganj, Vadodara (with ATM)	“Airavat” , Ground Floor,Plot No.3,4, Sadhanagar Co-op. Society,Opp. Rangoli Restaurant,Fatehganj, Main Road, Vadodara - 390 002.	23.04.2013
4	Bhivandi (with ATM)	J. P. Tower, Ground Floor,Shop Nos.1 to 6,Gauri Pada,Opposite BSNL Telephone Exchange, Dhamankar Naka,Bhiwandi, Dist- Thane - 421 302.	23.04.2013
5	Savedi Road, Ahmednagar (with ATM)	Ground Floor,176/3A, Plot No.46/8,Savedi Road, Ahmednagar - 414 001.	23.04.2013
6	MIDC, Ahmednagar (with ATM)	Plot No.X-31/2,Nagpur-Ahmednagar MIDC,Near IT Building,Tal and District Ahmednagar - 414 111.	23.04.2013
7	Wardha Road, Nagpur (with ATM)	Ground Floor,Building of Maharashtra State Mining Corporation(MSMC),Plot No.7, Ajni Square, Wardha Road,Nagpur - 440 015.	23.04.2013
8	Pratap Nagar, Nagpur (with ATM)	Ground Floor,22, Income Tax Colony, Main Road, Pratap Nagar,Nagpur - 440 022.	23.04.2013
9	T V Centre, Aurangabad (with ATM)	Ground floor,N-11/A,Plot No.25, T.V. Centre, HUDCO, Aurangabad - 431 003	23.04.2013

Sr. No.	Name of the Branch	Location	Date of Opening
10	Solapur (with ATM)	"Rathi Tower", Ground Floor, F.Plot No.I+23/ B,Budhwar Peth, Near Neelanagar, Solapur - 413 002	23.04.2013
11	Kamothe (with ATM)	Greenscape Royale,Shop Nos.1,2,3 & 4, Ground Floor,Plot No.25, Sector 7, Kamothe, Navi Mumbai - 410 209.	23.04.2013
12	Akola (with ATM)	Shiv-Daya Complex, Ground Floor, Opp. Uday Talkies, Tilak Road, Akola - 444 001	23.04.2013
13	Khopat (with ATM)	G-1, Akruti SMC, Ground Floor, Near S.T. Stand, Khopat Naka, L.B.S. Road, Thane(W) - 400 602.	23.04.2013
14	CBD Belapur (with ATM)	Shop No.20,21,37 and 38, Ground Floor, Shree Nand Dham, Sector 11, CBD Belapur, Navi Mumbai - 400 614	23.04.2013
15	Uran	Madina Complex, First Floor, Karanja Road, Uran, Navi Mumbai - 400 702.	23.04.2013
16	Hindu Colony, Dadar (E) (with ATM)	Indian Education Society,Ground Floor, Nabar Gurji Path (6 th Lane),Raja Shivaji Vidyasankul,Plot No.135-145, Hindu Colony, Dadar (East),Mumbai - 400 014.	20.08.2013
17	Dahisar (W) (with ATM)	Leelawati Apt.,Shop No. S1, S2 & B2,Ground Floor, L.T.Road, Dahisar (W), Mumbai - 400 068.	20.08.2013
18	Ambernath (E) (with ATM)	Ground Floor, Chandrama,Suryodaya Co-op. Housing Soc. Ltd., Plot no. 24, Ambarnath (E), Dist- Thane - 421 501.	20.08.2013
19	Santacruz (E) (with ATM)	Orion, Ground Floor, Shop no.2,Nehru Road, Santacruz (E),Mumbai – 400 059.	18.09.2013
20	Seawood (with ATM)	Shop nos.11 to 14, Ground Floor,Ambika Apartment,Plot No.10, Sector 42-A, Seawood, Nerul (West) , Navi Mumbai - 400 706.	18.09.2013
21	Mumbai Central (with ATM)	B - 3 & 4, Shri. Santoshimata CHS,Dr. D.B.Marg, Mumbai Central,Mumbai - 400 008	18.09.2013
22	Thakur Complex Kandivali (E) (with ATM)	Shop Nos.12 & 13, Vaishnav Villa, Opp. Impression, Near Avenue Hotel,Thakur Complex, Kandivali (East),Mumbai - 400 101.	18.09.2013
23	Mysore, Karnataka (with ATM)	2909, Kanthraj URS Road, Ground Floor, Saraswathipuram, Mysore, Karnataka - 570 009	14.12.2013
24	Tumkur, Karnataka (with ATM)	Hotel Sri. Vigneshwara Comforts, 1 st Floor, Opp. Tumkur University, BH Road,Tumkur, Karnataka - 572 102	14.12.2013

Sr. No.	Name of the Branch	Location	Date of Opening
25	Dharwad, Karnataka (with ATM)	Vishwa Laxmi Arcade, Ground Floor,P.B.Road, Dharwad, Karnataka - 580 001.	14.12.2013
26	Davangere, Karnataka(with ATM)	269 / 1, Near Mallikarjuna Motor and Scooter Mart, Jayadeva Circle Road,Davangere, Karnataka – 577 002.	14.12.2013
27	Sahakar Nagar, Pune (with ATM)	Pentagon Building, Plot No.477 A, Ground Floor, Shop nos. 1 to 5, Parvati, Kalpanamati Housing Society,Sahakar Nagar, Pune – 411 009	16.12.2013
28	Bhusari Colony, Kothrud (with ATM)	Bandal Capital, Ground Floor,Shop nos. 1,2,3,8,9,10, Near PMT Bus Stand Depot, Bhusari Colony, Kothrud, Pune - 411 038.	16.12.2013
29	Bandra Kurla Complex Branch, Bandra(E) (with ATM)	Ground Floor, Madhava Commercial Premises Co.op. Soc. Ltd., Plot No. C-4, 'E' Block, Bandra Kurla Complex,Bandra (E), Mumbai- 400 051.	6.01.2014
30	Kalbadevi (with ATM)	Ground Floor,285, Princess Street, Kalbadevi, Mumbai- 400 002.	6.01.2014
31	Alkapuri Branch, Vadodara (with ATM)	Ground Floor, Abhinav Complex, 67, Vishwas Colony,Below Venus Hospital, Jetalpur Road,Vadodara,Gujarat – 390 005.	20.01.2014
32	Annapurna Road Branch, Indore (with ATM)	Unit No. 1-5, 7-8, Decent Tower,Sacchidanand Nagar,Annapurna Main Road,Indore, Madhya Pradesh – 452 009.	20.01.2014
33	Sankhali Branch, Sanquelim, Goa (with ATM)	Taramahal, Ground Floor, Taranagar, Near Market Yard,Harvalem, Sanquelim-Bicholim,Goa- 403 505	20.01.2014
34	Mazgaon (with ATM)	19, Ground Floor, Chetak Apartment, S.M.S.Marg, Love Lane,Mazgaon,Mumbai - 400 010	20.01.2014
35	Badlapur (East) (with ATM)	Madhukunj Apt., Old Katrap Road, At Post Kulgaon, Badlapur (East), Tal. Kalyan, Dist. Thane – 421 503	29.03.2014
36	Goregaon Hub, Goregaon (East) (with ATM)	Manthan House, Opp. Udyog Bhavan, Sonawala Road, Goregaon Hub, Goregaon (E), Mumbai – 400 063	29.03.2014
37	Panchpakhadi, Thane (West) (with ATM)	Nakshatra Tower, Opp. Thane Municipal Corporation, Panchpakhadi, Thane (W) – 400 602	29.03.2014
38	Vasai (West) (with ATM)	Ashokvan Building, Vasant Karishma Complex, Ambadi Road, Vasai (W) – 401 202	29.03.2014

During the year, we have shifted three branches and two RASECs to a new location.

Table No. 7:

Details of Branches and Departments shifted during 1.04.2013 to 31.03.2014

Sr. No.	Name of the Branch / Department	Shifted to	Shifting Date
1	Andheri (W) (with ATM)	1-3 Arunodaya CHS,C.D. Barfiwala Road, Andheri (W),Mumbai 400 058.	10.07.2013
2	RASEC Borivali	Emperor Building' , 1 st floor, Unit No 101,102,103,104 Bhabhai Naka, L.T.Road, Borivali (west) Mumbai 400092	10.07.2013
3	F. C. Road (with ATM)	Lohia Jain House, Ground Floor,893/6, Bhandarkar Road,Goodluck Chowk, Deccan Gymkhana, Pune – 411 004.	16.12.2013
4	RASEC, Karve Road, Pune	8/3, Madhuban, 1 st Floor, Erandvana, Karve Road, Pune-411004	1.01.2014
5	Kudal (with ATM)	Pratham Apartment,Near Kudal School, Kudal, Dist Sindhudurg - 416520	20.01.2014

Renovation of Branches:

In continuance with our exercise of renovating the existing old branches as per our new branding standards, following eight branches / departments have been fully renovated during the year.

Table No. 8:

Details of Renovation of Branches and Departments during 1.04.2013 to 31.03.2014

Sr. No.	Name of the Branch	Date of Completion
1	Santacruz (West), Mumbai	7.06.2013
2	Station Road, Aurangabad	30.09.2013
3	Waluj, Aurangabad	30.09.2013
4	CIDCO, Aurangabad	30.09.2013
5	Panjim, Goa	30.09.2013
6	Vengurla	30.09.2013
7	Sakinaka, Mumbai	2.12.2013
8	Karve Road RASEC & Zone	16.01.2014

Table No. 9:

In the following Branches, ATMs (On-site & Off-site) were opened during 1.04.2013 to 31.03.2014

Sr. No.	Name of the Branch	Merged with Branch	Merging Date
1	Santacruz (W)	Fashqua Shopping Centre, Kalakar Kanu Desai Marg, Station Road, Santacruz (West), Mumbai - 400 054.	7.06.2013
2	Jogeshwari (E) On-site	Saidham Co. op Hsg. Society Ltd., Ground floor, Near Ganesh Hotel, Majaswadi, Jogeshwari (East) - 400 060	16.09.2013
3	CIDCO Aurangabad (Additional ATM)	Plot No.6, Town Center C-2, Near CIDCO Bus Stand, CIDCO, New Aurangabad - 431003	30.09.2013
4	Vengurla	Saraswat Bank Bldg. Baristor Balasaheb Khardekar Road, Vengurla , Dist.- Sindhudurg-416516.	30.09.2013
5	Sakinaka Andheri (E)	K – 8, Ansa Industrial Estate, Ground Floor, Saki Naka, Andheri (E), Mumbai - 400 072.	2.12.2013
6	Nashik ATM Off-site	Daiwat Bungalow, Sarveshwar Gruh Nirman Sanstha (Niyojit), College Road, Nashik- 422 005.	11.12.2013
7	Ratnagiri Branch On-Site	Benjamin Enclave, 1 st Floor, Opp Central Bus Depot, Ratnagiri Kolhapur Highway Ratnagiri - 415 612	22.02.2014

Financial performance of New Branches:

As we are marching ahead on our Branch Expansion programme 'Ashwamedh', it is worthwhile to analyze the performance of the new branches opened since July 2008 i.e. start of 'Ashwamedh' programme till end-March 2014. To ensure clarity amongst the shareholders about the viability of new branches, each year we report the progress of these new branches in the Annual Report.

Number of branches opened since July 2008 till end-March 2014:

Table No. 10:*(₹ in crore)*

(A) Profit making Branches				
No of Branches	Deposits	Advances	Total Business	Profit
59	2,540.25	3,028.16	5,568.41	59.77
(B) Loss-making Branches				
No of Branches	Deposits	Advances	Total Business	Profit
66	816.44	497.01	1,313.45	-19.37
Grand Total (A+B)				
125	3,356.69	3,525.17	6,881.86	40.40

From July 2008 till 31st March, 2013, your Bank had opened eighty-seven new branches, out of which forty-two were profit-making and forty-five were loss-making branches as detailed in last year's Annual Report. It may be noted that in order to bring these loss-making branches into profit within a reasonable period of time, meetings are held at periodical intervals with these branches. These meetings are headed by your Bank's Chairman wherein guidance is given, strategies are deliberated with the respective Branch Managers, Zonal Managers and SBU-Retail Heads. As a result of these sustained efforts, sixteen loss-making branches out of forty-five loss-making branches of FY 2012-13 have turned around during the FY 2013-14. Thus, total new profit-making branches opened since year 2008 are now fifty-nine, while loss-making branches are twenty-nine of FY 2012-13 plus thirty-seven branches opened during FY 2013-14. One new branch opened in FY 2013-14 which is dedicated to Foreign Exchange business is in profit right from inception.

12. RISK MANAGEMENT

The need for and importance of Risk Management have been reiterated time and again by your Bank. The Risk Management Department of your Bank not only helps in identifying, monitoring and measuring the risk profile of the Bank but also helps to maintain a healthy trade-off between risk and returns.

In times of volatility and fluctuations in the market, financial institutions need to prove their mettle by withstanding the market variations and achieving sustainability in terms of growth. The foremost thing is to understand the risks run by the Bank and to ensure that the risks are properly confronted, effectively controlled and rightly managed. Each transaction that the Bank undertakes changes the risk profile of the Bank. Any new avenue for the Bank brings new risks as well, which the Bank will have to handle and overcome.

Following are broad categories of risks managed and looked into by your Bank:

Credit Risk:

Credit Risk is the potential risk that a bank borrower/counterparty fails to meet the obligations on agreed terms. Considering the tough economic scenario and the rising NPAs of the banking industry in general, the 'SCMC' or Special Credit Monitoring Cell has been formed which focuses on accounts showing signs of weaknesses at an early stage, scrutinizes the same, identifies the SMAs and assists in relevant steps to avoid account becoming NPA. Thus, not only is risk assessment largely carried out at the pre-disbursement stage but even at the post disbursement stage by regular monitoring of the credit portfolio.

Besides the risk assessment of credit proposals and additional screening of proposals relating to low credit ratings, your Bank is also undertaking initiatives crucial to the risk management like- Industry Analysis, Sectoral Caps, Monitoring of Exposure Norms, Review of Rating Models and their validation, rating migration, etc. These measures are being conducted at regular intervals to help in maintaining and improving the quality of credit portfolio of your Bank.

Operational Risk:

Operational risk involves breakdown in internal controls leading to error, fraud, performance failure, compromise on the interests of the Bank resulting in financial loss. The key to the management of operational risk lies in the Bank's ability to assess its existing operational procedures and establish internal controls which provide safeguards against unanticipated worst-case scenarios. In order to have an integrated risk control approach, your Bank has the Operational Risk Management Committee (ORMC) in place, which helps identify the risk prone areas and suggests the mitigating measures for these risks.

The key activities performed by the Risk Management Department at Operational Risk level are:

- Monitoring of the AML software.
- Study various procedures from the risk mitigation angle.
- Implementing Red-flag indicators as per IBA guidelines.
- Reporting to and liaising with BCSBI and FIU IND and implementation of various directives of RBI, FIU IND, BCSBI, etc.
- Ensuring strict adherence to the Know Your Customer (KYC) Policy.
- Ensuring steps to prevent Money Laundering.
- Risk Categorisation of customers based on the customer profile.
- Combating Financial Terrorism (CFT) by strictly adhering to RBI norms as regards banned entities and undertaking precautions while dealing in foreign exchange transactions with high risk countries.
- Compliance with Banking Codes and Standards Board of India (BCSBI) codes.

Market Risk:

Market Risk is the risk to the Bank's earnings and capital due to changes in the market level of interest rates or prices of securities as well as the volatility of those prices. Your Bank has in place an Asset Liability Management Committee (ALCO) which meets every month to take a view on the interest rate and liquidity gap position of the Bank in the backdrop of the prevailing trends in the economy.

The Market Risk activities in your Bank primarily focus on:

- Management of Liquidity Risk on account of Asset Liability mismatches and Interest Rate Risk.
- Preparation and study of the Structural Liquidity Statement (weekly basis) and Interest Rate Sensitivity Statement (monthly basis).
- Monitoring of the static liquidity position as well as the dynamic position by preparing the short term dynamic statement which assesses the short term liquidity position based on the projected business levels, etc.
- Study of the Liquidity Risk Profile and Mismatch Profile by using various monitoring tools.
- Study of the adverse impact of interest rate movements (if any) on the investment portfolio of the Bank.

The Risk Management Team of your Bank endeavours to adopt the best practices in Risk Management to mitigate the various types of risks emanating from its day-to-day banking activities.

13. AUDIT AND INSPECTION

As the business of your Bank is growing, the responsibility of the audit function has also increased. Conducting, controlling and monitoring audit and inspection activities at various branches, departments and service centres situated at diverse locations across multiple states and regions is undertaken by the Audit Department under the proficient and watchful Audit, Accounts and NPA Management Committee of the Board. Concurrent auditors/ external audit firms are selected through a rigorous selection process. Audit is conducted online, thereby the paper work has reduced to a great extent, even the 'Compliance Module' is browser-based.

An exhaustive model of Audit is followed as below:

- All branches, including service centers and departments are subjected to audit from external professional audit firms.
- Under the RBIA (Risk Based Internal Audit), all branches and departments are classified

as Concurrent and Non-Concurrent, based on their financial position and the risk weightage attached to each unit. Branches which are not under concurrent audit are subjected to quarterly audit by external audit firms.

- All Concurrent and Non-Concurrent branches are inspected yearly by Internal Audit Department.
- All advance accounts of ₹ 5 crore and above are brought under the purview of special Credit Audit.
- All RASECs and SME branches are inspected half yearly.
- Newly-opened branches are subjected to quarterly audit by the Audit Department. Audit Department also conducts training programmes for BMs and staff at these new branches.
- Audit Department accords ratings viz. A, B or C, C being the lowest, to each branch on various Board-approved parameters.
- Branches with lower 'Audit Rating' are covered by monthly SNAP inspection by senior experienced bank staff and by quarterly inspection by Audit & Inspection Department, to help them rectify their errors and discrepancies.
- All security issues related to either Database or Network are closely monitored by the Audit Department. IS audit of all new products is conducted before they are launched.

14. VIGILANCE

The Vigilance Department of your Bank mainly performs four functions viz. fraud detection, correction, prevention and cure. High weightage is given to surprise checks and detection, thus ensuring a pro-active and pre-emptive role of vigilance. All the frauds and actions taken are reported to the Board of Directors and Reserve Bank of India in FMR-2 returns on frauds periodically. As a preventive measure, the modus operandi of frauds, if any, detected at your Bank as well as in banking industry are reported to all the branches so as to take adequate precautions in future.

15. YOUR BANK'S FINANCIAL PERFORMANCE FOR FY 2013-14

The following Tables Nos. 11, 12 and 13 reflect your Bank's financial performance during FY 2013-14 as a snapshot:

Table No. 11:

Business Growth

(₹ in crore)

Particulars	31-03-2014	31-03-2013	% change
Deposits (i+ii = A)	23,939.51	21,144.33	13.22
(i) Low-Cost Deposits (a+b)	5,923.24	5,382.01	10.06
(a) Current	1,130.05	965.83	17.00
(b) Savings	4,793.19	4,416.18	8.54
(ii) Term Deposits	18,016.27	15,762.32	14.30
Advances (B)	15,470.05	15,023.42	2.97
Total Business Turnover (A+B)	39,409.56	36,167.75	8.96
Investments	7,804.74	6,444.03	21.12

Table No. 12:

Operating Results

(₹ in crore)

Particulars	31-03-2014	31-03-2013	% change
Interest Income	2,379.59	2,290.51	3.89
Interest Expenses	1,754.67	1,616.03	8.58
Net Interest Income	624.92	674.48	-7.35
Non-Interest Income	267.19	260.63	2.52
Total Operating Income	892.11	935.11	-4.60
Operating Expenses	480.47	452.76	6.12
Gross Profit	411.64	482.35	-14.66
Provisions	237.05	329.44	-28.04
Profit before Tax and Exceptional Items	174.59	152.91	14.18
Income Tax*	27.02	31.18	-13.34
Profit after Tax and before Exceptional Items	147.57	121.73	21.23
Exceptional Items	0.48	9.64	-95.02
Net Profit after Tax and Exceptional Items	147.09	112.09	31.22

*For the FY 2013-14, your Bank paid total Income Tax of ₹ 84.10 crore. After netting out the Deferred Income Tax benefit of ₹ 56.83 crore and excess provision of Income Tax for earlier years of ₹ 0.25 crore, the net amount of ₹ 27.02 crore has been charged to Profit and Loss A/c statement.

Table No.13:

Key Indicators of Performance

Particulars	31-03-2014	31-03-2013
Return on Average Assets %	0.55	0.46
Non Interest Income to Total Income %*	10.09	10.22
Cost to Income %	53.86	48.42
Net Interest Margin %	2.79	3.30
Average yield on Advances %	11.58	12.35
Average yield on Investments %	8.12	7.94

(₹ in crore)

*Non Interest Income to Total Income %	10.09	10.22
Non Interest Income	267.19	260.63
Total Income	2,646.78	2,551.14

16. SEGMENT-WISE PERFORMANCE

SBU – RETAIL BANKING:

➤ Multiple Delivery Channels:

VISA Debit card:

The VISA debit card facility was launched for our customers in the year 2008-09. During FY 2013-14, the total number of VISA Debit Cards issued has increased to 8,50,582 as against 7,29,319 during the preceding year i.e. 1,21,263 cards issued this year.

Table No. 14:

Usage of Visa Debit Card:

Year	Cash Withdrawal		Domestic POS		International POS	
	No. of Transactions	Amount (₹ in crore)	No. of Transactions	Amount (₹ in crore)	No. of Transactions	Amount (₹ in crore)
2012-13	49,35,877	1,501.94	8,15,785	105.81	1,879	0.65
2013-14	65,53,607	1,815.75	13,04,034	147.38	1,328	0.51

The following initiatives have been taken up during the year under review:

- **Chip cards** (RuPay/VISA) have been issued to all international users and executives.
- The sub-membership model has been taken up actively. Presently there are seven banks registered as sub-members with us. The sub-member banks are granted various facilities like Ru-Pay Debit Cards, RTGS/NEFT, APBS for their customers which they have to avail under our membership
- **PIN@POS** i.e. entering PIN at the POS machine every time a customer uses his debit card has been activated.

● **ATMs:**

During the year, forty-six new ATM centres were opened, taking the total number to 205 ATM centres as on 31st March, 2014.

Major upgradations this year in ATMs were:

- Disabling of cash retraction facility
- Appointment of a special team to monitor the working/maintenance of ATM
- ATM failure monitoring

● **Internet Banking:**

As on 31st March, 2014 a total of 1,87,125 customers have registered for Internet Banking (rise of 37 per cent over last year) and 6,06,321 for SMS Banking (rise of 108 per cent over last year).

Major initiatives this year in Internet Banking are

- Nomination facility for Fixed Deposit booked online
- 'Forgot password' facility introduced
- Corporate Banking
- Online bill payment of various utility bills through Bill Desk

● **Mobile Banking:**

Your Bank has launched **Mobile Banking** viz. "Go-Mo" on 14th August, 2013 and since then we have registered 8,378 customers for the same.

- Mobile Banking application which was earlier available through a link sent by SMS has now been uploaded on Android Market. Hence, customers can visit this application and download the link directly and register for mobile banking.
- A new introduction in the Welcome-Kit has been done where a customer education series has been initiated.
- Branches are being guided constantly to increase the awareness of the usage of this tool.

● **RTGS/NEFT:**

As you are aware, your Bank is one of the pioneer members of RTGS/NEFT initiatives. As the usage of these systems has now expanded, the Reserve Bank of

India has added new functionalities like advanced liquidity management system, queue management system, future dated funds transfers and status of transactions through SMS alerts. Your Bank has also assimilated the new features and the amount of transactions during FY 2013-14 has shot up to ₹ 4,96,449.50 crore.

- **Distribution of Third Party Products:**

During the year under review, your Bank has aggressively marketed Insurance Policies and collected a premium of ₹ 28.75 crore and earned revenue of ₹ 7.08 crore.

Table No. 15:

(₹ in lac)

Particulars		Revenue Achievement	
		2012-13	2013-14
Life Insurance	M/s HDFC LIFE Insurance Co. Ltd	1.24	1.20
Non-Life Insurance	M/s Bajaj Allianz General Insurance Co Ltd.	2.55	2.53
Personal Loan Insurance	M/s Bajaj Allianz Life Insurance Co Ltd.	1.54	3.25
Mutual Funds & others		0.19	0.10
Total		5.52	7.08

Table No. 16:

Scheme-wise Retail Loans Disbursed during FY 2013-14:

(₹ in lac)

Scheme	No. of A/cs	Disbursed Amt.
Vastu Siddhi Home Loan	5,041	99,566.84
Super Fast Car Loan	1,979	14,323.76
Samruddhi OD Scheme	475	6,509.38
Multipurpose Loan	2,041	3,218.39
Gold Loan scheme	1,977	3,223.86
Doctor Delite	61	1,333.32
Saraswati Education	319	866.54
Others	253	4,880.59
TOTAL	12,146	1,33,922.68

- **Demat:**

The Bank is performing depository operations through the two depositories – NSDL and CDSL. The total number of branches offering depository services is 215.

- The total number of IPOs handled through ASBA: 49 Equity Issues, 36 Debt Issues and 14 Rights Issue
- Renewal of certification of ISO 9001: 2008
- Conducted training for 25 ISO branches during the year
- Savings Bank accounts are now linked with the demat accounts through Swift-core system

➤ **Retail loan portfolio:**

Retail Loans form nearly one-fourth of the total advances of your Bank. With the opening of new branches, we have expanded our reach to cover new areas and a newer customer base. With such expansion and also as a part of the Bank's Mission to cross business level of ₹ 50,000 crore by FY 2016, it is expected that the Retail Loan contribution to total advances also increases in a phased manner from 25 per cent to 40 per cent of the total advances in the coming few years.

The outstanding Retail Loan Business of the Bank increased from ₹ 3,117 crore in FY 2012-13 to ₹ 3,803.41 crore which is an absolute growth of ₹ 686.41 crore i.e. an increase of 22.02 per cent over the previous financial year.

The percentage of Retail advances to Total advances stood at 24.59 per cent as on 31st March, 2014 as against 20 per cent as on 31st March, 2013.

Retail Loan NPAs also have decreased from ₹ 43.16 crore as on 31st March, 2013 to ₹ 25.20 crore as on 31st March, 2014. This is 0.66 per cent of outstanding retail advances as on 31st March, 2014.

Table No. 17:

(₹ in crore)

Retail Loan Outstanding as on 31 st March, 2014	3,803.41
Total Advances as on 31 st March, 2014	15,470.05
% of Retail Loans to total advances	24.59

Table No. 18:**RASEC wise disbursements for the year 2013-14**

(₹ in crore)

Disbursements During FY 2013-14				NPA Position as on 31-03-2014	
	No. of Branches	No. of A/cs	Amount	No. of A/cs	Amount
BORIVALI	35	1,670	212.21	17	0.58
DADAR	25	1,440	173.39	9	0.09
THANE	33	1,455	193.94	6	0.15
PUNE	20	1,771	194.42	41	0.73
AURANGABAD	19	792	58.71	4	0.07
MATUNGA	26	1,602	177.30	13	1.26
OTHERS	102	3,416	329.25	0	0
TOTAL	260	12,146	1,339.22	90	2.88

RASECs have played a crucial role in increasing retail loan disbursements without compromising the quality of the proposals sanctioned and also in monitoring and controlling the NPAs in retail loans.

In the FY 2013-14, along with the six existing RASECs, three new processing centres (Vile Parle, Ghatkopar, Pimpri) became operational covering all the branches across the Bank.

During the FY 2013-14, RASECs received 15,730 proposals out of which 12,146 proposals have been disbursed.

➤ **Retail Deposits:**

The Deposit portfolio has a mix of products in Savings/Current accounts ranging from premier accounts such as Platinum/Gold/Silver/Elite to Regular accounts and Zero balance accounts like Cubs, Easy Deposit savings.

This year a total of 3,29,647 Savings and 8,525 Current accounts have been opened. In the preceding year, 2,14,039 Savings and 6,118

Current accounts had been opened. Thus, there is a rise of 53 per cent on a y-o-y basis. The CASA base has increased by ₹ 541.23 crore over last year. Though our CASA percentage has not increased this year due to substantial rise in term deposits, it will be our constant endeavour to maintain the CASA atleast at 25 per cent.

Table No. 19:**Position of CASA Deposits**

(₹ in crore)

Particulars	31-03-14	31-03-13
Total Deposits	23,939.51	21,144.33
CASA Amount	5,923.24	5,382.01
CASA (%)	24.74	25.45
Increase in CASA	541.23	300.63

SBU - WHOLESALE BANKING:

With the slowdown of the economy, it was a challenging year for the banking industry in the area of commercial advances with meagre investments in the industrial sector. Many large projects were kept on hold due to pending clearances. This adversely

affected credit demand in the commercial credit segment.

Your Bank's commercial loan portfolio mainly comprised loans to Small and Medium Enterprises (SMEs) and a few large mid-corporate borrowers. During the year under report, the commercial advances portfolio has remained almost static i.e. from ₹ 10,167 crore as on 31st March, 2013 to ₹ 10,109.59 crore as on 31st March, 2014. Overall credit off-take was low, as your Bank adopted a cautious approach in lending, in view of the prevalent adverse economic climate and increasing delinquencies. Also, your Bank remained more cautious to lending for long gestation projects through consortium lending.

Your Bank has focused on Small and Medium Enterprises (SMEs) with moderate ticket size advances up to ₹ 10 crore. Your Bank took a step of forming of Business Loan Cell for commercial advances up to ₹ 1 crore which will be a tool / instrument for continuous future business growth. The new initiative is expected to bear fruit during FY 2014-15.

Your Bank has a well diversified commercial credit portfolio spread over a large number of industries from various sectors. Credit concentration on any particular industry has been consciously avoided as a policy. As a prudent measure, Bank's exposure to any particular industry does not exceed 10 per cent of our total advances. Sector-wise highest exposure during F.Y. 2013-14 was to 'Auto and Auto Components industry', which was at 6.88 percent of Total Advances at the end of FY 2013-14 and NPAs in this segment were negligible.

In view of the rising impairment in industrial/corporate loans, more and more cases are being referred to Corporate Debt Restructuring/Restructuring by the banking industry. The outstanding advances of your Bank under CDR/Restructuring aggregated ₹ 277.06 crore as on 31st March, 2014. Your Bank has also tightened its internal systems for monitoring such accounts.

Total Advances sanctioned but pending for disbursement as on 31st March, 2014 were to the tune of ₹ 1,103.12 crore.

Commercial Real Estate Exposure:

Table No. 20:

Credit Exposure to Real Estate as on 31.03.2014.

(₹ in crore)

Housing Loans:	Amount
Housing Loans upto ₹ 25 lac	1,841.11
Housing Loans above ₹ 25 lac	1,176.46
Total Housing Loans (A)	3,017.57
Commercial Real Estate Exposure	
Term loans	430.17
Overdraft (Limit/Balance whichever is higher)	230.24
Bank Guarantee	2.62
Investment made by Treasury in housing sector	5.00
Total Commercial Real Estate Exposure (B)	668.06
Total Real Estate Exposure (A+B)	3,685.63

It may be noted that as on 31st March, 2014, our total Real Estate Exposure stood at ₹ 3,685.63 crore which was well within RBI prescribed exposure norms. The major portion of Real Estate Exposure was contributed by housing loans extended to individuals which was of the order of ₹ 3,017.57 crore, constituting 81.87 per cent of Total Real Estate Exposure and 19.50 per cent of our Total Advances. Loans to Commercial Real Estate (CRE) sector constituted only 4.31 per cent of the Total Advances.

Movement of NPAs:

With the economy deteriorating during the FY 2013-2014, there was increasing stress on the credit portfolio of the banking industry. However with the concerted efforts in credit monitoring and recovery, the net additional rise in NPAs during FY 2013-2014 in your Bank was contained at ₹ 62.76 crore only. Thus, the gross NPAs which were ₹ 663.44 crore as on 31st March, 2013 have risen to ₹ 726.20 crore as on 31st March, 2014.

Movement of NPAs and Provisions during the year were as under:

Table No. 21:

(₹ in crore)

GROSS NPAs	
As on 31 st March, 2013	663.44
Additions during the year	691.46
Reductions during the year	628.70
As on 31 st March, 2014	726.20
PROVISIONS	
As on 31 st March, 2013	663.48
Additions during the year	227.92
Reductions during the year	165.19
As on 31 st March, 2014	726.21
NET NPAs	
As on 31 st March, 2013	0.00
As on 31 st March, 2014	0.00

Out of Gross NPAs of ₹ 726.20 crore, ₹ 579.69 crore i.e. 76 per cent of the NPAs were contributed by seventeen accounts under consortium/multiple banking where action is being taken in concert with other banks.

The Central Recovery Council (CRC) which was established during FY 2012-13, continued to play a key role during FY 2013-14 too. During the year under review, eight meetings of CRC were conducted during which the recovery actions taken for NPAs were deliberated and any change in course of action, if necessary, was directed to the Recovery Department. As a result, a record recovery of ₹ 183.10 crore of gross NPAs was made in FY 2013-14.

Your Bank has maintained zero net NPA status for the tenth consecutive year by providing full provisioning.

Special Credit Monitoring Cell (SCMC):

The importance of credit monitoring cannot be undermined. Reserve Bank of India has released a 'Framework for Revitalizing Distressed Assets in the Economy' effective from 1st April, 2014, which lays down guidelines for early recognition of financial distress, taking prompt steps for resolution and

thereby ensuring fair recovery for lending institutions. This framework is not yet applicable to the Co-operative banking sector. However, we are glad to state that your Bank through the efforts of Special Credit Monitoring Cell (SCMC) is undertaking prompt, effective and continuous monitoring of loan accounts in line with guidelines issued by the Reserve Bank of India so as to arrest slippages to the NPA category.

One account was restructured under CDR, involving an amount of ₹ 102.15 crore during FY 2013-14. Total thirty accounts amounting to ₹ 277.06 crore are under restructured portfolio as on 31st March, 2014. Out of these, five accounts constituting an amount of ₹ 195.20 crore are under Corporate Debt Restructuring. Remaining accounts were restructured under Special Regulatory Guidelines issued by Reserve Bank of India in FY 2008-09.

Sale of NPAs to Asset Reconstruction Company (ARC):

The sale of assets to Asset Reconstruction Company was not available to Scheduled Urban Co-operative Banks till 27th March, 2014. Your Bank persuaded the Reserve Bank of India to grant permission to Urban Co-operative Banks to sell the distressed assets. With your Bank's rigorous follow-up, the Reserve Bank of India issued a circular to that effect on 28th March, 2014. As per the said circular ref no. UBD. BPD (PCB). Cir. No. 53/13.05.000/2013-14, the Reserve Bank of India has permitted Urban Co-operative Banks registered under the Multi-State Co-operative Societies Act, 2002 to invest in Security Receipts issued by Securitisation Company/Reconstruction Company (SC/RC) in respect of the financial assets sold by them to the Bank. In view of the same, your Bank proactively invited offers from ARCs for sale of assets and approved the ARCs on the basis of their market performance in recovery of NPAs.

The Bank has sold NPAs worth ₹ 445.60 crore to M/s Phoenix ARC during FY 2013-14 and received Securitisation Receipts for the same. A noteworthy feature of this sale is that accounts have been sold at book value i.e. at no loss to the Bank.

Forex Business:

Your Bank has a RBI licence for foreign exchange business since 1979 and since then the Bank caters to the foreign exchange requirements of its customers through well-established Forex Centres and Overseas Branch.

The year under review witnessed remarkable growth of 28.37 per cent in foreign exchange merchant turnover, to reach the level of ₹ 14,521.40 crore as against ₹ 11,311.95 crore in the previous year. The foreign exchange interbank turnover increased to ₹ 43,992.11 crore as against ₹ 31,345.97 crore for the preceding year. Export finance of the Bank also increased by 25.27 per cent, to achieve the level of ₹ 686.75 crore as against ₹ 548.21 crore in the previous year. The growth in foreign exchange business of your Bank is noteworthy against the backdrop of overall slowdown in the economy.

On the income side, your Bank has generated net profit of ₹ 45.92 crore from foreign exchange operations, with more than 40 per cent fee-based earnings.

The diamond business in South Mumbai has shifted to Bharat Diamond Bourse at Bandra Kurla Complex (BKC) in recent times. In order to cater to the business exclusively so as to provide operational convenience to these customers, your Bank decided to open a Branch with forex centre at BKC. This branch is well equipped with manpower having foreign exchange expertise in diamond business.

Besides, during the review year, the Bank has started selling VISA Travel Currency Cards of Axis Bank to its customers.

Your Bank also handles foreign exchange business of customers of select co-operative banks which do not have RBI licence to deal in foreign exchange, under lines of credit sanctioned to them. During the year, lines of credit for foreign exchange business extended to eighteen co-operative banks were renewed at an aggregate level of ₹ 128 crore.

SBU-TREASURY OPERATIONS:

As you are aware, SBU-Treasury of your Bank primarily entails maintenance of the statutory obligations of maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). With introduction of financial sector reforms and de-regulation of interest rates, the role of Treasury has changed significantly. Interest rates came to be determined by market forces and Treasury unit started to be looked upon as a profit centre.

This year, in particular, was an extremely complex year for Treasury as the Government security yields saw marked volatility throughout the year. The yields opened for the year at 7.99 per cent. Fear of tapering by the US Federal Reserve, capital outflows and exchange rate pressures amid unsustainable Current Account Deficit (CAD) prompted the Reserve Bank of India to undertake exceptional measures for tightening the Monetary Policy. At this point in time i.e. during August 2013, the yields touched 9.45 per cent. As normalcy got restored in the currency market, the Reserve Bank of India reversed the exceptional liquidity and monetary measures. To contain the spiralling inflation, Reserve Bank of India hiked the Policy repo rate by 75 bps to 8 per cent on three occasions during the year. At the end of the financial year, the yields closed at 8.80 per cent.

In spite of the adverse situation, SBU-Treasury increased the scale of trading activities and has contributed ₹ 116 crore through trading profits during the year. SBU-Treasury has thus emerged as a major contributor to the overall net profit of the Bank, which stood at ₹ 147.09 crore for FY 2013-14.

The interest income yield from Treasury operations has also been improved from 7.94 percent in FY 2012-13 to 8.12 percent in FY 2013-14.

17. CAPITAL ADEQUACY RATIO – CRAR

In spite of pressure on margins due to severe competition, your Bank was able to improve the Capital Adequacy Ratio from 11.15 per cent as on 31st March, 2013 to 12.11 per cent as on 31st March, 2014.

Table No. 22:

Capital Adequacy Ratio - CRAR: (₹ in crore)

Particulars	31-03-2014	31-03-2013
Capital-Tier I		
a. Share Capital	166.91	126.13
b. Reserves and Surplus		
Statutory Reserve	486.49	454.83
Other Reserves	702.50	700.68
Profit and Loss Account	117.71	86.10
Sub-Total	1,306.70	1,241.61
Gross Tier I Capital (a+b)	1,473.61	1,367.74
Less: Intangible assets & losses	300.05	279.90
Tier I Capital (A)	1,173.56	1,087.84
Capital-Tier II		
Revaluation Reserve	132.29	135.96
General Provisions	87.07	79.08
Investment Fluctuation Reserve	97.35	80.00
Subordinated Debts	290.00	120.00
Tier II Capital (B)	606.71	415.04
Total Capital Funds (A+B)	1,780.27	1,502.88
Risk Assets		
i. Funded Risk Assets	13,582.29	12,659.84
ii. Non-funded Risk Assets	578.46	425.87
iii. Risk Weighted Assets for market risk	535.04	388.13
Total Risk Weighted Assets (i+ii+iii)	14,695.79	13,473.84
Capital Adequacy Ratio %	12.11	11.15

18. APPROPRIATIONS

We propose the following appropriations from Net Profit for the Financial Year 2013-14:

Table No. 23:

(₹ in lac)

Particulars	2013-14	2012-13
Transfer to Reserve Fund (25%)	3,677.34	2,802.28
Contingency Reserve (10%)	1,470.94	1,120.91
Provision for payment of contribution to Education Fund of N.C.U.I.(1%)	147.09	112.09
Proposed Dividend on PNCPS @10.50%	87.96	0.00
Proposed Dividend @10%	1,292.80	1,213.10
Provision for Ex-gratia payment to Employees @10%	1,490.00	1,350.45
Building Fund	0.00	0.00
Members' Welfare Fund	50.00	50.00
Provision for Staff Welfare	10.00	10.00
Provision for Public, Charitable & Co-operative Purposes (1%)	147.09	112.09
Investment Fluctuation Reserve	2,000.00	1,735.00
Special Reserve	1,000.00	1,000.00
General Reserve	3,335.00	1,700.00
Balance to be carried forward to the next year	81.05	79.91
Total	14,789.28	11,285.83

Dividend:

Your Board of Directors recommends a dividend of 10 per cent for the year ended 31st March, 2014 on equity shares and dividend of 10.5 per cent on Perpetual Non-Cumulative Preference Shares.

Members Welfare Fund:

Your Board of Directors recommends contribution of ₹ 50 lakh towards this fund. After this accretion, the total amount in this fund will be ₹ 798.50 lakh. During the year, 989 members availed of reimbursement of the medical expenses and expenses for medical check-up facilities.

Fifty-three awards were granted to meritorious children of members.

Ex-gratia to Employees:

We propose that a 10 per cent ex-gratia be granted to our employees for the financial year ending 31st March, 2014.

Provision for Public, Charitable and Co-operative Purposes:

As permitted under RBI Circular No. UBD.(PCB)/BPD/Cir/43 dated 11th April, 2005, your Board recommends an appropriation of one per cent of the net profit i.e. ₹ 147.09 lakh for public, charitable and co-operative purposes.

Special Reserve:

In accordance with Section 36(1)(viii) of the Income Tax Act, 1961, Urban Co-operative Banks are eligible for a deduction in respect of profits earned from eligible businesses e.g. profits earned from loans and advances granted to industries, infrastructure, agriculture and housing sectors. Twenty per cent of such profits transferred to a Special Reserve will be eligible for deduction from taxable income. Your Board, therefore, recommends an amount of ₹ 1,000 lakh to be appropriated out of profits derived from the said eligible businesses towards Special Reserve.

19. AMENDMENTS TO BANK'S BYE-LAWS

(1) Amendment to Bye-law No. 6: Admission of new member to the Bank:

Addition of clause for 'admission of Non Resident Indian to the membership of the Bank for availing loans as permitted by the Reserve Bank of India'. The text of amendment of Bye-law No. 6 will be circulated in the Annual General Meeting.

(2) Amendment to Bye-law No. 25: Investment in various instruments as permitted by the Reserve Bank of India.

Addition of the words 'permitted by the Reserve Bank of India' after the word 'other instruments' appearing in the existing Bye-law. The text of amendment of Bye-law No. 25 will be circulated in the Annual General Meeting.

20. CORPORATE SOCIAL RESPONSIBILITY

Ideal Shareholder:

As you are aware, your Bank has been felicitating one selected shareholder every year since FY 2009-10 as 'Adarsh Sabhasad'. This year, the 'Ideal Shareholder' was bestowed on Shri Raghunandan Kamath, Founder - Chairman of Natural Icecream. Shri Raghunandan Kamath was born in the year 1954 at Mullky, in the South Canara District of Karnataka. Passionate about fruits since childhood, he created

Natural Icecream in 1984 in a humble 300 sq feet store in Juhu in Mumbai. In no time, 'Natural' carved a niche for itself as an authentic, artisan icecream made from quality natural ingredients. Started with a seed capital of ₹ 4 lakh, with a turnover of ₹ 1 lakh in the first year of operations, Natural Icecream today has a turnover of ₹ 65 crore through 115 outlets across the country.

Badalta Maharashtra:

Your Bank believes in staying connected with the needs and aspirations of the society at large and has always been involved in various social causes. During FY 2013-14, your Bank in association with leading Marathi daily 'Loksatta' initiated a unique campaign to bring about a positive and constructive change in the current situation of Maharashtra. The sole objective of this campaign was fostering all-round progress of the State by bringing forth solutions to at least some of the difficulties faced by the State. Under this project, it was proposed that various social issues related to education, urbanization, industrialization, etc. would be discussed and analyzed by eminent specialists at seminars held once in a quarter. The first such seminar was inaugurated on 2nd August, 2013 by the Chairman of your Bank. Four such seminars have been held till date and significant social issues and their proposed solutions were deliberated at length. The proposed solutions are also being documented as a booklet.

21. OTHER DEVELOPMENTS

Appointment of Padmashri Madhu Mangesh Karnik as 'Cultural Advisor' of the Bank:

On 5th July, 2013, your Bank appointed noted Marathi litterateur, Padmashri Madhu Mangesh Karnik as 'Cultural Advisor' of your Bank. As you know, your Bank is heading towards completing its centenary – hundred years of its existence – in September 2018. The Board has entrusted the responsibility of writing the hundred year history of your Bank to Padmashri Madhu Mangesh Karnik. Earlier, the seventy-five year history of your Bank was also written by him as 'Amrut Saraswat'.

Customer Relation Programmes:

On the eve of completion of eight years of the first merger, various branches of the erstwhile Maratha Mandir Co-op. Bank Ltd. (MMCB) held Customer Service Meets. These branches include Vikhroli (E),

Barve Nagar, Jogeshwari (E), Kandivali (GIE), Antop Hill, Borivali (E), Thakurdwar, Nerul and Dombivali (W). Customers who attended these meets put forth their suggestions and also expressed great satisfaction over the services rendered to them by the Bank.

22. CORPORATE GOVERNANCE

Composition of your Bank's Board:

The composition of the Board is governed by the Multi-State Co-operative Societies Act, 2002 and the Bye-laws of the Bank. As on 31st March, 2014, there are fifteen Directors on your Board in addition to the Managing Director. The Board includes eminent persons with professional expertise and experience in Banking, Finance and other fields. As against the stipulation of RBI of having at least one Chartered Accountant and one Banker on the Board of Urban Co-operative Banks, your Bank has three Chartered Accountants and five Bankers as its Directors as on 31st March, 2014.

During the period under Report, twenty-six Board meetings were held.

Resignation of Shri Neelkanth R. Warerkar from the Board:

Shri Neelkanth R. Warerkar has been a valuable contributor to your Bank for more than sixty-five years. He joined the services of the Bank in the year 1949 as an 'Assistant Accountant' and rose to the then highest position of General Manager and Secretary in the Bank. Post his retirement, he continued to serve the Bank as a Director from 1987 onwards, Vice-Chairman in 1992 and Chairman in 1996. During the year under review, he has resigned from the Board, after completion of ninety years of age. His resignation was accepted by the Board of Directors on 6th December, 2013.

Co-option of Shri Gautam E. Thakur on the Board:

On 6th December, 2013, Shri Gautam Ekanath Thakur was co-opted as a Director on the Board of Directors of your Bank. Shri Gautam Ekanath Thakur holds a B.E. (Civil Engineering) qualification from University of Pune. His vast and rich experience in construction, training and finance will prove valuable in taking the Bank to greater heights.

Election of Shri Satish B. Samant as Chairman of your Bank:

Following the sad demise of your Bank's Chairman, Shri Ekanath K. Thakur on 7th August, 2014, the Board of Directors of the Bank at its meeting held on 14th August, 2014 elected Shri Satish B. Samant, Director of your Bank as Chairman of your Bank.

Shri Satish B. Samant is a Chartered Accountant and holds Masters degree in Law. He started his career in 1977 with SICOM, a leading Financial Institution and was thereafter Financial Advisor in a Public Sector Undertaking. He has a long and rich experience in finance and industry after working in reputed corporate entities like Reliance Industries Ltd., Maxwell Group and is presently the Chief Executive Officer of Coatings Specialties India Ltd., which is a part of the Asian Paints Group.

Loans to Directors:

No Director has borrowed any money from your Bank. This has been a healthy tradition in your Bank and has been enshrined in Bye-law No. 55 and Bye-law No. 63 (c) many years ago.

Working of Committees:

The Board has constituted Committees which include Directors and higher management executives to take informed decisions in the best interests of the Bank.

As on 31st March, 2014, three Committees of the Board were in place viz. the Executive and HRD Committee; the Audit, Accounts and NPA Management Committee; and the Merger Committee.

The various Committees and their scope are as follows:

Executive and HRD Committee:

The Executive and HRD Committee looks into HR and training issues, formulation and implementation of action plan for sustaining/improving the quality of the Bank's Human Resources and welfare measures for employees at all levels. It also takes decisions on all operational matters excepting sanction of loans/advances, decides upon branch expansion, acquisition of premises on purchase or lease for branches/offices, approves expenditures and costs in relation thereto and also considers any matter which requires urgent consideration. During the year under review, eight meetings of the Committee were held.

Audit, Accounts and NPA Management Committee:

The Committee provides direction, oversees the total audit function of the Bank, follows up on the statutory/external/concurrent audit of the Bank and ensures strict adherence to RBI's guidelines and directives from time to time. Thirteen meetings of the Committee were held during the year. It deliberates on the progress of recoveries of overdues and NPAs, and issues directions as necessary.

Merger Committee:

The Merger Committee has been constituted to take appropriate decisions on probable mergers of weaker/loss-making co-operative banks as also to oversee the affairs and provide directions to SBU-Gandhakosh, an SBU formed to consolidate the business of the erstwhile merged banks. During the year under review, three meetings of the Merger Committee were held.

23. MEMBERSHIP

1,75,242 members of your Bank hold fifty and above fully-paid equity shares. The number of nominal members of the Bank stood at 5,97,958 as on 31st March, 2014.

24. APPOINTMENT OF STATUTORY AUDITORS

Your Board of Directors recommends the appointment of M/s Kulkarni & Khanolkar, Chartered Accountants, 13-14, Bell Building, Sir P.M.Road, Fort, Mumbai - 400 001, as the Statutory Auditors of the Bank for the FY 2014-15.

25. DISCLOSURES

As per the disclosure norms stipulated by the RBI, we hereby declare that insurance premium to DICGC has been paid upto 31st March, 2014 and there are no arrears payable to DICGC.

26. SARASWAT INFOTECH LIMITED (SIL)

SIL, the wholly-owned subsidiary of your Bank, completed its eighth financial year on 31st March, 2014.

We enclose herewith a Directors' Report along with Audited Profit and Loss Account of the Company for the period ended 31st March, 2014 and Balance Sheet as on 31st March, 2014.

Further to reinstatement of IT department of your

Bank, as mentioned in detail in last year's Annual Report, your Bank once again requested the Reserve Bank of India to allow to continue with the operation of Bank's wholly-owned subsidiary, Saraswat Infotech Ltd. (SIL). However, the Reserve Bank of India vide its letter No:UBD.MRO.BSS.1/9486/12.07.228/2013-14 dated 9th June, 2014 has informed that your Bank's request cannot be acceded to.

It was decided to take over the assets and liabilities of SIL for slump consideration as decided by the Board of Directors of your Bank and the Board of Directors of SIL in consultation with the Auditors of both the parties. The business takeover agreement was executed by The Saraswat Co-op. Bank Ltd. and SIL on 28th March, 2014. As per this agreement, assets which were owned by SIL from the Bank have been transferred to the Bank for the consideration of ₹ 19.37 crore.

SIL still continues to provide services for managing the data centre and network of your Bank and would also provide new technology-related services.

27. OBITUARY

Shri Ekanath K. Thakur, Chairman of your Bank passed away on 7th August, 2014.

Shri Thakur did his B.A. (Hons) from S. P. College, Pune in Maharashtra State. While doing M.A., he was English-History scholar of the Pune University. During his M.A. studies in 1966, he appeared for the All India Class I Officer - Probationary Officer examination of State Bank of India and qualified with distinction among thousands of graduates and post-graduates, joined State Bank of India and worked there in many capacities. While serving the Bank, he was the All India President of the State Bank Officers' Federation and led thousands of officers of that Bank working in thousands of branches and the seven subsidiary Banks of State Bank of India.

After nationalisation of the Banks in July 1969, Shri Thakur along with a few others, took initiative in forming the All India Confederation of all Bank Officers in this country. He was its founder Vice-President and later, he became its All India President representing nearly two lakh Bank Officers in India. In 1973, he was elected as the National Secretary General of All India Coordination Committee of Officers Organisations (AICCOO) representing six lakh fifty thousand officers and executives

working in all major industries such as Banking, Insurance, Aviation, Coal, Steel, Mines, Fertilizer, Pharmaceuticals, Plantations, etc. both in public and private sector.

In 1977, the Morarji Desai government nominated Shri Thakur to the World Conference organized by International Labour Organization (ILO) at Geneva, Switzerland, as the single representative from India, representing nearly thirty lakh officers. In this conference, Shri Thakur was elected unopposed as the Vice President of the World Group of Officers.

National School of Banking was founded by him thirty-three years ago. It has branches across India and has trained nearly three lakh fifty thousand students so far. Eighty five thousand of his students have secured jobs in various institutions.

In 2001, he was appointed Director on the Central Board of State Bank of India, the largest banking group having fourteen thousand branches and an asset base of over ten lakh crore rupees.

Shri Thakur was a Member of Parliament, Rajya Sabha and was elected unopposed from the State of Maharashtra and completed a full term from 2002 to 2008. He was a Member of the Parliamentary Standing Committee on Information Technology and Parliamentary Standing Committee on Defence and Member of Parliamentary Consultative Committee on Finance, Member of Parliamentary Consultative Committee on Commerce and Member of Parliamentary Standing Committee on Food Processing Industry. He was a Member of the Indian Parliamentary Association. He was the President of Maharashtra Chamber of Commerce, Industry and Agriculture from 2004 to 2006. He was the Hon. Secretary and Chief Executive Officer of Indian Education Society, one of the largest educational institutions in Mumbai, having under its canopy 75 educational institutions.

Shri Thakur was associated with the Saraswat Co-operative Bank Ltd. for over twenty years and led the Bank for the last fourteen years. From 1918 to 2001 i.e. eighty-three years, the Bank's total business was ₹ 4,600 crore. Under his leadership in the last fourteen years, the Bank surpassed the business level of ₹ 39,000 crore. He personally initiated and introduced various changes in your Bank, with the support of the Board of Directors and employees at all levels during these past fourteen eventful years.

These were the changes that are responsible for total internal transformation and vastly increased external visibility of your Bank. All these initiatives changed the old status-quoist culture of the Bank to that of a modern-day banking solutions provider. Some of his visionary initiatives are:

Formation of CENMAC

Initiation and implementation of Dr. Adarkar Missions

Formation of various Strategic Business Units

Appointment of Brand Ambassador

Initiation and completion of Branding exercise for the Bank

Implementation of Ashwamedh Project, etc

The ambitious Corporate Center Project (Saraswat Bank Bhavan) was also completed during his tenure.

Awards received by him from NGOs and social organisations include –

(1) Samaj Ratna Award (2) Dr. Babasaheb Ambedkar Award (3) Sane Guruji Award (4) Cancer Vijeta Award (5) Cancer Survivor Award (6) Rotary International's 'Lifetime Achievement Award' at the hands of Rotary International Club's Dr. Mark Maloney and in the presence of Hon'ble Shri Prafulji Patel, then Union Minister for Civil Aviation in the Rotary International's District 3140 Annual Conference held at Hotel Leela Kempinski, in the presence of thousands of Rotarians (7) The 'Excellence in Business Communication Award' given by the Association of Business Communicators of India (ABCI) (8) Udyog Ratna Award given by Manohar Pratishthan (9) The national-level W.G. Alias Annasaheb Chirmule Charitable Trust conferred the Annasaheb Chirmule Award on Shri Thakur in recognition of his outstanding work in the field of banking and finance (10) In October, 2011 the All India Saraswat Cultural Organisation and the All India Saraswat Foundation conferred the prestigious 'Saraswat Ratna Award' on Shri Thakur (11) In March 2012, he was honoured with the Outstanding Konkani of the Year-2012 by the TMA Pai Foundation, Manipal. (12) In May, 2012 he was honoured with the Maxell Lifetime Achievement Award at the hands of Shri Prithviraj Chavan, Hon'ble Chief Minister of Maharashtra by the Maxell Foundation, Maharashtra (13) In July, 2013 he was honoured with the Sangli Vaibhav Credit Society's Sahakar Gaurav Puraskar – from amongst 2,29,000

co-operative institutions in Maharashtra – at the hands of Hon'ble Chief Minister of Maharashtra, Shri Prithviraj Chavan (14) In August, 2013 he was honoured with the MACCIA – IBN Lokmat Lifetime Achievement Award at the hands of Hon'ble Union Minister for Agriculture, Shri Sharad Pawar (15) In September, 2013 he was honoured with the Lokmanya Matrubhoomi Puraskar of ₹ 5,51,000/- awarded by the Lokmanya Credit Society, Belgaum at the hands of Hon'ble Chief Minister of Goa, Shri Manohar Parrikar.

The Board of Directors deeply mourns the sad demise of our beloved Chairman - an astute Banker, National Level Officers' Unionist, Educationist, Social Worker and Maker of Modern Saraswat Bank.

We also regret to record that two of our Directors passed away during the year. Shri Madhav K. Mantri, Senior Director and former Chairman of your Bank passed away on 23rd May, 2014. Shri Mantri, a well-known test cricketer and former President of Mumbai Cricket Association, was on the Board of Directors of your Bank since 1965. From December 1980 to November 1983, he was Vice-Chairman and from November 1983 to December 1986, he was Chairman of your Bank. In 2008, he was once again respectfully invited on your Bank's Board.

Shri Jagdish Pai K.L, Director of your Bank passed away on 1st December, 2013. He was elected unopposed on 10th August, 2011 as a Director on the Board of your Bank. He could not however join the Board as he was still within the 'cooling period' prescribed by the Government of India as he was a former Government appointee as an Executive Director of Canara Bank. Shri Pai had been co-opted as a Director of your Bank on 27th September, 2012.

The Board gratefully recalls the valuable contribution of these two Directors to the Bank. The Board of Directors offers its deepest condolences to the families of the bereaved.

The Board of Directors also deeply mourns the passing away of several shareholders, former employees and employees of the Bank during the year under Report.

We pray that the departed souls rest in peace and may the Almighty grant fortitude and strength to their family members to bear the irreparable loss of their dear ones.

28. GRATITUDE

Your Board wishes to place on record the appreciation of the support which the Board of Directors and the Bank have received from all our shareholders and other stakeholders and thank them profusely for the confidence and trust that they have reposed in us and the Bank.

Your Board would also like to place on record the deep sense of gratitude to the authorities of the Reserve Bank of India, the Office of the Central Registrar of Co-operative Societies, New Delhi, the Office of the Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State, Pune for their valuable guidance, support and co-operation. The Board is also grateful to the Registrars of Co-operative Societies of the States of Madhya Pradesh, Karnataka, Goa, Delhi and Gujarat.

The Board of Directors places on record its appreciation to all sections of employees for their loyalty, dedication and wholehearted involvement in achieving the goals and missions of the Bank, including providing excellent service to all our customers.

Your Board wishes to assure all shareholders that we will continue to strive towards attaining new heights through continued commitment to achieve and excel the ambitious organizational goals that we have set in the form of Dr. Adarkar Missions.

For and on behalf of the Board

Satish Balkrishna Samant

Chairman

Mumbai, : 14th August, 2014

दि सारस्वत को-ऑपरेटिव्ह बँक लिमिटेड

९६ व्या वार्षिक अहवालाचा गोषवारा

माननीय सभासद,

आपल्या बँकेचा आर्थिक वर्ष २०१३-१४चा ९६ वा वार्षिक अहवाल सादर करताना संचालक मंडळाला आनंद होत आहे.

१) जागतिक अर्थव्यवस्था व भारत

जगभरातील विकसित अर्थव्यवस्था गेल्या काही वर्षांच्या मंदीच्या सावटाखालून आता कूर्मगतीने का होईना पण सावरत आहेत. सर्वात शक्तीशाली म्हणून गणल्या जाणाऱ्या अमेरिकन अर्थव्यवस्थेने आर्थिक वर्ष २०१३-१४ मध्ये आपल्या अर्थव्यवस्थेत सुधारणा दर्शविली. परंतु अमेरिकन जनतेची घटलेली क्रयशक्ती, ग्राहकोपयोगी वस्तुंवरील कमी झालेले खर्चाचे प्रमाण व निर्यातीत झालेली घट यामुळे नवीन आर्थिक वर्षाच्या पहिल्या तिमाहीत अर्थव्यवस्थेतील वाढ मर्यादित राहून २.९ टक्के इतकीच राहिली. येत्या काळात मात्र अमेरिकन अर्थव्यवस्था दिवसागणिक सुधारत जाईल असे संकेत दिसत आहेत.

युरोपियन अर्थव्यवस्थाही अजून पूर्णतः सावरलेली नाही. तशीच स्थिती जपानमध्येही आहे. या दोन्ही अर्थव्यवस्था तळाला गेलेल्या महागाई दराशी झुंजत आहेत. आर्थिक वर्ष २०१४-१५च्या पहिल्या तिमाहीत युरोपियन अर्थव्यवस्था ०.२ टक्क्यांनी तर जपानची अर्थव्यवस्था १.६ टक्क्यांनी वाढली. आशियातील अजून एक महासत्ता असलेल्या चीनच्या अर्थव्यवस्थेतही किंचित सुधारणा दिसून आली. या सर्व पार्श्वभूमीवर युरोपियन व जपानी अर्थव्यवस्थेने मवाळ पतधोरण अंगिकारून व्याजदरात कपात केली.

विकसनशील देशांच्या अर्थव्यवस्था ह्या चढा महागाईदर, विदेश विनिमय दरांवरील वाढता दबाव, कडक पतधोरण व वाढते व्याजदर या दुष्टचक्रात अजूनही अडकलेल्या आहेत. इराक, युक्रेन व गाझापट्टीत चालू असलेल्या युद्धजन्य घडामोडींमुळे तेलाच्या किमती भडकण्याची शक्यता आहे व ह्याचा परिणाम हा जागतिक अर्थव्यवस्थेसाठी धोक्याचा इशारा असू शकतो.

थोडक्यात सांगायचे म्हणजे वर नमूद केलेल्या काही बाबी नियंत्रणात राहिल्या तर जागतिक अर्थव्यवस्थेचा गाडा हळूहळू पूर्वपदावर येताना दिसत आहे. वस्तुंच्या मागणीत सातत्याने होत असलेली वाढ, दीर्घकाळ कमी असणारे व्याजदर आणि वित्तीय बाजारातील कमी होत जाणारी अनिश्चितता यामुळे भविष्यात जागतिक अर्थव्यवस्था ही सध्याच्या काळापेक्षा अजून सुदृढ होईल असे दिसते.

आर्थिक वर्ष २०१३-१४ मधील भारतीय अर्थव्यवस्था :

भारतीय अर्थव्यवस्थेत मागील आर्थिक वर्षापेक्षा अंशतः सुधारणा होऊन या आर्थिक वर्षी ती ४.७ टक्के इतकी वाढली. सलग दुसऱ्या वर्षी आर्थिक विकासदर हा ५ टक्क्यांच्या खाली राहिला. विकासदरातील ही वाढ प्रामुख्याने कृषिक्षेत्र (४.७ टक्के) व सेवा क्षेत्र (६.२ टक्के) ह्यामुळे झाली. औद्योगिक क्षेत्राची वाढ ही उणे ०.१ टक्के अशी निराशाजनक राहिली.

आर्थिक वर्ष २०१३-१४ मध्ये अमेरिकन फेडरल रिझर्व्हच्या रोखे पुनर्खरेदी करण्याच्या धोरणामुळे मोठ्या प्रमाणावर परकीय गंगाजळी ही भारताबाहेर गेली. ह्यामुळे भारतीय रुपयाचे अवमूल्यन होऊन चालू खात्यातील तूट प्रचंड प्रमाणात वाढली. रुपयाची घसरण थोपविण्याकरिता भारतीय रिझर्व्ह बँकेने विविध परिणामकारक उपाययोजना केल्या. याचा परिणाम म्हणून ३१ मार्च २०१४ रोजी भारताचा विदेशी चलनसाठा ३०४.२२ अब्ज अमेरिकन डॉलर्सवर पोहोचला. विदेशी चलनसाठा वाढण्याचे अजून एक कारण म्हणजे सोने आयातीवर घातलेले निर्बंध होय. या सर्वांचा परिपाक म्हणून चालू खात्यातील तूट, जी सकल राष्ट्रीय उत्पन्नाच्या ४.७ टक्के इतकी वाढली होती, ती १.७ टक्क्यांपर्यंत खाली आली. परिणामतः अमेरिकन डॉलरच्या तुलनेत रुपयाचा विनिमय दर ६८.८० प्रति डॉलरवरून ३१ मार्च २०१४ रोजी ५९.८९ प्रति डॉलर इतका सशक्त झाला.

किरकोळ महागाईदर हा संपूर्ण आर्थिक वर्षात सरासरी ९.५ टक्के असा वरच्या पातळीवरच राहिला. नोव्हेंबर २०१३ मध्ये तर खाद्यान्ने व तेलाच्या किमती वाढल्याने किरकोळ महागाईदरात ११.१६ टक्के इतकी वाढ नोंदविली गेली. भारतीय रिझर्व्ह बँकेने आर्थिक वर्षारंभी व्याजदरात पंचवीस अंकांची कपात करून

व्याजदर ७.५० टक्क्यांवरून ७.२५ टक्क्यांवर आणले. परंतु आर्थिक वर्षाच्या दुसऱ्या सहामाहीत महागाईदर व विदेश विनिमय दरात वाढ झाल्यामुळे रेपो दरात ७५ अंकांची वाढ भारतीय रिझर्व्ह बँकेने केली.

आर्थिक वर्ष २०१२-१३ मध्ये वित्तीय तूट ही सकल राष्ट्रीय उत्पन्नाच्या ४.५ टक्के राहिली, जी मागील आर्थिक वर्षाच्या ४.८ टक्क्यांहून कमी आहे. विविध सरकारी खर्चात कपात केल्यामुळेच वित्तीय तूट नियंत्रणात राखण्यात यश मिळाले.

विदेशी गुंतवणुकदारांनी आर्थिक वर्षाच्या दुसऱ्या सहामाहीत भारतीय भांडवली बाजारात भरघोस गुंतवणुक केल्यामुळे तसेच दिल्लीत स्थिर केंद्रीय सरकार येण्याच्या संकेतामुळे बी.एस.ई. निर्देशांक वर्षाच्या सुरुवातीच्या १८,८३५.७७ वरून ३१ मार्च २०१४ रोजी २२,३३९.९७ वर झेपावला. तर दहा वर्षांच्या सरकारी कर्जरोख्यांचे दरही वर्षारंभीच्या ७.९९ टक्क्यांवरून ऑगस्ट २०१३ मध्ये भारतीय रिझर्व्ह बँकेने जाहीर केलेल्या कडक पतधोरणामुळे ९.४५ टक्क्यांपर्यंत उंचावले आणि वर्षअखेरीस ८.८० टक्क्यांवर स्थिरावले.

सर्वकष मूल्यमापन :

भारतीय अर्थव्यवस्थेत आर्थिक वर्ष २०१३-१४ मध्ये भरीव वाढ झालेली नसली तरीही अर्थव्यवस्था मंदगतीने का होईना पण नवीन आर्थिक वर्षात सुधारण्याची चिन्हे दिसत आहेत. केंद्रात आता एकाच पक्षाचे स्थिर सरकार आल्यामुळे येत्या काळात धोरणात्मक सक्षम निर्णय घेतले जातील व त्वरित अंमलात आणले जातील अशी वित्तीय बाजाराची अपेक्षा आहे. यामुळे वित्तीय व चालू खात्यातील तूटही आवाक्यात राहिल. वाढती महागाई नियंत्रणात राहिली व ग्राहकोपयोगी वस्तुंच्या पुरवठ्यातील अडथळे दूर केले तर पुढील आर्थिक वर्षात भारतीय अर्थव्यवस्था ही पुन्हा प्रगतीपथावर दिसेल. चांगला मान्सून व कच्च्या तेलाचे स्थिर भाव हे भारतीय अर्थव्यवस्थेचा विकासदर २०१४-१५ ह्या आर्थिक वर्षात ५ ते ५.२ टक्क्यांपर्यंत नेण्यास पुरक होतील.

२) आर्थिक वर्ष २०१३-१४ मधील बँकेच्या कार्यसिद्धिची

ठळक वैशिष्ट्ये

गत आर्थिक वर्षापेक्षाही २०१३-१४ हे वर्ष बँकींग क्षेत्राकरीता अधिक आव्हानात्मक होते. बँकांच्या अनुत्पादीत कर्जात वाढ होऊन परिणामतः त्यांच्या नफाक्षमतेतही ह्या वर्षात घट झाली. ह्या पार्श्वभूमीवर आपल्या बँकेच्या कामगिरीची ठळक वैशिष्ट्ये खालीलप्रमाणे आहेत :

- आपल्या बँकेचा एकूण व्यवसाय हा ३१ मार्च २०१३ च्या ₹ ३६,१६७.७५ कोटींवरून ३१ मार्च २०१४ रोजी ₹ ३९,४०९.५६ कोटींवर पोहोचला.
- एकूण ठेवी ह्या ३१ मार्च २०१३ च्या ₹ २१,१४४.३३ कोटींवरून १३.२२ टक्क्यांनी वाढून ३१ मार्च २०१४ रोजी ₹ २३,९३९.५१ कोटींवर पोहोचल्या. ह्यामध्ये कासा ठेवींमधील वाढ ही १०.०६ टक्के होती. कासा ठेवींनी ₹ ५,३८२.०१ कोटींवरून ₹ ५,९२३.२४ कोटींपर्यंत मजल मारली.
- एकूण कर्जांचे प्रमाण हे ३१ मार्च २०१३ च्या ₹ १५,०२३.४२ कोटींवरून ३१ मार्च २०१४ रोजी ₹ १५,४७०.०५ कोटी इतके झाले.
- आपल्या बँकेचा करपूर्व निव्वळ नफा वर्ष २०१२-१३ च्या ₹ १५२.९१ कोटींवरून वर्ष २०१३-१४ अखेरीस ₹ १७४.५९ कोटींवर पोहोचला.
- तसेच करोत्तर निव्वळ नफा गत आर्थिक वर्षाच्या ₹ ११२.०९ कोटींवरून ३१ मार्च २०१४ रोजी ₹ १४७.०९ कोटी इतका झाला.
- ढोबळ अनुत्पादीत कर्जांची संपूर्ण तरतूद नफ्यातून केल्यामुळे ३१ मार्च २०१४ रोजी सलग दहाव्या वर्षी आपण निव्वळ अनुत्पादित कर्जांचे एकूण कर्जांशी प्रमाण शून्य टक्क्यावर राखण्यात यशस्वी झालो.
- आपल्या बँकेने मार्च २००६ ते मार्च २००९ ह्या काळात सात अशक्त नागरी सहकारी बँका आपल्या बँकेत विलीन केल्या होत्या. ह्या बँकांचा संमीलीकरणाच्यावेळी एकूण व्यवसाय ₹ १,८९४.७८ कोटी इतका होता. ३१ मार्च २०१४ अखेरीस या व्यवसायाने ₹ १०,००० कोटींवर भरारी मारली आहे.

३) संमीलीकरणाचे मूल्यमापन

आपल्या बँकेत संमीलीत केलेल्या सात बँकांचा व्यवसाय हा 'गंधकोष' विभागाच्या अंतर्गत येतो. ३१ मार्च २०१४ रोजी 'गंधकोष' विभागाखाली कार्यरत असलेल्या शाखांची संख्या १०७ असून मूळ सारस्वत बँकेच्या १६० शाखा मिळून एकूण २६७ शाखा कार्यरत आहेत.

तक्ता क्र. १ - 'गंधकोष' विभागाची कामगिरी

(₹ कोटींमध्ये)

संमिलीत करण्यात आलेल्या सात बँकांचा त्यावेळचा एकूण व्यवसाय (एकूण शाखा ९६)	१,८९४.७८
३१-०३-२०१४ ला गंधकोषच्या १०७ शाखांचा एकूण व्यवसाय	१०,४८८.१२
संमिलीकरणाच्या वेळी प्रतिकर्मचारी व्यवसाय	१.५४
३१-३-२०१४ ला प्रतिकर्मचारी व्यवसाय	८.१९
ढोबळ अनुत्पादित कर्जे (संमिलीकरणाच्या वेळी)	२७६.४१
३१-३-२०१४ ला ढोबळ अनुत्पादित कर्जे	२९.२०
३१-३-२०१४ पर्यंत नवीन शाखांसह एकूण अनुत्पादित कर्जांची वसुली	२४७.२१
गंधकोषच्या शाखांनी मिळविलेला ढोबळ नफा	४९१.८८
गंधकोषच्या शाखांनी मिळविलेला करोत्तर निव्वळ नफा	३७७.७४

वरील तक्त्यावरून 'गंधकोष' विभागाचा व्यवसाय संमिलीकरणाच्या दिवशी असलेल्या ₹ १,८९४.७८ कोटींवरून ३१ मार्च २०१४ अखेरीस ₹ १०,४८८.१२ कोटींवर पोहोचला. 'गंधकोष' विभागाच्या या भरीव कामगिरीवरून आपल्या बँकेचा, इतर सहकारी बँकांना आपल्या बँकेत संमिलीत करण्याचा निर्णय योग्य होता हे दिसून येते.

४) शाखाविस्तार

आपला शाखाविस्ताराचा 'अश्वमेध' उपक्रम आर्थिक वर्ष २०१३-१४ मध्ये आपण जोमाने राबविला व आपल्या शाखांची एकूण संख्या २२९ वरून २६७ पर्यंत नेली. ह्या आर्थिक वर्षात आपण ३८ नवीन शाखा उघडल्या. ह्या ३८ शाखांपैकी अठरा शाखा ह्या मुंबई, नवी मुंबई व ठाणे, दहा शाखा उर्वरित महाराष्ट्रात, चार शाखा ह्या गुजरात राज्यातील बडोदा येथे, चार शाखा कर्नाटकात, एक मध्य प्रदेशात व एक गोव्यात उघडण्यात आल्या. अशाप्रकारे महाराष्ट्र, गुजरात व कर्नाटक राज्यात आपण शाखाविस्ताराद्वारे आपली पाळेमुळे घट्ट रोवली.

५) विभागवार कामगिरी (SBU) - रिटेल बँकिंग

● ग्राहकांसाठी विविध सुविधा :

व्हिसा डेबिट कार्ड :

आर्थिक वर्ष २०१३-१४ मध्ये आपण १,२१,२६३ व्हिसा डेबिट कार्ड वितरित केली व आपली ग्राहकसंख्या ३१ मार्च २०१३च्या ७,२९,३१९ वरून आर्थिक वर्ष २०१३-१४ अखेरीस ८,५०,५८२ एवढी झाली.

ए.टी.एम्. :

अहवालवर्षी ४६ नवीन ए.टी.एम्. केंद्रे सुरु करण्यात आली. ३१ मार्च २०१४ अखेरीस आपल्या बँकेची एकूण २०५ ए.टी.एम्. केंद्रे कार्यान्वित आहेत.

इंटरनेट बँकिंग :

३१ मार्च २०१४ अखेर एकूण १,८७,१२५ ग्राहकांनी इंटरनेट बँकिंगचा वापर करण्याकरिता नोंदणी केलेली आहे तर ६,०६,३२१ ग्राहकांनी एस्.एम्.एस्. सुविधेकरिता नोंदणी केलेली आहे.

मोबाईल बँकिंग :

आपल्या बँकेने १४ ऑगस्ट, २०१३ रोजी मोबाईल बँकिंगद्वारे आपल्या ग्राहकांना विविध बँकिंग सुविधा पुरविण्यास सुरुवात केली. या सेवेचे नामकरण आपण 'गो-मो' असे केले. ३१ मार्च २०१४ अखेरीस ८,३७८ ग्राहक 'गो-मो' सेवेचा लाभ घेत आहेत.

आर.टी.जी.एस्. / एन्.ई.एफ्.टी. :

आर.टी.जी.एस्. / एन्.ई.एफ्.टी. या दोन्ही इलेक्ट्रॉनिक प्रणाली अंतर्गत व्यवहार दिवसेंदिवस वाढतच आहेत. भारतीय रिझर्व्ह बँकेने अहवालवर्षात अद्ययावत अशी नवीन आर.टी.जी.एस्. प्रणाली वापरात आणली आहे. आपल्या बँकेनेही ही प्रणाली आपल्या ग्राहकांसाठी उपलब्ध करून दिली आहे. अहवालवर्षी आपल्या बँकेने ह्या दोन्ही इलेक्ट्रॉनिक प्रणाली अंतर्गत ₹ ४,९६,४४९.५० कोटींचे व्यवहार केले.

● इतर आस्थापनांच्या विमा उत्पादनांचे विपणन :

आर्थिक वर्ष २०१३-१४ मध्ये आपल्या बँकेने इतर आस्थापनांच्या विमा उत्पादनांपासून एकूण ₹ ७.०८ कोटींचे उत्पन्न मिळविले, तसेच ₹ २८.७५ कोटींचा विमा हप्ता (प्रिमियम) जमा केला.

● डिमॅट :

आपली बँक ही एन्.एस्.डी.एल्. व सी.डी.एस्.एल्. या दोन्ही संस्थांशी डिमॅट व्यवहारांकरिता संलग्न आहे. आपल्या बँकेच्या एकूण २१५ शाखांमार्फत डिमॅट सुविधा ग्राहकांना उपलब्ध करून दिलेली आहे.

६) ठेवी

आर्थिक वर्ष २०१३-१४ मध्ये बँकेच्या मुदत ठेवीत ₹ २,२५३.९५ कोटींची वाढ झाली तर चालु व बचत खात्यांच्या (कासा) ठेवींमध्ये ₹ ५४९.२३ कोटींची वृद्धी झाली. ह्यामुळे एकूण ठेवींमध्ये ₹ २,७९५.१८ कोटींची भर पडली. एकूण ठेवींच्या वृद्धीचे प्रमाण हे १३.२२ टक्के आहे.

७) कर्जे

अहवालवर्षी किरकोळ कर्जव्यवसायावर भर देण्याचे धोरण बँकेने अवलंबिले. किरकोळ कर्जांचा व्यवसाय जो ३१ मार्च २०१३ रोजी ₹ ३,११७ कोटी होता त्यात ₹ ६८६.४९ कोटींची भर पडून तो ३१ मार्च २०१४ रोजी ₹ ३,८०३.४९ कोटी इतका झाला. ही वाढ २२.०२ टक्के इतकी आहे. किरकोळ कर्जांच्या वृद्धीमध्ये गृहकर्जांचा वाटा मोठ्या प्रमाणात आहे.

८) थकबाकी व निव्वळ अनुत्पादित कर्जे

भारतीय अर्थव्यवस्थेतील मंदीमुळे संपूर्ण बँकिंग क्षेत्रात अनुत्पादित कर्जात मोठी वाढ दिसून आली. परंतु आपल्या बँकेने योजलेल्या विविध उपाययोजनांमुळे व थकबाकी वसुलीमुळे आपल्या ढोबळ अनुत्पादित कर्जात केवळ ₹ ६२.७६ कोटींचीच वाढ झाली. आपल्या एकूण ₹ ७२६.२० कोटींच्या अनुत्पादित कर्जांपैकी ७६ टक्के कर्जे ही इतर बँकांबरोबर (सार्वजनिक तसेच खाजगी क्षेत्रातील) संयुक्तपणे दिली गेलेली कर्जे आहेत.

मध्यवर्ती वसुली मंडळाने आखलेल्या व्यापक उपाययोजनांमुळे अहवालवर्षात ₹ १८३.१० कोटींची ढोबळ अनुत्पादित कर्जांची वसुली करण्यात आली.

सलग दहाव्या वर्षी आपल्या बँकेने निव्वळ अनुत्पादित कर्जांचे प्रमाण एकूण कर्जांशी शून्य टक्क्यावर राखण्यात यश मिळविले.

ढोबळ अनुत्पादित कर्जांची विक्री :

नागरी सहकारी बँकांना ढोबळ अनुत्पादित कर्जांची विक्री ऑसेट रिकन्स्ट्रक्शन कंपनीला करण्याची मुभा नव्हती. परंतु आपल्या बँकेने भारतीय रिझर्व्ह बँकेकडे केलेल्या सततच्या पाठपुराव्यामुळे २८ मार्च २०१४ रोजी या संदर्भातील नियम भारतीय रिझर्व्ह बँकेने प्रसृत केले. या नियमांतर्गत आपल्या बँकेने ₹ ४४५.६० कोटींची अनुत्पादित कर्जे ऑसेट रिकन्स्ट्रक्शन कंपनीला विकली. या व्यवहारात कुठल्याही प्रकारचा तोटा आपल्या बँकेस झाला नाही ही विशेष बाब होय.

९) विदेश विनिमय व्यवसाय

अहवाल वर्षात असलेल्या मंदीसदृश पार्श्वभूमीवरदेखील आपल्या बँकेचा ग्राहकांशी संबंधित आयात-निर्यात व्यवसाय ₹ १४,५२९.४० कोटींवर पोहोचला तर आंतरबँक विदेश विनिमय व्यवसायाने ₹ ४३,९९२.११ कोटींची मजल गाठली. एकूण विदेश विनिमय व्यवसायात ३७.१७ टक्क्यांची वाढ नोंदविली गेली.

आर्थिक वर्ष २०१३-१४ मध्ये भारत डायमंड बोर्स, वांद्रे-कुर्ला संकुलात आपल्या बँकेने हिरे-व्यवसाय व्यवहाराशी संबंधित शाखा कार्यान्वित केली. त्यामुळे हिरे-व्यवसाय संबंधित ग्राहकांना सुलभपणे या शाखेत व्यवहार करता येतील.

१०) कोषागार विभाग

महागाई दराचा चढता आलेख, चालु खात्यातील वाढणारी तूट व रुपयाचे झालेले अवमूल्यन ह्यावर उपाययोजना म्हणून भारतीय रिझर्व्ह बँकेने आर्थिक वर्ष २०१३-१४ मध्ये काही कठोर पावले उचलली. ह्याचा परिणाम म्हणून व्याजदरांत लक्षणीय वाढ दिसून आली. अशा प्रतिकूल परिस्थितीतदेखील आपल्या बँकेच्या कोषागार विभागाने या आर्थिक वर्षात ₹ ११६ कोटींचा नफा मिळविला व बँकेच्या एकूण नफ्यामध्ये विशेष योगदान दिले.

कोषागार विभागाने गुंतवणुकीतून मिळणाऱ्या व्याजाचा सरासरी दर हा आर्थिक वर्ष २०१२-१३च्या ७.९४ टक्क्यांवरून आर्थिक वर्ष २०१३-१४ला ८.१२ टक्क्यांवर नेला.

११) भांडवल पर्याप्तता

अनुत्पादित कर्जांची संपूर्ण तरतूद करूनदेखील तसेच निव्वळ व्याज उत्पन्नावर ताण येऊनही आपल्या बँकेने भांडवल पर्याप्ततेचे प्रमाण मागील आर्थिक वर्षाच्या ११.१५ टक्क्यांवरून अहवाल वर्षात १२.११ टक्क्यांवर नेले.

१२) नफा वितरण

आर्थिक वर्ष २०१३-१४ मध्ये निव्वळ नफ्यामधून खालील प्रमाणे तरतूद करण्याची शिफारस करीत आहोत.

तक्ता क्र. २

(₹ लाखांत)

	२०१३-१४	२०१२-१३
राखीव निधी (२५%)	३,६७७.३४	२,८०२.२८
आकस्मिकता निधी (१०%)	१,४७०.९४	१,१२०.९१
शैक्षणिक निधी (१%)	१४७.०९	११२.०९
प्रस्तावित लाभांश १०.५०% (प्रेफरन्स समभाग)	८७.९६	०.००
प्रस्तावित लाभांश १०% (इक्विटी समभाग)	१,२९२.८०	१,२१३.१०
कर्मचाऱ्यांसाठी सानुग्रह अनुदानाकरिता केलेली तरतूद १०%	१,४९०.००	१,३५०.४५
इमारत निधी	०.००	०.००
सभासद कल्याण निधी	५०.००	५०.००
कर्मचारी कल्याण निधी	१०.००	१०.००
सार्वजनिक, धर्मादाय व सहकारी कार्यासाठी निधी	१४७.०९	११२.०९
गुंतवणूकविषयक जोखीम निधी	२,०००.००	१,७३५.००
विशेष राखीव निधी	१,०००.००	१,०००.००
सर्वसाधारण राखीव निधी	३,३३५.००	१,७००.००
पुढील वर्षाकरिता शिल्लक	८१.०५	७९.९१
एकूण	१४,७८९.२८	११,२८५.८३

लाभांश :

यावर्षी इक्विटी भागधारकांना १० टक्के लाभांश व प्रेफरन्स भागधारकांना १०.५० टक्के लाभांश देण्याची शिफारस संचालक मंडळ करीत आहे.

सभासद कल्याण निधी :

प्रतिवर्षीप्रमाणे यावर्षीही संचालक मंडळाने सभासद कल्याण निधीसाठी ₹ ५० लाख वर्ग करण्याची शिफारस केली आहे. हा निधी जमेस धरून एकूण सभासद कल्याण निधी ₹ ७९८.५० लाख एवढा असेल. अहवाल वर्षात एकूण ९८९ सभासदांनी वैद्यकीय मदतीचा लाभ घेतला. सभासदांच्या ५३ गुणवंत पाल्यांना पारितोषिके देऊन गौरविण्यात आले.

कर्मचाऱ्यांसाठी सानुग्रह अनुदानाची तरतूद :

आर्थिक वर्ष २०१३-१४साठी बँकेच्या कायमस्वरूपी कर्मचाऱ्यांना १० टक्के सानुग्रह अनुदान देण्याची शिफारस संचालक मंडळ करीत आहे.

सार्वजनिक धर्मादाय आणि सहकारी कार्यासाठी निधी :

भारतीय रिझर्व्ह बँकेच्या No.UBD.(PCB)/BPD/Cir/43 दिनांक ११ एप्रिल २००५ परिपत्रकानुसार परवानगी दिल्याप्रमाणे बँकेच्या एकूण नफ्याच्या १ टक्का म्हणजेच ₹ १४७.०९ लाख सामाजिक कार्य व धर्मादाय कार्यासाठी वर्ग करावे अशी शिफारस संचालक मंडळ करीत आहे.

विशेष राखीव निधी :

संचालक मंडळाने यावर्षीही प्राप्तीकर कायद्याच्या तरतुदीनुसार विशेष राखीव निधीत ₹ १,००० लाख वर्ग करण्याची शिफारस केली आहे.

१३) बँकेच्या उपविधी क्रमांक ६ आणि २५ मध्ये सुचविलेली दुरुस्ती

या आर्थिक वर्षात बँकेच्या उपविधीमध्ये खालील दुरुस्त्या सुचविण्यात येत आहेत.

अ) उपविधी क्रमांक ६: बँकेचे सभासद होण्यासाठीच्या निकषांमध्ये बदल.

अनिवासी भारतीयांना बँकेचे सभासदत्व देऊन भारतीय रिझर्व्ह बँकेच्या नियमानुसार कर्जासाठी पात्र होण्याकरिता या उपविधीमध्ये दुरुस्ती सुचविण्याचा प्रस्ताव संचालक मंडळ करीत आहे.

ब) उपविधी क्रमांक २५: विविध योजनांमध्ये गुंतवणुकीकरिता 'भारतीय रिझर्व्ह बँकेच्या परवानगीनुसार' असा बदल करणे.

भारतीय रिझर्व्ह बँकेने परवानगी दिलेल्या विविध ठेव तसेच गुंतवणुकीच्या योजनांमध्ये गुंतवणूक करताना ह्या उपविधीमध्ये 'भारतीय रिझर्व्ह बँकेच्या परवानगीनुसार' हे शब्द समाविष्ट करण्याचा प्रस्ताव संचालक मंडळ करीत आहे.

१४) संस्था अभिशासन

संचालक मंडळाची रचना :

संचालक मंडळाची रचना मल्टिस्टेट को-ऑप. सोसायटी कायदा २००२ आणि बँकेच्या पोटनियमानुसार केली जाते. ३१ मार्च २०१४ रोजी बँकेवर पंधरा निर्वाचित संचालक होते. आपल्या बँकेच्या संचालक मंडळावर नामवंत, प्रतिष्ठित, व्यावसायिक कुशलता आणि बँकिंग, वित्तीय तसेच इतर क्षेत्रातील गाढा अनुभव असलेले तज्ज्ञ संचालक आहेत. भारतीय रिझर्व्ह बँकेच्या नियमानुसार नागरी सहकारी बँकेच्या संचालक मंडळावर किमान एक चार्टर्ड अकाउंटंट व एक बँकर असणे आवश्यक आहे. ३१ मार्च २०१४ रोजी आपल्या बँकेच्या संचालक मंडळावर तीन चार्टर्ड अकाउंटंट्स व पाच अनुभवी बँकर्स आहेत.

या आर्थिक वर्षात आपल्या बँकेच्या संचालक मंडळाच्या एकूण २६ सभा झाल्या.

संचालक मंडळातील बदल :

श्री. नीळकंठ रामचंद्र वरेरकर यांचा राजीनामा :

आपल्या बँकेचे ज्येष्ठ संचालक श्री. नीळकंठ रामचंद्र वरेरकर हे गेली ६५ वर्षे बँकेशी निगडीत आहेत. त्यांनी त्या काळात बँकेत असलेले महाव्यवस्थापक हे सर्वोच्च पद भूषविले होते. बँकेतील निवृत्तीनंतर ते आपल्या बँकेच्या संचालक मंडळावर कार्यरत होते. ते १९९६ या वर्षात बँकेचे अध्यक्षही झाले. वयाची ९० वर्षे पूर्ण झाल्यावर त्यांनी संचालक मंडळातून निवृत्ती पत्करली व ६ डिसेंबर २०१३ रोजी त्यांचा राजीनामा संचालक मंडळाने स्वीकृत केला.

श्री. गौतम एकनाथ ठाकूर यांचा संचालक मंडळावर समावेश :

श्री. गौतम एकनाथ ठाकूर यांना ६ डिसेंबर २०१३ रोजी संचालक मंडळाने आपल्या बँकेच्या संचालक मंडळावर स्वीकृत करून घेतले. श्री. गौतम ठाकूर हे सिव्हिल इंजिनियर असून त्यांचा बांधकाम, शैक्षणिक व वित्तीय क्षेत्रांमधील समृद्ध अनुभव आपल्या बँकेच्या व्यवसाय वाढीसाठी उपयुक्त ठरेल.

श्री. सतीश बाळकृष्ण सामंत यांची बँकेच्या अध्यक्षपदी निवड :

आपणास ज्ञातच आहे की, आपल्या बँकेचे अध्यक्ष, श्री. एकनाथ केशव ठाकूर यांचे ७ ऑगस्ट २०१४ रोजी दुःखद निधन झाले. त्यानंतर १४ ऑगस्ट २०१४ रोजी झालेल्या संचालक मंडळाच्या सभेत श्री. सतीश बाळकृष्ण सामंत यांची अध्यक्षपदी निवड करण्यात आली.

श्री. सतीश बाळकृष्ण सामंत हे चार्टर्ड अकाउंटंट असून त्यांनी कायद्याचे पदव्युत्तर शिक्षण पूर्ण केले आहे. त्यांची व्यावसायिक कारकीर्द १९७७ साली सिकॉम, या आघाडीच्या वित्तीय संस्थेमधून सुरू झाली. तदनंतर ते एका सार्वजनिक क्षेत्रातील कंपनीचे वित्तीय सल्लागार होते. त्यांनी रिलायन्स इंडस्ट्रीज, मॅक्सवेल ग्रुप अशा नावाजलेल्या उद्योगांमध्ये काम केले आहे. त्यांना वित्तीय व औद्योगिक क्षेत्राचा गाढा अनुभव आहे. सध्या ते एशियन पेंटस् उद्योगसमूहातील कोटींग्ज स्पेशालिटीज इंडिया लि., या कंपनीचे मुख्य कार्यकारी अधिकारी आहेत.

संचालकांना कर्जे :

बँकेच्या कोणत्याही संचालकाने आपल्या बँकेकडून कोणत्याही प्रकारचे कर्ज घेतलेले नाही. ही आपल्या बँकेची गेल्या अनेक वर्षांची अतिशय स्वागतार्ह व निकोप परंपरा आहे. याचे प्रावधान आपल्या बँकेच्या उपविधी क्र. ५५ आणि ६३ मध्ये बऱ्याच वर्षांपूर्वी करण्यात आले आहे.

१५) सभासद

या वर्षाखेरीस आपल्या बँकेचे पन्नास किंवा अधिक समभाग असणाऱ्या सभासदांची संख्या १,७५,२४२ इतकी झाली. तसेच नाममात्र सभासदांची संख्या ५,९७,९५८ इतकी होती.

१६) वैधानिक लेखापरीक्षकाची नियुक्ती

२०१४-१५ ह्या आर्थिक वर्षासाठी मे. कुलकर्णी अँड खानोलकर, चार्टर्ड अकाउंटंट्स, १३/१४, बेल बिल्डिंग, सर पी. एम्. मार्ग, फोर्ट, मुंबई - ४०० ००९ यांची वैधानिक लेखापरीक्षक म्हणून नेमणूक करण्यासाठी हे संचालक मंडळ शिफारस करीत आहे.

१७) जाहीर निवेदन

आपल्या बँकेने बँकेच्या ठेवीवरील विम्याच्या ३१ मार्च २०१४ पर्यंतचा प्रिमियमचा हप्ता डिपॉझिट इन्शुरन्स अँड क्रेडीट गॅरंटी कॉर्पोरेशनकडे जमा केलेला आहे आणि सदर प्रिमियमपोटी कोणतीही रक्कम देणे बाकी नाही.

१८) सारस्वत इन्फोटेक लि. (सिल)

आपल्या बँकेची स्वमालकीची उपकंपनी सारस्वत इन्फोटेक लि. ने ३१ मार्च २०१४ रोजी संपलेल्या आर्थिक वर्षात व्यवसायाची आठ वर्षे पूर्ण केली. सारस्वत इन्फोटेक लि.चा ३१ मार्च २०१४ रोजीचा अहवाल, ताळेबंद व नफा-तोटा पत्रक बँकेच्या या अहवालासोबत देण्यात आला आहे.

मागील वर्षीच्या अहवालात म्हटल्याप्रमाणे बँकेने माहिती तंत्रज्ञान विभाग आपल्या बँकेत स्थापन केला. तसेच भारतीय रिझर्व्ह बँकेकडे सारस्वत इन्फोटेक लि. चे व्यवहार पूर्वीप्रमाणेच चालू ठेवण्याकरिता अनुमती मागितली. परंतु भारतीय रिझर्व्ह बँकेने त्यांच्या ९ जून २०१४च्या पत्राद्वारे ही विनंती अमान्य केली.

ह्या घडामोडींमुळे सारस्वत को-ऑप. बँक लि. व सारस्वत इन्फोटेक लि., तसेच ह्या दोन्ही संस्थांच्या लेखापरिक्षकांनी सारस्वत इन्फोटेक लि. ची मालमत्ता ही सारस्वत बँकेकडे २८ मार्च २०१४ रोजी, ह्या दोन्ही संस्थांमध्ये झालेल्या करारानुसार ₹ १९.३७ कोटींना वर्ग करण्यात आली.

सारस्वत इन्फोटेक लि. अजूनही आपल्या बँकेला डेटा सेंटर, नेटवर्क तसेच तंत्रज्ञानावर आधारित सेवा पुरविते.

१९) श्रद्धांजली

आपल्या बँकेचे अध्यक्ष श्री. एकनाथ के. ठाकूर यांचे गुरुवार, ७ ऑगस्ट २०१४ रोजी दुःखद निधन झाले.

श्री. ठाकूर यांनी इंग्रजी हा विषय घेऊन पुणे विद्यापीठाची B.A. (Hons.) ही पदवी मिळविली. विद्यापीठात M.A. चा अभ्यास करताना ते पुणे विद्यापीठाचे इंग्लिश - हिस्ट्री स्कॉलर होते. M.A.

करीत असतानाच १९६६ साली स्टेट बँक ऑफ इंडियाच्या क्लास वन ऑफीसर (प्रोबेशनरी ऑफीसर) या पदासाठी होणारी स्पर्धात्मक परीक्षा देऊन संपूर्ण भारतातील हजारो पदव्युत्तर व पदवीधारक विद्यार्थ्यांमधून ते अखिल भारतातून प्रथम क्रमांकाने उत्तीर्ण झाले. त्यानंतर स्टेट बँक ऑफ इंडियामध्ये क्लास वन ऑफीसर म्हणून रुजू होऊन ते विविध महत्त्वाच्या पदांवर कार्यरत होते. बँकेत काम करीत असताना स्टेट बँक ऑफ इंडियाच्या हजारो शाखा आणि तिच्या सात संलग्न बँकांतील हजारो अधिकाऱ्यांचा जो राष्ट्रीय अधिकारी महासंघ आहे, त्यांचे ते अखिल भारतीय अध्यक्ष होते.

बँकांच्या राष्ट्रीयीकरणानंतर श्री. ठाकूर यांनी त्यांच्या सहकाऱ्यांसोबत अखिल भारतीय बँक अधिकारी महासंघाची स्थापना करण्यात महत्त्वाची भूमिका साकार केली व तदनंतर या सर्व बँकांतील दोन लाख अधिकाऱ्यांच्या राष्ट्रव्यापी महासंघाचे ते उपाध्यक्ष व अध्यक्ष झाले. १९७३ साली बँकिंग, विमा, ऊर्जा, पोलाद, हवाई वाहतूक, औषध कंपन्या अशा विविध खाजगी व सार्वजनिक उद्योगधंद्यातील सुमारे ६,५०,००० अधिकाऱ्यांच्या राष्ट्रीय अधिकारी समन्वय समितीचे ते अखिल भारतीय महासचिव झाले.

१९७७ साली इंटरनॅशनल लेबर ऑर्गनायझेशन (ILO) या युनोच्या (UNO) जिनिव्हा (स्वित्झर्लंड) येथील आंतरराष्ट्रीय कामगार संघटनेने १२२ सभासद देशांतर्फे पहिली जागतिक अधिकारी परिषद घेतली. या परिषदेला प्रत्येक देशातील सरकारकडून केवळ एकच प्रतिनिधी बोलविण्यात आला. तत्कालीन मोरारजी देसाई सरकारने भारतातर्फे या पहिल्या जागतिक अधिकारी परिषदेला श्री. ठाकूर यांना ३०,००,००० अधिकाऱ्यांचा प्रतिनिधी म्हणून पाठविले. जिनिव्हा (स्वित्झर्लंड) येथील परिषदेमधील सर्व राष्ट्रांच्या अधिकारी प्रतिनिधींचे उपाध्यक्ष म्हणून त्यांची बिनविरोध निवड झाली.

श्री. ठाकूर यांनी सुमारे तेहतीस वर्षांपूर्वी स्थापन केलेल्या त्यांच्या स्वतःच्या नॅशनल स्कूल ऑफ बँकिंग ह्या संस्थेच्या माध्यमातून आजतागायत सुमारे ३,५०,००० विद्यार्थ्यांनी प्रशिक्षण घेतले आहे व या संस्थेत प्रशिक्षण घेतलेल्या ८५,००० विद्यार्थ्यांनी निरनिराळ्या अखिल भारतीय स्पर्धात्मक परिक्षेत यश मिळवून नोकऱ्या मिळविल्या आहेत.

जुलै २००१ मध्ये केंद्र सरकारने श्री. ठाकूर यांची भारतातील सर्वात मोठ्या अशा स्टेट बँक ऑफ इंडियाच्या केंद्रीय संचालक मंडळावर संचालक म्हणून नियुक्ती केली होती. स्टेट बँक ऑफ इंडियाच्या १४,००० हजारांहून अधिक शाखा असून त्यांचा एकूण कर्ज-व्यवसाय १० लाख कोटींहून अधिक आहे.

श्री. एकनाथ के. ठाकूर हे राज्यसभेवर खासदार म्हणून एप्रिल २००२ मध्ये महाराष्ट्रातून बिनविरोध निवडून आले व एप्रिल २००८ मध्ये सहा वर्षांची यशस्वी कारकीर्द पूर्ण करून राज्यसभेतून

निवृत्त झाले. संसदेच्या संरक्षण समिती, वित्त समिती, माहिती-तंत्रज्ञान समिती, उद्योग व वाणिज्य समिती व अन्नप्रक्रिया उत्पादन समिती या समितींचे सदस्य म्हणूनही ते कार्यरत होते. २००४ ते २००६ या कालावधीत त्यांनी महाराष्ट्र चेंबर ऑफ कॉमर्स, इंडस्ट्री अँड अ‍ॅग्रीकल्चर या अखिल महाराष्ट्रातील उद्योगातील शिखर संस्थेचे अध्यक्षपद भूषविले. तसेच श्री. ठाकूर हे मुंबईतील इंडियन एज्युकेशन सोसायटी ह्या सुमारे ७५ शाळा असलेल्या मान्यवर संस्थेचे प्रमुख कार्यकारी अधिकारी होते.

आधुनिक सारस्वत बँकेचे श्री. ठाकूर हे निर्माते होते. सारस्वत बँकेशी त्यांचा गेले २० वर्षांहून अधिक काळ ऋणानुबंध होता. बँकेच्या स्थापनेपासून म्हणजे १९९८ ते २००१ पर्यंत म्हणजे जवळ जवळ ८३ वर्षे बँकेचा एकूण व्यवसाय ₹ ४,६०० कोटींचा होता. श्री. ठाकूरांच्या प्रगल्भ नेतृत्वामुळे २००१ पासून २०१४ पर्यंत फक्त चौदा वर्षांत ह्या व्यवसायाचा ₹ ३९,००० कोटींचा टप्पा बँकेला पार करता आला. सारस्वत बँकेच्या प्रगमनशील प्रवासाकरिता तिच्या शाखांचे जाळे विस्तारित व्हावे ह्यासाठी त्यांनी 'अश्वमेध' अभियान अंगिकारले. या अभियानांतर्गत सारस्वत बँकेच्या अद्ययावत सोयी-सुविधा व तंत्रज्ञानाने उत्कृष्ट अशा २६७ शाखा आज भारतभर कार्यरत आहेत. भारतातील सर्वात मोठी सहकारी बँक ही बिरुदावली सार्थ ठरविणाऱ्या सारस्वत बँकेची चौफेर प्रगती व घोडदौड झाली ती श्री. ठाकूरांच्या प्रगल्भ नेतृत्वाखाली. श्री. ठाकूर आणि बँकेचे सर्व संचालक ह्यांच्या योगदानातून आणि बँकेचे अधिकारी-कर्मचारी यांच्या सहयोगातून आज सारस्वत बँकेचे नाव घरोघर पोहोचलेले आहे. सारस्वत बँकेची स्वतःची प्रशासकीय कार्यालयाची इमारत असावी हे त्यांचे स्वप्न त्यांनी प्रभादेवी येथील सारस्वत बँक भवनची निर्मिती करून पूर्ण केले. श्री. ठाकूर यांनी सारस्वत बँकेत नवनवीन संकल्पना आखल्या, रचल्या व त्या सर्व संकल्पनांची कार्यवाही संचालक मंडळातील सर्व संचालक व कर्मचाऱ्यांचे सहकार्य घेऊन पूर्णत्वास नेली. ह्यामध्ये प्रामुख्याने केंद्रीय व्यवस्थापन समितीची स्थापना (CENMAC), डॉ. आडारकर मिशनसची घोषणा, भूषण अग्रदूताची नेमणूक, नवीन 'ब्रॅण्ड सारस्वत बँक'ची उभारणी व नवीन बोधचिन्ह अंगिकरण ह्या त्यातल्या काही महत्त्वाच्या योजना होत.

श्री. ठाकूर यांना अनेक सामाजिक संस्थांनी पुरस्कार देऊन आजवर अलंकारित केले होते. त्यांना मिळालेल्या पुरस्कारांपैकी (१) समाजरत्न पुरस्कार (२) डॉ. बाबासाहेब आंबेडकर पुरस्कार (३) साने गुरुजी पुरस्कार (४) कॅन्सर विजेता पुरस्कार (५) कॅन्सर सर्व्हायव्हर पुरस्कार (६) असोसिएशन ऑफ बिझनेस कम्युनिकेशन ऑफ इंडियातर्फे एक्सलन्स इन बिझनेस कम्युनिकेशन पुरस्कार (७) मनोहर उद्योग रत्न पुरस्कार (८) कै. वा. ग. तथा अण्णासाहेब चिरमुले ट्रस्टतर्फे बँकिंग क्षेत्रातील त्यांच्या उल्लेखनीय कार्याकरिता 'वा. ग. चिरमुले

पुरस्कार' (९) दि ऑल इंडिया सारस्वत कल्चरल ऑर्गनायझेशन व ऑल इंडिया सारस्वत फाऊंडेशनतर्फे 'सारस्वत रत्न पुरस्कार' (१०) मणिपाल येथील टी. एम. ए. पै फाऊंडेशनतर्फे 'कोंकणी दिग्गज पुरस्कार' (११) रोटरी इंटरनॅशनलतर्फे रोटरी इंटरनॅशनलचे मार्क मॅलनी यांच्या हस्ते दिलेला 'आजीवन कर्तृत्व सन्मान पुरस्कार' (Life-Time Achievement Award) (१२) मॅक्सेल फाऊंडेशन या संस्थेतर्फे महाराष्ट्राचे मुख्यमंत्री मा. श्री. पृथ्वीराजजी चव्हाण यांच्या शुभहस्ते 'मॅक्सेल आजीवन कर्तृत्व सन्मान पुरस्कार' (Maxell Life-Time Achievement Award) (१३) सहकार क्षेत्रातील दैदीप्यमान कार्यकर्तृत्वाकरिता सांगली वैभव क्रेडिट सोसायटीतर्फे एकूण २,२९,००० सहकारी संस्थांतून केवळ श्री. ठाकूर यांना मुंबईत यशवंतराव चव्हाण सभागृहात झालेल्या भरणच्च समारंभात महाराष्ट्राचे मुख्यमंत्री मा. श्री. पृथ्वीराजजी चव्हाण यांच्या शुभहस्ते दिलेला 'सहकार वैभव पुरस्कार' (१४) महाराष्ट्र चेंबर ऑफ कॉमर्स, इंडस्ट्री अँड अॅग्रीकल्चर व आय. बी. एन. लोकमततर्फे भारताचे कृषीमंत्री मा. श्री. शरदराव पवार यांच्या शुभहस्ते 'आजीवन कर्तृत्व सन्मान पुरस्कार' (MACCIA – IBN Lokmat Life-Time Achievement Award) (१५) सप्टेंबर २०१३ रोजी त्यांना बेळगावातील लोकमान्य क्रेडिट सोसायटीतर्फे प्रख्यात 'लोकमान्य मातृभूमी पुरस्काराने' गौरविले होते. हा ₹ ५,५१,०००चा पुरस्कार गोव्याचे मुख्यमंत्री मा. श्री. मनोहर पर्रीकर यांच्या हस्ते त्यांना प्रदान करण्यात आला होता.

सारस्वत बँकेचे संचालक मंडळ आपल्या लाडक्या अध्यक्षांना अंतःकरणपूर्वक श्रद्धांजली अर्पण करीत आहे.

आपल्या बँकेच्या दोन संचालकांनाही अहवालवर्षी देवाज्ञा झाली.

आपल्या बँकेचे एक ज्येष्ठ संचालक व माजी अध्यक्ष श्री. माधव मंत्री यांचे २३ मे २०१४ रोजी देहावसान झाले. श्री. माधव मंत्री यांचे आपल्या बँकेशी १९६५ सालापासून जिद्दाळ्याचे नाते होते. डिसेंबर १९८० ते नोव्हेंबर १९८३ ह्या काळात ते आपल्या बँकेचे उपाध्यक्ष तर नोव्हेंबर १९८३ ते डिसेंबर १९८६ ह्या काळात अध्यक्ष होते. वर्ष २००८ मध्ये त्यांना ज्येष्ठ संचालक म्हणून बँकेच्या संचालक मंडळात सन्मानपूर्वक पाचारण करण्यात आले होते. श्री. मंत्री हे नावाजलेले कसोटी क्रिकेटपटू होते. त्यांनी मुंबई क्रिकेट असोसिएशनचे अध्यक्षपदही भूषविले होते.

तसेच आपल्या बँकेचे संचालक श्री. जगदीश पै के. एल्. ह्यांचे १ डिसेंबर २०१३ रोजी दुःखद निधन झाले. श्री. जगदीश पै के. एल्. १० ऑगस्ट २०११ रोजी संचालक मंडळावर निवडून आले होते. ते कॅनरा बँकेचे शासन नियुक्त कार्यकारी संचालक असल्याने आपल्या संचालक मंडळात कार्यरत होण्याकरिता केंद्र सरकारच्या परवानगीची आवश्यकता होती. निवृत्ती नंतरचा आवश्यक असलेला

कालावधी पूर्ण केल्यावर त्यांना २७ सप्टेंबर २०१२ रोजी आपल्या बँकेच्या संचालक मंडळावर स्वीकृत करण्यात आले.

संचालक मंडळ ह्या दोन्ही संचालकांना मनःपूर्वक आदरांजली अर्पण करीत आहे.

अहवालवर्षात काही सभासद, कर्मचारी, निवृत्त कर्मचारी यांचेही दुःखद निधन झाले; त्यांच्या कुटुंबीयांच्या दुःखातही संचालक मंडळ सहभागी असून संचालक मंडळ सर्व दिवंगतांस भावपूर्ण श्रद्धांजली अर्पण करीत आहे.

२०) कृतज्ञता

आपण सर्व सभासदांनी संचालक मंडळावर दाखविलेल्या विश्वासाबद्दल संचालक मंडळ आपले सदैव ऋणी आहे. भारतीय रिझर्व्ह बँकेच्या केंद्रीय व क्षेत्रीय कार्यालयातील नागरी सहकारी बँक विभागातील सर्व प्रमुख अधिकारी व त्यांचे सहकारी तसेच केंद्रीय सहकार निबंधक, नवी दिल्ली व त्यांचे सहकारी तसेच आयुक्त आणि सहकारी निबंधक, महाराष्ट्र राज्य, पुणे आणि त्यांचे सहकारी आणि सहकार आयुक्त, कर्नाटक, गोवा, गुजरात, नवी दिल्ली आणि मध्यप्रदेश या सर्वांचे वेळोवेळी मार्गदर्शन, पाठिंबा व सहकार्य दिल्याबद्दल संचालक मंडळ ऋणी आहे. वैधानिक परीक्षक आणि सर्व अन्य लेखापरीक्षकांचे त्याचप्रमाणे बँकेचे सर्व सल्लागार विधिज्ञ या सर्वांचे संचालक मंडळ ऋणी आहे. बँकेचे अधिकारी व कर्मचारी त्यांच्या प्रतिनिधिक संघटना यांनी समर्पणाच्या भावनेतून केलेल्या अविरत परिश्रमाबद्दल संचालक मंडळ त्यांचे आभार मानीत आहे.

सभासद, ठेवीदार व हितचिंतक यांनी दर्शविलेला विश्वास व आपणा सर्वांनी दिलेले सहकार्य यामुळेच अहवालवर्षात संचालक मंडळ अविश्रांत कार्य करू शकले. संचालक मंडळ आपणा सर्वांचे ऋणी आहे.

संचालक मंडळ सर्व सभासदांस खात्रीपूर्वक सांगू इच्छिते की, आपणा सर्वांच्या सहकार्याने डॉ. आडारकर मिशन अंतर्गत ठरविलेले लक्ष्य साध्य करण्यासाठी आम्ही सर्व अविरत परिश्रम करून व्यवसायात उत्तुंग भरारी घेऊ.

बँकेच्या संचालक मंडळाच्या वतीने

सतीश बाळकृष्ण सामंत

अध्यक्ष

मुंबई, १४ ऑगस्ट, २०१४

तळटीप:

संचालक मंडळाचा संपूर्ण अहवाल इंग्रजीमध्ये सोबत दिला आहे. हा फक्त गोषवारा आहे.

INDEPENDENT AUDITORS' REPORT

To,
The Members of The Saraswat Co-operative Bank Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **THE SARASWAT CO-OPERATIVE BANK LTD**, which comprise the Balance Sheet as at March 31, 2014 and also 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.

Management's Responsibility for the Financial Statements

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 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 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

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.

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 judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to our comments and observations contained in Audit Memorandum, give the information required by The Multi-State Co-operative Societies Act, 2002 and Rules made thereunder 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, 2014;
- (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.

Emphasis of Matter

We draw attention to Note No 19 to the financial statements, which describes the accounting treatment of the expenditure on creation of Deferred Tax Liability on Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 as at 31st March, 2014. Our opinion is not qualified in respect of this matter.

Report On Other Legal and Regulatory Requirements

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;
- b. In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- c. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and returns.
- d. In our opinion and according to information given to us, there has been no material impropriety or irregularity in the expenditure or in the realisation of money due to the bank;
- e. In our opinion and according to information given to us, the transactions of the Bank, which have come to our notice, have been within the competence of the Bank.

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No. 105407W

sd/-

(**P.M. PARULEKAR**)

Partner

Membership No. 36362

Place : Mumbai

Date : June 6 ,2014

BALANCE SHEET AS AT MARCH 31, 2014

(Amount in ₹)

CAPITAL AND LIABILITIES	Schedule	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
(1) CAPITAL	1	1,67,68,77,980	1,26,90,92,940
(2) RESERVE FUND & OTHER RESERVES	2	24,20,04,40,678	23,03,34,50,027
(3) DEPOSITS & OTHER ACCOUNTS	3	2,39,39,51,03,443	2,11,44,33,16,405
(4) BORROWINGS	4	8,20,56,20,500	4,06,90,02,725
(5) BILLS FOR COLLECTION BEING BILLS RECEIVABLE AS PER CONTRA		21,61,37,78,587	19,96,03,98,665
(6) BRANCH ADJUSTMENTS		11,59,08,540	67,29,808
(7) OVERDUE INTEREST RESERVE ON LOANS & ADVANCES AS PER CONTRA		1,10,57,84,863	1,15,86,20,288
(8) INTEREST PAYABLE		78,73,88,425	69,70,90,244
(9) OTHER LIABILITIES	5	11,40,58,39,921	9,28,20,25,823
(10) PROFIT & LOSS	6	1,47,89,28,287	1,12,85,83,070
TOTAL		3,09,98,56,71,223	2,72,04,83,09,995
Contingent Liabilities:	13	21,56,26,23,102	18,32,65,45,395

As per our report of even date attached

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No.105407W

sd/-

P.M. PARULEKAR

Partner

Membership No.36362

Mumbai: June 6, 2014

(Amount in ₹)

PROPERTY AND ASSETS	Schedule	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
(1) CASH	7	13,21,53,04,975	8,69,95,40,753
(2) BALANCES WITH OTHER BANKS	8	23,87,38,97,247	10,56,32,02,908
(3) MONEY AT CALL AND SHORT NOTICE		72,62,14,597	1,43,47,38,611
(4) INVESTMENTS	9	78,04,74,20,675	64,43,99,83,353
(5) ADVANCES	10	1,54,70,05,01,978	1,50,23,41,50,595
(6) INTEREST RECEIVABLE ON LOANS & ADVANCES AS PER CONTRA		1,10,57,84,863	1,15,86,20,288
(7) BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA		21,61,37,78,587	19,96,03,98,665
(8) FIXED ASSETS	11	5,41,24,31,116	5,53,78,25,846
(9) OTHER ASSETS	12	11,20,89,58,314	10,00,24,54,408
(10) COMPUTER SOFTWARE		8,00,55,506	4,000
(11) DEFERRED AMORTISATION OF INVESTMENTS		13,23,364	1,73,90,569
TOTAL		3,09,98,56,71,223	2,72,04,83,09,995

sd/-
S.K. BANERJI
Managing Director

sd/-
S. N. SAWAIKAR
Director

sd/-
P. N. JOSHI
Director

sd/-
S. S. SANZGIRI
Vice - Chairman

Mumbai: June 6, 2014

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in ₹)

EXPENDITURE	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
1. Interest on Deposits, Borrowings, etc.	17,54,66,54,892	16,16,02,64,224
2. Salaries and Allowances, Bonus, Gratuity, Provident Fund Contribution, etc.	2,35,46,61,938	2,17,51,13,894
3. Directors' Sitting Fees	42,65,000	17,50,000
4. Rent, Taxes, Insurance, Lighting, etc.	60,87,16,247	52,53,33,206
5. Law Charges	43,95,348	37,44,195
6. Postage, Telegram and Telephone charges	5,23,11,698	5,18,19,774
7. Audit fees (Statutory, Internal and Concurrent Auditors)	3,18,08,898	3,21,84,902
8. Depreciation/Amortisation of Assets	26,07,39,329	21,69,87,441
9. Printing and Stationery	4,51,54,762	4,14,55,248
10. Advertisements	8,20,25,918	6,62,18,517
11. Other Expenditure :		
i) Repairs and Maintenance of assets	8,00,28,241	6,85,76,054
ii) I.T. Infrastructure Maintenance	6,47,12,637	32,27,00,931
iii) Banker's Indemnity Insurance	39,74,109	29,01,178
iv) Premium paid to DICGC	21,27,63,105	19,48,32,000
v) Premium paid to ECGC	1,94,46,594	1,63,71,443
vi) Cheque Processing Charges	1,61,74,521	1,93,28,534
vii) Leased Line Expenditure	2,45,70,142	1,75,58,547
viii) Travelling and Conveyance	2,28,86,305	1,92,15,158
ix) Security Service Charges	15,68,52,442	11,55,46,328
x) Amortisation of Investments	23,92,06,674	21,38,43,478
xi) Professional Fees	2,12,79,324	2,53,57,748
xii) Bank Charges	12,06,90,930	10,16,80,716
xiii) Visa Card Expenses	3,49,74,455	2,16,45,571
xiv) Amenities Charges	5,73,56,690	4,47,15,674
xv) Car Expenses	1,30,93,258	1,09,10,306
xvi) Housekeeping Charges	1,83,80,567	1,67,93,026
xvii) Service Tax Expenses	7,71,66,179	6,25,57,301
xviii) Sundries	17,71,02,238	13,83,81,628
	1,36,06,58,411	1,41,29,15,621
12. Provisions :		
i) Provision For Depreciation on Investments	5,07,60,078	0
ii) Bad And Doubtful Debts Reserve	2,27,97,09,767	3,16,31,71,368
iii) Provision for Restructured Assets	3,49,00,000	11,47,00,000
iv) Contingent Provision Against Standard Assets	51,64,841	1,65,30,648
	2,37,05,34,686	3,29,44,02,016
13. Income-Tax Expenses :		
i) Current Tax	84,10,00,000	1,28,25,00,000
ii) Deferred Tax	(56,82,90,329)	(97,06,78,798)
iii) Excess Provision for Tax of earlier years	(25,23,026)	0
	27,01,86,645	31,18,21,202
14. Total Expenses	24,99,21,13,772	24,29,40,10,240
15. Net Profit after Tax and before Exceptional items	1,47,57,23,997	1,21,73,45,077
16. Exceptional items	47,86,580	9,64,34,477
17. Net Profit after Tax & Exceptional items	1,47,09,37,417	1,12,09,10,600
TOTAL	26,46,78,37,769	25,51,13,55,317

As per our report of even date attached

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No.105407W

sd/-

P.M. PARULEKAR

Partner

Membership No.36362

Mumbai: June 6, 2014

(Amount in ₹)

INCOME		CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
1.	Interest & Discount	23,79,59,08,953	22,90,50,72,170
2.	Commission	38,12,69,435	43,58,66,525
3.	Exchange	25,04,20,094	18,30,15,781
4.	Profit on Sale of Securities (Net)	1,16,05,33,545	94,10,73,102
5.	Dividend	4,73,63,023	4,76,06,497
6.	Other Receipts :		
i)	Processing Fees	25,11,14,713	29,49,24,963
ii)	Service Charges	34,38,41,567	35,18,52,996
iii)	Recovery of Expenses	1,14,43,629	1,16,80,724
iv)	Profit on Sale of Assets	2,37,44,689	29,50,072
v)	Acquirer's Fees and ATM Charges	6,47,89,149	5,90,92,656
vi)	Miscellaneous Income	5,75,94,802	2,80,70,362
		75,25,28,549	74,85,71,773
7.	Excess Provision of earlier years written back	1,44,48,339	12,59,164
8.	Excess Provision for Depreciation on Investments reversed	0	9,05,37,665
9.	Bad Debts earlier written off, now recovered	6,53,65,832	8,33,52,640
10.	Excess Special Reserve Reversed	0	7,50,00,000
TOTAL		26,46,78,37,769	25,51,13,55,317

sd/-
S.K. BANERJI
Managing Director

sd/-
S. N. SAWAIKAR
Director

sd/-
P. N. JOSHI
Director

sd/-
S. S. SANZGIRI
Vice - Chairman

Mumbai: June 6, 2014

(Amount in ₹)

	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
SCHEDULE 1 - CAPITAL		
i) Authorised Capital :		
100,00,00,000 Shares of ₹ 10/- each (Previous year 100,00,00,000 shares)	10,00,00,00,000	10,00,00,00,000
Subscribed Capital :	1,33,93,67,980	1,26,90,92,940
13,39,36,798 Shares of ₹ 10/- each (Previous year 12,69,09,294 shares of ₹ 10/- each)		
Amount Called up:	1,33,93,67,980	1,26,90,92,940
13,39,36,798 Shares of ₹10/- each (Previous year 12,69,09,294 shares of ₹ 10/- each)		
Of the above held by :		
a) Individuals & others	1,33,93,67,980	1,26,90,67,940
b) Societies	0	25,000
ii) Preference Share Capital		
3,37,51,000 Preference Shares of ₹10/- each	33,75,10,000	0
Total	1,67,68,77,980	1,26,90,92,940
SCHEDULE 2 – RESERVE FUND & OTHER RESERVES:		
i) Statutory Reserve	4,86,49,36,094	4,54,82,70,175
ii) Building Fund	2,52,90,93,933	2,52,90,93,933
iii) Bad & Doubtful Debts Reserve	7,36,28,71,531	6,73,75,76,701
iv) Special Reserve for Restructured Assets	16,36,00,000	12,87,00,000
v) Investment Fluctuation Reserve	97,35,00,710	80,00,00,710
vi) Contingency Reserve	1,69,28,57,250	1,58,07,66,150
vii) Contingent provision against Standard Assets	58,40,70,000	57,89,05,159
viii) Members' Welfare Fund	7,48,50,000	6,98,50,000
ix) Provision for Public Charitable & Co-operative Purpose	3,90,17,554	2,66,73,854
x) Provision for Staff Welfare	1,30,82,773	1,22,75,566
xi) Net Open Foreign Currency Position Reserve	2,00,00,000	2,00,00,000
xii) General Reserve	2,23,33,44,764	2,42,72,86,329
xiii) Revaluation Reserve	2,93,98,85,600	3,02,12,51,450
xiv) Special Reserve u/s 36(1)(viii) of I.Tax Act, 1961	65,28,00,000	55,28,00,000
xv) Reserve for Excess Provision on Sale of Financial Assets	5,65,30,469	0
Total	24,20,04,40,678	23,03,34,50,027
SCHEDULE 3 – DEPOSITS & OTHER ACCOUNTS:		
i) Fixed Deposits:		
a) Individuals & Others	1,45,45,95,00,922	1,29,17,97,12,447
b) Central Co-op. Banks	2,00,92,500	25,00,000
c) Other Societies	34,68,30,68,830	28,44,10,38,796
(a)	1,80,16,26,62,252	1,57,62,32,51,243
ii) Savings Bank Deposits:		
a) Individuals & Others	45,25,98,66,187	41,73,61,67,999
b) Central Co-op. Banks	0	0
c) Other Societies	2,67,20,71,334	2,42,56,32,845
(b)	47,93,19,37,521	44,16,18,00,844
iii) Current Deposits:		
a) Individuals & Others	10,82,73,65,865	9,20,58,15,330
b) Central Co-op. Banks	1,28,00,222	7,55,956
c) Other Societies	46,03,37,583	45,16,93,032
(c)	11,30,05,03,670	9,65,82,64,318
Total (a+b+c)	2,39,39,51,03,443	2,11,44,33,16,405

(Amount in ₹)

	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
SCHEDULE 4 – BORROWINGS:		
i) Refinance from RBI	1,48,00,00,000	0
ii) Loans from other sources		
a) Refinance from S.I.D.B.I.	0	2,18,225
b) Foreign Currency Borrowing from Banks	1,42,56,20,500	1,06,87,84,500
c) Long Term (Subordinated) Deposits	5,30,00,00,000	3,00,00,00,000
Total	8,20,56,20,500	4,06,90,02,725
SCHEDULE 5 – OTHER LIABILITIES:		
a) Bills Payable	1,78,15,94,652	71,65,45,799
b) Unclaimed Dividend	7,64,45,144	8,07,30,965
c) Suspense	41,01,67,339	12,72,20,590
d) Provision for Staff Pension	29,06,52,786	31,02,71,593
e) Rebate on Bills Discounted	3,60,61,324	3,43,91,841
f) Credit balance in Bank Account	46,69,07,333	46,94,53,612
g) Provision for Leave Encashment	71,28,05,934	56,93,55,015
h) Contingent Provision against Depreciation in Investments	47,38,916	1,62,21,014
i) Provision for Taxation	4,08,54,67,000	3,76,09,80,700
j) Other items	3,54,09,99,493	3,19,68,54,694
Total	11,40,58,39,921	9,28,20,25,823
SCHEDULE 6 – PROFIT & LOSS:		
Profit as per last Balance Sheet	(a) 1,12,85,83,070	2,36,30,89,970
Less :		
Less : Appropriations of profit for the year 2012-13		
Reserve Fund	28,02,27,700	58,89,23,200
Dividend	12,13,10,000	21,81,58,000
Public Charitable & Co-operative Purpose	1,12,09,200	2,35,57,000
Provision for Staff Welfare	10,00,000	10,00,000
Members' Welfare Fund	50,00,000	50,00,000
Ex-gratia to Employees	13,50,45,000	23,11,03,000
Education fund	1,12,09,200	2,35,57,000
Contingency Reserve	11,20,91,100	23,55,69,300
Investment Fluctuation Reserve	17,35,00,000	8,45,50,000
Special Reserve	10,00,00,000	15,00,00,000
General Reserve	17,00,00,000	79,40,00,000
(b)	1,12,05,92,200	2,35,54,17,500
(a-b)	79,90,870	76,72,470
Add : Profit for the year as per Profit & Loss Account	1,47,09,37,417	1,12,09,10,600
Total	1,47,89,28,287	1,12,85,83,070
SCHEDULE 7 – CASH:		
i) Cash In hand (Including Foreign Currency Notes)	1,09,42,64,560	97,17,58,961
ii) Balance with RBI in Current A/c	12,06,83,89,008	7,66,45,66,744
iii) Balance with SBI & SBI Associates In Current A/c	4,34,55,095	6,23,80,391
iv) Balance with State Co-operative Banks	10,831	10,000
v) Balance with District Central Co-operative Banks	91,85,481	8,24,657
Total	13,21,53,04,975	8,69,95,40,753
SCHEDULE 8 – BALANCE WITH OTHER BANKS :		
i) Current Deposits (Including ₹ 9.53 crore with Banks in Foreign Countries)	1,63,25,45,099	1,20,86,78,461
ii) Fixed Deposits (including ₹ 20.18 crore pledged for securing funded/non-funded facilities and treasury operations)	22,24,13,52,148	9,35,45,24,447
Total	23,87,38,97,247	10,56,32,02,908

(Amount in ₹)

	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
SCHEDULE 9 – INVESTMENTS:		
(I)		
i) In Central & State Government Securities	55,95,51,68,207	50,14,47,45,778
Face Value - ₹ 5510.52 crore		
Market Value - ₹ 5292.80 crore		
(including ₹ 977.56 crore pledged for Treasury operations)		
ii) Shares in Co-operative Institutions	22,83,521	1,80,27,521
iii) PSU Bonds & Bonds of All India Financial Institutions	29,14,02,859	67,39,20,467
iv) Shares of Limited Company (including Subsidiary Company ₹ 20 crore)	22,44,11,633	22,44,11,633
v) Certificate of Deposit	11,69,92,55,150	7,17,73,73,750
vi) Commercial Paper	1,62,90,98,750	1,58,43,31,150
vii) Security Receipts	3,30,60,00,000	0
(a)	73,10,76,20,120	59,82,28,10,299
(II) Reserve Fund Investments		
i) In Govt. Securities	4,86,49,36,340	4,49,71,63,018
Face Value - ₹ 490.32 crore		
Market Value - ₹ 470.87 crore		
ii) Non SLR Bonds	0	5,01,59,741
(b)	4,86,49,36,340	4,54,73,22,759
(III) Members' Welfare Fund Investments		
In Central / State Govt. Securities	7,48,64,215	6,98,50,294
Face Value - ₹ 7.57 crore		
Market Value - ₹ 7.23 crore		
(c)	7,48,64,215	6,98,50,294
Total (a+b+c)	78,04,74,20,675	64,43,99,83,353
SCHEDULE 10 – ADVANCES:		
I) Short Term Loans, Cash Credit, Overdrafts & Bills Discounted		
Of which secured against :		
a) Government & Other approved Securities	12,12,15,074	12,43,55,688
b) Other Tangible Securities	62,97,53,34,092	60,44,48,33,893
c) Personal Advances	2,24,41,835	4,40,93,130
(a)	63,11,89,91,001	60,61,32,82,711
Of the Advances, amount due from individuals	60,45,38,56,264	59,92,15,20,535
Of the Advances, amount Overdue	5,28,99,12,509	5,19,46,16,720
Considered Bad & Doubtful of recovery (Fully Provided for)	2,51,54,80,684	2,00,24,86,128
II) Medium Term Advances		
Of which secured against :		
a) Government & Other approved Securities	2,17,47,986	2,24,96,484
b) Other Tangible Securities	22,73,98,34,470	25,56,85,27,724
c) Personal Advances	17,32,26,419	28,93,75,974
(b)	22,93,48,08,875	25,88,04,00,182
Of the Advances, amount due from individuals	22,90,63,52,796	25,84,39,05,391
Of the Advances, amount Overdue	3,19,18,24,638	1,70,02,80,397
Considered Bad & Doubtful of recovery (Fully Provided for)	1,69,21,06,974	90,47,62,103

(Amount in ₹)

	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
III) Long Term Advances		
Of which secured against :		
a) Government & Other approved Securities	70,03,168	1,37,63,354
b) Other Tangible Securities	68,46,04,94,966	63,53,88,71,897
c) Personal Advances	17,92,03,968	18,78,32,451
(c)	68,64,67,02,102	63,74,04,67,702
Of the Advances, amount due from individuals	68,64,63,87,278	63,10,15,19,278
Of the Advances, amount Overdue	91,67,33,783	68,90,87,657
Considered Bad and Doubtful of recovery (Fully Provided for)	25,01,93,160	20,35,38,119
Total (a+b+c)	1,54,70,05,01,978	1,50,23,41,50,595
SCHEDULE 11 – FIXED ASSETS:		
I. LAND		
LEASEHOLD LAND		
Original Cost as on 1.4.2013	2,46,29,325	2,46,29,325
Amortisation		
Amortisation upto last year	42,44,708	39,46,672
Amortisation for current year	2,98,035	2,98,036
Sub-Total	45,42,743	42,44,708
Total	2,00,86,582	2,03,84,617
II PREMISES (including freehold land)		
Original Cost as on 1.4.2013	5,69,80,01,413	5,55,08,51,482
Add : Additions during the year	0	14,76,69,411
Less: Sales/Adjustment during the year	14,97,77,500	5,19,480
Sub-Total	5,54,82,23,913	5,69,80,01,413
Depreciation		
Depreciation upto last year	59,79,72,209	46,30,10,601
Depreciation for current year	5,23,77,008	5,44,11,508
Depreciation on Revalued Amount	8,13,65,850	8,05,50,100
Depreciation on sales	(74,88,875)	0
Sub-Total	72,42,26,192	59,79,72,209
Total	4,82,39,97,721	5,10,00,29,204
III. LEASEHOLD IMPROVEMENT		
Book value as on 1.4.2013	4,17,99,608	4,19,54,678
Add : Additions during the year	2,70,26,614	1,17,42,300
Sub-Total	6,88,26,222	5,36,96,978
Less : Depreciation for current year	1,33,56,314	1,18,97,370
Total	5,54,69,908	4,17,99,608
IV. PLANT AND MACHINERY:		
Book value as on 1.4.2013	13,09,92,570	13,63,21,981
Add: Additions during the year	7,31,80,046	4,88,09,217
Sub-Total	20,41,72,616	18,51,31,198
Add: Sales/Adjustment (Net)	(2,98,126)	(9,97,940)
Sub-Total	20,38,74,490	18,41,33,258
Less : Depreciation for current year	5,72,36,268	5,31,40,688
Total	14,66,38,222	13,09,92,570

(Amount in ₹)

	CURRENT YEAR 31-03-2014	PREVIOUS YEAR 31-03-2013
V. FURNITURE AND FIXTURE:		
Book value as on 1.4.2013	21,10,85,002	20,75,52,358
Add: Additions during the year	9,36,68,848	8,99,52,630
Sub-Total	30,47,53,850	29,75,04,988
Less : Sales/Adjustment (Net)	5,32,472	20,22,054
Sub-Total	30,42,21,378	29,54,82,934
Less : Depreciation for current year	8,57,56,601	8,43,97,932
Total	21,84,64,777	21,10,85,002
VI. COMPUTERS:		
Book value as on 1.4.2013	1,57,773	2,73,356
Add: Additions during the year	13,14,35,326	34,325
Sub-Total	13,15,93,099	3,07,681
Less : Sales/Adjustment (Net)	6,024	1,478
Sub-Total	13,15,87,075	3,06,203
Less : Depreciation for current year	2,60,80,388	1,48,430
Total	10,55,06,687	1,57,773
VII. MOTOR CARS:		
Original cost as on 1.4.2013	8,23,13,149	8,63,77,910
Add: Additions during the year	36,42,533	35,41,670
Less : Sold during the year	(64,64,202)	(76,06,431)
Sub-Total	7,94,91,480	8,23,13,149
Less : Depreciation upto last year	5,24,03,479	4,59,47,611
Depreciation for current year	96,08,707	126,83,476
Depreciation on sales	(52,77,857)	(62,27,608)
Sub-Total	5,67,34,329	5,24,03,479
Total	2,27,57,151	2,99,09,670
VIII. CAPITAL WORK-IN-PROGRESS (PREMISES)	35,79,762	34,67,402
IX. CAPITAL WORK-IN-PROGRESS (SOFTWARE)	1,59,30,306	0
Grand Total	5,41,24,31,116	5,53,78,25,846
SCHEDULE 12 – OTHER ASSETS:		
i) Deposit for Services	23,29,28,044	18,74,56,794
ii) Interest Accrued on Investments	1,40,48,61,985	1,04,93,09,823
iii) Rent Receivable	2,95,363	2,74,693
iv) Rent on Lockers in Arrears	18,35,211	15,47,025
v) Stamps on Hand	36,27,719	38,51,546
vi) Prepaid Expenses	2,12,34,363	1,40,37,092
vii) Deferred Tax Asset	2,99,82,66,218	2,79,67,54,303
viii) Income Tax paid	4,22,91,51,820	3,73,16,99,412
ix) Other dues	2,31,67,57,591	2,21,75,23,720
Total	11,20,89,58,314	10,00,24,54,408
SCHEDULE 13 – CONTINGENT LIABILITIES:		
i) Letters of Credit	7,35,25,07,406	4,07,56,09,628
ii) Guarantees	4,15,98,22,553	4,26,59,87,144
iii) Forward Sale/Purchase Contracts	10,05,02,93,143	9,98,49,48,623
Total	21,56,26,23,102	18,32,65,45,395

Notes forming part of the Balance Sheet as at March 31, 2014 and Profit and Loss Account for the year ended March 31, 2014.
(I) 1. Background :

The Saraswat Co-operative Bank Ltd was incorporated in 1918 and provides a complete suite of corporate and retail banking products.

2. Basis of preparation :

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated and comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act 1949 and the Multi State Co-operative Societies Act 2002, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, the Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') and current practices prevailing within the banking industry in India.

3. Use of estimates :

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision to the accounting estimates are recognised prospectively.

(II) Significant Accounting Policies :
1. Accounting Convention :

The financial statements are drawn up in accordance with the historical cost convention (as modified by revaluation of premises) and on going concern basis.

2. Foreign currency transactions :

Transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the Balance Sheet date at rates notified by Foreign Exchange Dealers Association of India ('FEDAI'). All profits/losses resulting from year-end revaluations are recognised in the profit and loss account.

Outstanding forward exchange contracts and spot exchange contracts are revalued at year end exchange rates notified by FEDAI. The resulting gains or losses on revaluation are included in the profit and loss account in accordance with RBI/ FEDAI guidelines.

Contingent liabilities on account of foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

3. Investments :
3.1 Categorisation of investment :

In accordance with guidelines issued by RBI, the Bank classifies its investment portfolio into the following three categories :

- i) 'Held to Maturity' - Securities acquired by the Bank with the intention to hold till maturity.
- ii) 'Held for Trading'- Securities acquired by the Bank with the intention to trade.
- iii) 'Available for Sale'- Securities which do not fall within the above two categories are classified as 'available for sale'.

3.2 Classification of Investments :

For the purpose of disclosure in the Balance Sheet, Investments have been classified under four groups as required under RBI guidelines – Government Securities, Other trustee Securities, Shares in co-operative institutions and other Investments.

3.3 Valuation of Investments :

- (i) '**Held to Maturity**' – These investments are carried at their acquisition cost. Any premium on acquisition is amortised over the balance period to maturity, with a debit to Profit & Loss Account. The book value of security is reduced to the extent of amount amortised during the relevant accounting period.
- (ii) '**Held for Trading**' – The individual scrip in the HFT category is marked to market at the year end. The net resultant depreciation in each classification (as mentioned in Para 3.2 above) is recognized in the Profit and Loss Account. Net Appreciation, if any, is ignored.

- (iii) **‘Available for Sale’** – The individual scrip in the AFS category is marked to market at the year end. The net resultant depreciation in each classification (as mentioned in Para 3.2 above) is recognized in the Profit and Loss Account. Net Appreciation, if any, is ignored.

In case of shares, bonds & other investments, the scrip wise appreciation is ignored. Market value of government securities (excluding treasury bills) is determined on the basis of the price list published by RBI or the prices periodically declared by PDAI jointly with FIMMDA for valuation at year-end. In case of unquoted government securities, market price or fair value is determined as per the rates published by FIMMDA.

Market value of other approved securities is determined based on the yield curve and spreads provided by FIMMDA.

Equity shares are valued at cost or the closing quotes on a recognised stock exchange, whichever is lower.

Treasury bills are valued at carrying cost, which includes discount amortised over the period to maturity.

Units of mutual funds are valued at the lower of cost and net asset value provided by the respective mutual funds.

- (iv) Broken period interest on debt instruments is treated as a revenue item. Brokerage, commission etc. pertaining to investments paid at the time of acquisition is charged to revenue.
- (v) Profit in respect of investments sold / redeemed from “HTM” category is included in Profit on Sale of Investments and equal amount is transferred to Investment Fluctuation Reserve by way of appropriation.

4. Advances :

- 4.1 The classification of advances into Standard, Sub-standard, Doubtful and Loss assets as well as provision on non-performing advances has been arrived at in accordance with the guidelines issued by the RBI from time to time. In addition to this, a general provision on standard assets has been made @0.40% of the outstanding amount on a portfolio basis except in the case of direct advances to agricultural and SME sector which has been @0.25% and advances to Commercial Real Estate @ 1%.
- 4.2 The overdue interest in respect of non-performing advances is provided separately under “Overdue Interest Reserve” as per the directives issued by RBI.

5. Fixed Assets and Depreciation:

- 5.1 Leasehold land and Motor Cars are stated at cost less amortisation/depreciation. Furniture & Fixtures, Computers, Plant & Machinery and Leasehold Improvement are stated at written down value.
- Premises (including Freehold Land): These are stated at the revalued amounts less depreciation.
- Cost includes incidental expenses incurred on acquisition of assets.
- 5.2 (i) Plant & Machinery, Furniture & Fixtures and Motor Cars are depreciated on written down value method @30% p.a.
- (ii) Premises (excluding freehold land) are depreciated on straight line method @2.5% p.a.
- (iii) Lease improvement costs are depreciated over the period of lease.
- (iv) Leasehold Land is amortised over the period of lease.
- (v) Computers are depreciated on straight line method @33.33% as directed by RBI.
- (vi) Depreciation on Revalued portion of Premises is adjusted against revaluation reserve.
- 5.3 Depreciation on fixed assets purchased during the year is charged for the 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 on fixed assets sold during the year. All fixed assets individually costing less than ₹ 5,000/- are fully depreciated in the year of installation.

6. Revenue Recognition (AS 9) :

- 6.1 Items of income and expenditure are accounted for on accrual basis.
- 6.2 Income from non-performing assets is recognised to the extent realised, as per the directives issued by RBI.
- 6.3 Interest on Government securities, debentures and other fixed income securities is recognised on accrual basis. Income on discounted instruments is recognised over the tenor of the instrument on a straight-line basis.
- 6.4 Dividend income is accounted on accrual basis when the right to receive payment is established.

6.5 Commission (except for commission on Deferred Payment Guarantees which is recognised on accrual basis), exchange and brokerage are recognised on realisation.

6.6 Income from distribution of insurance products is recognised on the basis of business booked.

7. Deposit for Services :

The Deposit for Services like Telephone, Telex, Electricity, etc. paid to the concerned authorities are written off as expenditure in the year in which the relevant service connection is installed.

8. Employee Benefits (AS 15) :

8.1 The liability towards gratuity, leave encashment, staff pension and unavailed LTC is assessed on the basis of actuarial valuation as at the Balance Sheet date and considered as a defined benefit scheme. The actuarial valuation is carried out as per projected unit credit method.

8.2 The Bank's contribution to provident fund is accounted for on the basis of contribution to the scheme.

9. Segment Reporting (AS 17) :

In accordance with the guidelines issued by RBI, Bank has adopted Segment Reporting as under:

- i) Treasury
- ii) Wholesale Banking
- iii) Retail Banking
- iv) Other Banking Business

10. Operating Leases (AS 19) :

Lease rental obligations in respect of assets taken on operating lease are charged to Profit and Loss Account on straight-line basis over the lease term. Initial direct costs are charged to profit and loss account.

11. Income-tax (AS 22) :

11.1 Provision for current tax is made on the basis of estimated taxable income for the year.

11.2 Deferred tax is recognised, subject to consideration of prudence, on timing difference, representing the difference between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

12. Impairment of Assets (AS 28) :

Since the bank has ascertained that there is no material impairment of any of its assets, no provision on account of impairment of assets is required to be made.

13. Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognised when the Bank has a present obligation as a result of past event where 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 its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

When there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(III) Notes to Accounts :

1. The share capital includes 7,77,847 shares of ₹ 10/- each in respect of the persons who have not subscribed to additional shares to make their shareholding minimum of 50 shares as required under Bye-law No.6C and as a result, they are not entitled to their membership rights.
2. During the year, Bank has paid VRS Compensation of ₹ 0.48 crore (Previous Year ₹ 9.64 crore). This amount is reflected under the head "Exceptional Items" in the Profit & Loss Account.
3. The Bank has charged to its Profit & Loss account, a sum of ₹ 1.61 crore out of 'Deferred Amortisation of Investments' and balance ₹ 0.13 crore is deferred as permitted by RBI.

4. In terms of RBI directives, following additional disclosures are made :

(₹ in crore)

Sr. No.	Particulars	31-03-2014	31-03-2013
1.	Capital to Risk Asset Ratio	12.11%	11.15%
2.	Movement in CRAR		
	(i) Total Capital Funds	1780.27	1502.88
	(ii) Risk Weighted Assets	14695.79	13473.84
3.	Investments :		
	(i) Book Value	7804.74	6444.00
	(ii) Face Value	7748.94	6341.29
	(iii) Market Value	7487.57	6310.95
4.	Advances against :		
	(i) Real Estate	560.65	658.83
	(ii) Construction business	15.22	10.87
	(iii) Housing	2932.95	2184.30
5.	Advances against shares & debentures	18.70	20.23
6.	Advances to directors, their relatives, companies/firms in which they are interested:		
	(i) Fund based	Nil	Nil
	(ii) Non-Fund based	Nil	Nil
7.	Average cost of deposits	7.65%	7.70%
8.	NPAs		
	(i) Gross NPAs	726.20	663.44
	(ii) Net NPAs	0.00	-0.04
9.	Movement in NPAs		
	(i) Gross NPAs		
	Opening Balance	663.44	402.71
	Add : Additions during the year	691.46	415.38
	Less : Reduction during the year	628.70	154.65
	Closing Balance	726.20	663.44
	(ii) Net NPAs		
	Opening Balance	-0.04	0.00
	Add : Additions during the year	62.76	260.73
	Less : Reduction during the year	62.72	260.77
	Closing Balance	0.00	-0.04
10.	Profitability :		
	(i) Interest income as a percentage of working funds	8.46%	9.34%
	(ii) Non-interest income as a percentage of working funds	0.95%	1.06%
	(iii) Operating profit as a percentage of working funds	0.62%	0.58%
	(iv) Return on average Assets	0.55%	0.46%
	(v) Business (Deposits + Advances) per Employee	9.06	9.26
	(vi) Operating profit per employee	0.04	0.04
11.	Provisions made towards :		
	(i) NPAs	227.92	315.53
	(ii) Depreciation on investments	5.08	(9.05)
	(III) Standard Assets	0.52	1.65
12.	Movement in Provisions :		
	(i) Towards NPAs		
	Opening Balance	663.48	402.72
	Add : Additions during the year	227.92	339.45
	Less : Reduction during the year	165.19	78.69
	Closing Balance	726.21	663.48

Sr. No.	Particulars	31-03-2014	31-03-2013
	(ii) Towards Depreciation on investments		
	Opening Balance	1.62	35.44
	Add : Additions during the year	0.00	0.01
	Less : Reduction during the year	1.15	33.83
	Closing Balance	0.47	1.62
	(iii) Towards Standard assets		
	Opening Balance	57.89	56.24
	Add : Additions during the year	0.52	2.45
	Less : Reduction during the year	0.00	0.80
	Closing Balance	58.41	57.89
13.	(i) Foreign currency assets	287.98	327.37
	(ii) Foreign currency liabilities	258.43	226.30
14	(i) Payment of DICGC Insurance premium	21.28	19.48
	(ii) Arrears in payment of DICGC premium	Nil	Nil
15.	Penalty imposed by RBI	Nil	Nil
16.	Cost of premises		
	Original Cost	227.73	242.71
	Add :- Revaluation	327.09	327.09
	Closing Balance	554.82	569.80

5. In connection with Repo/Reverse Repo transactions :

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 st March 2014
Security sold under repos				
i) Government Securities	0.00 (NIL)	809.96 (452.99)	370.98 (185.30)	0.00 (0.00)
ii) Corporate Debt Securities	0.00 (NIL)	0.00 (NIL)	0.00 (NIL)	0.00 (NIL)
Securities purchased under reverse repos				
i) Government Securities	0.00 (NIL)	0.00 (99.99)	0.00 (0.55)	0.00 (NIL)
ii) Corporate Debt Securities	0.00 (NIL)	0.00 (NIL)	0.00 (NIL)	0.00 (NIL)

Note: Figures in brackets represent previous year's figures.

6.1. Issuer Composition of Non-SLR investments:

(₹ in crore)

No.	Particulars	Amount	EXTENT OF "BELOW INVESTMENT GRADE" SECURITIES	EXTENT OF "UNRATED" SECURITIES	EXTENT OF "UNLISTED" SECURITIES
1.	PSUs	0.00 (8.27)	0.00 (3.25)	0.00 (3.25)	0.00 (3.25)
2.	FIs	15.12 (50.12)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
3.	Public Sector Banks	9.02 (9.02)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
4.	Mutual Fund	0.00 (0.00)	0.00 (0.00)	N.A (N.A)	N.A (N.A)
5.	Others	521.08 (187.58)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6.	Provision held towards depreciation	0.47 (1.62)	XXX (XXX)	XXX (XXX)	XXX (XXX)
	TOTAL	545.22 (254.99)	0.00 (3.25)	0.00 (3.25)	0.00 (3.25)

Note: Figures in brackets represent previous year's figures.

6.2. Non-performing Non-SLR investments:

(₹ in crore)

Particulars	Amount 31-03-2014	Amount 31-03-2013
Opening Balance	1.25	1.25
Additions during the year	0.00	0.00
Reductions during the year	1.15	0.00
Closing Balance	0.10	1.25
Total provisions held	0.10	1.25

7. Details of advances restructured as on 31st March, 2014 are given below.

(₹ in crore)

Sr. No.	Particulars		Housing Loans	SME Debt Restructuring	CDR	Others
I	Standard advances restructured	Numbers of Borrowers	0.00 (0.00)	14 (19)	3 (4)	6 (13)
		Amount Outstanding	0.00 (0.00)	34.42 (75.19)	158.39 (107.49)	32.58 (59.77)
		Sacrifice (diminution in the fair value)	0.00 (0.00)	0.68 (0.10)	6.73 (9.26)	1.34 (0.53)
II	Sub-Standard advances restructured	Numbers of Borrowers	0.00 (0.00)	1 (4)	1 (0.00)	0.00 (3.00)
		Amount Outstanding	0.00 (0.00)	5.40 (3.31)	22.77 (0.00)	0.00 (12.51)
		Sacrifice (diminution in the fair value)	0.00 (0.00)	0.00 (0.00)	0.64 (0.00)	0.00 (0.00)
III	Doubtful advances restructured	Numbers of Borrowers	0.00 (0.00)	3 (2)	1 (0.00)	1 (1)
		Amount Outstanding	0.00 (0.00)	9.30 (12.07)	14.04 (0.00)	0.16 (0.13)
		Sacrifice (diminution in the fair value)	0.00 (0.00)	0.00 (0.00)	0.08 (0.00)	0.00 (0.00)
	Total	Numbers of Borrowers	0.00 (0.00)	18 (25)	5 (4)	7 (17)
		Amount Outstanding	0.00 (0.00)	49.12 (90.57)	195.20 (107.49)	32.74 (72.41)
		Sacrifice (diminution in the fair value)	0.00 (0.00)	0.68 (0.10)	7.45 (9.26)	1.34 (0.53)

Notes:

1. Account in respect of which applications for restructuring are under process:

No. of Accounts	Outstanding Balance
1	₹ 30.59 Crore

2. Figures in brackets represent previous year's figures.

8. Employee Benefits- AS 15 (Revised):

- 8.1 Bank's Contribution to Provident Fund – ₹ 17.37 crore (Previous year- ₹ 15.70 crore)

8.2

Sr. No.	Particulars	Gratuity (Funded)		Pension (Unfunded)	
		31-03-2014	31-03-2013	31-03-2014	31-03-2013
I	Discount rate	9.38% p.a	8.50%p.a	9.34% p.a	8.50% p.a
II	Expected return on plan assets	8.70% p.a	8.70%p.a	-	-
III	Salary Escalation rate	4.00% p.a	3.50% p.a	4.00% p.a	3.50% p.a

IV. Table Showing Change in benefit obligation:

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Liability at the beginning of the current period	78.02	73.69	31.03	32.46
Interest cost	6.63	6.26	2.64	2.76
Current service cost	3.57	3.43	0.10	0.10
Benefits paid	(5.21)	(12.80)	(1.64)	(1.43)
Actuarial gain/(loss) on obligations	(2.31)	7.44	(3.06)	(2.86)
Liability at the end of the current period	80.70	78.02	29.07	31.03

V. Table of Fair Value of Plan assets:

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Fair value of plan assets at the beginning of the year	78.02	73.69	-	-
Expected return on plan assets	6.79	6.34	-	-
Contributions	4.48	14.17	-	-
Benefits paid	(5.21)	(12.80)	-	-
Actuarial gain/ (loss) on plan assets	(3.38)	(3.38)	-	-
Fair value of plan assets at the end of the year	80.70	78.02	-	-

VI. Amount recognised in Balance Sheet:

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Fair value of plan assets at the end of the period	80.70	78.02	-	-
Liability at the end of the period	80.70	78.02	29.07	31.03
Amount recognised in the Balance Sheet	-	-	29.07	31.03

VII. Expenses recognised in income statement :

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31-03-2014	31-03-2013	31-03-2014	31-03-2013
Current service cost	3.57	3.43	0.10	0.10
Interest cost	6.63	6.26	2.64	2.76
Expected return on Plan assets	(6.79)	(6.34)	-	-
Actuarial gains/ (losses)	1.07	10.82	(3.06)	(2.86)
Expenses recognised in Profit & Loss account.	4.48	14.17	(0.32)	-

9. Primary Segment Reporting (by Business Segments) AS 17 :

(₹ in crore)

Particulars	Treasury	Wholesale Banking	Retail Banking	Other Banking Business	31 st March 2014 (31 st March 2013)
Revenue					
Segment Revenue	835.56 (661.11)	1,040.05 (1,077.06)	754.88 (793.36)	16.30 (19.61)	2,646.79 (2,551.14)
Result	80.77 (72.11)	34.86 (118.49)	57.05 (159.08)	1.91 (17.59)	174.59 (367.27)
Unallocated Expenses					0.00 (214.35)
Operating Profit					174.59 (152.91)
Income Tax					27.02 (31.18)
Exceptional Items					0.48 (9.64)
Net Profit					147.09 (112.09)
OTHER INFORMATION					
Segment Assets	12,471.29 (8,398.27)	9,058.95 (8,930.19)	8,731.83 (9,220.30)	13.76 (3.23)	30,275.83 (26,551.99)
Unallocated Assets					722.74 (652.85)
Total Assets					30,998.57 (27,204.83)
Segment Liabilities	1,290.54 (269.88)	2,476.10 (2,141.94)	25,003.21 (22,272.79)	15.48 (2.37)	28,785.33 (24,686.98)
Unallocated Liabilities					688.97 (728.51)
Total Liabilities					29,474.30 (25,415.49)

Notes:

- i) These segments have been reported considering the nature of products or services, the class of customers for the products or services, different risks and returns attributable to them, organisation structure and internal management information system.
- ii) Types of products & services in each business segment :
 - i) Treasury : Dealing Operations in Forex, Money market & Fixed Income Products.
 - ii) Wholesale Banking : This includes advances which are not included under retail Banking
 - iii) Retail Banking : This includes exposures fulfilling the criteria of orientation, product, granularity and low value of individual exposures as specified by RBI.
 - iv) Other Banking Business : This includes all other banking operations not covered under above three segments.
- iii) Secondary Segment Information : Bank caters mainly to the needs of Indian customers; hence separate information regarding secondary segment i.e. Geographical segment is not given.
- iv) Segment Liabilities exclude Capital and Reserves other than those specifically identifiable with a segment.
- v) Figures in brackets represent previous year's figures.

10. Related Party Disclosures (AS 18):

10.1

(₹ in crore)

Items/Related Party	Saraswat Infotech Ltd (Subsidiary Company) 31-03-2014	Saraswat Infotech Ltd (Subsidiary Company) 31-03-2013
Current Accounts with Bank	0.003	0.002
Fixed deposit with Bank	6.30	18.41
Investment in Subsidiary	20.00	20.00
Interest paid by Bank on FDRs during the year	1.07	1.34
Rendering of service to Bank during the year	11.76	36.20
Charges towards Office Infrastructure maintenance paid by SIL during the year	0.44	1.76
Payable to SIL	19.40	0.59
Dividend received during the year	4.58	3.05
Dividend paid during the year (₹ 2,500)	0.00	0.00
Shares held by SIL (₹ 25,000)	0.00	0.00

10.2 Since Mr. S. K. Banerji, the Managing Director of the Bank is a single party under the category Key Management Personnel, no further details need to be disclosed in terms of RBI circular dated 29th March, 2003.

11. Operating lease comprises leasing of office premises (AS 19).

(₹ in crore)

Particulars	31-03-2014	31-03-2013
Future lease rental payable as at the end of the year :		
-Not later than one year	38.52	28.24
-Later than one year and not later than five years	130.19	126.73
-Later than five years	18.06	31.25
Total of minimum lease payments recognised in the profit and loss account for the year.	39.58	33.78
Total of future minimum sub-lease payment expected to be received under non-cancellable sub-lease	NIL	NIL
Sub-lease payments recognised in the profit and loss account for the year	NIL	NIL

12. Major components of Deferred tax (AS 22) :

(₹ in crore)

	Deferred Tax Asset	31-03-2014	31-03-2013
1	Sec.43B	27.62	19.37
2	Provision for BDDR	250.26	208.19
3	Provision for Standard Assets	--	17.89
4	Amortisation of HTM Securities	42.88	32.01
5	VRS	2.28	4.42
6	Other	8.19	4.51
	Sub-Total (A)	331.23	286.39
	Deferred tax liability		
1	Difference in W.D.V.	7.33	5.42
2	Special Reserve u/s36(I) (viii)	22.19	--
3	Others	1.89	1.29
	Sub-Total (B)	31.41	6.71
	Net Deferred Tax Asset (A)-(B)	299.82	279.68

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

13. Details of Computer Software –other than internally generated (AS 26) :

- a) Amortisation rates used @33.33% p.a. on straight line method.(However, if useful life of software is shorter, then proportionate rates are used).

(₹ in crore)

Particulars	31-03-2014	31-03-2013
Opening Balance (at cost) as on April 1	4.44	4.44
Add: Additions during the year	9.60	0.00
Sub-Total (A)	14.04	4.44
Less : Amortisation made :		
Opening Balance	4.43	4.43
Add : Amortisation during the year (P.Y. ₹ 10,000)	1.60	0.00
Sub-Total (B)	6.03	4.43
Net carrying amount as on March 31 (A)-(B)	8.01	0.01

- b) Amount of commitments (net of advance) for the acquisition of computer software – ₹ 0.02 Crore (Previous year Nil).

14. Suppliers / service providers covered under Micro, Small, Medium Enterprises Development Act, 2006, have not furnished the information regarding filing of necessary memorandum with the appropriate authority. Therefore, information relating to cases of delays in payments to such enterprises or of interest payments due to delay in such payments, could not be given.
15. The Bank has taken Group Mediclaim Policy covering its Directors, Executives and Branch Managers. The bank has paid premium of ₹ 29,21,360 /- (Previous year ₹ 24,71,920/-) on this account.
16. Market Risk in Trading Book as on 31.03.2014 :

a) Qualitative Disclosures

Market risk is the risk that the value of investments may undergo change over a given time period, simply because of economic changes or other events that impact the financial markets. In other words, market risk is calculated for both, adverse movement in the price of an individual security owing to factors related to the individual issuer as well as interest rate risk in the portfolio.

Scope: The portfolios covered under the said approach include:

1. Securities included under the Held for Trading (HFT) category
2. Securities included under the Available for Sale (AFS) category
3. Open foreign exchange position limits

Methodology: The Bank follows the Standardised Duration Approach for calculation of market risks. The Bank manages the market risk in the books on an ongoing basis and ensures that the capital requirement for market risk is being maintained on a continuous basis.i.e. at the close of each business day.

The capital charge is applied to the market value of securities in the Bank's trading book. Market Value is determined as per the extant RBI guidelines on valuation of investments.

Minimum Capital Requirement is worked out separately for

1. 'Specific Risk' charge – for individual issuer related factors.
2. 'General Market Risk' – for interest rate risk in the portfolio.

Infrastructure/ MIS & Reporting: The Investment Policy as approved by the Board of Directors provides detailed guidelines for all operational procedure, settlements, valuations and risk controls pertaining to the investments.

A separate Middle Office is also in place which acts as an intermediary, monitoring compliance of regulatory guidelines and of the Banks' Investment Policy and undertakes reporting to higher management.

Parameters for risk measurement: Risk management and reporting is based on parameters such as Modified Duration, Net Open Position Limits, Gap Limits, Value- at- Risk (VaR).

b) Quantitative Disclosure:

		(₹ in crore)
	31-03-2014	31-03-2013
The Capital requirements for:		
Interest Rate Risk	: 40.30	29.02
Equity Position Risk	: 4.74	4.82
Foreign Exchange Risk	: 3.15	1.24

17. Details of financial assets sold during the year to SC/RC for Asset Reconstruction.

		(₹ in crore)
a.	No. of accounts	48
b.	Aggregate value (net of provisions) of accounts sold to SC/RC	346.80
c.	Aggregate consideration	352.07
d.	Additional consideration realized in respect of accounts transferred in earlier years	0.00
e.	Aggregate gain/loss over net book value	5.27

18. To further augment Tier I capital to strengthen CRAR, during the year the Bank has issued 3,37,51,000 preference shares of ₹ 10/- each after obtaining necessary approval from Central Registrar of Co-operative Societies as well as from Reserve Bank of India.

19. I) During the year, the Bank has created Deferred Tax Liability on the Special Reserve under section 36 (1) (viii) of the Income Tax Act, 1961. The expenditure amounting to ₹ 18.79 crore due to the creation of DTL on Special Reserve as at March 31, 2013, not previously charged to the Profit & Loss Account, has now been adjusted directly from the General Reserve. Had this amount been charged to the Profit & Loss Account in accordance with the generally accepted accounting principles in India, the amount of Profit for year had been lower by such amount.

II) The Deferred Tax Liability on Special Reserve u/s 36 (1) (viii) of Income Tax Act is provided as follows :-

	₹ in Crore
On Opening Balance – being adjusted against General Reserve	18.79
During the year- being charged to Profit & Loss Account for the year	3.40
Total DTL as on 31.03.2014	22.19

III) The Bank has reversed during the year the Deferred Tax Asset on “ Provision for Standard Assets” created in earlier years amounting to ₹ 17.89 crore by adjusting the same against General Reserve.

20. Previous year's figures are regrouped or rearranged, wherever necessary, to conform to the layout of the accounts of the current year.

As per our report of even date attached

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No.105407W

sd/-
P.M. PARULEKAR
Partner
Membership No.36362
Mumbai: June 6 ,2014

sd/-
S.K. BANERJI
Managing Director

sd/-
S. N. SAWAIKAR
Director

sd/-
P. N. JOSHI
Director

sd/-
S.S. SANZGIRI
Vice-Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ in lac)

	31-03-2014	31-03-2013
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit as per P/L account	14,709.37	11,209.11
Add: Adjustments for		
Depreciation on Assets	2,607.39	2,169.87
Fixed assets written off	0.00	5.19
Amortisation of Investment	2,392.07	2,138.43
Depreciation of Investment	0.00	(905.38)
Provision for Tax	8,384.77	12,825.00
Provision for BDDR	22,231.79	31,631.71
Provision for Standard Assets	51.65	165.31
	35,667.67	48,030.13
	50,377.04	59,239.24
Less : Profit on Sale of Assets	237.45	29.50
Profit on Sale of Securities	11,605.34	9,410.73
Dividend received from subsidiary SIL	457.89	305.26
Deferred tax Asset	2,015.12	9,706.79
	(14,315.80)	(19,452.28)
	36,061.24	39,786.96
Adjustments for		
Decrease/(Increase) in Investments	(2,55,729.38)	(1,15,457.41)
Decrease/(Increase) in Advances	(44,663.51)	(1,07,071.02)
Decrease/(Increase) in Other Assets	(5,075.39)	116.85
Increase/(Decrease) in Funds	(18,330.16)	(5,064.35)
Increase/(Decrease) in Deposits	2,79,517.87	1,89,162.18
Increase/(Decrease) in Other Liabilities	18,568.36	(2303.88)
Decrease/(Increase) in Deferred Amortisation of Investments	160.67	68.12
	(25,551.54)	(40,549.51)
Net cash generated from Operating Activities before tax	10,509.70	(762.55)
Income tax paid (Net)	(10,114.43)	(11,107.17)
Net cash generated from Operating Activities after tax	395.27	(11,869.72)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(4,410.73)	(3,017.56)
Dividend received from subsidiary SIL	457.89	305.26
Sale Proceeds of Fixed Assets	1,680.56	96.29
Net Cash generated from Investing Activities	(2272.28)	(2,616.01)
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Share Capital	4,077.85	999.27
Increase/(Decrease) in Borrowing	41,366.18	(714.95)
Dividend Paid	(1,255.96)	(2,006.24)
Net Cash generated from Financing Activities	44,188.07	(1,721.92)
Net increase in cash and cash equivalents	42,311.06	(16,207.65)
Cash & Cash Equivalents at the beginning of the year	1,13,429.58	1,29,637.23
Cash & Cash Equivalents at the end of the year	1,55,740.64	1,13,429.58
Cash and cash Equivalents	31.03.2014	31.03.2013
Cash	1,32,153.05	86,995.41
Balance with other banks (excluding Term Deposit)	16,325.45	12,086.78
Money at call & short notice	7,262.14	14,347.39
	1,55,740.64	1,13,429.58

As per our report of even date attached

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No.105407W

sd/-

P.M. PARULEKAR

Partner

Membership No. 36362

Mumbai: June 6, 2014.

sd/-

S.K. BANERJI

Managing Director

sd/-

S. N. SAWAIKAR

Director

sd/-

P. N. JOSHI

Director

sd/-

S.S. SANZGIRI

Vice-Chairman

INVOLVEMENT OF THE SMALL MAN

OUR MEMBERS		
No. of Shares Held	No. of Members	Percentage
50 - 51	48,836	27.87
52 - 250	36,422	20.78
251 - 1500	55,551	31.70
1501 - 2500	34,433	19.65
	1,75,242	100.00
OUR DEPOSITORS		
	No. of Accounts	Percentage
Upto ₹ 1000/-	10,05,122	28.24
₹ 1001/- to ₹ 5000/-	6,13,276	17.23
₹ 5001/- to ₹ 10000/-	2,63,460	7.40
₹ 10001/- to ₹ 20000/-	2,86,569	8.05
₹ 20001/- to ₹ 30000/-	2,10,368	5.91
Above ₹ 30000/-	11,80,609	33.17
	35,59,404	100.00
OUR BORROWERS		
	No. of Accounts	Percentage
Upto ₹ 5000/-	8,905	9.15
₹ 5001/- to ₹ 10000/-	1,858	1.91
₹ 10001/- to ₹ 25000/-	5,305	5.44
Above ₹ 25000/-	81,296	83.50
	97,364	100.00
ADVANCES TO PRIORITY SECTOR		
	No. of Accounts	(₹ in Crore)
Small Scale Industries	2,987	2,229.91
Small Businessmen & Traders	6,910	2,120.56
Other Priority Sector	34,347	1,999.94
	44,244	6,350.41

PROGRESS - AT A GLANCE (YEAR 1920-2014)

Year	No. of Members	Paid-up Capital	Reserve & Other Funds	DEPOSITS		ADVANCES		Total Business
				No. of A/cs	Amount	No. of A/cs	Amount	
1920	190	0.06	-	-	0.01	-	0.06	0.07
Silver Jubilee								
1943	1,698	1.25	*1.00	4,293	23.48	-	3.23	26.71
Golden Jubilee								
1968	15,207	14.43	*18.82	41,703	565.33	2,718	247.80	813.13
1974	27,150	38.40	*35.68	77,487	1,412.82	4,888	880.61	2,293.43
1975	29,978	44.88	*44.43	87,912	1,527.06	5,323	893.11	2,420.17
1976	32,830	51.52	*54.78	1,04,025	1,961.57	6,081	1,006.99	2,968.56
Diamond Jubilee								
1978	39,104	76.91	130.40	1,44,520	3,189.41	10,557	1,373.30	4,562.71
1979	44,049	94.12	194.92	1,67,198	3,989.92	13,712	1,969.00	5,958.92
1980	50,694	120.60	261.94	1,93,033	4,911.84	18,603	3,025.17	7,937.01
1981	57,489	156.79	387.94	2,32,317	6,194.37	22,235	3,381.47	9,575.84
1982	64,240	192.63	488.99	2,75,121	8,106.71	24,591	5,106.81	13,213.52
1983	69,042	223.24	567.46	3,19,602	10,445.95	25,090	6,508.41	16,954.36
1984	75,977	262.24	624.58	3,58,366	12,991.46	26,728	7,676.78	20,668.24
1985	83,162	312.79	693.10	3,19,528	15,849.76	29,922	8,971.03	24,820.79
1986	90,606	366.09	840.96	4,18,708	19,373.40	33,177	11,322.06	30,695.46
1987	97,071	409.37	974.48	4,49,286	22,914.72	36,379	13,550.34	36,465.06
1988	1,02,384	462.70	1,184.18	4,75,335	28,451.01	37,747	16,163.43	44,614.44
1989	1,10,269	531.51	1,446.63	5,02,284	31,038.07	43,484	19,233.62	50,271.69
1990	1,21,740	630.21	1,952.28	5,44,548	37,447.63	51,428	23,709.05	61,156.68
1991	1,27,646	706.07	2,893.61	5,97,496	45,541.01	54,405	26,051.59	71,592.60
1992#	1,30,074	760.90	4,120.52	6,48,424	51,451.77	53,226	28,473.76	79,925.53
Platinum Jubilee								
1993	1,29,284	820.94	4,778.02	7,11,219	63,211.46	54,151	34,424.40	97,635.86
1994	1,30,758	902.32	4,924.41	7,79,212	79,233.15	61,263	45,837.00	1,25,070.15
1995	1,31,569	986.22	6,295.41	8,45,341	91,120.13	73,138	59,682.67	1,50,802.80
1996	1,32,046	1,049.29	9,145.06	8,97,713	1,08,930.40	77,154	71,324.70	1,80,255.10
1997	1,32,909	1,157.12	12,575.32	9,14,713	1,38,141.97	79,654	88,087.80	2,26,229.77
1998	1,34,061	1,291.49	15,810.05	9,47,833	1,68,035.59	82,429	1,13,907.47	2,81,943.06
1999	1,36,007	1,519.43	19,458.27	10,00,141	2,03,181.86	84,531	1,38,380.24	3,41,562.10
2000	1,42,031	2,035.28	24,410.99	10,84,261	2,37,951.84	87,642	1,70,310.76	4,08,262.60
2001	**83,272	2,443.81	31,236.00	11,09,969	2,81,776.31	75,006	1,80,542.56	4,62,318.87
2002	**85,636	2,709.00	39,795.96	12,17,662	3,37,767.21	75,381	2,04,339.78	5,42,106.99
2003	**89,117	3,044.44	47,841.14	12,99,736	3,66,059.68	73,308	2,22,359.50	5,88,419.18
2004	**94,044	3,457.77	55,587.75	12,29,976	4,05,270.26	77,917	2,61,675.60	6,66,945.86
2005	**1,00,581	4,156.48	70,162.39	11,80,900	4,78,614.38	85,312	3,24,722.93	8,03,337.31
2006	**1,06,264	4,896.57	82,198.60	14,00,757	6,20,428.65	1,00,115	4,60,898.62	10,81,327.27
2007	**1,23,169	6,877.24	97,362.05	18,11,635	8,92,494.33	1,16,687	6,37,045.87	15,29,540.20
2008	**1,26,174	7,120.97	1,05,973.67	21,92,673	11,43,081.93	1,22,626	7,44,830.67	18,87,912.60
2009	**1,29,741	7,749.67	1,09,671.08	25,02,655	12,91,884.64	1,27,769	8,11,040.59	21,02,925.23
2010	**1,34,417	8,623.11	1,18,413.65	24,39,699	14,26,672.86	2,75,479	9,25,035.47	23,51,708.33
2011	**1,62,560	10,283.24	1,37,375.92	25,59,939	15,80,096.07	1,11,991	11,51,199.23	27,31,295.30
2012	**1,68,529	11,691.66	1,59,877.47	29,32,606	19,25,270.98	1,12,196	13,95,270.49	33,20,541.47
2013	**1,72,282	12,690.93	1,83,440.27	31,86,120	21,14,433.16	1,04,923	15,02,341.51	36,16,774.67
2014	**1,75,242	16,768.78	1,97,412.18	35,59,404	23,93,951.03	97,364	15,47,005.02	39,40,956.05

* Including Interest Reserve

** Shareholders holding shares 50 and above

Financial Year : Change of Bank's accounting year since 1992 (April-March)

FACTS - AT A GLANCE (YEAR 1920-2014)

						(₹ in lac)
Year	Investments	Working Capital	Net Profit	Dividend Amount	Dividend (%)	No. of Branches
1920	-	0.07	0.02	-	-	1
Silver Jubilee						
1943	19.95	26.15	0.15	0.07	6.25	2
Golden Jubilee						
1968	290.37	623.05	2.52	1.30	9.00	9
1974	550.42	1,610.63	6.76	3.25	9.00	19
1975	675.50	1,763.27	9.01	3.80	9.00	20
1976	1,005.92	2,222.87	15.47	5.80	12.00	20
Diamond Jubilee						
1978	1,951.06	3,611.75	26.09	8.30	12.00	24
1979	2,188.60	4,535.81	30.52	10.25	12.00	26
1980	2,188.62	5,901.83	35.11	12.40	12.00	30
1981	3,182.74	7,728.06	51.16	16.50	12.00	34
1982	3,434.15	9,991.28	65.09	20.75	12.00	35
1983	4,275.89	15,767.14	70.57	24.75	12.00	37
1984	5,640.36	15,581.07	59.79	28.50	12.00	39
1985	7,040.29	19,311.54	69.94	33.90	12.00	41
1986	8,796.67	24,213.61	118.76	40.00	12.00	41
1987	10,231.78	26,570.23	145.47	46.02	12.00	42
1988	13,120.54	32,802.00	165.75	51.19	12.00	42
1989	9,231.86	36,532.31	196.01	58.07	12.00	42
1990	10,119.16	44,464.08	301.40	69.25	12.00	45
1991	13,092.37	55,242.28	430.46	78.90	12.00	47
1992#	17,560.62	64,032.95	468.33	81.75	15.00	50
Platinum Jubilee						
1993	31,022.23	84,821.62	633.50	116.45	18.00	50
1994	34,974.74	1,06,411.84	679.96	126.40	15.00	52
1995	35,185.80	1,30,031.69	742.66	140.00	15.00	56
1996	42,042.27	1,61,866.40	865.54	151.00	15.00	58
1997	53,534.87	1,96,927.69	1,100.00	204.00	18.00	59
1998	63,459.20	2,47,374.86	1,239.01	185.00	15.00	61
1999	85,431.42	3,12,590.57	1,423.97	228.00	15.00	63
2000	95,639.19	2,95,608.33	1,734.09	314.90	18.00	69
2001	1,25,554.41	3,41,061.54	2,341.54	390.00	20.00	72
2002	1,65,198.50	4,06,281.05	2,600.00	492.05	20.00	75
2003	1,77,262.65	4,38,696.89	2,935.85	408.03	18.00	76
2004	1,56,615.16	4,93,749.72	6,225.26	553.47	18.00	75
2005	2,05,289.40	5,90,348.41	7,037.88	659.52	18.00	75
2006	1,98,977.97	7,63,100.74	10,120.29	789.99	18.00	86
2007	2,60,989.72	10,74,547.13	15,517.92	1,138.42	18.00	105
2008	4,35,006.22	13,87,410.43	20,226.06	1,285.00	20.00	153
2009	4,79,150.75	15,62,281.73	21,079.23	1,489.13	20.00	175
2010	5,32,139.11	17,07,105.88	11,967.42	1,590.62	20.00	200
2011	5,25,376.69	19,18,937.24	21,226.72	1,847.16	20.00	216
2012	5,62,698.78	22,43,562.49	23,556.92	2,181.58	20.00	226
2013	6,44,403.06	24,79,080.40	11,209.11	1,213.10	10.00	229
2014	7,80,474.21	28,13,279.55	14,709.37	1,292.80*	10.00*	267

* Recommended for ordinary shares

Financial Year : Change of Bank's accounting year since 1992 (April-March)

SARASWAT INFOTECH LIMITED

REPORT OF THE BOARD OF DIRECTORS

To the Members,

Your Directors have pleasure in presenting the Eighth Annual Report of your Company together with the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2014.

FINANCIAL RESULTS:

The financial highlights of the Company for the FY 2013-14 are tabulated below:

(₹ in Crore)

Particulars	31-3-2014	31-3-2013
Total Income:		
i) Operational Income	19.88	41.23
ii) Other Income	3.34	1.40
	23.22	42.63
Profit before Interest, Depreciation & Tax	8.23	23.51
Less: i) Interest	0.21	-
ii) Depreciation	6.19	14.84
Profit before Tax	1.83	8.67
Provision for Taxes		
i) Current Tax	1.60	6.00
ii) Deferred Tax	(0.76)	(2.79)
Profit after Tax	0.99	5.46
Profit available for Appropriation	7.48	10.49
i) Transfer to General Reserves	0.15	0.75
ii) Dividend	4.58	3.05
iii) Corporate Dividend Tax	0.78	0.50
iv) Profit & Loss Balance c/f	1.97	6.19

Your Company has booked gross operational revenue of ₹ 19.88 crore during FY 2013-14 as against ₹ 41.23 crore in the previous FY 2012-13, indicating a decline of 52%.

The Company's current year profit before tax is ₹ 1.83 crore as against ₹ 8.67 crore in the previous financial year. The cash surplus generated during the financial year under review was ₹ 7.18 crore as against ₹ 20.30 crore in the FY 2012-13.

The Company transferred ₹ 0.15 crore (FY 2012-13 ₹ 0.75 crore) to the General Reserve out of the amount available for appropriations and ₹ 1.97 crore is to be carried forward in the Profit & Loss Account, during the year under review.

DIVIDEND:

Pursuant to the approval of Board of Directors on March 19, 2014, your Company had declared and paid an interim dividend of ₹ 3/- per share, (i.e., 30% per equity share) of face

value of ₹ 10/- each, on existing paid-up capital. Total outflow on this account was ₹ 5.36 crore including Corporate Dividend Tax (FY 2012-13 - ₹ 3.55 crore). This is the highest percentage of dividend ever paid by the Company since its inception. Last year your Company had distributed a total dividend of 20%. Your Board of Directors has not recommended payment of any additional dividend for the year.

OPERATION REVIEW:

As informed to you earlier that for the regulatory compliance reasons, The Saraswat Co-operative Bank Ltd., (SCBL) had terminated the Service Level Agreement (SLA) with the Company, effective July 1, 2013 and set up its own I.T. Dept for the purpose. Your Company put up the matter before the Board of Directors meeting followed by the Extra-Ordinary General Meeting of its Shareholders on 19-3-2014 to discuss and decide the transfer of the said business unit of the Company to The Saraswat Co-operative Bank Ltd. On the recommendations of the Board, the Extra-Ordinary General Meeting of the Shareholders of the Company unanimously approved the transfer of the said business unit to The Saraswat Co-operative Bank Ltd.

Accordingly, the said business related to I.T. services along with the tangible /intangible Assets, Liabilities, etc were taken over by the SCBL at a total consideration of ₹ 19.37 crore, as per the valuation done by our Statutory Auditors, M/s Kulkarni & Khanolkar, Chartered Accountants. The SCBL has also taken over those employees of SIL, who were connected with the said business, subject to their suitability. This deal has resulted in a profit on sale of assets of ₹ 2.19 crore to the Company.

The Company used to generate monthly revenue to the extent of ₹ 2.50 crore to ₹ 3.00 crore (approx) for the various services provided to the SCBL under the Service Level Agreement (SLA). The said revenue was discontinued on termination of the SLA by SCBL, with effect from July 1, 2013. It has affected the overall revenue of the Company to a great extent. Hence, the revenue as well as operational expenses figures show reduction.

Your Company could garner 17 new Co-operative Banks as clients located in different parts of the Country under SaaS business model, making total client co-operative banks to 57. In addition to the Core Banking, your Company has been providing connectivity to nationwide ATM network of National Payment Corporation of India Ltd (NPCL) under the sub-membership model to the small Co-operative Banks. Under the arrangement, the SCBL acts as the Sponsor Bank and the respective Co-operative Bank is admitted as the sub-member. Technical assistance is provided by your Company. Seven banks are live under the arrangement.

Primarily, your Company's services offerings are grouped in six distinct domains based on the areas of customer spend. The six domains which are Applications, Networks, Infrastructure, Value Added Services, Security solutions and Business Services together covering almost all areas of customers spend in our target markets. Customer Centricity and enhancing customer experience has always been a focus area for your Company.

PRODUCT DEVELOPMENT

i) Web-based Core Banking Solution 'SwiftCore'

Your Company has developed web-based Core Banking Product 'SwiftCore'. The product has been launched at the twenty three branches of the Saraswat Bank. You will appreciate the existing 'SwiftCore' Core Banking Solution has undergone sea change from time to time till now since its installation in 2003. In fact the existing product is much different, versatile in many respects. Hence, to incorporate all the features, functionalities, exceptional transaction treatments, regulatory requirements, etc., which have been developed over a long period, into the web-based version of 'SwiftCore', involved complex set of activities which delayed the completion of the project.

However, now the web-based 'SwiftCore' has been rigorously tested for all the required functionalities in the branches where it has been installed and now it is almost ready to roll over in all the Branches of the Bank during the current financial year. The Trade Finance (FOREX) module has been developed to meet the requirement of Whole-sale Banking and would be deployed in the SME Branches of Saraswat Bank. The web-based product being database independent would provide an edge over the competitors in the market. You would be happy to note that the Benchmarking exercise carried out to note the performance of the product in terms of scalability and availability has given desired results and hence would be additional selling point for your Company.

ii) RuPay EMV Debit Card

Your Company has successfully launched RuPay EMV Debit Card for Saraswat Bank during the year under review. We could ensure compliance to EMV standards in the stipulated time for RuPay and VISA Cards. Your Company was the first to achieve this mile stone in respect of RuPay EMV Card along with Bank of Baroda. On the dedication of RuPay Debit Card to the nation, The Saraswat Co-operative Bank Ltd, was felicitated for this achievement at the hands of President of India.

CMMI & PCI DSS CERTIFICATION:

Your Company has undertaken the initiative of assessing for CMMI Certification, much needed to vouch the best practices and processes followed in development of software. The same is currently under progress. PCI DSS certification too is in process to adhere to the card standards globally accepted by the banks.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has put in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.

As a part of our continuous effort to improve the quality and consistency in our deliverables, we have implemented ISO compliant processes. During the year, the Company

successfully achieved ISO 27001 re-certification. Besides, the Company also continues to maintain ISO 9001-2008 certification.

ECONOMIC SCENARIO:

The domestic economic situation is a challenging picture: there is no growth recovery in sight even as consumer price inflation continues to hover around 6%-7%. Key challenge to the Indian Economy is to revive the GDP growth to its pre-2008 level of 8-9%, control inflation and generate employment opportunities to the young population by creating investment friendly environment. New Government at the Centre with clear mandate is likely to keep up to the challenge posed by our Economy.

FUTURE OUTLOOK FOR YOUR COMPANY:

Your Company continues to invest in new technologies like smart computing products, cloud, analytics and mobility. These investments will help your Company capitalize on the emerging revenue opportunities in these areas. It is well positioned in the markets it serves with a broad range of service offerings and a diversified customer base across geographies.

Your Company would focus on providing connectivity for NFS network to small banks. This feature would enable these banks to retain their local character without losing the customers for want of services through delivery channels.

CORPORATE GOVERNANCE:

A. DIRECTORS:

Directors Shri S S Shirodkar and Shri S K Banerji would retire by rotation during the financial year. Since both the directors are eligible have offered themselves for reappointment. Shri S K Sakhalkar has been re-appointed as Managing Director and CEO of the Company.

B. AUDIT COMMITTEE:

The Audit committee of the Company is constituted by the Board of Directors in line with the section 292A of the Companies Act, 1956. The Audit Committee consists of four Independent Non-Executive Directors, viz, Shri Amit A Pandit Chairman of the Committee, Shri S S Sanzgiri, Shri K V Rangnekar and Shri S K Banerji.

During the financial year, the Audit Committee met four times to review the financial results and adequacy of the processes adopted by your Company.

The terms of reference of the Audit Committee include review of financial statements to ensure they reflect true and fair position of the affairs of the Company and recommending the appointment and fees of Internal and Statutory Auditors.

C. PERSONNEL:

As regards information as per Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employee) Rules, 1975 and forming part of the Directors Report for the year ended March 31, 2014, during the year under review, your Company had no employee who was in receipt of remuneration of more than ₹ 60,00,000/- during the year ended 31st March, 2014 or more than ₹ 5,00,000/- per month during any part of the said year.

D. SHARE CAPITAL:

Your Company's current Share Capital stands at ₹ 15.26 crore and there is no additional infusion of equity during the year. However, in view of transfer of SCBL business as aforesaid, your Company may have to think of restructuring its existing share capital. The remaining activities of the Company are comparatively less capital intensive in nature. At the present level of paid-up share capital, the Company would be overcapitalized and hence, the need to downsize the paid-up share capital. This shall also meet the desired regulatory compliance.

E. PUBLIC DEPOSITS:

The Company has not invited and/or accepted any deposits, within the meaning of Section 58-A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975 and made there under.

F. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to the requirements of Section 217 (1) (e) of the Companies Act, 1956 ("Act") read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 disclosures are as under:

The operations of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy. The Company continues to use the latest technologies for improving the productivity and quality of its services, products and offerings. The Company has no Foreign Exchange Earnings. However foreign exchange outgo was to the extent of ₹. 91.63 lakh during the year ended March 31, 2014.

AUDITORS:

The Statutory Auditors M/s Kulkarni & Khanolkar, Chartered Accountants, Mumbai, retire at the conclusion of the ensuing Annual General Meeting and they have confirmed their eligibility and willingness to be re-appointed. They have furnished a certificate confirming their eligibility for re-appointment under Section 139 and 141 of the Companies Act, 2013 and have expressed their willingness to be re-appointed. The appointed Auditor will hold office from the conclusion of the eighth Annual General Meeting until the conclusion of the eleventh Annual General Meeting and their appointment shall be governed by section 139 and 141 of the Companies Act, 2013 read with Rule 6 under Chapter X of Companies (Audit and Auditors) Rules, 2014.

COMMENTS ON AUDITORS' REPORT:

Since Auditors have not given any qualification in their report no comments are offered.

HUMAN RESOURCES:

The Company believes in the ability of each of its associates and hence provides ample opportunities to tap this potential and invests in their growth and development.

The relations with the employees during the year were cordial and the Board of Directors wishes to express its appreciation

for the co-operation and dedication of all employees of the Company.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 ("Act") and based on the representations received from the operating management, the Directors hereby confirm that:

- In the preparation of the Annual for the year 2013-14, the applicable Accounting Standards have been followed and there are no material departures;
- We have selected such accounting policies in consultation with the Statutory Auditors and applied them consistently, made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956. We confirm that there are adequate systems and controls for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
- We have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT & APPRECIATION:

The Board of Directors takes this opportunity to thank the customers, Clients, Vendors, Bankers, Auditors, Advisers and other business partners/ associates for their continued support and encouragement in the Company's growth. The Directors also wish to thank the Shareholders, Directors, Executives and Employees at all levels of The Saraswat Co-operative Bank Ltd, for their continued support and guidance.

The Board wishes to place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support and we look forward to their continued support in the future.

For and on behalf of the Board of Directors

sdl/-

S K SAKHALKAR

Mumbai, July 26, 2014

Managing Director & CEO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARASWAT INFOTECH LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of **SARASWAT INFOTECH LTD.**, which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and 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

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.

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 judgement, including the assessment of the risk 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 company'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 opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimate made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014.
- (b) In case of the Statement of Profit and Loss, of the profit/loss for the year ended on that date.
- (c) In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report On Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No.105407W

sd/-

(P.M. PARULEKAR)

Partner

Membership No. 36362

Place: Mumbai

Date : July 26, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As informed to us, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The Company has disposed off a substantial part of its fixed assets during the year; but in our opinion it has not affected it as a going concern.
- (ii) Since the company is a service company, it is not required to maintain any inventory.
- (iii) According to the information given to us, the company has not granted / taken any loan, secured or unsecured to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchase of hardware, consumables and fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) In our opinion and according to the information and explanations given to us, there are no particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 which are required to be entered in the register maintained under that Section.
- (vi) According to the information and explanations given to us, the Company has not accepted deposits from public.
- (vii) In our opinion, and the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) In our opinion and according to the information given to us, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the products of the Company.
- (ix) (a) The Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess etc. whichever applicable have been regularly deposited with the appropriate authorities. Undisputed Statutory dues outstanding for more than six months as on the date of Balance Sheet - NIL
- (b) Particulars of dues of sales tax, income tax, service tax, custom duty, wealth tax, excise duty, cess not deposited on account of dispute as on the date of Balance sheet are as follows –

Particulars	Amount (₹ in crore)	Forum where pending
Income Tax A.Y. 2011-12	0.21	Commissioner of Income Tax (Appeals)

- (x) In our opinion, the Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- (xii) As informed to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) As explained to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xvi) According to the information and explanations given to us, the Company has not borrowed funds in the nature of term loan.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that there are no funds raised on short term basis which are used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares. Hence, we are not required to report in terms clause 4(xviii) of the said Order.
- (xix) The Company has not issued any debentures.
- (xx) The Company has not raised any money by way of public issue.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No.105407W

sd/-

(P.M. PARULEKAR)

Partner

Membership No. 36362

Place: Mumbai

Date : July 26, 2014

BALANCE SHEET AS AT 31ST MARCH, 2014

(Amount in ₹)

Particulars	Note No.	31-03-2014	31-03-2013
I EQUITY AND LIABILITIES			
1) SHARE HOLDERS' FUNDS			
(a) Share Capital	1	152,631,570.00	152,631,570.00
(b) Reserves and Surplus	2	108,629,792.81	149,253,692.37
2) NON-CURRENT LIABILITIES			
Deferred tax liabilities (Net)	3	-	7,425,692.00
3) CURRENT LIABILITIES			
(a) Trade payables		353,466.00	1,803,265.00
(b) Other current liabilities	4	16,343,302.78	13,669,474.98
(c) Short-term provisions	5	127,268,362.49	139,330,065.00
Total		405,226,494.08	464,113,759.35
II ASSETS			
1) NON-CURRENT ASSETS			
(a) Fixed assets	6		
(i) Tangible assets		28,998,378.56	86,695,376.24
(ii) Intangible assets		1,026,880.53	6,890,850.08
(iii) Capital WIP		177,999.00	62,418,556.00
(b) Non-current investments	7	25,000.00	25,000.00
(c) Deferred tax assets (Net)	8	190,225.00	-
(d) Long term loans and advances	9	98,407,388.00	89,381,326.00
2) CURRENT ASSETS			
(a) Trade receivables	10	7,837,804.24	15,147,525.44
(b) Cash and bank balances	11	56,483,966.75	181,301,441.40
(c) Short-term loans and advances	12	8,635,198.50	16,444,883.19
(d) Other current assets	13	203,443,653.50	5,808,801.00
Total		405,226,494.08	464,113,759.35

As per our report of even date attached
For **KULKARNI & KHANOLKAR**
Chartered Accountants
Firm Registration No. 105407W

For and on behalf of the Board
Saraswat Infotech Ltd.

sd/-
P.M. PARULEKAR
Partner
Membership No. 36362
Place: Mumbai
Date : July 26, 2014

sd/-
A.A. PANDIT
Director

sd/-
S.K. BANERJI
Director

sd/-
S.K. SAKHALKAR
Managing Director & CEO

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)			
Particulars	Note No.	31-03-2014	31-03-2013
I Revenue from Operations	14	198,821,069.00	412,329,941.00
II Other Income	15	33,355,510.95	13,992,472.80
III Total Revenue		232,176,579.95	426,322,413.80
IV Expenses:			
i Employees Benefit Expense	16	42,282,665.00	66,712,942.00
ii Finance Costs	17	2,128,830.00	-
iii Depreciation and Amortization Expense	18	61,874,031.18	148,420,450.00
iv Other Expenses	19	107,611,597.33	122,587,064.43
V Total Expenses		213,897,123.51	337,720,456.43
Less: Prior Period Expenses	22	-	1,923,062.00
VI Profit Before Tax		18,279,456.44	86,678,895.37
VII Tax Expense:			
Current Tax		16,000,000.00	60,000,000.00
Deferred Tax		(7,615,917.00)	(27,900,360.00)
VIII Profit for the Year		9,895,373.44	54,579,255.37
Earnings Per Equity Share of ₹ 10/- each			
Basic		0.65	3.58
Diluted		0.65	3.58

As per our report of even date attached
For **KULKARNI & KHANOLKAR**
Chartered Accountants
Firm Registration No. 105407W

For and on behalf of the Board
Saraswat Infotech Ltd.

sd/-
P.M. PARULEKAR
Partner
Membership No. 36362
Place: Mumbai
Date : July 26, 2014

sd/-
A.A. PANDIT
Director

sd/-
S.K. BANERJI
Director

sd/-
S.K. SAKHALKAR
Managing Director & CEO

NOTES ANNEXED TO & FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH 2014

(Amount in ₹)

Particulars	31-03-2014	31-03-2013
NOTE 1 – SHARE CAPITAL		
Authorised:		
25,000,000 Equity Shares of ₹ 10 Each	250,000,000.00	250,000,000.00
Total	250,000,000.00	250,000,000.00
Issued, Subscribed & Fully Paid Up:		
15,263,157 Equity Shares of ₹ 10/- each fully paid	152,631,570.00	152,631,570.00
(Previous Year: 15,263,157 Equity Shares of ₹ 10/- each fully paid)		
Total	152,631,570.00	152,631,570.00

RECONCILIATION OF NUMBER OF SHARES :

Particulars	31-03-2014 Equity Shares		31-03-2013 Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	15,263,157	152,631,570	15,263,157	152,631,570
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	15,263,157	152,631,570	15,263,157	152,631,570

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule VI to the Companies Act, 1956

15,263,157 Equity Shares (Previous year No 15,263,157) are held by The Saraswat Co-op. Bank Ltd., the holding Co-operative Society.

SHAREHOLDERS HOLDING MORE THAN 5 % SHARE CAPITAL :

Name of Shareholder	31-03-2014		31-03-2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
The Saraswat Co-Op. Bank Ltd.	15,263,157	100%	15,263,157	100%

Terms/Rights/Restrictions:-

The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

The company declares and pays dividend in Indian rupees. The dividend proposed by Board of Directors, if any is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Amount in ₹)		
Particulars	31-03-2014	31-03-2013
NOTE 2 – RESERVES & SURPLUS		
(a) Securities Premium Account		
Opening Balance	47,368,413.00	47,368,413.00
Closing Balance	47,368,413.00	47,368,413.00
(b) General Reserve		
Opening Balance	40,016,000.00	32,516,000.00
(+) Current Year Transfer	1,500,000.00	7,500,000.00
Closing Balance	41,516,000.00	40,016,000.00
(c) Surplus, i.e. balance in statement of Profit & Loss		
Opening balance	61,869,279.37	50,268,470.00
(+) Net Profit For the current year	9,895,373.44	54,579,255.37
(+) Excess Provision of Income Tax for earlier years	3,052,119.00	-
(-) Transfer to General Reserve	1,500,000.00	7,500,000.00
(-) Interim Dividend	45,789,471.00	30,526,314.00
(-) Corporate Dividend Tax	7,781,921.00	4,952,132.00
Closing Balance	19,745,379.81	61,869,279.37
Total	108,629,792.81	149,253,692.37
NOTE 3 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax Liability:		
Depreciation	-	10,547,440.00
Deferred Tax Asset:		
Section 43 B	-	3,121,748.00
Total	-	7,425,692.00
NOTE 4 – OTHER CURRENT LIABILITIES		
Advance Received from Customers	3,343,886.00	8,484,008.00
VAT Payable	50,556.80	222,968.00
Service Tax Payable	6,801,881.00	617,737.00
TDS Payable	3,454,955.00	2,250,401.00
LBT Payable	294,220.00	-
Retention Money Payable	1,280,172.98	1,564,022.98
Income Received in Advance	1,104,781.00	497,213.00
Others	12,850.00	33,125.00
Total	16,343,302.78	13,669,474.98
NOTE 5 – SHORT TERM PROVISIONS		
(a) Provision for Employee Benefits		
Bonus Payable	208,943.00	220,073.00
Leave Encashment	6,018,254.00	13,506,293.00
PLI Payable	3,008,604.00	5,729,854.00
Others	770,176.00	975,898.00
(b) Others		
Provision for Taxation	104,500,000.00	105,000,000.00
Provision for Others	12,762,385.49	13,897,947.00
Total	127,268,362.49	139,330,065.00

(Amount in ₹)

NOTE 6 - TANGIBLE ASSETS & INTANGIBLE ASSETS:

Sr. No.	Fixed Assets	Rate of Dep.	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
			Balance as at 1-04-2013	Additions	Sales	Balance as at 31-03-2014	Balance as at 1-04-2013	Depreciation for the year	On sales	Balance as at 31-03-2014	Balance as at 31-03-2014	Balance as at 31-03-2013
1	Tangible Assets											
	Furniture and Fixtures	0.06	2,572,541.50	119,293.00	566,169.00	2,125,665.50	913,579.70	179,002.46	566,169.00	526,413.16	1,599,252.34	1,658,961.80
2	Office Equipment	0.07	4,001,637.45	2,184,637.00	-	6,186,274.45	659,935.18	441,890.89	-	1,101,826.07	5,084,448.38	3,341,702.27
3	Motor Car	0.10	3,005,179.64	-	507,990.00	2,497,189.64	604,921.43	253,319.33	186,513.00	671,727.76	1,825,461.88	2,400,258.21
4	Computers	0.33	320,243,420.10	68,031,513.00	329,400,563.00	58,874,370.10	240,948,966.14	54,028,445.00	256,592,257.00	38,385,154.14	20,489,215.96	79,294,453.96
	Total (A)		329,822,778.69	70,335,443.00	330,474,722.00	69,683,499.69	243,127,402.45	54,902,657.68	257,344,939.00	40,685,121.13	28,998,378.56	86,695,376.24
	Intangible Assets											
	Computer Software	0.33	264,031,448.97	73,488,770.00	332,984,667.05	4,535,551.92	257,140,598.89	6,971,373.50	260,603,301.00	3,508,671.39	1,026,880.53	6,890,850.08
	TOTAL (B)		264,031,448.97	73,488,770.00	332,984,667.05	4,535,551.92	257,140,598.89	6,971,373.50	260,603,301.00	3,508,671.39	1,026,880.53	6,890,850.08
	Grand Total (A+B)		593,854,227.66	143,824,213.00	663,459,389.05	74,219,051.61	500,268,001.34	61,874,031.18	517,948,240.00	44,193,792.52	30,025,259.09	93,586,226.32
	Previous Year : Total		570,150,517.66	49,946,670.00	26,242,960.00	593,854,227.66	374,672,947.34	148,420,450.00	22,825,396.00	500,268,001.34	93,586,226.32	195,477,570.32

(Amount in ₹)

Particulars	31-03-2014	31-03-2013
NOTE 7 – NON-CURRENT INVESTMENTS		
Other Investments (Unquoted)		
Shares of The Saraswat Co-op. Bank Ltd. (Holding Co-operative Society) 2500 Shares of ₹ 10/- each (Previous Year: 2500 Shares of ₹ 10/- each)	25,000.00	25,000.00
Total	25,000.00	25,000.00
NOTE 8 - DEFERRED TAX ASSETS (NET)		
Deferred Tax Asset:		
Section 43 B	2,020,414.00	-
Section 40a(ia)	613,048.00	-
Deferred tax Liability:		
Depreciation	2,443,237.00	-
Total	190,225.00	-
NOTE 9 - LONG TERM LOANS AND ADVANCES		
Other Loans and Advances		
Advance Tax	98,407,388.00	89,381,326.00
Total	98,407,388.00	89,381,326.00

(Amount in ₹)		
Particulars	31-03-2014	31-03-2013
NOTE 10 – TRADE RECEIVABLES		
Trade Receivables outstanding for a period upto six months from the date they are due for payment		
Unsecured, considered good	5,671,091.80	12,685,136.00
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	2,166,712.44	2,462,389.44
Total	7,837,804.24	15,147,525.44

Note:

Debt due by Directors or other officers or by firms or by private companies respectively in which any director is a partner or a director or a member -NIL (Previous Year -NIL)

NOTE 11 – CASH AND BANK BALANCES**I Cash and Cash equivalents**

(a) Cash on hand	392.00	1,563.00
(b) Balances with Banks:		
The Saraswat Co.op. Bank Ltd.	(9,692,628.17)	(10,425,251.88)
Axis Bank Ltd.	3,151,797.92	7,641,085.10
State Bank of India	24,200.00	-
Bank Deposits with Less than 3 months maturity	32,545,000.00	28,750,000.00

II Other Bank Balances:

Unpaid Dividend Bank Account	9,478.00	9,534.18
Bank Deposits with more than 12 months maturity	30,445,727.00	155,324,511.00
Total	56,483,966.75	181,301,441.40

NOTE 12 – SHORT TERM LOANS AND ADVANCES (unsecured, considered good)

Creditors Advances	5,527,639.00	8,497,228.19
Advance to Employee	96,977.00	421,104.00
Gratuity receivable from Gratuity trust	101,791.00	-
Prepaid Expenses	1,383,448.00	5,171,449.00
Service Tax Credit Receivable	1,525,343.50	2,355,102.00
Total	8,635,198.50	16,444,883.19

NOTE 13 – OTHER CURRENT ASSETS

EMD Paid	1,175,000.00	700,000.00
Income WIP	5,865,000.00	5,107,500.00
Interest Receivable on Investment	-	1,301.00
The Saraswat Co-op. Bank Receivable	194,034,163.50	-
Other Receivable	2,369,490.00	-
Total	203,443,653.50	5,808,801.00

		(Amount in ₹)	
Particulars	31-03-2014	31-03-2013	
NOTE 14 – REVENUE FROM OPERATIONS			
Sale of Services	192,956,069.00	407,222,441.00	
Income WIP	5,865,000.00	5,107,500.00	
Total	198,821,069.00	412,329,941.00	
NOTE 15 – OTHER INCOME			
Interest Received on Bank Fixed Deposits	10,694,749.00	13,426,996.00	
Dividend Received	2,500.00	5,000.00	
Profit on Sale of Assets (Net)	21,920,480.95	-	
Other Non Operating Income	45,458.00	560,476.80	
Excess Provision of earlier years	692,323.00	-	
Total	33,355,510.95	13,992,472.80	
NOTE 16 - EMPLOYEE BENEFIT EXPENSES			
Salaries & Wages	38,953,754.00	63,086,836.00	
Contribution to Provident & Other Funds	2,495,307.00	2,810,291.00	
Staff Welfare Expenses	833,604.00	815,815.00	
Total	42,282,665.00	66,712,942.00	
NOTE 17 – FINANCE COSTS			
Borrowing costs			
Interest Expense	2,128,830.00	-	
Total	2,128,830.00	-	
NOTE 18 – DEPRECIATION AND AMORTISATION EXPENSES			
Depreciation on Tangible Assets	54,902,657.68	84,405,218.00	
Amortisation of Intangible Assets	6,971,373.50	64,015,232.00	
Total	61,874,031.18	148,420,450.00	

(Amount in ₹)

Particulars	31- 03-2014	31-03-2013
NOTE 19 – OTHER EXPENSES		
Bank Charges	13,167.64	26,893.29
Electricity Expenses	2,172,935.01	11,231,152.16
Electrical Goods	262,680.00	425,677.00
Maintenance of Office Infrastructure	4,437,176.00	17,580,000.00
Telephone Expenses	546,118.00	469,257.80
Loss on Sale of Assets (Net)	-	1,595,324.00
Computer Consumables	992,560.00	4,162,838.00
System Integration Outsourcing for Project Delivery	27,227,701.00	7,995,527.00
IT Facility Maintenance Expenses	691,250.00	2,658,000.00
AMC Expenses	7,640,434.68	16,728,219.50
Leased / ISDN Line Expenses	9,653,929.00	10,081,227.81
Traveling & Conveyance	3,408,637.00	3,795,964.00
Repairs & Maintenance	116,387.00	82,200.00
Outsourced Expenses for Data Processing etc.	6,425,818.00	8,721,421.00
Director's Sitting Fees	277,500.00	256,500.00
Other Expenses	18,823,945.00	12,341,563.07
Software Upgradation & Renewal	2,724,244.00	4,089,922.00
Visa Expenses	18,740,126.00	11,851,069.00
Printing and Stationery	1,096,933.00	984,558.00
Professional Fees	2,324,556.00	6,760,637.00
Training Charges	35,500.00	37,030.00
Bad Debts written off	-	712,083.80
Total	107,611,597.33	122,587,064.43
NOTE 20 – PAYMENTS TO AUDITOR AS:		
Auditor	350,000.00	350,000.00
For Taxation Matters	18,000.00	18,000.00
Out of Pocket Expenses	6,000.00	6,000.00
Total	374,000.00	374,000.00
NOTE 21 – SERVICES RENDERED		
Information Technology & Consultancy Services	64,712,637.00	322,700,931.00
System Integration Sales & Services	24,267,354.00	18,000.00
Professional Fees	6,263,058.00	7,380,810.00
Other Services	97,713,020.00	77,122,700.00
Total	192,956,069.00	407,222,441.00
NOTE 22 – PRIOR PERIOD EXPENSES		
Leased Line Charges	-	743,694.00
Visa Charges	-	1,179,368.00
Total	-	1,923,062.00

NOTE – 23 Significant accounting policies:-

i) Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956 and pronouncements of the Institute of Chartered Accountants of India.

ii) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenditure.

iii) Fixed Assets

Fixed assets are stated at cost less depreciation. Cost comprises the purchase price & any attributable cost of bringing the asset to its working condition for its intended use.

iv) Depreciation

- (a) Computers are depreciated on straight line basis @ 33.33%
- (b) Depreciation on all other tangible assets has been provided on straight line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

v) Intangible Assets

Intangible Assets are amortised over 3 years.

vi) Impairment of assets

No provision is required to be made in terms of AS-28 viz. "Impairment of Assets".

vii) Taxation

- (a) Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- (b) Deferred tax is recognised, subject to consideration of prudence, on timing differences, representing the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates that have been enacted or substantially enacted by the Balance Sheet date.

viii) Employee Benefits

- (a) Provision for gratuity is made based on the actuarial valuation as per Accounting Standard – 15 (Revised).
- (b) The Leave Encashment has been fully provided for "As per full liability" basis for the leave entitlement.
- (c) The Company's contribution to provident fund is accounted for on the basis of contribution to the scheme.

ix) Provisions and Contingencies

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

x) Revenue Recognition

- (a) Revenue from SaaS Services is recognized on accrual basis in cases where the first branch is made live as per the terms of the contract.
- (b) In following cases, where implementation of the contract gets spilled over more than one accounting period, work in process is accounted for the efforts and expenses incurred pending bills raised as per the terms of the contract :-
 - 1) Where services are rendered on SaaS basis;
 - 2) Where software license is sold;
- (c) Revenue from customer training, support and other services is recognised as & when the related services are performed.
- (d) Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates.
- (e) Revenue from licensing of software is recognised as per the terms of license.

NOTE – 24

(Amount in ₹)

Particulars	As on 31-03-2014	As on 31-03-2013
i) Value of Imports on CIF basis	9,162,680	NIL
ii) Expenditure in foreign currency Other Matters	NIL	1,339,065
iii) Amount remitted during the year in foreign currency on account of dividend	NIL	NIL
iv) Earnings in foreign exchange	NIL	NIL

NOTE – 25

As per information available with the Company, there are no dues payable as on 31st March, 2014 to entities covered under Micro, Small, Medium Enterprises Development Act, 2006.

NOTE – 26

Capital Commitments :-

Capital commitments (Net of Advance) in respect of

- i) Tangible Assets - ₹ 2,127,080/- (Previous year ₹ 65,095,830/-)
- ii) Intangible Assets - NIL (Previous year ₹ 400,000/-)
- iii) Others - ₹ 3,208,311/- (Previous year ₹ 6,860,618/-).

NOTE – 27

Related party and their relationship

Holding Entity

The Saraswat Co-op. Bank Ltd.

Related Party Disclosures (AS-18)

(₹ in Crore)

Items / Related Party	The Saraswat Co-op. Bank Ltd. 31-03-2014	The Saraswat Co-op. Bank Ltd. 31-03-2013
Fixed Deposit with Bank as on	6.30	18.41
Share Capital held as on	15.26	15.26
Interest received from Bank On FDR during the year	1.07	1.34
Received from Bank towards Services rendered during the year	11.76	36.20
Dividend paid during the year	4.58	3.05
Paid towards Office Infrastructure Maintenance during the year	0.44	1.76
Current account with Bank	0.003	-1.04
Dividend Received From Bank (₹.2500/- in actual, Previous year ₹.5000/-)	0	0
SCB Share Held (₹.25000/- in actual, Previous year ₹.25,000/-)	0	0
Receivable from Bank as on	19.40	0.59

NOTE – 28

The assessing officer has raised demand of ₹.0.21 Crore for A.Y. 2011-12, which is contested by Company in appeal. Based on the judicial pronouncements, company is confident of favourable order from appellate authorities. Hence, no provision for the aforesaid demand is made.

NOTE – 29

Segment Reporting (AS 17)

Since the Company has only one 'Business Segment' as well as only one 'Geographical Segment' as defined under AS-17, separate disclosures under these two segments are not given.

NOTE – 30
Employee Benefits

1. Company Contribution to Provident Fund - ₹ 16.16 Lac (Previous year ₹ 19.61 Lac)
2. Gratuity expenses represent ₹ 6,87,261/- (₹ 6,65,661/-) paid to L.I.C. pursuant to Company subscribing to its Group Gratuity Scheme.

(Amount in ₹)

Sr. No.	Particulars	Gratuity Funded	
		31-03-2014	31-03-2013
1.	Assumption		
	i) Discount rate (per annum)	8%	8%
	ii) Salary Escalation rate (per annum)	5%	5%
2.	Changes in present value of Obligation As on		
	Present value of obligation as at beginning of year	5,345,198	4,568,769
	Interest cost	427,616	365,502
	Current service cost	510,874	485,771
	Benefits paid	-4,915,327	-112,212
	Actuarial gain/(loss) on obligations	629,854	37,368
	Present value of obligation as at the end of year	1,998,215	5,345,198
3.	Fair value of plan assets as at beginning of year	6,346,328	5,351,881
	Expected return on plan assets	495,667	490,256
	Contributions	659,568	616,403
	Benefits paid	-4,915,327	-112,212
	Actuarial gain/ (loss) on plan assets	NIL	NIL
	Fair value of obligation as at the end of year	2,586,236	6,346,328
4.	Fair value of plan assets at beginning of year	6,346,328	5,351,881
	Actual return on plan assets	495,667	490,256
	Contributions	659,568	616,403
	Benefits paid	-4,915,327	-112,212
	Fair Value of plan assets at the end of year	2,586,236	6,346,328
	Funded Status	588,021	1,001,130
	Excess of Actual over estimated return on plan assets	NIL	NIL
5.	Actuarial (gain) / loss recognized		
	Actuarial (gain) / loss on obligations	-629,854	-37,368
	Actuarial (gain) / loss for the year - plan assets	NIL	NIL
	Actuarial (gain) / loss for the year	629,854	37,368
	Actuarial (gain) / loss recognized in the year	629,854	37,368
6.	Amount recognized in the Balance sheet and Statement of Profit & Loss		
	Present value of obligation as at the end of year	1,998,215	5,345,198
	Fair value of plan assets as at end of year	2,586,236	6,346,328
	Funded Status	588,021	1,001,130
	Net Assets/ (Liability) recognized in Balance Sheet	588,021	1,001,130

(Amount in ₹)

Sr. No.	Particulars	Gratuity Funded	
		31-03-2014	31-03-2013
7.	Expenses recognized in Statement of Profit and Loss		
	Current service cost	510,874	485,771
	Interest cost	427,616	365,502
	Expected return on plan assets	-495,667	-490,256
	Net actuarial (gain)/ loss recognized in the year	629,854	37,368
	Expenses recognized in Statement of Profit & Loss account.	1,072,677	398,385

NOTE – 31

During the year, the company sold its business unit engaged in the activities of IT services to the Saraswat Bank, as a going concern on slump sale basis for a consideration of ₹.19.37 Crore.

NOTE – 32

Due to inadequacy of profit during the year, managerial remuneration is computed on the basis of effective capital computed as per the Schedule XIII of the Companies Act, 1956.

NOTE – 33

Figures of the previous year have been regrouped wherever necessary to conform to layout of the accounts of the current year.

As per our report of even date attached

For **KULKARNI & KHANOLKAR**

Chartered Accountants

Firm Registration No. 105407W

For and on behalf of the Board

Saraswat Infotech Ltd.

sd/-

P.M. PARULEKAR

Partner

Membership No. 36362

Place: Mumbai

Date : July 26, 2014

sd/-

A.A. PANDIT

Director

sd/-

S.K. BANERJI

Director

sd/-

S.K. SAKHALKAR

Managing Director & CEO

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	31-03-2014	31-03-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit for the year	18,279,456	86,678,895
Adjustments For :		
Depreciation	61,874,031	148,420,450
(Profit)/Loss on sale of assets	(21,920,480)	1,595,324
Interest Received	(10,694,749)	(13,426,996)
Dividend Received	(2,500)	(5,000)
Increase/ (Decrease) in Trade Payables	(1,449,799)	171,083
Increase/ (Decrease) in Current Liabilities	(8,887,875)	14,087,883
Increase/ (Decrease) in Trade Receivables	7,309,722	(532,397)
(Increase)/ Decrease in Other Bank Balances	124,878,840	(97,305,476)
Increase/ (Decrease) in Current Assets	(189,825,168)	(4,915,547)
Income Tax Paid	(22,473,943)	(41,834,786)
Interest Paid	2,128,830	-
Cash from operating Activities (A)	(40,783,635)	92,933,433
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(143,824,213)	(49,946,670)
Increase in Capital WIP	62,240,557	(23,992,572)
Sale of Fixed Assets	167,431,630	1,822,240
Interest Received	10,694,749	13,426,996
Dividend Received	2,500	5,000
Net Cash from Investing Activities (B)	96,545,223	(58,685,006)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(45,789,471)	(30,526,314)
Corporate Dividend Tax Paid	(7,781,921)	(4,952,132)
Interest and Other Borrowing Costs Paid	(2,128,830)	-
Net Cash from Financing Activities (C)	(55,700,222)	(35,478,446)
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	61,366	(1,230,019)
Opening Balance of Cash and Cash Equivalents	25,967,396	27,197,415
Closing Balance of Cash and Cash Equivalents	26,028,762	25,967,396

As per our report of even date attached

For **KULKARNI & KHANOLKAR**
Chartered Accountants
Firm Registration No. 105407W

For and on behalf of the Board

Saraswat Infotech Ltd.

sd/-
P.M. PARULEKAR
Partner
Membership No. 36362
Place: Mumbai
Date : July 26, 2014

sd/-
A.A. PANDIT
Director

sd/-
S.K. BANERJI
Director

sd/-
S.K. SAKHALKAR
Managing Director & CEO

STATEWISE / REGIONWISE BRANCH NETWORK

Maharashtra					
Mumbai					
1	Andheri (E), New Nagardas Road	54	Mahim, Sitaladevi Temple Road	103	Boisar
2	Andheri (E), Old Nagardas Road	55	Malad, Mamlatdar Wadi	104	Dombivali (E)
3	Andheri (E), Marol	56	Malad (W), Orlem	105	Dombivali (W)
4	Andheri (E), MIDC	57	Malad (W), Link Road	106	Kalwa
5	Andheri (E), Saki Naka	58	Masjid Bunder	107	Kalyan, Murbad Road
6	Andheri (W), Lokhandwala	59	Matunga (E), Telang Road	108	Kalyan, Khadakpada
7	Andheri (W), Barfiwala Road	60	Mazgaon	109	Mira Road
8	Andheri (W), Veera Desai Road	61	Mulund (E), Lokmanya Tilak Road	110	Palghar
9	Ballard Estate	62	Mulund (W), M.G.Road	111	Thane (E), Kopri Colony
10	Bandra (E), Chetana College	63	Mulund (W), RRT Road	112	Thane (W), Hiranandani
11	Bandra (E), Bandra Kurla Complex	64	Mulund (W), Veena Nagar	113	Thane (W), Jambhli Naka
12	Bandra (W), National Library	65	Mulund (W), Sarvodaya Nagar	114	Thane (W), Khopat
13	Bhandup (W), L. B. S. Marg	66	Mumbai Central	115	Thane (W), Naupada
14	Borivali (W), I C Colony	67	Overseas, Marine Lines	116	Thane (W), Vartak Nagar
15	Borivali (E), Carter Road	68	Parel, M.D. College	117	Thane (W), Vijay Nagari
16	Borivali (W), Chandavarkar Lane	69	Powai, I.I.T.	118	Thane (W), Pachpakhadi
17	Borivali (W), Shimpoli	70	Powai, Hiranandani	119	Ulhasnagar
18	Carnac Bunder	71	Prabhadevi	120	Vasai (E)
19	Chembur (W), Sion Trombay Road	72	Santacruz (E), Kalina	121	Vasai (W)
20	Chembur (W), Collectors' Colony	73	Santacruz (E), Nehru Road	122	Virar (E)
21	Chembur (W), Tilak Nagar	74	Santracruz (W), Station Road	123	Virar (W)
22	CST	75	Sion (W), Swami Vallabhadas Road	Pune	
23	Dadar (E), Dadasaheb Phalke Rd	76	SME - Dadar	124	Akurdi
24	Dadar (E), Hindu Colony	77	SME - Nariman Point	125	Aundh
25	Dadar (W), Gadkari Chowk	78	SME - Vikhroli	126	Baner Road
26	Dadar (W), Madhukendra	79	SME - Vile Parle	127	Bavdhan
27	Dahisar (E), Maratha Colony	80	Thakurdwar	128	Bhusari Colony
28	Dahisar (W)	81	Vikhroli (E)	129	Bibwewadi
29	Dharavi	82	Vikhroli (W)	130	Budhwar Peth
30	Fort, D.N.Road	83	Vile Parle (E)	131	Chakan
31	Ghatkopar (E), Opp Rly Stn	84	Vile Parle (W)	132	Chinchwad
32	Ghatkopar (W), L.B.S. Marg	85	Wadala	133	Dahanukar Colony
33	Ghatkopar (W), Barve Nagar	86	Wadala, Antop Hill	134	Fergusson College Road
34	Girgaum, S.V. Sovani Path	87	Worli	135	Fatima Nagar
35	Goregaon (E), Walawalkar Wadi			136	Ganesh Khind Road
36	Goregaon (E), Nagari Niwara	Navi Mumbai		137	Ganesh Nagar
37	Goregaon (E), Goregaon Hub	88	Airoli, Sector 7	138	Hadapsar
38	Goregaon (W), S.V. Road	89	CBD Belapur, Sector 11	139	Hinjewadi
39	Goregaon (W), Link Road	90	Kamothe, Sector 7	140	Karve Road
40	Grant Road, Dr. D.B.Marg	91	Kharghar, Sector 7	141	Katraj
41	Jogeshwari (E), Majaswadi	92	Koparkhairane, Sector 20	142	Kharadi
42	Juhu	93	Nerul (E), Sector 21	143	Kondhwa
43	Kalbadevi	94	Nerul (W), Sector 4	144	Narayan Peth
44	Kandivali, Charkop	95	Sanpada, Sector 4	145	Pashan
45	Kandivali (E), Thakur Complex	96	Seawood	146	Paud Road
46	Kandivali (E), Thakur Village	97	Uran	147	Pimple Nilakh
47	Kandivali (W), S.V.Road	98	Vashi, Sector 17	148	Pimple Saudagar
48	Kandivali (W), Dahanukarwadi			149	Pimpri
49	Kandivali (W), M.G.Road	Thane District		150	Rajguru Nagar
50	Kandivali (W) GIE	99	Ambarnath (E)	151	Sahakar Nagar
51	Khar (W), Pali Hill	100	Badlapur (E)	152	Sinhagad Road
52	Khar, Linking Road	101	Bhayander (W)	153	SME - Pune
53	Lower Parel, N.M.Joshi Marg	102	Bhivandi	154	Somwar Peth
				155	Talegaon

STATEWISE / REGIONWISE BRANCH NETWORK

Maharashtra		
156 Tilak Road	Sindhudurga	200 Kupwad
157 Vamnicom	178 Devgad	201 Mahaveer Nagar
158 Viman Nagar	179 Kankavli, Bajarpeth	202 Miraj Laxmi Market
159 Vishrantwadi	180 Kankavli, Rameshwar Plaza	203 Shastri Chowk
Nashik	181 Kudal	204 Shivaji Nagar
160 CIDCO	182 Malvan	205 Tasgaon
161 Gangapur Road	183 Sawantwadi	206 Vita
162 Jail Road	184 Vaibhavwadi	Satara
163 Mahatma Nagar	185 Vengurla	207 Karad
164 Main Road	Jalgaon	208 Satara
165 Musalgaon	186 Baliram Peth	Kolhapur
166 Sharanpur	187 Gandhi Nagar	209 Mahapalika Bhausinghaji Road
Ahmednagar	Aurangabad	210 Mangalwar Peth
167 MIDC	188 CIDCO	211 New Shahupuri
168 Savedi Road	189 Gajanan Maharaj Mandir	212 Rajarampuri
Raigad	190 Khadkeshwar	Nagpur
169 Alibaug	191 MGM - Medical College	213 Chhapru Nagar
170 Mahad	192 MIT - Hospital	214 Gandhi Baug
171 Panvel, M.C.C.H. Road	193 Station Road	215 Hingana Road
172 Panvel, S.N.Road	194 T V Centre	216 Kalamana Market
173 Pen	195 Waluj	217 Pratap Nagar
Ratnagiri	Sangli	218 Wardha Road
174 Chiplun	196 Ankali	Akola
175 Lanja	197 Ichalkaranji	219 Akola
176 Rajapur	198 Kavthe Mahankal	Solapur
177 Ratnagiri	199 Khanapur	220 Solapur
Gujarat	Karnataka	Mysore
Ahmedabad	Belgaum	251 Mysore
221 Anand Nagar	236 Samadevi	Tumkur
222 Bapu Nagar	237 Tilakwadi	252 Tumkur
223 C.G.Road	Hubli	Udupi
224 Ghatlodia	238 Hubli	253 Udupi
225 Isanpur	Bengaluru	Goa
226 Maninagar	239 Banashankari	254 Bicholim
227 Naranpura Wadaj	240 Chamrajpeth	255 Curchorem Sanvordem
Vadodara	241 Gandhinagar	256 Mapusa
228 Alkapuri	242 Jayanagar	257 Margao
229 Fatehganj	243 Koramangala	258 Panaji
230 Karelibaug	244 Malleswaram	259 Ponda
231 Manjalpur	Davangere	260 Porvorim
Surat	245 Davangere	261 Sankhali
232 Adajan	Dharwad	262 SME - Goa
233 Ring Road	246 Dharwad	263 Vasco
234 Surat	Mangalore	Madhya Pradesh
Vapi	247 Bhavanthi Street	264 Indore, Annapurna Road
235 Vapi	248 Chilimbi	265 Indore, Shreevardhan Complex
	249 M.G.Road	Delhi
	250 Mannagudda	266 Connaught Place
		267 Lajpat Nagar

FORM - A

Date:

To,
The Chief Manager,
Share Department,
The Saraswat Co-operative Bank Ltd,
Madhushree, 5th Floor, Plot No. 85,
District Business Centre, Sector 17,
Vashi, Navi Mumbai - 400 703.

Sir/Madam,

Re: Annual Report

I furnish here below the required details for receipt of Annual Report for the financial year 2014-15 onwards:

Name of Shareholder : _____

Address : _____

Membership No : _____

Mode (Receipt of Report) : Physical / Electronic

E-mail ID : _____

Mobile No. : _____

Thanking you,

Yours faithfully,

(Signature)

THE SARASWAT CO-OPERATIVE BANK LIMITED

(A SCHEDULED BANK)

:Registered Office:

Saraswat Bank Bhavan, 953, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.

ATTENDANCE SLIP

96th ANNUAL GENERAL MEETING SEPTEMBER 9, 2014

Regd. Folio No: _____

I certify that I am a registered member of The Saraswat Co-operative Bank Limited. I hereby record my presence at the **96th ANNUAL GENERAL MEETING** of the Bank at 4.00 p.m. on Tuesday, September 9, 2014 at Pracharya B. N. Vaidya Sabhagruha, 2nd Floor, Raja Shivaji Vidya Sankul, Patkar Guruji Chowk, Hindu Colony, Dadar (East), Mumbai 400 014.

Member's Name in BLOCK Letters

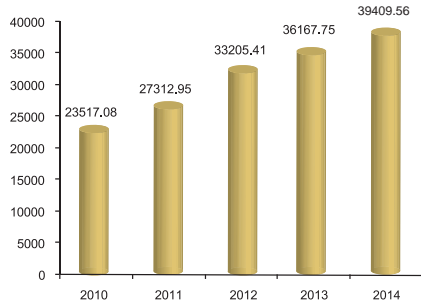
Member's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL

PLEASE TEAR HERE

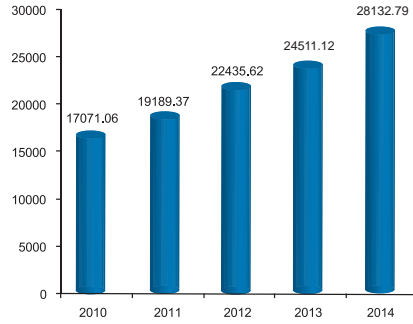
Total Business

(₹ in crore)



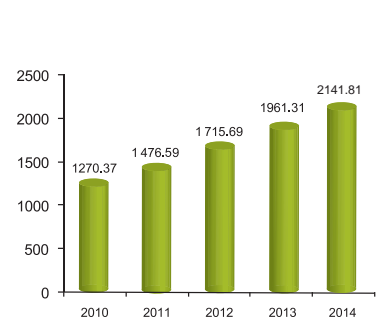
Working Funds

(₹ in crore)



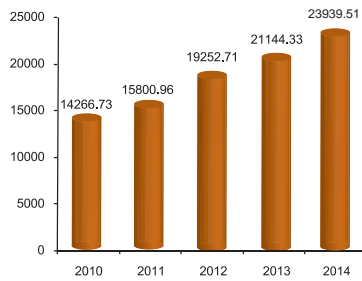
Own Funds

(₹ in crore)



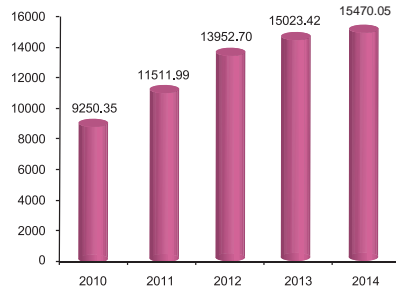
Deposits

(₹ in crore)

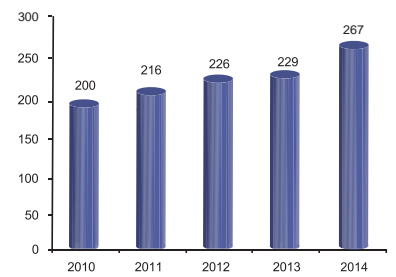


Advances

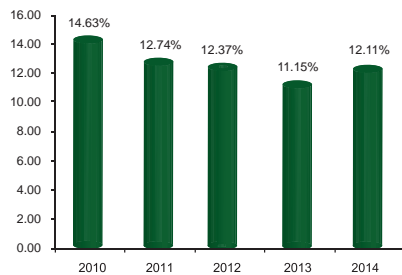
(₹ in crore)



Number of Branches

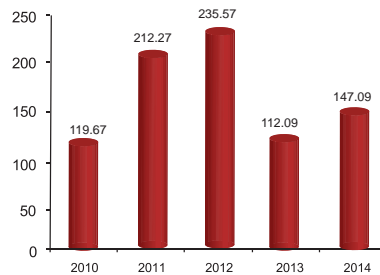


CRAR

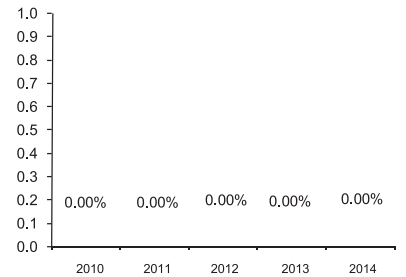


Net Profit

(₹ in crore)



Net NPA to Total Advances



Saraswat Bank felicitated
by His Excellency,
the President of India



India's first co-operative Bank to issue
International RuPay Chip Card was honoured
by National Payments Corporation of India
(NPCI) at a glittering function at New Delhi.



Registered Office : Saraswat Bank Bhavan, Plot No. 953, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025.