

SCHEDULE NO.19

NOTES TO ACCOUNTS

1.A) CAPITAL ADEQUACY RATIO

The Bank's capital adequacy ratio is calculated in accordance with the Reserve Bank of India guidelines as under:

Items	March 2018	March 2017
Common Equity Tier 1 capital ratio(%)	180.36%	96.19%
Tier 1 capital ratio (%)	180.36%	96.19%
Tier 2 capital ratio (%)	1.14%	0.92%
Total Capital Ratio (CRAR) (%)	181.50%	97.11%
Amount of subordinated debt raised as Tier –II capital	Nil	Nil
Percentage of the shareholding of the Government of India	N.A.	N.A.

1.B) EQUITY CAPITAL

During the year ended March 31 , 2018 , the Bank allotted 1120000 Equity Shares (Previous Year : Nil) aggregating to face value Rs. 112 Lakhs and paid-up value Rs. 28 Lakhs , in respect of stock options exercised. Accordingly, during the year , paid-up share capital increased by Rs.28 Lakhs .Details of movement in the paid-up equity share capital of the Bank are given below:

[Rs. in Lakhs]

Particulars	March 31 , 2018	March 31, 2017
Opening Balance	2240.04	2240.04
Additions pursuant to Stock Options exercised	28.00	Nil
Closing Balance	2268.04	2240.04

2) RESERVES AND SURPLUS

General Reserve

The Bank has transferred a sum of Rs....NIL.... (Previous year Rs.0.20 lakh) to General Reserve from Profit & Loss appropriation A/c. General Reserve is Rs.526.60 lakh as on 31.03.2018.

Statutory Reserve

25% of Net Profit i.e. Rs.22.86 lakh has been transferred to Statutory Reserve. As on 31.03.2018 Bank's Statutory Reserve stood at Rs.385.36 lakh.

Proposed Dividend

The Board of Directors at their meeting held on June 24, 2018 , proposed a dividend of Rs.0.02 per share (0.20%) [previous year 0.20%] , subject to approval of the members at the ensuing Annual General Meeting. In accordance with the revised Accounting Standard (AS)-4, Contingencies and Events occurring after the Balance Sheet Date' , the Bank has not accounted for proposed dividend Rs.448852.(previous year Rs.448008) plus distribution tax thereon.

3) INVESTMENTS

Items	(Rs. in Lakh)	
	March 2018 Rs.	March 2017 Rs.
(1) Value of Investments		
(i) Gross Value of Investments	2664.04	3412.21
(a) In India	2664.04	3412.21
(b) Outside India	0.00	0.00
(ii) Provisions for Depreciation	0.00	3.47
(c) In India	0.00	3.47
(d) Outside India	0.00	0.00
(iii) Net Value of Investments	2664.04	3408.74
(e) In India	2664.04	3408.74
(f) Outside India.	0.00	0.00
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	3.47	0.00
(ii) Add: Provisions made during the year	8.05	3.47
(iii) Less: Write-off/ write-back of excess provisions during the year	0.00	0.00
(iv) Closing balance	11.52	3.47

4) ASSET QUALITY

MOVEMENT IN NPA'S (FUNDED)

PARTICULARS	(Rs. in Lakh)	
	2017-18	2016- 2017
Net NPAs to Net Advances (%)	1.83%	0.00%
	Rs.	Rs.
MOVEMENT IN GROSS NPA'S		
As at 1 st April	00.00	18.27

Additions during the year.	51.55	137.55
Deductions during the year.	41.30	155.82
As at 31st March	10.25	0.00
MOVEMENT IN NET NPA'S	2017-18	2016- 2017
As at 1 st April	00.00	0.00
Additions during the year	43.18	0.00
Deductions during the year	35.38	0.00
As at 31 st March	7.80	0.00
MOVEMENT OF PROVISIONS FOR NPA (excluding provision of standard assets)	2017-18	2016- 2017
As at 1 st April	0.00	18.35
Additions during the Qtr.	8.37	25.00
Deductions during the year	5.92	43.35
As at 31 st March	2.45	0.00
Net NPA's as at 31st Mar	7.80	0.00

REVENUE RECOGNITION:

Income and expenditure is recognized in the profit or loss account on an accrual basis, except in the case of non-performing assets where it is recognized upon realization as per RBI norms. The various charges levied to the customers like processing fees, Bank guarantee charges etc. are also recognized on accrual basis. Recovery in NPA accounts is appropriated to charges recoverable, interest overdue and principal amount in that order. There is no change in accounting policy followed in this regard vis-à-vis previous financial year.

5) CATEGORY WISE NPA'S (FUNDED)**(Rs. in Lakh)**

GROSS NPA'S	31.03.2018	31.03.2017
Substandard	10.25	0.00
Doubtful	0.00	0.00
Loss	0.00	0.00
As at 31 st March	10.25	0.00
PROVISIONS		
Substandard	2.45	0.00
Doubtful	0.00	0.00
Loss	0.00	0.00
As at 31 st March	2.45	0.00
NET NPA'S	7.80	0.00

6) DETAILS OF PROVISIONS MADE DURING THE YEAR**(Rs. in Lakh)**

	Details	2017-18	2016-17
1	Provision for Standard Assets	(9.69)	(10.93)
2	Provision for Sub-Standard Assets	2.45	0.00
3	Bad and Doubtful debts	0.00	0.00
4	Taxation (Net)	37.75	50.97
5.	Amortization of Premium paid on GOI Securities	15.30	4.75
6	Deferred Tax Liability Provision/(DTA recognized)	(20.00)	6.94
7	Bonus /Ex gratia	0.00	3.73

SUMMARY:

Sr.No.	Particular	Amount Rs. Lakhs
1.	NPA provision as per IRAC Norms	2.45
3.	Countercyclical Provisioning Buffer	1.06
	Total NPA Provision	3.51

7) REPO TRANSACTIONS**(Rs. in Lakh)**

	Minimum outstanding during the year Rs.	Maximum outstanding during the year Rs.	Daily Average outstanding during the year Rs.	As on March 31,2018 Rs.
Securities sold under repos	--	--	--	--
Securities purchased under reverse repos	--	NIL	--	--

8) NON-SLR INVESTMENT PORTFOLIO**1) Composition of Non-SLR investments****(Rs. in Lakh)**

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(i)	PSUs					
(ii)	FIs					
(iii)	Banks					
(iv)	Private Corporate					
(v)	Subsidiaries/ Joint Ventures			NIL		
(vi)	Others					
(vii)	Provision held towards depreciation					
	Total *					

ii) **Non-Performing Non-SLR investments**

(Rs. in Lakh)

Particulars	Amount Rs.
Opening balance	
Additions during the year since 1st April	NIL
Reductions during the above period	
Closing balance	
Total provisions held	

9 **DERIVATIVES**

9.1 **Forward Rate Agreement/ Interest Rate Swap**

(Rs. in Lakh)

9.2	Items	March 2018 Rs.	March 2017 Rs.
	i) The notional principal of swap agreements		
	ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements		
	iii) Collateral required by the bank upon entering into swaps	NIL	NIL
	iv) Concentration of credit risk arising from the swaps		
	v) The fair value of the swap book		

Exchange Traded Interest Rate Derivatives:

(Rs. in Lakh)

9.3	Sr. No.	Particulars	Amount Rs.
	(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL
	(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2017 (instrument-wise)	NIL
	(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL
	(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL

Disclosures on risk exposure in derivatives

Qualitative Disclosure

(Rs. in Lakh)

Sr. No	Particular	Currency Derivatives Rs.	Interest rate derivatives Rs.
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging		
	b) For trading		
(ii)	Marked to Market Positions [1]		
	a) Asset (+)		
	b) Liability (-)	NIL	NIL
(iii)	Credit Exposure [2]		
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives		
	b) on trading derivatives		
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging		
	b) on trading		

10) Details of Loan Assets subjected to Restructuring

(Rs. in Lakh)

Item	March 2018 Rs.	March 2017 Rs.
(i) Total amount of loan assets subjected to restructuring, rescheduling, renegotiation; of which under CDR		
(ii) The amount of Standard assets subjected to restructuring, rescheduling, renegotiation; of which under CDR		
(iii) The amount of Sub-Standard assets subjected to restructuring, rescheduling, renegotiation; of which under CDR	NIL	NIL
(iv) The amount of Doubtful assets subjected to restructuring, rescheduling, renegotiation; of which under CDR		
Note: [(i) = (ii)+(iii)+(iv)]		

11) Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction.

(Rs. in Lakh)

Item	March 2018 Rs.	March 2017 Rs.
(i) No. of accounts		
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC	NIL	NIL
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value.		

12) Provisions on Standard Assets

(Rs. in Lakh)

Item	March 2018 Rs.	March 2017 Rs.
Provisions towards Standard Assets (current year)	(9.69)	(10.93)
Total Provisions towards Standard Assets	1.38	11.07

13) Business Ratio

(Rs. in Lakh)

Items	March 2018	March 2017
(i) Interest Income as a percentage to Working Funds (%)	7.98	10.63
(ii) Non-interest income as a percentage to Working Funds (%)	11.55	3.38
(iii) Operating Profit as a percentage to Working Funds (%)	-8.01	5.18
(iv) Return on Assets (%)	1.58	1.50
(v) Business per employee (Rs.)	30.10	90.36
(vi) Profit per employee (Rs.)	1.31	1.51
Total No. of Employees	70	74

Working Notes.

1. Operating Profit	Gross Profit	-479.77
	Depreciation	50.52
	Depr. Inv.in G.Sec	8.05
	Total	-421.20
2. Working Funds	Total Sum Balance Sheet	23636.45
	Less Contra	18378.73
	Total	5257.72
3. Business Mix	Deposits	1677.86
	Advances	429.20
	Total	2107.06

14) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in Lakh)

AS AT 31 ST MARCH 2018	1 to 14 days Rs.	15 to 28 days Rs.	29 days to 3 months Rs.	Over 3 months & up to 6 months Rs.	Over 6 months & up to 1 year Rs.	Over 1 year & up to 3 years Rs.	Over 3 years & up to 5 years Rs.	Over 5 years Rs.	Total Rs.
Deposits	313.54	79.66	238.98	252.56	421.93	370.12	1.05	0.01	1677.85
Advances	63.93	0.04	18.03	6.32	58.98	80.20	162.31	39.38	429.19
Investment	315.27	108.69	0	65.00	307.2	22.72	0	2532.36	3351.24
Borrowings	-	-	-	-	-	-	-	-	--

Maturity pattern of certain items of Assets and Liabilities

(Rs. in Lakh)

AS AT 31 ST MARCH 2017	1 to 14 days Rs.	15 to 28 days Rs.	29 days to 3 months Rs.	Over 3 months & up to 6 months Rs.	Over 6 months & up to 1 year Rs.	Over 1 year & up to 3 years Rs.	Over 3 years & up to 5 years Rs.	Over 5 years Rs.	Total Rs.
Deposits	222.57	72.95	440.60	525.88	694.84	974.12	12.32	0.01	2943.29
Advances	253.12	291.95	512.70	66.78	621.29	330.67	440.66	205.60	2722.77
Investment	20.27	0.00	114.58	403.81	185	460.65	96.25	2547.65	3828.21
Borrowings	--	--	--	--	--	--	----	--	--

LIQUIDITY POSITION

DESCRIPTION	OUTSTANDING AS ON 31.03.2018	OUTSTANDING AS ON 31.03.2017	CHANGE (DURING FY 2017 - 18)
Cash and Balances with Reserve Bank of India	76.78	120.54	-43.76
Free Balances with Banks and Money at call and short Notice	727.68	560.42	167.26
Investments in G Sec Portfolio	2664.04	3412.2	-748.16
TOTAL LIQUID ASSETS	3468.5	4093.16	-624.66
LESS : LIABILITIES			0
Deposits	1683.98	3976.04	-2292.06
Other Liabilities & Provisions	167.82	186.53	-18.71
BALANCE LIQUID ASSETS	1616.7	-69.41	1686.11

15) Lending to Sensitive Sector

15.1 Exposure to Real Estate Sector

(Rs. in Lakh)

Category	March 2018 Rs.	March 2017 Rs.
<i>a) Direct exposure</i>		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	66.32	138.36
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure	0.00	222.05

would also include non-fund based (NFB) limits;		
(iv) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential,	0	0
b. Commercial Real Estate.		
<i>b) Indirect Exposure</i>		
1. Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	0	0

15.2 Exposure to Capital Market

(Rs. in Lakh)

Items		March 2018 Rs.	March 2017 Rs.
i)	Direct investment in equity shares, covetable bonds, covetable debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	0.00	0.00
ii)	Advances against shares / bonds / debentures / or other securities or on clean basis to individuals for investments in shares (including IPOs/ESOPs), convertible bonds, covetable debentures, or unit of equity oriented mutual funds;	0.00	0.00
iii)	Advances for any other purpose where shares or convertible bonds or convertible debentures, or unit of equity oriented mutual funds are taken as primary security.	0.00	0.00
iv)	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or covetable debentures, or unit of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00

v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	0.00	0.00
vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii)	bridge loans to companies against excepted equity flows/ issues	0.00	0.00
viii)	underwriting commitments taken up by the banks in respect on primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix)	financing to stockbrokers for margin trading;		
x)	all exposures to Venture Capital Funds (Both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with capital market exposure ceilings (both direct and indirect)	0.00	0.00
Total Exposure to Capital Market		0.00	0.00

15.3 Risk Category wise Country Exposure

(Rs. in Lakh)

Risk Category *	Exposure (net) as at March 2018 Rs.	Provision held as at March... (March 2018) Rs.	Exposure (net) as at March (March 2018) Rs.	Provision held as at March... (March 2018) Rs.
Insignificant	The Bank is operating in Domestic Segment only			
Low				
Moderate				
High				
Very High				
Restricted				
Off-credit				
Total				

15.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL)

exceeded by the bank.NIL.....

15.5 Sectorwise Bifurcation of Loans & Advances as on March 31, 2018

Particular	Rs. In Lakh	
Loans to commercial Real Estate	0	
Housing Loan	51.7	
Agriculture Loans/Advances	199.25	
SSI	15.62	
Retail trader	2.37	
Personal Loan	58.71	
Other	47.69	
Auto Loan	17.49	
Loan against Deposit	36.37	
Total	429.20	
	Excluding PSLC	Including PSLC
Priority Sector Lending	268.94	1368.94
Non-Priority	160.26	160.26
Total	429.20	1529.20

16) DISCLOSURE FOR CUSTOMER COMPLAINTS/ UNIMPLEMENTED AWARDS OF BANKING OMBUDSMAN

Particulars	2017-2018
(a) No. of complaints pending at the beginning of the year	NIL
(b) No. of complaints received during the year	NIL
(c) No. of complaints redressed during the year	NIL
(d) No. of complaints pending at the end of the year	NIL
Particulars: Awards passed by Banking Ombudsmen	2017-2018
(a) No. of unimplemented awards at the beginning of the year -	NIL

(b) No. of Awards passed by the Banking Ombudsmen during the year	NIL
(c) No. of Awards implemented during the year	NIL
(d) No. of unimplemented Awards at the end of the year	NIL

17. Amount of Provisions made for Income tax during the year;

(Rs. in Lakh)

	March 2018 Rs.	March 2017 Rs.
Provision for Income Tax	37.75	50.97
Provision for Fringe Benefit Tax	N.A.	N.A.
Provision for DTL/(Deferred Tax Asset recognized)	(20.01)	6.94
Short Provision of Income tax earlier year	0.00	0.00

18 AS 17 - Format for disclosure under Segment Reporting

PART A : Business Segments

(Rs.in Lakh)

Business Segments	Treasury		Corporate/ Wholesale Banking		Retail Banking		Other Banking Operations		Total	
	Mar 2018	Mar 2017	Mar 2018	Mar 2017	Mar 2018	Mar 2017	Mar 2018	Mar 2017	Mar 2018	Mar 2017
Revenue	267.12	347.58	-	-	185.14	630.42	2.83	11.79	455.09	989.78
Result	(97.73)	187.05	-	-	(334.74)	(30.36)	(0.79)	6.62	(433.26)	163.30
Unallocated expenses									0	0
Operating profit									(433.26)	163.30
Income taxes									37.75	50.96
Extraordinary profit/ loss	-	-	--	--	-	--	-	-	562.45	-
Net profit									91.45	112.34
Segment assets	3281.24	3828.21	---	--	616.48	2987.73	-	-	3897.72	6815.94
Unallocated assets									1360.00	634.16
Total assets									5257.72	7450.10
Segment liabilities	-	-	----	--	1677.86	3964.28	-	-	1677.86	3964.28
Unallocated liabilities									3579.86	3485.81
Total liabilities									5257.72	7450.10

Part B: Geographic Segments

The Bank is operating in Domestic Segment only.

19)AS 18-Related Party disclosures

As per AS 18-Related Party Disclosures, the Bank's related parties transactions for the year ended March 31, 2018 are disclosed as below :

INDIVIDUALS HAVING SIGNIFICANT INFLUNENCE:

1. Mr. Ramchandra M. Mohite
2. Late Mrs. Parvati Ramchandra Mohite
3. Mr. Annasaheb Ramchandra Mohite
4. Mr. Abhishek Annasaheb Mohite
5. Mr. RajnikantAnnasaheb Patil
6. Mr. Sanjay Babaso Patil
7. Mrs. Soniya Sanjay Patil
8. Mrs. Sarojini ShrimantMelwanki
9. Mrs. Sitadevi Ramchandra Pandit
10. Late Mr. Shashikant S. Miriji

Mr. Ramchandra Maruti Mohite along with the above PAC divested their entire shareholding in the Bank on 13.05.2018.

KEY MANAGEMENT PERSON:

Shri SuyakantShankarrao Jadhav (Till 28.02.2018)

Shri Sunil ShripatraoBhandwale, General Manager (From 05.03.2018)

The following represents the significant transactions between the Bank and such related parties including relatives of above mentioned KMP during the year ended March 31, 2018:

(Rs. in Lakh)

Items/Related Party	Individuals having significant influence	KMP	Relatives of KMP
Remuneration	-	8.73	-
Deposit	4.83 (255.57)	1.22 (18.64)	0.06 (3.56)
Advances	-	-	-
Interest paid	1.51	0.01	0.05
Interest received	-	-	-
Guarantees given	182.00	-	-

Figures in bracket indicate maximum balance outstanding during the year.

20) LEASES

The details of maturity profile of future operating lease payments are given below:

(Rs. in Lakh)

Period	March 31, 2018	March 31, 2017
Not later than one year	5.54	0.63
Later than one year and not later than five years	261.98	147.09
Later than five years	53.30	28.44
Total	320.82	176.16
The total of minimum lease payments recognized in the Profit and loss account for the year	65.64	42.50

21) EARNING PER SHARE: -

(Amount in Rs.)

SR.N O.	PARTICULARS	2017-18	2016-17
A	Net Profit for the year attributable to Equity Shareholders (Rs.)	91,44,654	1,12,33,532
B	Total number of equity shares at the end of year	2,35,20,400	2,24,00,400
C	Weighted Average number of Equity shares	2,24,42,592	2,24,00,400
D	Basic Earnings per share (Rs.)	0.41	0.50
E	Diluted earnings per share (Rs.)	0.41	0.50

22) DEFERRED TAX LIABILITY/ASSETS:

The Bank has recognized deferred tax arising on account of timing differences, being the difference between the taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS –22) 'Accounting of Taxes on Income' issued by The Institute of Chartered Accountants of India.

The major components of deferred tax Assets/(Liabilities) arising on account of timing differences are as follows:

(Rs. in Lakh)

Particulars	As at 31 st March 2018 Rs.	As at 31 st March 2017 Rs.
Deferred tax assets/(Liabilities) Difference between the written Down Value of assets as per books of accounts and Income Tax Act, 1961.	15.88	(52.46)
Bonus	(3.57)	2.14
Net Deferred tax Assets/(Liabilities)	12.31	(50.32)
Deferred Tax benefit/(expense) for the year	3.37	(6.94)
Prior period deferred Tax benefit recognized/DTL reversed in current year	16.64	(9.70)
Total Deferred Tax benefit/(expense) for the year.	20.01	(16.64)

23. Extra Ordinary/ Prior Period Items:

Property Sale

During the year , the Bank sold 3 unoccupied office premises at Sangli , Kolhapur (Mandai) and Kolhapur (Shahupuri) for an aggregate sale price of Rs 6,55,60,000 and booked profit of Rs.5,71,22,257 . The registration of sale deed in favour of respective buyers of 2 properties i.e. Kolhapur (Shahupuri) and Sangli property is pending. The Bank has given possession of all the 3 properties to the respective buyers before year end. The Bank has received full sale consideration(net of TDS) of the said properties.

Reversal of Charges

During the year , the Bank has debited a sum of Rs. 84,18,025 to Profit & Loss Account as Reversal of Charges for income booked in earlier year(FY 2016-17) by way of charges debited to customers towards Ledger Folio charge/Non-maintenance of minimum balance , as per management decision.

Change in Depreciation Method

Effective from FY 2017 18 , the Bank has changed its method of computing depreciation from WDV method to the straight-line method as the straight-line method will more accurately reflect the pattern of usage and the expected benefits of such assets and provide greater consistency with the depreciation methods used by other companies in the Banking industry in India. The net book value of assets acquired prior to 1st April 2017 with estimated useful lives remaining as per Schedule II of the Companies Act , 2013 will be depreciated using the straight-line method prospectively, as a change in accounting estimate. As a result of the change to the straight-line method of depreciating Long term Asset, depreciation expense reduced by Rs. 20,04,026 for the financial year ended March 31,2018 with corresponding increase in Profit before tax for the period .

24. MANAGERIAL REMUNERATION:

(Rs. In Lakh)

	<u>31/03/2018</u>	<u>31/03/2017</u>
	Rs.	Rs.
Shri S.S. Jadhav (Managing Director)till 28.02.2018	8.25	6.00
Shri S.S.Bhandwale (General Manager) From 05.03.2018	0.50	0.00

25. AUDITORS REMUNERATION:**(Rs. In Lakh)**

	<u>31/03/2018</u>	<u>31/03/2017</u>	
		Rs.	Rs.
AS STATUTORY AUDITORS	2.00	1.00	
AS TAX AUDITORS & TAX MATTERS	---	1.78	
	-----	-----	
	2.00	2.78	
	=====	=====	

26 EMPLOYEES BENEFIT

The company has recognized expenses of Rs.17.08 Lakh (Previous Year Rs.7.86 lakhs) towards defined contribution plans (Provident Fund).

Banks contribution towards Provident fund, being a defined contribution scheme, is accounted for on an accrual basis and recognized in the profit and Loss account. Liability for gratuity being defined benefit retirement schemes, are determined based on an actuarial valuation as at the Balance Sheet date.

The bank provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave. There is no change in accounting policy in this regard vis-à-vis previous financial year.

Bank has provided "Health Insurance Scheme" to employees of the Bank since last three years.

Employee Stock Options (ESOP)

In the year 2016, Shareholders of the Bank had approved a stock options scheme to be implemented in the Bank. Status of the options granted under the scheme is as under as at March 31, 2018:

Total grants authorized under the Scheme	20% of the fully diluted equity share capital of the bank on the fully diluted basis, post exercise of all the options granted under the Plan.
Number of Options outstanding at the beginning of the year	11,20,000
Number of Options exercised during the year	11,20,000

Total Number of shares arising as a result of exercise of options during the year	11,20,000
Options lapsed/forfeited/cancelled (nos)	0
Option exercise price	Rs.10 per share (partly paid –up Rs.2.5 per share)
Application Money realized on exercise of options (Rs.)	28,00,000/-
Total Number of Options in force as on March 31 , 2018	0

The Bank has followed the adjusted Fair Value method(Average of value under Net Asset Value approach and Market Approach , discounted for size and Liquidity) for estimating the value of perquisite on account of Options exercised and there is no charge to Profit & Loss account during this year. As the options were exercised for the first time , there are no comparable figure or policy for the previous accounting year.

27 CAPITAL INFUSTION:

There is no capital infusion during the year under reference except by way of ESOPs exercised.

28. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits

(Rs. in Lakh)

	2017-18	2016-17
Total deposits of top 20 depositors (Rs.)	424.31	720.03
Percentage of deposits of 20 largest depositors to total deposits (%)	25.27%	18.16 %

Concentration of Advances

(Rs. in Lakh)

	2017-18	2016-17
Total Advances of top 20 borrowers (Rs.)	353.18	2068.00
Percentage of advances of 20 largest borrowers to total advances (%)	82.29%	75.95%

Concentration of Exposure

(Rs. in Lakh)

	2017-18 Rs.	2016-17 Rs.
Total Exposure to 20 largest borrowers (Rs.)	407.44	2513.32
Percentage of Exposure to 20 largest borrowers to total exposure of bank (%)	60.17%	79.41%

Working Note:-

Total Exposure of Bank

(Rs. in Lakh)

Particular	Amount Rs.
Funded Exposure – Cash Credit (Sanction Limit)	118.20
Term Loan (Total O/s.Amt)	366.30
A) Total	484.50
Non Funded Exposure – Bank Guarantee (BG)	192.65
Letter of Credit (LC)	0.00
B) Total	192.65
Total Exposure of Bank (A + B)	677.15

Concentration of NPAs

(Rs. in Lakh)

	2017-18 Rs.	2016-17 Rs.
Total Exposure to top four NPA accounts (Rs.)	10.25	0.00

29: Sector-wise NPAs

		Percentage of NPAs to Total Advances in that sector	
		2017-2018	2016-17
1	Agricultural & allied activities	0.00	0.00
2	Industry & Others (Micro, small, medium enterprises)	0.00	0.00
3	Services	0.00	0.00
4	Personal loans	10.25	0.00

30: Movement of NPAs**(Rs. in Lakh)**

Particulars	Rs.
Gross NPAs* as on 1 st April 2017 of particular year (Opening Balance)	00.00
Additions (Fresh NPAs) during the year	51.55
Sub-total (A)	51.55
Less:-	
(i) Up gradations	9.44
(ii) Recoveries (excluding recoveries made from upgraded accounts)	31.86
(iii) Write-offs	0.00
Sub-total (B)	41.30
Gross NPAs as on 31 st March of following year (closing balance) (A-B)	10.25

31. COMPARATIVE FIGURES:

Wherever necessary figures for the previous year have been grouped / regrouped.

32. DISCLOSURE REGARDING DEAF RETURN**(Rs. in Lakh)**

	CURRENT YEAR 2018 Rs.	PREVIOUS YEAR 2017 Rs.
Opening balance of amount transferred to DEAF	2.05	0.99
Add amount transferred to DEAF during the year	1.28	1.06
Less amount reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amount transferred to DEAF	3.33	2.05

33) Disclosure regarding "Investment Fluctuation Reserve".

The opening and closing balance of "Investment Fluctuation Reserve" was Rs.2.72 lakh.

34) Disclosure regarding "Infrastructural Upgradation Reserve".

Bank had created "Infrastructural Upgradation Reserve" and disclosure to that effect was made last year. However, for infrastructural utilization purpose, amount of Rs.30.00 lakh is

transferred to Profit & Loss appropriation account. Details are as under:-

(Rs. in Lakh)

Sr.No.	Particulars	March 2018 Rs.	March 2017 Rs.
1	Opening Balance	30.00	75.00
2	Addition during the year	0.00	0.00
3	Deduction during the year	30.00	45.00
4	Closing Balance	0.00	30.00

35) Disclosure regarding Provisioning Coverage Ratio.

Sr.No.	Particulars	March 2018	March 2017
1	Gross NPA (Rs.Lakhs)	10.25	NA
2	Provisions held for NPAs (Rs.Lakhs)	7.18	NA
3	Provisioning coverage ratio (%)	70.04%	NA

36) Disclosure regarding Classification of Investments.

(Rs. in Lakh)

Sr.No.	Particulars	March 2018 Rs.	March 2017 Rs.
	Investment held under.....		
1	Held for trading category	0.00	--
2	Available for sale category	260.17	260.17
3	Held to Maturity	2403.87	3152.04
	Total	2664.04	3412.21

Investments are classified in to 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS')

and 'Held to Maturity'('HTM') categories at the time of purchase. Investments , which the Bank intends to hold till maturity are classified as HTM Investments. Investments that are held principally for resale are classified as AFS.

Investments classified as HTM are carried at amortized cost. Any premium paid on acquisition, over the face value, is amortized over the remaining period of maturity.

Investments classified as AFS and HFT are marked-to-Market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise & depreciation /appreciation is aggregated for each classification. Net appreciation in each classification, is ignored, while depreciation is provided for. There is no change in accounting policy in this regard vis-à-vis previous financial year.

No transfer of investments between categories has been done during the course of the year 2017-18. Sale of securities from HTM has been resorted to strictly in terms of the RBI guidelines.

37) Disclosure regarding Unsecured loans & Advances

(Rs. in Lakh)

Sr.No.	Particulars	March 2018 Rs.	March 2017 Rs.
1	Total advances	429.20	2722.77
2	Unsecured Advances out of total advances	11.35	34.93
3	Percentage of unsecured Advances to total advances	2.64	1.28

Bank's unsecured Loans as on 31st March 2018 stood at Rs.11.35 Lakh as against Rs. 34.93 Lakh last year i.e.as on 31st March 2017.

38) MSMED ACT disclosure

The company has not received information from its suppliers regarding their status under the Micro, Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year and together with interest paid / payable under this Act have not been given.

39) Agri Debt waiver scheme of Govt. of Maharashtra.

On 28th June 2017, Government of Maharashtra has announced Agriculture Debt Waiver Scheme as "Chhatrapati Shivaji Maharaj Shetkari Sanman Yojana 2017".

Agriculture loan portfolio of the Bank as on 01.04.2017, was as under.

Particulars	Outstanding amount as on 01.04.2017 (Rs.)
Crop Loan	24,19,199.00
Term Loan	3,12,48,800.00
Total	3,36,67,999.00

As per prescribed norms of the debt waiver scheme, eligible and benefitted borrowers of the Bank are as under .

Sr. No.	Particulars	No. of Accounts	Amount Rs.
1	Waiver	13	4,80,382.00
2	OTS	2	3,00,000.00
3	Incentive	0	0.00
	Total	15	7,80,382.00

Out of above, benefit is transferred to borrowers as under.

Sr. No.	Particulars	No. of Accounts	Amount Rs.
1	Waiver	9	2,87,509.00
2	OTS	2	3,00,000.00
3	Incentive	0	0.00
	Total	11	5,87,509.00

Amount as per below mentioned details is yet to be received by the Bank:

Sr. No.	Particulars	No. of Accounts	Amount Rs.
1	Waiver	4	1,92,873.00
2	OTS	0	0.00
3	Incentive	0	0.00
	Total	4	1,92,873.00

40).Details of Priority Sector Lending Certificates (PSLC)

Priority Sector Lending Certificates bought during the year:

[Rs. in Crore]

Sl.No.	Type of PSLCs	For the year ended March 31, 2018	For the year ended March 31, 2017
1	PSLC-Agriculture	0.00	0.00
2	PSLC- SF/MF	5.00	0.00
3	PSLC –Micro Enterprises	6.00	0.00
4	PSLC-General	0.00	0.00
	Total	11.00	0.00

41). Disclosure of Penalties imposed by RBI

The Reserve Bank of India has not levied any penalty during the FY 2017-18

42) Details of Non Performing Financial Assets Purchased / Sold

A. Details of non performing financial assets purchased:

Particulars	(Rs in Lakh)	
	Current year	Previous Year
1. (a) No. of accounts purchased during the year		
(b) Aggregate outstanding		
2. (a) Of these, number of accounts restructured during the year	---	---
(b) Aggregate outstanding	---NIL---	---NIL---

B. Details of non performing financial assets sold:

Particulars	(Rs. in Lakh)	
	Current year	Previous Year
1. No. of accounts sold		
2. Aggregate outstanding	---	---
3. Aggregate consideration received		

43.a). Provisions and Contingencies

(Rs. in Lakh)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	8.05	3.47
Provision towards NPA	2.45	(18.35)
Provision made towards Income tax	37.75	48.00
Other Provision and Contingencies (with details)		
1. Deferred Tax Provision Reversed/DTA recognized	(20.01)	6.94
2. Countercyclical Provision Buffer	1.06	0.00
3. standard Asset Provision Reversed	(9.69)	(10.93)

43.b).Floating Provisions

(Rs. in Lakh)		
Particulars	Current year	Previous year
(a) Opening balance in the floating provisions account	20.00	20.00
(b) The quantum of floating provisions made in the accounting year	0.00	0.00
(c) Amount of draw down made during the accounting year	0.00	0.00
(d) Closing balance in the floating provisions account	20.00	20.00

44).Disclosures on Remuneration

Qualitative disclosures

A. Information relating to the bodies that oversee remuneration:

Name and composition

The Board of Directors of the Bank has constituted the Nomination and Remuneration Committee (hereinafter, the 'NRC') for overseeing and governing the appointment of Directors, KMP, senior executives of the Bank and remuneration structure of the Bank. The NRC is comprised of three independent directors as of March 31, 2018.

The NRC is comprised of Mr. Kishor S. Mundargi, Mr. Rajiv Shripad Abhyankar and Mr. Siddharth Jain. Further, Mr. Kishor S. Mundargi is the chairperson of the NRC. During the year ended March 31, 2018, Mr. Suryakant S. Jadhav ceased to be a member of the NRC pursuant to his retirement from the position of Managing Director of the Bank and Mr. Rahulprasad A. Agnihotri, Mr. Sandeep B. Sanglikar and Mr. Narayan D. Bodake ceased to be members of the NRC pursuant to their resignation from the Board of Directors of the Bank.

Mandate of the NRC

- i. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
- iii. Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
- iv. Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the bank, that failure is not rewarded and that the duty to mitigate loss is fully recognized;

Quantitative disclosures

Sr. No.	Subject	March 31, 2018	March 31, 2017
(a)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Number of meetings: 7 Remuneration paid:Nil.....	Number of meetings: 5 Remuneration paid:Nil.....
(b) (i)	Number of employees having received a variable remuneration award during the financial year	-----Nil-----	-----Nil-----
(b) (ii)	Number and total amount of sign-on awards made during the financial year	None	None
(b) (iii)	Number and total amount of guaranteed bonuses awarded during the financial year	None	None
(b) (iv)	Details of severance pay, in addition to accrued benefits, if any	None	None

(c) (i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	Nil	---Nil---
(c) (ii)	Total amount of deferred remuneration paid out in the financial year	...NIL...	...NIL...
(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and nondeferred	...NIL...	...NIL...
(e) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustmentNA....NA....
e) (ii)	Total amount of reductions during the financial year due to ex-post explicit adjustment	Nil	Nil
e) (iii)	Total amount of reductions during the financial year due to ex-post implicit adjustment	Nil	Nil

45).Disclosures relating to Securitization

The bank has not sponsored any SPV . The Bank has also not done any securitization transaction. Hence disclosure in this regard is nil.

As per our report of even date attached

For UMMED JAIN & CO

Chartered Accountants

FRN NO.:-119250W

(C.A. Akhil Jain)

Partner

M. No. 137970

S.S.Bhandwale
General Manager

Siddharth Jain
Director
Din No. 07498043

Kishor Mundargi
Director
Din No. 07498008

Ravi Kiran Malik
Director
Din No. 08037772

Dated : June 24, 2018

S.N.Baheti
C.F.O.

Vivek Kanwar
Company Secretary

For and on behalf of the Board of Directors

