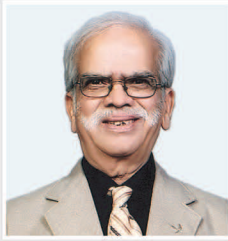


Banking
that transcends
time and space!



110th ANNUAL REPORT : 2015-2016

BOARD OF DIRECTORS



Dr. Mukund Abhyankar
Group Chairman



CA Milind Kale
Chairman



Madhukar Atre
Vice-Chairman



Dr. Smita Jog
Director



Krishnakumar Goyal
Director



Govind Kshirsagar
Director



Adv. Jayant Shaligram
Director



Prakash Joshirao
Director



CA Sunil Sabnis
Director



Rajeev Sabade
Director



Adv. Pralhad Kokare
Director



Adv. Shripad Panchpor
Director



Jitendra Shah
Director



Umesh Datar
Staff Representative



Vikrant Ponshe
Managing Director

Chairman's Address



C.A. Milind Kale

Chairman

Respected Members,

As a Chairman of Cosmos Bank, I am communicating with you through the Annual Report of the year 2015-16 to share your Bank's review and progress. Last year I tried to personally and otherwise, meet as many depositors, borrowers and members to understand you all.

The year 2015-16 was acutely challenging for the banking sector. The world-wide slowdown, negative growth rate and the resultant increase in the NPA levels across the banking system adversely affected the profit making capacity of banks and in turn, impacted the pace of economic development. For the first time ever, the year 2015-16 witnessed a phenomenal rise in NPAs across the banking system, thus requiring large amount of provisions to be made across banks on their NPAs and in turn, affecting the profits of banks to a large extent. The year 2015-16 was very tough and challenging for all the banks. High interest rates coupled with a sluggish demand had a direct negative impact on many businesses and their lender banks also. The pro-active role played by the Reserve Bank in encouraging the banks to improve upon their efficacy has facilitated the Indian Economy to remain stable and reassuring. Though the pace of the Indian Economy was slow, it was definitely progressive due to Government Policies like Skill Development Programme for generation of employment, focus on Rural and Agriculture Sector and large scale investment in the Infrastructure Development.

Co-operative banks were developing at a certain pace over a period of time. However, the stringent measures adopted by the Reserve Bank during the last few years coupled with the ever increasing chunk of NPAs posed major issues for the co-operative banks. Nevertheless, co-operative banks have managed to stay afloat by lending to small scale industries, traders, entrepreneurs and retail borrowers in urban and rural areas. Co-operative banks have constantly faced a tough challenge from Public and Private Sector Banks. Now that Government has given permission to set up Payment Banks and Micro Finance Banks, co-operative banks will have to face severe competition in future. With this background, I am sure that with our honest borrowers, continuously changing and upgrading of technology and competitive rates of interest, our Bank will rise up to the occasion of fulfilling customer expectations and also faces all the challenges effectively.

In the year 2015-16, Cosmos Bank completed 110 years of dedicated customer service. Bank honoured its legacy by giving best services to customers using latest available technology.

The Bank witnessed a challenging and a tough period, particularly in September 2015, when certain unscrupulous elements tried to intentionally malign the image of the Bank by spreading malicious rumours

through various sources. The Bank could navigate itself effectively through this immensely challenging situation only with the constant and immense, sustained and unstinted support and trust placed by loyal members, depositors, customers, patrons, sincere staff and well-wishers. This was reflected in the overwhelming response received by the Bank's Cosmo Dhan-Vruddhi Plus Scheme and Long Term Deposit Scheme from its customers. In the back-drop of malicious rumours and deposits dropping by large amounts, Bank introduced the Long Term Deposit Scheme. Even though this Scheme had some conditions on deposits, within no time Bank mobilized deposits of Rs.147 crore @9.75% ROI. The mobilization of the deposits under this Scheme is the endorsement of the faith that our honorable depositors have placed in us. I would like to assure and ensure that Bank will surely live up to the faith and trust placed upon us.

To increase the capital adequacy through additional shares, Rs.48 crore were raised within a very short span. This was possible only due to the trust you placed in the Bank!

On this occasion, I would like to essentially share with you that, despite the tough, challenging and unfavourable circumstances that the Bank had to navigate itself through, the Bank has also achieved many awards and recognitions on national level. These awards are mentioned in the 'Bank's Recognition' section of this Annual Report. You all will surely feel proud of the achievements and awards received by the Bank.

Bank has taken a step further to enhance its Core Banking System. Bank is ready to upgrade and implement Finacle 10 system from Infosys. This will allow our customers to experience sophisticated and hi-tech banking. The bank is aiming high with these secure and ever-ready services for our customers.

Bank has signed Wage Settlement Agreement for 2015-2020 with the Bank's Sevak Sangh. The satisfaction received by the staff through this agreement will surely reflect positively on increasing business.

Bank has progressed due to your constant trust and support. You are aware that Bank is slowly but steadily treading the tough path in these challenging times. I am sure that in the near future correct policies, effective business management, organizational skills, networking, customer-centric approach coupled with your co-operation and trust will help us to further enhance our core intrinsic strengths.

I firmly believe that the present year 2016-17 is very significant for the Bank and will again take us on the path of development and growth. I hope, you will continue supporting and encouraging the Bank and your trust placed in Bank grows manifold!

Thank you!

Affectionately yours,



Milind Kale

Chairman

Name of the Bank: The Cosmos Co-operative Bank Ltd. (Multistate Scheduled Bank)

Registered Office: Cosmos Tower, Plot No.6, S.No. 132/B, ICS Colony, University Road,
Ganeshkhind, Pune 411 007.

Registration No & Date: Under the Co-operative Credit Societies Act, 1904. Reg. No. 20, Dated 18th January 1906

Under Multistate Co-op Soc. Act, 1984 MSCS/CR/72/97, dt. 28-11-1997

Under Banking Regulation Act, 1949 ACD/MH/188 P, dt. 11-03-1980

Incorporated in the second schedule as per Reserve Bank of India (RBI) Act, 1934

UBD.BR.324/A-9-90/91, dt. 01-11-1990

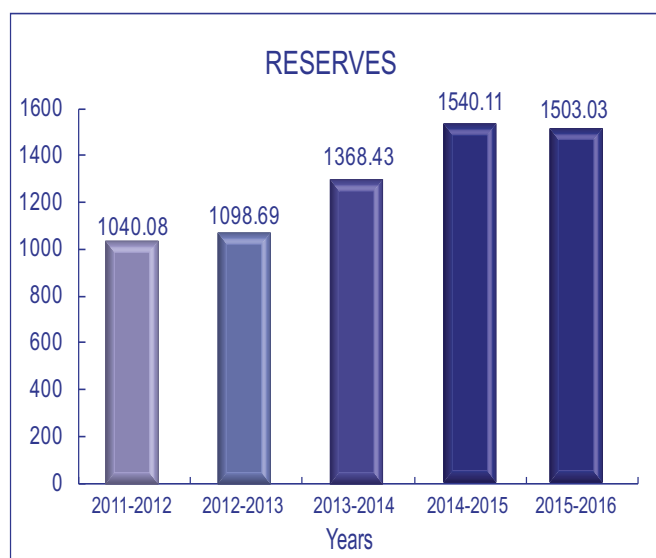
Area of Operation: State of Maharashtra, Madhya Pradesh, Karnataka, Gujarat, Tamilnadu, Andhra Pradesh and Telangana

HIGHLIGHTS

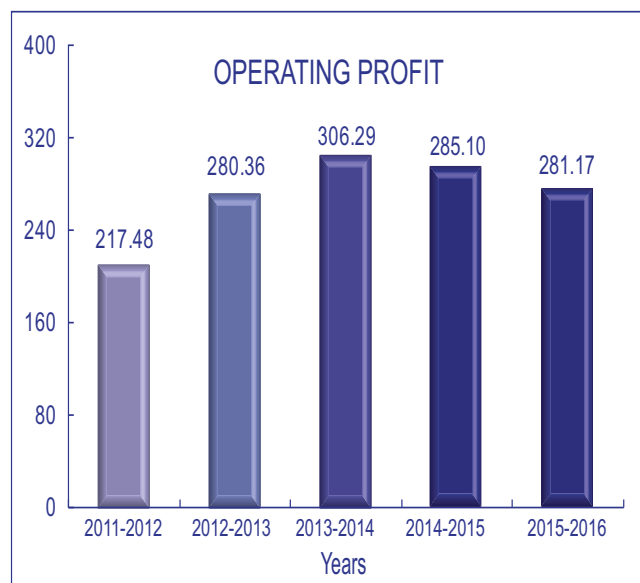
As on 31 March, 2016

A) Financials	(₹ in Crores)	
Particulars	As on 31.03.2016	As on 31.03.2015
Paid up Share Capital	378.84	312.43
Reserves and other Funds	1503.03	1540.11
Capital Adequacy Ratio (CRAR)	13.74%	11.25%
Deposits		
Savings	2074.86	2023.05
Current	647.16	647.96
Term	12497.50	13164.07
Total	15219.52	15835.08
Advances		
Secured	11144.55	11154.81
Unsecured	5.47	4.94
Total	11150.02	11159.75
Borrowings	492.74	472.54
Total Investments	4889.87	5286.40
Over dues (Percentage)	6.46%	6.80%
Profit	45.86	57.64
Previous year's Profit c/f	--	3.98
Working Capital	17648.71	18225.07

₹ in Crores

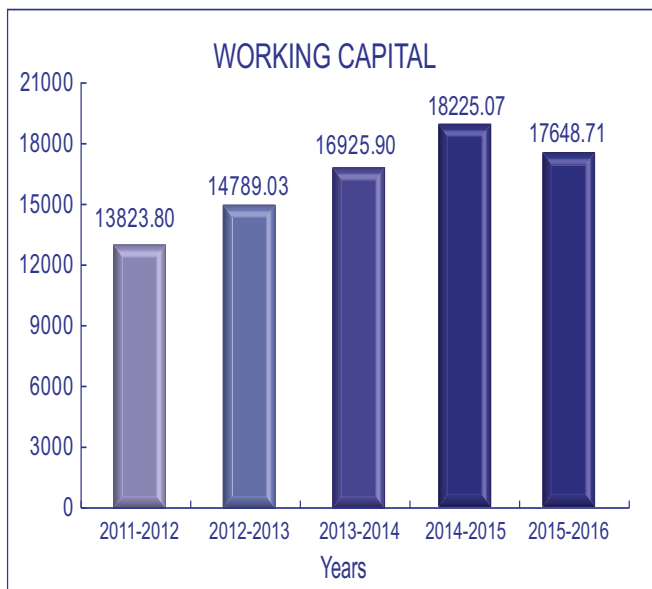


₹ in Crores

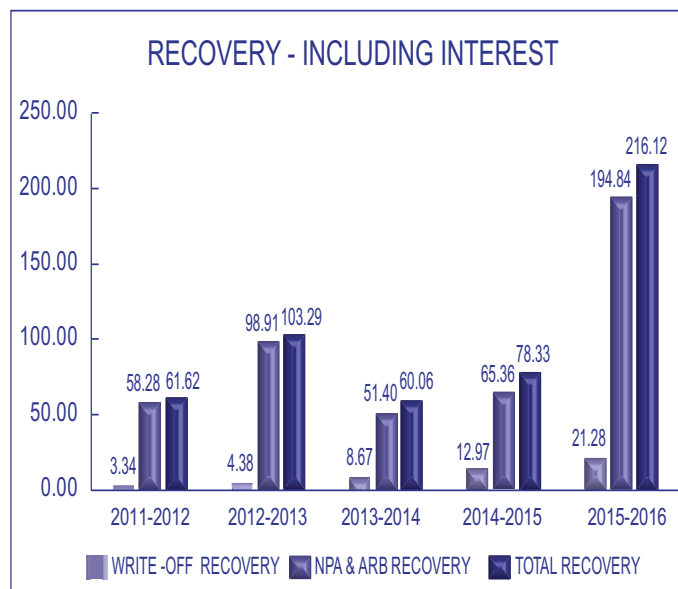


B) Others		
Particulars	31.03.2016	31.03.2015
Total Branches	140	140
Members	81676	81240
Nominal Members (Borrowers)	7712	9242
Total Staff	2958	2955

₹ in Crores



₹ in Crores



Management Team

Managing Director

Mr. Vikrant Ponkshe

Jt. Managing Director

Mr. Suhas Gokhale

Chief General Managers

Mr. Ratnakar Nadkarni

Ms. Nayan Lagad

Mr. Avinash Rana

General Managers

Mr. Vijay Vaidya

Mr. Rajendra Pandit

Mr. Sunil Panse

Ms. Mukta Deshpande

Mr. Manoj Shah

Ms. Sulekha Deuskar

Ms. Madhuri Marathe

Mr. Anil Barve

Ms. Apekshita Thipsay

Ms. Aakanksha Rane

Statutory Auditors

M/s. P. G. Bhagwat, Chartered Accountants, Pune.

M/s. G. D. Apte and Company,
Chartered Accountants, Pune.

Internal Auditors

M/s. Gunwani & Kolapkar,
Chartered Accountants, Pune.

NOTICE FOR ANNUAL GENERAL MEETING

(FOR MEMBERS ONLY)

The 110th Annual General Meeting of the members of THE COSMOS CO-OPERATIVE BANK LTD. will be held on **Thursday, 29th September 2016 at 9.00 am at Shivshankar Hall, S. No.698/1, Maharshinagar, Paigude Baug, Pune 411 037** for the transaction of the following business. Your presence therefore is highly solicited.

AGENDA

1. To confirm the minutes of the 109th Annual General Meeting held on 26th September 2015.
2. A) To consider and adopt
 - i) Annual Report for the year 2015-2016.
 - ii) Profit and Loss Account for the year ended 31st March 2016.
 - iii) Balance Sheet as on 31st March 2016.
- B) To review actual utilization of reserves and other funds during the year 2015-2016.
3. To consider and approve the appropriation of profit for the financial year 2015-2016 as proposed by the Board of Directors, subject to approval of RBI.
4. To consider the Report of Statutory Auditors and compliance thereof for the year 2015-2016.
5. To appoint Statutory Auditors for the year 2016-2017.
6. To take note of the loans and advances outstanding from the Directors and their relatives during the year 2015-2016 (vide section 39(3) of the Multi-State Co-operative Societies Act, 2002).
7. To sanction leave of absence to members who are not able to attend the 110th Annual General Meeting.
8. Any other matter, with the permission of the Chair.

Date: 4th September, 2016
Pune

By order of the Board of Directors
Vikrant Ponkshe
Managing Director

Notes :

1. The meeting shall commence at 9.00 am sharp. If the required quorum of members is not present at the commencement of the meeting, it shall be adjourned. The adjourned meeting will resume business on the same day, at the same place, at 9.30 am, irrespective of the quorum, in which, only the business mentioned in the Notice of the meeting shall be transacted.
2. All documents and information relating to the business before this Annual General Meeting to be held on 29th September, 2016 will be available at the Bank's Corporate Office (Cosmos Tower) up to 26th September, 2016, on working days, between 11.00 am and 4.00 pm.
3. Members are requested to submit their queries, if any, regarding the subject to be considered at this Annual General Meeting, in writing at the Bank's Corporate Office upto 26th September, 2016 on working days, between 11.00 am and 4.00 pm.
4. In pursuance with the amendments to the Bye-Law No. 24(i) approved in the last Annual General Meeting and subsequently by the Central Registrar, Co-operative Societies, the entire Annual Report of the Bank is available on the Bank's website www.cosmosbank.com. The Annual Report in hard print will be available at the branches of the Bank or shall be mailed through post to those members who shall demand it in writing at their address registered with the Bank.
5. Members are requested to kindly bring along the Membership Identity Card at the meeting.

RESPECTED MEMBERS,

On behalf of the Board of Directors of your Bank, I hereby present the 110th Annual Report of your Bank alongwith the Financial Highlights.

ECONOMIC REVIEW 2015-16

Global economic growth continued a declining trend in F.Y.2015-16. The slowing Chinese economy and continued recessionary and deflationary conditions in Europe and Japan made the things difficult for almost all the developed countries except the USA. USA stood tall among all developed nations with growth in jobs, reduction in unemployment rate and steadily growing GDP at average 2%. Chinese economy contracted by registering low growth of 6.9%. This resulted in divergent monetary policies where Europe and Japan witnessed interest rates in negative territory coupled with quantitative easing measures, China reducing rates/reserve requirements and on the other hand USA starting rate hike in Dec 2015 after a 10 year gap of lower interest rate regime.

Overall, the slowing global conditions tempted the investments flowing out of riskier assets / emerging economies which increased the appetite for safe heaven investments like sovereign bonds/gold etc. This risk aversion further made the things difficult for some of the emerging economies like India which were comparatively better performing.

Indian Economy fared well as compared to other countries in spite of weak private investment, volatile capital inflows, poor global demand and falling exports. The resilience was mainly due to strong fundamentals supported by macroeconomic stability on the fronts of fiscal deficit, current account deficit and inflation.

Retail Inflation as measured by Consumer Price Index (CPI) was within the range of 4% to 6% throughout the year and was below the targeted level of 5% at the end of the F.Y. 2015-16. Wholesale Price Index (WPI) remained in the negative territory almost throughout the year. Overall the inflation was under control. However, the food inflation experienced some pressure in the last quarter due to recovery in crude prices, supply pressures of agricultural output as a result of 2nd consecutive deficient monsoon.

Government of India did its best and adhered to the fiscal deficit target of 3.9% of GDP in spite of sluggish economic conditions, increased spending on infrastructure and planned expenditure. This was achieved through plugging the subsidy leakages by direct benefit transfer and curtailing non-planned expenditure. More importantly the government remained committed to the fiscal consolidation path and budgeted fiscal deficit at 3.5% of GDP for F.Y. 2016-17, in spite of spending pressures of One Rank One Pension (OROP) and 7th Pay Commission pay outs to the government employees.

Current Account Deficit remained under control and in fact reduced to 1.1% at the end of F.Y. 2015-16 in spite of continuously depleting export levels and weaker but stable Indian Rupee. This was possible due to growth in capital inflows including FDI, NRI deposits, etc., lower crude prices, lower import bills and curbs on gold import resulting in lower trade deficit. Country's foreign exchange reserves grew to healthy level of US\$ 360 Billion at the end of F.Y. 2015-16.

Reserve Bank of India (RBI) continued with its accommodative monetary policy in F.Y. 2015-16 with strict vigil on inflation and liquidity conditions. During the year, RBI cut the key policy rate i.e. REPO rate by 75 bps from 7.50% to 6.75%. In its endeavour of easy but vigilant policy, it persisted for need of committing to the planned fiscal consolidation and anchoring of inflation within the targeted levels. RBI also stressed the need of effective transmission of monetary policy rates by banks.

In a major RBI declaration, the then RBI governor Dr. Raghuram Rajan gave a clear message to the banks to deal with the NPA problem upfront, instead of postponing it and worsening it. RBI gave deadline of March 2017 for all commercial banks to clean up their balance sheets. This directive of RBI, requires banks for not only identifying the NPAs and to make necessary provisions, but also requires these banks to set aside huge chunk of capital in the form of provisions.

In strict adherence of RBI dictum, banks did aggressive cleaning of balance sheet by identifying NPAs and making stipulated provisions. This clean up exercise has started reflecting the rise in Gross NPAs and Net NPAs of banking sectors. Gross NPAs of Banking Sector rose by 65% to 7.6% in F.Y. 2015-16 from previous year's 4.6% and Net NPAs rose by 84% to 4.6% in F.Y. 2015-16 from previous year's 2.5%.

However compared to PSU banks, the scale of increase in NPAs of private sector banks was not as high.

Banks already struggling in profitability due to poor credit off take in sluggish economic conditions, came under severe pressure due to increased NPA provisioning which resulted in some commercial banks declaring Net Loss for F.Y. 2015-16. Overall the aggregate net profit of PSU banks plunged 42% during this period.

Though the Urban Co-operative Banks could increase their business and revenue over a period of time, they have been facing various challenges in increasing their expected business. The operations of Urban Co-operative Banks are affected due to cut throat competition with other banks and the need to retain the good customers. The major roadblocks in the progress of Urban Co-operative Banks were difficulties in mobilizing share capital coupled with overall liquidity crunch adversely affecting initiatives like technology upgradation.

BOARD OF DIRECTORS

Mr. Krishnakumar Goyal headed the Board of Directors as Chairman till October 2015 during the F.Y. 2015-16, while Mr. Madhukar Atre was the Vice-Chairman.

Mr. Krishnakumar Goyal resigned as the Chairman and renowned Chartered Accountant and Director, Mr. Milind Kale was unanimously elected to the post of Chairman.

Director, Dr. Mukund Abhyankar is playing a proactive role in the progress of Cosmos Bank and Cosmos e-Solutions & Services Pvt. Ltd., (Bank's fully owned subsidiary). He is taking efforts in bringing about the synchronization between the Bank and its Subsidiary. He is also encouraging your Bank to incorporate latest banking technology. His wide experience of 35-40 years in Banking Sector is definitely being useful for the Bank and its Subsidiary. Taking into account his commitment for your Bank, along with his status as 'Chairman Emeritus' of your Bank, he was conferred upon the title of 'Group Chairman' of Cosmos Bank and Cosmos e-Solutions & Services Pvt. Ltd.

KEY FINANCIAL INDICATORS

(₹ in Crs.)

FINANCIAL HIGHLIGHTS	2014-15	2015-2016	Rise/(Fall) %
Share Capital	312.43	378.84	21.26
Reserves	1540.11	1503.03	(2.41)
Owned Funds	1852.54	1881.87	1.58
Net NPA	6.59%	7.50%	---
Total Income	2036.46	2160.19	6.08
A) Interest Received	1667.34	1765.73	5.90
B) Other Income	188.42	121.55	(35.49)
C) Other Credits	180.70	272.91	51.03
Total Expenditure	1978.82	2130.01	7.64
A) Interest Paid	1286.10	1327.60	3.23
B) Establishment Expenditure	123.40	107.43	(12.94)
C) Other Expenditure	161.17	171.07	6.15
D) Provisions	408.16	523.91	28.36
Profit for the year	57.64	30.18	---
01. Reversal of excess Investment Fluctuation Reserve	---	2.03	---
02. Deferred Tax Asset on BDDR Provision of Last year	---	13.65	---
Net Profit	57.64	45.86	(20.44)

APPROPRIATION OF PROFIT

The Board of Directors has proposed the appropriation of the profit in the following manner, subject to the approval of the Reserve Bank of India.

Net profit		₹ 45,85,63,674.30
(-) Transferred to General Reserve		₹ 18,15,00,000.00
Remaining Profit		₹ 27,70,63,674.30
(+) Profit C/F (of previous year)		₹ 37,550.00
Appropriation (proposed)		₹ 27,71,01,224.92
1. Reserve Fund (25%)	₹ 6,92,65,920.00	
2. Reserve for unforeseen losses (10%)	₹ 2,77,06,370.00	
3. Education Fund (1%)	₹ 27,70,637.00	
4. Investment Fluctuation Reserve	₹ 2,03,29,000.00	
		₹ 12,00,71,927.00
Profit available for Dividend distribution		₹ 15,70,29,297.92
The Board of Directors has proposed a dividend of 10% for the Financial Year 2015-16, subject to the approval of the Reserve Bank of India.		

(The appropriation in 1 to 3 is as per the clause 63(1) of Multistate Co-op. Societies Act, 2002 in proportion to the profit of ₹ 27,70,63,674.30 only after transferring ₹ 18,15,00,000.00 to the General Reserve in the year under review.)



DEPOSITS

In the year 2015-16, at the end of March 2016, the deposits of your Bank stood at ₹ 15219.52 crore. CASA deposits make 17.89% of the total deposits.

Your Bank always takes efforts in increasing the deposits. As part of this venture, a regular analysis and study is conducted of various deposit schemes & ROIs of your Bank with other Public Sector as well as Co-operative Banks and our deposit products are modified accordingly.

On the festive occasions of 'Navratra Mahotsav, Dussehra and Diwali, from 13th October 2015 to 31st December 2015, your Bank had launched 'Cosmo Dhanvrudhi Plus' scheme. Under this scheme, your Bank offered 9.25% rate of interest p.a. to General, NRO, Institutional, Non-scheduled UCBs & Co-operative Credit Societies while the rate of interest for senior citizens was 9.50 % p.a. for deposit period of 250 days. Your Bank got very good response for this deposit scheme and an amount of ₹ 863.32 crore approximatly under this scheme was mobilized.

With a view to extend its business initiatives as well as its reach to cover the non-bankable areas and the cross section of the society, particularly the economically lower strata, your Bank has taken significant steps in the field of Inclusive Banking. Your Bank proposes to enhance this drive in the current financial year and thereafter.



LOANS AND ADVANCES

During the year under report, the loans and advances of your Bank moved from ₹ 11,159 crore to ₹ 11,150 crore. However, Loans of ₹ 309.87 crore for which 100% provision was made were written off during the year. Total Loans of ₹ 69.62 crore were transferred to the Asset Reconstruction Company and were considered as Non-Banking Assets in the Books of Accounts of your Bank.

The Credit Deposit Ratio as on 31st March 2016 stood at 73.26%. The percentage of Loans with Own Funds Plus Deposits was 67.87% as on 31st March 2016 which was as per the RBI guidelines.

Your Bank's maximum single party exposure is ₹ 146 crore and maximum group exposure is ₹ 320 crore which is based on the audited financials as on 31st March, 2015. Though your Bank can lend maximum upto these limits, considering the risks involved in the financial market, your Bank's Board of Directors took a strategic decision to approve the maximum limit of ₹ 50.00 crore only for any new individual borrower. However, in case any demand is received for loans more than the above mentioned maximum exposure limits, option of consortium banking with other banks may be considered based on the financial strength of the proposed borrower.

In the last year, the overall demand for new loans was comparatively sluggish due to recessionary situation in the Indian Economy. Various projects were delayed / postponed while no fresh large scale capital investments were made in any sector. Considering the increase in overall NPAs in the banks, almost all banks preferred not to fund any large scale projects and were also following the strategy of being very meticulous, pertaining to the borrowers, which has resulted into a lesser growth in loans & advances in many banks during the year. All this has affected the growth of your Bank's loans portfolio and comparing to the last few years, growth in loans portfolio was comparatively on a lower side.

In the recent past the economy has turned into a revival mode, which is expected to have a positive impact on the satisfactory growth in loans portfolio. Considering this, your Bank is strategically revising its Loan Schemes & the Rate of Interest offered on Loans which will show positive results in the near future. Considering the maximum limits allowed for single party exposure & group exposure, your Bank will be able to satisfy the loan requirements of renowned companies and Corporate Customers.

In the year under review, the advances in priority sector stood at ₹ 3,480 crore, which is 31.17% of the total advances. The advances to weaker sections make up 7.16% of the total portfolio. Your Bank is taking consistent efforts to increase the loans in these categories. Constant efforts for specifically increasing the MSME Loans & loans to priority sector & weaker sections are also taken through marketing at branch level.

Currently, the Bank offers wide range of loan schemes like Home Loans, SME Loans, Mortgage Loans, Car Loans, Education Loans, Cosmo Credit Loans, etc., at interest rates and terms that are very competitive and reasonable. For customer convenience, constant improvement is done in the terms and conditions applicable to these loans and its processing time, which would result into increase in Retail Loans.



CREDIT SUPERVISION CELL

Post-disbursement monitoring of large size borrowers and restructured accounts is carried out by your Bank's Credit Supervision Cell. It is currently headed by Chief General Manager under the active control and guidance of Joint Managing Director.

Monitoring of large loan accounts and restructured accounts is being done regularly by this Cell. Identifying the deficiencies if any, based on turnover, servicing of interest and installments, adequacy of insurance, submission of periodical statements, review position of cash credit accounts, etc., is carried out by this Cell & these are communicated to Regional Heads for corrective actions to remove/improve upon the deficiencies. By way of rigorous follow-up, persuasive recovery measures, etc., this Cell tries to keep these accounts operative and standard.

Information of borrowers under Consortium/Multiple banking is exchanged by this Cell on quarterly basis with all the concerned banks.

Annual stock Audit exercise is also done by this Cell. The exercise of stock audit was initiated by your Bank to verify the security offered for working capital limits to the Bank and its adequacy to cover the limits on particular date. Stock audit on yearly basis is made applicable for the borrowers having working capital limits of ₹ 5 crore and above.

OVERDUES & NPAs

As on 31st March 2016, the percentage of overdues is 6.46%. As on 31st March 2015, it was 6.80%. As on 31st March 2016, Gross NPA is at 9.84%. The same was 9.23% as on 31st March 2015.

In this financial year, your Bank has achieved a recovery of ₹ 194.84 crore towards NPAs by various means and of ₹ 21.28 crore from Notional Write-off Accounts thus achieving total recovery of ₹ 216.12 crore. In the year 2014-15, Bank had achieved recovery of ₹ 65.36 crore through various means, while ₹ 12.97 crore from Notional Write-off Accounts thus achieving total recovery of ₹ 78.33 crore.

Considering the amount of NPAs, Bank has set the target of achieving maximum recovery and bring the NPA amount to satisfactory level. Your Bank has initiated all possible & timely ways and means for early effective recovery in the NPA accounts. This result can be seen through the figures of recovery for the year 2015-16. During this FY, it has been decided at all levels to achieve maximum recovery at faster pace, thus reducing the quantum of NPAs. As part of this endeavor, the work of NPA Recovery Department has been handed over to the cadre of Chief General Manager whose expertise lies in this field. The entire department has been reorganized for effective NPA recovery. The entire recovery team would work dedicatedly only on this portfolio. Your Bank will make optimum use of the rights received from the Government of Maharashtra under section 156 of Maharashtra State Co-operative Societies Act, 1960 for recovery in the claims received under section 101 of the said Act. As mentioned in the last year's Annual Report with reference to the Securitization Act, Hon'ble Supreme Court had vacated the stay earlier granted on technical grounds against the recovery action initiated by Co-operative banks. Hence, it was expected that recovery would be very good. However, defaulters filed suits at various forums for different reasons hence recovery could not be achieved as per expectations. Bank is putting up its case effectively in the courts and the recovery of these accounts also will be done. However considering the time taken by our Judicial System it might take time to see the results.

The particulars of the action taken by your Bank through various means against the defaulters are as follows:

(₹ In Lacs)

As on 31 st June 2016	Cases	Amount
Cases filed with the Arbitrator	175	65,519.94
Cases filed under "Darkhast"	421	34,635.50
Action under Securitization		
1) 13(2) Demand Notice Sent	16	17,404.21
2) Taken possession of the Property	12	13,833.12
3) Process of Possession under progress	160	45,628.71
4) Possession taken, Sale Process initiated	107	1,03,960.92

Along with these efforts, proactive work is being done so as to curtail new NPAs. Credit Supervision Cell has been made more efficient and this cell is in continuous contact with borrowers which helps in timely action in curtailing slippage to NPAs. The positive effect of these actions will be seen in the figures of FY 2016-17.



CAPITAL ADEQUACY (CRAR)

The year witnessed a growth of ₹ 66.41 crore in the share capital of your Bank, which increased from ₹ 312.43 crore to ₹ 378.84 crore. As per the RBI norms, a minimum CRAR ratio of 9% is mandatory for Co-operative Banks. As on 31st March 2016, the CRAR of your Bank is at a satisfactory level of 13.74%.

LONG TERM DEPOSIT SCHEME – 4

Your Bank launched Long Term (Subordinated) Deposit Scheme – 4 on 8th February 2016. The ROI for this scheme for all depositors was 9.75% p.a.

The minimum amount to be deposited under this scheme was ₹ 10,000/-. The tenure of the deposit was 66 months and the interest earned was on quarterly basis.

Your Bank got a very good response for this Scheme and mobilized deposits amounting to ₹ 147 crore approximately.



INVESTMENT & TREASURY OPERATIONS

Treasury Operations of your Bank plays an important role of managing liquidity requirements on day to day basis, while managing your Bank's investment portfolio and carrying out prime function of CRR / SLR management.

During the year under report, RBI cut its policy REPO rates twice, with inflation staying below its targeted level. However, banks were found reluctant in reducing lending rates due to the tighter market liquidity conditions over most part of the year and pressures on NIM due to growing NPAs. This led to very little decisive movement in yields of the government bonds and other fixed income investment options.

Under such indecisive and challenging market conditions for most part of the year, your Bank's Treasury operations were prudently managed to earn Net profit of ₹ 28.72 crore and earned return of 7.95 % p.a. on the entire investment portfolio, excluding security receipts portfolio. Your Bank's investment portfolio stood at ₹ 4453.42 crore as on 31st March 2016.

FOREIGN EXCHANGE OPERATIONS

Your Bank is offering all kinds of permissible foreign exchange services to its customers through its 7 forex cells situated at Pune, Vile Parle, Dadar, Aurangabad, Ahmedabad, Surat and Hyderabad.

Financial Year 2015-16 witnessed challenging global economic conditions where, no other country except USA saw any economic growth. These global conditions adversely affected the exports from India where the domestic trade conditions also have been struggling for the growth.

Under the circumstances, your Bank's foreign exchange turnover including interbank and merchant business touched the level of ₹ 11,189 crore during the year under report. Your Bank's NRI deposits reached the level of ₹ 189.63 crore as on 31st March 2016.



AUDIT & INSPECTION

In the Annual General Meeting dated, 26th September 2015, Pune based firms, M/s P. G. Bhagwat, Chartered Accountants, Pune and M/s G. D. Apte and Co. Chartered Accountants, Pune,

were jointly appointed for statutory audit and inspection of your Bank for the F.Y. 2015-16. They have inspected all the branches and Corporate Office of the Bank and had given their report which is included in this year's Annual Report.

The entire working of the Bank is computerized. For security of the computer system, Covenant Infosec Consulting LLP were appointed for System Audit for the F.Y. 2015-16. They have completed the audit and submitted their report. The IT infrastructure has been inspected by Bank's IT professionals.



INTERNAL AUDIT & VIGILANCE

To oversee the day to day banking of branches, an internal audit and robust Vigilance Cell is active in all the regional offices of your Bank.



HUMAN RESOURCES

Your Bank has been pursuing a balanced and comprehensive Human Resource Policy in view of various challenges faced by the banks.

Human Resource strategies have been a key component of your Bank's overall efforts for business transformation. Your Bank is already endowed with a competent and highly motivated employee base.

Various HR initiatives taken by your Bank such as Talent Management, Succession Planning and Performance Management will produce substantial results going forward and enabling your Bank to successfully address the business challenges.

During the year under report, the total staff strength of your Bank was 2405 employees, out of which 1276 were officers. In addition to this 553 candidates were outsourced through outsourcing agency.

A number of initiatives have been undertaken with a focus on facilitating knowledge management, skill enhancement and motivational strategies to equip staff members of the ever changing competitive environment.

During the year under report, your Bank has been successful in maintaining industrial peace and cordial relations with the Cosmos Bank Sevak Sangh.

Your Board of Directors concluded the Wage Settlement along with the Cosmos Bank Sevak Sangh for the period 1st April, 2015 to 31st March, 2020. The employees from the

rank of sub-ordinate staff upto Chief Managers are covered under the said settlement/understanding.

COSMOS CENTRE OF EXCELLENCE

Cosmos Centre of Excellence is a centralized training platform, providing all types of learning and development facilities to the Bank employees. The centre is equipped with all required infrastructure. The training facility is undertaken at different locations in the various regional offices of your Bank.

During the year under report, every effort was made to upgrade the skills and capabilities of the staff.

72 training programmes covering 2064 employees were conducted in-house, having wide range of topics from domain to soft skills. In addition to this, employees were also deputed to different training programmes conducted by well-known institutes like College of Agricultural Banking (CAB), Foreign Exchange Dealers Association of India (FEDAI), National Federation of Urban Co-op. Banks and Credit Societies (NAFCUB), IDRBT, etc.

Many kinds of certification exams were introduced during the year for the employees with a view to undergo proper studies and enhance knowledge. The competent technical platform is established for conducting such online certification exams. The process of providing eLearning courses for all employees has been initiated. This will help the employees to access the courses and update knowledge as per their convenience and from their own desks.



RISK MANAGEMENT

Risk Management is a key factor in ensuring the stability and development of your Bank's business considering the current economic conditions, contagion impact of various global events and inter-linkages between financial markets. It has become a regulatory compliance requirement which aims to make the banking sector more robust and self-evolving. Hence your Bank has developed a roadmap for implementing effective Risk Management Policies across the organisation and working towards building a 'Risk Awareness' culture in all its day-to-day activities. The Risk Management portfolio has identified 16 business risks relevant to your Bank, including Operational Risk, Credit Risk and Financial Risk.

An approved Risk Management Policy and Framework guides all the Risk Management initiatives undertaken by your Bank. It acts as a basis for specific risk policies like Operational Risk Policy, Liquidity Risk Policy, ALM Policy, etc. are developed and implemented across your Bank. The monitoring and reporting of the Risk Management Policy compliance is done through specific committees like Operations, Technology and Risk (OTR) Committee, Asset-Liability Management Committee, Loan Committee, etc.

Apart from these Risk Management initiatives, the department also oversees Information Security and Business Continuity.

Further, it also facilitates strategic analysis and management reporting of any risk and governance issues through its Speak-Up Policy.



CURRENCY CHEST

Your Bank's Currency Chest has completed two successful years of operations. It is satisfying the cash needs of branches in

Pune, Mumbai & nearby area. Similarly, Currency Chest is also providing fresh/sorted cash and coins to all branches of your Bank, sorting soiled notes received from branches and remitting the same to RBI and providing guidance to branches in detection and impounding of forged notes.

RBI has conducted snap inspection on 27th November, 2015 and there was not a single objection in inspection report. RBI officers expressed their satisfaction on the overall performance of the Currency Chest.

As on 31st March 2016, the total cash turnover handled by the Currency Chest was ₹ 3,245.06 crore.

During the year 2015-16, Currency Chest has sent soiled currency notes worth ₹ 183.89 Crore to the Reserve Bank of India. During the year under report, Reserve Bank has remitted ₹ 40.90 crore worth fresh currency notes to the Currency Chest.

During the year under report, soiled notes exchange *melas* were organized by the Currency Chest for the customers at selected branches. During the said *melas*, soiled notes worth ₹ 0.26 crore were exchanged by the customers for fresh currency notes and also distributed coins of ₹ 0.19 crore.



BANKING CODES & STANDARDS BOARD OF INDIA (BCSBI)

Your Bank is a member of Banking Codes & Standards Board of India (BCSBI). Your Bank is committed to follow the prescribed standards of banking practice in dealing with customers.

These Codes set the benchmark of services with regard to time, quality, standardized forms, etc. Adherence to these Codes automatically enables the Bank to offer a higher level of services to its Customers. The training is imparted to staff about the Codes and continuous improvement in customer service. The Codes are displayed on the website of your Bank for the information of customers.

The Annual Compliance Statement is submitted to BCSBI every year as per requirement.



FINANCIAL INCLUSION

In accordance with the RBI guidelines to offer Banking services to economically weaker sections of the population, your Bank is working in Financial Inclusion field since March 2011.

Being proactive towards Central Government's directive regarding Financial Inclusion, your Bank has started implementing Jan Dhan Yojana and Basic Savings Bank Deposit Scheme (BSBDA) by opening zero balance account under these schemes. Your Bank has made available to its customers, Pradhan Mantri Suraksha Bima Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana through all the branches. To offer this service your Bank has tied-up with New India Assurance Co. Ltd. and Life Insurance Corporation of India. 63166 customers have taken benefit of this service and Bank has earned an income of ₹ 10.97 lacs.

Nearly, 1083 Self Help Groups (SHG) have opened their savings accounts in the Bank and almost 10830 Group members are linked to your Bank through this project. Your Bank is providing facilities like opening of individual No Frill Accounts, Kidz Accounts, Jansanchay Accounts by providing basic and vocational training and marketing of 'Bachat Gat' products etc. to these groups. Your Bank has successfully launched new SHG loan scheme. This scheme is specially

designed for SHG members. Your Bank has started new savings account scheme for SHG members with Zero Balance facility.

As a part of Financial Inclusion, your Bank has appointed Business Correspondents (BCs) for providing Bank's services to people who are willing to avail the services, but are unable to visit branches due to their occupation, or distance from the branches. Under this project, customers can avail many banking facilities like account opening, deposit or withdrawal of money, etc., without visiting branches. Initially BCs are working in Pune and Amravati area.

Your Bank has started a separate vertical called Cosmos Financial Inclusion (COFI). This concept comes under Micro Finance Loan. Your Bank has started Joint Liability Group (JLG) project in March 2016. In this project, your Bank has disbursed loans to financially unorganized sectors in the society. The loan amount disbursed in this scheme is minimum of ₹ 20,000/- to maximum of ₹ 50,000/- for a period of 2 to 3 years. Through this project, Bank can approach many under developed areas and help to improve their standard of living.

FINACLE 10.X CORE BANKING UPGRADE

Your Bank is in process of upgrading the existing Finacle Core Banking Software to the version 10.x. The migration, which is a part of your Bank's transformation initiative, will enhance its operational efficiency, strengthen innovation capabilities and support scalable growth. Finacle version 10.x is modernized platform to deliver the full spectrum of retail, corporate and trade finance services to the customers. This robust and scalable platform will ensure the flexibility it needs to selectively upgrade and strengthen its capabilities across the areas like credit, liabilities and corporate services.

SMARTVISTA SWITCH

Your Bank is in the process of upgrading the existing ATM switch to the new switch 'SmartVista' from the Company BPC Banking Technologies.

Your Bank has chosen to deploy BPC's advanced and end-to-end e-payment transaction switch solution, SmartVista to support its ambitious growth strategy. Your Bank chose SmartVista because of its unique combination of advanced

technology, comprehensive functionality and ability to dramatically lower total cost of ownership.

SmartVista is a single integrated solution for transaction processing and card management. SmartVista handles all aspects of ATM Management, Billing, Mobile and Contactless Payments, Settlement, Point of Sale, Card Issuing and Acquiring, Microfinance, Electronic Payments Processing, Fraud Monitoring Tool and Biometric Authentication.

To achieve this Cosmos eSolutions and Services Pvt. Ltd., has formed a strategic partnership with BPC Banking Technologies. BPC Banking Technologies is the leading global provider of Open Systems e-payment solutions for the global financial industry.

BANK'S OWN SUBSIDIARY – COSMOS E-SOLUTIONS & SERVICES PVT. LTD.

Cosmos e-Solutions & Services Pvt. Ltd., develops, supports and maintains various software solutions related to the Bank. This subsidiary also offers services of software development and support to more than 25 Banks and financial institutions according to their needs. The Directors of Cosmos e-Solutions & Services Pvt. Ltd. are experts from various fields having brilliant professional vision.

IT giant “Infosys” has recently announced Cosmos e-Solutions & Services Pvt. Ltd. as its ‘implementation partner’ for their Core Banking software, Finacle.

Cosmos e-Solutions & Services Pvt. Ltd. has been appointed as an “Implementation Partner” by the “BPC Banking Technology” which is the leading company in the payment systems. This company is working with more than 175 banks in the global market.

Cosmos e-Solutions & Services Pvt. Ltd. with the collaboration of IT Shastra, has developed and brought into the market a new software called “RX office AML”.

SEVAK KALA-KRIDA AND OTHERS

1. On the occasion of 8th March, International Women's Day, a special programme of ladies staff of your Bank was

arranged on 12th March 2016. It got a very good response and was well-attended by the ladies staff.

2. Your Bank had presented one act play ‘Naav’ written by Bhusan Patil in the Busy World One Act Competition arranged by Rotary Club of Pune Heritage. Your Bank has received second award for group performance for this play. The other individual first prizes received were for Direction, Stage set, Music, Lights; Second prize for Best actor Male & Third Prize for Best actor Female.
3. Bank's Kala Krida Mandal participated in the following cricket tournaments –
 - PDCA Summer League T20 tournament 2015 – Bank's Cricket Team played total 5 matches in this tournament and won the runner-up trophy.
 - PDCA Shinde League 45 Overs Tournament 2015-16 – Bank's Cricket Team participated and won 3 matches in this tournament.
 - PDCA Summer League T20 Tournament 2016 – Bank's Cricket Team won 2 matches by participating in this tournament.

ANNIVERSARY

The 110th Anniversary of your Bank was celebrated on 18th January 2016, by various social programmes. The Directors of the Board, all senior officials, staff, esteemed customers and members were present in large number.

On the occasion of, ‘Road Safety Week’, ‘Cosmos Rally’ was arranged. Two-wheeler riders from all 35 branches of Pune gathered at ‘Cosmos Heights’ and were flagged off by Directors, Hon. Govind Kshirsagar, Hon. Dr. Smita Jog and Hon. Rajeev Sabade. The pillion riders in this rally carried placards with slogans on road safety, save water, save electricity, female infanticide, save environment to create awareness about these issues. The ‘Cosmos Rally’ was concluded at Bank's Corporate Office ‘Cosmos Tower’ by Deputy Police Commissioner, Traffic, Sarang Avhad.

Nana Patekar, renowned actor and founder of ‘Naam

Foundation' graced the 110th Anniversary function of Cosmos Bank with his presence. As part of its Corporate Social Responsibility, Bank and its staff donated an amount of ₹ Five Lac Fifty One Thousand to Nana Patekar's 'Naam Foundation'.

On the occasion of its 110th Anniversary, Cosmos Bank also handed over cheque of ₹ Two lac for renovation of Patrakar Bhavan to Jitendra Ashtekar – Chairman, Patrakar Sangh & Umesh Ghongade – Chairman, Patrakar Pratisthan. Also, for empowering women under Financial Inclusion, loan sanction letters of more than ₹ Six lacs were handed over to three self-help groups from Pune.

The new corporate film of Cosmos Bank was launched at the auspicious hands of Chairman – CA Milind Kale. Rangoli competition amongst Pune branches was organized on this occasion. To welcome guests, staff wore traditional attire representing the 7 states, viz., Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh, Telangana, Karnataka and Tamil Nadu in which Cosmos Bank has branches.

OTHER EVENTS

1. 31st October 2015 - The Cosmos Co-operative Bank Ltd., and Healthspring Community Medical Centre, jointly organized 'Cosmo Health Camp' for staff of Corporate Office at 'Cosmos Tower' from 10.30 a.m. to 5.00 p.m.
2. 19th & 20th December 2015 - PCMC Municipal Commissioner Rajeev Jadhav IAS, inaugurated the Cosmos Property Expo, organized by Cosmos Bank and managed by 'A' Group of Industries.

Through this Expo various people of Pimpri-Chinchwad found various housing projects under one roof.

During this Property Expo, Bank offered on the spot home loan at 9.75% rate of interest for home loan.

People from Pimpri-Chinchwad area attended the Expo in large numbers.

3. 21st December, 2015 – 'Cosmos Value Connect' a meeting for large borrowers from Pune region was organized at the Corporate Office, 'Cosmos Tower'. The borrowers got

a chance to interact in person with various Bank officials and discuss their issues regarding banking operations.

4. 31st December 2015 – Informative lecture on share market, 'Shh...share bazaracha' was conducted by Mr. Chandrashekhar Thakur, renowned Economist and Department Head of CDSL Investor Education (retd.)
5. 9th January 2016 - Deccan College, The Deemed University, had arranged an international conference on Ancient Science and Technology – Retrospection and Aspirations, or ASTRA 2016 between 9th to 11th January and Cosmos Bank had taken the lead to bring this subject on the forefront for the benefit of the society.

Considering the Cosmos Bank's values, vision-mission and policies, it has decided to bring the Ancient Science and Technology at the forefront in today's society. Cosmos Bank has always been dedicated to sensitive and effective use of science and technology and keen on education. Considering the practicality and applicability of Ancient Science and Technology in today's times, as a vigilant entity of society, Cosmos Bank felt the need to bring the research and studies on this subject on the forefront and hence Bank had taken this initiative.

As part of this initiative students were elucidated with the Ancient Indian Science, Technology and Culture. They were also educated about how Yoga, Health, Dance, Mathematics and Science based on Ancient Indian Science can be co-related to the modern science of today. They were encouraged for further research on these subjects.

6. 10th March, 2016 – Cosmos Bank along with Brihan Maharashtra College of Commerce had arranged informative lecture on 'Union Budget 2016-17' by Mr. Chandrashekhar Tilak.
7. 11th March, 2016 – Cosmos Bank arranged lecture by Mr. Manoj Sathe, Vice President, National Securities Depository Ltd. (NSDL) on capital market, importance of investment, new avenues of investments, Demat services given by NSDL, etc.

BANK'S RECOGNITION

- Depository Service Cell's name was included in the Limca Book of Records.
- Best Co-op. Bank from Banking Financial Services & Insurance.
- 'Best Bank Award' from The Maharashtra Urban Co-operative Banks Federation Ltd. at Mumbai during the state level conference of urban co-operative banks.
- "Infosys Finacle Client Innovation Award 2015" under the Category of "Innovative Customer Service" for "Integrating Tally Accounting Software with Internet Banking".
- 'ASSOCHAM Social Banking Excellence Award 2015' Award in the category of co-operative banks, Regional Rural Banks (RRBs) and Local Area Banks (LABs). The ASSOCHAM Social Banking Excellence Award 2015 was bestowed on Cosmos Bank amongst 82 entries for social exposure in urban banking.
- "NSDL Star Performer Award – 2015" for opening New Demat Accounts in Co-operative Banks Category for the second consecutive year by national level institute "National Securities Depository Ltd."
- 'Green World Sahakar Bhushan Award' at the hands of Commissioner of Co-operatives, Maharashtra State, Mr. Chandrakant Dalvi, from Green World Publications.
- Special award during the 20th annual award function of 'Maharashtra State Co-operative Banks Association Ltd., Mumbai' for more than 100 years of service and important work in co-operative sector.
- Demat Cell receives ISO-9001:2008 certification for Quality Management System from world renowned BSI Company from Britain.
- Account Opening Cells operational from Gujarat, Nashik, Aurangabad, Mumbai, Amravati, Hyderabad, Kolhapur and Pune receive ISO-9001:2008 certification from world renowned BSI Company from Britain.
- CTS Cell receives ISO-9001:2008 certification from world renowned BSI Company from Britain.
- Technology Bank of the year 2016 runner up award from NPCI.

- Best Technology Implementation runner up award from IBA.
- Runner up position for NACH transaction volume from NPCI.

DIRECTORS' ACHIEVEMENTS

1. Chairman, Mr. Milind Kale received 'Sahakar Bhushan Award' from Dr. Sudhakar Jadhavar Social and Education Trust.
2. Mr. Krishnakumar Goyal selected (without contest) as member of Executive Committee for the period 2016-2018 of Maharashtra Chamber of Commerce, Industries and Agriculture.
3. Mr. Krishnakumar Goyal received the 'Pune Zilla Sahakar Bhushan Award' from Pimpri-Chinchwad Sarvajanik Vishwasta Pratisthan.
4. Adv. Pralhad Kokare received the 'Karyagaurav Puraskar (Prashasakiya)' from Pimpri-Chinchwad Sarvajanik Vishwasta Pratisthan.

SENIOR OFFICIAL ACHIEVEMENTS

1. Your Bank's Managing Director Mr. Vikrant Ponshe received the prestigious "CEO with HR Orientation" Award from Asia Pacific HRM Congress.
2. Your Bank's Chief General Manager – Accounts, Audit – Vigilance and Credit Supervision, Mrs. Nayan Lagad was featured on Doordarshan, Sahyadri Channel in the phone-in-programme "Sakhi Sahyadri". The topic of the programme was '*Banking kshetratil mahilanchi bhumika ani sahabhag*' (Role and participation of Women in Banking Sector).

AMENDMENT TO BYE-LAWS

In accordance with amendments in the Bye-Laws accepted by the Annual General Meeting Held on 26th September 2015, Bank had send the bye-laws for registration to Government of India, Agriculture and Co-operatives Department, New Delhi.

Out of the said amendments approval has been received for 4(xx)(a), 6(a)(ii)(m), 6(aa), 6(a)(vi), 6(b)(ii), 6(b)(v,vi), 15(i), 19(xvi,xvii), 24(i), 28(ii),(iv), 31(iii) and 38(xv) except Bye-law 28(i).

The said amendments to the Bye-laws are applicable from 15th January, 2016.

CORPORATE GOVERNANCE

Following committees of Directors of the Board are active to oversee the day to day work, sanctioning of loans and policy matters.

1. Executive Committee	6. Fraud Monitoring Committee
2. Pune Region & Outside Branches Region Loan & Recovery Committee	7. Asset Management Committee
3. Mumbai & Gujarat Region Loan & Recovery Committee	8. Development & Member Relation Committee
4. Audit Committee	9. Staff Committee
5. Investment & Foreign Exchange Committee	10. Financial Inclusion Committee

During the year 2015-16, 29 meetings of Board of Directors and 117 meetings of the Sub-committees were held. Following are the attendance details of the same.

Name of Director	Meetings of Board of Directors		Meetings of Sub-Committees	
	Total No. of Meetings	Attendance	Total No. of Meetings	Attendance
1. Mr. Milind Kale	29	28	86	84
2. Mr. Madhukar Atre	29	29	76	74
3. Dr. Mukund Abhyankar	29	22	39	36
4. Dr. Smita Jog	29	24	26	21
5. Mr. Krishnakumar Goyal	29	28	74	71
6. Mr. Govind Kshirsagar	29	25	41	36
7. Adv. Jayant Shaligram	29	22	38	28
8. Mr. Prakash Joshirao	29	27	13	09
9. Mr. Sunil Sabnis	29	26	26	22
10. Mr. Rajeev Sabade	29	28	10	10
11. Adv. Pralhad Kokare	29	29	48	47
12. Adv. Shripad Panchpor	29	21	53	42
13. Mr. Jitendra Shah	29	29	21	20

MEMBERSHIP

During the year under report, 2376 new members including individual and institutional members were enrolled as members, whereas due to resignations and other reasons 1940 members were reduced from the members list. Thus, as on 31st March 2016 the Bank comprises of 81676 members.

KYC & AML

The Bank is complying with all the guidelines related to KYC & AML issued by RBI from time to time. Customers are informed to comply with KYC formalities through various modes such as posters, banners, notices displayed in branches and newspapers, letters sent to customers. To ensure 100% KYC compliance of new savings and current accounts, new savings and current accounts are opened through 8 account opening cells. Thorough scrutiny of account opening forms and KYC documents are done at these cells and such documents are scanned through Document Management System (DMS) to maintain permanent record of such documents.

Further as per guidelines of RBI, risk categorization of all the accounts is done and assigned risk is changed from time to time as per changes in customer profile, turnover in the account, etc. Accounts are monitored as per risk allocation. The KYC Documents of high risk customers are updated at regular intervals as per the prescribed guidelines of the RBI in this regard. AMLOC (Anti Money Laundering Software) is used for screening of names, generation of various reports and alerts for transaction monitoring.

Continuous training regarding KYC & AML is imparted to the staff which helps in increasing alertness in working in the Bank. To maintain the significance of this training amongst the staff, separate internal exam and certification were conducted by the Bank in the year under report.

The Bank has submitted all the statutory returns such as Cash Transaction Report (CTR), Non-Profit Organization Transaction Report (NTR), Counterfeit Currency Report (CCR) and Cross Border Wire Transfer (CBWT), within the prescribed time limit to Financial Intelligence Unit – India (FIU – IND) as and when required.

CUSTOMER SERVICE

Being a customer centric organization, customer is accorded the highest priority. During the year under report, Bank continued to endeavor enhancing customer service through various initiatives.

Every branch is celebrating their anniversary day in a very unique and different way with social cause in it. On the occasion of branch anniversaries, lectures on investment & finance related subjects, life-style management, health issues, etc. were arranged adding value to customer service. Branches organized health camps for eye checkup, blood donation, tree plantations, etc.

To increase awareness among customers, Bank sent SMS informing security tips about ATM, internet banking and mobile banking. Various options are made available to customers to share their feedback regarding products and services, in turn which is productively used for enhancement.

DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS

1. Financial Year 2012-2013	
Date & Venue	Sunday, 4 th August 2013 Shivshankar Hall, Maharshinagar Pune – 411037.
Specific directives accepted in the meeting	1. Amendment suggested in the bye-laws of the bank / new bye-laws accepted. Bye-law No.3,4 (x), (xviii), (xxiii)(a), (xxiii)(b), (xxiv), 5 (xv), (xxvi), (xxxi), (xxxiv), 6(a)(ii)(b), (b)(iv), 7(iv)(b), 24 (i), (ii)(a), 32 (iv), (xxiii), 38 (2) (a)(b), 39
	2. Amendments in Bye-law Nos. 31 (i), (ii) & 36 (iv) are withdrawn.
	3. Appointment of M/s. P. G. Bhagwat and M/s. S. D. Medadkar & Co. as Statutory Auditors for the year 2013-14
	4. Sanction was given to take interest free loan amount maximum upto ₹ 25 crore from General Reserves for construction of the building. A period of ten years was fixed for repayment of such loan. (However, no loan has been taken till date.)
	5. Sanction was given for disbursement of dividend @ 12% for 2012-13.
2. Financial Year 2013-2014	
Date & Venue	Sunday, 22 nd June 2014, Shivshankar Hall, Maharshinagar, Pune – 411037.
Specific directives accepted in the meeting	1. Amendment suggested in the bye-laws of the bank viz.. sub-clause 2,3,4,6,11 and 28 / new bye-laws accepted.
	2. Appointment of M/s. Yardi Prabhu & Associates and M/s. P. G. Bhagwat, Chartered Accountants as Statutory Auditors for FY 2014-15.
	3. Sanction was given for disbursement of dividend @ 12% for 2013-14.
3. Financial Year 2014-15	
Date and Venue	Saturday, 26 th September 2015 Shivshankar Hall, Maharshinagar Pune – 411037.
Specific directives accepted in the Meeting	1. Amendment suggested in the bye-laws of the bank / new bye-laws accepted viz. sub-clause 4,6,6(a)(ii), 6(a)(vi), 6(b), 6(b)(ii), 15(i), 19, 24(i), 28, 31(iii) and 38.
	2. For the F.Y. 2015-16 M/s. P. G. Bhagwat, Chartered Accountants, Pune & M/s. G. D. Apte and Company, Chartered Accountants, Pune were appointed as Statutory Auditors.
	3. Sanction was given for disbursement of dividend @ 10% for 2014-15.

OBITUARY:

The Board of Directors deeply mourns the death of members of the Bank, customers, staff and well-wishers who passed away during the year under report.

VISITS

During the year under report, many renowned personalities as stated under, visited the Bank.

- Mr. Nana Patekar, renowned actor
- Mr. Baburao Pacharne, MLA
- Mr. Prakash Mutyal, Additional Commissioner of Police, Northern Region, Pune City
- Mr. Mahesh Zagade, Metropolitan Commissioner
- Dr. R. Vyankateshan, IPS, Registrar of Co-operatives, Rajasthan
- Mr. K. K. Pathak, IPS, Commissioner of Police, Pune
- Mr. Sarang Avhad, Deputy Police Commissioner, Traffic, Pune

ACKNOWLEDGEMENTS

Sincere gratitude towards Central Registrar, Agriculture and Co-operatives Department, Government of India, New Delhi and all the officials therein, all officials of Reserve Bank of India, Commissioner of Co-operatives and the officials of the states of Maharashtra, Madhya Pradesh, Andhra Pradesh, Tamil Nadu, Telangana, Karnataka and Gujarat.

Cosmos Bank Sevak Sangh plays an important role in the success of Cosmos Bank. Gratitude to the office bearers and members of Cosmos Bank Sevak Sangh. The Board of Directors would like to express its sincere appreciation to all sections of the employees of your Bank for their loyalty, dedication and commitment to the Bank, its objectives and towards a sustained improvement in customer service.

The Board of Directors would also like to put on record its gratitude to the Internal, Concurrent and Statutory Auditors for their contribution, support and guidance.

Last but not the least, heartfelt gratitude for the support by all the members, depositors, customers of the Bank for the year under report.

For and on Behalf of the Board of Directors



Milind Kale
Chairman

Date 4th September, 2016

Please Note: The Marathi version will be held authentic for all interpretations.

APPEAL TO ALL MEMBERS

1. Members can directly credit the dividends payable to their Cosmos savings / current or loan accounts. Members may inform the branch name where they hold membership and their account and mention the same in the form available in the branches. This will enable the members to receive dividends in their account every year.
2. According to the bye-law 48(iv), if the dividend amount is not paid within three years from the date of declaration, the amount on the dividend warrant shall be transferred to the Reserves. Therefore, members who have not collected the dividend warrants from the branch are requested to collect the same from the concerned branch or from the Head Office, failing which the dividend amount will be transferred to the Reserves and will not be refunded to the members under any circumstances.
3. Please notify any change in your mailing address immediately.
4. Nomination facility is available for savings account and shares. Members who have not submitted the Nomination forms are requested to do so at the earliest.
5. Your Bank has started Centralized Banking System (CBS) in all branches. In order to obtain important permanent information of account holders 'My Profile' form is available. Those who have not yet submitted it are requested to do so at the earliest. Members will be able to benefit from various services through this new technology and in the future, many more will be added. Thus filing and submitting this Form will help members to avail the same.
6. In order to ensure security of account balance and also to notify customers of various new schemes, SMS banking facility is available. You are therefore requested to register your mobile numbers and email IDs with the concerned branch.
7. As per the provision in Multistate Co-op Societies Act, if a member of Multistate Co-op. Society remains absent for three Annual General Meetings consecutively and if leave is not granted for such absence by Annual General Meeting, his membership automatically stands cancelled. Members should take note of this and attend the meetings. Otherwise they should intimate in writing their inability to attend.
8. Demat account holders are requested to notify change in mailing address, bank account number, etc. to the bank immediately. To avail of the Free SMS Alert facility provided by National Securities Depository Ltd; submit to Demat account holders are requested to register their mobile numbers. Demat account holders who have not yet submitted their nominations are requested to do so immediately, and those who do not wish to submit nomination are requested to inform the same to the Demat department.
9. As per Reserve Bank of India's guidelines and the provisions of Prevention of Money Laundering Act 2002, it is imperative for the account holder to comply with their KYC (Know Your Customer) documentation for their banking account. Accordingly, for the KYC compliance, the Bank has communicated to all its customers through different channels. Notice in this respect was also published in local newspapers. However it has been observed that few customers have not yet done this mandatory compliance. All these customers are therefore requested to comply with the KYC requirements for their relevant accounts and co-operate with the branch staff. Even after repeated appeals, if the KYC requirements are not fulfilled, such KYC non-compliant accounts shall be freezed and money will not be allowed to be withdrawn from such accounts.

VARIOUS SERVICES OFFERED

Tab Banking	Internet Banking	Mobile Banking
Tally Software Integration	eKYC	Point of Sale
DBTL	Euro Master / Visa Card	Demat
Mutual Fund	Insurance	Franking / eFranking
Pan Card	E-Tax Payment	Forex Services
APBS / NACH	RTGS / NEFT	Bulk Salary Remittance for Corporate Customers

BALANCE SHEET AS AT 31ST MARCH, 2016

31-3-2015 ₹	No. क्र.	CAPITAL AND LIABILITIES कर्ज व देणी	SCH	31-3-2016 ₹
3,124,283,500.00	1.	Share Capital / भागभांडवल	A	3,788,385,900.00
15,401,088,227.56	2.	Reserve Fund and Other Reserves / गंगाजळी व इतर निधी	B	15,030,305,936.89
—	3.	Principal and Subsidiary State Partnership Fund Account शासनाची प्रमुख अथवा सहाय्यकारी भागिदारी निधी		—
158,350,762,494.61	4.	Deposits and Other Accounts / ठेवी व अन्य खाती	C	152,195,229,227.18
4,725,358,680.56	5.	Borrowings / कर्ज	D	4,927,399,044.57
2,260,694,120.50	6.	Bills for Collection Being Bills Receivable (As per Contra) वसुली स्विकारलेली बिले (दुबेरजीप्रमाणे)		2,254,011,598.00
3,624,630.00	7.	Branch Adjustments / शाखा मिळवणी		—
2,127,123,314.47	8.	Overdue Interest Reserve / थकबाकी व्याज तरतुद On Non-Performing Advances / अनुत्पादित कर्जावरील		1,935,124,106.50
19,838,339.56	9.	Interest Payable / व्याज देणे		5,816,941.46
4,228,880,989.18	10.	Other Liabilities / इतर देणी	E	4,416,041,325.66
35,247,575.00	11.	Merged Banks Collection Account Payable विलीनिकरण झालेल्या बँकांचे कलेक्शन अकाँट पेएबल	F	35,247,575.00
616,252,038.62	12.	Profit and Loss Account / नफा-तोटा खाते	G	458,601,224.92
		NOTES ON ACCOUNTS	R	
190,893,153,910.06				185,046,162,880.18
		Contingent Liabilities : संभाव्य देणी		
4,006,373,665.15		Bank Guarantees बँक हमी		4,687,337,910.78
4,078,331,671.62		Letters of Credit Issued लेटर ऑफ क्रेडिट		4,514,113,672.58
2,280,157,221.00		Forward Exchange Contracts Purchase/Sale फॉरवर्ड एक्सचेंज कॉन्ट्रॅक्ट परचेस / सेल		2,207,287,348.15
146,499,892.02		Others: Depositor Education & Awareness Fund इतर: ठेवीदार शिक्षण आणि जाणिव निधी		175,847,818.19

Notes on accounts form part of accounts
As per our Report of even date

Signature to the Accounts including Schedules and Notes on Accounts

Nachiket Deo, Partner
M. No. : 117695
Statutory Auditor
For M/s. P. G. Bhagwat
Chartered Accountants
F.R.No. 101118 W

Saurabh Peshwe, Partner
M. No.: 121546
Statutory Auditor
For M/s. G. D. Apte & Co.
Chartered Accountants
F.R.No. 100515 W

Ghanasham Ranade, Partner
M. No. 100151
Internal Auditor
For M/s. Gunwani & Kolapkar
Chartered Accountants
F.R.NO.128698W

Place : Pune
Date : 04/09/2016

३१.३.२०१६ अखेरचा ताळेबंद

31-3-2015 ₹	No. क्र.	PROPERTY AND ASSETS जिंदगी व येणे	SCH	31-3-2016 ₹
9,031,649,823.72	1.	Cash and Bank Balances / श्री शिल्लक व बँकेतील शिल्लक	H	7,004,125,000.33
1,476,898,734.19	2.	Balances With Other Banks / इतर बँकातील शिल्लक	I	1,963,900,497.59
—	3.	Money at Call and Short Notice (Lending under Reverse REPO/LAF) / मागणीकरताच मिळणाऱ्या वा अल्प नोटीशीने मिळणाऱ्या ठेवी		1,000,000,000.00
52,502,119,784.51	4.	Investments / गुंतवणूक	J	47,234,198,307.05
111,597,591,989.40	5.	Advances / कर्जे	K	111,500,210,381.44
968,645,952.52	6.	Interest Receivable / व्याज येणे Interest on Deposits & Securities ठेवी व रोख्यांवरील व्याज		860,819,884.28
2,127,123,314.47		Overdue Interest on Loans & Advances कर्जखात्यांवरील थकित येणे व्याज		1,935,124,106.50
—	7.	Branch Adjustments / शाखा मिळवणी		1,258,274.58
2,260,694,120.50	8.	Bills receivable being Bills for Collection(As per Contra) वसुलीसाठी पाठविलेली बिले (दुबेरजीप्रमाणे)		2,254,011,598.00
6,163,976,627.70	9.	Fixed Assets (Gross Block Less Accumulated Depreciation) / कायम जिंदगी	L	6,090,842,782.14
4,014,950,995.56	10.	Other Assets / इतर येणी	M	4,197,384,685.79
180,789,000.00	11.	Non Banking Assets Acquired in Satisfaction of Claims कर्ज फेडीत बँकेने खरेदी केलेल्या मिळकती		387,416,400.00
470,813,490.00	12.	Deferred Tax Asset / डिफर्ड टॅक्स असेट		542,905,490.00
97,900,077.49	13.	Goodwill A/C - Merged Banks गुडविल खाते - विलीनिकरण बँका	N	73,965,472.48
190,893,153,910.06				185,046,162,880.18

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Chairman

Madhukar W. Atre
Vice Chairman

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Managing Director

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Jt. Managing Director

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Chief General Manager

Mukund L. Abhyankar
Smita V. Jog
Krishnakumar K. Goyal

Govind R. Kshirsagar
Jayant B. Shaligram
Prakash M. Joshirao

Sunil A. Sabnis
Rajeev B. Sabade
Pralhad B. Kokare

Shripad D. Panchpor
Jitendra B. Shah
Umesh C. Datar (Staff Representative)

Directors

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2016

31-3-2015 ₹	No. क्र.	EXPENDITURE खर्च	SCH	31-3-2016 ₹
12,860,973,231.74	1.	Interest on Deposits, Borrowings etc. ठेवी व कर्जावरील दिलेले व्याज		13,275,980,038.44
1,233,954,052.27	2.	Salaries, Allowances, PF Contribution & Gratuity etc. / पगार, भत्ते, प्रॉ. फंड, वर्गणी आणि ग्रॅच्युइटी इ.		1,074,329,134.50
1,124,201.00	3.	Directors Fees & Allowances / संचालक मंडळ फी व भत्ते		138,524.00
571,075,214.63	4.	Rent, Taxes, Insurance, Light etc. / भाडे, कर, विमा व वीज इ.		591,333,468.41
403,449.00	5.	Legal Charges / कायदेशीर सल्ल्याबाबत मुशाहिरा		885,978.00
45,592,705.51	6.	Postage, Telegram & Telephone / टपाल, तार व टेलिफोन		47,063,507.30
23,989,576.60	7.	Auditors Fee / आयव्यय निरीक्षक फी		24,333,013.41
281,852,565.32	8.	Depreciation, repairs, maintenance to Bank's Property / इमारत, फर्निचर, कॉम्प्युटर्स इ. वरील झीज व दुरुस्ती खर्च		337,763,260.79
109,189,806.61	9.	Stationery, Printing, Advt. Sadil etc. लेखन साहित्य, छपाई, जाहिरात, सादिल इ.		97,382,796.22
106,904,967.30	10.	Amortisation of Premium on Securities अमोर्टायझेशन ऑफ प्रिमियम ऑन सिक्क्युरिटीस्		132,805,363.04
—	11.	Donations / देणगी		483,752.00
450,970,287.92	12.	Other Expenditure / इतर खर्च	O	457,891,834.76
20,536,275.00	13.	Goodwill W/Off - Merged Banks / गुडविल राईट ऑफ विलीन बँका		20,601,775.21
2,043,252,824.81	14.	(i) Provision for Assets / अॅसेट्ससाठी तरतूद	P	2,500,199,622.42
9,549,461.96	(ii)	Reserve for Infrastructure & Housing Development / पायाभूत सुविधा व गृहविकास तरतूद		—
1,738,541,023.89	15.	Bad Debts Written off / बुडीत कर्जे राईट ऑफ		2,704,542,299.12
866,689,301.59	16.	Profit before Tax / कर आकारणी पूर्व नफा		336,187,830.30
340,000,000.00	17.	Income Tax - Current Year / आयकर अहवाल वर्ष Income Tax Earlier Years (Excess)/Short आयकर मागील वर्षी	(8,271,844.00)	
(49,737,000.00)		Add /(Less): Deferred Tax / डिफर्ड टॅक्स	42,669,000.00	34,397,156.00
576,426,301.59		Profit after Tax / नक्त नफा		301,790,674.30
576,426,301.59	18.	Net Profit carried Forward नक्त नफा ताळेबंदाकडे वर्ग		301,790,674.30
		NOTES ON ACCOUNTS	R	
20,364,598,945.15		TOTAL		21,601,922,197.92
576,426,301.59		NET PROFIT CARRIED TO BALANCE SHEET		458,563,674.30
576,426,301.59		TOTAL		458,563,674.30

Notes on accounts form part of accounts
As per our Report of even date

Signature to the Accounts including Schedules and Notes on Accounts

Nachiket Deo, Partner
M. No. : 117695
Statutory Auditor
For M/s. P. G. Bhagwat
Chartered Accountants
F.R.No. 101118 W
Place : Pune
Date : 04/09/2016

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M. No.: 121546
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For M/s. G. D. Apte & Co.
Chartered Accountants
F.R.No. 100515 W

Ghanasham Ranade, Partner
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Internal Auditor
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Chartered Accountants
F.R.NO.128698W

३१-३-२०१६ अखेरचे नफा-तोटा पत्रक

31-3-2015 ₹	No. क्र.	INCOME उत्पन्न	SCH	31-3-2016 ₹
16,657,194,295.25	1.	Interest & Discount व्याज व कसर	Q	17,631,795,467.11
1,123,313,188.91	2.	Profit On Sale Of Securities (Net) रोखे विक्रीवरील नफा		287,206,699.68
548,775,632.06	3.	Commission / कमिशन		627,073,319.74
71,354,612.07	4.	Exchange / हंडणावळ		58,716,694.37
16,247,389.31	5.	Interest Recovery On NPAs Written Off राइट ऑफ केलेल्या अनुत्पादित कर्जावरील व्याजाची वसुली		25,534,480.34
	6.	Other Receipts / इतर जमा		
64,479.00	a)	Rent / भाडे	62,071.00	
1,083,133.84	b)	Share Transfer Fee, Form Fee etc. भाग वर्ग, फॉर्म फी इ.	755,416.50	
50,497,188.75	c)	Locker Rent /लॉकर भाडे	53,267,582.96	
515,764.65	d)	Other Income / इतर उत्पन्न	529,813.33	
12,355,703.94	e)	Depository Income / डिपॉझिटरी उत्पन्न	11,756,181.55	
76,210,008.89	f)	Principal Recovery in NPAs Written off. राइट ऑफ केलेल्या अनुत्पादित कर्जामधील मुदलाची वसुली	176,093,159.15	
				242,464,224.49
—	7.	Profit On Sale Of Properties / Other Assets इमारती विक्रीवरील नफा		21,190,683.27
36,446,524.59	8.	Excess Provision For Merged Bank Losses Written Back / विलीन बँकेची जादा तरतूद परत जमा		3,398,329.80
32,000,000.00	9.	Provision For Restructured Assets Not Required Written Back/ रिस्ट्रक्चर्ड ॲसेट्सवरील तरतूद परत जमा		—
1,738,541,023.89	10.	B.D.D.R Written Back / बुडीत व संशयित कर्ज निधीतून जमा		2,704,542,299.12
20,364,598,945.15		TOTAL		21,601,922,197.92
576,426,301.59		Net Profit Brought Forward		301,790,674.30
—		Excess IFR Written Back		20,329,000.00
—		Deferred Tax Asset - Previous Year BDDR Provision		136,444,000.00
576,426,301.59		TOTAL		458,563,674.30

Milind A. Kale
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Shripad D. Panchpor
Jitendra B. Shah
Umesh C. Datar (Staff Representative)

Directors

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
10,000,000,000.00	SCHEDULE-"A" SHARE CAPITAL		10,000,000,000.00
	A) Authorised Capital 100000000 Shares of ₹100/- each अधिकृत भागभांडवल (प्रत्येकी ₹१००/- प्रमाणे)		
3,124,283,500.00	B) Issued, Subscribed and Paid-up : वसूल भागभांडवल Shares of ₹ 100/- each fully paid: held by : Individuals : 30328063 Others : 7555796	3,032,806,300.00 755,579,600.00	
3,124,283,500.00			3,788,385,900.00
	SCHEDULE-"B" RESERVE FUND & OTHER FUNDS गंगाजळी व इतर निधी		3,788,385,900.00
2,491,377,603.95	1) Statutory Reserve Fund / गंगाजळी	2,530,697,554.70	
1,224,662,052.30	2) Building Fund / इमारत निधी	1,224,662,052.30	
3,546,944,245.18	3) Reserve for Bad & Doubtful Debts बुडीत व संशयित कर्ज निधी	3,207,811,476.46	
376,932,063.00	4) Contingent Provision for Standard Assets स्टॅंडर्ड ॲसेटस्वरील संभाव्य तरतूद	389,773,063.00	
79,024,312.44	5) Contingent Provision against depreciation in Investments / गुंतवणूक घसाऱ्यासाठी संभाव्य तरतूद	140,801,500.25	
—	6) Provision for Investment Diminution / रोखे अवमूल्यन निधी	105,025.00	
861,584,323.22	7) Investment Fluctuation Reserve रोखे अवमूल्यन निवारण निधी	841,255,323.22	
77,363,802.28	8) Provision for Ahmedabad Co-op. Bank Losses (Since Amalgamated) अहमदाबाद बँकेचा तोटा व तरतूदीसाठी राखीव	73,965,472.48	
2,000,000.00	9) Staff Death Benevolent Fund सेवक मरणोत्तर वारस सहाय्य निधी	—	
3,197,484.24	10) Staff Development Fund / सेवक विकास निधी	3,405,126.24	
27,229,410.83	11) Member Child Education Fund सभासद पाल्य शिक्षण निधी	29,287,953.83	
83,419.69	12) Social / Member Commitment Reserve सभासद/सामाजिक बांधिलकी निधी	62,836.69	
3,783,833,653.38	13) Building Revaluation Reserve इमारत पूनर्मूल्यांकन निधी	3,826,988,269.74	
83,835,727.96	14) Reserve For Infrastructure & Housing Development / पायाभूत सुविधा व गृहविकास निधी	83,835,727.96	
855,153,050.85	15) Reserve for Unforeseen Losses आकस्मिक तोट्यासाठी राखीव निधी	869,234,290.85	
1,613,752,767.40	16) General Reserve / सर्वसाधारण निधी	1,432,518,067.40	
374,114,310.84	17) ARC Surplus Fund/ एआरसी सरप्लस फंड	375,902,196.77	15,030,305,936.89
15,401,088,227.56			15,030,305,936.89

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
	SCHEDULE-"C"		
	DEPOSIT AND OTHER ACCOUNTS ठेवी व अन्य खाती		
	(i) TERM DEPOSITS / मुदत ठेवी		
110,850,169,389.83	a) From Individuals & Others / व्यक्तिगत	103,740,576,965.03	
—	b) From Central Co-op Banks / मध्यवर्ती सहकारी बँक्स	—	
20,790,511,377.59	c) From Other Societies/ इतर संस्था	21,234,446,057.06	
131,640,680,767.42			124,975,023,022.09
	(ii) SAVINGS BANK DEPOSITS / बचत खाते ठेवी		
19,668,196,119.79	a) From Individuals & Others / व्यक्तिगत	20,061,858,952.60	
—	b) From Central Co-op Banks / मध्यवर्ती सहकारी बँक्स	—	
562,319,601.62	c) From Other Societies / इतर संस्था	686,705,890.39	
20,230,515,721.41			20,748,564,842.99
	(iii) CURRENT DEPOSITS / चालू खाते ठेवी		
5,957,279,088.48	a) From Individuals & Others / व्यक्तिगत	6,012,885,948.26	
—	b) From Central Co-op Banks / मध्यवर्ती सहकारी बँक्स	—	
522,286,917.30	c) From Other Societies/ इतर संस्था	458,755,413.84	
6,479,566,005.78			6,471,641,362.10
158,350,762,494.61			152,195,229,227.18
	SCHEDULE-"D"		
	BORROWINGS / कर्जे		
—	1) CBLO Borrowings / सी.बी.एल.ओ.कर्जे	249,822,044.57	
2,362,213,402.56	2) REPO	—	
125,000,000.00	3) FCY Borrowings - USD	—	
2,238,145,278.00	4) Long Term (Subordinated) Deposits	4,327,577,000.00	
—	5) Borrowing under Liquidity Adjustment Facility / निर्यात क्रेडीट रिफायनान्स	350,000,000.00	
4,725,358,680.56			4,927,399,044.57
	SCHEDULE-"E"		
	OTHER LIABILITIES / इतर देणी		
230,730,161.04	a) Outstanding Payments / बिले देणे	174,306,233.20	
11,552,532.75	b) Dividend Payable / लाभांश देणे	12,460,954.33	
268,452,007.83	c) Suspense Account / अनामत	230,788,568.95	
383,068,897.34	d) Payslip Payable / पेस्लीप पेएबल	703,130,756.00	
392,973,869.63	e) Other Liabilities / इतर देणी	218,587,164.09	
359,367,339.72	f) Sundries / इतर	497,703,000.71	
2,550,204,514.00	g) Income Tax Provision / आयकर तरतूद	2,541,932,670.00	
9,146,185.35	h) Interest Received in Advance on Export Credit निर्यात कर्जावरील व्याज आगाऊ जमा	326,226.00	
23,385,481.52	i) Collection Account Recovery Merged Banks- Amravati Peoples Co-op Bank	31,895,796.52	
—	j) विलीन बँकांचे वसुली खाते - अमरावती पीपल्स को.ऑप.बँक Trading Account : Forex	4,909,955.86	
4,228,880,989.18			4,416,041,325.66
			4,416,041,325.66

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
	SCHEDULE-"F"		
	MERGED BANKS COLLECTION ACCOUNT PAYABLE		
21,323,800.00	विलीनीकरण झालेल्या बँकांचे कलेक्शन अकाँट पेएबल	21,323,800.00	
13,923,775.00	1) Unnati Co-op. Bank Ltd., Baroda / उन्नती सह. बँक	13,923,775.00	
	2) Sushil Kumar Nahata Co-op. Bank, Bhusawal		
	सुशीलकुमार नाहाटा बँक		
35,247,575.00			35,247,575.00
	SCHEDULE-"G"		
	PROFIT AND LOSS ACCOUNT		
846,090,304.03	Profit as per last Balance Sheet		
	मागील ताळेबंदानुसार नफा		
	Balance c/f	39,825,737.03	
	Profit for the year 2014-15	576,426,301.59	
		616,252,038.62	
	Less: Appropriation (as per RBI letter)		
	वजा : विभागणी		
	Bad & Doubtful Debt Reserve	394,257,000.00	
	Deferred Tax Assets	21,683,000.00	
	Overdue Interest Reserve	19,674,000.00	
		180,638,038.62	
	Add : Transfer from General Reserve	181,500,000.00	
	(As approved by RBI)		
		362,138,038.62	
	Less :		
160,747,970.00	a) Statutory Reserve Fund / गंगाजळी	35,203,080.00	
64,299,190.00	b) Reserve for Unforeseen Losses / आकस्मित	14,081,240.00	
	तोट्यासाठी राखीव निधी		
6,429,920.00	c) Education Fund / शिक्षण निधी	1,408,130.00	
374,287,487.00	d) Dividend / लाभांश	311,408,038.00	
200,500,000.00	e) Investment Fluctuation Reserve	—	
	रोखे अवमूल्यन निवारण निधी		37,550.62
39,825,737.03			
576,426,301.59	Add: Net Profit for the year as per Annexed A/c.		458,563,674.30
	अधिक : चालू वर्षाचा नफा		
616,252,038.62			458,601,224.92
	SCHEDULE - "H"		
	CASH & BANK BALANCES		
	रोख शिल्लक व बँकांकडील शिल्लक		
642,629,016.50	a) Cash In Hand / रोख शिल्लक	602,244,506.00	
8,189,798,327.76	b) Reserve Bank of India Current Account / रिझर्व	6,219,031,128.87	
	बँक चालू खाते		
1,029,983.19	c) Current Deposits with State Co-operative Bank	9,142,977.19	
	Ltd. / स्टेट को-ऑप बँकांकडील चालू खाती		
68,318,629.80	d) Current Deposits with Dist.Central Co-op. Bank	58,585,835.88	
	Ltd. / डिस्ट्रीक्ट सेंट्रल को-ऑप बँकेकडील चालू खाती		
106,159,999.47	e) Current Deposits SBI & its Subsidiaries	101,318,908.39	
	स्टेट बँक व उप बँकांकडील चालू खाती		
22,033,962.00	f) Fixed Deposits with State Co-op. Bank Ltd.	13,801,644.00	
	स्टेट को-ऑप बँकेकडील मुदत ठेवी		
1,679,905.00	g) Fixed Deposits with SBI & its Subsidiaries	—	
	स्टेट बँक व उप बँकांकडील मुदत ठेवी		
9,031,649,823.72			7,004,125,000.33

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
	SCHEDULE - "I" BALANCES WITH OTHER BANKS		
1,138,718,067.66	a) इतर बँकांकडील शिल्लक Current Deposits with other Banks	1,313,215,006.66	
338,180,666.53	b) इतर बँकांकडील चालू खाती Fixed Deposits with other Banks	650,685,490.93	
1,476,898,734.19	इतर बँकांकडील मुदत ठेवी		1,963,900,497.59
	SCHEDULE - "J"		
	INVESTMENTS / गुंतवणूक		
46,517,256,759.51	(i) In Central & State Govt Securities सरकारी रोखे (सेंट्रल गव्हर्मेंट व स्टेट गव्हर्मेंट) Face Value ₹ 41,200,708,849.00 (₹45,509,017,249.00) Market Value ₹ 42,494,749,612.49 (₹ 46,644,024,328.18) [Including ₹ 741,248,066.66 (₹633,615,108.40) Pledged for Treasury Operations]	42,429,085,581.05	
—	(ii) Other Approved Securities / इतर विश्वस्त रोखे	—	
10,648,025.00	(iii) Shares of Co-operative Banks / सहकारी बँकेचे भाग	10,648,025.00	
1,659,000,000.00	(iv) PSU Bonds / पब्लिक सेक्टर अंडरटेकिंग बॉण्ड्स	425,000,000.00	
2,500,000.00	(v) Shares of Subsidiary Co.-Cosmos eSolutions & Services Pvt.Ltd. and Shares of NPCI / उप कंपनीचे भाग - कॉस्मॉस ई-सोल्युशन्स आणि सर्व्हिसेस् प्रा. लि. व एन.पी.सी.आय. चे शेअर्स	4,999,200.00	
4,312,715,000.00	(vi) Security Receipts / सिक्युरिटी रिसीप्ट्स	4,364,465,501.00	
52,502,119,784.51			47,234,198,307.05
	SCHEDULE - "K"		
	ADVANCES / कर्जे		
	1) Short Term Loan, Cash Credit, Overdraft and Bill Discounted of which secured against: अल्पमुदत कर्जे- कॅश क्रेडीट, ओव्हरड्राफ्ट, हुंडी खरेदीपैकी संरक्षित कर्जे		
2,001,613,972.75	a) Government & Other approved securities / सरकारी व निम सरकारी रोखे	2,407,788,645.64	
48,667,628,219.27	b) Other Tangible Securities/इतर तारण	46,583,989,343.18	
499,744.26	c) Personal Sureties / कर्जदाराच्या वैयक्तिक जबाबदारी व जामिनकीवरील	528,753.42	
50,669,741,936.28			48,992,306,742.24
	i) Amount overdue ₹ 431,80,55,288.53 पैकी थकबाकी		
	ii) Amounts considered Bad & Doubtful of recovery ₹ 5,048,047,554.85 यापैकी संशयित व बुडीत		
	2) Medium Term Loan of which Secured against: मध्यम मुदत कर्जापैकी संरक्षित कर्जे		
6,741,872.96	a) Government & Other approved Securities / सरकारी व निम सरकारी रोखे	9,693,858.15	
26,106,343,357.61	b) Other Tangible Securities / इतर तारण	24,975,466,901.17	
429,584,830.05	c) Personal Sureties / कर्जदाराच्या वैयक्तिक जबाबदारी व जामिनकीवरील (of the above amount receivable from State / Central Govt. of India against Debt Waiver Scheme is ₹0.95 lac)	370,146,492.22	
26,542,670,060.62			25,355,307,251.54

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
	SCHEDULE-"K" (Contd.)		
	ADVANCES / कर्जे		
	i) Amount overdue / ₹ 1,451,349,481.07 पैकी थकबाकी		
	ii) Amounts considered Bad & Doubtful of recovery / यापैकी ₹ 2,459,040,065.53 संशयित व बुडीत		
	3) Long Term Loans of which Secured against: दिर्घ मुदत कर्जापैकी संरक्षित कर्जे		
	a) Government & Other approved Securities / सरकारी व निम सरकारी रोखे		
34,219,733,413.23	b) Other Tangible Securites / इतर तारण	36,945,013,569.23	
165,446,579.27	c) Personal Sureties / कर्जदाराच्या वैयक्तिक जबाबदारी व जांमिनकर्तारील	207,582,818.43	
34,385,179,992.50			37,152,596,387.66
	i) Amount overdue ₹ 1,255,324,055.29 पैकी थकबाकी		
	ii) Amounts considered Bad & Doubtful of recovery ₹ 3,462,383,012.77 यापैकी संशयित व बुडीत		
111,597,591,989.40			111,500,210,381.44

Schedule "L"

Fixed Assets

Fixed Assets	Gross Block					Depreciation				Net Block	
	Opening	Additions / Adjustment During Year	Revaluation	Deletions During Year	Closing	Upto 31.03.2015	For The Year 15-16	Deletion	Total	WDV As On 31.03.2015	WDV As On 31.03.2016
1. Freehold Land	1954279483.00	0.00	0.00	0.00	1954279483.00	0.00	0.00	0.00	0.00	1954279483.00	1954279483.00
2. Leasehold Land / Premises	8414882.36	0.00	0.00	2422182.36	5992700.00	441409.36	106527.00	198478.36	349458.00	7973473.00	5643242.00
3. Buildings	3577229819.98	39657471.00	124757784.08	40528478.83	3701116596.23	451139956.78	82578940.42	10666620.36	523052276.84	3126089863.20	3178064319.39
4. Furniture & Fixtures	767304987.35	19417528.70	0.00	7316159.70	779406356.35	281158681.46	66651167.70	6930030.24	340879818.92	486146305.89	438526537.43
5. ATM	62992489.00	1959375.00	0.00	2481677.00	62470187.00	51499668.35	4497067.82	2481672.00	53515064.17	11492820.65	8955122.83
6. Computers & Hardware	495921037.37	80896870.50	0.00	801232.40	576016675.47	371168945.68	85096782.39	801224.42	455464503.65	124752091.69	120552171.82
7. Electric Items	521928762.61	17054853.80	0.00	9960625.97	529022990.44	148110690.48	47931987.73	8505996.13	187536682.08	373818072.13	341486308.36
8. Vehicle	37121216.39	283461.00	0.00	1968131.70	35436545.69	23923303.17	4596713.39	1958279.67	26561736.89	13197913.22	8874808.80
9. Work In Progress including Capital Advance	66226604.92	93205805.49	0.00	124971621.90	34460788.51	0.00	0.00	0.00	0.00	66226604.92	34460788.51
Grand Total	7491419282.98	252475365.49	124757784.08	190450109.86	7678202322.69	1327442655.28	291459186.45	31542301.18	1587359540.55	6163976627.70	6090842782.14

* Depreciation of ₹ 5,26,18,061.49 withdrawn from Building Revaluation Reserve.

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
	SCHEDULE-"M"		
	OTHER ASSETS / इतर येणी		
19,375,518.07	a) Deposits / डिपॉझीटस्	20,558,957.87	
522,244.80	b) Clearing A/c / समाशोधन खाते	361,402.80	
26,623,459.61	c) Tasalmat / तसलमात	37,820,257.61	
34,178,256.00	d) Adhesive Stamp & Silver Coins Stock अधेसिव्ह स्टॅम्प व चांदीच्या गणेश मुद्रिका	29,555,665.00	
44,944.00	e) Advance to Suppliers विविध खरेदीपोटी दिलेली आगाऊ रक्कम	6,923,771.00	
30,285,421.47	f) TDS - Invest. Interest, Others टीडीएस रोखे व्याजावरील व इतर उत्पन्नावरील	34,161,398.87	
323,791,786.45	g) Other Receivable / इतर येणी	324,325,567.14	
153,009,717.74	h) Landlord Rent Deposit जागा मालकांना जागा भाडेपोटी दिलेली आगाऊ रक्कम	160,502,734.74	
7,461,862.82	i) Stationery Stock in hand / स्टेशनरी शिल्लक	9,009,842.01	
2,442,386.00	j) Lease Assets / लीज ॲसेटस्	—	
2,887,519.00	k) Hire Purchase Debtors / हायर परचेस येणी	—	
431,507,103.00	l) Income Tax / आयकर	311,751,428.00	
2,798,448,390.00	m) Advance Income Tax / आगाऊ आयकर भरणा	3,065,953,410.00	
14,184,798.33	n) Capital Exp. on Lease Premises भाड्याच्या जागांसाठी केलेला भाडवली खर्च	12,026,198.83	
5,030,709.44	o) Exchange Profit Adjustment a/c एक्स्चेंज प्रॉफिट ॲड्जस्टमेंट अकौंट	8,260,737.09	
7,739,389.90	p) Sundries / इतर	7,296,037.90	
3,904,377.06	q) Other Assets / इतर ॲसेटस्	4,750,569.76	
—	r) Interest Subvention claim Receivable from RBI रिझर्व्ह बँकेकडून निर्यातदारासाठी व्याजापोटी येणारी रक्कम	9,140,188.00	
29,785,747.19	s) Prepaid Expenses / आगाऊ खर्च	40,346,234.75	
40,600,000.00	t) Cash margin with CCIL सीसीआयएल कडील कॅश मार्जिन	30,600,000.00	
80,000,000.00	u) Securities with Court (Amravati Bank) कोर्टाकडे जमा असलेले रोखे (अमरावती बँक)	80,000,000.00	
3,127,364.68	v) DEAF Claim Receivable/ डेफ क्लेम रिसिव्हेबल	4,040,284.42	
4,014,950,995.56			4,197,384,685.79
	SCHEDULE-"N"		
	GOODWILL ACCOUNT - MERGED BANKS		
	पत खाते विलीनीकरण बँका		
77,363,802.28	1) Co-op. Bank of Ahmedabad को-ऑप. बँक ऑफ अहमदाबाद	73,965,472.48	
20,536,275.21	2) Amravati Peoples Co-op. Bank अमरावती पीपल्स को-ऑप. बँक	—	
97,900,077.49			73,965,472.48

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
	SCHEDULE - "O"		
	OTHER EXPENDITURE / इतर खर्च		
2,094,104.76	i) Subscription & Contribution / इतर संस्थांची वर्गणी	2,660,705.03	
1,374,634.00	ii) Society Charges / संस्था देखभाल खर्च	2,008,186.00	
2,994,017.00	iii) Fuel Expenses on Vehicle / वाहन इंधन खर्च	3,356,160.81	
2,802,233.00	iv) Cash Van Exps. / कॅश व्हॅन खर्च	3,534,095.00	
1,650,349.87	v) Meeting Expenses / सभा खर्च	1,551,788.81	
71,790,430.45	vi) Security Service Charges / सुरक्षा खर्च	80,638,442.48	
8,484,690.26	vii) Clearing Charges / समाशोधन खर्च	8,038,067.32	
1,097,163.16	viii) Depository Expenditure / डिपॉझिटरी खर्च	1,160,216.39	
96,904,265.00	ix) Outsourcing Expenses / आऊटसोर्सिंग खर्च	92,303,352.84	
4,095,283.60	x) Inauguration / Anniversary Day Expenses उद्घाटन व वर्धापनदिन खर्च	1,613,602.85	
14,376,934.46	xi) Legal Expenses & Court Expenses / लिगल व कोर्ट खर्च	7,051,035.25	
42,375,025.97	xii) NFS & Bancs service charges / एनएफएस व बँक सर्व्हिस खर्च	67,873,601.67	
3,095,740.78	xiii) Bank Charges / बँक चार्जेस	4,346,356.36	
284,652.29	xiv) Board of Directors Lodging / Boarding / Travelling Expenses / संचालक मंडळ लॉजिंग, बोर्डिंग व प्रवास खर्च	708,394.00	
1,662,298.00	xv) Staff Travelling, Lunch etc./ सेवक प्रवास व भोजन इ. खर्च	1,749,656.00	
1,125,108.01	xvi) Auditor's /Consultants Expenses/ ऑडिटर्स/सल्लागार खर्च	1,072,114.93	
33,228,969.06	xvii) Sundries / इतर खर्च	22,511,070.07	
11,221,465.50	xviii) Transaction Charges (CCIL) / सी.सी.आय.एल. व्यवहार चार्जेस	8,543,221.98	
70,053.00	xix) Provision for Other Receivables / इतर येणे तरतूद	3,590,777.89	
3,195,974.17	xx) Charges for Market View Software मार्केट व्ह्यू सॉफ्टवेअर चार्जेस	3,723,141.61	
8,630,587.99	xxi) Visa Charges / व्हिसा चार्जेस	11,788,097.89	
82,226,744.60	xxii) I.T. Services Consultancy & Maintenance charges / आय.टी. कन्सल्टन्सी व मेटेनेन्स खर्च	95,200,626.87	
3,280,950.80	xxiii) Tax & Other Consultancy Charges / टॅक्स व इतर कन्सल्टन्सी खर्च	3,755,039.50	
8,088,100.50	xxiv) Trusteeship Fee - ARC / ट्रस्टीशिप फी- एआरसी	15,054,721.68	
80,000.00	xxv) Retainer Fees for Recruitment / रिटेनर्स फी फॉर रिक्रुटमेंट	8,000.00	
2,823,849.09	xxvi) Record Keeping/ Data Maintenance Expenses / रेकार्ड किपिंग/डेटा मेटेनेन्स खर्च	5,622,204.30	
29,790,464.00	xxvii) Service Tax / सर्व्हिस टॅक्स	—	
6,978,019.03	xxviii) Board Of Directors Election Expenses / संचालक मंडळ निवडणूक खर्च	—	
2,872,525.57	xxix) ATM/SWIFT/Internet Banking/Mobile Banking / Rupay Charges / एटीएम/स्विफ्ट/इंटरनेट बँकिंग/मोबाईल बँकिंग/रूपे चार्जेस	3,647,160.73	

SCHEDULES TO BALANCE SHEET

31-3-2015 ₹	PARTICULARS तपशील	31-3-2016 ₹	31-3-2016 ₹
2,275,654.00	xxx) Financial Inclusion & Business Promotion Expenses/ वित्तीय समावेशन व व्यवसाय वृद्धी खर्च	4,781,996.50	
450,970,287.92			457,891,834.76
	SCHEDULE - “P”		
	PROVISION FOR ASSETS असेट्साठी तरतूद		
2,022,580,824.81	a) Bad & Doubtful Debt Reserve / बुडीत व संशयित कर्ज निधी	2,421,114,181.87	
20,672,000.00	b) Contingent Prov. Against Standard Assets / स्टँडर्ड असेटस्वरील संभाव्य तरतूद	12,841,000.00	
—	c) Investment Depreciation Reserve / गुंतवणूक घसाऱ्यासाठी संभाव्य तरतूद	66,139,415.55	
—	d) Provision for Investment Diminution रोखे अवमूल्यन निधी तरतूद	105,025.00	
2,043,252,824.81			2,500,199,622.42
	SCHEDULE - “Q”		
	INCOME FROM INTEREST & DISCOUNT / व्याज व कसर उत्पन्न		
12,816,720,828.89	1) Interest on Loans & Advances / कर्जावरील व्याज	13,350,653,988.92	
3,828,782,945.36	2) Interest from Investments / गुंतवणूकीवरील व्याज	4,277,264,977.19	
8,815,521.00	3) Dividend on Shares / लाभांश	1,376,501.00	
2,875,000.00	4) Dividend on Shares of Subsidiary Company / उप कंपनीमधील भागांवर मिळालेला लाभांश	2,500,000.00	
16,657,194,295.25			17,631,795,467.11

SCHEDULE “R”

NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016 AND BALANCE SHEET AS ON EVEN DATE.

I. 1. OVERVIEW

The Cosmos Co-operative Bank Ltd. (“the bank”) was established on 18th January 1906. The bank is a multi-state scheduled co-operative bank having 140 branches in 7 states as on 31st March, 2016. The Bank is licensed by the Reserve Bank of India (RBI) as ‘Authorized Dealers’ in Foreign Exchange transactions under category-1.

2. BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles in India, 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 is recognized prospectively.

II. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention -

The financial statements are drawn up in accordance with historical cost convention and on going concern basis.

2. Revenue Recognition

Items of income and expenditure are accounted on accrual basis except for the following: -

- a. Interest on Advances classified as 'Non-performing assets' is recognized to the extent realized, as per the directive issued by the RBI. Unrealized interest on non-performing advances is shown under 'Overdue Interest Reserve' and as 'Interest Receivable' on liability side and asset side respectively.
- b. Commission and Exchange are fully recognized as income on realization.
- c. Locker Rent is recognized on receipt basis, to the extent of income accrued and due.

3. Investments

- a. The Bank has classified the investments in accordance with the RBI guidelines applicable to Urban Co-Operative Banks. Accordingly, classification of investments for the purpose of valuation is done under the following categories:
 - i) Held to Maturity (HTM)
 - ii) Available for Sale (AFS)
 - iii) Held for Trading (HFT)
- b. Investments are categorised under following seven heads for disclosure in Balance Sheet as per RBI guidelines-
 - i. Central & State Government Securities
 - ii. Other Approved Securities
 - iii. Shares of Co-op. Banks
 - iv. PSU Bonds
 - v. Shares in Subsidiary Co.
 - vi. Shares of Market Infrastructure Companies (MICs) - NPCI
 - vii. Security Receipts

- c. Investments purchased under HTM category are accounted at cost. Investments transferred from AFS category to HTM are accounted at lower of cost or depreciated value on the date of shifting. Premium, if any, on investments under HTM category is amortized over the residual life of the investment.
- d. Investments under “HFT” and “AFS” categories are marked to market on the basis of guidelines issued by the RBI. While net depreciation, if any, under each of the categories has been provided for, and net appreciation, if any, has been ignored.
- e. For the purpose of valuation, market value in the case of Central and State Government securities, PSU bonds is determined as per RBI guidelines on the basis of the “Yield to Maturity” indicated by Primary Dealers Association of India (PDAI)/ Fixed Income and Money Market Derivatives Association of India (FIMMDA). Shares of co-operative Banks and subsidiary company & Shares of Market Infrastructure Companies (MICs) are stated at cost.
- f. The transfer of investments from one category to another is done at lower of the acquisition cost/book value/ market value on the date of transfer and the depreciation, if any, fully provided for.
- g. Treasury Bills under all the classifications are shown at carrying cost.
- h. Broken period interest on debt instruments is treated as revenue item. Brokerage, Commission etc. pertaining to investments paid at the time of acquisition is charged to revenue.
- i. The investments are accounted for on the settlement date.
- j. Overdue Interest if any in respect of non performing investments is provided under ‘Overdue Interest Reserve’ on investments.

4. Advances

- a. Advances are classified into Standard, Sub-Standard, Doubtful and Loss Assets in accordance with the guidelines issued by the Reserve Bank of India from time to time.
- b. Provision on Advances categorized under Sub-Standard, Doubtful and Loss Assets is made in accordance with the guidelines issued by the Reserve Bank of India. In addition, a general provision is made on following categories of standard assets as per RBI guidelines, as under:

Category	Provision (%)
Direct advances to Agricultural and SME Sectors	0.25
Commercial Real estate loans	1.00
CRE – RH	0.75
Other advances	0.40

- c. For restructured accounts provision is made in accordance with RBI guidelines which require diminution in the fair value of assets to be provided for at the time of restructuring.

5. Depreciation and Fixed Assets – AS 6 and AS 10

- a. Premises (other than premises of merged banks) are stated at cost upon acquisition. Premises of the merged banks are recorded at fair market value upon merger. Premises have been revalued from time to time as per the Valuation Reports of registered Govt. approved valuers. The surplus, if any, arising out of such revaluation is carried to Premises and credited to Revaluation Reserve. Amortisation of revalued portion of the relevant year is debited to Revaluation Reserve and depreciation on Written Down Value of Premises is debited to Profit and Loss a/c.

- b. Premises are depreciated over the residual life of Premises not exceeding 40 Years evenly. Accordingly the bank has a policy of assessing the residual life of premises periodically to present the realistic value of premises from time to time.
- c. Fixed Assets, other than premises are stated at historical cost less accumulated depreciation and premises are stated at cost/revalued amount less accumulated depreciation in accordance with AS 6 and AS 10 issued by Institute of Chartered Accountants of India (ICAI). Fixed Assets include incidental expenses incurred on acquisition and installation of the assets.
- d. Depreciation on Fixed Assets is provided on day wise basis. In case of assets sold / discarded off during the year, the depreciation has been provided till the date of sale and in case of purchase of fixed asset depreciation is provided from the date of purchase.
- e. Depreciation is provided on straight-line method on the fixed assets at the following rates as considered appropriate by the management.

	Rates per Annum:
Furniture & Fixtures	10%
Vehicles	15%
Electrical Items	10%
ATM	20%
Computers hardware	33.33%
Intangible Software	33.33%

- f. Leasehold land cost is amortized over the period of lease.
- g. Stamp duty and registration charges on leasehold premises are amortized over the period of lease.
- h. Premises of the merged banks are recorded at fair market value and other fixed assets of merged Banks are recorded at book value as on date of merger as per Due Diligence report. Depreciation on other fixed assets is charged from date of merger at the applicable rates and on premises over the residual/useful life of premises.
- i. Capital expenditure in respect of premises taken on lease is amortized over a period of 10 years.
- j. The items of fixed assets whose written down value has become Nil due to charge of depreciation over the years are stated at nominal value of Re. 1/- to facilitate their identification.

6. Foreign Currency Transactions – AS 11

- a. The bank has no foreign branches. Transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of 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 gains/ losses resulting from year-end revaluations are recognized in the Profit and Loss account.
- b. Outstanding forward exchange contracts and spot exchange contracts are revalued at year-end exchange rates notified by FEDAI for specified maturities. The resulting gains/losses on revaluation are included in the Profit and Loss account in accordance with RBI/FEDAI guidelines.

7. Accounting for Amalgamation -AS 14

Accounting for Amalgamation in case of amalgamated Banks with the Bank is carried out as per the guidelines issued by the RBI, from time to time in consonance with AS14 issued by ICAI as under :

1. Where the book value of the assets is less than the book value of liabilities taken over, the excess of the book value of liabilities over the book value of the assets taken over will be considered as goodwill and amortised over a period of five years in equal installments.
2. Where the book value of the assets taken over is greater than the book value of the liabilities taken over, the excess of the book value of assets over the book value of the liabilities will be considered as Capital Reserves.

8. Employee Benefits – AS15

- a) Contribution to Provident and other funds which are in the nature of a defined contribution plan are charged to Profit and Loss Account.
- b) The Bank has made the provision required as per AS-15 in respect of terminal dues payable to the employees, as per details given below:

The employee's gratuity fund scheme and long term compensated absences are bank's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans i.e. gratuity fund scheme, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on the net basis.

9. Segment Reporting – AS 17 :

In accordance with the guidelines issued by RBI, Segment Reporting is made as under:

- i) Treasury which includes all investment portfolio, profit/loss on sale of investments, profit/loss on foreign exchange transactions, equities and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation/amortization of premium on Held to Maturity category investments.
- ii) Other Banking Operations, which include all other operations not covered under Treasury operations.

10. Operating Lease – AS 19 :

Lease payments for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term in accordance with the AS-19 – Leases, issued by the Institute of Chartered Accountants of India.

11. Earning Per Share - AS 20:

Basic earning per share is calculated by dividing the net profit or loss for the period by the weighted average number of shares outstanding during the year. The weighted average number of shares is calculated on monthly basis.

12. Taxation – AS - 22

- a. Tax expense comprises both deferred and current taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred Income Tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- b. Deferred Tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.
- c. The impact of changes in DTA and DTL is recognized in the Profit and Loss account. DTAs are reassessed at each reporting date, based upon management's judgment as to whether the realization is reasonably certain..

13. Provisions and contingent liabilities - AS 29

A provision is recognized when 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 their 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.

A disclosure of contingent liability is made when there is:

- a) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non occurrence of one or more uncertain future events not within the control of the Bank; or
- b) A present obligation arising from a past event which is not recognized, as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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.

14. Operational guidelines in respect of Depositor Education and Awareness Fund Scheme, 2014

In terms of DBOD Circulars No. DEAF Cell.BC.114/30.01.002/2013-14 dated 27th May, 2014, the Bank has transferred all credit balances mentioned in sub-clause i) to viii) in Clause 3 of DEAF Scheme 2014 maintained with the Bank which have not been in operation for 10 years or more to Depositor Education and Awareness Fund at RBI on June 30, 2014. Subsequently, Bank is transferring to the said Fund, amount becoming due in each calendar month (i.e. proceeds of inoperative accounts and balances remaining unpaid for 10 years or more) as specified in the scheme and the interest accrued thereon on the last working day of the subsequent month.

In case of demand from customer/depositors whose unclaimed amount/deposit had been transferred to the fund, the Bank repays the customer/depositor, along with interest, if applicable, and lodges a claim for refund from the Fund for an equivalent amount paid to the customer/depositor. The details of refund made by the Bank in each calendar month are furnished by the Bank in the prescribed form in the subsequent month.

All such unclaimed liabilities (where amount due has been transferred to DEAF) are reflected as "Contingent Liability – Others, items for which the Bank is contingently liable" under Schedule of Contingent Liability in the Annual Financial Statements.

III. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. Revaluation Reserve:

- a) In tune with the Bank's policy, the bank has revalued some of the premises during the year on the basis of fair market value as on 31.3.2016, as certified by the bank's approved valuers and revaluation reserve has been credited by Rs. 1247.58 lacs to the extent of difference between written down value of Rs.118.22 lacs and fair market value of Rs. 1365.80 lacs as on the date of valuation.
- b) Amortization of Rs. 526.18 lacs (Rs. 430.83 lacs for F.Y.2014-15) on account of revaluation of premises have been provided during the year and an equivalent amount is debited to Revaluation Reserve..

2. The bank has written off an amount of Rs.27045.42 lacs towards Bad debts, which is approved by the Board of Directors. The said non-performing assets had been fully provided for.

3. 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. As such, information relating to cases of delays in payments to such enterprises or of interest payments due to delays in such payments, cannot be given.

4. The income for Bank assurance business for the period April 2015 to March 2016 is as follows -

(₹ in lacs)

Sr. No.	Nature of Income	2015-16	2014-15
1.	From selling Life Insurance Policies	25.96	11.19
2.	From selling Non Life Insurance Policies	45.27	41.22
3.	From selling Mutual Fund Products	29.05	21.93
	Total	100.28	74.34

5. Restructured Loans:

Details of loans subjected to restructuring as on 31 March 2016 are given below:

(₹ in lacs)

Sr. No.	Particulars		CDR Mechanism	Housing Loans	SME Debt Restructuring	Others
1.	Standard advances restructured	No. of Borrowers	—	—	05 (34)	— (01)
		Amount outstanding	—	—	10343.13 (60662.99)	— (6.42)
		Diminution in the fair value	—	—	—	—
2.	Sub-standard advances restructured	No. of Borrowers	—	—	01 (04)	— (01)
		Amount outstanding	—	—	2355.87 (8578.57)	— (125.01)
		Diminution in the fair value	—	—	—	—
3.	Doubtful advances restructured	No. of Borrowers	—	—	05 (02)	—
		Amount outstanding	—	—	6146.54 (6069.71)	—
		Diminution in the fair value	—	—	—	—
	Total	No. of Borrowers	—	—	11 (40)	— (02)
		Amount outstanding	—	—	18845.54 (75311.27)	— (131.43)
		Diminution in the fair value	—	—	—	—

(Figures in bracket are of previous year)

As on 31.03.2016 two restructuring proposals amounting to Rs. 4080.08 lacs were under process and pending for approval.

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

(₹ in lacs)

	Particulars	2015-16	2014-15
a.	No. of Borrowers	1	—
b.	Aggregate Value (net of provisions) of accounts sold to SC/RC	5372.82	—
c.	Aggregate consideration	5390.70	—
d.	Additional consideration realized in respect of Accounts transferred in earlier years	NIL	NIL
e.	Aggregate gain/ loss over net book value	17.88	—

b. Details of non-banking assets purchased during the year

(₹ in lacs)

	Particulars	2015-16	2014-15
i	No of Assets purchased during the year	2	—
ii	Aggregate Value of accounts Purchased (including outstanding principal, unrecovered interest, other charges and write off amount)	2029.30	—
iii	Aggregate Consideration (Net of Stamp Duty)	1925.00	—
iv	Additional consideration paid [(iii)-(ii)].	NIL	NIL

7. Prior Period Items - AS 5

There are no items of material significance in the prior period account requiring disclosure.

8. Gain(Loss) on Foreign Exchange Transactions – AS 11 :

The bank has revalued the forward exchange contracts & spot exchange contracts as per the FEDAI rates as on the date of Balance sheet and net gain on account of such revaluation of Rs. 82.61 lacs (For F.Y.2014-15 Rs.50.31 lacs) is credited to Profit & Loss account in accordance with AS-11 issued by ICAI.

9. Accounting for Amalgamation.(AS 14) :

a. The Goodwill of the merged banks is amortized / written off by debiting Profit and Loss Account as under –

(₹ in lacs)

Bank	Merger Date	Goodwill on merger	Debit/ Credit to goodwill after merger	Goodwill written off upto 31/3/2015	Goodwill written off during 2015-16	Goodwill c/f
Amravati Peoples Co-op. Bank Ltd., Amravati.	18.05.2011	969.88	(47.83)	716.03	206.02	0.00
Total		969.88	(47.83)	716.03	206.02	0.00

b. Merger of Co-operative Bank of Ahmedabad Ltd.

As per the merger scheme, there is no period limit for recovery of loss on merger in case of Co-op Bank of Ahmedabad Ltd (CBA). During the year, on comparison of losses provided up to financial year 2014-15 with credits received on account of recovery, the excess provision of Rs.33.98 lacs on account of amortization of losses is

written back to profit and loss account, the details of which are as under.

(₹ in lacs)

Bank Name	Accum. losses on merger	Net credit to losses on A/C of Recovery etc.	Losses C/F to be provided	Loss Provided upto 2014-15	Excess Provided w/back during the year 2015-16	Accumulated loss pending to be Provided over the next year
Co-Op. Bank of Ahmedabad Ltd.	2207.38	1467.73	739.65	773.63	(33.98)	—
Total	2207.38	1467.73	739.65	773.63	(33.98)	—

The balance loss of Rs. 739.65 lakhs in respect of CBA will be adjusted against the further recovery received as there is no time limit prescribed for such recovery of loss in merger scheme of CBA.

10. Employee Benefits – (AS - 15)

The liability towards leave encashment and Gratuity is assessed on the basis of actuarial valuation report of Actuary.

(₹ in lacs)

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31.03.16	31.03.15	31.03.16	31.03.15
I	Discount Rate	7.86%	7.92%	7.86%	7.92%
II	Expected return on plan assets	7.86%	7.92%	—	—
III	Salary Escalation rate	4%	4%	4%	4%
IV	Reconciliation of opening and closing balance of the present value of the defined benefit obligation:				
	Opening Present value of obligation	3114.27	2617.62	828.27	702.40
	Interest cost	246.65	244.75	65.60	65.67
	Current service cost	177.64	140.15	123.31	102.17
	Liability transfer in	—	—	—	—
	Benefits paid	(225.54)	(182.34)	(282.93)	(238.38)
	Actuarial (gain)/ loss on obligations	84.91	294.09	153.55	196.41
	Closing Present value of obligation	3397.92	3114.27	887.78	828.27
V	Reconciliation of opening and closing balance of the fair value of the plan assets:				
	Opening Fair value of plan assets	3245.18	2967.83	—	—
	Expected return on plan assets	257.02	258.20	—	—
	Contributions	228.79	189.55	—	—
	Transfer from other entity	—	—	—	—
	Benefits paid	(225.54)	(182.34)	—	—
	Actuarial gain / (loss) on plan assets	2.35	11.94	—	—
	Closing Fair value of plan assets	3507.79	3245.18	—	—
VI	Amount recognized in balance sheet:				
	Present value of obligation as at	3397.92	3114.27	887.78	828.27
	Fair value of plan assets as at	-3507.79	-3245.18	—	—

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31.03.16	31.03.15	31.03.16	31.03.15
	(Assets) / liability as at	-109.87	-130.91	887.78	828.27
VII	Expenses recognized in profit and loss account:				
	Current service cost	177.64	140.14	123.31	102.17
	Interest cost	246.65	244.75	65.60	65.67
	Expected Return of Plan Assets	-257.02	-258.20	—	—
	Net actuarial (gain) / loss	82.56	282.14	153.55	196.41
	Expenses recognized in P & L account included in Salaries, Allowances, PF contribution and Gratuity etc.	249.83	408.84	342.45	364.25
VIII	Category of fair value of Plan Assets:				
	- Insured managed funds	100%	100%	—	—

11. Primary Segment Reporting (By Business Segments)– (AS- 17)

(₹ in lacs)

	Treasury	Other Banking Operations	Total
Segment Revenue before Exceptional items	47176.92 (51318.78)	168842.30 (152327.21)	216019.22 (203645.99)
Result	-1705.42 (4128.99)	5067.30 (4537.90)	3361.88 (8666.89)
Unallocated Expenses	—	—	—
Operating Profit (PBT)	-1705.42 (4128.99)	5067.30 (4537.90)	3361.88 (8666.89)
Income Taxes			-1020.47 (2902.63)
Reversal of Excess IFR	203.29 (0.00)	0.00 (0.00)	203.29 (0.00)
Net Profit / Loss (-)			4585.64 (5764.26)
OTHER INFORMATION			
Segment Assets	492301.79 (542212.52)	1318612.13 (1329408.49)	1810913.92 (1871621.01)
Unallocated Assets	—	—	39547.71 (37310.53)
Total Assets			1850461.63 (1908931.54)
Segment Liabilities	20196.11 (16909.10)	1766961.95 (1834879.29)	1787158.06 (1851788.39)
Unallocated Liabilities	—	—	63303.57 (57143.15)
Total Liabilities			1850461.63 (1908931.54)

(Figures in the bracket are of previous year i.e. 2014-15)

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, organizational structure and internal management information system.

Types of products and services in each business segment:-

- a) Treasury: Dealing Operations in Forex/ Money Market Instruments.
- b) Other Banking Operations: Foreign and Local Finance/ Services

Secondary Segment Information: Bank operates only in one geographical area, hence separate information regarding secondary segment i.e. geographical segment is not given.

12. Related Party Disclosures (AS-18)

- a. Related Party disclosures:

(₹ in lacs)

Items / Related Party		Cosmos E Solutions & Services Pvt. Ltd. (Subsidiary Company)	
		31.03.2016	31.03.2015
Transactions-			
1	Rendering of Services to Bank		
	Towards Revenue	1008.70	803.70
	Towards Purchases	13.93	0.00
2	Interest paid by bank on Fixed Deposit during the year	0.30	0.00
3	Dividend received	25.00	28.75
4	Sale of Fixed Assets	220.00	0.00
Balances-			
1	Current account with Bank	5.88	93.29
	Maximum Balance maintained in Current account with Bank	181.78	174.15
2	Investment in Subsidiary	25.00	25.00

- b. Mr. Vikrant Ponshe, Managing Director of the Bank being a single party under the category of Key Management Personnel, no further details need to be disclosed in terms of RBI notification dated March 29, 2003.

13. Minimum Lease Payments Of non-cancellable Operating leases (AS-19)

(₹ in lacs)

	31.03.2016	31.03.2015
Minimum lease payments payable at the end of the year:		
- Not later than one year	3245.24	2462.90
- Later than one year and not later than five years	13357.58	9330.86
- Later than five years	25161.64	16138.82
Total minimum lease payments recognized in the profit and loss account for the year.	3063.87	2339.96
Total of minimum sub-lease payment expected to be received under non-cancelable sub-lease	N.A.	N.A.
Sub-lease payments recognized in the profit and loss account for the year.	N.A.	N.A.

14. Earnings Per share (AS – 20)

Sr. No.	Particulars	2015-16	2014-15
A	Profit for the year attributable to shareholders	458563674.30	576426301.59
B	Total number of Equity shares at the end of year	37883859	31242835
C	Weighted avg. number of shares of ₹ 100/- each for the purpose of computing Earnings per share	31495435.33	31386491.08
D	Basic Earning per share (A / C)	14.56	18.37

15. Deferred Tax (AS – 22)

The major components of Deferred Tax for the year are as under:

(₹ in lacs)

Deferred Tax Assets	31.03.2016	31.03.2015
1. Provision for BDDR	28132.11	30763.47
2. Provision for Standard Assets	—	626.67
3. Leave encashment Provision	887.78	828.27
4. Difference in WDV	—	—
5. Carry forward Losses under Tax Laws	1492.38	
Sub Total (A)	30512.27	32218.41
Deferred Tax Liability		
1. Difference in W.D.V.	3112.80	3555.63
2. Depreciation on HTM securities	11712.20	15055.46
Sub Total (B)	14825.00	18611.09
Total (A-B)	15687.27	13607.32
Deferred Tax Asset	5429.05	4708.13

The Bank has recognised Deferred Tax Assets on carry forward of business losses under the Income Tax Act, 1961 ("tax laws"). The Losses pertain only to current financial year and the Bank does not have a history of such losses. Such losses have arisen solely due to significant amount of write-offs of bad debts carried out in the current year as a measure of Balance Sheet cleaning. Further, in view of management, projected financial results of succeeding financial year (which are in-sync with the performance in past years as well as the actual performance in succeeding financial year so far) and the business plan of the bank clearly establish the virtual certainty that sufficient taxable income would be generated for absorption of carried forward losses under Tax laws and thus for reversal of the Deferred Tax Assets so recognised.

16. Details of computer software other than internally generated- (AS– 26)

(₹ In lacs)

Particulars	2015-16	2014-15
Opening balance (at cost)	2964.25	2565.29
Add: Additions/ Adjustments during the year	740.36	398.96
	3704.61	2964.25
Less: Amortization made		
Opening Balance	2417.76	2089.93
Add: Amortization/ Adjustments during the year	460.09	327.83
	2877.85	2417.76
Net Carrying Amount	826.76	546.49

17. Impairment of Assets - AS 28 :

The Bank has ascertained that there is no material impairment of any of its assets and as such no provision under Accounting Standard 28 issued by the ICAI is required.

18. Contingent Liabilities AS -29:

- a) Contingent liabilities in respect of Bank guarantees, Letters of credit, Forward contracts etc.

(₹ in lacs)

	31.03.2016	31.03.2015
Bank Guarantees	46873.38	40063.74
Letters of Credit (LC+Buyer's Credit)	45141.14	40783.32
Forward Exchange contracts Purchase / Sale	22072.87	22801.57
Others – Depositors' Education Awareness Fund	1758.48	1465.00
Total	115845.87	105113.63

- b) Claims not acknowledged as debts:

(₹ in lacs)

	31.03.2016	31.03.2015
Income tax paid under protest	3117.51	3444.21

- c) Contingent Liabilities – Others

In terms of DBOD Circular No. DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014, the Bank has transferred all credit balances (as mentioned in sub-clause i) to viii) in Clause 3 of DEAF Scheme 2014) maintained with the Bank which have not been in operation for 10 years or more. The required disclosure as per the said circular is as under:

(₹ in lakhs)

Particulars	31.03.2016	31.03.2015
Opening balance of amounts transferred to DEAF	1465.00	0.00
Add: Amounts transferred to DEAF during the year	346.74	1471.52
Less: Amounts reimbursed by DEAF towards claims	53.26	6.52
Closing balance of amounts transferred to DEAF	1758.48	1465.00

The Bank has paid Rs.62.39 lakhs to customers /depositors towards the said deposits which have remained unclaimed for 10 years or more and also claimed refund of the said amount from RBI in terms of the said scheme.

19. Capital charge on market risk :

Market Risk in Trading Book-Standardized Modified Duration Approach

Qualitative Disclosures:

Strategies and Processes:-

- ❖ Investment Policy which includes Market Risk Management is in line with the RBI regulations vide circular UBD. BPD. (PCB).Cir.No. 42 /09.11.600/2009-10 dated February 8, 2010 and business requirements.
- ❖ The overall objective of market risk management is to enhance profitability by improving the bank's competitive advantage and reducing loss from all types of market risk loss events.

Scope and Nature of Risk Reporting /Measurement Systems:-

- ❖ The Bank has regulatory/internal limits for various Instruments in place.
- ❖ Various exposure limits for market risk management such as Overnight limit, VaR limit, Daylight limit, Aggregate Gap limit, Investment limit etc. are in place.
- ❖ The portfolio covered by Standardized Modified Duration Approach for computation of Capital Charge for Market Risk includes investment portfolio held under HFT and AFS and Forex Open positions.

Quantitative Disclosures:

(₹ in lacs)

Particulars	Amount of Capital required
Interest Rate Risk	5203.71
Equity Position Risk	—
Foreign Exchange Risk	40.50

20. Long Term Subordinated (Tier-II) Deposits:

In accordance with the approval granted by RBI vide its letter No. DCBS.MRO.BSSI/5330/12.07.047/2015-16 dated 2nd February 2016 and joint Secretary and Central Registrar of Co-operative Societies vide its letter No. R-11017/44/2012-L & M dated 3rd February 2016, during the year 2015-16 the bank has raised Rs.146.98 crores by way of Long Term Subordinated (Tier-II) Deposits

IV. Disclosure Requirements as Per RBI Guidelines -

As per terms of RBI circular dated 30-10-2002 following disclosures are made:

(₹ in Lacs)

Sr. No.	Particulars	31.03.2016	31.03.2015
1	Capital to Risk Asset Ratio	13.74%	11.25%
2	Movement of CRAR		
	<i>Tier I Capital</i>	96624.01	91565.50
	<i>Tier II Capital</i>	64655.16	38534.11
	<i>Total Capital</i>	161279.17	130099.61
	<i>Total Risk Weighed Assets</i>	1173676.03	1155966.88
	Capital Ratios		
	<i>Tier I Ratio</i>	8.23%	7.92%
	<i>Tier II Ratio</i>	5.51%	3.33%
	<i>CRAR</i>	13.74%	11.25%
3	Investments:		
	<i>Book Value</i>	472341.98	525021.20
	<i>Face Value</i>	460040.32	514938.80
	<i>Market Value</i>	471634.87	528622.21
4	Advances against:		
	<i>1) Real Estate</i>		
	<i>a) Home Loan</i>	88755.54	87708.13
	<i>b) Commercial Real Estate</i>		
	<i>i) Mall, IT, Lease Rental</i>	61477.59	59766.39
	<i>c) Any Other</i>		
	<i>i) Advances to builder contractor other than commercial estate</i>	12910.06	25516.24
	<i>ii) Mortgage Loan</i>	14685.91	36851.17

(₹ in Lacs)

Sr. No.	Particulars	31.03.2016	31.03.2015
5	Advances against shares & debentures	42.89	22.32
6	Advances to Directors, their Relatives, Companies / Firm in which they are interested		
	<i>Fund based</i>	43.81	39.41
	<i>Non Fund based</i>	—	—
7	Average cost of Deposits	8.01%	8.31%
8	NPAs		
	Gross NPAs	109694.71	103003.35
	% of Gross NPA to Loans	9.84%	9.23%
	Net NPAs	81562.60	71445.91
	% of Net NPA	7.50%	6.59%
9	Movement of NPA		
	Principal -		
	Opening Principal	103003.35	66798.63
	Addition:		
	1.Merged Banks	0.00	0.00
	2.During the year- Addition	56679.17	58595.76
	Recovery -		
	1.Actual	5411.42	5005.63
	2.A/c came out of NPA due to up gradation	6584.36	—
	3.Accounts Written Off/Sale to ARC/ Accounts Purchased by Bank (including Pru. W/off of Rs.3938.54 Lacs Last Year Rs.-)	37992.03	17385.41
	Closing Principal	109694.71	103003.35
	Provisions		
	Opening Provision	31557.44	28700.72
	Additions:		
	1. Merged banks Provision	0.00	0.00
	2. During the Year - Addition	28153.70	20305.50
	Less:		
	1. Written back due to recovery of merged banks	0.00	63.37
	2. Provision on Written Off Bad Debts/ Sale to ARC (including Pru W/off of Rs.3938.54 lacs Last Year Rs. -)	31579.03	17385.41
	Closing Provision	28132.11	31557.44
	Net NPA	81562.60	71445.91
10	Profitability:		
	1. Interest income as a percentage of working funds.	10.00%	9.15%
	2. Non-interest income as a percentage of working funds	0.70%	1.03%
	3. Operating Profit as a percentage of working funds	1.61%	1.56%
	4. Return on Average Assets	0.23%	0.31%
	5. Business (Deposit + Advances) per employee	891.47	913.53
	6. Profit per employee	1.55	1.95
11	Provision made in the year towards.		
	NPA	28153.70	20305.50
	Depreciation in Investments	661.39	0.00
	Standard Assets	128.41	206.72
12	Movement in Provisions		
	a. Towards NPA's (BDDR)		
	Opening Balance	31557.44	28700.72
	Add: Additions during the year	28153.70	20305.50

(₹ in Lacs)

				(in Lacs)										
Sr. No.	Particulars	31.03.2016	31.03.2015											
	Less: Reduction during the year	31579.03	17448.78											
	Closing Balance	28132.11	31557.44											
	b. Towards Depreciation on Investments													
	Opening Balance	790.24	1115.91											
	Add: Additions during the year	5154.04	0.00											
	Less: Reduction during the year (Net)	4536.27	325.67											
	Closing Balance	1408.01	790.24											
	c. Towards Standard Assets													
	Opening Balance	3769.32	3562.60											
	Add: Additions during the year	128.41	206.72											
	Less: Reduction during the year	—	—											
	Closing Balance	3897.73	3769.32											
13	Foreign Currency Assets & Liabilities:													
	a. Foreign Currency Assets	11121.11	7503.02											
	b. Foreign Currency Liabilities	11121.11	7503.02											
	DICGC Insurance Premium paid within due date	1656.52	1607.31											
14	<table><tr><td>Period</td><td>Due Dt</td><td>Payment Dt</td></tr><tr><td>01/04 to 30/09/2015</td><td>31/05/2015</td><td>26/05/2015</td></tr><tr><td>01/10 to 31/03/2016</td><td>30/11/2015</td><td>13/11/2015</td></tr></table>	Period	Due Dt	Payment Dt	01/04 to 30/09/2015	31/05/2015	26/05/2015	01/10 to 31/03/2016	30/11/2015	13/11/2015				
Period	Due Dt	Payment Dt												
01/04 to 30/09/2015	31/05/2015	26/05/2015												
01/10 to 31/03/2016	30/11/2015	13/11/2015												
15	Total Amount Of Loan Assets restructuring under CDR													
	a. Amount of Standard Assets subjected to CDR	Nil	Nil											
	b. Amount of Substandard assets subjected to CDR	Nil	Nil											
	c. Amount of doubtful assets subjected to CDR	Nil	Nil											

16. Following disclosures are made as per RBI circulars -

a) Issuer Composition for Non SLR Investments as on 31.03.2016 -

(₹ in Crores)

Sr. No.	Issuer	Amount	Extent of 'below Investment grade' securities	Extent of 'unrated securities'	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)	(5)	(6)
1	PSUs	00.00	—	—	—
2	FIs	19.50	—	—	2.00
3	Public Sector Banks & Private sector Banks	23.00	—	—	—
4	Mutual Funds	---	—	—	—
5	Others (Shares- ₹ 1.56crs. + Sec Receipts under ARC ₹ 436.45 crs.)	438.01	—	—	1.56
6	# Provision held towards Depreciation Rs.14.08 crs	—	—	—	—
	Total	480.51	—	—	3.56

b) Non-Performing Non-SLR Investments as on 31.03.2016

(₹ in Crores)

Particulars	Amount
Opening Balance	0.00
Additions during the year since 1 st April 2015	0.01
Reductions during the above period	0.00
Closing Balance	0.01
Total provisions held	0.01

c) Statement of Securities sold / purchased under REPO Transactions during the year 2015-16.

(₹ In Crores)

Particulars	Minimum Outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31.03.2016
Securities sold under REPO				
i. Govt. Securities	0.00 (0.00)	1279.93 (1027.17)	139.41 (199.78)	0.00 (236.22)
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL
Securities purchased under Reverse REPO				
i. Govt. Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL

Figures in bracket are of previous year i.e. 2014-15.

17. Previous year's figures have been re-grouped / re-arranged wherever necessary to conform to the presentation of the accounts of the current year.

For the Cosmos Co-op. Bank Ltd.,

Vikrant P. Ponshe

Managing Director

For M/s. P. G. Bhagwat

Chartered Accountants

F. R. No. 101118W

For M/s. G. D. Apte & Co.

Chartered Accountants

F. R. No. 100515W

Nachiket Deo

Partner

M. No. 117695

Saurabh Peshwe

Partner

M. No. 121546

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ In Lacs)

	31.03.2016	31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax as per Profit and Loss a/c	3361.88	8666.89
Adjustments for -		
Depreciation on Fixed Assets	2413.23	1936.84
Loss on sale of Fixed Assets	0.00	8.50
Premium w/off	1328.05	1069.05
Bad Debts written off	27045.43	17385.41
Provisions	25356.30	21110.56
Goodwill w/off -merged banks	206.02	205.36
Interest paid on Funds	22.66	20.58
	59733.57	50403.19
Add:- Excess cash & Entrance fees, Surplus ARC money etc	55.79	45.15
	59789.36	50448.34
Less:- Medical Assistance to members/staff	20.25	5.15
Less:-Share refund	0.03	0.03
Less:- Profit on sale of Assets (net)	211.90	0.00
Less:- Credit from BDDR/excess prov.reversed/	27079.41	18069.87
Operating profit before working capital changes	32477.77	32373.29
Adjustments for -		
(Increase) / Decrease in Investment	43654.44	(41291.22)
(Increase) / Decrease in Advances	(38044.30)	(103753.22)
Increase / (Decrease) in Borrowings	2020.40	10454.07
Increase / (Decrease) in Deposits	(61555.34)	110186.09
(Increase) / Decrease in Other Assets	391.85	4958.54
Increase / (Decrease) in Other Liabilities	1594.19	1613.65
Taxes paid	(1516.25)	(4410.88)
	(53455.01)	(22242.97)
Net cash generated from Operating Activities	(20977.24)	10130.32
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets purchase	(1268.74)	(5695.84)
Sale of Fixed Assets	255.13	10.30
Net Cash Flow from Investing activities	(1013.61)	(5685.54)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	6641.02	(149.17)
Dividend Paid	(3081.33)	(3710.19)
Net Cash Flow from financing activities	3559.69	(3859.36)
Net Increase / (Decrease) in Cash & Cash equivalents	(18431.16)	585.42
Cash & Cash Equivalents at the beginning of the year	101466.54	100881.12
Cash & Cash Equivalents at the end of the year	83035.38	101466.54
NOTES		
Cash & Cash Equivalents	31.03.2016	31.03.2015
1. Cash	6022.44	6426.29
2. Balances with RBI	62190.31	81897.98
3. Balances with other Banks	14822.63	13142.27
	83035.38	101466.54

Nayan Lagad
Chief General Manager

For M/S. G. D. Apte & Co.
Chartered Accountants
F.R.No. 100515W

(S. S. Peshwe)
Partner
M. No. 121546
(Statutory Auditor)

Suhas Gokhale
Jt. Managing Director

For M/S. P.G. Bhagwat
Chartered Accountants
F.R.No. 101118W

(Nachiket Deo)
Partner
M. No. 117695
(Statutory Auditor)

Vikrant Ponshe
Managing Director

For M/S. Gunwani & Kolapkar
Chartered Accountants
F.R.No. 128698W

(Ghanasham Ranade)
Partner
M. No. 100151
(Internal Auditor)

INDEPENDENT STATUTORY AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2016

(Under Section 31 of the Banking Regulation Act, 1949 and Section 73(4) of Multi State Co-Operative Societies Act, 2002 and Rule 27 of Multi State Co-Operative Societies Rules)

To

The Members

The Cosmos Cooperative Bank Ltd.

Report on Financial Statements

1. We have audited the accompanying financial statements of The Cosmos Co-operative Bank Ltd as at 31st March, 2016, which comprise the Balance Sheet as at March 31, 2016, and 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. Incorporated in these financial statements are the returns of the Head Office and 140 branches out of which 71 branches are audited by G. D. Apte & Co., Chartered Accountants and 69 branches are audited by M/s. P. G. Bhagwat.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Banking Regulation Act 1949 (as applicable to Cooperative societies), Multi State Co-operative Societies Act, 2002 and the rules made thereunder.

This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of the Bank, and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, subject to our comments and observations contained in the Audit Memorandum, give the information required by the Banking Regulation Act, 1949 as well as Multi State Co-operative Societies Act, 2002 and the Rules made thereunder in manner so required for the Urban Co-operative Banks and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In case of Balance Sheet of the state of affairs of the Bank as at 31st March 2016;
 - (ii) In case of Profit and Loss Account of the profit for the year ended on that date; and
 - (iii) In case of Cash Flow Statement of the Cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with provisions of Section 29 of Banking Regulation Act, 1949, and Multi-State Co-Operative Societies Act, 2002, and the rules made thereunder.

8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required under Rule 27(3) of Multi State Co-Operative Societies Rules, 2002 and subject also to the limitations of disclosure required therein, we report that:
- 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 and have found them to be satisfactory.
 - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
9. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable.
10. We further report that:
- The Balance Sheet and Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns.
 - 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.
 - The schedules giving the particulars referred to in Rule 27(3) of the Multi-state Co-operative Societies Rules, 2002, to the extent applicable are attached to this report.

For M/S. P. G. Bhagwat

Chartered Accountants
F.R.No.101118W

Nachiket Deo

Partner
M No. 117695
(Statutory Auditor)

Date: 04.09.2016
Place: Pune

For M/S. G. D. Apte & Co.,

Chartered Accountants
F.R.No.100515W

Saurabh S. Peshwe

Partner
M. No. 121546
(Statutory Auditor)

Schedules forming part of Auditors report on the financials of The Cosmos Co-op. Bank Ltd., as on 31st March 2016 as required under Rule 27 of Multi state Co-op. Societies Rules, 2002 to the extent applicable.

- (a) The following monies due to the Bank appear to be doubtful of recovery (Rule 27(3)(c)). (Advances categorized as doubtful and loss assets as per prudential norms are considered as doubtful of recovery).

Category	Amount outstanding as on 31.03.2016 (₹ in lacs)
Doubtful Assets	70,352.41
Loss Assets	0.00
Total	70,352.41

- A provision of ₹. 24,195.48 Lacs has been made against the above advances.

- (b) Loans given by the Bank to the members of the Board and their relatives (Rule 27(3)(d)). The following credit facilities have been sanctioned by the bank to the members of the Board (including relatives).

Fund Based Amount outstanding (₹ in lacs)	Security Value (₹ in lacs)	Overdues, if any.
43.81	78.59	NIL

Statement showing particulars Loans & Advances to Directors & their Relatives outstanding as on 31st March 2016 (As per Multi-State Co.op. Society Act, 2002 Section 39(3))

३१ मार्च २०१६ अखेर संचालक व त्यांचे नातेवाईकांना दिलेल्या कर्जाची येणे बाकी दर्शविणारा तक्ता
(मल्टिस्टेट को-ऑप. सोसायटी ॲक्ट २००२ कलम ३९ (३) अन्वये सादर)

Sr. No. अ.क्र.	Particulars तपशील	Amount of Loan outstanding at the end of the year 31.03.2016 वर्ष अखेरीस कर्ज येणे रक्कम (३१.३.२०१६) ₹
1.	Directors संचालक	1,519,051.59
2.	Directors Relatives संचालकांचे नातेवाईक	2,862,333.40
	Total एकूण ₹	4,381,384.99

CLASSIFICATION OF OVERDUES - TERMWISE AS ON 31ST MARCH 2016

थकबाकी दर्शविणारा तक्ता ३१ मार्च २०१६ अखेर

Sr. No. अ.क्र.	Type of Loan कर्ज प्रकार	No. of a/cs. कर्जदार संख्या	Outstanding Balance येणे कर्ज बाकी ₹	No. Defaulters / थकबाकीदार				Overdues Amount / थकबाकी रक्कम				% to out-standing थकबाकी शेकडा प्रमाण
				Arbt लवादी	Non-Arbt बिगर लवादी	Awrđ दाखला मिळालेले	Total एकूण	Arbitrary लवादी ₹	Non -Arbitrary बिगर लवादी ₹	Awarded वसुली दाखला मिळालेली खाती ₹	Total एकूण ₹	
1	Short Term Advances अल्प मुदत कर्जे	14160	48,99,23,06,742.24	7	83	20	110	69,46,34,897.30	345,87,70,072.33	16,46,50,318.90	431,80,55,288.53	3.87
2	Medium Term Advances मध्यम मुदत कर्जे	18096	25,35,53,07,251.54	18	1130	33	1181	13,58,56,903.55	115,12,66,466.04	16,42,26,111.48	145,13,49,481.07	1.30
3	Long Term Advances दीर्घ मुदत कर्जे	13461	37,15,25,96,387.66	12	1616	24	1652	12,37,19,249.49	94,29,78,257.03	18,86,26,548.77	125,53,24,055.29	1.13
	Total/ एकूण	45717	111,50,02,10,381.45	37	2829	77	2943	95,42,11,050.34	555,30,14,795.40	51,75,02,979.15	702,47,28,824.89	6.30

AMOUNT-WISE CLASSIFICATION OF DEPOSITS AS ON 31ST MARCH 2016

ठेव रकमेनुसार ठेवीदारांचे वर्गीकरण शेकडा प्रमाण ३१ मार्च २०१६

Deposit Amount ठेव रक्कम	₹ 0.00 to 10,000.00	₹ 10,000.01 to 50,000.00	₹ 50,000.01 to 1,00,000.00	₹ 1,00,00.001 & Above	Total एकूण
Depositor / ठेवीदार	893272	476551	277926.00	292737	1940486
Percentage (%) to total Depositors एकूण ठेवीदारांशी शेकडा प्रमाण	46.03	24.56	14.32	15.09	100.00

Rounded off to nearest digit.

OUTSTANDING AMOUNTWISE CLASSIFICATION OF ACCOUNTS AND BORROWERS AND ITS PERCENTAGE TO TOTAL ACCOUNTS AND BORROWERS AS ON 31ST MARCH 2016

कर्ज येणेबाकी रकमेनुसार खातेदारांची संख्या व त्यांचे एकूण कर्जदारांशी शेकडा प्रमाण ३१ मार्च २०१६ अखेर

Loan Amount कर्ज रक्कम	₹ 1/- to 50,000/-	₹ 50,001/- to 1,00,000/-	₹ 1,00,001 to 10,00,000/-	₹ 10,00,001 to 25,00,000/-	₹ 25,00,001/- to 50,00,000/-	₹ 50,00,001/- and above	Total एकूण
No. of Accounts एकूण खाते संख्या	10291	5505	19262	5319	1486	3854	45717
Percentage to Total Accounts एकूण खात्यांशी शेकडा प्रमाण	22.51%	12.04%	42.13%	11.64%	3.25%	8.43%	100.00%
No. of Borrower एकूण खाते संख्या	9788	5077	15828	4115	1002	1503	37313
Percentage to Total Borrowers एकूण खात्यांशी शेकडा प्रमाण	26%	14%	42%	11%	3%	4%	100.00%

PURPOSE WISE CLASSIFICATION OF LOANS AS ON 31ST MARCH 2016

कर्ज तक्ता ३१ मार्च २०१६ अखेर

(Amount in lacs)

Particulars तपशील	No. of Accounts खाते संख्या	Amount of Loans कर्ज रक्कम ₹	% शेकडा प्रमाण
Industrial औद्योगिक	3530	494,663.85	44.36
Trade व्यापारी	2412	202,730.91	18.18
Allied to Agriculture शेतीपूरक उद्योग	683	8,098.51	0.73
Service Industry सेवासुविधा उद्योग	864	118,415.28	10.63
Builders बांधकाम व्यावसायिक	204	80,849.08	7.25
Housing Construction & Repairs घरबांधणी व दुरुस्ती	24320	117,098.73	10.50
Consumption वैयक्तिक	12394	68,017.95	6.10
Professional & Self Employed स्वयंरोजगार	1104	20,084.24	1.80
Transport Operator वाहतूक व्यवसाय	206	5,043.55	0.45
Total एकूण	45717	1,115,002.10	100.00

Cosmos e-Solutions & Services Private Limited

(WHOLLY OWNED SUBSIDIARY OF THE BANK)

Registration No. as per the Ministry of Corporate Affairs: U72300PN2007PTC130195 /2007-2008, dt. 23-05-2007
Reserve Bank License No.: UBD.CO.BPD.MIS.3722/16.07.00/2010-2011, dt. 25-10-2010

Board of Directors

CA Sunil Sabnis

Chairman

Dr. Mukund Abhyankar

Director

Ashutosh Joshi

Director

Vasant Manwadkar

Managing Director

Management

Arti Dhole, Associate Vice-President, Systems

Rajendra Godbole, Associate Vice-President, Business Development & Delivery

Swapnil Jamsandekar, Associate Vice-President, e-Banking

Statutory Auditors

M/s. Gokhale & Sathe

Chartered Accountants

Bankers

The Cosmos Co-op. Bank Limited

Cosmos e-Solutions & Services Private Limited

DIRECTORS' REPORT

To,

The Shareholders:

Your Board of Directors are pleased to present the ninth Annual Report on the business operations of the Company and the audited financial statements for the period ended March 31, 2016.

Particulars	For the year ended March 31, 2016 ₹	For the year ended March 31, 2015 ₹
Revenue from operations	10,18,52,623	8,93,47,550
Other income	1,02,825	5,09,092
Total income	10,19,55,448	8,98,56,642
Operating expenses excluding depreciation and amortization	7,36,10,423	6,62,66,508
Profit before depreciation and tax	2,83,45,025	2,35,90,134
Depreciation and amortization	71,21,480	54,88,524
Profit before tax	2,12,23,545	1,81,01,610
Current Tax	72,90,000	58,73,893
Deferred Tax	(3,44,332)	1,93,128
Profit after tax	1,42,77,877	1,20,34,589
Share Capital	25,00,000	25,00,000
Reserves and Surplus	3,84,97,901	2,72,28,974

DIVIDEND

In the meeting of the Board of Directors held on 29th March, 2016 payment of interim dividend for the year under consideration @ ₹ 100 per share was approved and accordingly, your Company paid an interim dividend on 29th March, 2016. Total outflow on this account was ₹ 30,14,040 (including Corporate Dividend Tax of ₹ 5,14,040)

Your Board of Directors has not recommended any final dividend for the year under consideration.

TRANSFER TO RESERVES

Your Board does not propose any transfer to reserves from the current year's profit.

DEPOSITS

Your Company has not accepted any deposits from the public during the year under review.

THE STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Cosmos Co-operative Bank Limited, the parent organisation of the Company continues to be Company's principal client. The initiatives taken by the management to

reduce dependency on a single client are expected to show favourable results in the near future.

Your company has been providing hosts of IT services to the banking sector. Your Company has developed new Generation Mobile Banking along with IMPS (Inter-bank Mobile Payment System) solution, which will enable Banks' customers to access their bank accounts and to transfer funds using a mobile device.

A state of the art 'Financial Inclusion' software product developed by your Company enables banks to achieve doorstep, workplace and agency banking. Your Company has already sold this product to a few Banks in India and exploring the new opportunities.

BPC Banking Technologies, a world leading provider of payment solutions having its headquarter in Switzerland, has appointed your Company as the implementation partner. BPC has 160 clients in more than 58 countries, and has implemented payment systems for many of the world's largest banks. To provide long-term support and partnership for their customers, your Company already has proven skills in Payment systems, which will enable BPC to cater the most vibrant Indian Banking.

As mentioned in our immediately preceding year's report, Infosys has appointed your Company as a Finacle (Core Banking Solution) implementation partner. The Company is exploring opportunities in Finacle implementation, version upgrade and support services to various banks in India and abroad. Your Company has a team of 100+ banking domain and technical consultants having more than average 13 years of experience of managing Finacle Core Banking Solution with all other banking channels and systems. Our team has built very niche capabilities in Banking technologies to provide a suite of products where the Company can run an entire Bank in 'Bank in a Box' model.

Your Company has a focus towards introducing a broad range of banking functions using the best of security and technology to ensure continuous evolution in the business lifecycle.

Your Directors expect to better the Company's performance by adding new clients.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There are no contracts or arrangements made with related parties referred to in Section 188(1) of the Companies Act, 2013.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

There have been no material changes in the nature of business of the Company in the financial year 2015-16.

Cosmos e-Solutions & Services Private Limited

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no instances of any material changes and commitments affecting the financial position of the company.

THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company has no subsidiaries or associate companies.

BOARD MEETINGS

During the financial year 2015-16, 6(six) Board Meetings were held.

THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Shri Vasant Manwadkar, Managing Director of the Company tendered his resignation from the services of the Company. The same was accepted in the meeting of the Board of Directors held on July 25, 2016; to be effective from August 1, 2016.

The Board places on record its sincere appreciation for the valuable contribution of Shri Manwadkar in guiding the Company from the take off stage and his efforts in implementing the best practices in the Information Technology industry.

AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 relating to constitution of Audit Committee are not applicable to the Company.

AUDITORS' REPORT

Auditors of the Company have not given any qualification, reservation, adverse remark or disclaimer in their report annexed to the audited financial statements.

STATUTORY AUDITORS

M/s Gokhale & Sathe having Firm Registration No: 103264W, Chartered Accountants, the auditors of the Company will retire at the conclusion of ensuing annual general meeting and have expressed their willingness to continue as statutory auditors of the Company.

Board recommends the members of the company to approve the re-appointment of M/s Gokhale & Sathe having Firm Registration No: 103264W, Chartered Accountants as Statutory Auditors of the Company in accordance with applicable rules and regulations.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure 1 to the Board's report.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and timely preparation of reliable financial disclosures.

HUMAN RESOURCE

The Company is recruiting employees at a gradual pace. All employees to perform key functions of the company and the support staff has been appointed.

PARTICULARS OF EMPLOYEES

During the year under review, your Company had no employee who was in receipt of remuneration of more than ₹ 1.02 Crore during the year ended 31st March, 2016 or more than ₹ 8.5 lakhs per month during any part of the year.

Therefore, there are no particulars of employees pursuant to Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to be furnished.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has a policy in place to address the issues relating to the sexual harassment of women at work place and has setup a committee in that regard. During the year ended 31st March, 2016, there were no cases filed/reported pursuant to the Sexual Harassment of women at workplace (Prevention, prohibition and Redressal) Act, 2013.

MATTERS REQUIRED TO BE REPORTED UPON AS PER THE SECTION 134(1)(M) OF THE COMPANIES ACT, 2013

In pursuance of the above requirements, we report as follows:

a) Conservation of Energy

The Company is engaged in rendering services in Information Technology field and electricity cost is not a major component of total cost. The Company recognizes

the need and importance of conservation of energy. The Company uses energy efficient electrical and electronic equipment.

b) Technology absorption, adoption and innovation

As the Company is not engaged in any manufacturing activities, this section does not apply to the Company. The Company's employees keep upgrading their professional skills and are aware of the latest developments in the financial markets.

c) Foreign exchange earnings and outgo:-

Foreign exchange outgo during the year ₹3,62,866

Foreign exchange earnings during the year NIL

A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY

INTERNAL CONTROL AND RISK MANAGEMENT POLICY STATEMENT:

The Company has put in place adequate systems of internal controls commensurate with its size and 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.

For each critical activities the Company has documented areas of risks and required checks for these activities and functions. This list is reviewed and updated on annual basis to ensure the risk profiling of all the activities are upto date and in line with the actual/updated process flow.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not granted loans, issued guarantees or made investments in terms of provisions of Section 186 of the Companies Act, 2013.

Statement on declaration given by Independent Directors

The Company is not required to appoint independent directors. Therefore, there is no requirement of including a statement on declarations given by independent directors under sub-section (6) of Section 149 of the Companies Act, 2013.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

There is no requirement to constitute the Nomination and

Remuneration Committee as provided in Section 178 of the Companies Act, 2013, thus the policy in that regard is not determined by the Board of Directors.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

As the Company does not fall under the criteria prescribed under Section 135 of the Companies Act, 2013, disclosure under this head is not required.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed;

- that in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 year under review;
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts for the financial year ended 31st March, 2016 on a 'going concern' basis.
- that the directors have devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT:

The Directors wish to place on record their sincere appreciation to all employees of the Company for their dedication and focused attitude.

For and on behalf of the Board of Directors

Sunil Arvind Sabnis

Chairman

DIN – 00009334

Pune:

Dated: September 04, 2016

Cosmos e-Solutions & Services Private Limited

INDEPENDENT AUDITOR'S REPORT

To,

The members of

COSMOS E-SOLUTIONS & SERVICES PRIVATE LIMITED

Report on the financial statements

We have audited the accompanying financial statements of **COSMOS e-SOLUTIONS & SERVICES PRIVATE LIMITED**, ("the company"), which comprise the Balance sheet as at 31st March 2016, the Statement of Profit and Loss, 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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the company as at 31st March 2016, and its **profit** and its 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, 2016 ("CARO") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act 2013, we give in the annexure a statement on the matters specified in paragraph 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us:
 - i. There was no pending litigation as at the balance sheet date.
 - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the company.

For **GOKHALE & SATHE**
 CHARTERED ACCOUNTANTS
 Firm Reg. No.: 103264W

GAURI S. BEDEKAR
 PARTNER
 Membership No: 108207

Place: Mumbai

Date: 02/09/2016

Cosmos e-Solutions & Services Private Limited

FINANCIAL YEAR ENDED 31ST MARCH, 2016

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2016

(Referred to in Paragraph 1 of the section 'Other legal & regulatory requirements' of our Report of even date on accounts of COSMOS e-SOLUTIONS & SERVICES PRIVATE LIMITED as at 31st March 2016.)

In the Annexure, as required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of Section 143 (11) of the Companies Act 2013, on the basis of checks, as we considered appropriate, we report on the matters specified in paragraph 3 and 4 of the said order to the extent applicable to the company,

- i) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets for the year under audit in the soft (computerized) form.
- b) We have been informed that the physical verification of fixed assets was carried out by the management during the year, which in our opinion is reasonable having regard to the nature of the assets. We have been informed that no material discrepancy was noted on such verification.
- c) The Title Deeds of immovable property are held in the name of the company.
- ii) Considering the nature of the business and services rendered by the company, provisions of clause 3 (ii) of the CARO relating to inventory are not applicable.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Therefore provisions of clause 3 (iii) of the CARO are not applicable.
- iv) According to the information and explanations given to us, the company has not given any loans, guarantees and security and in respect of investment, the provisions of section 186 of the Companies Act has been complied with.
- v) The Company has not accepted any deposits from public and accordingly the provisions of section 73 to 76 of the Act, and Rules framed there under and any directive issued by the Reserve Bank of India are not applicable.
- vi) As informed to us, maintenance of Cost Records by the Company has not been prescribed by the Central Government u/s 148 (1) of the Companies Act.
- vii) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including the Provident Fund, Employees state insurance, income tax, sales tax, service tax, value added tax, cess and any other statutory dues applicable to it.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess which have not been deposited on account of any dispute.
- c) In our opinion and according to the information and explanation given to us, during the year, no amount

was pending to be transferred to investor education and protection fund.

- viii) As per our observation and according to the information and explanation given to us, the company has not taken any loan from any financial institution, bank, government and the company has not issued any debentures. Therefore provisions of clause 3 (viii) of the CARO are not applicable.
- ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or has not taken any term loan.
- x) According to the information and explanations given to us, no fraud by the Company or fraud on the company by its officers or employees has been noticed or reported during the year under audit.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid the managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) Since the company is not a Nidhi Company, provisions of clause 3 (xii) of the CARO are not applicable.
- xiii) In our opinion and according to the information and explanations given to us, all the transactions with the related party are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of the same have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) In our opinion and according to the information and explanation given to us, during the year the company has not entered into non-cash transactions with the directors or persons connected with the directors. Therefore, the provisions of clause 4 (xv) of the CARO are not applicable.
- xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934..

For **GOKHALE & SATHE**
CHARTERED ACCOUNTANTS
Firm Reg. No.: 103264W

GAURI S. BEDEKAR
PARTNER
Membership No: 108207

Place: Mumbai
Date: 02/09/2016

Cosmos e-Solutions & Services Private Limited

BALANCE SHEET AS AT 31ST MARCH 2016

Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,500,000	2,500,000
(b) Reserves and Surplus	4	38,497,901	27,228,974
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	22	1,016,397	1,360,729
(3) Current Liabilities			
(a) Trade payables	5	4,865,486	7,676,852
(b) Other current liabilities	6	3,802,627	1,166,613
(c) Short-term provisions	7	18,022,689	10,723,592
Total		68,705,100	50,656,760
II. Assets			
(1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		29,875,478	1,768,260
(ii) Intangible assets		6,592,264	8,489,230
(b) Long term loans and advances	9	20,430,163	11,958,913
(2) Current assets			
(b) Trade receivables	10	2,719,824	14,016,745
(c) Cash and cash equivalents	11	598,315	9,318,384
(d) Short-term loans and advances	12	2,246,389	1,495,831
(e) Other current assets	13	6,242,666	3,609,397
Total		68,705,100	50,656,760

As per our report of even date attached,

For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board
Cosmos e-Solutions & Services Private Limited

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Mukund Abhyankar
Director
DIN: 00881021

Place: Mumbai
Date: 02/09/2016

Place: Pune
Date: 25/07/2016

Cosmos e-Solutions & Services Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Income			
I. Revenue from operations	14	101,852,623	89,347,550
II. Other Income	15	102,825	509,092
Total Revenue (I)		101,955,448	89,856,642
II. Expenses:			
Expenses relating operating activity	16	10,435,640	7,497,112
Employee benefit expense	17	59,313,494	56,517,809
Financial costs	18	12,163	39,600
Depreciation and amortization expense	8	7,121,480	5,488,524
Other expenses	19	3,849,126	2,211,986
Total Expenses (II)		80,731,903	71,755,032
III. Profit before exceptional and extraordinary items and tax (I)-(II)	(III)	21,223,545	18,101,610
IV. Tax expense:			
(1) Current tax		7,290,000	5,873,893
(2) Deferred tax		(344,332)	193,128
Total Tax Expense (IV)		6,945,668	6,067,021
V. Profit/(Loss) for the period from continuing operations	(III-IV)	14,277,877	12,034,589
Profit/(Loss) for the period		14,277,877	12,034,589
VI. Earning per equity share:	23		
(1) Basic		571.12	481.38
(2) Diluted		571.12	481.38

As per our report of even date attached,

For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board
Cosmos e-Solutions & Services Private Limited

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Mukund Abhyankar
Director
DIN: 00881021

Place: Mumbai
Date: 02/09/2016

Place: Pune
Date: 25/07/2016

Cosmos e-Solutions & Services Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
A) Cash Flow From Operating Activities			
Net profit before tax		21,223,545	18,101,610
Depreciation and amortisation		7,121,480	5,488,524
Preliminary expenses written off		-	16,124
Operating profit before working capital changes		28,345,025	23,606,259
Adjustments for:			
Interest received		(29,785)	(508,314)
Increase/(Decrease) in Trade payables		(2,811,366)	2,007,449
Increase/(Decrease) in Other current liabilities		2,636,014	(13,561,806)
Increase/(Decrease) in Short-term provisions		-	(4,041,204)
Income tax paid (Net of refunds)		(8,471,251)	(447,327)
Increase/(Decrease) in Trade receivables		11,296,921	(1,918,299)
Increase/(Decrease) in Short-term loans and advances		(750,558)	(954,111)
Increase/(Decrease) in Other current assets		(2,633,269)	3,555,596
Net cash flow from operating activities	A	27,581,731	7,738,243
B. Cash flow from investing activities			
Purchase of fixed assets		(33,331,732)	(4,054,898)
Interest received		29,785	508,314
Net cash flow from investing activities	B	(33,301,947)	(3,546,584)
C. Cash flow from financing activities			
Dividend paid		(2,500,000)	(2,875,000)
Dividend distribution tax		(499,853)	(63,732)
Net cash flow from financing activities	C	(2,999,853)	(2,938,732)
Net increase in cash and cash equivalents (A) + (B) + (C)		(8,720,069)	1,252,927
Cash and cash equivalents at the beginning of the period		9,318,384	8,065,457
Cash and cash equivalents at the end of the period		598,315	9,318,384

As per our report of even date attached,

For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board
Cosmos e-Solutions & Services Private Limited

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Mukund Abhyankar
Director
DIN: 00881021

Place: Mumbai
Date: 02/09/2016

Place: Pune
Date: 25/07/2016

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Notes forming part of the financial statements for the year ended 31st March 2016

1 Background

Cosmos e-Solutions & Services Private Limited ('the Company') was incorporated on 23rd Mar, 2007 under the Companies Act, 1956 ('the Act'), and is a wholly owned subsidiary of The Cosmos Co-operative Bank Limited.

The Company is primarily engaged in the business of rendering Information Technology related services in the banking sector.

2 Summary of significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting. GAAP comprises mandatory accounting standards as prescribed under 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Management believes that the estimates made in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 Revenue recognition

Revenue is primarily derived from Information Technology (IT) Support and related services. Arrangements with the customers are either on fixed price, fixed time frame or on a time and material basis. Revenue from the end of last billing to the Balance Sheet date is recognised as unbilled revenue.

Annual Technical Services revenue and revenue from fixed-price maintenance contracts are recognized rateably over the period in which services are rendered.

Revenue from sale of software products, client support and other services is recognized as and when the services are performed.

Interest income is recognized using the time proportionate method, based on rates implicit in the transaction.

2.4 Tangible assets and capital work-in-progress

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use. Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

2.5 Intangible assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment, if any.

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

2.6 Depreciation and amortisation

In respect of tangible assets acquired during the year, depreciation is provided on written down value method so as to write off the cost of the assets over the useful lives in the manner specified in Schedule II to the Companies Act, 2013. For assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life.

Intangible assets (Software Product) are amortised over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. Other intangible assets are amortised @ 40% on written down value method.

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically by the management, including at each financial year end.

2.7 Employee benefits

(i) Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and bonus. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service rendered by employees. the company does have a policy for payment of leave encashment.

(ii) Post-employment benefits

Contribution to provident fund and superannuation for are accounted for on accrual basis. The Company has subscribed to Group Gratuity Scheme of Life Insurance Corporation of India (LIC) and annual contribution is deposited with LIC as per actuarial valuation given by LIC.

2.8 Taxation

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the applicable income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using applicable tax rate and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

2.9 Operating leases

Lease rentals in respect of assets acquired on operating leases are recognized in the statement of profit and loss on a straight line basis over the lease term.

2.10 Earnings per share (EPS)

The basic earnings per share is computed by dividing the net profit/loss attributable to the equity shareholders for the year/period by the weighted average number of equity shares outstanding during the reporting year/ period.

2.11 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Loss contingencies arising from claims, litigation, assessment, fines, penalties etc are recorded when it is probable that a liability has been incurred and the amount can be reasonably ascertained.

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

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 3 : Share Capital

Share Capital	As at 31 st March, 2016		As at 31 st March, 2015	
	No.	₹	No.	₹
Authorised				
Equity Shares of ₹ 100 each	25,000	2,500,000	25,000	2,500,000
Issued				
Equity Shares of ₹ 100 each	25,000	2,500,000	25,000	2,500,000
Subscribed & Paid up				
Equity Shares of ₹ 100 each fully paid	25,000	2,500,000	25,000	2,500,000
Subscribed but not fully Paid up				
Equity Shares of ₹ 100 each fully paid	-	-	-	-
Total	25,000	2,500,000	25,000	2,500,000

Reconciliation of shares outstanding at the end of the year

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No.	₹	No.	₹
Shares outstanding at the beginning of the year	25,000	2,500,000	25,000	2,500,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	25,000	2,500,000	25,000	2,500,000

Rights, preference and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The Company declares and pays dividend in Indian Rupees. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

Shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	No.	%	No.	%
The Cosmos Co-op. Bank Limited	25,000	100.00	25,000	100.00

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 4 : Reserves and Surplus

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Surplus in Statement of Profit and Loss		
Opening balance	25,928,974	17,244,331
(+) Net Profit/(Net Loss) For the current year	14,277,877	12,034,589
(-) Deferred tax liability of earlier years	-	286,361
(-) Dividend Distribution Tax	508,950	563,585
(-) Interim Dividends	2,500,000	2,500,000
Closing Balance	37,197,901	25,928,974
General Reserve		
Opening Balance	1,300,000	1,300,000
Closing Balance	1,300,000	1,300,000
Total	38,497,901	27,228,974

Note 5 : Trade payables

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
For dues to micro and small suppliers (Refer Note 25)		
Trade Payables	4,865,486	7,676,852
Total	4,865,486	7,676,852

Note 6 : Other Current Liabilities

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Income received in advance	-	22,472
Other payables		
Statutory remittances (Contribution to Provident Fund, ESIC, Withholding Taxes, Service Tax, Value Added Tax etc)	1,284,876	947,056
Accrual for expenses	2,127,913	76,770
Other current liabilities	389,838	120,315
Total	3,802,627	1,166,613

Note 7 : Short Term Provisions

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Others		
Provision for Income Tax	18,022,689	10,723,592
Total	18,022,689	10,723,592

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 8 : Fixed Assets

FIXED ASSETS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at 01-Apr-15	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31-Mar-16	Balance as at 01-Apr-15	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31-Mar-16	Balance as at 31-Mar-15	Balance as at 31-Mar-16
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets												
Vehicles	1,723,580	-	-	-	1,723,580	75,189	526,738	-	-	601,927	1,648,391	1,121,653
Furniture and Fixtures	102,349	1,865,231	-	-	1,967,580	5,179	209,391	-	-	214,570	97,170	1,753,010
Computer System - Hardware	295,811	5,199,450	-	-	5,495,261	281,020	2,661,536	-	-	2,942,556	14,791	2,552,705
Office Equipments	10,210	1,342,951	-	-	1,353,161	2,302	252,749	-	-	255,051	7,908	1,098,110
Land & Building	-	23,350,000	-	-	23,350,000	-	-	-	-	-	-	23,350,000
Total	2,131,950	31,757,632	-	-	33,889,582	363,690	3,650,414	-	-	4,014,104	1,768,260	29,875,478
b. Intangible Assets												
Computer Software - Internet Banking	5,479,682	-	-	-	5,479,682	5,479,681	-	-	-	5,479,681	1	1
Computer System - Software	1,145,671	312,250	-	-	1,457,921	389,320	377,915	-	-	767,235	756,351	690,686
Oracle E-Business Suite Software	20,189,699	-	-	-	20,189,699	12,456,821	3,093,151	-	-	15,549,972	7,732,878	4,639,727
Total	26,815,052	312,250	-	-	27,127,302	18,325,822	3,471,066	-	-	21,796,888	8,489,230	5,330,414
c. Capital Work In Progress												
Oracle E-Business Suite Software	-	-	-	-	-	-	-	-	-	-	-	-
Capital WIP - Software	-	1,261,850	-	-	1,261,850	-	-	-	-	-	-	1,261,850
Total	-	1,261,850	-	-	1,261,850	-	-	-	-	-	-	1,261,850
d. Intangible assets under Development												
	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-

NOTE : No depreciation has been provided on Land & Building since it was not put to use during the year under consideration.

Note 9 : Long term loans and advances

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Tax deducted at source	20,430,163	11,958,913
Total	20,430,163	11,958,913

Note 10 : Trade receivables

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	16,865	-
Other Trade Receivables		
Unsecured, considered good	2,702,959	14,016,745
Total	2,719,824	14,016,745

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 11 : Cash and Cash Equivalents

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Cash on hand	1,138	10,494
Balances with banks		
Current Accounts	597,177	9,307,890
Total	598,315	9,318,384

Note 12 : Short Term Loans and Advances

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Deposits		
Unsecured, considered good	1,192,400	360,000
Prepaid Expenses		
Unsecured, considered good	823,989	1,080,796
Other Advances		
Unsecured, considered good	220,000	45,035
Loans and advances to employees		
Unsecured, considered good	10,000	10,000
Total	2,246,389	1,495,831

Note 13 : Other Current Assets

Particulars	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Unbilled revenue	4,694,719	3,551,522
Balances with government authorities - Unsecured, considered good		
CENVAT Credit Receivable	1,547,947	57,875
Total	6,242,666	3,609,397

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 14 : Revenue from operations

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Sale of products	1,166,000	-
Sale of Services	100,686,623	89,140,435
Training Fees	-	204,000
Other operating revenues	-	3,115
Total	101,852,623	89,347,550

Note 15 - Other Income

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Interest received	29,785	508,314
Miscellaneous income	73,040	778
Total	102,825	509,092

Note 16 - Expenses relating to operating activity

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Software Technical Support Cost	6,824,144	4,850,461
Expenses for Other Client's Project	3,611,496	2,624,163
Training Course Expenses	-	2,888
Training Faculty Honorarium	-	19,600
Total	10,435,640	7,497,112

Note 17 - Employee Benefit Expenses

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Salaries and incentives	53,605,313	51,884,751
Contributions to -		
Provident fund	2,456,992	2,698,767
Pension Fund	1,202,930	894,634
Gratuity fund	30,000	-
Employees' Mediciam Insurance Premium	969,228	592,492
Staff Welfare Expenses	1,049,031	447,165
Total	59,313,494	56,517,809

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 18 - Finance costs

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Interest on delayed payment of statutory dues	12,163	39,600
Total	12,163	39,600

Note 19 - Other Expenses

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
Electricity Charges	96,086	23,680
Rent, Rates and Taxes	1,268,089	120,000
Telephone Charges	130,467	106,109
Travelling & Conveyance		
Travelling Expenses	1,173,368	665,610
Conveyance Expenses	-	1,392
Motor Vehicle Expenses	90,217	16,611
Printing and Stationery	34,267	27,415
Advertisement Expenses	69,767	50,981
Professional Fees	237,100	180,605
Short provisions in respect of earlier years (net)	-	402,800
Payment to auditors (Refer Note below)	75,000	130,000
Preliminary Expenses Written Off	-	16,124
Miscellaneous Expenses	674,766	470,659
Total	3,849,126	2,211,986

Payments to the auditors comprises (net of Service Tax input credit, wherever applicable)

Particulars	For the year ended 31 st March, 2016 ₹	For the year ended 31 st March, 2015 ₹
As auditors - Statutory Audit	45,000	45,000
For taxation matters	15,000	15,000
For Other Services	15,000	70,000
Total	75,000	130,000

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 20 : Commitment

Particulars	31 st March, 2016 ₹	31 st March, 2015 ₹
The estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for at the year / period end	-	-
Other commitments	-	-

Note 21: Contingent liability

The Company does not have any contingent liability as at balance sheet date.

Note 22 : Deferred tax liability (net)

As per the Accounting Standard 22, "Accounting for taxes on income", the Company would have a net deferred tax liability, on account of items giving rise to timing differences. Particulars thereof are as under.

Particulars	31 st March, 2016 ₹	31 st March, 2015 ₹
Difference in depreciation as per books of account and tax	10,16,397	13,60,729

Note 23 - Earnings per share

The number of shares used in computing Basic earnings per share (EPS) is the weighted average number of shares outstanding during the year.

Computation of Earnings Per Share	31 st March, 2016 ₹	31 st March, 2015 ₹
Net Profit after tax attributable to equity shareholders (A)	1,42,77,877	1,20,34,589
Nominal Value per share	100	100
Weighted average number of equity shares issued (B)	25,000	25,000
Basic earnings per equity share (A / B) (₹)	571.12	481.38

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and diluted earnings per share of the Company remains the same.

Note 24 - Related party disclosure

In accordance with the requirements of Accounting Standard 18 - Related Party transactions as prescribed under the Companies (Accounting Standards) Rules, 2006, the details of related party transactions are given below.

List of Related Parties

Nature of Relationship	Name of Related Party
Holding Organisation	The Cosmos Co-operative Bank Ltd
Key Managerial Person	Shri Vasant Manwadkar, Managing Director

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Transactions with related party

Holding Organisation	31 st March, 2016 ₹	31 st March, 2015 ₹
Sale of Services (including Service Tax)	10,08,08,677	8,19,89,806
Interest on Term Deposit	29,785	96,664
Dividend	25,00,000	25,00,000
Purchase of Immovable Property	2,20,00,000	-
Purchase of Capital Asset	2,00,000	-
Closing balances		
Trade receivable (net)	54,39,447	1,10,12,524
Remuneration to Shri Vasant Manwadkar - Managing Director	31,32,000	29,10,768

25. Dues to micro and small suppliers

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October 2006, information has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	31 st March, 2016 ₹	31 st March, 2015 ₹
Principal amount remaining unpaid to any supplier as at the year end	-	-
Interest due remaining unpaid to any supplier as at the year end	-	-
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible	-	-

26. Expenditure in foreign currency (on accrual basis)

	31 st March, 2016 ₹	31 st March, 2015 ₹
Travelling Expenses	3,62,866	57,520
Total	3,62,866	57,520

27. Operating lease

The Company has taken office premises under operating lease. The Company has given refundable security deposit in accordance with the agreed terms. Lease payments are recognised in the Statement of profit and loss under 'Rent, Rates and Taxes' ₹ 9,65,608/- in Note 19 forming part of these financial statements.

28. Transfer pricing

The Company's management has developed a system of maintenance of information and documents as required by the transfer pricing legislation under Section 92 to 92F of the Income Tax Act, 1961. The Company's management is of the opinion that its domestic transactions are at arm's length so the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that provision for taxation.

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

29. Provision for gratuity

The Company has not made any provision for payment of gratuity for the year under consideration, since as on the balance sheet date the value of the Gratuity Fund with LIC is exceeding the amount of gratuity liability as per actuarial valuation.

30. Other information

Information with regard to other matters specified in revised Schedule III to the Act, is either nil or not applicable to the Company for the year/ period.

31. Previous year comparatives

Previous year's figures have been re-grouped wherever necessary.

As per our report of even date attached,

For Gokhale & Sathe
Chartered Accountants
Firm Registration No: 103264W

For and on behalf of the Board
Cosmos e-Solutions & Services Private Limited

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Mukund Abhyankar
Director
DIN: 00881021

Place: Mumbai
Date: 02/09/2016

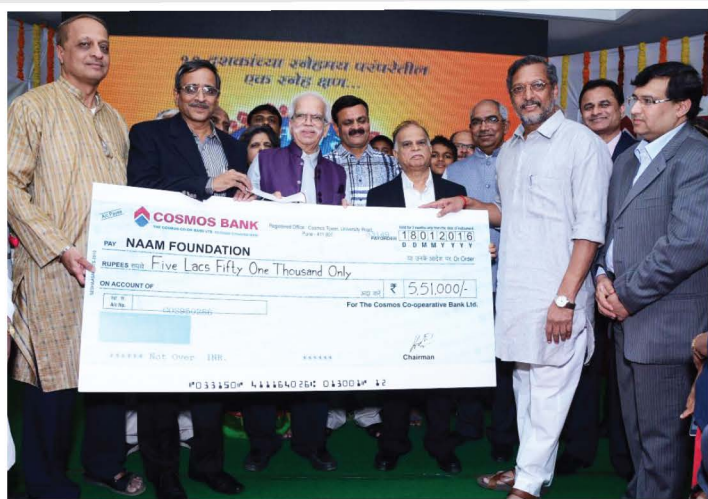
Place: Pune
Date: 25/07/2016



▲ **'ASSOCHAM Social Banking Excellence Award 2015':** Hon'ble Minister of State for Civil Aviation & former Minister of State for Finance, Shri. Jayant Sinha, conferring the prestigious award upon the Bank & Bank's Chairman, Mr. Milind Kale, accepting the same on behalf of the Bank.



▲ **Shri. Sarang Avhad - Deputy Commissioner of Police (Traffic)** during the **110th Anniversary of the Bank:** present at the event were bank's Group Chairman Dr. Mukund Abhyankar, Chairman Mr. Milind Kale, Vice Chairman Mr. Madhukar Atre, other Directors and Senior Executives.



▲ **Contribution by the Bank to 'Naam Foundation'** during **110th Anniversary of the Bank.** Present at the event were Shri. Nana Patekar, renowned artist and founder of Naam Foundation, with Bank's Group Chairman Dr. Mukund Abhyankar, Chairman Mr. Milind Kale, Vice Chairman Mr. Madhukar Atre, other Directors and Senior Executives.



▲ **Rally by Cosmos Bank Staff** on the occasion of **110th Anniversary of the Bank.**



▲ **Launch of PCMC Property Exhibition at the hands of Hon. Commissioner PCMC Shri. Rajeev Jadhav.** Present during the event were Bank's Chairman Mr. Milind Kale, Ex Chairman & Director Mr. Krishnakumar Goyal, other Directors and Senior Executives.



▲ **Celebration of Women's Day 2016.** Present during the event were Bank's Chairman Mr. Milind Kale and other Directors.



▲ **Cosmos Value Connect Customers Meet held at Hyderabad:** Present at the event were Bank's Group Chairman Dr. Mukund Abhyankar, Chairman Mr. Milind Kale and Managing Director Mr. Vikrant Ponshe.



▲ **Cosmos Value Connect Customers Meet held at Takshasheela Auditorium, Cosmos Tower Corporate Office in Pune :** Present at the event were Bank's Group Chairman Dr. Mukund Abhyankar and Chairman Mr. Milind Kale.



▲ **Launch of Rx Office AML Software** in association with IT Shastra team and Bank's Group Chairman Dr. Mukund Abhyankar & Managing Director Mr. Vikrant Ponshe, Cosmos e-Solutions Chairman C.A. Sunil Sabnis & Managing Director Mr. Vasant Manwadkar.



▲ **'Best Region Award' for Gujarat Region.** Bank's Group Chairman Dr. Mukund Abhyankar, Chairman Mr. Milind Kale, Managing Director and Jt. Managing Director with Team Gujarat during the Annual Conclave 2016.



▲ **BFSI 'Best Co-operative Bank' Award 2015 & Asia Pacific World HRM Congress 'CEO with HR Orientation' Award 2015:** Mr. Vikrant Ponshe, Managing Director of the Bank, honoured with the eminent awards.



▲ **CIMA '100 most influential CFO's of India Award 2015:** Mrs. Nayan Lagad, Chief General Manager, Finance & Audit, honoured with this prestigious award.

VISION

- To be a world-class co-operative bank
 - To deliver a memorable, unique, delightful banking experience
- To add genuine value to the lives of all those we touch
- To be the preferred bank for all stakeholders... customers, employees, investors, vendors, partners, associates
- To be a model global corporate institution

MISSION

Constantly innovating and thereby ensuring that we lead and not simply follow what is state of the art banking

- By maintaining warmth and personal touch across all relationships through Team Cosmos - a team of knowledgeable, always available, impeccably courteous and dedicated professionals
- By pro-actively working towards the full realisation of the potential of the co-operative sector, including financial inclusion
- By ensuring the highest ethical standards, professional integrity, corporate governance and regulatory compliance

VALUES

Customer Centricity
Continuous Learning
Technology with Sensitivity
Ethics
Transparency
Teamwork
Operational Efficiency
People Empowerment



Maharashtra | Madhya Pradesh | Andhra Pradesh | Telangana | Karnataka | Gujarat | Tamilnadu

Registered Office : 'Cosmos Tower', Plot No. 6, ICS Colony, University Road, Ganeshkhind, Pune - 411 007. Maharashtra (INDIA) Tel. : 020-67086708

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