



DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors has pleasure in presenting the Forty Second Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March, 2018.

GLOBAL SCENARIO

As per the World Economic Outlook Update - January 2018 by IMF, the Global economic activity continues to firm up. Global output is estimated to have grown by 3.7 percent in 2017. Upside growth surprises were particularly pronounced in Europe and Asia but broad based with outturns for both the advanced and the emerging market and developing economy groups exceeding the fall forecasts by 0.1 percentage point. The stronger momentum experienced in 2017-18 is expected to carry into 2018-19, with global growth revised up to 3.9 percent.

INDIAN ECONOMY

During the year, Indian economy witnessed waning of issues related to demonetization of currency and GST.

As a result, the Indian economy is projected to grow from 6.6 per cent in 2017-18 to 7.4 per cent in 2018-19 and for 2019-20, the structural model estimates indicate real GDP growth at 7.7 per cent (Source: RBI Monetary Policy Report – April 2018) making it the fastest growing economy.

IMF predicts a faster than expected growth for Indian economy against the backdrop of increasing crude oil prices and volatile market conditions. The improvement in domestic conditions is a positive sign that growth is picking up and will continue to maintain strong momentum in 2018.

The Reserve Bank of India, in its monetary policy reviewed in April 2018 kept the repo rate “unchanged” at 6%. Going forward, economic activity is expected to gather pace in 2018-19, benefitting from a conducive domestic and global environment. The preparatory difficulties of implementation of GST are receding, credit off-take has improved in the recent period and is becoming increasingly broad based which signifies well for the manufacturing sector and new investment activity.

FINANCIAL PERFORMANCE

The key performance highlights of the Bank for the financial year ended 31st March, 2018 are:

Particulars	Amount (₹ in crore)	
	31/03/2017	31/03/2018
Year		
Paid up capital	228.75	259.52
Reserves	842.09	805.95
Working Capital	11,988.98	12,462.27
Total Business	17,116.36	18,565.02
Deposits	10,385.02	10,794.22
Advances	6,731.34	7,770.80
Gross Income	1,240.37	1,180.59
Net Profit (after Tax & Provision)	98.73	93.38
Net Distributable Profit *	119.08	108.93
CRAR	13.05%	13.00%

(*Net distributable profit is the amount of profit available for appropriation)

- TOTAL BUSINESS of the Bank increased by ₹1,448.66 crore reflecting a growth of 8.46%.
- DEPOSITS grew by ₹409.20 crore with a growth of 3.94%
- ADVANCES increased by ₹1,039.46 crore, registering an increase of 15.44%.
- NET PROFIT stood at ₹93.38 crore as compared to ₹98.73 crore in F.Y. 2016-17.
- NET DISTRIBUTABLE PROFIT is ₹108.93 crore as compared to ₹119.08 crore in last year.
- BUSINESS PER EMPLOYEE increased from ₹12.42 crore to ₹13.20 crore.
- Bank has opened 2 new branches during the F.Y. 2017-18.

PROFIT

Bank has earned an operating profit of ₹192.27 crore during the year ended on 31st March, 2018 as against ₹207.23 crore for the previous year.

Bank has earned net profit after tax of ₹93.38 crore during the year ended on 31st March, 2018 as against ₹98.73 crore for the previous year.



The Net Distributable Profit as on 31st March, 2018 is ₹108.93 crore as against ₹119.08 crore for previous year. The profit for the year was impacted due to adverse market conditions and the rise in the G-sec benchmark yield.

APPROPRIATION OF PROFITS

In accordance with RBI guidelines and the provisions of section 63 of Multi-State Co-operative Societies Act 2002, following appropriation of the Net Distributable Profit is recommended to the General Body for approval:

Reserve Fund & Other Reserves	Amount of Appropriation (₹)	Position as on 31/03/2018 after appropriation* (₹)
Statutory Reserve	23,50,00,000.00	253,66,12,442.77
Contribution to Education Fund of N.C.U.I.	93,37,893.00	-
Special Reserve	9,50,00,000.00	91,58,00,000.00
Building Fund	-	195,98,00,000.00
Dividend Equalization Fund	-	2,45,00,000.00
Bad and Doubtful Debts Reserve	29,87,00,000.00	217,59,87,746.78**
Contingent Provision against Standard Assets	-	32,85,00,000.00
Charity Fund	-	10,00,000.00
Investment Fluctuation Reserve	10,65,00,000.00	64,51,01,059.00
Education Fund	-	10,00,000.00
Special Reserve for Restructured Assets	-	8,42,50,000.00
General Reserve (Deferred Tax)	-	9,11,30,000.00
Dividend to Shareholders	34,47,37,302.00	-
Net Open Foreign Currency Position Reserve	-	1,00,00,000.00
Special Reserve u/s.36(1)(viii)	-	2,00,00,000.00
Members Welfare Fund	-	10,00,000.00
Balance carried forward to the next year	82,836.01	82,836.01
	108,93,58,031.01	879,47,64,084.56

* (subject to approval from General Body)

** (includes an amount of ₹30,00,00,000.00 transferred from Building Fund)

PROVISION FOR INCOME TAX

Provision for tax in the F.Y. 2017-2018 has been computed, after considering items allowable/ inadmissible as per the Income Tax Act. The estimated tax outflow for the current year is ₹53.19 crore, which has been fully provided for. The net provision for income tax after giving effect to the Deferred Tax Asset arising out of the timing differences and provisioning in accordance with the Accounting Standards is ₹50.00 crore as detailed hereunder.

	(₹ in crore)
Net Tax Liability for the year	53.19
ADD : Tax paid for earlier year	0.56
LESS : Deferred Tax Asset	3.75
Provision made in Profit & Loss Account	50.00

CAPITAL TO RISK ASSETS

Under the prudential regulatory regime, capital adequacy has assumed utmost importance. Bank has always maintained a healthy Capital to Risk Assets Ratio (CRAR). The CRAR of the Bank stood at 13.00% as on 31st March, 2018, which is well above the minimum regulatory requirement of 12% prescribed by Reserve Bank of India, for Banks with license to transact Foreign Exchange Business.

Bank had mobilized ₹100 crore by issuing Long Term Subordinated Deposit (Series-I) to augment the Tier-II Capital of the Bank.

DIVIDEND

Bank has a consistent dividend payment history. Board is pleased to propose a dividend of 15% for the year ended on 31st March, 2018. While proposing the dividend of 15%, which is the maximum permissible as per the Bye-laws of the Bank, the Board has kept in mind the need to balance multiple objectives of not only rewarding shareholders, but also to plough back profit to the business to maintain healthy CRAR. The Board seeks co-operation from members in its endeavour to strengthen capital base to power future growth.

AWARDS/ RECOGNITIONS

During the fiscal, in recognition of its performances and initiatives, Bank received various awards, which are as follows:-

- The Brihanmumbai Nagari Sahakari Banks Association Ltd., Mumbai awarded the Bank 2nd prize for the overall performance and Annual Report for the Financial Year 2015-2016 in the category of Banks having deposits of ₹2001 crore and above.
- The Maharashtra State Co-operative Banks' Association Ltd., Mumbai awarded the Bank Padma Bhushan Vasantdada Patil Best Urban Co-operative Banks' Award for the performance for the financial year 2016-17 in the category of Scheduled Co-operative / Multi-State Co-operative Bank.



MEMBERSHIP

The number of members of the Bank as on 31st March, 2018 is as under:

Type of Membership	As on 31 st March, 2017	Deletion of members during the year	Admission of new members during the year	As on 31 st March, 2018
Regular Membership	1,66,313	1,736	9,408	1,73,985
Nominal Membership	29,212	737	2,064	30,539

BRANCH EXPANSION

Bank believes in growth with stability. The branch expansions have significantly contributed to the growth of CASA accounts & business of the Bank.

During the year, Bank has added 1 off-site ATM at Della Resort-Lonavala and 2 new branches at following locations:

- MAHARASHTRA : Khar (East)
- GUJARAT : Ankleshwar

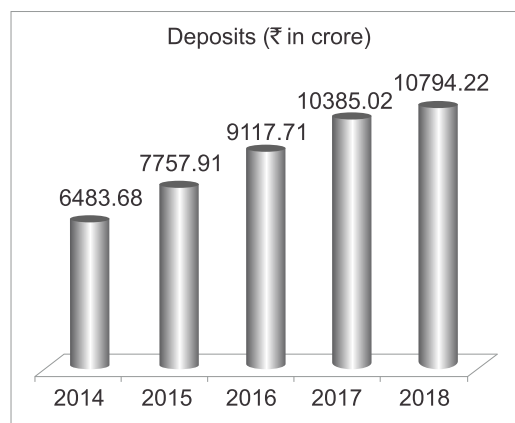
Bank is now rendering services to fast growing cities and niche areas in the state of Maharashtra, Karnataka & Gujarat through 102 Branches, 1 Extension Counter and 103 ATM Centres.

In order to consolidate the functioning of existing Branches, Bank has surrendered the permissions received from Reserve Bank of India for opening of Branches at Malad-Malvani, Chembur-Maharashtra, Bannerghatta-Bengaluru and Surat-Gujarat.

DEPOSIT INSURANCE

The deposits of customers continue to be insured in terms of Deposit Insurance & Credit Guarantee Corporation Act, 1961 and enjoy the insurance protection at par with any other Banks in India. Bank is regular & prompt in paying insurance premium to DICGC.

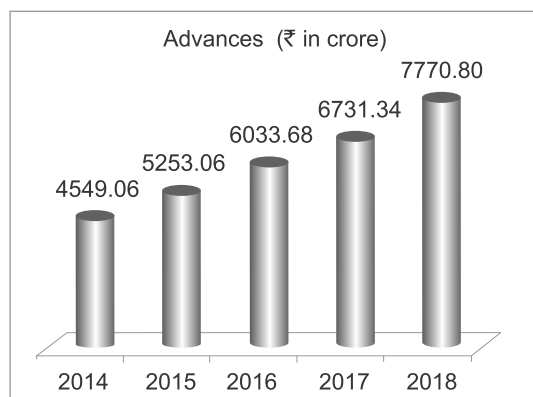
DEPOSIT GROWTH



During this financial year, deposit of the Bank increased from ₹10,385.02 crore to ₹10,794.22 crore, registering a growth of 3.94%.

Bank has continued to focus on mobilising CASA and Retail term deposits to improve its profitability. This approach has helped the Bank to reduce the cost of deposits & ensure a wider base of depositors.

ADVANCES GROWTH



During the financial year 2017-18 advances portfolio touched ₹7,770.80 crore from ₹6,731.34 crore with a net raise of ₹1,039.46 crore thereby registering a growth of 15.44%.

The Credit Deposit Ratio after taking into account 75% of Capital fund, stood at 67.64%.

Despite the challenging market conditions, the Bank could post reasonable growth by constantly reviewing the business needs of the customers & prevailing economic conditions.

NON-PERFORMING ASSETS

In the year under the review, banking industry has witnessed an upward trend in stressed assets. Slowdown in the economic growth resulted in considerable stress build up on advances portfolio of the banking industry in general. This resulted in delays and defaults in servicing loans. Hence despite Bank's sustained recovery efforts, NPAs have increased. The Bank has made adequate provisions as per RBI guidelines.

The Banking Industry has witnessed a sharp increase in NPAs during the year. The Gross NPAs of Bank was contained at ₹383.44 crore which forms 4.93% of total advances of the Bank as on 31st March, 2018. Net NPAs of Bank as on 31st March, 2018 stood at ₹225.71 crore which is 2.96%.

The recovery measures in stressed accounts have been initiated by taking appropriate legal recourse under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI), wherever warranted. Bank through its concerted efforts, diligent and regular follow up has ensured substantial recoveries.

In Maharashtra, Bank refers disputes relating to recovery of dues to Justice Shri. Rajan Jodharaj Kochar, (Retd.) High Court Bombay, who was appointed as the Arbitrator by the Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State.

In Karnataka, Bank refers disputes relating to recovery of dues to Shri. C. N. Badarinath, Additional Registrar of Co-operative Societies (Retd.) and Central Arbitrator & Ex-Member, Karnataka Appellate Tribunal, who was appointed as the Arbitrator by the Central Registrar and Registrar of Co-operative Societies in Karnataka.

Bank has assessed its requirement for the Building Fund and is of the view that it holds ₹57.25 crore in excess. In order to meet future contingencies and strengthen the Bad and Doubtful Debts Reserve, the Bank proposes to transfer an amount of ₹30.00 crore from the Building Fund to the Bad and Doubtful Debts Reserve.

The Bank has proposed an appropriation of ₹29.87 crore out of the net distributable profit towards Bad and Doubtful Debts Reserve. Post appropriation and transfer from Building Fund to Bad and Doubtful Debts Reserve, the Net NPA of Bank will be 2.20%.



Classification of assets and provisioning made against Non-Performing Asset as on 31st March, 2018

(₹ in lac)

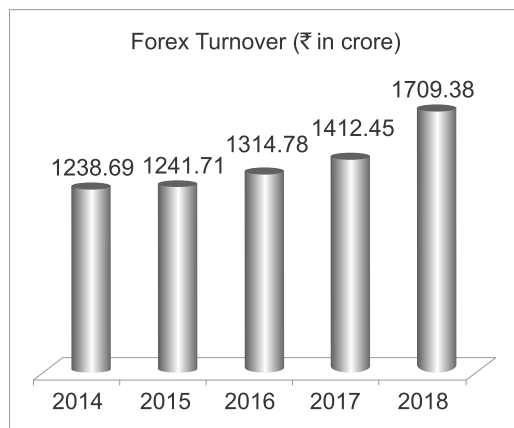
Classification of Assets	No. of A/Cs	Amount Outstanding	% of Col.3 to total Loans outstanding	Provision required to be made		Existing provision at the beginning of the year	Provisioning made during the year under Report	Total provisions as at the end of the year	Remarks
				%	Amount				
1.	2.	3.	4.	5.		6.	7.	8.	9.
Total loans and Advances of which :	34128	777079.68							
A. Standard Assets	33646	738735.83	95.07	0.40 to 5	3285.00	2755.00	530.00	3285.00	
B. Non-Performing Assets						11203.88	4569.00	15772.88	
1. Sub-Standard	85	4468.78	0.58	10	446.88				
2. Doubtful									
(i) Upto 1 year									
a) Secured	84	7116.36	0.91	20	1423.27				
b) Unsecured	22	565.20	0.07	100	565.20				
(ii) Above 1 year and upto 3 years.									
a) Secured	80	19648.68	2.53	30 to 40	6391.72				
b) Unsecured	64	5039.80	0.64	100	5039.80				
(iii) Above 3 years									
a) Secured	22	121.47	0.02	100	121.47				
b) Unsecured	18	19.24	0.00	100	19.24				
Total doubtful Assets (i + ii + iii)	290	32510.75	4.17		13560.70				
a) Secured	186	26886.51	3.46		7936.46				
b) Unsecured	104	5624.24	0.71		5624.24				
3. Loss Assets	107	1364.32	0.18	100	1364.32				
Gross NPA's (B1+B2+B3)	482	38343.85	4.93		15371.90	11203.88	4569.00	15772.88	

(Amount in ₹)

Sr. No.	Particulars	31.03.2018	31.03.2017
1	Gross Advances	777079.68	673133.77
2	Gross NPAs	38343.85	36101.29
3	Gross NPAs as percentage to Gross Advances	4.93	5.36
4	Deductions	---	---
	- Balance in interest suspense account/ OIR	---	---
	- DICGC/ ECGC claims received and held pending adjustment	---	---
	- Part payment on NPA account received and kept in suspense account	---	---
5	Total NPA provisions held, (BDDR, Special BDDR Balance after appropriation)**	15772.88	11203.88
6	Net advances (1-4-5)	761306.80	661929.89
7	Net NPA (2-4-5)	22570.97	24897.41
8	Net NPAs as percentage of net advances	2.96	3.76

** NPA provision does not include ₹3000.00 lac transferred during the year as same is subject to approval at the AGM.

FOREIGN EXCHANGE BUSINESS



Bank has made good progress in foreign exchange business. Bank has achieved merchant turnover of ₹1,709.38 crore as against ₹1,412.45 crore in the previous year. Revenues of the Bank from Forex operations stood at ₹ 22.24 crore as against ₹16.49 crore in the previous year.

The total Non-Resident deposits of the Bank stood at ₹223.49 crore as against ₹194.01 crore in Financial year 2016-17.

The Bank is presently dealing in six foreign currencies viz. USD, EURO, GBP, SGD, AED & JPY and maintaining NOSTRO account with major International Banks. The Bank has also established SWIFT RMA with many overseas Banks for trade transactions.

The Bank is continuing to offer wide range of Forex products such as Export credit in foreign currency (PCFC/PSCFC), Export LC Bill discounting, issuance of Import Letter of Credits, Foreign Currency Term Loan (FCTL) to eligible exporters, Inward/Outward remittances, collection of export bills, issuance of foreign bank guarantees, maintaining EEFC/FCNR accounts & hedging services such as booking of forward contract to protect the customer from risk arising on account of fluctuation in exchange rate.

Bank is also extending the Interest Equalisation Scheme of Government of India on Pre and Post Shipment Rupee Export Credit to all the eligible exporters.

Money Transfer services through “Western Union Money Transfer” & “Xpress Money” is available at all branches of Bank, wherein Customers / Members of the Bank as well as general public can receive the money from their relatives & friends from abroad instantly.

TREASURY

Bank has an investment portfolio of ₹3,438.64 crore as on 31st March, 2018 out of which an amount of ₹2,906.55 crore has been invested in Government and other approved securities. Bank's total investments in Government and other approved securities as at 31st March, 2018 stood at 26.74% of its applicable Net Demand and Time Liabilities (NDTL).

Bank's Treasury manages liquidity, interest rate risk of investment portfolio & complies with the reserve requirement. The Bank has always been regular in statutory and regulatory compliance w.r.t. treasury operations.

During the first quarter the yield of the 10 year benchmark security (6.79% GOI 2027) was 6.40%. In the month of August 2017, the repo rate came down by 25 basis point to 6%. The yield started moving upwards with the RBI OMO sale in the 3rd quarter of the F.Y. 2017-18. Further due to the rise in the crude oil prices, subsequent rise in



inflation, the proposed hike in the rate by the FED in the coming months and extra borrowings of Government during the second half of the F.Y. 2017-18 the yield of the 10 year benchmark security (7.17% GOI 2028) climbed up to 7.80%. However, yield of the 10 year benchmark security (7.17% GOI 2028) came down in the last week of financial year due to lesser than expected borrowing calendar for first half of Financial Year 2018-19 and closed at 7.40%. Due to continuous rise in yield in the second half of the year bank had to make an additional provision of depreciation of ₹23.78 crore.

During the year bank had transferred securities worth ₹652.84 crore from AFS to HTM by booking depreciation of ₹24.18 crore and transferred securities worth ₹186.35 crore from HTM to AFS which was sold at a profit of ₹9.23 crore. Bank also sold securities worth ₹90 crore from HTM directly and booked a profit of ₹2.02 crore.

Bank is a direct member of the Negotiated Dealing System (NDS) for settlement of Government Securities for Treasury operations and the Clearing Corporation of India Ltd., (CCIL) for Collateralized Borrowing and Lending Operations segment (CBLO). Bank borrows and lends under CBLO as per the guidelines of the RBI and rules and regulations of CCIL. The Bank also lends through Reverse Repo window of RBI e-Kuber for better returns on excess liquidity. Both CBLO and Reverse Repo are used as an effective tool for liquidity and effective management of funds.

BANCASSURANCE

Bank is a Corporate Agent of Life Insurance Corporation of India and New India Assurance Company Ltd. Bank offers all types of Life and General Insurance policies through its network of branches. In F.Y. 2017-18 Bank actively canvassed and spread awareness of insurance through marketing drives at branches.

Bank has earned a commission of ₹1.81 crore during the year from Bancassurance business. Seven branches of the Bank have earned the distinction of being BIMA BANK by exceeding the threshold limit stipulated by LIC of India for mobilizing number of policies and premium amount.

AUDIT & INSPECTION

Bank has a sound and effective audit mechanism in place which plays a crucial role in maintenance, assessment and effectiveness of Bank's internal control system and procedures. All audit activities are guided by well-defined Audit Policy of the Bank. Bank's audits are being carried out by the external auditors as well as In-house Auditors.

RBI INSPECTION

The officials of RBI had carried out inspection of Bank covering the period upto 31st March, 2017 under Section 35 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies).

STATUTORY AUDIT

M/s. U. G. DEVI & COMPANY, Chartered Accountants, which was appointed by the Shareholders at the Forty First Annual General Meeting held on 17th June, 2017 carried out the Statutory Audit of the Bank. The Statutory Auditor has awarded "A" Audit Classification to the Bank. The Statutory Audit Report is appended. M/s. U. G. DEVI & COMPANY, Chartered Accountants is eligible for reappointment as Statutory Auditors under Section 70(4) of the Multi State Co-operative Societies Act, 2002.

INTERNAL AUDIT

M/s. ASHWAJITH ASSOCIATES, Chartered Accountants & M/s. NANJUNDA & CO., Chartered Accountants appointed as Internal Auditors, have conducted Internal audit for the F.Y. 2017-18.

CONCURRENT AUDIT

Branches of the bank have been categorized as High, Medium and Low Risk based on the risk perception and volume of business. Out of 102 Branches, Fifty Six Branches of the Bank are under Concurrent Audit by Chartered Accountant firms.

INFORMATION TECHNOLOGY & SYSTEM AUDIT

IS Audit of the Bank was conducted during the year. Bank has also subjected its Net banking & Mobile banking infrastructure to Vulnerability & Penetration Test (VAPT) audit.

RISK MANAGEMENT

Bank has in place a detailed Risk Management Policy in order to maintain a healthy balance between the risks and returns associated with Bank's activities as well as products and services. The main objective of the policy is to ensure optimum utilization of bank's resources with least risk. Bank reviews the risk appetite viz-a-viz systems and procedures to identify measures and mitigate the risks.

Bank has a detailed KYC and Anti Money Laundering Policy along with guidelines on precautions to be taken while opening / closing and monitoring the operations of the accounts. Bank has an AML software which throws alerts based on the red flag indicators prescribed by FIU India. These cases are regularly monitored and reported to concerned authorities. Periodical review of risk categorisation of customer and periodic updation of Customer Identification data is being done as per the Reserve Bank of India guidelines.

Further, Bank has a exhaustive Credit Policy providing guidelines for detailed and systematic credit appraisal, exposure limit to individuals / group of borrowers / industries & sectors / locations, threshold limits, standardised Credit rating / scoring system, sanctioning / approval powers & process, Collateral support, loan review mechanism, controls, post sanction activities, post disbursement activities etc., and the same is reviewed and revised during the Financial Year.

Similarly, Investment activities are guided by "Investment Policy" which is being reviewed on yearly basis and also guidelines are in place to check interest rate risks, exchange rate risks, exposure risks etc. The Bank has been successful in mitigating risks of losses arising out of volatile movement in Market price.



HUMAN RESOURCE MANAGEMENT

Bank ended the year with a total human resource count of 1406 as on 31.03.2018. Bank is committed to ensuring that it attracts, recruits, develops, retains and sustains a high performing, diverse work force by developing and implementing progressive human resource management policies and strategies. Bank appreciates the professionalism, commitment and initiative shown by its employees which have contributed to the growth and success of the Bank.

Bank has made concerted efforts to ensure that the employees' capabilities are enhanced so that they can handle challenges posed by the complex business environment. The Bank focuses on creating a more enabling workplace, ensuring employee welfare and offering opportunities to learn and grow.

TALENT DEVELOPMENT

Bank believes in nurturing employee capabilities which is the core of driving business excellence. Bank endeavours in developing internal talent for future leadership roles. In line with this principle, Bank has put in place several initiatives that focus on leadership and talent development across grades.

During the year, employees were deputed to a host of training programmes conducted by various institutions /organizations viz. Reserve Bank of India, National Institute of Bank Management, Indian Bank's Association, NAFCUB, Indian Institute of Banking and Finance, FEDAI, etc.

Employees were nominated for various training programmes viz. Programmes on Credit Management for Officers of Urban Co-operative Bank, Leadership Strategies for Banks, KYC/AML and CFT, current changes in Labour Laws and its Impact, first time Branch Managers, Goods And Services Tax (GST), Insolvency & Bankruptcy Code, Credit Appraisal (Industrial & Commercial Advances), Risk Management in Banks, Recovery Management in Banks, Forex Dealing with Bourse, Currency Management, etc.

EMPLOYEE ENGAGEMENT

During the year, Bank conducted a number of initiatives to drive employee engagement under the aegis of the Staff Welfare Club. To propagate preventive health care, the club conducted health and wellness initiatives for employees and their family members. To bring about cohesiveness and feeling of belongingness among the employees, the Bank organizes get-togethers, sports events etc. Bank believes that such initiatives go a long way in helping employees pursue other interests for overall development.

STAFF RELATIONS

The Board of Directors and Bank Management appreciate the sincere and dedicated services rendered by all the employees of the Bank. Bank continuously endeavours to ensure that it has cordial relations with all the employees, recognized Officers' Association and Employees' Union. Bank propagates employee centric initiatives to motivate employees, boost their morale and promote healthy employer-employee relationship.

AMENDMENT TO BYE- LAWS

The Board of Directors had proposed amendment to Bye-law No.1 (iv) seeking to extend area of operation of the Bank to the State of Kerala, which was unanimously approved at the Annual General Meeting held on Saturday, 17th June, 2017.

The Joint Secretary to the Government of India and Central Registrar of Co-operative Societies, New Delhi vide their order bearing No.L-11016/8/1996-L&M dated 28th September, 2017 has since approved and registered the amendment to Bye-law No.1(iv).

BANKING CODES AND STANDARDS BOARD OF INDIA (BCSBI)

Bank is a member of the BCSBI with a view to improve the quality of Customer Service. Bank has adopted the Code of Commitment to Customers and the Code of Banks' Commitment to Micro and Small Enterprises for implementation. It also adheres to voluntary codes of BCSBI, which sets minimum standards for fair and transparent banking services to the customers.

CO-OPTION OF DIRECTORS

In terms of section 41(3) of the Multi-State Co-operative Societies Act, 2002 and Bye-law No.31 (ii) of the Bank, the Board of Directors co-opted Shri. Jyoti K. Suvarna and Shri. C. T. Salian as Directors of the Bank.

CORPORATE GOVERNANCE

Bank continuously strives to achieve excellence in corporate governance by balancing the interests of shareholders & customers, compliance to the statutory & legal requirements and transparency in all activities. The Bank ensures adherence to these attributes, in addition to prudent Banking systems and procedures.

The Executive Committee of the Board, Loan Committee of the Board, Audit Committee of the Board constituted during the F.Y. 2013-14 and Legal & Debt Recovery Committee of the Board re-constituted during the F.Y. 2015-16 continued to meet at regular intervals.

EXECUTIVE COMMITTEE OF THE BOARD

Shri. Jaya C. Suvarna	Chairman
Adv. Rohini J. Salian	Member
Shri. M. B. Kuckian	Member
Shri. Vasudeva R. Kotian	Member
Smt. Pushpalatha N. Salian	Member
Shri. K. N. Suvarna	Member
Shri. Jaya A. Kotian	Member
Shri. Bhaskar M. Salian	Member
Shri. Chandrashekar R. Mulky	MD & C.E.O.

**LOAN COMMITTEE OF THE BOARD**

Shri. K. N. Suvarna	Chairman
Shri. Jaya A. Kotian	Member
Shri. U. Shivaji Poojary	Member
Adv. Somnath B. Amin	Member
Shri. Chandrashekar R. Mulky	MD & C.E.O.

AUDIT COMMITTEE OF THE BOARD

Shri. U. Shivaji Poojary	Chairman
Shri. Rohit M. Suvarna	Member
Shri. R. D. Poojary	Member
Shri. K. B. Poojary	Member
Shri. Ashok M. Kotian	Member
Shri. C. T. Salian	Member
Shri. Chandrashekar R. Mulky	MD & C.E.O.

LEGAL & DEBT RECOVERY COMMITTEE OF THE BOARD

Adv. Somnath B. Amin	Chairman
Shri. Vasudeva R. Kotian	Member
Shri. Chandrashekar S. Poojary	Member
Shri. Harishchandra G. Mulki	Member
Shri. Damodar C. Kunder	Member
Shri. Gangadhar J. Poojary	Member
Shri. Suryakant J. Suvarna	Member
Shri. Jyoti K. Suvarna	Member
Shri. Chandrashekar R. Mulky	MD & C.E.O.

All the above Committees of the Board met from time to time to carry out the responsibilities entrusted to them for the qualitative growth of the business of the Bank.

Bank ensures highest level of ethical standards, professional integrity & corporate governance. The Bank practices the cardinal principles of business ethics, accountability, responsibility, transparency and effective supervision, which serve as the basic approach to corporate governance.



As part of good corporate governance, meetings of the Board and its various Committees held during the year are as under:

Meetings	No. of meetings held
Board Meeting	27
Executive Committee of the Board	26
Loan Committee of the Board	29
Audit Committee of the Board	18
Legal & Debt Recovery Committee of the Board	12

SPECIAL COMMITTEE OF THE BOARD FOR MONITORING FRAUDS

The Special Committee of the Board for monitoring high value frauds comprising of five members of the Board and Chief Executive Officer of the Bank was constituted to monitor and review all frauds above threshold limit. During the financial year 2017-18, the committee met on four occasions.

STAFF EXECUTIVE COMMITTEES

Other Staff Executive Committees comprising of Senior Executives of the Bank are:

- Asset Liability Management Committee
- Investment Committee
- Executives' Loan Committee
- Risk Management Committee

CORPORATE SOCIAL RESPONSIBILITY

Bank continuously contributes to the cause of the needy by extending aid to orphanage through distribution of food items, clothes, books, stationery items, etc. Bank has voluntarily contributed to society and a cleaner environment by undertaking activities under Swachh Bharat Mission on the occasion of 39th Foundation Day of the Bank on 21st August, 2017.

OBITUARY

The Board of Directors expressed its deep sense of sorrow on the sad demise of Shri. D. U. Salian on 09th January, 2018 and Shri. Ravi R. Anchan on 28th October, 2017, Ex-Directors of the Bank.

Late Shri. D. U. Salian was associated with the Bank for a period of 19 years in various capacities as Chairman (1979-1987), Vice Chairman (1977-1979) and Director (1987-1996).

Late Shri. Ravi R. Anchan was associated with the Bank for the period from 1991 to 1994 as a Director.

The Board of Directors places on record the sincere appreciation of the selfless and dedicated services rendered by Late Shri. D. U. Salian and Late Shri. Ravi R. Anchan in the growth and development of the Bank.

**ACKNOWLEDGEMENT**

The Board expresses gratitude to The Billawar Association, Mumbai & it's members for extending their support from time to time.

The Board sincerely thanks all the Members, Customers, Employees, Service Providers, Well-Wishers and Institutions for extending their whole hearted support and co-operation in the growth and development of the Bank.

The Board also wish to place on record the assistance, guidance and co-operation extended by the following Institutions, Banks and other Authorities:

1. Reserve Bank of India.
2. Central Registrar of Co-operative Societies, Government of India, New Delhi.
3. Commissioner for Co-operation and Registrar for Co-operative Societies, Maharashtra State, Pune.
4. Registrar of Co-operative Societies, Karnataka State, Bengaluru.
5. Registrar of Co-operative Societies, Gujarat State.
6. Officials of Revenue Department at all level in Maharashtra, Karnataka and Gujarat States.
7. Statutory Auditors, Internal Auditors, Concurrent Auditors, Information Systems Auditors, Legal Advisors & Valuers.
8. National Federation of Urban Co-operative Banks and Credit Societies Ltd., New Delhi.
9. Maharashtra Urban Co-operative Banks Federation Ltd.
10. Brihanmumbai Nagari Sahakari Banks Association, Mumbai.
11. The Maharashtra State Co-operative Banks' Association Ltd., Mumbai.
12. Indian Banks' Association.
13. Foreign Exchange Dealers Association of India (FEDAI)
14. Print & Electronic Media
15. All the valued Members, Customers, Shareholders and Well-Wishers.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : 27th April, 2018

JAYA C. SUVARNA
CHAIRMAN