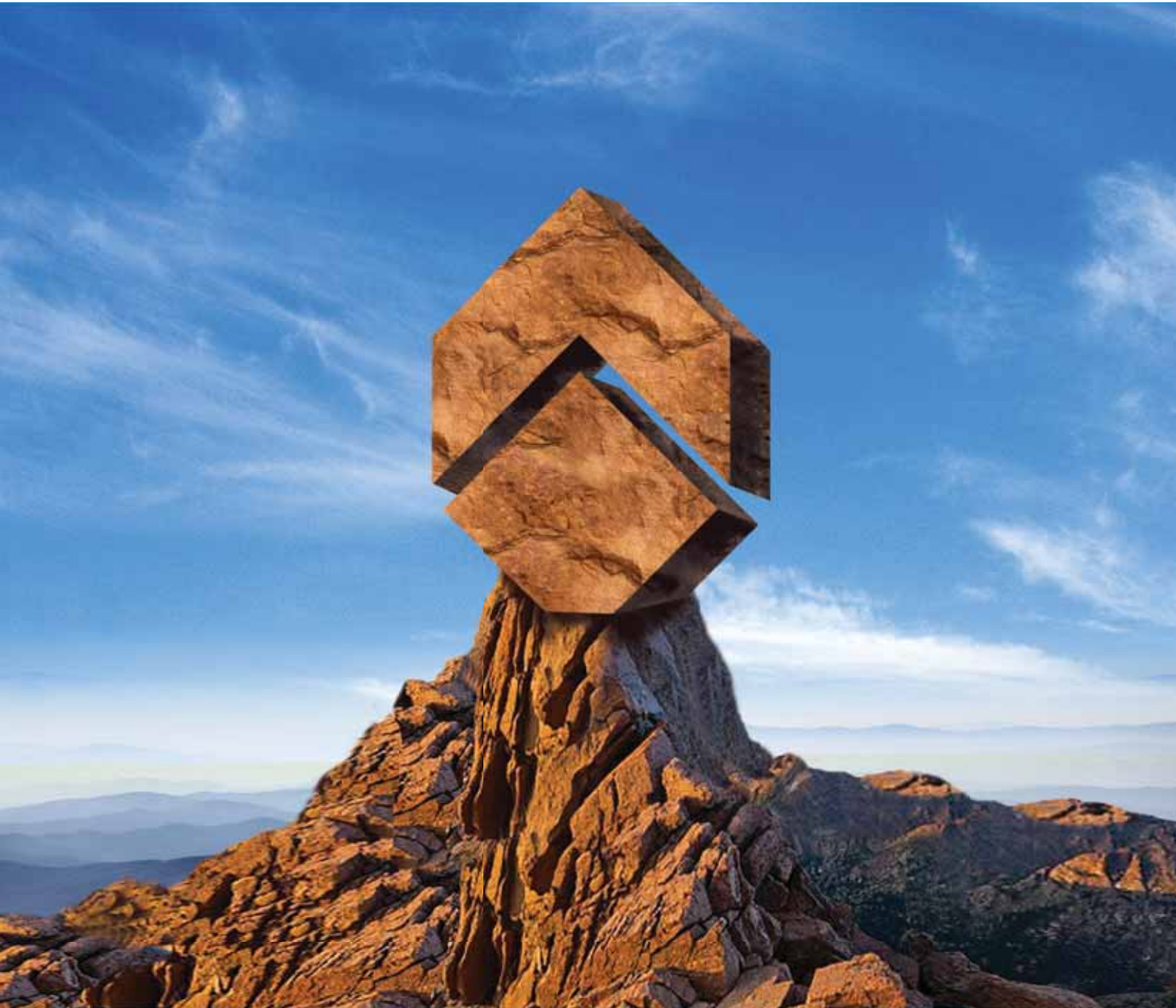


Banking...
Refining...Redefining...Consolidating



Trust...Integrity...Perseverance

BOARD OF DIRECTORS



Krishnakumar Goyal
Chairman



Madhukar Atre
Vice-Chairman



Dr. Mukund Abhyankar
Chairman Emeritus



Dr. Smita Jog
Director



Milind Kale
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 Ponkshe
Managing Director

Chairman's Address



Krishnakumar Goyal
Chairman

Dear Members,

With a legacy of trust & congenial association going hand in hand with up-to-date technology, Cosmos Bank has stepped into the 109th year. Our Bank is renowned as the oldest yet most tech-savvy bank in the co-operative banking sector. As I communicate with you as the Chairman of this bank with a rich heritage, I look forward to this opportunity to further enhance the bond we share. This has indeed been a glorious year.

With its motto '*Tatpar Seva, Sasmit Seva*', Cosmos Bank has achieved the glory of being praised as the bank with a celebrated heritage. Keeping within its core, the strength of legacy of trust, sustained warm & cordial relationship and customer-centricity, going hand in hand with latest technology, Cosmos Bank is empowered to face challenges that future might bring in. The inauguration of Cosmos Bank's Corporate Office, "Cosmos Tower" at the auspicious hands of Chief Minister of Maharashtra, Hon'ble Devendra Fadnavis has enhanced this image of Cosmos Bank throughout the country. This magnificent edifice of Cosmos Tower is something that will surely make all of us proud!

Indian Economy is related to the economy of the world and thus, upheavals in the world economy leave an impact on the Indian Economy. In the year 2014-15, Indian Economy had to cross many hurdles and move ahead as the year was quite challenging. At present, Indian Economy is struggling to move from recession towards development. The Hon'ble Prime Minister, Shri Narendra Modi announced 'Make in India', 'Swachha Bharat Abhiyaan' & 'Jan Dhan Yojana' creating enthusiasm all over and a pro-investment atmosphere in India. This has created new found respect for India across the world and economic players across the globe are looking at India for investment. This has started generating positive effect on the share market.

For the Banking Sector in general, the financial year 2014-15 was quite challenging. The strict policies enforced by The Reserve Bank of India, the lethargy in the Agriculture, Building and Development, Engineering Sectors, RBI's policy about rate of interest had indirect effect on the banking sector. The three alphabets, 'N-P-A' created jitters for banks all over. All these had counter effect on progress of banks in general.

In these trying times too, our deposits increased by 7.48% and advances by 8.40%. In the last financial year 6 new branches viz., Andheri (Veera Desai Road) & Borivli East in Mumbai, Madipakkam & Annanagar in the city of Chennai, Coimbatore and Hosur in the state of Tamilnadu were inaugurated, thus making a total of 140 branches operating out of 7 States. The Bank also launched its new logo in the year 2014-15. A magnificent, state-of-the-art corporate office, "Cosmos Tower" was constructed on University Road Pune. This was inaugurated at the auspicious hands of Hon'ble Devendra Fadnavis, Chief Minister, Maharashtra State in a grand programme. Cosmos Bank has become famous in the entire co-operative banking sector of the country for having such a grand and iconic corporate office. I am sure this makes us all feel very proud. New Board of Directors were elected for the years 2015-2020. This Board of Directors will strive to live up to the trust placed in them by the members. I have complete faith that with the unified efforts of professionally qualified Directors on the Board and love and affection of Executives and staff, the Bank will move on the path of continuous progress in the future. You as alert members along with countless well-wishers are the pillars of strength of the Bank. I request and implore you to keep and strengthen your faith on your very own Cosmos Bank in future too!

Thanking you ,

Yours sincerely,



Krishnakumar Goyal
Chairman

22 August 2015

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

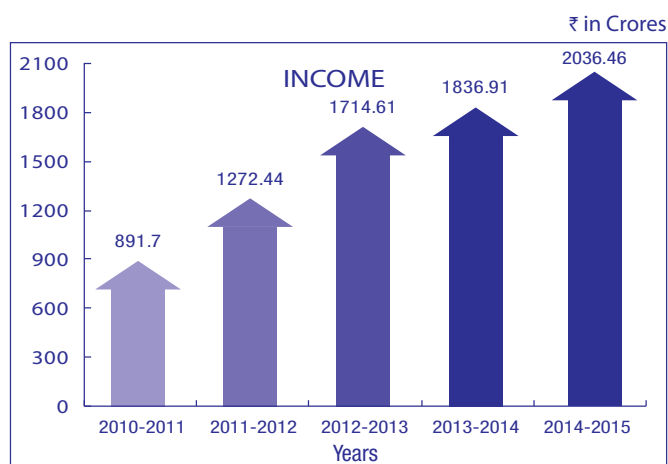
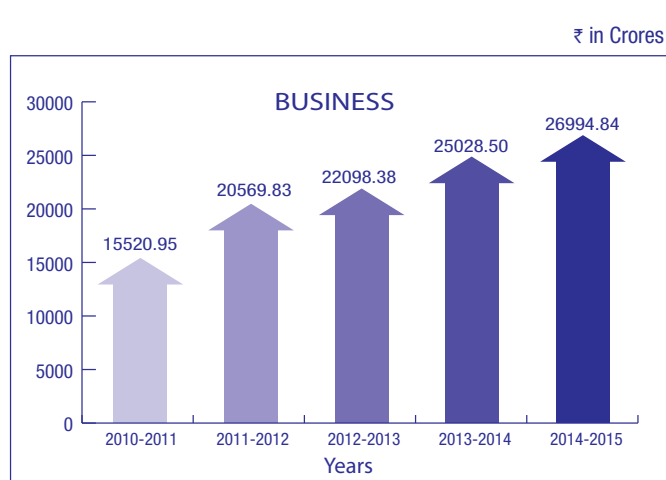
UBD.BR.324/A-9-90/91, dt. 01-11-1990

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

HIGHLIGHTS

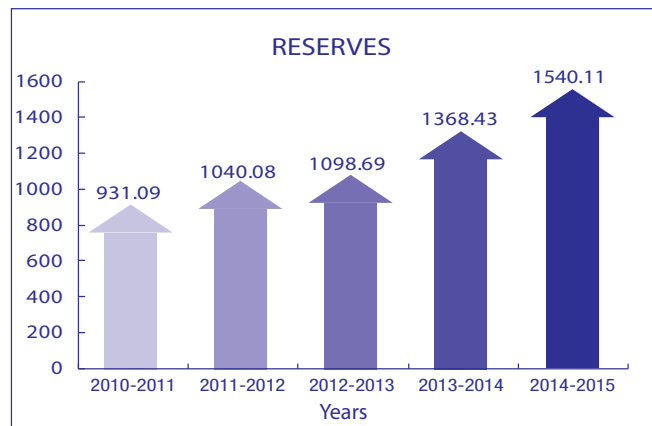
As on 31 March, 2015

Financials		(₹ in crores)
Particulars	As on 31.03.2015	As on 31.03.2014
Capital Adequacy Ratio		
(CRAR)	11.25%	11.59%
Deposits		
Savings	2023.05	1914.38
Current	647.96	619.77
Term	13164.07	12199.07
Total	15835.08	14733.22
Advances		
Secured	11154.81	10183.85
Unsecured	4.94	111.43
Total	11159.75	10295.28
Borrowings	472.54	368.00
Total Investments	5286.40	4887.44
Over dues (Percentage)	6.80%	5.54%
Profit for the year	57.64	84.31
Previous year's Profit c/f	3.98	0.29
Working Capital	18225.07	16925.90

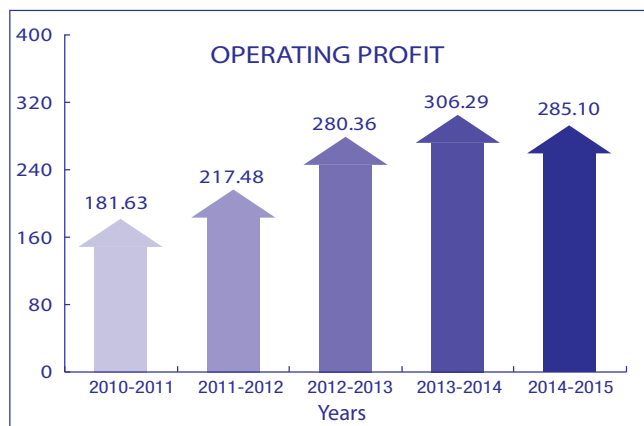


Net Worth		
A) Financials		(₹ in crores)
Particulars	2014-15	2013-14
Paid up Share Capital	312.43	313.92
Reserves and other Funds	1540.11	1368.43
B) Other		
Particulars	31.03.2015	31.03.2014
Total Branches	140	134
Extension Counters	—	—
Members	81240	79387
Nominal Members (Borrowers)	9242	10201
Audit Classification	A	A
Total Staff	2955	2841

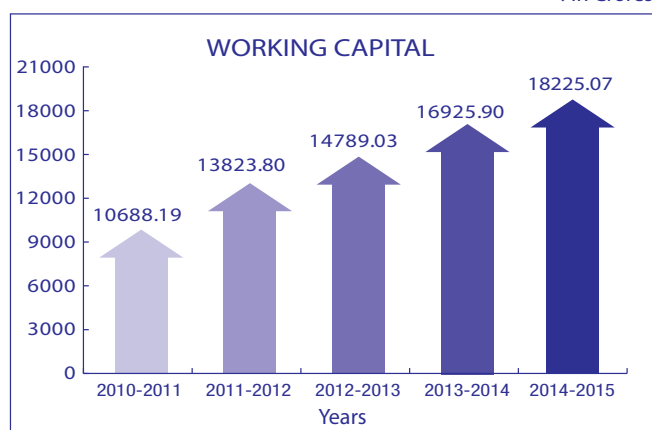
₹ in Crores



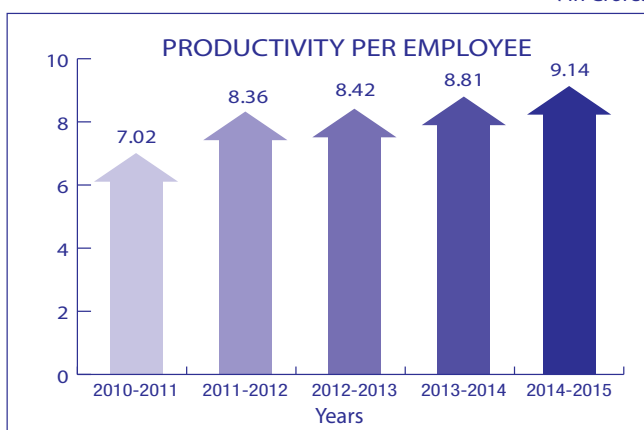
₹ in Crores



₹ in Crores



₹ in Crores



Management Team

Mr. Vikrant Ponshe
 Mr. Suhas Gokhale
 Mr. Ratnakar Nadkarni
 Ms. Nayan Lagad
 Mr. Avinash Rana

Managing Director
 Jt. Managing Director, Credit Management
 Chief General Manager
 Chief General Manager
 Chief General Manager

General Managers

Mr. Sharashchandra Suryavanshi	Mumbai Regional Office (B) (upto 30.06.2014)
Mr. Vijay Vaidya	Pune Regional Office (B)
Ms. Sulekha Deuskar	Outside Branches Regional Office (B)
Ms. Archana Jaywant	Corporate Credit Cell (upto 30.04.2015)
Ms. Madhuri Marathe	Pune Regional Office (A)
Mr. Rajendra Pandit	Mumbai Regional Office (B)
Mr. Sunil Panse	Recovery (Mumbai Regional Office & Gujarat Regional Office)
Mr. Anil Barve	Forex & Treasury
Ms. Mukta Deshpande	Outside Branches Regional Office (A)
Ms. Apekshita Thipsay	Credit
Mr. Sanjay Puranik	Recovery (Pune Regional Office & Outside Branches Regional Office (since 16.02.2015)
Mr. Manoj Shah	Gujarat Regional Office (since 16.06.2014)
Ms. Akanksha Rane	Mumbai Regional Office (A) (since 16.06.2014)

Statutory Auditors

M/s. Yardi Prabhu and Associates, Chartered Accountants, Mumbai
 M/s. P.G. Bhagwat, Chartered Accountants, Pune

Internal Auditors

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

NOTICE (FOR MEMBERS ONLY)

The 109th Annual General Meeting of the members of THE COSMOS CO-OPERATIVE BANK LTD. will be held on Saturday, 26th September 2015 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 108th Annual General Meeting held on 22nd June 2014 and Special General Meeting held on 28th December, 2014.
2. A) To consider and adopt
 - i) Annual Report for the year 2014-2015.
 - ii) Profit And Loss Account for the year ended as on 31st March 2015.
 - iii) Balance Sheet of the year ended as on 31st March 2015.
- B) To review actual utilization of reserves and other funds during the year 2014-2015
3. To consider and approve the appropriation of profit for the financial year 2014-2015 as proposed by the Board of Directors. (subject to approval of the Reserve Bank of India)
4. To consider the Report of Statutory Auditors and compliance thereof for the year 2014-2015.
5. To appoint Statutory Auditors for the year 2015-2016.
6. To take note of the loans and advances outstanding from the Directors and their relatives during the year 2014-2015 (vide section 39(3) of the Multi-State Co-operative Societies Act 2002).
7. To consider and adopt amendments proposed by the Hon. Board of Directors to the Bye-law Nos.4,6,6(a)(ii), 6(a)(vi), 6(b), 6(b)(ii),15(i), 16, 19, 24(i), 28, 31(iii), and 38. (Annexure enclosed).
8. To sanction leave of absence to members who are not able to attend the 109th Annual General Meeting.
9. Any other matter, with the permission of the Chair.

Date :August 22, 2015
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 26th September, 2015 will be available at the Bank's Head Office up to 23rd September, 2015, 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 Banks's Head Office upto 23rd September,2015 on working days, between 11.00 am and 4.00 pm.
4. Members are requested to kindly bring along a copy of this report at the meeting.

RESPECTED MEMBERS,

During the last year, India got a stable and strong Government under the leadership of our Prime Minister, Hon'ble Shri Narendra Modi, creating an environment and a general feeling that the Indian economy will now progress on the path of growth and development. While this was our national scenario, in recent past there have been sudden instances on the international economic front which have caused concern all over the world. These sudden instances have had their impact on the Indian Economy.

Today Greece is almost on the verge of bankruptcy. The Greek crisis is seen as the archetypical of European countries. Indian share market had to face several fluctuations in the recent past due to the same and it is anticipated that in the near future the same trend will continue in the share market.

The war of currencies in the international market and the fear of great depression will have some repercussions on the Indian Economy; at the same time the measures such as bringing the deficit under control, the regulation on the rise in prices will help in the Indian Economy successfully coming out as the winner as predicted by experts.

Due to considerable decrease in the rates of crude oil in the world market, Indian Economy has received the much needed boost. It is being predicted that India's financial deficit is reducing and the prices of petrol, diesel and gas are coming down which is increasing the purchasing power of customers, which in turn will give lift to manufacturing of goods in the country. Due to this scenario it seems that economically weak countries are facing problems while developing nations like India have got an opportunity to steer its economy on the road of progress.

In the background of the International Economic Crisis, there is a silver lining of hope that International Monetary Fund (IMF) in its latest report has projected that the growth rate of Indian Economy for the year 2015-2016 will be 7.5% With reference to the statistics of last year, though the pace of development has slowed down, Governor of Reserve Bank of India Mr. Raghuram Rajan has expressed his faith that the Indian Economy is strong. During this time, Reserve Bank of India has been keeping a watchful eye on the economic developments in India while taking a firm stance to control inflation.

Banking Industry which is considered as the back-bone of Indian Economy had to go through many highs and lows in this financial year. The last financial year was not much conducive to the Banking Sector. The loan disbursement by all banks in India was the lowest at 10.1%. While in comparison the Deposits did see some enhancement. All the banks were under the clutches of NPA. Public Sector banks had to bear the brunt of this more than other banks. Some private and co-operative banks too faced the problem of NPA. Banks tried the utmost to overcome this issue. Along with NPA, inflation, increasing rate of interests, crunch of working capital, depreciation of the rupee and natural calamities like drought and earthquakes gave a blow to the Economy.

Reserve Bank of India [RBI] faced these challenging times competently. RBI had to take firm actions. The RBI also had kept a keen watch and thus, a firm control on banking. RBI also exercised flexibility by reducing REPO rate twice, thus creating a situation wherein it was possible to provide credit to general public at a lower rate of interest. In the half-yearly credit policy to be declared in the September 2015, there is pressure on RBI to reduce the repo rate. If this materializes, there could be an environment conducive to reduction in the rates of interest thus making credit to industries and consumers available at lower rates of interest which in turn will create a positive impact on banking sector.

The Indian Economy is moving from depression towards boom. This is being reflected in the share market. Central Government is announcing various schemes for investments. This is getting a positive response from industries in India and around the world. This has created optimistic situation for business and industries all over the country. This has created an encouraging environment that employment will be created giving further boost to Indian Economy.

PROJECT NOVA

NOVA as a project is the beginning of change from product based services to customer based services. Business growth, customer segmentation with the intention to provide personalized & prioritized services, standardization of processes, de-risking of operations are some of the intentions of this operating model. Project NOVA is operational since September 2014. To increase the business volumes & for

focusing on retail business, 5 Hubs were established in the first phase, viz., 2 each in Pune & Mumbai & 1 in Ahmedabad [Gujarat].

To provide our services to all sections of people, new products and schemes were designed.

For effective marketing of the Bank's products and services to the cross section of society covering individuals, institutions, entrepreneurs, SMEs, corporates etc., the concept of BIZCON [Business Consultant] was introduced wherein certain select existing staff members were extensively trained for marketing and sales and also on product knowledge with a view to reaching out to small businessmen and entrepreneurs, proprietorship concerns, SMEs. An extension of this segmentation is contemplated to separately and independently cater to individuals, institutions and corporates.

BANK'S OWN SUBSIDIARY –

COSMOS e-SOLUTIONS & SERVICES PVT. LTD.

Cosmos e-Solutions & Services Pvt. Ltd. is Bank-owned subsidiary company operational since 2007. On the request of the Bank, Senior Scientist, creator of Param Computer the first super computer of India, Padma Bhushan Vijay Bhatkar, and Founder of renowned IT Company, Persistent, Mr. Ashutosh Joshi accepted the Directorship of this company. Under the guidance of these expert Directors, various software solutions related to the Bank are developed, supported and maintained. This subsidiary also offers services of software development and support to other Banks and financial institutions according to their needs.

Recently 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".

BOARD OF DIRECTORS

In the FY 2014-15 till December 2014, Mr. Krishnakumar Goyal headed the Board of Directors as the Chairman and

Mr. Milind Kale was the Vice-Chairman.

The tenure of the Board of Directors for the years 2010 to 2015 ended in the month of December 2014. For supervising the election to the Board of Directors for the years 2015-2020, Mr. Shailesh Kotmire, Additional Registrar, Co-operative Societies, Maharashtra State was appointed as Returning Officer by the Central Registrar, Co-operative Societies, New Delhi. As per the Bank's bye-laws, the election has to be conducted in the General Meeting of the members, hence the Returning Officer called a Special General Meeting of all the members on December 28th 2014 and started the Election process. Election was simultaneously conducted across 7 states through 71 polling centres.

The result of this election was declared by the Returning Officer on January 1st 2015. The elected Directors of the Board are as follows:-

1. Dr. Mukund Laxman Abhyankar
2. Mr. Madhukar Waman Atre
3. Dr. Smita Vilas Jog
4. Mr. Milind Anant Kale
5. Mr. Krishnakumar Kishorilal Goyal
6. Mr. Govind Raghunath Kshirsagar
7. Adv. Jayant Balkrishna Shaligram
8. Mr. Prakash Madhusudan Joshirao
9. CA Sunil Arvind Sabnis
10. Mr. Rajeev Balwant Sabade
11. Adv. Pralhad Bhimrao Kokare
12. Adv. Shripad Dattatray Panchpor
13. Mr. Jitendra Bhimshi Shah

After declaration of results, the meeting of board of directors was conducted on January 4th 2015 which was presided over by the returning officer for this election. The election for the post of Chairman and Vice-Chairman was conducted in this meeting and Mr. Krishnakumar Goyal and Mr. Madhukar Atre were elected as Chairman and Vice-Chairman respectively. In this meeting Mr. Umesh Datar was deputed as staff representative.

KEY FINANCIAL INDICATORS

(₹ in crs.)

FINANCIAL HIGHLIGHTS	2013-14	2014-15	Rise/(Fall) %
Share Capital	313.92	312.43	(0.48)
Reserves	1368.43	1540.11	12.55
Owned Funds	1682.35	1852.54	10.12
Net NPA	3.81%	6.59%	
Total Income	1836.91	2036.46	10.86
A) Interest Received	1557.82	1667.34	7.03
B) Other Income	187.26	188.42	0.62
C) Other Credits	91.83	180.70	96.78
Total Expenditure	1772.61	1978.82	11.63
A) Interest Paid	1195.05	1286.10	7.62
B) Establishment Expenditure	108.74	123.40	13.48
C) Other Expenditure	135.01	161.16	19.37
D) Provisions	333.81	408.16	22.27
Profit for the year	64.30	57.64	(10.36)
Reversal of excess Investment Fluctuation Reserve	20.01	—	
Net Profit	84.31	57.64	(31.63)

APPROPRIATION OF PROFIT

In the year under review, your Bank has made a net profit of ₹57,64,26,301.59 (in words Rupees Fifty seven crore sixty four lac twenty six thousand three hundred one and paise fifty nine only). The Board of Directors proposes the appropriation of this profit as well as last year's balance carried forward, in the following manner, subject to the approval of the Reserve Bank of India.

Net profit		₹ 57,64,26,301.59
Profit C/F (of previous year)		₹ 3,98,25,737.03
Appropriation (proposed)		₹ 61,62,52,038.62
1. Reserve Fund (25%)	₹ 14,41,06,580.00	
2. Education Fund (1%)	₹ 57,64,270.00	
3. Reserve for unforeseen losses (10%)	₹ 5,76,42,640.00	
4. Dividend (12%) (Subject to Reserve Bank of India's Approval)	₹ 37,36,89,644.00	
5. Investment Fluctuation Reserve	₹ —	
		₹ 58,12,03,133.99
Profit C/F (to next year)		₹ 3,50,48,904.63

(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 ₹57,64,26,301.59 in the year under review.)



CAPITAL ADEQUACY (CRAR)

The year witnessed a reduction of ₹1.49 crore in the share capital of the Bank, which decreased from ₹313.92 crore to ₹312.43 crore. As per the RBI norms, a minimum CRAR ratio of 9% is mandatory for co-operative Banks. We wish to inform you that as on 31st March 2015, the CRAR of your Bank is at a satisfactory level of 11.25%

LONG TERM DEPOSIT SCHEME - 3

Central Registrar of Co-op Credit Societies, New Delhi and Reserve Bank of India has given permission to your Bank to accept Long Term Deposits up to ₹197 crore. Thus your Bank has started this scheme from 5th May 2015. The tenure for deposit under this scheme is 66 months. The rate of interest on this scheme for all depositors is 10%. This scheme has received good response from the customers and up till 22 August 2015, Bank has collected Long Term Deposit of ₹147 crore under this scheme.

DISTRIBUTION OF PERPETUAL NON-CUMULATIVE PREFERENCE SHARES (PNCPS)

To keep the CRAR ratio well above the ratio prescribed by the Reserve Bank of India, it is the aspiration of Board of Directors to distribute the Perpetual Non-cumulative Preference Shares and so the necessary changes in the Bye Laws are proposed and the concerned Bye Law has been included in this year's Amendments to the Bye Laws.

After the said Bye Law is accepted & approved in the Annual General Meeting, it will be submitted to the Hon'ble Central Registrar and Reserve Bank of India for further permission. On receiving the permission, the Bank will open the option to its share-holders and customers to invest whole-heartedly in the Perpetual Non-cumulative Preference Shares.

BUSINESS SET-UP GROWTH DURING THE FINANCIAL YEAR 2014-15

The set-up of our Bank has increased from ₹25,028 crore as on 31st March 2014 to ₹26,992 as on 31st March 2015. Thus the increase in the total set-up is ₹1,964 crore. Bank's own funds have increased from ₹1,682 crore as on 31st March 2014 to ₹1,853 crore as on 31st March 2015. This increase is 10.12%.



DEPOSITS

In the year 2014-15, there was increase of ₹1,101.86 crore in the deposits and at the end of March 2015, the deposits of the Bank stood at ₹15,835 crore. This is an increase of 7.48% in the deposits.

CASA deposits increased by ₹137 crore from ₹2,534.15 crore as on March 31, 2014 to ₹2,671.01 crore this year. The CASA deposits are 16.87% of the total deposits. During the year under review to increase deposits, initiatives like 'Product of the Month', CASA drive were undertaken.

On the occasion of 109th anniversary of the Bank, 'Cosmo Dhanruddhi' scheme was launched. This scheme got a very good response from the customers and deposits of ₹971 crore were mobilized by the Bank.



LOANS AND ADVANCES

In the financial year under review, the loans and advances of your Bank increased from ₹10,295 crore to ₹11,159 crore. In comparison to last year, wherein the rise in advances was ₹1,055 crore, the rise in the year under review was ₹862 crore. The percentage of increase in advances in the year under review was 8.40%. Taking into consideration the notional writeoff of ₹173 crore of outstanding loans, the percentage of credit growth is 10.05%. The Credit Deposit Ratio as on 31st March 2015 stood at 70.46%. Based on the RBI guidelines on the Prudential norms on Single and group party exposures, your Bank could take a maximum single party exposure of ₹187 crore and a maximum group exposure of ₹498 crore based on the audited financials as on March 31, 2014. This will enable your Bank to provide loans to various reputed companies and corporate customers henceforth.

In the year under review, the advances in priority sector stood at ₹4015.60 crore, which is 35.99% of the total advances. The advances to weaker sections make up 7.16% of the total portfolio. Currently, the Bank offers wide range of loan schemes like Home Loans, SME Loans, Mortgage Loans, Car Loans, Gold Loans, Education Loans, Cosmo Credit Loans etc., at interest rates and terms that are very competitive and reasonable.

ELECTRONIC LETTER OF CREDIT

Your Bank has started issuing Letter of Credit & Bank Guarantee services through Structured Financial Messages System with a view to providing additional security while processing Letter of Credit and to complete the said process in minimum time.

RETAIL CREDIT

To increase the quantum of small and medium ticket loans a dedicated Retail Credit Department was established. The Retail Credit Department is operational, under a General Manager. This department has been assigned the responsibility of increasing the quantum of retail loans across the Bank. Cosmo-credit loan facility of ₹5 lac was started for customers

working in Private Limited and Public Limited Companies. Under this scheme, the said companies will have to open the salary accounts of their employees in your Bank and submit an undertaking about repayment of loan installments through these salary accounts.

Your Bank has started tie-ups with renowned builders to increase the home loans. This enables the members to buy homes in authorized housing projects by giving minimum required documents.

Under the home loan scheme, your Bank is offering the facility of paying 10% amount of the margin money at the time of taking possession of the home. In the cases where the housing projects are under construction, Bank has provided the option of paying the money in 10-80-10 format (10% of margin money at the time of booking and 10% of the margin money at the time of possession of the house).

In case of any delay in getting possession of the flat due to any delay in completion of the scheme, the Bank has given option to the builders to pay some portion of the interest of the housing instalment of the particular housing loan.



CREDIT SUPERVISION CELL

A separate "Credit Supervision Cell" is functioning since 2011 with the main task of post-disbursement monitoring of large size borrowers. It is currently headed by Chief General Manager under the active control and guidance of Joint Managing Director – Credit Management.

Periodic evaluation of all such large loan assets and monitoring of restructured accounts is being done regularly by this Cell for identifying the deficiencies if any, based on turnover, servicing of interest & installments, submission of periodical statements, review position of Cash Credit accounts, timely repayment of adhoc limits etc. & these are communicated to Regional Heads for corrective action to remove/improve upon the deficiencies. This not only helps in early signaling/warning & identification of weak cases well in advance, but also helps to find out causes (internal or external) & find out solutions to their problems. With rigorous follow-up, persuasion, recovery measures etc., this Cell tries to arrest slippages into NPA of any of these loan assets and ensures that these accounts remain operative and standard. This Cell also monitors and controls the restructured accounts.

Industry wise review of borrower accounts is taken by this cell in case of any adverse market situations. Also, information of borrowers coming 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 the Bank to verify the security offered to the Bank against the various facilities 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 crores and above. Stock Audit enables the Bank to check and verify that the advances are properly and adequately secured and also helps reaffirm the repaying capacity.

OVERDUES & NPAs

The phenomenon of Non-Performing Assets [NPAs] has been posing a serious challenge to the banking sector to such an extent that the entire banking system in the country has been feeling the heat of the increasing trend in the Gross NPAs. Various critical developments on the national and the global economic front have cast their impact on the conduct and quality of various loan assets across the banking system, thus culminating into an increase in the gross NPA levels. Indeed, in a few cases, the intentions and the tendency of a few borrowers to default also is one of the reasons contributing to increased level of NPAs. Banks across all the sectors-private, public and co-operative alike, have been adversely affected by these factors in the year under review and have thus registered increase in their gross NPA levels.

As of 31st March 2014, the percentage of overdue is 6.80%. While the Gross NPA is at 9.23%, the net NPA is at 6.59%. In this financial year, the Bank has achieved a recovery of ₹65.36 crore from NPAs and of ₹12.97 crore from Notional Write-off Accounts thus aggregating to a total recovery of ₹78.33 crore.

With reference to the Securitization & Reconstruction of Financial Assets and Enforcement of Security Interest Act [SARFAESI Act], Hon'ble Supreme Court had vacated the stay earlier granted on technical grounds against the recovery action initiated by co-operative banks under this Act, on 18.02.2015. Thus, the notices to the defaulters for payment of defaulted amount have been sent and considerable recovery in the said defaulted accounts is expected in the year 2015-16.

Your Bank has initiated all possible & timely ways and means for effective recovery in the NPA accounts. Recovery efforts such as timely actions under the SARFAESI Act as well as filing of recovery disputes before the Arbitrators under Multistate Co-operative Societies Act and approval for One Time Settlement (OTS) proposals as per the current position of the borrower etc. were taken. 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.

Various meetings of defaulters in Pune & Outside Branches regions have been arranged to get overdue loan accounts closed by way of OTS. Response received for recovery from defaulters is satisfactory. Bank was able to close many NPAs. Your Bank will definitely put in extra efforts on the same lines for the recovery out of the NPAs in the Mumbai and Gujarat regions as well in the current year.



RISK MANAGEMENT

Risk Management is a key factor in ensuring the stability and development of business of any bank considering the economic conditions from time to time, contagion impact of various global events and inter-linkages between financial markets. It has become a regulatory compliance requirement from Reserve Bank 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 the Bank. It acts as a basis for specific risk policies like Operational Risk Policy, Liquidity Policy, ALM Policy, etc. which are currently being developed and implemented across your Bank. The monitoring and reporting of the risk management policy compliance is made through specific committees like Operations, Technology and Risk (OTR) committee, ALCO, Loan committee etc.

Apart from these risk management initiatives, the department also oversees Information Security. Further it also facilitates strategic analysis and management reporting of any risk and governance issues.



INVESTMENT & TREASURY OPERATIONS

Bank's Funds and Investment management is looked after at Integrated Treasury Department at Mumbai and at Pune. Apart from managing statutory requirements of CRR and SLR on daily basis, the specialized Officers at Treasury Department, with the help of latest technology, worked like a separate profit centre to ensure optimum utilization of funds and also helped to release the pressure on the Net Profit during the recessionary period where the demand for loan slackened and the quality of loans was under pressure. It also helps to maximize returns by having hawk eye on the ever changing market conditions.

This department handles both the businesses viz. Money Market & Foreign Exchange. Your Bank has invested in various investment options available in the market. This includes Government Securities, Treasury Bills, Non-SLR Bonds, Inter-bank term deposits, Mutual Fund, Certificate of Deposit, Commercial Papers etc. The investments made in these various options enables to divide the risk involved, and reduce the possible risks in the investments.

The Treasury Department took full advantage of the initiatives by RBI for controlling inflation and delivered a record profit of ₹112.33 crore through effective trading of our Government Securities portfolio.

The Treasury Department while managing the investments, aims at maximizing the profit by making appropriate combination of liquidity & investments considering various factors viz. the risks involved, available funds for investment, anticipated changes in the economy & also in the interest rates.

The priority given by the Reserve Bank for curbing the inflation and government's endeavor to control the fiscal deficit has resulted into lowering the interest rates.

The record performance was a result of FOCUSSED efforts of COSMOS TREASURY TEAM in forecasting of markets, continuous analysis of volatile Global and Indian market conditions and acting at proper time with disciplined investment approach. This has resulted into increase in yield on total investment portfolio of ₹4855.13 crore (excluding investments in security receipts) from 8.87% for the year 2013-14 to 9.18% for the year 2014-15.

FOREIGN EXCHANGE TRADE

Your Bank is providing all types of Foreign Exchange Services since Sept. 2007. In the last 7 years, your Bank has complied with all the norms of FEMA / KYC and AML and increased the business. Your Bank has received a permanent license for Authorized Dealership CAT – 1 for providing Foreign Exchange Services, from the Reserve Bank of India on 31st July 2014.

To fulfil all foreign exchange needs of the customers, B Cat Forex Centers are operational at Dadar, Vile Parle, Ahmedabad, Deccan Gymkhana, Hyderabad and Aurangabad Branches. During the year under report, to provide the Foreign Exchange services, Bank has started its 7th B Cat Forex Center at Surat.

Your Bank is providing all Foreign Exchange Services to its clients swiftly which are at par with the other big banks. During the financial year 2014-15 Foreign Exchange business of

the Bank has shown an increase of 18% whereas inter-bank Foreign Exchange business reached at ₹13,338.99 crore.

Bank's International transactions are done with the help of international banks viz. Wells Fargo Bank, Commerz Bank, Banca Popolare de Vicenza & through the overseas branches of various Indian banks viz. Axis Bank, Bank of India, Indian Overseas Bank. The enduring relationship of the Bank with more than 100 Banks worldwide has stimulated the increase in Foreign Exchange business of the Bank.



REAL TIME GROSS SETTLEMENT (RTGS) & NATIONAL ELECTRONIC FUNDS TRANSFER (NEFT)

RTGS & NEFT facilities are functional under Straight Through Processing (STP) mechanism enabling instant transfer of funds to any Bank. Considering the usefulness & security features, the usage of the said facilities by the customers is constantly increasing. This is very much evident from the following chart:

Particulars	Real Time Gross Settlement	
	31 March 2014	31 March 2015
Interbank Transactions (Nos.)	6,965	6,206
Customer Transactions (Nos.)	2,64,390	3,19,368
Total Transactions (Nos.)	2,71,355	3,25,574
Total Amount (₹ in crore)	48,402.38	50,382.86
Particulars	National Electronic Funds Transfer	
	31 March 2014	31 March 2015
Total Transactions (Nos.)	9,58,243	13,46,601
Total Amount (₹ in crore)	₹7,175.45	₹11,081.31

This facility is available in all the branches of the Bank. The customers can now use NEFT facility through Internet Banking also.

CHEQUE TRUNCATION SYSTEM - CTS FACILITY

RBI has introduced Cheque Truncation System. To align with the RBI's strategy and mission to introduce safe, secure, sound and efficient payment system, thus bank has implemented a gateway called the Clearing House Interface (CHI) that enables us to connect and transmit data and images in a secure and safe manner to the Clearing House (CH). We are the first Bank who has CHI interface in Pune; we have also made this facility available to our sub members as well as other banks.

With this facility being offered to our customers, your Bank is able to provide better customer service with reduced operational risk in banking operations like clearing.

AADHAAR PAYMENT BRIDGE SYSTEM & NATIONAL AUTOMATED CLEARING HOUSE (APBS & NACH)

In addition to the NEFT and RTGS, your Bank has introduced the new payment mode using NPCI through Bank channel. This payment service offered by your Bank using the Aadhaar number issued by the Unique Identification Authority of India (UIDAI) is known as the "Aadhaar Payment Bridge System" and is referred as APBS. APBS will be used for direct benefit transfers i.e. credit transactions for Government / Government agencies including social security pension, LPG subsidy, payment under the employment guarantee scheme, public distribution system and stipend to children returned to school, and scholarships will be covered under the Aadhaar Payment Bridge System.

NACH is available to the customers for making bulk transactions towards distribution of subsidies, dividends, interest, salary, pension, etc. and also for bulk transactions towards the collection of payments pertaining to telephone, electricity, water, loans, investments in mutual funds, insurance premium etc. The services such as Local ECS, RECS, NECS are available successfully operational on NACH system.

During the year 2014-15, more than 47,000 customers have availed of the benefit of the LPG Gas subsidy scheme.

TAB BANKING

The Bank has made available its services through Tab Banking with a view to extending the scope and reach of various banking products and services cover the hither to unbanked areas and thus bringing the economically backward & unbanked communities within the fold of banking. The Tab Banking service will enable the customers to deposit amount in an account, open recurring and term deposit accounts etc. The said system is linked with the Document Management System (DMS) of the Bank which will enable to appraise & scrutinize the documents submitted by the customers and also to keep a permanent record of the same. Business Correspondents are providing the Banking services under Financial Inclusion to the customers through Tab Banking.



INTERNET BANKING

Your Bank has launched Internet Banking Service - Cosmo Net on the occasion of Bank's 107th annual day on 18th January 2013.

This service facilitates customers to enjoy banking services viz. Funds Transfer, opening term deposit account, placing a request for Pay-Slip, Demand Draft, Cheque Book and Bank Statements, view account details, send a request for stop payment from their place of residence or place of work. In the last year more than 35000 customers registered for this service. We are receiving a good response to the said services and more than 51000 customers are availing Internet Banking service. We offer secured Internet Banking facility through OTP as well as alerts for various activities on customer's registered mobile and e-mail. Now NEFT transactions done through Internet Banking to other Bank's account are free. Bill payment facility is also available through internet banking service. E-Tax as well as Universal Bill Pay Service will also be available shortly through Internet Banking Service.

INTEGRATION OF TALLY SOFTWARE

Tally accounting software has been integrated and is now part of Internet Banking Service provided by the Bank. The said software is used in the Corporate World for payment to its various vendors and suppliers, to maintain all accounting details and calculations of the amount received by the company. To serve the needs of the corporate customers, said service has been made available with the support of Tally ERP through the Internet Banking of the Bank which will enable the customers to make payment to its vendors and suppliers by using Tally ERP Software through Internet Banking. In this service, two options are available to the customer viz. Single Transaction and Bulk Transaction.



MOBILE BANKING

This service facilitates customers to undertake funds transfer within or outside the Bank, recharging of the mobiles, payment of Bills, view account balance or account statements, request for a cheque book / stop payment etc. and that too in a secured manner through mobile. Last year approximately 6000 customers registered for this service and as on 31st March, 2015 approximately more than 11000 customers are availing mobile banking facility. This service is available for all customers on all types of mobile phones.

Considering the constantly increasing trend in the market to perform the e-Commerce transactions, the said function will also be available shortly through Mobile Banking Service.

SERVER VIRTUALIZATION

In response to the green IT initiative, Bank has initiated a process for consolidation of servers. Under this process number of servers will be reduced and they will be consolidated in a single hardware. This will facilitate to resolve any issue immediately which is faced due to hardware and to keep the said system up and running consistently. This will further facilitate the Bank to use the present servers after minor changes for any advanced Computer systems required in future and thus purchasing requirement of any additional servers could be reduced.

E-LOCKER

Your Bank has started E Locker service for its customers. Under this online document storage service, customers can store and easily retrieve their important documents viz. various certificates, Passport, Insurance policies etc. centrally as per requirement. Considering the security features, easy retrieval of the stored documents at any future date, members are requested to take maximum advantage of the said service.

E-KYC

As per Reserve Bank of India's guidelines for KYC Compliance, various updated information of the Customers viz. Address, Identification, Photo etc. is taken on Bank's record from time to time. It is imperative to maintain the secrecy of these basic details of the customers. It is not convenient to take the hard copies of all the KYC Compliance documents, hence an option of e-KYC is being made available in the Bank. Under this option KYC documents of the customers are scanned and are stored in soft copies. Hence, these documents are available online and immediate.

COMMUNICATION PORTAL

With multi-level technology development & increasing use of the computerized systems, there is a continuous increase in fraud incidents. Communication portal has been operationalized by the Bank for its customers to communicate their various Banking transaction related requests in safe & secure manner to the Bank. Through this Communication portal, the customers can communicate via web portal with the Bank, download various documents, place any banking transaction related request, store the important documents through e-locker facility.

POINT OF SALE

Considering regular demand of the customers and considering the services made available by various banks in the market, your Bank has launched POS (Point of Sale) facility for the

customers from October 2014. Under this service, customers are not required to use currency notes and by swiping their Debit Card on POS machine they can do the shopping / purchasing. Accordingly, POS machines are installed at some hotels, petrol pumps, various malls and shops.

These POS machines have been installed at 44 points. As on 31st March, 2015, 1104 transactions of ₹39 lac approximately have been done through these machines.

MEGA BANKER

In the first phase, Mega Banker services are made available at Dadar-Mumbai & Warje-Pune Branches. The customers with the help of this machine could themselves make banking transactions viz. Deposit Cash, Cheque, Print Passbook & request for a printed account statement.

DIRECT BENEFIT TRANSFER OF LPG SUBSIDY (DBTL)

The Government of Maharashtra has introduced a new scheme wherein LPG Subsidy given by the Government can be directly credited in the customer's account though they have not mentioned their Aadhaar Number. For offering the said scheme to our Savings Bank Account holders we have made required transformation in our computer system and we have introduced this scheme to Bank's customers. This transformed computer system have various convenient features viz. error-free data, daily upload & download of data for immediate update of related site, crediting the subsidy amount in the Bank Accounts of LPG customers and also to send a SMS on the mobile phones of the customers accordingly.

As on 31st March, 2015 through this scheme ₹11.71 crore through 2,38,388 transactions have been credited to Savings Accounts in your Bank.



EURO MASTER / VISA CARD

Considering the security of the debit card your Bank has introduced Cosmos Bank Chip Debit Card for its customers. This will enable to perform secured transactions and will also secure against any fraudulent incidents done through Debit Card. The system used in the said Chip card almost prohibits cloning of the card.



CURRENCY CHEST

Your Bank is the first and the only Co-operative Bank in Maharashtra to get the Reserve Bank's approval for starting the Currency Chest. Accordingly, your Bank has established a state of the art Currency Chest at its new corporate office

as per Reserve Bank's criteria and is operational w.e.f. 6th January, 2014.

Main functions of the Currency Chest are to provide fresh / sorted cash and coins to all branches of the Bank, remove soiled notes from circulation and remit the same to RBI, detection and impounding of forged notes etc.

As on 31st March 2015, the total cash turnover handled by the Currency Chest is ₹2817.87 crore.

During the year 2014-15 our Currency Chest sent back soiled currency notes worth ₹149.14 crore to the Reserve Bank of India. During the year under report, Reserve Bank has rendered ₹16.20 crore worth fresh currency notes to the Currency Chest.

The cash balance available at the Currency Chest is reckoned for maintenance of the Cash Reserve Ratio [CRR] of your Bank due to which your Bank is saved of the necessity of maintaining separate cash with the regulator to honour its CRR obligations. The Currency Chest is thus notionally contributing to the income of your Bank.

During the year under report, special soiled currency notes exchange drives were organized by the Currency Chest for the customers at selected branches in Pune viz. University Road, Laxmi Road, Viman nagar, Sinhagad Road, Gandhibhavan, Deccan Gymkhana, Baner Road. During the said melas, soiled currency notes worth ₹1.77 crore were exchanged by the customers for fresh currency notes.



DEMAT

Your Bank is a depository participant of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for last many years. In addition to the Bank's Head Office, its 91 branches and tie ups with 7 UCBs, totaling to 98 centres are offering depository services to the clients.

Insurance Repository Service – Under this unique & easy facility policyholders can store their all insurance policies under e-Insurance Account in dematerialized / electronic format. The Bank is the first Co-operative Bank to get the Insurance Regulatory and Development Authority's (IRDA) approval for starting this facility. This facility is made available to more than 700 account holders.

During the year under report, 2,920 DEMAT account were opened.

From this business your Bank has generated business of ₹1.24 crore.



MUTUAL FUND

Your Bank has been offering Mutual Fund service alongwith demat service to its customers. Your Bank has tied-up with 14 renowned mutual fund houses namely

Birla Sunlife Asset Management Company, Tata Asset Management Company, Kotak Assets Management Company, Principal PNB Asset Management Company, Reliance Asset Management Company, HDFC Asset Management Company, ICICI Prudential Asset Management Company, UTI Asset Management Company, ING Asset Management Company, DSP Blackrock Asset Management Company, Sundaram BNP Paribas Asset Management Company, SBI Asset Management Company, IDFC Asset Management Company and LIC Nomura Mutual Fund Asset Management Company. Mutual fund services are provided through 46 branches including Head office. This year the Mutual Fund business has earned risk-free income of ₹21.93 lakhs as compared to 18.70 lakhs of the previous year, thus registering rise of 17%.



INSURANCE BUSINESS

Your Bank is a Corporate Agent of M/s Bajaj Allianz Insurance Co. Ltd. for General Insurance & Life Insurance business. Various services and policies are made available to the Customers. This income generated through this business has been added in the other income of the Bank.

As on 31st March, 2015, your Bank has gained business of ₹52.41 through this service.

Annual Audit of this business was conducted in accordance with Insurance Regulatory & Development Authority (IRDA) guidelines. The Auditors have certified that the working is satisfactory.

Your Bank has made available “Pradhan Mantri Suraksha Bima Yojana” and “Pradhan Mantri Jivan Jyoti Bima Yojana” through all its branches. For providing these service your Bank has signed an agreement with New India Assurance Co. Ltd. and LIC of India respectively.



FRANKING

We hold a license from the Maharashtra and Gujarat Governments for the sale of stamps.

Bank members, account holders, citizens and other organizations as well as Banks have been able to avail this facility from 21 of our branches. In the year under report, your Bank has sold stamps amounting to ₹24.12 crore and has received commission of ₹29.14 lacs.

From December 2013, the Government has put an amount restriction of ₹5,000/- on sale of stamp through franking

facility. Hence, e-franking service has been started for the customers through 6 branches of the Bank and this service will be available through all branches in Maharashtra State shortly.



PAN CARD

Your Bank is a PAN Card Business Partner of UTI Technology Services Ltd. The PAN services are provided across all the branches.

After compliance of all the documents required for PAN Card, the customers receive a PAN Card within 8-10 working days. During the period under report, more than 10,000 customers have used the PAN Card services. Your Bank earned a fee based income of ₹1.35 lacs through this initiative.



E-TAX PAYMENT

Your Bank provides E tax payment facility to the customers since 2008. The Bank has signed a contract with IDBI Bank for this purpose. This facility enables our customers to pay TDS, Income Tax, Sales Tax, VAT, Service Tax, Excise Duty, Custom Fees, Professional Tax, and Wealth Tax through the Bank. During FY 2014-15, your Bank has executed 50,388 e-tax transactions and deposited tax payments of our customers amounting to ₹610.18 crore to the Government.



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 Codes are displayed on the website of the Bank for the information of customers. The training is imparted to staff about the Codes & continuous improvement in customer service.

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



AUDIT & INSPECTION

M/s. Yardi Prabhu & Associates, Chartered Accountants, Mumbai and M/s. P. G. Bhagwat, Chartered Accountants Pune were appointed as the joint statutory auditors for the Financial Year 2014-15, in the Annual General Meeting dated 22nd June 2014. They have

carried out the complete audit of all the branches and head office of the Bank and their audit report is included separately in this report.

The entire working of the Bank is fully computerized. M/s. Oxygen Consultancy Services is appointed for system audit of the Bank for 2014-15. They have completed system audit of the Bank. Audit of IT Infrastructure at branches this year is done by trained internal staff.



INTERNAL AUDIT & VIGILANCE

Separate regional audit departments are functioning for internal inspection & effective vigilance on the day to day banking operations in the branches of each region.



FINANCIAL INCLUSION

In accordance with RBI guidelines for providing Banking services to economically weaker section of the population, your Bank is working in the field of Financial Inclusion since last three years. Initially, the formation & nurturing of Women Self Help Group has been started in association with Unique Education Foundation. The number of Group members linked to your Bank has reached 7650. Nearly, 765 Self Help Groups have opened their saving accounts in your Bank. The Bank is providing facilities like opening of individual No Frill accounts, Kidz accounts, Basic & vocational training & marketing of Bachat Gat products etc. to these Groups.

As a part of Financial Inclusion, your Bank has appointed Business Correspondents for providing Banking services to people, who are willing to avail such services but are not able to visit branches due to their occupation or distance from the branch. These Business Correspondents will be functioning in the areas allotted to them in relation to a Base branch. The support of technology is provided to the Business Correspondents & the Android Tablets, Bio-metrics devices & Thermal printers are made available for online banking facilities. The Project is presently in the initial stage & it will definitely contribute in the business mobilization during the next Financial Year. Under this project, customers can open new account, deposit or withdraw money from the account without visiting the bank.



HUMAN RESOURCES

This Department performs an important function of recruiting candidates who are competent, capable & having good knowledge of banking sector in the bank as per the requirement. This department also works for creating

conducive environment for boosting the morale of the Bank employees by conducting various types of training programs to increase the knowledge base of the officers & other staff members.

Fast track Promotion Policy is being implemented by your Bank for talented & skilled staff. Performance Management System has been implemented for evaluation of performance of staff. This department looks after the recruitment, retirement & transfer of employees as well as staff for newly open branches. Capable staff members are promoted to the higher positions in accordance with the internal promotion policy. In the year 2014-15 total 175 employees have been promoted.

Your Bank is proud to have total staff strength of 2955 consisting of 1271 officers and 1684 other staff members as on March 31, 2015.

There have been cordial relations between the Bank Management and the Staff and officers for which we would like to put on record our sincere gratitude to the President & other office bearers of the Sevak Sangha.

To achieve the pre-set goals, for updating the employees with latest information of the banking sector & for providing various services; training is considered to be the best medium. With the view of development of the employees & improving their skills, all type of trainings are imparted centrally through 'Cosmos Centre of Excellence' & through other Regional offices. 'Cosmos Centre of Excellence' is well equipped with all the required infrastructure & facilities for imparting various trainings. Efforts are taken for improving the skills of the employees in their day to day work & making them capable to ultimately make the bank excel in all the avenues.

127 training programs covering 3410 employees were conducted in-house, covering a wide range of topics to enhance the skill and capability of the staff. In addition to this, 142 employees were deputed to 44 training programs conducted by organizations like College of Agricultural Banking, Foreign Exchange Dealers Association of India, National Federation of Urban Co-op. Banks and Credit Societies (NAFCUB), IDRB etc.

To keep the morale of the employees high and to ensure proper succession planning, due promotions are given on a regular basis.

During the financial year, E-learning system has been developed by your Bank for self-study and increase of skill. Various online examinations have been conducted through this system. This system can be accessed by staffs from their own computers.

SEVAK KALA-KRIDA AND OTHERS

- On the occasion of International Women's Day, on 8th March, 2015 a get-together of the ladies staff of the Bank was arranged at Cosmos Tower. Pune. In this programme Dr. Shirish Patwardhan and Medha Gokhale gave guidance to the present ladies staff. Various competitions for women staff were arranged during this function. On the occasion of International Women's Day, the staff of The Cosmos Co-operative Bank Ltd, collected various items of stationery of daily use and had given it to a NGO "Make a Difference" working for small kids as a part of their Corporate Social Responsibility (CSR)
- The Bank's Cricket Team participated in 2 cricket competitions during this financial year. In this competition, Bank has won 2 matches.

BRANCH EXPANSION

Date	Branch Name
26 th September, 2014	Borivali (East), Mumbai
30 th September, 2014	Coimbatore, Tamilnadu
7 th November, 2014	Andheri (West), Mumbai
18 th January, 2015	Hosur, Tamilnadu
18 th January, 2015	Anna Nagar, Chennai
18 th January, 2015	Madipakkam, Chennai

SHIFTING OF PREMISES TO NEW LOCATIONS

Date	Branch Name
2 nd May, 2014	Some Departments of Dadar Branch & Mumbai Regional Office
16 th June, 2014	Dashmesh Nagar, Aurangabad
21 st August, 2014	Pune Ambegoan (Bk.)
7 th October, 2014	Bank's Head Office

BRANCH INAUGURATIONS

- 23rd September 2014 – New Branch at Borivali (East), Mumbai was inaugurated at the hands of Bank's Chairman Shri. Krishnakumar Goyal
- 17th March 2015 - Andheri (West) Branch, Mumbai was inaugurated at the hands of famous Actor Shri. Ajinkya Dev.
- 2nd May 2015 – Madipakkam, Chennai Branch was inaugurated at the hands of Shri. Anand Patil (IAS) Director – Dept. of Financial Services, Ministry of Finance, Govt. of India
- 2nd May 2015 – Anna Nagar, Chennai Branch was inaugurated at the hands of Shri. M. N. Manjunath (IPS), IG North Zone Tamilnadu.

NEW CORPORATE OFFICE – COSMOS TOWER

The construction of the new Corporate Office situated on the University Road was completed during the year under review. This iconic building was aptly named as Cosmos Tower. Various departments of the Head Office were shifted into Cosmos Tower in the month of October.

Before the shifting, on the morning of 29th September 'Vastu Pooja' was conducted at Cosmos Tower. In the special programme on the same day in the evening renowned orthopaedic surgeon Padma Vibhushan Dr. K. H. Sancheti unveiled your Bank's new logo.

Special visitors' days were arranged on September 30th, October 1st & 2nd for members, customers, well-wishers, administrative officers, semi-government officials, officers of various institutes, etc. During these 3 days, almost 10000 visitors visited Cosmos Tower and expressed their satisfaction and appreciation for the state-of-the-art, magnificent corporate office.

The expenditure on this building at the end of 31st March, 2015 was ₹117 crore.

The inauguration of the Corporate Office was conducted on November 25th, 2014 at the hands of Hon'ble Devendra Fadnis, Chief Minister, Maharashtra. A special programme was arranged on this occasion at the Polytechnic College Sports Ground situated on the University Road. Present on this occasion were Hon'ble Dilip Kamble, Minister of State for Social Welfare, Member of Parliament - Hon'ble Anil Shirole, Member of Rajya Sabha - Hon'ble Sanjay Kakade, Mayor of Pune, Hon'ble Dattatray Dhankawde along with MLA's, Corporators, Dignitaries from various fields and members of the Bank.

Following the inauguration, many dignitaries like Ex-President of India, Shrimati Pratibha Patil, Senior Scientist and Director of Reserve Bank of India, Mr. Anil Kakodkar, Deputy Governor of Reserve Bank of India, Mr. S. S. Mundra etc., visited Cosmos Tower and appreciated the state-of-the-art, magnificent corporate office.

ANNIVERSARY

Your Bank celebrated 'Tilgul Samarambh' to commemorate its 109th anniversary on 18th January 2015 at Cosmos Tower. Our members, account holders and well-wishers were present in large numbers on the occasion. This is the first Ceremony at the new premises of the Bank.

On the occasion of the 109th anniversary of your Bank celebrated on 18th January 2015, various schemes for customers have been announced including Cosmo Dhan Vruddhi Special Deposit Scheme, Agreement with FINO for Financial inclusion, announcement of opening new branches in Tamilnadu.

From this Financial Year your Bank has decided to celebrate branch anniversaries through various social and cultural initiatives to reach as many customers as possible.

OTHER EVENTS

1. On 27th August 2014 Bank has organized a programme on “Modi Government’s Budget Policy” by Shri. Chandrshekar Tilak, Vice President of NSDL. In this session Shri. Tilak explained various provisions in the Union Budget and also answered the various queries raised by the audience.
2. On 6th March 2015 Bank has organized a programme on Central Budget 2015-16 in collaboration with Garware College of Commerce, Pune. In this programme, the lecture was given by Shri. Chandrashekar Tilak, Vice President of NSDL.
3. The official inauguration of “Pradhanmantri Suraksha Bima Yojana & Pradhanmantri Jivanjyoti Bima Yojana was done on 21st May 2015 at the Corporate Office of the Bank at the auspicious hands of renowned Cricketer Mr. Ajinkya Rahane. At that time famous sports journalist Mr. Sunandan Lele and Officers of LIC & New India Assurance Co. were also present.
4. On the occasion of 7th anniversary of Satara Branch, renowned economist and CDSL’s investor’s education department’s chief Shri Chandrashekhar Thakur has delivered a lecture namely “Sha....Share Bajaracha”. In the said lecture he guided on various topics viz. Demat, IPO, Book Building, Pay In Pay Out, T+2, On line Trading, Mutual Fund, Rajiv Gandhi Equity Savings Scheme, Stock Exchange Methodology, Choosing a perfect Broker and security coverage available to the investors.
5. Cosmos Bank and Maharashtra Knowledge Corporation Ltd. (MKCL) are jointly organizing a workshop at some branches regarding Net Banking and Digital Citizen. The said workshop is available free of cost to the Bank’s customers and under this, trainings on various topics will be given viz. Introduction to Online Account, Operations of Banking transaction, Online Bill Payment, Fund Transfer, Shopping etc. which can be done by the customer in the comfort at their home.

ACCOLADES

1. Your Bank has received a permanent AD-Cat I license for foreign exchange services from Reserve Bank of India.
2. Your Bank received “The Best Bank Award” (for the year 2013-14) for outstanding performance in the field of Information & Technology from The Maharashtra Urban Co-op. Banks Federation Ltd. Your Bank has been selected amongst all other Co-op. Banks from Maharashtra State for this award.
3. For International Correspondent relationships, Commerz Bank AG Frankfurt, Germany has bestowed an award upon your Bank for the year 2014. Commerz Bank is the leading German Bank. While conferring this award on your Bank, they have appreciated and noted your Bank’s best co-operation, committed workforce & highest professionalism in your Bank’s operations.
4. Bank’s Alternate Banking Channels Cell has been certified with ISO 9001:2008 for Quality Management System by BSI which is world renowned Co. of Britain. The said Certificate is valid from 21.12.2014 to 12.12.2017.
5. Your Bank has received “The NSDL Star Performer Award - 2014” in a specially arranged function in Mumbai from the hands of MD & CEO Shri. G. V. Nageshwar Rao & Senior Director Shri. Rajesh Joshi of NSDL.
6. Your Bank has received a permanent license from SEBI to work as a Depository Participant for NSDL and CDSL.
7. Your Bank is the first amongst the Co-Operative Banks to whom Insurance Regulatory & Development Authority (IRDA) has granted permission to provide charges free service for maintaining Life Insurance Policies issued by Public & Private Insurance Companies in Demat form for its Customers.

DIRECTORS’ ACHIEVEMENT

1. Your Bank’s Hon’ble Chairman Shri. Krishnakumar Goyal was awarded with the recognition of “Paul Harris Fellow” by the Rotary Foundation of Rotary International at the hands of Shri. P T Prabhakar, Director- Rotary International 2013-15 at Rotarian Dr. Deepak Shikarpur – District Governor Rotary International 2013-14 was present on this occasion.
2. Your Bank’s Hon’ble Chairman Shri. Krishnakumar Goyal has been felicitated with a district level “Adarsha Vyapari Uttam Puraskar” also known as Vyapar Maharshi Uttamchand in the memory of Baba Pokarna by The Poona Merchants Chamber.

3. Your Bank's Hon'ble Chairman Shri. Krishnakumar Goyal has been elected as a Vice Chairman of Pune Festival.
4. Your Bank's Hon'ble Chairman Shri. Krishnakumar Goyal was conferred upon with the "Icon of PCMC" award.
5. Your Bank's Senior Director Dr. Mukund Abhyankar had a meeting with our Hon'ble Prime Minister Narendra Modi, Hon'ble speaker of Loksabha Mrs. Sumitra Mahajan and Hon'ble Governor Shri. Raghuram Rajan in the capacity of Chairman of 'NAFCUB'.
6. Your Bank's Senior Director & Chairman of 'NAFCUB' Dr. Mukund Abhyankar has been unanimously elected at the Board of a National Level Institute "National Film & Fine Arts Co-operative Limited," New Delhi for a tenure of Five years.

ACHIEVEMENTS OF EXECUTIVES

Your Bank's Chief General Manager – Accounts, Audit – Vigilance and Credit Supervision, Mrs. Nayan Lagad has been conferred with '100 most Influential CFOs of India Award'. CIMA is the world's largest and leading professional body of management accountants. Mrs. Nayan Lagad was selected for this award by eminent Jury Members as a mark of her contribution to Cosmos Bank and her outstanding work.

AMENDMENT TO BYE-LAWS

In accordance with the Annual General Meeting Held on 22nd June 2014, it was resolved to amend Bye-law No.2 (Registered Office), 3 (Area of Operation), 4 (Minimum level of service), 6 (Active Member) 11 (Identification of Member-KYC) & 28 (Voting Rights), and accordingly same was sent to Agriculture & Co-operative Department, Government of India, New Delhi for registration.

Approval has been received on 15th September 2014 for all the above mentioned Bye-laws from Agriculture & Co-operative Department, Government of India, New Delhi. Therefore from 15th September 2014 the said Bye-laws have been made applicable to the Bank accordingly.

GRATITUDE AND VISITS

During the year under report, various renowned personalities graced your Bank with their visit. The prominent personalities amongst them were:-

- Smt. Pratibha Patil, Former President of India,
- Shri. Anil Kakodkar, Senior Scientist and Director Reserve Bank
- Shri. S. S. Mundra, Deputy Governor, Reserve Bank
- Shri. Vijay Paul Sharma, Chairman Agri-business Management, IIM Ahmedabad
- Shri. Vikas Deshmukh, Divisional Commissioner, Pune
- Dr. Ashish Kumar Bhutani, Jt. Secretary (Marketing) Department of Agriculture, Government of India.
- Shri. Ajinkya Rahane, renowned upcoming cricketer
- Shri. P T Prabhakar, Director- Rotary International 2013-15
- Dr. Deepak Shikarpur – District Governor Rotary International 2013-14
- Shri. Suresh Prabhu – Hon. Minister for Railways

We also take this opportunity to express our gratitude to officials of Central Registrar, Department of Agriculture and Co-operatives, Government of India, New Delhi & the officials of the Reserve Bank of India. Along with the above, we also express our gratitude towards the Co-operative Commissioner and Registrar and officials of the Department of Co-operation for the states of Maharashtra, Madhya Pradesh, Andhra Pradesh, Tamilnadu, Telangana, Karnataka and Gujarat. We also thank the officials of the Maharashtra State government and all concerned authorities and officers.

Bank Employee's Union has a lion's share in the progress of the Bank. We take this opportunity to express our gratitude towards the Union and its office bearers.

Last but not the least, we owe a lot to our depositors, account holders, members and all our staff and officers without whom this progress could not have been achieved.

Thanks to everyone from the bottom of my heart.



Krishnakumar Goyal
Chairman

Date : 22nd August, 2015

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

CORPORATE GOVERNANCE

Following Committees were formed to oversee the banking operations, loan sanction and to consider and approve policy matters.

1. Pune Region & Outside Branches Region Loan Committee	7. Investment & Foreign Exchange Committee
2. Mumbai & Gujarat Region Loan Committee	8. Staff Committee
3. Executive Committee	9. Recovery Committee (Pune Region & Outside Branches Region)
4. Development & Member Relation Committee	10. Recovery Committee (Mumbai Region & Gujarat Region)
5. Financial Inclusion Committee	11. PNPA Monitoring Committee
6. Audit Committee	12. Fraud Monitoring Committee

During the year, 113 meetings of Board of Directors and 28 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. Shri. Krishnakumar Goyal	28	27	102	98
2. Shri. Madhukar Atre	28	27	55	55
3. Dr. Mukund Abhyankar	28	24	53	39
4. Dr. Smita Jog	28	26	32	28
5. Shri. Milind Kale	28	26	70	63
6. Shri. Govind Kshirsagar	28	27	27	24
7. Adv. Jayant Shaligram	28	26	28	24
8. Shri. Prakash Joshirao*	08	07	04	03
9. Shri. Sunil Sabnis	28	23	37	28
10. Shri. Rajeev Sabade*	08	08	04	04
11. Adv. Pralhad Kokare	28	27	54	51
12. Adv. Shripad Panchpor	28	23	47	43
13. Shri. Jitendra Shah	28	28	27	26
14. Shri. Shashikant Bugde **	20	18	01	01
15. Shri. Arvind Deshpande**	20	18	17	16

* After being newly elected as Director, were present for the meetings since 04/01/2015.

** Were present for the Meetings before the Board Elections dated 28th December 2014.

MEMBERSHIP

In the year under report your Bank offered membership to 3087 individuals and organizations. Due to resignations and other reasons 1234 were reduced from the members list. Thus, as on 31st March 2015 the Bank comprises of 81240 members.

KYC & AML

The Bank is complying with all the guidelines related to AML & KYC 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 ALM & KYC 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 is submitted to Financial Intelligence Unit – India (FIU – IND) as and when required.

CUSTOMER SERVICE

The Bank has a strong focus on customer service and is committed to offer a memorable banking experience to customers. The bank has maintained its focus on product differentiation. The Bank is, however, constantly pursuing its goal of innovative products and technological up gradation in a cost effective manner for delivering qualitative customer service.

The Bank strongly believes in values like customer centricity, continuous learning, and technology with sensitivity, ethics transparency team work, operational efficiency and people empowerment. Every endeavour is made to reflect these values in all our dealings with customers.

Solution provider staff at branches, Robust Grievance Redressal Mechanism, 24*7 Internet and Mobile Banking Helpdesk with facility of toll free numbers, Customer-Care contact center, Branch level customer service committee meetings with Customer Advocacy, efficient staff and officer to redress customer grievances, are the customer centric services which have been made operational.

Moreover the regulatory requirement, Nodal Officer is appointed to resolve the customer complaints where customer is not satisfied with the resolution provided at the Branch/Regional Level

Nodal Officer ensures an early and satisfactory redressal of customer complaints.

DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS

1. Financial Year 2011-2012	
Date & Venue	Sunday, 22 nd July 2012, Shivshankar Hall, Maharshinagar, Pune – 411037
Specific directives accepted in the meeting	<ol style="list-style-type: none"> Amendment suggested in the in the meeting bye-laws of the bank / new bye-laws accepted. Bye-law No.3 – Area of Operation Bye-law No.12 – Authorized Share Capital Appointment of M/s Yardi Prabhu & Associates and M/s S. D. Medadkar as Statutory Auditors for the year 2012-13
2. Financial Year 2012-2013	
Date & Venue	Sunday, 4 th August July 2013, Shivshankar Hall, Maharshinagar, Pune – 411037
Specific directives accepted in the meeting	<ol style="list-style-type: none"> Amendment suggested in the (xxxiv), 6(a)(ii)(b), (b)(iv), 7 (iv)(b), 24 (i), (ii) (a), 32 (iv), (xxiii), 38 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 Amendments in Bye-law Nos. 31 (i), (ii) & (iv) are withdraw. Appointment of M/s P. G. Bhagwat and M/s S. D. Medadkar & Co. as Statutory Auditors for the year 2012-13. Sanction was given to take interest free loan amount maximum upto ₹25 crores 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.) Sanction was given for disbursement of dividend @ 12% for 2012-13.
3. Financial Year 2013-2014	
Date & Venue	Sunday, 22 nd June 2014, Shivshankar Hall, Maharshinagar, Pune – 411037
Specific directives accepted in the meeting	<ol style="list-style-type: none"> Amendment suggested in the bye-laws of the bank viz, sub clause 2,3,4,6,11 and 28 / new bye-laws accepted. Appointment of M/s Yardi Prabhu & Associates and M/s P.G Bhagwat, Chartered Accountants as Statutory Auditors for FY 2014-15 Approve and Declare Dividend @ 12%

AN APPEAL TO THE MEMBERS

- 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.
- 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.
- Please notify any change in your mailing address immediately.
- 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 will be made 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 is 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 Depositors, Demat account holders are requested to register their mobile numbers. Demat account holders who have not yet mentioned their nominations are requested to do so immediately, and those who do not wish to mention nomination are requested to inform the same to the Demat department.

AN APPEAL TO THE MEMBERS

1. 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 seized & money will not be allowed to be withdrawn from such accounts.
2. As per Reserve Bank of India's guidelines certain enhancements and standardization in the security features and format of cheque have been done to prevent the frauds and delays occurred in cheque clearing process of the banks. Accordingly, Reserve Bank has directed all banks that only CTS-2010 (Standard) compliant cheques should be used and Non-CTS cheques should be cancelled from circulation. Your Bank has started issuing CTS-2010 (Standard) compliant cheques since 2011 and also communicated through different communication channels in this respect. Hence, all customers are hereby informed that those who have not collected CTS-2010 (Standard) cheques are requested to submit Non-CTS cheques available with them to their respective branch and collect the CTS-2010 (Standard) compliant cheques.
3. As directed in the Financial Bill 2015, TDS was made applicable on all deposits to all shareholders, members and nominal members with effect from 1st June, 2015. TDS will be applicable to Recurring and Fixed Deposits in case their cumulative interest amount exceeds ₹10,000/-. Similarly, while calculating TDS, your Bank will be considered as a single entity, i.e. if total interest earned in all the branches of your Bank together exceeds ₹10,000/-, it will be applicable for TDS. The said TDS is applicable for the Financial Year 2015-16.

BALANCE SHEET AS AT 31ST MARCH, 2015

31-3-2014 ₹	No. क्र.	CAPITAL AND LIABILITIES कर्जे व देणी	SCH	31-3-2015 ₹
3,139,201,500.00	1.	Share Capital / भागभांडवल	A	3,124,283,500.00
13,684,314,328.99	2.	Reserve Fund and Other Reserves / गंगाजळी व इतर निधी	B	15,401,088,227.56
—	3.	Principal and Subsidiary State Partnership Fund Account शासनाची प्रमुख अथवा सहाय्यकारी भागिदारी निधी		—
147,332,154,087.60	4.	Deposits and Other Accounts / ठेवी व अन्य खाती	C	158,350,762,494.61
3,679,951,841.25	5.	Borrowings / कर्जे	D	4,725,358,680.56
1,937,617,313.25	6.	Bills for Collection Being Bills Receivable (As per Contra) वसुली स्विकारलेली बिले (दुबेरजीप्रमाणे)		2,260,694,120.50
202,224.50	7.	Branch Adjustments / शाखा मिळवणी		3,624,630.00
2,503,030,118.84	8.	Overdue Interest Reserve / थकबाकी व्याज तरतुद On Non-Performing Advances / अनुत्पादित कर्जावरील		2,127,123,314.47
88,449,094.96	9.	Interest Payable / व्याज देणे		19,838,339.56
3,649,446,402.66	10.	Other Liabilities / इतर देणी	E	4,228,880,989.18
35,247,575.00	11.	Merged Banks Collection Account Payable विलीनिकरण झालेल्या बँकांचे कलेक्शन अकाँट पेएबल	F	35,247,575.00
846,090,304.03	12.	Profit and Loss Account / नफा-तोटा खाते	G	616,252,038.62
		NOTES ON ACCOUNTS	R	
176,895,704,791.08				190,893,153,910.06
		Contingent Liabilities : संभाव्य देणी		
3,650,196,807.84		Bank Guarantees बँक हमी		4,006,373,665.15
4,709,345,138.18		Letters of Credit Issued लेटर ऑफ क्रेडिट		4,078,331,671.62
2,680,889,466.00		Forward Exchange Contracts Purchase/Sale फॉरवर्ड एक्सचेंज कॉन्ट्रॅक्ट परचेस / सेल		2,280,157,221.00
—		Others: Depositor Education & Awareness Fund इतर: ठेवीदार शिक्षण आणि जाणिव निधी		146,499,892.02

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

Signature to the Accounts including Schedules and Notes on Accounts

Sudhan D. Yardi, Partner
 M. No. : 22887
 For M/s. Yardi Prabhu & Associates
 Chartered Accountants
 Statutory Auditor
 F.R.No. 111727 W
 Place : Pune
 Date : 22/05/2015

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

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

३१.३.२०१५ अखेरचा ताळेबंद

31-3-2014 ₹	No. क्र.	PROPERTY AND ASSETS जिंदगी व येणे	SCH	31-3-2015 ₹
9,141,045,895.54	1.	Cash and Bank Balances / श्री शिल्लक व बँकेतील शिल्लक	H	9,031,649,823.72
1,275,541,942.75	2.	Balances With Other Banks / इतर बँकातील शिल्लक	I	1,476,898,734.19
—	3.	Money at Call and Short Notice (in CBLO) / मागणीकरताच मिळणाऱ्या वा अल्प नोटीशीने मिळणाऱ्या ठेवी		—
48,545,888,784.97	4.	Investments / गुंतवणूक	J	52,502,119,784.51
102,952,841,881.29	5.	Advances / कर्जे	K	111,597,591,989.40
876,795,666.05	6.	Interest Receivable / व्याज येणे Interest on Deposits & Securities ठेवी व रोख्यांवरील व्याज		968,645,952.52
2,503,030,118.84		Overdue Interest on Loans & Advances कर्जखात्यांवरील थकित येणे व्याज		2,127,123,314.47
1,937,617,313.25	7.	Bills receivable being Bills for Collection(As per Contra) वसुलीसाठी पाठविलेली बिले (दुबेरजीप्रमाणे)		2,260,694,120.50
4,778,477,671.37	8.	Fixed Assets (Gross Block Less Accumulated Depreciation) / कायम जिंदगी	L	6,163,976,627.70
4,134,623,679.94	9.	Other Assets / इतर येणी	M	4,014,950,995.56
180,789,000.00	10.	Non Banking Assets Acquired in Satisfaction of Claims कर्ज फेडीत बँकेने खरेदी केलेल्या मिळकती		180,789,000.00
421,076,490.00	11.	Deferred Tax Asset / डिफर्ड टॅक्स ॲसेट		470,813,490.00
147,976,347.08	12.	Goodwill A/C - Merged Banks गुडविल खाते - विलीनिकरण बँका	N	97,900,077.49
176,895,704,791.08				190,893,153,910.06

Vikrant P. Ponshe
Managing Director

Krishnakumar K. Goyal
Chairman

Madhukar W. Atre
Vice Chairman

Suhas S. Gokhale
Jt. Managing Director

Nayan Lagad
Chief General Manager

Directors

Mukund L. Abhyankar
Smita V. Jog
Milind A. Kale

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)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2015

31-3-2014 ₹	No. क्र.	EXPENDITURE खर्च	SCH		31-3-2015 ₹
11,950,513,680.43	1.	Interest on Deposits, Borrowings etc. ठेवी व कर्जावरील दिलेले व्याज			12,860,973,231.74
1,087,440,034.10	2.	Salaries, Allowances, PF Contribution & Gratuity etc. / पगार, भत्ते, प्रॉ. फंड, वर्गणी आणि ग्रेच्युइटी इ.			1,233,954,052.27
1,254,952.00	3.	Directors Fees & Allowances / संचालक मंडळ फी व भत्ते			1,124,201.00
492,580,207.38	4.	Rent, Taxes, Insurance, Light etc. / भाडे, कर, विमा व वीज इ.			571,075,214.63
978,899.00	5.	Legal Charges / कायदेशीर सल्ल्याबाबत मुशाहिरा			403,449.00
37,624,726.97	6.	Postage, Telegram & Telephone / टपाल, तार व टेलिफोन			45,592,705.51
21,348,720.78	7.	Auditors Fee / आयव्यय निरीक्षक फी			23,989,576.60
185,495,754.13	8.	Depreciation, repairs, maintenance to Bank's Property / इमारत, फर्निचर, कॉम्प्युटर्स इ. वरील झीज व दुरुस्ती खर्च			281,852,565.32
106,917,354.61	9.	Stationery, Printing, Advt. Sadil etc. लेखन साहित्य, छपाई, जाहिरात, सादिल इ.			109,189,806.61
85,189,753.39	10.	Amortisation of Premium on Securities अमोर्टायझेशन ऑफ प्रिमियम ऑन सिक्क्युरिटीस्			106,904,967.30
363,310,404.11	11.	Other Expenditure / इतर खर्च	O		450,970,287.92
55,273,420.97	12.	Goodwill W/Off - Merged Banks / गुडविल राईट ऑफ विलीन बँका	P		20,536,275.00
2,308,649,324.83	13.	(i) Provision for Assets / असेट्ससाठी तरतूद			2,043,252,824.81
10,047,000.00		(ii) Reserve for Infrastructure & Housing Development / पायाभूत सुविधा व गृहविकास तरतूद			9,549,461.96
883,721,277.74	14.	Bad Debts Written off / बुडीत कर्जे राईट ऑफ			1,738,541,023.89
778,715,273.41	15.	Profit before Tax / कर आकारणी पूर्व नफा			866,689,301.59
380,000,000.00	16.	Income Tax - Current Year / आयकर अहवाल वर्ष		340,000,000.00	
(259,383,577.00)		Income Tax Earlier Years (Excess)/Short आयकर मागील वर्षी		—	—
15,107,000.00		Add /(Less): Deferred Tax / डिफर्ड टॅक्स		(49,737,000.00)	290,263,000.00
642,991,850.41		Profit after Tax / नक्त नफा			576,426,301.59
(200,150,324.83)	17.	Reversal of Excess Investment Fluctuation Reserve / गुंतवणूक चढ उतार निधी जादा तरतूद जमा			—
843,142,175.24	18.	Net Profit carried to Balance Sheet नक्त नफा ताळेबंदाकडे वर्ग			576,426,301.59
		NOTES ON ACCOUNTS	R		
18,369,060,783.85					20,364,598,945.15

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

Signature to the Accounts including Schedules and Notes on Accounts

Sudhan D. Yardi, Partner
 M. No. : 22887
 For M/s. Yardi Prabhu & Associates
 Chartered Accountants
 Statutory Auditor
 F.R.No. 111727 W
 Place : Pune
 Date : 22/05/2015

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

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

३१-३-२०१५ अखेरचे नफा-तोटा पत्रक

31-3-2014 ₹	No. क्र.	INCOME उत्पन्न	SCH		31-3-2015 ₹
15,550,915,680.71	1.	Interest & Discount व्याज व कसर	Q		16,657,194,295.25
932,123,609.20	2.	Profit On Sale Of Securities (Net) रोखे विक्रीवरील नफा			1,123,313,188.91
558,065,931.27	3.	Commission / कमिशन			548,775,632.06
88,375,475.03	4.	Exchange / हंडणावळ			71,354,612.07
27,274,884.33	5.	Interest Recovery On NPAs Written Off राइट ऑफ केलेल्या अनुत्पादित कर्जावरील व्याजाची वसुली			16,247,389.31
	6.	Other Receipts / इतर जमा			
67,466.05	a)	Rent / भाडे		64,479.00	
1,230,629.60	b)	Share Transfer Fee, Form Fee etc. भाग वर्ग, फॉर्म फी इ.		1,083,133.84	
44,032,756.82	c)	Locker Rent / लॉकर भाडे		50,497,188.75	
114,062,309.00	d)	Interest on Income Tax Refund आयकर परताव्यावरील व्याज		—	
3,737,290.90	e)	Other Income / इतर उत्पन्न		515,764.65	
12,081,020.37	f)	Depository Income / डिपॉझिटरी उत्पन्न		12,355,703.94	
81,405,566.24	g)	Principal Recovery in NPAs Written off. राइट ऑफ केलेल्या अनुत्पादित कर्जामधील मुदलाची वसुली		76,210,008.89	
				140,726,279.07	140,726,279.07
37,417,886.59	7.	Profit On Sale Of Properties / इमारती विक्रीवरील नफा			—
17,000.00	8.	Excess Provision For Merged Bank Losses Written Back / विलीन बँकेची जादा तरतूद परत जमा			36,446,524.59
38,782,000.00	9.	Provision For Investment Diminution Not Required W/Back / रोखे अवमूल्यन निधीतून जमा			—
—	10.	Provision For Restructured Assets Not Required Written Back/ रिस्ट्रक्चर्ड ॲसेट्सवरील तरतूद परत जमा			32,000,000.00
879,471,277.74	11.	B.D.D.R Written Back / बुडीत व संशयित कर्ज निधीतून जमा			1,738,541,023.89
18,369,060,783.85					20,364,598,945.15

Vikrant P. Ponskshe
Managing Director

Krishnakumar K. Goyal
Chairman

Madhukar W. Atre
Vice Chairman

Suhas S. Gokhale
Jt. Managing Director

Nayan Lagad
Chief General Manager

Directors

Mukund L. Abhyankar
Smita V. Jog
Milind A. Kale

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)

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
10,000,000,000.00	SCHEDULE-"A"		10,000,000,000.00
	SHARE CAPITAL		
	A) Authorised Capital		
	100000000 Shares of ₹100/- each		
	अधिकृत भागभांडवल (प्रत्येकी ₹१००/- प्रमाणे)		
	B) Issued, Subscribed and Paid-up :		
	वसूल भागभांडवल		
3,139,201,500.00	Shares of ₹ 100/- each fully paid:		
	held by :		
	Individuals : 27293688	2,729,368,800.00	
	Others : 3949147	394,914,700.00	
			3,124,283,500.00
3,139,201,500.00			3,124,283,500.00
	SCHEDULE-"B"		
	RESERVE FUND & OTHER FUNDS		
	गंगाजळी व इतर निधी		
2,324,927,797.61	1) Statutory Reserve Fund / गंगाजळी	2,491,377,603.95	
1,224,662,052.30	2) Building Fund / इमारत निधी	1,224,662,052.30	
3,203,071,578.41	3) Reserve for Bad & Doubtful Debts	3,546,944,245.18	
	बुडीत व संशयित कर्ज निधी		
32,000,000.00	4) Provision for Restructured Assets	—	
	रिस्ट्रक्चर्ड असेट्सवरील तरतूद		
356,260,063.00	5) Contingent Provision for Standard Assets	376,932,063.00	
	स्टॅंडर्ड असेट्सवरील संभाव्य तरतूद		
111,590,894.71	6) Contingent Provision against depreciation in	79,024,312.44	
	Investments / गुंतवणूक घसान्यासाठी संभाव्य तरतूद		
661,084,323.22	7) Investment Fluctuation Reserve	861,584,323.22	
	रोखे अवमूल्यन निवारण निधी		
113,810,326.87	8) Provision for Ahmedabad Co-op. Bank Losses	77,363,802.28	
	(Since Amalgamated)		
500,000.00	9) Staff Death Benevolent Fund	2,000,000.00	
	अहमदाबाद बँकेचा तोटा व तरतूदीसाठी राखीव		
3,011,916.24	10) Staff Development Fund / सेवक विकास निधी	3,197,484.24	
25,362,714.83	11) Member Child Education Fund	27,229,410.83	
	सभासद पाल्य शिक्षण निधी		
92,700.69	12) Social / Member Commitment Reserve	83,419.69	
	सभासद/सामाजिक बांधिलकी निधी		
2,774,937,631.02	13) Building Revaluation Reserve	3,783,833,653.38	
	इमारत पुनर्मूल्यांकन निधी		
74,286,266.00	14) Reserve For Infrastructure & Housing	83,835,727.96	
	Development / पायाभूत सुविधा व गृहविकास निधी		
790,853,860.85	15) Reserve for Unforseen Losses	855,153,050.85	
	आकस्मिक तोट्यासाठी राखीव निधी		
1,613,747,892.40	16) General Reserve / सर्वसाधारण निधी	1,613,752,767.40	
374,114,310.84	17) Earmarked Fund for ARC/ एआरसी इअरमार्क्ड फंड	374,114,310.84	15,401,088,227.56
13,684,314,328.99			15,401,088,227.56

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
	SCHEDULE-"C"		
	DEPOSIT AND OTHER ACCOUNTS		
	ठेवी व अन्य खाती		
	(i) TERM DEPOSITS / मुदत ठेवी		
103,159,808,092.49	a) From Individuals & Others / व्यक्तिगत	110,850,169,389.83	
—	b) From Central Co-op Banks / मध्यवर्ती सहकारी बँक्स	—	
18,830,852,907.51	c) From Other Societies/ इतर संस्था	20,790,511,377.59	
121,990,661,000.00			131,640,680,767.42
	(ii) SAVINGS BANK DEPOSITS / बचत खाते ठेवी		
18,596,065,025.30	a) From Individuals & Others / व्यक्तिगत	19,668,196,119.79	
—	b) From Central Co-op Banks / मध्यवर्ती सहकारी बँक्स	—	
547,733,407.84	c) From Other Societies / इतर संस्था	562,319,601.62	
19,143,798,433.14			20,230,515,721.41
	(iii) CURRENT DEPOSITS / चालू खाते ठेवी		
5,838,916,586.69	a) From Individuals & Others / व्यक्तिगत	5,957,279,088.48	
—	b) From Central Co-op Banks / मध्यवर्ती सहकारी बँक्स	—	
358,778,067.77	c) From Other Societies/ इतर संस्था	522,286,917.30	
6,197,694,654.46			6,479,566,005.78
147,332,154,087.60			158,350,762,494.61
	SCHEDULE-"D"		
	BORROWINGS / कर्जे		
998,905,309.25	1) CBLO Borrowings / सी.बी.एल.ओ. कर्जे	—	
—	2) REPO	2,362,213,402.56	
179,745,000.00	3) FCY Borrowings - USD	125,000,000.00	
2,301,301,532.00	4) Long Term (Subordinated) Deposits	2,238,145,278.00	
200,000,000.00	5) Export Credit Refinance / निर्यात क्रेडिट रिफायनान्स	—	
3,679,951,841.25			4,725,358,680.56
	SCHEDULE-"E"		
	OTHER LIABILITIES / इतर देणी		
159,151,637.19	a) Outstanding Payments / बिले देणे	230,730,161.04	
11,425,441.93	b) Dividend Payable / लाभांश देणे	11,552,532.75	
289,779,184.09	c) Suspense Account / अनामत	268,452,007.83	
379,766,999.34	d) Payslip Payable / पेस्लीप पेएबल	383,068,897.34	
354,764,568.26	e) Other Liabilities / इतर देणी	392,973,869.63	
226,752,710.34	f) Sundries / इतर	359,367,339.72	
2,210,204,514.00	g) Income Tax Provision / आयकर तरतूद	2,550,204,514.00	
2,032,092.00	h) Interest Received in Advance on Export Credit	9,146,185.35	
15,569,255.51	i) Collection Account Recovery Merged Banks- Amravati Peoples Co-op Bank	23,385,481.52	
	विलीन बँकांचे वसुली खाते - अमरावती पीपल्स को.ऑप.बँक		
3,649,446,402.66			4,228,880,989.18
			4,228,880,989.18

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
	SCHEDULE-"F" MERGED BANKS COLLECTION ACCOUNT PAYABLE विलीनीकरण झालेल्या बँकांचे कलेक्शन अकाउंट पेएबल		
21,323,800.00	1) Unnati Co-op. Bank Ltd., Baroda / उन्नती सह. बँक	21,323,800.00	
13,923,775.00	2) Sushil Kumar Nahata Co-op. Bank, Bhusawal सुशीलकुमार नाहाटा बँक	13,923,775.00	
35,247,575.00			35,247,575.00
	SCHEDULE-"G" PROFIT AND LOSS ACCOUNT Profit as per last Balance Sheet मागील ताळेबंदानुसार नफा	846,090,304.03	
	Less: Appropriation / वजा : विभागणी		
241,040,830.00	a) Statutory Reserve Fund / गंगाजळी	160,747,970.00	
349,329,755.00	b) Dividend / लाभांश	374,287,487.00	
9,641,634.00	c) Education Fund / शिक्षण निधी	6,429,920.00	
96,416,332.00	d) Reserve for Unforeseen Losses आकस्मित तोट्यासाठी राखीव निधी	64,299,190.00	
200,000,000.00	e) Investment Fluctuation Reserve रोखे अवमूल्यन निवारण निधी	200,500,000.00	
67,500,000.00	f) Building Fund / इमारत निधी	—	
2,948,128.79			39,825,737.03
843,142,175.24	Add: Net Profit for the year as per Annexed A/c. अधिक : चालू वर्षाचा नफा		576,426,301.59
846,090,304.03			616,252,038.62
	SCHEDULE - "H" CASH & BANK BALANCES रोख शिल्लक व बँकांकडील शिल्लक		
850,133,712.00	a) Cash In Hand / रोख शिल्लक	642,629,016.50	
8,076,646,115.64	b) Reserve Bank of India / रिझर्व्ह बँक चालू खाते	8,189,798,327.76	
2,119,536.14	c) Current Deposits with State Co-operative Bank Ltd. / स्टेट को-ऑप बँकांकडील चालू खाती	1,029,983.19	
70,402,195.80	d) Current Deposits with Dist.Central Co-op. Bank Ltd. / डिस्ट्रीक्ट सेंट्रल को-ऑप बँकेकडील चालू खाती	68,318,629.80	
111,059,249.96	e) Current Deposits SBI & its Subsidiaries स्टेट बँक व उप बँकांकडील चालू खाती	106,159,999.47	
13,087,864.00	f) Fixed Deposits with State Co-op. Bank Ltd. स्टेट को-ऑप बँकेकडील मुदत ठेवी	22,033,962.00	
17,597,222.00	g) Fixed Deposits with SBI & its Subsidiaries स्टेट बँक व उप बँकांकडील मुदत ठेवी	1,679,905.00	
9,141,045,895.54			9,031,649,823.72
	SCHEDULE - "I" BALANCES WITH OTHER BANKS इतर बँकांकडील शिल्लक		
977,751,330.17	a) Current Deposits with other Banks इतर बँकांकडील चालू खाती	1,138,718,067.66	
297,790,612.58	b) Fixed Deposits with other Banks इतर बँकांकडील मुदत ठेवी	338,180,666.53	
1,275,541,942.75			1,476,898,734.19

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
	SCHEDULE-'J'		
42,587,230,759.97	(i) INVESTMENTS / गुंतवणूक In Central & State Govt Securities सरकारी रोखे (सेंट्रल गव्हर्मेंट व स्टेट गव्हर्मेंट) Face Value ₹ 45,509,017,249.00 (₹42,617,473,849.00) Market Value ₹ 46,644,024,328.18 (₹ 42,499,899,665.26) [Including ₹ 633,615,108.40 (₹1,764,653,777.71) Pledged for Treasury Operations]	46,517,256,759.51	
—	(ii) Other Approved Securities / इतर विश्वस्त रोखे	—	
10,658,025.00	(iii) Shares of Co-operative Banks / सहकारी बँकेचे भाग	10,648,025.00	
1,319,000,000.00	(iv) PSU Bonds / पब्लिक सेक्टर अंडरटेकिंग बॉण्ड्स	1,659,000,000.00	
2,500,000.00	(v) Shares of Subsidiary Co.-Cosmos eSolutions & Services Pvt.Ltd." / उप कंपनीचे भाग - कॉसमॉस ई-सोल्यूशन्स आणि सर्व्हिसेस् प्रा. लि.	2,500,000.00	
4,626,500,000.00	(vi) Security Receipts / सिक्कुरीटी रिसीप्ट्स	4,312,715,000.00	
48,545,888,784.97			52,502,119,784.51
	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		
12,230,173.03	a) Government & Other approved securities / सरकारी व निम सरकारी रोखे	14,488,834.53	
47,313,719,831.23	b) Other Tangible Securities/इतर तारण	50,654,753,357.49	
679,255.06	c) Personal Sureties / कर्जदाराच्या वैयक्तिक जबाबदारी व जामिनकीवरील	499,744.26	
47,326,629,259.32			50,669,741,936.28
3,883,534,266.80	i) Amount overdue ₹ 5,532,631,329.94 पैकी थकबाकी		
	ii) Amounts considered Bad & Doubtful of recovery ₹ 6,338,645,839.47 यापैकी संशयित व बुडीत		
	2) Medium Term Loan of which Secured against: मध्यम मुदत कर्जापैकी संरक्षित कर्जे		
6,725,678.51	a) Government & Other approved Securities / सरकारी व निम सरकारी रोखे	6,741,872.96	
25,023,955,269.02	b) Other Tangible Securities / इतर तारण	26,106,343,357.61	
488,217,128.72	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)	429,584,830.05	
25,518,898,076.25			26,542,670,060.62

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
816,082,519.45	SCHEDULE-"K" (Contd.) ADVANCES / कर्जे i) Amount overdue / ₹ 1,316,957,412.52 पैकी थकबाकी ii) Amounts considered Bad & Doubtful of recovery / यापैकी ₹ 2,038,713,521.92 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 b) Other Tangible Securites / इतर तारण c) Personal Sureties / कर्जदाराच्या वैयक्तिक जबाबदारी व जांमिनकारील	—	
—		34,219,733,413.23	
29,949,149,974.24		165,446,579.27	
158,164,571.48			
30,107,314,545.72			34,385,179,992.50
1,007,937,288.13	i) Amount overdue ₹ 736,805,581.41 पैकी थकबाकी ii) Amounts considered Bad & Doubtful of recovery ₹ 1,918,204,622.80 यापैकी संशयित व बुडीत		
102,952,841,881.29			111,597,591,989.40

Schedule "L"

Fixed Assets

Fixed Assets	Gross Block					Depreciation				Net Block	
	Opening	Additions / Adjustment	Revaluation	Deletions	Closing	Upto	For The	Deletion	Total	WDV As On	WDV As On
		During Year		During Year		31.03.2014	Year 14-15			31.03.2014	31.03.2015
1. Freehold Land	1,312,911,820.00	0.00	641,367,663.00	0.00	1,954,279,483.00	0.00	0.00	0.00	0.00	1,312,911,820.00	1,954,279,483.00
2. Leasehold Land / Premises	8,414,882.36	0.00	0.00	0.00	8,414,882.36	334,882.36	106,527.00	0.00	441,409.36	8,080,000.00	7,973,473.00
3. Buildings	2,558,377,552.33	608,240,824.24	410,611,443.41	0.00	3,577,229,819.98	385,472,138.17	65,667,818.61 *	0.00	451,139,956.78	2,172,905,414.16	3,126,089,863.20
4. Furniture & Fixtures	459,667,719.31	309,187,577.71	0.00	1,550,309.67	767,304,987.35	231,098,613.06	51,396,050.75	1,335,982.35	281,158,681.46	228,569,106.25	486,146,305.89
5. Computers & Other H/W & Electric Items	722,626,564.40	369,684,602.49	0.00	11,468,877.91	1,080,842,288.98	468,065,685.72	112,208,766.96	9,495,148.17	570,779,304.51	254,560,878.68	510,062,984.47
6. Vehicle	36,050,245.39	1,497,779.00	0.00	426,808.00	37,121,216.39	19,546,079.03	4,804,027.14	426,803.00	23,923,303.17	16,504,166.36	13,197,913.22
7. Work In Progress including Capital	784,946,285.92	407,530,269.00	0.00	1,126,249,950.00	66,226,604.92	0.00	0.00	0.00	0.00	784,946,285.92	66,226,604.92
Advance Grand Total	5,882,995,069.71	1,696,141,052.44	1,051,979,106.41	1,139,695,945.58	7,491,419,282.98	1,104,517,398.34	234,183,190.46	11,257,933.52	1,327,442,655.28	4,778,477,671.37	6,163,976,627.70

* Depreciation of ₹ 43083084.05 withdrawn from Building Revaluation Reserve.

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
	SCHEDULE-"M"		
	OTHER ASSETS / इतर येणी		
18,834,736.07	a) Deposits / डिपॉझीटस्	19,375,518.07	
26,286,993.68	b) Clearing A/c / समाशोधन खाते	522,244.80	
10,974,748.61	c) Tasalmat / तसलमात	26,623,459.61	
40,885,016.00	d) Adhesive Stamp & Silver Coins Stock अधेसिव्ह स्टॅम्प व चांदीच्या गणेश मुद्रिका	34,178,256.00	
34,969,024.64	e) Advance to Suppliers विविध खरेदीपोटी दिलेली आगाऊ रक्कम	44,944.00	
29,428,932.90	f) TDS - Invest. Interest, Others टीडीएस रोखे व्याजावरील व इतर उत्पन्नावरील	30,285,421.47	
841,900,164.04	g) Other Receivable / इतर येणी	323,791,786.45	
137,320,782.54	h) Landlord Rent Deposit जागा मालकांना जागा भाडेपोटी दिलेली आगाऊ रक्कम	153,009,717.74	
9,610,929.09	i) Stationery Stock in hand / स्टेशनरी शिल्लक	7,461,862.82	
6,477,886.00	j) Lease Assets / लीज ॲसेटस्	2,442,386.00	
2,974,238.00	k) Hire Purchase Debtors / हायर परचेस येणी	2,887,519.00	
291,275,812.00	l) Income Tax / आयकर	431,507,103.00	
2,498,448,390.00	m) Advance Income Tax / आगाऊ आयकर भरणा	2,798,448,390.00	
13,442,806.91	n) Capital Exp. on Lease Premises भाड्यांच्या जागांसाठी केलेला भांडवली खर्च	14,184,798.33	
9,866,357.00	o) Exchange Profit Adjustment a/c एक्स्चेंज प्रॉफिट ॲड्जस्टमेंट अकौंट	5,030,709.44	
8,879,734.90	p) Sundries / इतर	7,739,389.90	
4,744,410.83	q) Other Assets / इतर ॲसेटस्	3,904,377.06	
2,046,437.91	r) Interest Subvention claim Receivable from RBI रिझर्व्ह बँकेकडून निर्यातदारासाठी व्याजापोटी येणारी रक्कम	—	
50,456,278.82	s) Prepaid Expenses / आगाऊ खर्च	29,785,747.19	
15,800,000.00	t) Cash margin with CCIL सीसीआयएल कडील कॅश मार्जिन	40,600,000.00	
80,000,000.00	u) Securities with Court (Amravati Bank) कोर्टाकडे जमा असलेले रोखे (अमरावती बँक)	80,000,000.00	
—	v) DEAF Claim Receivable/ डेफ क्लेम रिसिव्हिबल	3,127,364.68	
			4,014,950,995.56
4,134,623,679.94			4,014,950,995.56
	SCHEDULE-"N"		
	GOODWILL ACCOUNT - MERGED BANKS		
	पत खाते विलीनीकरण बँका		
113,810,326.87	1) Co-op. Bank of Ahmedabad को-ऑप. बँक ऑफ अहमदाबाद	77,363,802.28	
34,166,020.21	2) Amravati Peoples Co-op. Bank अमरावती पीपल्स को-ऑप. बँक	20,536,275.21	
147,976,347.08			97,900,077.49

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
	SCHEDULE - "O"		
	OTHER EXPENDITURE / इतर खर्च		
1,928,332.01	i) Subscription & Contribution / इतर संस्थांची वर्गणी	2,094,104.76	
1,689,381.00	ii) Society Charges / संस्था देखभाल खर्च	1,374,634.00	
3,293,907.00	iii) Fuel Expenses on Vehicle / वाहन इंधन खर्च	2,994,017.00	
2,667,093.00	iv) Cash Van Exps. / कॅश व्हॅन खर्च	2,802,233.00	
2,492,568.00	v) Meeting Expenses / सभा खर्च	1,650,349.87	
56,118,142.85	vi) Security Service Charges / सुरक्षा खर्च	71,790,430.45	
10,915,210.13	vii) Clearing Charges / समाशोधन खर्च	8,484,690.26	
1,095,737.10	viii) Depository Expenditure / डिपॉझिटरी खर्च	1,097,163.16	
97,772,665.60	ix) Outsourcing Expenses / आऊटसोर्सिंग खर्च	96,904,265.00	
2,218,967.85	x) Inauguration / Anniversary Day Expenses उद्घाटन व वर्धापनदिन खर्च	4,095,283.60	
13,053,664.64	xi) Legal Expenses & Court Expenses / लिगल व कोर्ट खर्च	14,376,934.46	
6,345,380.20	xii) NFS & Bancs service charges / एनएफएस व बँक्स सर्व्हिस खर्च	42,375,025.97	
2,762,608.91	xiii) Bank Charges / बँक चार्जेस	3,095,740.78	
685,342.62	xiv) Board of Directors Lodging / Boarding / Travelling Expenses / संचालक मंडळ लॉजिंग, बोर्डिंग व प्रवास खर्च	284,652.29	
1,416,757.00	xv) Staff Travelling, Lunch etc./ सेवक प्रवास व भोजन इ. खर्च	1,662,298.00	
988,930.76	xvi) Auditor's /Consultants Expenses/ ऑडिटर्स/सल्लागार खर्च	1,125,108.01	
11,860,855.75	xvii) Sundries / इतर खर्च	33,228,969.06	
5,559,570.00	xviii) Transaction Charges (CCIL) / सी.सी.आय.एल. व्यवहार चार्जेस	11,221,465.50	
11,068,185.44	xix) Provision for Other Receivables / इतर येणे तरतूद	70,053.00	
3,778,211.14	xx) Charges for Market View Software मार्केट व्ह्यू सॉफ्टवेअर चार्जेस	3,195,974.17	
9,730,401.12	xxi) Visa Charges / व्हिसा चार्जेस	8,630,587.99	
81,722,250.91	xxii) I.T. Services Consultancy & Maintenance charges / आय.टी. कन्सल्टन्सी व मेंटेनन्स खर्च	82,226,744.60	
1,844,746.40	xxiii) Tax & Other Consultancy Charges / टॅक्स व इतर कन्सल्टन्सी खर्च	3,280,950.80	
22,663,941.00	xxiv) Trusteeship Fee - ARC / ट्रस्टीशिप फी- एआरसी	8,088,100.50	
796,350.00	xxv) Retainer Fees for Recruitment / रिटेनर्स फी फॉर रिक्रुटमेंट	80,000.00	
318,540.00	xxvi) Recovery Agency Charges / रिकव्हरी एजन्सी खर्च	—	
3,164,133.24	xxvii) Record Keeping/ Data Maintenance Expenses / रेकार्ड किपिंग/डेटा मेंटेनन्स खर्च	2,823,849.09	
11,869.00	xxviii) Service Tax / सर्व्हिस टॅक्स	29,790,464.00	

SCHEDULES TO BALANCE SHEET

31-3-2014 ₹	PARTICULARS तपशील	31-3-2015 ₹	31-3-2015 ₹
—	xxix) Board Of Directors Election Expenses / संचालक मंडळ निवडणूक खर्च	6,978,019.03	
3,910,926.44	xxx) ATM/SWIFT/Internet Banking/Mobile Banking / Rupay Charges / एटीएम/स्विफ्ट/इंटरनेट बँकिंग/ मोबाईल बँकिंग/रूपे चार्जेस	2,872,525.57	
1,435,735.00	xxxi) Financial Inclusion & Business Promotion Expenses/ वित्तीय समावेशन व व्यवसाय वृद्धी खर्च	2,275,654.00	450,970,287.92
363,310,404.11			450,970,287.92
	SCHEDULE - “P”		
	PROVISION FOR ASSETS असेट्साठी तरतूद		
2,075,700,000.00	a) Bad & Doubtful Debt Reserve / बुडीत व संशयित कर्ज निधी	2,022,580,824.81	
32,799,000.00	b) Contingent Prov. Against Standard Assets / स्टँडर्ड असेट्सवरील संभाव्य तरतूद	20,672,000.00	
200,150,324.83	c) Investment Depreciation Reserve / गुंतवणूक घसाऱ्यासाठी संभाव्य तरतूद	—	
2,308,649,324.83			2,043,252,824.81
	SCHEDULE - “Q”		
	INCOME FROM INTEREST & DISCOUNT / व्याज व कसर उत्पन्न		
12,042,560,502.84	1) Interest on Loans & Advances / कर्जावरील व्याज	12,816,720,828.89	
3,508,355,177.87	2) Interest from Investments / गुंतवणूकीवरील व्याज	3,840,473,466.36	
15,550,915,680.71			16,657,194,295.25

SCHEDULE “R”

NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015 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, 2015. 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 classified under following six 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. 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 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 no consideration is paid but 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 no consideration is paid, but 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 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 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. Operation 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, 2015

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 31.3.2015, as certified by the bank's approved valuers and revaluation reserve has been credited by ₹ 10519.79 lacs to the extent of difference between written down value of ₹21520.00 lacs and fair market value of ₹ 32039.79 lacs as on the date of valuation.
- b) Amortization of ₹ 430.83 lacs (₹ 283.88 lacs) on account of revaluation of ownership 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 ₹ 17385.41 lacs towards Bad debts, which is approved by the Board of Directors. The said non-performing assets had been classified as Doubtful/ Loss Assets and 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, can not be given.
4. The income for Bank assurance business for the period April 2014 to March 2015 is as follows -

(₹ in lacs)

Sr. No.	Nature of Income	2014-15	2013-14
1.	From selling Life Insurance Policies	11.19	43.62
2.	From selling Non Life Insurance Policies	41.22	43.27
3.	From selling Mutual Fund Products	21.93	18.70
	Total	74.34	105.59

5. Restructured Loans:

Details of loans subjected to restructuring as on 31 March 2015 are given below:

(₹ in lacs)

Sr. No.	Particulars		CDR Mechanism	Housing Loans	SME Debt Restructuring	Others
1.	Standard advances restructured	No. of Borrowers	—	—	34	1
		Amount outstanding	—	—	60662.99	6.42
		Diminution in the fair value	—	—	—	—
2.	Sub-standard advances restructured	No. of Borrowers	—	—	4	1
		Amount outstanding	—	—	8578.57	125.01
		Diminution in the fair value	—	—	—	—
3.	Doubtful advances restructured	No. of Borrowers	—	—	2	—
		Amount outstanding	—	—	6069.71	—
		Diminution in the fair value	—	—	—	—
	Total	No. of Borrowers	—	—	40	2
		Amount outstanding	—	—	75311.27	131.43
		Diminution in the fair value	—	—	—	—

There are no restructuring proposals under process and pending for approval as on 31.03.2015.

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

(₹ in lacs)

	Particulars	2014-15	2013-14
a.	No. of Borrowers	—	22
b.	Aggregate Value (net of provisions) of accounts sold to SC/RC	—	27158.86
c.	Aggregate consideration	—	30900.00
d.	Additional consideration realized in respect of Accounts transferred in earlier years	NIL	NIL
e.	Aggregate gain/ loss over net book value	—	3741.14

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

(₹ in lacs)

	Particulars	2014-15	2013-14
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)	—	1631.44
iii	Aggregate Consideration (Net of Stamp Duty)	—	1705.00
iv	Additional consideration paid [(iii)-(ii)].	NIL	73.56

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 ₹ 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 31/3/2014	Goodwill written off During 2014-15	Goodwill c/f
Amravati Peoples Co-op. Bank Ltd., Amravati.	18.05.2011	969.88	(48.49)	510.67	205.36	205.36
Total		969.88	(48.49)	510.67	205.36	205.36

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 2013-14 with credits received on account of recovery, the excess provision of ₹ 364.46 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 2013-14	Excess Provided w/back during the year 2014-15	Accumulated loss pending to be Provided over the next year
Co-Op. Bank of Ahmedabad Ltd.	2207.38	1069.28	773.64	1138.10	(364.46)	—
Total	2207.38	1069.28	773.64	1138.10	(364.46)	—

The balance loss of ₹ 773.64 lacs 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	
		31.03.15	31.03.14	31.03.15	31.03.14
I	Discount Rate	7.92%	9.35%	7.92%	9.35%
II	Expected return on plan assets	7.92%	8.70%	—	—
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	2617.62	2587.84	702.40	704.81
	Interest cost	244.75	208.01	65.67	56.88
	Current service cost	140.15	131.00	102.17	10.19
	Liability transfer in	—	—	—	—
	Benefits paid	-182.34	-227.54	-238.38	-204.98
	Actuarial (gain)/ loss on obligations	294.09	-81.69	196.41	135.50
	Closing Present value of obligation	3114.27	2617.62	828.27	702.40
V	Reconciliation of opening and closing balance of the fair value of the plan assets:				
	Opening Fair value of plan assets	2967.83	2778.96	—	—
	Expected return on plan assets	258.20	241.77	—	—
	Contributions	189.55	182.41	—	—
	Transfer from other entity	—	—	—	—
	Benefits paid	-182.34	-227.54	—	—
	Actuarial gain / (loss) on plan assets	11.95	-7.77	—	—
	Closing Fair value of plan assets	3245.19	2967.83	—	—
VI	Amount recognized in balance sheet:				
	Present value of obligation as at	3114.27	2617.62	828.27	702.40
	Fair value of plan assets as at	3245.19	2967.83	—	—

Sr. No.	Particulars	Gratuity		Leave Encashment	
		31.03.15	31.03.14	31.03.15	31.03.14
	(Assets) / liability as at	-130.92	-350.21	828.27	702.40
VII	Expenses recognized in profit and loss account:				
	Current service cost	140.15	131.00	102.17	10.19
	Interest cost	244.75	208.01	65.67	56.88
	Expected Return of Plan Assets	-258.20	-241.77	—	—
	Net actuarial (gain) / loss	282.14	-73.92	196.41	135.50
	Expenses recognized in P & L account included in Salaries, Allowances, PF contribution and Gratuity etc.	408.84	23.32	364.25	202.57
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	51318.78 (46810.24)	152327.21 (136880.37)	203645.99 (183690.61)
Result	4128.99 (4096.33)	4537.90 (3690.82)	8666.89 (7787.15)
Unallocated Expenses	—	—	—
Operating Profit (PBT)	4128.99 (4096.33)	4537.90 (3690.82)	8666.89 (7787.15)
Income Taxes			2902.63 (1357.23)
Reversal of Excess IFR	0.00 (2001.50)	0.00 (0.00)	0.00 (2001.50)
Net Profit / Loss (-)			5764.26 (8431.42)
OTHER INFORMATION			
Segment Assets	542212.52 (507212.91)	1329408.49 (1229341.85)	1871621.01 (1736554.76)
Unallocated Assets	—	—	37310.53 (32402.29)
Total Assets			1908931.54 (1768957.05)
Segment Liabilities	16909.10 (20699.07)	1834879.29 (1694734.43)	1851788.39 (1715433.50)
Unallocated Liabilities	—	—	57143.15 (53523.55)
Total Liabilities			1908931.54 (1768957.05)

(Figures in the bracket are of previous year i.e. 2013-14)

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)	
		31.03.2015	31.03.2014
Transactions-			
1	Rendering of Services to Bank		
	Towards Revenue	803.70	796.53
	Towards Purchases	0.00	9.33
2	Dividend received	28.75	3.75
Balances-			
1	Current account with Bank	93.29	68.82
2	Investment in Subsidiary	25.00	25.00
3	Advance for Services	0.00	119.69

- 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 circular dated March 29, 2003.

13. Operating lease comprises leasing of office premises and data centre site storage equipment (AS-19)

(₹ in lacs)

	31.03.2015	31.03.2014
Minimum lease payments payable at the end of the year:		
- Not later than one year	2462.90	2300.14
- Later than one year and not later than five years	9330.86	9167.29
- Later than five years	16138.82	17130.37
Total minimum lease payments recognized in the profit and loss account for the year.	2339.96	1470.71
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	2014-15	2013-14
A	Profit for the year attributable to shareholders	576426301.59	642991850.41
B	Total number of Equity shares at the end of year	31242835	31392015
C	Weighted avg. number of shares of ₹ 100/- each for the purpose of computing Earnings per share	31386491.08	31330113.42
D	Basic Earning per share (A / C)	18.37	20.52

15. Deferred Tax (AS – 22)

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

(₹ in lacs)

Deferred Tax Assets	31.03.2015	31.03.2014
1. Provision for BDDR	30763.47	27791.41
2. Provision for Standard Assets	626.67	626.67
3. Leave encashment Provision	828.27	781.97
4. Difference in WDV	—	—
Sub Total (A)	32218.41	29200.05
Deferred Tax Liability		
1. Difference in W.D.V.	3555.63	1210.91
2. Depreciation on HTM securities	15055.46	15600.92
Sub Total (B)	18611.09	16811.83
Total (A-B)	13607.32	12388.22
Deferred Tax Asset	4708.13	4210.76

The application of Deferred Tax has resulted in a net credit of ₹ 497.37 lacs to the Profit and Loss Account for the year ended 31st March, 2015. The closing Deferred Tax Asset (net) of ₹ 4708.13 lacs has been shown separately in the Balance Sheet.

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

(₹ In lacs)

Particulars	2014-15	2013-14
Opening balance (at cost)	2565.29	2036.01
Add: Additions/ Adjustments during the year	398.96	529.28
	2964.25	2565.29
Less: Amortization made		
Opening Balance	2089.93	1921.64
Add: Amortization/ Adjustments during the year	327.83	168.30
	2417.76	2089.94
Net Carrying Amount	546.49	475.35

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)

	31.03.2015	31.03.2014
Bank Guarantees	40063.74	36501.97
Letters of Credit (LC+Buyer's Credit)	40783.32	47093.45
Forward Exchange contracts Purchase / Sale	22801.57	26808.89
Others – Depositors' Education Awareness Fund	1465.00	0.00
Total	105113.63	110404.31

- b) Claims not acknowledged as debts:

(₹ in lacs)

	31.03.2015	31.03.2014
Income tax paid under protest	3444.21	2090.21
Others (HR)	—	397.62

- 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 amounting to ₹ 1471.52 lakhs (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	31.03.2015	31.03.2014
Opening balance of amounts transferred to DEAF	0.00	0.00
Add: Amounts transferred to DEAF during the year	1471.52	0.00
Less: Amounts reimbursed by DEAF towards claims	6.52	0.00
Closing balance of amounts transferred to DEAF	1465.00	0.00

The Bank has paid ₹ 37.80 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	3840.60
Equity Position Risk	—
Foreign Exchange Risk	40.50

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

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	31.03.2015	31.03.2014
1	Capital to Risk Asset Ratio	11.25%	11.95%
2	Movement of CRAR		
	<i>Tier I Capital</i>	91565.50	89346.90
	<i>Tier II Capital</i>	38534.11	39002.95
	<i>Total Capital</i>	130099.61	128349.85
	<i>Total Risk Weighted Assets</i>	1155966.88	1074309.69
	Capital Ratios		
	<i>Tier I Ratio</i>	7.92%	8.32%
	<i>Tier II Ratio</i>	3.33%	3.63%
	<i>CRAR</i>	11.25%	11.95%
3	Investments:		
	Book Value	525021.20	485458.89
	Face Value	514938.80	485761.32
	Market Value	528622.21	484342.98
4	Advances against:		
	1) <i>Real Estate</i>		
	a) <i>Home Loan</i>	87708.13	80298.86
	b) <i>Commercial Real Estate</i>		
	i) <i>Mall, IT, Lease Rental</i>	59766.39	48170.63
	c) <i>Any Other</i>		
	i) <i>Advances to builder contractor other than commercial estate</i>	25516.24	33302.44
	ii) <i>Mortgage Loan</i>	36851.17	31032.94

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
5	Advances against shares & debentures	22.32	28.16
6	Advances to Directors, their Relatives, Companies / Firm in which they are interested		
	Fund based	39.41	66.91
	Non Fund based	—	—
7	Average cost of Deposits	8.31%	8.42%
8	NPAs		
	Gross NPAs	103003.35	66798.63
	% of Gross NPA to Loans	9.23%	6.49%
	Net NPAs	71445.91	38097.91
	% of Net NPA	6.59%	3.81%
9	Movement of NPA		
	Principal -		
	Opening Principal	66798.63	65786.17
	Addition:		
	1.Merged Banks	0.00	0.00
	2.During the year- Addition	58595.76	25307.56
	Recovery -		
	1.Actual	5005.63	3722.66
	2.A/c came out of NPA due to up gradation	—	—
	3.Accounts Written Off/Sale to ARC/ Accounts Purchased by Bank	17385.41	20572.44
	Closing Principal	103003.35	66798.63
	Provisions		
	Opening Provision	28700.72	23738.00
	Additions:		
	1.Merged banks Provision	0.00	0.00
	2.During the Year - Addition	20305.50	20757.00
	Less:		
	1.Written back due to recovery of merged banks	63.37	8.56
	2.Provision on Written Off Bad Debts/ Sale to ARC	17385.41	15785.72
	Closing Provision	31557.44	28700.72
	Net NPA	71445.91	38097.91
10	Profitability:		
	1. Interest income as a percentage of working funds.	9.15%	9.20%
	2. Non-interest income as a percentage of working funds	1.03%	1.11%
	3. Operating Profit as a percentage of working funds	1.56%	1.81%
	4. Return on Average Assets	0.31%	0.49%
	5. Business (Deposit + Advances) per employee	913.53	880.97
	6. Profit per employee	1.95	2.97
11	Provision made in the year towards.		
	NPA	20305.50	20757.00
	Depreciation in Investments	0.00	2001.50
	Standard Assets	206.72	327.99
12	Movement in Provisions		
	a. Towards NPA's (BDDR)		
	Opening Balance	28700.72	23738.00
	Add: Additions during the year	20305.50	20757.00

(₹ in Lacs)

Sr. No.	Particulars	31.03.2015	31.03.2014
	Less: Reduction during the year	17448.78	15794.28
	Closing Balance	31557.44	28700.72
	b. Towards Depreciation on Investments		
	Opening Balance	1115.91	950.70
	Add: Additions during the year	0.00	1115.91
	Less: Reduction during the year (Net)	325.67	950.70
	Closing Balance	790.24	1115.91
	c. Towards Standard Assets		
	Opening Balance	3562.60	3234.61
	Add: Additions during the year	206.72	327.99
	Less: Reduction during the year	—	—
	Closing Balance	3769.32	3562.60
13	Foreign Currency Assets & Liabilities:		
	a. Foreign Currency Assets	7503.02	12972.31
	b. Foreign Currency Liabilities	7503.02	12972.31
	DICGC Insurance Premium paid within due date	1607.31	1426.31
14	Period Due Dt Payment Dt		
	01/04 to 30/09/2014	31/05/2014	27/05/2014
	01/10 to 31/03/2015	30/11/2014	24/11/2014
15	Total Amount Of Loan Assets restructuring under CDR		
	a. Amount of Standard Assets subjected to CDR	Nil	—
	b.Amount of Substandard assets subjected to CDR	Nil	—
	c. Amount of doubtful assets subjected to CDR	Nil	6097.32

16. Following disclosures are made as per RBI circulars -

a) Issuer Composition for Non SLR Investments as on 31.03.2015 -

(₹ 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	25.00	—	—	—
2	FIs	72.90	—	—	2.00
3	Public Sector Banks & Private sector Banks	68.00	—	—	—
4	Mutual Funds	---	—	—	—
5	Others (Shares- ₹ 1.31crs.+ Sec Receipts under ARC ₹ 431.27crs.)	432.58	—	—	—
	Total	598.48	0.00	0.00	2.00

b) Non-Performing Non-SLR Investments as on 31.03.2015

(₹ in Crores)

Particulars	Amount
Opening Balance	0.00
Additions during the year since 1 st April 2014	0.00
Reductions during the above period	0.00
Closing Balance	0.00
Total provisions held	0.00

c) Statement of Securities sold / purchased under REPO Transactions during the year 2014-15.

(₹ In Crores)

Particulars	Minimum Outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31.03.2015
Securities sold under REPO				
i. Govt. Securities	0.00 (0.00)	1027.17 (773.95)	199.78 (139.03)	236.22 (0.00)
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL
Securities purchased under Reverse REPO				
i. Govt. Securities	0.00 (0.00)	0.00 (129.99)	0.00 (1.45)	0.00 (0.00)
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL

Figures in bracket are of previous year i.e.2013-14

Vikrant P. Ponshe
Managing Director
For The Cosmos Co-Op. Bank Ltd.,

Sudhan D. Yardi
Partner
M. No. 22887
For M/s. Yardi Prabhu & Associates
Chartered Accountants
(Statutory Auditor)
F. R. No. 111727W

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(₹ In Lacs)	
	31.03.2015	31.03.2014
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per Profit and Loss a/c	5764.26	8431.42
Adjustments for -		
Depreciation on Fixed Assets	1936.84	1222.79
Loss on sale of Fixed Assets	8.50	--
Premium w/off	1069.05	851.90
Bad Debts written off	17385.41	8837.21
Provisions	24013.19	25827.86
Goodwill w/off -merged banks	205.36	552.73
Interest paid on Funds	20.58	18.98
	50403.19	45742.89
Add:- Excess cash & Entrance fees etc	45.15	3792.62
	50448.34	49535.51
Less:- Medical Assistance to members/staff	5.15	25.20
Less:-Share refund	0.03	0.09
Less:- Profit on sale of Assets	0.00	376.27
Less:- Credit from BDDR/excess prov.reversed/	18069.87	11184.20
Operating profit before working capital changes	32373.29	37949.75
Adjustments for -		
(Increase) / Decrease in Investment	(41291.22)	(78583.15)
(Increase) / Decrease in Advances	(103753.22)	(122364.70)
Increase / (Decrease) in Borrowings	10454.07	11730.47
Increase / (Decrease) in Deposits	110186.09	187576.58
(Increase) / Decrease in Other Assets	4958.54	(7549.15)
Increase / (Decrease) in Other Liabilities	1613.65	(192.35)
Taxes paid	(4410.88)	(1348.79)
	(22242.97)	(10731.09)
Net cash generated from Operating Activities	10130.32	27218.66
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets Purchases	(5695.84)	(5682.41)
sale of Fixed Assets	10.30	451.52
Net Cash Flow from Investing activities	(5685.54)	(5230.89)
CASH FLOW FROM FINANCING ACTIVITIES		
Issue Of Shares	(149.17)	105.58
Dividend Paid	(3710.19)	(3465.35)
Net Cash Flow from financing activities	(3859.36)	(3359.77)
Net Increase / (Decrease) in Cash & Cash equivalents	585.42	18628.00
Cash & Cash Equivalents at the beginning of the year	100881.12	82253.12
Cash & Cash Equivalents at the end of the year	101466.54	100881.12
NOTES		
Cash & Cash Equivalents	31.03.2015	31.03.2014
1. Cash	6426.29	8501.34
2. Balances with RBI	81897.98	80766.46
3. Balances with other Banks	13142.27	11613.32
	101466.54	100881.12

Nayan Lagad
Chief General Manager

For M/S. Yardi Prabhu & Associates
Chartered Accountants
F.R.No.111727W

(Sudhan D. Yardi)
Partner
M. No. 22887
(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, 2015

(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 The Financial Statements

1. We have audited the accompanying financial statements of **The Cosmos Co-operative Bank Ltd.** as at 31st March, 2015, which comprise the Balance Sheet as at March 31, 2015, 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 140 branches out of which 78 branches are audited by M/s. Yardi Prabhu & Associates and 62 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 rules made thereunder.

This responsibility includes the design, implementation and maintenance of internal control 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 judgement, 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 control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us the said accounts together with the notes there on, 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 rules made there under 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, 2015**;
- (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 Cash Flows for the year ended on that date.
- (iv) The bank is awarded 'A' class for the year 2014-15.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section

29 of Banking Regulation Act, 1949 and Multi-State Co-Operative Societies Act, 2002, and 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 Multi State Co-operative Societies Rules, 2002 to the extent applicable are attached to this report.

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

Nachiket Deo
Partner
Membership No. 117695
Place: Pune
Date: 22 May, 2015

For M/S Yardi Prabhu & Associates
Chartered Accountants
Statutory Auditor
F.R.No.111727W

Sudhan D. Yardi
Partner
Membership No. 22887

Schedules Forming Part of Auditors' Report on Balance Sheet and Profit & Loss Account of The Cosmos Co-Op. Bank Ltd., as on 31st March, 2015 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 31.03.15 (₹ in lacs)
Doubtful Assets	68565.07
Loss Assets	3.98
Total	68569.05

*** A provision of ₹ 24469.00 lacs has been made against the above advances.**

- (b) Loans given by the Bank to 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.
39.41	57.53	NIL

Statement showing particulars Loans & Advances to Directors & their Relatives outstanding as on 31st March 2015 (As per Multi-State Co.op. Society Act, 2002 Section 39(3))

**३१ मार्च २०१५ 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 31.03.2015 वर्ष अखेरीस कर्ज येणे रक्कम (३१.३.२०१५) ₹
1.	Directors संचालक	2,401,410.40
2.	Directors Relatives संचालकांचे नातेवाईक	1,539,942.76
	Total एकूण ₹	3,941,353.16

CLASSIFICATION OF OVERDUES - TERMWISE AS ON 31ST MARCH 2015

थकबाकी दर्शविणारा तक्ता ३१ मार्च २०१५ 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	Awrd दाखला मिळालेले	Total एकूण	Arbitrary लवादी ₹	Non-Arbitrary बिगर लवादी ₹	Awarded वसुली दाखला मिळालेली खाती ₹	Total एकूण ₹	
1	Short Term Advances अल्प मुदत कर्जे	15121	50,66,97,41,936.27	4	76	30	110	92,42,27,198.34	446,10,19,592.79	14,73,84,538.81	553,26,31,329.94	4.96
2	Medium Term Advances मध्यम मुदत कर्जे	21090	26,54,26,70,060.61	7	1761	60	1828	9,66,31,136.85	99,18,36,732.19	22,84,89,543.48	131,69,57,412.52	1.18
3	Long Term Advances दीर्घ मुदत कर्जे	13768	34,38,51,79,992.50	7	1995	14	2016	11,10,751.55	67,79,31,455.99	5,77,63,373.87	73,68,05,581.41	0.66
	Total/ एकूण	49979	111,59,75,91,989.39	18	3832	104	3954	102,19,69,086.74	613,07,87,780.97	43,36,37,456.16	758,63,94,323.87	6.80

AMOUNT-WISE CLASSIFICATION OF DEPOSITS AS ON 31ST MARCH 2015

ठेव रकमेनुसार ठेवीदारांचे वर्गीकरण शेकडा प्रमाण ३१ मार्च २०१५

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	882426	529487	310760	300257	2022930
Percentage (%) to total Depositors एकूण ठेवीदारांशी शेकडा प्रमाण	43.62	26.18	15.36	14.84	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 2015

कर्ज येणेबाकी रकमेनुसार खातेदारांची संख्या व त्यांचे एकूण कर्जदारांशी शेकडा प्रमाण ३१ मार्च २०१५ 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	11625	6196	21037	5461	1636	4024	49979
Percentage to Total Accounts एकूण खात्यांशी शेकडा प्रमाण	23.26%	12.40%	42.09%	10.93%	3.27%	8.05%	100.00%
No. of Borrower एकूण खाते संख्या	11008	5678	17099	4154	1033	1548	40520
Percentage to Total Borrowers एकूण खात्यांशी शेकडा प्रमाण	27.17%	14.01%	42.20%	10.25%	2.55%	3.82%	100.00%

PURPOSE WISE CLASSIFICATION OF LOANS AS ON 31ST MARCH 2015

कर्ज तक्ता ३१ मार्च २०१५ अखेर

(Amount in lacs)

Particulars तपशील	No. of Borrowers खाते संख्या	Amount of Loans कर्ज रक्कम ₹	% शेकडा प्रमाण
Industrial औद्योगिक	3840	473,331.00	42.41
Trade व्यापारी	2689	208,745.98	18.71
Allied to Agriculture शेतीपूरक उद्योग	720	15,515.97	1.39
Service Industry सेवासुविधा उद्योग	825	120,484.82	10.80
Builders बांधकाम व्यावसायिक	191	79,970.01	7.17
Housing Construction घरबांधणी व दुरुस्ती	25822	117,843.46	10.56
Consumption वैयक्तिक	14420	76,065.16	6.82
Professional & Self Employed स्वयंरोजगार	1201	20,889.25	1.87
Transport Operator वाहतूक व्यवसाय	271	3,130.26	0.28
Total एकूण	49979	1,115,975.91	100.00

Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 26 th September 2015			
Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment
4	Definitions:	Add new clause (xx) (a) (xx) (a) 'Perpetual Preferential Share' means the share which is granted/ allotted by the Board of Directors as special share which shall carry value of ₹ 50 per share.	(xx) (a) 'Perpetual Preferential Share' means the share which is granted/ allotted by the Board of Directors as special share which shall carry value of ₹ 50 per share.
6 (a) (ii)	Membership Ordinary Member No person shall be admitted as an ordinary member of the Bank except the following- (a) An individual competent to contract under section 11 of the Indian Contract Act, 1872; (b) Deleted (approved vide Central Registrar's letter no.L-110 dt.16/3/97-L&M dt.30/08/2013) (c) The Central Government; (d) A State Government; (e) Any other corporation owned or controlled by the Government (f) Any Government Company as defined in section 617 of the Companies Act, 1956 (1 of 1956) (g) Proprietary concern in proprietor's individual capacity; (h) Partnership firm duly registered under the Indian Partnership Act, 1932; (i) Company or any other body corporate constituted under the law for the time being in force; (j) Society registered under the Societies Registration Act of 1860; (k) Local Authority (l) Public Trust registered under any law for the time being in force for registration of such trust; (m) Hindu Undivided Family formed under Hindu Law	Under 6 (a) (ii) Delete the sub-clause (m) – Hindu Undivided family formed under Hindu Law	Membership Ordinary Membership No person shall be admitted as an ordinary member of the Bank except the following- (a) An individual competent to contract under section 11 of the Indian Contract Act, 1872; (b) Deleted (approved vide Central Registrar's letter no.L-110 dt.16/3/97-L&M dt.30/08/2013) (c) The Central Government; (d) A State Government; (e) Any other corporation owned or controlled by the Government (f) Any Government Company as defined in section 617 of the Companies Act, 1956 (1 of 1956) (g) Proprietary concern in proprietor's individual capacity; (h) Partnership firm duly registered under the Indian Partnership Act, 1932; (i) Company or any other body corporate constituted under the law for the time being in force; (j) Society registered under the Societies Registration Act of 1860; (k) Local Authority (l) Public Trust registered under any law for the time being in force for registration of such trust;
			To improve and control the percentage of CRAR of the Bank.
			To align the same with existing bye-law amendment approved by CRCS.



Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 26th September 2015

Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment	Reasons for amendment
6	Membership	Add new clause (aa) after 6 (a) (aa) Perpetual Non-cumulative Preferential Share holder Any person who is eligible to become a member of the Bank may be admitted as Perpetual Non-cumulative Preferential Share holder but such share-holders are not entitled to vote at the election of members of the Board of the Bank and in any general meeting convened for any purpose.	6 (aa) Perpetual Non-cumulative Preferential Share holder Any person who is eligible to become a member of the Bank may be admitted as Perpetual Non-cumulative Preferential Share holder but such share-holders are not entitled to vote at the election of members of the Board of the Bank and in any general meeting convened for any purpose.	To improve the CRAR, to maintain the same and to facilitate the facility to the intending investors to invest their funds in other than equity shares and to facilitate the loan facility to employees and the other borrowers who are not ordinary members.
6 (a) (vi)	Membership Ordinary member- No employee of the Bank shall be eligible to become a member of the Bank	Add the word 'ex-employee' after the word 'employee' Substitute word 'an ordinary member' in place of 'member' and add the words 'and/ or contest elections for the Board of Directors. The existing such members have no right to vote in election of the board as well as General Body Meeting'	Membership Ordinary Member No employee/ ex-employee of the Bank shall be eligible to become an ordinary member of the Bank and/ or contest elections for the Board of Directors. The existing such members have no right to vote in election of the Board as well as General Body Meeting.	To maintain and observe the spirit of the Multistate Co-operative Societies Act
6 (b) (ii)	Nominal / Associate Member An employee of the bank may be admitted as a nominal member and he will be entitled, on merit, to various loan facilities and other schemes on merit sanctioned by the Board of Directors from time to time exclusively for employees.	Add 'Perpetual Non-cumulative Preferential Share holder' after the word 'nominal' Delete the words 'exclusively for employees'	Nominal / Associate Member An employee of the bank may be admitted as a nominal member/ Perpetual Non-cumulative Preferential Share holder and he will be entitled, on merit, to various loan facilities and other schemes on merit sanctioned by the Board of Directors from time to time.	In order to observe the RBI instructions/ directive
6 (b)	Nominal / Associate Member	Add 2 new sub clauses after sub clause (iv) v) Nominal Membership can be given to a group of individuals. The Nominal Membership shall be in the joint names of the individuals. Maximum number of such individuals shall not be more than 15 at any one time. The group shall apply for joint Nominal Membership and pay the non-refundable entrance fee and annual fee one time. This Fee will be decided by the Board of Directors from time to time. vi) The joint Nominal Membership shall cease on the closure of loan by the concerned Self Help Group.	v) Nominal Membership can be given to a group of individuals. The Nominal Membership shall be in the joint names of the individuals. Maximum number of such individuals shall not be more than 15 at any one time. The group shall apply for joint Nominal Membership and pay the non-refundable entrance fee and annual fee one time. This Fee will be decided by the Board of Directors from time to time. vi) The joint Nominal Membership shall cease on the closure of loan by the concerned Self Help Group.	This is basically proposed for the borrowers who are Self Help Groups (SHG) and the members of the group stand as guarantors for the Self Help Group loan. As the members are from Self Help Groups, the fees shall be charged at the time of enrollment. The joint Nominal Membership shall be for the loans of Self Help Groups and where the SHG members stand guarantors for the loan. Upon closure of the loan the Nominal Membership will not be required.

Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 26 th September 2015				
Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment	Reasons for amendment
15	<p>Transfer of Shares</p> <p>(i) A member may transfer his share or shares after holding them for not less than one year to any person with approval by the Board of Directors.</p> <p>The transfer is not complete until the name of the transferee has been duly entered in the register of members and the transfer fee of Rupees twenty five is paid per share certificate.</p>	<p>Delete the whole sub clause (i) and replace it as –</p> <p>(i) A member may transfer only the whole of his interest in the shares of the Bank to any other eligible person after holding them for not less than one year to any person with approval by the Board of Directors.</p> <p>The transfer is not complete until the name of the transferee has been duly entered in the register of members and the transfer fee of Rupees twenty five is paid per share certificate.</p>	<p>Transfer of shares</p> <p>(i) A member may transfer only the whole of his interest in the shares of the Bank to any other eligible person after holding them for not less than one year to any person with approval by the Board of Directors.</p> <p>The transfer is not complete until the name of the transferee has been duly entered in the register of members and the transfer fee of Rupees twenty five is paid per share certificate.</p>	To follow the best practices in the interest of the Bank.
16	<p>Nomination</p> <p>A member may nominate a person to receive the member's interest in the bank after his death. Nomination shall be made in the prescribed form and entered in the register kept at the bank's registered office. Prior approval of the Board shall be necessary if the person to be nominated is an employee of the Bank. Nomination can be revoked and fresh nomination made any number of times, after due intimation in writing to the Bank and on payment of prescribed fee of Rupee One for every subsequent nomination.</p>	<p>Substitute words 'Rupee one' and replace by 'Rs.50/- plus Service Tax'.</p>	<p>Nomination</p> <p>A member may nominate a person to receive the member's interest in the Bank after his death. Nomination shall be made in the prescribed form and entered in the register kept at the Bank's registered office. Prior approval of the Board shall be necessary if the person to be nominated is an employee of the Bank. Nomination can be revoked and fresh nomination made any number of times, after due intimation in writing to the Bank and on payment of prescribed fee of Rs.50/- plus Service Tax for every subsequent nomination.</p>	To fix appropriate service charges
19	<p>Funds</p> <p>Funds may be raised by the following means-</p> <p>(i) Share Capital, (ii) Entrance Fee, (iii) Subscriptions, (iv) Deposits, (v) Loans, (vi) Donations, (vii) Grants-in-aid, (viii) Subsidies, (ix) Contributions, (x) Profit, (xi) External Commercial Borrowings (ECB) (xii) Floating Secured / Unsecured Bonds, (xiii) Refinance / Letter of Credit (xiv) Issue of non-convertible debentures or other instruments, (xv) Any other means as may be permitted by Reserve Bank of India, and / or Central Registrar from time to time,</p>	<p>Add 2 new clauses after (xv)</p> <p>(xvi) Perpetual Non-cumulative Preferential Share and/ or any other instruments (xvii) Long Term Debt Instruments</p>	<p>Funds</p> <p>Funds may be raised by the following means-</p> <p>(i) Share Capital, (ii) Entrance Fee, (iii) Subscriptions, (iv) Deposits, (v) Loans, (vi) Donations, (vii) Grants-in-aid, (viii) Subsidies, (ix) Contributions, (x) Profit, (xi) External Commercial Borrowings (ECB) (xii) Floating Secured / Unsecured Bonds, (xiii) Refinance / Letter of Credit (xiv) Issue of non-convertible debentures or other instruments, (xv) Any other means as may be permitted by Reserve Bank of India, and / or Central Registrar from time to time, (xvi) Perpetual Non-cumulative Preferential Share and/ or any other instruments (xvii) Long Term Debt Instruments</p>	To include new avenues for fund raising

Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 26 th September 2015				Reasons for amendment
Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment	
24 (i)	<p>Notice – Annual General Meeting & Special General Meeting</p> <p>Notice of the Annual General Meeting together with the Agenda of the meeting, abridged audited Balance Sheet and the Profit & Loss Account together with the auditor's report relating to the preceding year, the report of the Board of Directors, amendments of Bye-laws, if any, shall be sent to the registered address of each member at least 15 (fifteen) days prior to the date of the meeting and Bank may simultaneously serve the said notice by publishing the same in the newspaper widely circulated within the area of operation of the Bank and same shall be deemed service of notice. However, if any member demands full financial statements, it shall be supplied within 3 (three) days from the receipt of such demand.</p> <p>(Approved vide Central Registrar's letter no.L-11016/3/97-L&M dt.30.08.2013)</p>	<p>Delete the whole existing bye-law and substitute it as under-</p> <p>Notice of the Annual General Meeting together with the agenda of the meeting, abridged audited Balance Sheet and the Profit & Loss Account together with the auditor's report relating to the preceding year, the report of the Board of Directors, amendment of bye-laws, if any, shall be put on Bank's official website at least 15 days prior to the date of the meeting. Individual copy shall also be available to members at their respective branches or shall be mailed to those who shall demand it in writing at least 15 days prior to the date of the meeting. And the Bank may simultaneously by publishing the notice of the meeting in the newspaper widely circulated within the area of operation of the Bank and same shall be deemed service of notice with agenda of the meeting together with abridged audited Balance Sheet and Profit & Loss Account together with auditor's report of preceding year and proposed amendment of bye-laws, if any.</p>	<p>Notice – Annual General Meeting & Special General Meeting</p> <p>Notice of the Annual General Meeting together with the agenda of the meeting, abridged audited Balance Sheet and the Profit & Loss Account together with the auditor's report relating to the preceding year, the report of the Board of Directors, amendment of bye-laws, if any, shall be put on Bank's official website at least 15 days prior to the date of the meeting. Individual copy shall also be available to members at their respective branches or shall be mailed to those who shall demand it in writing at least 15 days prior to the date of the meeting. And the Bank may simultaneously by publishing the notice of the meeting in the newspaper widely circulated within the area of operation of the Bank and same shall be deemed service of notice with agenda of the meeting together with abridged audited Balance Sheet and Profit & Loss Account together with auditor's report of the preceding year and proposed amendment of bye-laws, if any.</p>	<p>To accept mode of service of Notice and other record by electronic system.</p>
28	<p>Voting Rights</p> <p>(i) Each member shall have one vote irrespective of the number of shares held.</p> <p>(ii) Individual members shall vote in person, while a firm or a company or any other body corporate constituted under any law for the time being in force, or Government which is a partner, directors or officers to participate in the meeting to exercise the right to vote</p> <p>(iii) The Chairperson presiding over the meeting shall have a casting vote in case there is equality of votes.</p>	<p>1. Substitute sub clause (i)-</p> <p>(i) An active member who holds/ possesses at least 20 (twenty) shares each valued Rs.100/- shall be eligible to vote in the election of the Board of Directors as well as attend the General and/ or Special General Meeting of the Bank.</p> <p>2. In sub clause (ii) - after the word 'appoint' add the word 'nominate'.</p> <p>3. In sub clause (iv) - after the word 'election' add- 'and / or General or Special General Meeting of the Bank.'</p>	<p>Voting Rights</p> <p>(i) An active member who holds/ possesses at least 20 (twenty) shares each valued Rs.100/- shall be eligible to vote in the election of the Board of Directors as well as attend the General and/ or Special General Meeting of the Bank.</p> <p>(ii) Individual members shall vote in person, while a firm or a company or any other body corporate constituted under any law for the time being in force, or Government which is a member, may appoint / nominate one of its partners, directors or officers to participate in the meeting to exercise the right to vote</p>	<p>To specify the rights of Active Member</p>

Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 26 th September 2015			
Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment
	<p>(iv) An active member who becomes a defaulter shall not be eligible to vote in the election of the Board of Directors as well as the General or Special General Meeting of the Bank</p> <p>Provided that while considering the voting rights of the defaulter the cut-out date shall be taken as the beginning of the first day of previous month to the date of General Meeting of or election</p> <p>(Approved vide Central Registrar's letter no.L-11016/3/97-L&M dt.15.09.2014)</p>		<p>(iii) The Chairperson presiding over the meeting shall have a casting vote in case there is equality of votes.</p> <p>(iv) An active member who becomes a defaulter shall not be eligible to vote in the election of the Board of Directors as well as the General or Special General Meeting of the Bank</p> <p>Provided that while considering the voting rights of the defaulter the cut-out date shall be taken as the beginning of the first day of previous month to the date of General Meeting or election and/ or General or Special General Meeting of the Bank.</p>
31 (iii)	<p>Board of Directors</p> <p>In addition to elected Directors, the Board of Directors may co-opt 2 (two) Directors from amongst economists, Co-operators, Chartered Accountants, field, etc. However such co-opted Directors shall not be entitled to vote at the meeting of the Board of Directors or shall not be entitled to be elected as Chairperson or Vice Chairperson or be entitled to vote at any election of Chairperson. Vice-Chairperson. Notwithstanding anything contained in these bye-laws, the tenure of the co-opted Directors shall be co-terminus with the tenure of the Board of Directors.</p>	<p>After the word 'etc.' add sentence 'excluding ex-employee of the Cosmos Bank'</p>	<p>Board of Directors</p> <p>iii) In addition to elected Directors, the Board of Directors may co-opt 2 (two) Directors from amongst economists, Co-operators, Chartered Accountants, from banking field, etc. 'excluding ex-employee of the Cosmos Bank'. However such co-opted Directors shall not be entitled to vote at the meeting of the Board of Directors or shall not be entitled to be elected as Chairperson or Vice Chairperson or be entitled to vote at any election of Chairperson or Vice-Chairperson. Notwithstanding anything contained in these bye-laws, the tenure of the co-opted Directors shall be co-terminus with the tenure of the Board of Directors.</p>
38	<p>Eligibility for election as a Director and vacation of office by a Director</p> <p>(1) No member of the Bank or nominee of the firm, company, proprietary concern, partnership firm, body corporate constituted under Law, society registered under Societies Registration Act, 1860, public trust registered under any Law, Hindu undivided family, shall be eligible for being chosen as, or for being, a member of the Board of the Bank, if such member -</p>	<p>Eligibility for election/ Co-option as a Director and vacation of office by a Director</p> <p>Add new sub clause under 38(1) after (xiv)</p> <p>(xv) is an employee or ex-employee of the Bank, who in personal capacity or as representative of De-juro person, is a member of the Bank.</p> <p>Delete 'Hindu undivided family' from sub clause 1</p>	<p>Eligibility for election/ co-option as a Director and vacation of office by a Director</p> <p>(1) No member of the Bank or nominee of the firm, company, proprietary concern, partnership firm, body corporate constituted under Law, society registered under Societies Registration Act, 1860, public trust registered under any Law, shall be eligible for being chosen as, or for being, a member of the Board of the Bank, if such member -</p>
			<p>To specify the eligibility of co-opted member of the Board of Directors.</p>
			<p>To make it consistent with bye-law no 6 (a) above</p>

Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 26 th September 2015			
Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment
	<p>(i) has been adjudged by a competent court to be insolvent or of unsound mind;</p> <p>(ii) is concerned or participates in the profits of any contract with the Bank;</p> <p>(iii) has been convicted for an offence involving moral turpitude;</p> <p>(iv) holds any office or place of profit in the Bank;</p> <p>Provided that the Chief Executive Officer or such full-time employee of the Bank as may be notified by the Central Government from time to time or a person elected by the employees of the Bank to represent them on the Board of the bank shall be eligible for being chosen as, or for being, a member of such Board;</p> <p>(v) has been a member of the Bank for less than twelve months immediately preceding the date of such election or appointment;</p> <p>(vi) has interest in any business of the kind carried on by the Bank</p> <p>(vii) has taken loan or any services on credit from the Bank, or is otherwise indebted to the Bank and after the receipt of a notice of default issued to him by the Bank has defaulted</p> <p>(a) in repayment of such loan or debt or in payment of the charges of the services, as the case may be, within the date fixed for such repayment or payment or where such date is extended, which in no case shall exceed six months, within the date so extended or</p>		<p>(i) has been adjudged by a competent court to be insolvent or of unsound mind;</p> <p>(ii) is concerned or participates in the profits of any contract with the Bank;</p> <p>(iii) has been convicted for an offence involving moral turpitude;</p> <p>(iv) holds any office or place of profit in the Bank;</p> <p>Provided that the Chief Executive Officer or such full-time employee of the Bank as may be notified by the Central Government from time to time or a person elected by the employees of the Bank to represent them on the Board of the bank shall be eligible for being chosen as, or for being, a member of such Board;</p> <p>(v) has been a member of the Bank for less than twelve months immediately preceding the date of such election or appointment;</p> <p>(vi) has interest in any business of the kind carried on by the Bank</p> <p>(vii) has taken loan or any services on credit from the Bank, or is otherwise indebted to the Bank and after the receipt of a notice of default issued to him by the Bank has defaulted</p> <p>(a) in repayment of such loan or debt or in payment of the charges of the services, as the case may be, within the date fixed for such repayment or payment or where such date is extended, which in no case shall exceed six months, within the date so extended or</p>

Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 26 th September 2015			
Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment
	<p>(b) when such loan or debt or the charges of services is to be paid in installments, in payment of any installment, and the amount in default or any part thereof has remained unpaid on the expiry of six months from the date of such default;</p> <p>Provided that a member of the Board who has ceased to hold office as such as under this clause shall not be eligible, for a period of one year, from the date on which he ceased to hold office, of re-election as a member of the board of the Bank;</p> <p>(viii) is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;</p> <p>(ix) is retained or employed as a legal practitioner on or behalf of or against the Bank, or on behalf of or against any other multi-state co-operative bank which is a member of the former bank;</p> <p>Explanation – for the purposes of this clause, 'legal practitioner' has the same meaning as in clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961)</p> <p>(x) has been convicted for any offence under this Act;</p> <p>(xi) is disqualified for being a member under section 29;</p> <p>(xii) has been expelled as a member under section 39;</p> <p>(xiii) absents himself from three consecutive Board meetings and such absence has not been condoned to by the Board;</p> <p>(xiv) absents himself from three consecutive General Body Meetings and such absence has not been condoned by the members in the General Body;</p> <p>(xv) is an employee or ex-employee of the Bank, who in personal capacity or as representative of De-juro person, is a member of the Bank.</p>		<p>(b) when such loan or debt or the charges of services is to be paid in installments, in payment of any installment, and the amount in default or any part thereof has remained unpaid on the expiry of six months from the date of such default;</p> <p>Provided that a member of the Board who has ceased to hold office as such under this clause shall not be eligible, for a period of one year, from the date on which he ceased to hold office, of re-election as a member of the board of the Bank;</p> <p>(viii) is a person against whom any amount due under a decree, decision or order is pending recovery under this Act;</p> <p>(ix) is retained or employed as a legal practitioner on or behalf of or against the Bank, or on behalf of or against any other multi-state co-operative bank which is a member of the former bank;</p> <p>Explanation – for the purposes of this clause, 'legal practitioner' has the same meaning as in clause (i) of sub-section (1) of section 2 of the Advocates Act, 1961 (25 of 1961)</p> <p>(x) has been convicted for any offence under this Act;</p> <p>(xi) is disqualified for being a member under section 29;</p> <p>(xii) has been expelled as a member under section 39;</p> <p>(xiii) absents himself from three consecutive Board meetings and such absence has not been condoned to by the Board;</p> <p>(xiv) absents himself from three consecutive General Body Meetings and such absence has not been condoned by the members in the General Body;</p> <p>(xv) is an employee or ex-employee of the Bank, who in personal capacity or as representative of De-juro person, is a member of the Bank.</p>

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

Dr. Vijay Bhatkar

Director

(since 18.10.2014)

Ashutosh Joshi

Director

(since 18.10.2014)

Milind Kale

Director

(upto 18.10.2014)

Adv. Jayant Shaligram

Director

(upto 18.10.2014)

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:

We are pleased to present the Eighth Annual Report on the business operations of the Company and the audited financial statements for the period ended March 31, 2015.

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Revenue from operations	8,93,47,550	8,21,54,955
Other income	5,09,092	1,39,183
Total income	8,98,56,642	8,22,94,138
Operating expenses excluding depreciation and amortization	6,62,66,508	5,68,10,387
Profit before depreciation and tax	2,35,90,134	2,54,83,751
Depreciation and amortization	54,88,524	93,61,175
Profit before tax	1,81,01,610	1,61,22,576
Current Tax	58,73,893	43,49,846
Deferred Tax	1,93,128	6,06,569
Profit after tax	1,20,34,589	1,11,66,161
Share Capital	25,00,000	25,00,000
Reserves and Surplus	2,72,28,974	1,85,44,331

DIVIDEND:

In the meeting of the Board of Directors held on 24th March, 2015 payment of interim dividend for the year under consideration @ ₹ 100 per share was approved and accordingly, your Company paid an interim dividend on 24th March, 2015. Total outflow on this account was ₹ 29,99,853 (including Corporate Dividend Tax of ₹ 4,99,853).

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

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 Company's parent organization i.e. The Cosmos Co-operative Bank Limited continues to be Company's principal client. Your company has started providing services for implementation of applications like CTS, RTGS, AEPS, Finacle, Internet Banking, Mobile Banking and other IT services like Project Management, Network Management, IT Infrastructure

Management to various banks in India. Also your Company has started providing Core Banking System (CBS) on Software as a Service (SaaS) basis, where the banks do not have to make any major capital investment in software and hardware.

Your Company has co-developed KYC-AML product for the banking industry. There is a huge demand for this product in the market and various banks have already shown interest in this product.

Finacle is an internationally acclaimed Core Banking product developed by Infosys and there is a good business opportunity to your Company to provide Finacle implementation and support services to banks. Couple of Co-op Banks have already implemented Finacle and few are in process of considering the Finacle as their Core Banking Solution. We are glad to inform you that Infosys has appointed your Company as the Finacle Implementation partner and strategic alliance agreement in that regard has been executed recently.

Considering the potentials of enormous growth in the banking sector and the banking regulator's thrust on use of technology in banking operations, your Company sees great opportunities to provide IT related services to the banks. Your Company provides Banking IT related products and services to more than 25 Banks. Providing very professional and cost effective IT services in niche banking domain to banks, is the Unique Selling Proposition (USP) of your Company.

Your Company is empanelled with NAFCUB as the approved Banking Technology partner to provide Banking and IT services to Co-operative Banks in India.

Your Company has 96+ IT professionals and few of them are having more than 20 years of IT and Banking domain experience from domestic and international companies.

Your Directors expect to better the Company's performance by adding new clients and also reduce its dependence on a single client.

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 2014-15.

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.

Cosmos e-Solutions & Services Private Limited

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 2014-15, seven Board Meetings were held.

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

Shri. Milind Kale and Shri. Jayant Shaligram, directors of the Company tendered their resignations from the directorship of the Company with effect from 18th October, 2014. The same was accepted in the meeting of the Board of Directors held on 18th October, 2014.

The Board places on record its sincere appreciation for the valuable guidance provided by Shri. Milind Kale and Shri. Jayant Shaligram during their tenure as the directors of the Company.

Dr. Vijay Bhatkar, Indian computer scientist and Padma Bhushan awardee and Shri Ashutosh Joshi were appointed as additional directors of the Company in the meeting of the Board of Directors held on 18th October, 2014. It's a matter of proud and honour to have these eminent personalities in the information technology field to be on the Board of your Company.

As per the provisions of the Companies Act, 2013; Dr. Vijay Bhatkar and Shri. Ashutosh Joshi, Directors retire at the ensuing Annual General Meeting. Whereas Dr. Vijay Bhatkar has expressed his inability to continue as a Director on account of personal reasons, Shri. Ashutosh Joshi, being eligible, seeks re-appointment. The Board recommends re-appointment of Shri. Ashutosh Joshi.

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 2 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 ₹ 60 lakhs during the year ended 31st March, 2015 or more than ₹ 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, 2015, 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 ₹ 57,520

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, safe guarding 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, 2015, 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, 2015 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: August 29, 2015

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 2015, 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 2015, 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, 2015 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, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, 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: 21.08.2015

Cosmos e-Solutions & Services Private Limited

ANNEXURE TO THE AUDITOR'S REPORT

In the Annexure, as required by the Companies (Auditor's Report) Order, 2015 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.
- 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) On the basis of selective checks carried out during the course of our audit, in our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the company and nature of its business, with regard to fixed assets and services rendered. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.
- 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 to the company.
- vi) Section 148 (1) of the Companies Act for Maintenance of cost records, specified by the Central Government, is not applicable to the company.
- 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) The company does not have accumulated losses as at 31st March 2015 and it has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- ix) In our opinion and according to the information and explanation given to us, the company has not taken any loan from a financial institution or bank. Therefore provisions of clause 3 (ix) of the CARO are not applicable.
- x) In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from bank or financial institution. Therefore provisions of clause 3 (x) of the CARO are not applicable.
- xi) The company has not obtained any term loans and therefore provisions of clause 3 (xi) of the CARO are not applicable.
- xii) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

GAURI S. BEDEKAR
 PARTNER
 Membership No: 108207

Place: Mumbai
 Date: 21.08.2015

Cosmos e-Solutions & Services Private Limited

BALANCE SHEET AS AT 31ST MARCH 2015

Particulars	Note No.	31.03.2015	31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	2,500,000	2,500,000
(b) Reserves and Surplus	4	27,228,974	18,544,331
(2) Non-Current Liabilities			
(a) Deferred tax liabilities (Net)	23	1,360,729	881,240
(3) Current Liabilities			
(a) Trade payables	5	7,676,852	5,653,635
(b) Other current liabilities	6	1,166,613	14,744,187
(c) Short-term provisions	7	10,723,592	8,766,050
Total		50,656,760	51,089,443
II. Assets			
(1) Non-current assets			
(a) Fixed assets	8		
(i) Tangible assets		1,768,260	104,589
(ii) Intangible assets		8,489,230	11,586,527
(b) Long term loans and advances	9	11,958,913	11,511,586
(c) Other non-current assets	10	-	16,124
(2) Current assets			
(b) Trade receivables	11	14,016,745	12,098,446
(c) Cash and cash equivalents	12	9,318,384	8,065,457
(d) Short-term loans and advances	13	1,495,831	541,720
(e) Other current assets	14	3,609,397	7,164,993
Total		50,656,760	51,089,443

As per our report of even date attached,

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

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

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Vasant Manwadkar
Managing Director
DIN: 00160446

Place: Mumbai
Date: 21.08.2015

Place: Pune
Date: 29.05.2015

Cosmos e-Solutions & Services Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note No.	31.03.2015	31.03.2014
Income			
I. Revenue from operations	15	89,347,550	82,154,955
II. Other Income	16	509,092	139,183
I. Total Revenue		89,856,642	82,294,138
II. Expenses:			
Expenses relating operating activity	17	7,497,112	4,904,426
Employee benefit expense	18	56,517,809	50,137,698
Financial costs	19	39,600	357
Depreciation and amortization expense	8	5,488,524	9,361,175
Other expenses	20	2,211,986	1,767,906
II. Total Expenses		71,755,032	66,171,562
III. Profit before exceptional and extraordinary items and tax (I-II) (III)		18,101,610	16,122,576
IV. Tax expense:			
(1) Current tax		5,873,893	4,349,846
(2) Deferred tax		193,128	606,569
IV. Total Tax Expense (IV)		6,067,021	4,956,415
V. Profit/(Loss) for the period from continuing operations (III-IV)		12,034,589	11,166,161
Profit/(Loss) for the period		12,034,589	11,166,161
VI. Earning per equity share:	24		
(1) Basic		481.38	446.65
(2) Diluted		481.38	446.65

As per our report of even date attached,

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

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

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Vasant Manwadkar
Managing Director
DIN: 00160446

Place: Mumbai
Date: 21.08.2015

Place: Pune
Date: 29.05.2015

Cosmos e-Solutions & Services Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars		31.03.2015 ₹	31.03.2014 ₹
A) Cash Flow From Operating Activities			
Net profit before tax		18,101,610	16,122,576
Depreciation and amortisation		5,488,524	9,361,175
Preliminary expenses written off		16,124	16,124
Operating profit before working capital changes		23,606,259	25,499,875
Adjustments for:			
Interest received		(508,314)	(135,583)
Increase/(decrease) in Trade payables		2,007,449	(1,860,965)
Increase/(decrease) in Other current liabilities		(13,561,806)	624,368
Increase/(decrease) in Short-term provisions		(4,041,204)	44,023
Income tax paid (net of refunds)		(447,327)	(6,907,068)
(Increase)/decrease in Trade receivables		(1,918,299)	(11,963,344)
(Increase)/decrease in Short-term loans and advances		(954,111)	(14,720)
(Increase)/decrease in Other current assets		3,555,596	700,562
Net cash flow from operating activities	A	7,738,243	5,987,148
B. Cash flow from investing activities			
Purchase of fixed assets		(4,054,898)	(3,363,239)
Interest received		508,314	135,583
Net cash flow from investing activities	B	(3,546,584)	(3,227,656)
C. Cash flow from financing activities			
Dividend paid		(2,875,000)	(375,000)
Dividend distribution tax		(63,732)	-
Net cash flow from financing activities	C	(2,938,732)	(375,000)
Net increase in cash and cash equivalents (A) + (B) + (C)		1,252,927	2,384,492
Cash and cash equivalents at the beginning of the period		8,065,457	5,680,965
Cash and cash equivalents at the end of the period		9,318,384	8,065,457

As per our report of even date attached,

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

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

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Vasant Manwadkar
Managing Director
DIN: 00160446

Place: Mumbai
Date: 21.08.2015

Place: Pune
Date: 29.05.2015

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Significant Accounting Policies forming part of the financial statements for the year ended 31st March 2015

1 Background

Cosmos e-Solutions & Services Private Limited ('the Company') was incorporated on 23rd May, 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 ratably 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 Cosmos 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.

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

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.

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 shortterm 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	31.03.2015		31.03.2014	
	No.	₹	No.	₹
<u>Authorised</u>				
Equity Shares of ₹ 100 each	25,000	2,500,000	25,000	2,500,000
<u>Issued</u>				
Equity Shares of ₹ 100 each	25,000	2,500,000	25,000	2,500,000
<u>Subscribed & Paid up</u>				
Equity Shares of ₹ 100 each fully paid	25,000	2,500,000	25,000	2,500,000
<u>Subscribed but not fully Paid up</u>				
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	31.03.2015		31.03.2014	
	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	31.03.2015		31.03.2014	
	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	31.03.2015 ₹	31.03.2014 ₹
Surplus in Statement of Profit and Loss		
Opening balance	17,244,331	7,753,169
(+) Net Profit/(Net Loss) For the current year	12,034,589	11,166,161
(+) Transfer from Reserves		
(-) Deferred tax liability of earlier years	286,361	-
(-) Proposed Dividends	-	375,000
(-) Dividend Distribution Tax	563,585	-
(-) Interim Dividends	2,500,000	-
(-) Transfer to General Reserve	-	1,300,000
Closing Balance	25,928,974	17,244,331
General Reserve		
Opening Balance	1,300,000	-
(+) Transfer from surplus in Statement of Profit and Loss	-	1,300,000
Closing Balance	1,300,000	1,300,000
	27,228,974	18,544,331

Note 5 : Trade payables

Particulars	31.03.2015 ₹	31.03.2014 ₹
For dues to micro and small suppliers (Refer Note 26)		
Trade Payables	7,676,852	5,653,635
Total	7,676,852	5,653,635

Note 6 : Other Current Liabilities

Particulars	31.03.2015 ₹	31.03.2014 ₹
Income received in advance	22,472	327,938
Other payables	1,144,141	1,447,695
Statutory remittances (Contribution to Provident Fund, ESIC, Withholding Taxes, Service Tax, Value Added Tax etc)		
Advances from customers	-	12,968,554
Total	1,166,613	14,744,187

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 7 : Short Term Provisions

Particulars	31.03.2015 ₹	31.03.2014 ₹
Provision for employee benefits	-	4,041,204
Others		
Proposed Dividend	-	375,000
Provision for Income Tax	10,723,592	4,349,846
Total	10,723,592	8,766,050

Note 8 : Fixed Assets

FIXED ASSETS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	Balance as at 01.04.14	Additions/ (Disposals)	Acquired through business combinations	Revaluations/ (Impairments)	Balance as at 31.03.15	Balance as at 01.04.14	Depreciation charge for the year	Adjustment due to revaluations	On disposals	Balance as at 31.03.15	Balance as at 01.04.14	Balance as at 31.03.15
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets												
Vehicles	52,756	1,670,824	-	-	1,723,580	24,405	50,784	-	-	75,189	28,351	1,648,391
Furniture and Fixtures	12,349	90,000	-	-	102,349	2,540	2,639	-	-	5,179	9,809	97,170
Computer System - Hardware	295,811	-	-	-	295,811	229,382	51,638	-	-	281,020	66,429	14,791
Office Equipments	-	10,210	-	-	10,210	-	2,302	-	-	2,302	-	7,908
Total	360,916	1,771,034	-	-	2,131,950	256,327	107,363	-	-	363,690	104,589	1,768,260
b. Intangible Assets												
Computer Software - Internet Banking	5,479,682	-	-	-	5,479,682	5,479,681	-	-	-	5,479,681	1	1
Computer System - Software	43,732	1,101,939	-	-	1,145,671	32,086	357,234	-	-	389,320	11,646	756,351
Oracle E-Business Suite Software	19,007,774	1,181,926	-	-	20,189,699	7,432,894	5,023,928	-	-	12,456,821	11,574,880	7,732,878
Total	24,531,188	2,283,864	-	-	26,815,052	12,944,661	5,381,161	-	-	18,325,822	11,586,527	8,489,230
c. Capital Work In Progress												
Oracle E-Business Suite Software	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-
d. Intangible assets under Development												
Total	-	-	-	-	-	-	-	-	-	-	-	-

Note 9 : Long term loans and advances

Particulars	31.03.2015 ₹	31.03.2014 ₹
Tax deducted at source	11,958,913	11,511,586
Total	11,958,913	11,511,586

Note 10 : Other Non-current Assets

Particulars	31.03.2015 ₹	31.03.2014 ₹
Preliminary Expenses	-	16,124
Total	-	16,124

Note 11 : Trade receivables

Particulars	31.03.2015 ₹	31.03.2014 ₹
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	-	151,686
Other Trade Receivables		
Unsecured, considered good	14,016,745	11,946,760
Total	14,016,745	12,098,446

Note 12 : Cash and Cash Equivalents

Particulars	31.03.2015 ₹	31.03.2014 ₹
Cash on hand	10,494	13,641
Balances with banks		
Current Accounts	9,307,890	7,051,816
Term Deposit	-	1,000,000
Total	9,318,384	8,065,457

Note 13 : Short Term Loans and Advances

Particulars	31.03.2015 ₹	31.03.2014 ₹
Deposits		
Unsecured, considered good	360,000	525,000
Prepaid Expenses		
Unsecured, considered good	1,080,796	-
Other Advances		
Unsecured, considered good	45,035	-
Loans and advances to employees		
Unsecured, considered good	10,000	16,720
Total	1,495,831	541,720

Note 14 : Other Current Assets

Particulars	31.03.2015 ₹	31.03.2014 ₹
Unbilled revenue	3,551,522	2,843,509
Balances with government authorities - Unsecured, considered good		
Service Tax input credit receivable	57,875	389,994
Interest accrued on deposits	-	9,423
Debit Cards for processing	-	76,050
Others - Unsecured, considered good		
Cosmos Bank Employees' Gratuity Fund	-	3,846,017
Total	3,609,397	7,164,993

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 15 : Revenue from operations

Particulars	31.03.2015 ₹	31.03.2014 ₹
Sale of products (Software Product Sale)	-	350,000
Sale of Services	89,140,435	79,446,203
Server Hosting Charges	204,000	2,346,292
Training Fees	3,115	12,460
Other operating revenues	-	-
Total	89,347,550	82,154,955

Note 16 - Other Income

Particulars	31.03.2015 ₹	31.03.2014 ₹
Interest received	508,314	135,583
Miscellaneous income	778	3,600
Total	509,092	139,183

Note 17 - Expenses relating to operating activity

Particulars	31.03.2015 ₹	31.03.2014 ₹
Software Technical Support Cost	4,850,461	4,146,141
Expenses for Other Client's Project	2,624,163	638,879
Training Course Expenses	2,888	119,406
Training Faculty Honorarium	19,600	-
Total	7,497,112	4,904,426

Note 18 - Employee Benefit Expenses

Particulars	31.03.2015 ₹	31.03.2014 ₹
Salaries and incentives	51,884,751	44,834,543
Contributions to -		
Provident fund	2,698,767	2,785,877
Pension Fund	894,634	540,434
Gratuity fund contributions	-	650,000
Employees' Medclaim Insurance Premium	592,492	925,034
Staff Welfare Expenses	447,165	401,810
Total	56,517,809	50,137,698

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Note 19 - Finance costs

Particulars	31.03.2015 ₹	31.03.2014 ₹
Interest on delayed payment of statutory dues	39,600	357
Total	39,600	357

Note 20 - Other Expenses

Particulars	31.03.2015 ₹	31.03.2014 ₹
Electricity Charges	23,680	131,220
Rent, Rates and Taxes	120,000	681,004
Telephone Charges	106,109	77,213
Travelling & Conveyance		
Travelling Expenses	665,610	430,963
Conveyance Expenses	1,392	735
Motor Vehicle Expenses	16,611	9,677
Printing and Stationery	27,415	11,543
Advertisement Expenses	50,981	106,400
Professional Fees	180,605	112,000
Short provisions in respect of earlier years (net)	402,800	-
Payment to auditors (Refer Note below)	130,000	40,000
Preliminary Expenses Written Off	16,124	16,124
Miscellaneous Expenses	470,659	151,027
Total	2,211,986	1,767,906

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

Payments to the auditor as	31.03.2015 ₹	31.03.2014 ₹
As auditors - Statutory Audit	45,000	30,000
For taxation matters	15,000	-
For Other Services	70,000	10,000
Total	130,000	40,000

Note 21 : Commitment

Particulars	31.03.2015 ₹	31.03.2014 ₹
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 22: Contingent liability

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

Note 23 : 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.

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Particulars	31.03.2015 ₹	31.03.2014 ₹
Difference in depreciation as per books of account and tax	13,60,729	8,81,240

Note 24 - 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	31.03.2015 ₹	31.03.2014 ₹
Net Profit after tax attributable to equity shareholders (A)	1,20,34,589	1,11,66,161
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) (₹)	481.38	446.65

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 25 - 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

Transactions with related party

Holding Organisation	31.03.2015 ₹	31.03.2014 ₹
Sale of Services (including Service Tax)	8,19,89,806	8,39,05,434
Interest on Term Deposit	96,664	10,470
Dividend	25,00,000	3,75,000
Closing balances		
Trade receivable (net)	1,10,12,524	99,58,228
Advance received	-	1,19,68,554
Term Deposit	-	10,00,000
Remuneration to Shri Vasant Manwadkar-Managing Director	29,10,768	23,49,775

26. 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:

Cosmos e-Solutions & Services Private Limited

NOTES TO FINANCIAL STATEMENTS

Holding Organisation	31.03.2015 ₹	31.03.2014 ₹
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	-	-

27. Expenditure in foreign currency (on accrual basis)

	31.03.2015 ₹	31.03.2014 ₹
Travelling Expenses	57,520	1,06,625
Total	57,520	1,06,625

28. 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' ₹ 1,20,000 in Note 20 forming part of these financial statements.

29. 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.

28. 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.

29. 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.

30. Previous year comparatives

Previous year's figures have been re-grouped wherever necessary. As per our report of even date attached.

As per our report of even date attached,

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

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

Gauri S Bedekar
Partner
Membership No: 108207

Sunil Sabnis
Chairman
DIN: 00009334

Vasant Manwadkar
Managing Director
DIN: 00160446

Place: Mumbai
Date: 21.08.2015

Place: Pune
Date: 29.05.2015



▲ Bank's New Logo Unveiling Ceremony:- By Padma Vibhushan Dr. Kantilal Sancheti with Bank's Chairman, Ex. Vice Chairman, Chairman Emeritus & Managing Director.



▲ Inauguration Function of Bank's New Corporate Office (Cosmos Tower):- Hon. Shri Devendra Fadnavis, Chief Minister of Maharashtra State, Hon. Shri Anil Shirole, Member of Parliament, Hon. Shri Dilip Kamble, State Minister - Tribal Development & Social Justice (MS), Hon. Shri Dattatray Dhankawade, Mayor of Pune with other dignitaries and Bank's Chairman, Vice Chairman, Ex. Vice Chairman, other Directors and Managing Director.





▲ Cosmos Bank's Chairman Emeritus & NAFCUB President Dr. Mukund Abhyankar with Hon. Prime Minister of India Shri Narendra Modi and Lok Sabha Speaker Shrimati Sumitra Mahajan.



▲ **NSDL Award Ceremony:-** Bank's Managing Director accepting the NSDL Star Performance Award 2014 from the Managing Director & CEO of NSDL Shri G. V. Nageshwar Rao and Senior Executive Director Shri Rajesh Doshi.



▲ **Inauguration of Andheri (W) Branch:-** By Shri Ajinkya Deo, Renowned Filmstar with Bank's Chairman, Vice Chairman, other Directors and Jt. Managing Director.



▲ **Relocation of Ambegaon (Bk.) Branch:-** Inaugurated by Cabinet Minister, Maharashtra State, Hon. Shri Girish Bapat, seen with Bank's Chairman.



▲ Indian Nuclear Scientist and Director of Reserve Bank of India, Padma Vibhushan Shri Anil Kakodkar visited Bank's New Corporate office (Cosmos Tower) seen with Bank's Chairman, other Directors and Managing Director.



VISION

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

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

VALUES

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





TRUST | EXPANSION | DEVELOPMENT

For the last eleven decades, Cosmos has been on the forefront in enhancing lifestyles of people through **trustworthy** banking. This unwavering commitment has empowered our glorious journey of over a century. The second largest Co-operative Bank in the country, turnover of more than ₹ 27,000 crores, almost 1 lakh shareholders and a well knit network of 140 branches, this **expansion** is our hopeful promise for a bright future. With all this and much more, Cosmos dreams of your **development**.



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

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