



*Jaydeep Mehta & Associates*

Chartered Accountant

**Auditor's Report**

To,  
All Members,  
The Nawanagar Cooperative Bank Ltd., Jamnagar. \_\_\_\_\_

**1. Report on the Financial Statement**

We have audited the accompanying financial statements of THE NAWANAGAR CO-OPERATIVE BANK LTD., which comprises the Balance Sheet as at 31<sup>st</sup> March, 2015 and also the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**2. Management's Responsibility for the Financial Statements**

The management of the bank is responsible for the preparation of these financial statement that give true and fair view of the financial position, financial performance and cash flows of the bank in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and the Banking Regulation Act, complying with Reserve Bank of India guidelines from time to time. This responsibility include the design, implementation and maintenance of the internal control relevant to the preparation and fair presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud and error.

**3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 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 purposes of expressing an opinion on the effectiveness of the Bank's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to :

- (i) our comments and observation contained in audit memorandum (Samanya Shero & Khas Shero) annexed with Part-I & II furnished as per the Gujarat Co-Operative Societies Act, 1961;
- (ii) Notes on accounts forming part of the financial statements;

give the information required by the Banking Regulation Act, 1949 as well as the Gujarat Co-



Operative Societies Act, 1961 and rules made there under, in the manner so required, for the urban co-operative bank and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31<sup>st</sup> March, 2015;
- (b) in the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## 5. Report on Other Legal and Regulatory Requirements

We report that :

1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of accounts as required by law have been kept by the Bank so far as appears from our examination of those books.
3. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of accounts and returns.
4. In our opinion and according to information given to us, the transactions of the Bank, which have come to our notice, have been within the competence of the Bank.
5. The Board of Directors has conducted the working of the bank as per bye-laws and also provisions of cooperative law/rules. The Board of Directors has followed the rules and regulations.
6. The Board of Directors has carried out the instructions of RBI, given from time to time.
7. Bank has maintained SLR and CRR standards according to rules prevail from time to time of RBI.
8. Bank has made classification of NPAs as per RBI guidelines and sufficient provisions are made for the same.
9. The advances allowed to members of the board of director or their relatives are as per RBI Guidelines and in term of provisions of cooperative law. All such advances are recoverable.
10. The directors or other office bearers are not disqualified for the position.
11. The guidelines for the one time settlement of advances and 'Set-off' of deposits against advances are adhered to by the bank.
12. In cases of write-off/compromise of the dues undertaken during the year instructions given by the RBI and Registrar of Cooperative Societies are adhered to by the bank.
13. In case of compromise of dues through courts, bank's interest is not jeopardised.
14. Aforesaid audit work is as per our criteria for the audit period ended on 31st March 2015.

Jaydeep Mehta & Associates  
Chartered Accountants (FRN : 122154W)

**CA. Jaydeep Mehta**  
**Proprietor (Mem. No. 102782)**  
**Penal No. 1029**

**Place:** Jamnagar  
**Date:** 1st June, 2015



## Registered Office

Nawanagar Bank Bhavan, Hirji Mistry Road, Opp. Pranami School, Jamnagar - 361004 Ph. : 2563984-85

email : mail@nawanagar.co.in - ho@nawanagarbank.co.in

**Ashvin R Jhaveri**  
Dy. General Manager**Ramkrushna D Adhiya**  
Asst. General Manager

Branch	Branch Manager	Branch Address & Ph No.
DIGVIJAY PLOT	Ajay R. Sheth	17-B, Digvijay Plot, Jamnagar-361005 Ph. : 2552857,2676909-2671348-2540493-2540167
UDYOGNAGAR	Rajesh S. Shah	Nawanagar Bank Bhavan, Hirji Mistry Road, Opp. Pranami School, Shankar Tekri, Udyognagar, Jamnagar-361004 Ph. : 2563939-2563940-2568585
HOSPITAL ROAD	Paras H. Kundalia	101-102-103 Cross Way, Indira Marg Corner, Hospital Road, Jamnagar-361008 Ph. : 2671543,2671519-2510862
SARU SECTION	Pradip S. Shah	'Trupti', Paras Society, Panchvati Saru Section Road, Jamnagar-361008 Ph. : 2662518,2662435-2510861
RANJIT ROAD	Nitin H. Mehta	Simandhar Complex, Ranjit Road, Opp. Ratanbai Masjid Jamnagar-361001 Ph. : 2541236,2541233-2510863
GULAB NAGAR	Rupen P. Shah	Gulabnagar, Rajkot High way, Jamnagar-361007 Ph. : 2571921-2571568
DARED	Rahul V. Mankad	G.I.D.C. ,Phase-2, Dared, Jamnagar-361005 Ph. : 2730541-2730542
KHAMBHALIYA ROAD	Harish C. Shah	Mayur Complex, Shop No. 7-8, Khodiyar Colony, Jamnagar-361006 Ph. : 2712134-2712136
RANJIT SAGAR ROAD	Bharat M Chhapiya	Plot No. 33,34,35 Nr. Havmor Agency, Ranjitsagar Road Jamnagar-361006 Ph. : 2551615-2551616
HARIA EXT. COUNTER	Incharge Officer: Dilip K. Khetiya	Haria School Compound, Indira Marg, Jamnagar-361004 Ph. : 2564438

**Comparative Financial Position of Last Five Years (in Rs.)**

વિગત	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
Paid Up Capital	5,68,48,000	6,62,37,000	7,38,83,000	8,42,49,100	9,23,97,000
Reserves	78,82,53,000	85,49,64,000	91,37,42,000	98,25,69,000	1,02,86,99,000
Deposit	2,77,12,93,000	3,02,97,48,000	3,39,86,16,000	3,76,98,73,000	4,38,58,27,000
Advances	1,15,09,55,000	1,42,61,40,000	1,60,82,64,000	1,82,05,68,000	1,85,77,89,000
Net Profit	4,65,57,000	4,86,13,000	5,12,41,000	5,06,60,000	5,67,97,000
Working Capital	3,73,91,39,000	4,03,11,55,000	4,46,36,17,000	4,93,50,94,000	5,62,83,95,000
Audit Class	A	A	A	A	A

**Profit & Loss Account for the Year 2014-2015**

Expenditure	31-03-2014		31-03-2015	
	Rs.	Ps.	Rs.	Ps.
Interest Paid on Deposits and Borrowings	22,66,38,848.00		27,61,72,540.78	
Salaries, Allowances & Providend Fund	4,75,93,758.00		5,01,94,113.00	
Director's Fees		0.00		0.00
Stationery & Printing	13,35,697.99		11,40,600.88	
Advertisement Expenses	6,22,238.00		7,24,573.00	
Postages, Telegrams & Telephones Expense	5,53,560.04		5,80,020.21	
Insurance Premium	42,19,505.00		44,70,539.00	
Audit Fees	5,04,000.00		7,46,020.00	
Electricity charges	21,03,280.00		23,27,096.00	
Subscription to periodicals & News papers	1,13,192.00		1,23,212.00	
Miscellaneous Expenses	16,42,124.60		17,33,123.65	
Legal Advisor's and Consultant's Fees	4,90,052.00		2,01,608.00	
Rent of Premises and Taxes	31,63,647.00		31,29,782.00	
Building Repairing Expenses	7,62,459.00		3,14,451.00	
Travelling Expenses	97,296.00		1,21,045.79	
Depreciation on Furniture and Buildings	70,83,846.44		77,42,093.00	
Staff Grup Gratuity Premium	2,52,738.00		14,50,464.00	
Computer Expenses	18,56,910.00		19,98,429.80	
Loss on Sale of Assets	82,493.00		18,244.92	
Security Purchase Premium	4,66,480.00		2,59,420.00	
Service Tax	20,34,283.70		19,98,696.53	
Legal Expenses	41,910.00		95,862.00	
Conveyance Expenses	4,49,775.00		4,53,496.00	
<b>Balance C/f</b>	<b>30,21,08,093.77</b>		<b>35,59,95,431.56</b>	

**Profit & Loss Account for the Year 2014-2015**

<b>Income</b>	<b>31-03-2014</b>		<b>31-03-2015</b>	
	<b>Rs.</b>	<b>Ps.</b>	<b>Rs.</b>	<b>Ps.</b>
Interest Income on advances and Investments	40,29,56,409.93		46,30,98,508.70	
Commission	16,48,032.87		12,57,515.20	
Locker Rent	26,28,416.70		32,70,900.00	
Recovery for bad & doubtful debt A/c.	2,25,171.78		0.00	
Miscellaneous Income	8,29,478.93		4,80,355.49	
Incidental Charges	26,50,614.86		22,03,320.58	
Share Transfer Fees	32,736.00		27,457.00	
Inspection Charges	17,39,010.48		17,49,994.63	
Dividend Income	750.00		750.00	
Limit Procession Charges	56,57,241.00		51,81,856.00	
Entry Fees	645.00		0.00	
Profit on Sale of fixed assets	1,42,650.00		1,09,593.00	
Nominal Member Fees	23,025.00		3,400.00	
Referral Fees Income	14,05,864.62		16,05,319.26	
Commission on Sales of special adhesive stamps	5,90,000.00		8,00,000.00	
Cheque Book Issue Charges	9,32,455.00		8,74,289.00	
Election Form Income	24.00		0.00	
Flood IT Income	52,700.00		0.00	
Income Tax Refund 2009-2010	0.00		4,18,230.00	
<b>Balance C/f</b>	<b>42,15,15,226.17</b>		<b>48,10,81,488.86</b>	

**Profit & Loss Account for the Year 2014-2015**

Expenditure	31-03-2014		31-03-2015	
	Rs.	Ps.	Rs.	Ps.
<b>Balance B/f</b>	<b>30,21,08,093.77</b>		<b>35,59,95,431.56</b>	
Electric Fittings & Furniture Fees	21,463.00		35,281.00	
Meeting Expenses	93,493.00		96,835.00	
Security Service Charges	6,04,085.50		6,93,197.00	
Clearing house charges	6,12,677.00		0.00	
Income Tax Appeal Fees	0.00		1,000.00	
Demate / SGL A/c. Service Charges	2,528.20		2,752.02	
Annual General Meeting Expenses	1,78,579.00		49,851.00	
Equipment maintenance Expense	3,22,282.50		6,64,854.59	
Advisory Fees Gilts / CIBIL	0.00		1,88,334.00	
Bank Charges	12,309.18		84,745.11	
Interest Paid on Security	91,000.00		0.00	
Professionals Tax	14,000.00		14,000.00	
Cash Van Pick up charges	2,55,894.00		2,65,483.00	
Books & Periodicals	7,040.00		6,602.00	
House Keeping Expenses	3,03,675.00		2,80,317.00	
Computer AMC Expenses	46,206.00		0.00	
Income Tax Paid During Previous Years	38,69,170.00		7,52,459.00	
<b>Provisions</b>				
Provision for Bad and Doubtful Debt A/c.	48,00,000.00		85,00,000.00	
Provision for Income Tax	1,85,00,000.00		3,55,00,000.00	
Provision for Staff Bonus	12,689.09		13,625.00	
Provision for Productivity Linked Incentive	66,00,000.00		74,00,000.00	
Contingents provision for Standard Assets	45,00,000.00		45,00,000.00	
Provision for Rebate for Regular borrower	29,00,000.00		40,00,000.00	
Provision for Member's Gift	50,00,000.00		51,00,000.00	
Differed Tax Provision	0.00		1,40,000.00	
Investment Depreciation Reserve	2,00,00,000.00		0.00	
<b>Profit for the year carried to Balance Sheet</b>	<b>5,06,60,040.93</b>		<b>5,67,96,721.58</b>	
<b>TOTAL</b>	<b>42,15,15,226.17</b>		<b>48,10,81,488.86</b>	

**Profit & Loss Account for the Year 2014-2015**

Income	31-03-2014		31-03-2015	
	Rs.	Ps.	Rs.	Ps.
Balance B/f	42,15,15,226.17		48,10,81,488.86	
<b>Total</b>	<b>42,15,15,226.17</b>		<b>48,10,81,488.86</b>	

As per our audit report till date

Place : Jamnagar

Date : 01/06/2015

Jaydeep Mehta &amp; Associates

Chartered Accountant

Sign. : Jaydeep D. Mehta

Membership No. : 102782, Panel No. : 1029

**Ramnklal K. Shah**  
Chairman**Dhirajlal J. Kanakhara**  
Vice Chairman**Kiranbhai R. Madhvani**  
Managing Director**Nileshbhai M. Tolia**  
Jt. Managing Director**Directors**Dhirajlal M. Shah  
Parmanandbhai V. Khattar  
Satishchandra M. Kundalia  
Chandulal R. ShahNathalal V. Mungra  
Subhashchandra K. Shah  
Hiteshbhai G. Parmar  
Hasmukhbhai I. HindochaVijaykumar M. Sheth  
Prashantbhai M Maharishi**Ashvin R Jhaveri**  
Dy. General Manager**Ramkrushna D Adhiya**  
Asst. General Manager



**Balance Sheet As on 31/03/2015**

31/03/2014		Capital and Liabilities	Rs. Ps.		31/03/2015	
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
<b>10,00,00,000.00</b>		<b>1.SHARE CAPITAL</b>				<b>10,00,00,000.00</b>
		(a) Authorized Share Capital 40,00,000.00				
		Shares of Rs. 25/- Each				
		(b) Paid Up Capital Shares				
		Of Rs. 25/- each held by 3695899				
8,42,49,100.00		1. Individuals	9,23,97,475.00			9,23,97,475.00
0.00		2. Co-Operative Societies		0.00		
0.00		3. State Govt.		0.00		
		<b>2.RESERVE FUND &amp; OTHER RESERVES :</b>				
22,13,45,679.77		1.Statutory Reserve	24,74,56,521.70			
22,49,692.45		2.Charity Fund	23,41,792.45			
10,75,24,051.00		3.Building Fund	11,10,61,841.00			
2,55,30,961.00		4.Dividend Equalization Fund	1,38,57,484.00			
12,33,97,947.68		5.Bad & Doubtful Debt, Reserve	13,09,96,953.68			
2,60,80,865.90		6.Sahakari Prachar Fund	2,77,89,513.90			
79,41,053.00		7.Silver Jub. Fund	79,41,053.00			
93,08,456.40		8.Members' Welfare Fund	91,29,007.40			
4,41,58,296.40		9.Contingencies Fund	4,45,14,264.61			
10,79,67,223.35		10.Investment Fluc. Reserve	10,79,67,223.35			
1,02,17,871.25		11.City Development Fund	1,04,96,694.25			
4,04,50,000.00		12.Conti. provision against Standard Assets	4,49,50,000.00			
4,57,25,570.00		13.Special Reserve Fund	4,65,74,640.00			
6,91,21,208.55		14.Investment Depreciation Reserve	6,91,21,208.55			
5,16,50,000.00		15.Bad & Doubtful Debts Provision	6,01,50,000.00			
2,10,88,447.00		16.Shakh Samkari Fund	2,49,26,712.00			
97,87,885.00		17.Provision for Member Gift	1,04,09,265.00			
9,199.21		18.Staff Welfare Fund		0.00		
5,90,14,997.00		19.Investment Depreciation Reserve (M.M.C.B.)	5,90,14,997.00			
<b>98,25,69,404.96</b>						<b>1,02,86,99,171.89</b>
<b>1,06,68,18,504.96</b>		<b>Balance C/f</b>				<b>1,12,10,96,646.89</b>





**Balance Sheet As on 31/03/2015**

31/03/2014		Property and Assets	Rs. Ps.		31/03/2015	
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
29,88,76,491.42		<b>1. CASH &amp; BANK BALANCE</b>				<b>11,49,32,979.34</b>
		Cash on Hand with Reserve Bank/ State Bank of India/ State/Central Co.Op. Bank				
		<b>2. BALANCES WITH OTHER BANKS</b>				
10,12,97,066.48		1. Current Deposits	21,26,27,144.29			
0.00		2. Saving Deposits		0.00		
56,22,71,217.00		3. Fixed Deposits	50,67,58,334.00			
<b>66,35,68,283.48</b>						<b>71,93,85,478.29</b>
<b>0.00</b>		<b>3. AT CALL &amp; SHORT NOTICE IN BANKS</b>				<b>0.00</b>
		<b>4. INVESTMENTS</b>				
1,94,79,94,465.00		A. In Central & State Govt. Securities	2,71,70,54,465.00			
0.00		B. Other Trustee Securities		0.00		
5,050.00		C. Shares in Co-op. Banks		5,050.00		
2,32,90,747.50		D. Other Investments	2,32,90,747.50			
<b>1,97,12,90,262.50</b>						<b>2,74,03,50,262.50</b>
<b>0.00</b>		<b>5. PRINCIPAL SUBSIDIARY STAFF</b>				<b>0.00</b>
		<b>PARTNERSHIP FUND INVESTMENT:</b>				
		<b>6. ADVANCES</b>				
97,72,91,119.99		1. Short term Loans, Cash Credit, Over Drafts, & Bills discounted of which Against :	98,05,42,590.47			
		A. Govt. Securities	0.00		0.00	
		B. Other Trngible Securities				
		Due from	98,05,42,590.47			
		Individuals	98,05,42,590.47			
		of which overdue	3,65,02,383.03			
		of which bad & doubtful debt	1,70,07,932.70			
<b>2,93,37,35,037.40</b>		<b>Balance C/f</b>				<b>3,57,46,68,720.13</b>



**Balance Sheet As on 31/03/2015**

31/03/2014		Capital and Liabilities	Rs. Ps.		31/03/2015	
Rs.	Ps.				Rs.	Ps.
1,06,68,18,504.96		<b>Balance B/f</b>				<b>1,12,10,96,646.89</b>
		<b>3. DEPOSITS &amp; OTHER ACCOUNTS :</b>				
2,21,61,46,996.75		1. Fixed Deposits				
		A. Individuals      2,57,53,73,531.52	2,65,45,91,015.52			
		B. Central Co. Op. Bank      0.00				
		C. Other Societies      7,92,17,484.00				
1,14,63,38,756.05		2. Saving Deposits :				
		A. Individuals      1,27,73,56,384.36	1,28,78,24,383.30			
		B. Central Co. Op. Bank      0.00				
		C. Other Societies      1,04,67,998.94				
40,73,87,078.88		3. Current Deposits				
		A. Individuals      43,79,23,996.65	44,34,11,328.20			
		B. Central Co. Op. Bank      0.00				
		C. Other Societies      54,87,331.55				
<b>3,76,98,72,831.68</b>						<b>4,38,58,26,727.02</b>
		<b>4. BORROWINGS :</b>				
	0.00	1. From Reserve Bank of India				0.00
		State/Central Co. Op. Bank.				
		A. Short Term Cash Credit/Overdraft of which				
		1. Against Govt. Securities				
		2. Other Securities				
		B. Medium Term Loan				
		C. Long Term Loan				
	0.00	2. From State Bank of India & Other Banks				0.00
		A. Short Term Loan/Overdraft, Cash				
		Credit etc. of which				
		1. Against Govt. Securities				
		2. Other Securities				0.00
<b>4,83,66,91,336.64</b>		<b>Balance C/f</b>				<b>5,50,69,23,373.91</b>

**Balance Sheet As on 31/03/2015**

31/03/2014		Property and Assets	Rs. Ps.		31/03/2015	
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
2,93,37,35,037.40		<b>Balance B/f</b>			3,57,46,68,720.13	
19,97,58,445.50		2. Medium Term Loans	40,84,17,379.23			
		Of which against :				
		A. Govt. Securities				
		B. Other Tangible Securities	40,84,17,379.23			
		Individuals	40,84,17,379.23			
		Of which overdue being	77,44,468.91			
		Of which doubtful & debt	39,76,672.25			
64,35,18,102.32		3. Long Term Loans	46,88,28,922.99			
		A. Govt. Securities				
		B. Other Tangible Securities	46,88,28,922.99			
		Individuals	46,88,28,922.99			
		Of which overdue being	71,69,650.62			
		Of which doubtful & debt	59,19,669.00			
1,82,05,67,667.81		<b>TOTALADVANCES</b>			1,85,77,88,892.69	
5,74,35,937.00		<b>7. INTEREST RECEIVABLE ON INVESTMENT</b>			5,95,02,768.00	
		<b>8. BILLS RECEIVABLE AS PER CONTRA.</b>				
3,42,176.00		1. A. Inward Bills Receivable	2,03,571.00			
6,24,938.00		B. Outward Bills Receivable	4,70,176.00			
9,67,114.00					6,73,747.00	
1,63,21,089.65		2. Interst Receivable (NPAA/cs)			2,12,10,074.65	
10,76,991.00		3. Unclaimed Member Gift			15,06,096.00	
		4. Unclaimed Deposit : Reserve Bank of India			1,11,69,493.20	
		<b>9. T.D.S. RECEIVABLE/ADVANCE TAX</b>				
3,92,223.00		T.D.S. Receivable	4,24,787.00			
2,87,66,219.00		Advance Income Tax	4,02,26,456.00			
2,91,58,442.00					4,06,51,243.00	
5,61,68,445.60		<b>10. PREMISES (Less Depreciation)</b>			5,46,62,237.60	
3,00,08,063.79		<b>11. Furniture &amp; Fixtures (Less Depreciation)</b>			2,77,25,674.62	
4,94,54,38,788.25		<b>Balance C/f</b>			5,64,95,58,946.89	



**Balance Sheet As on 31/03/2015**

31/03/2014 Rs. Ps.		Capital and Liabilities	Rs.	Ps.	31/03/2015 Rs. Ps.	
4,83,66,91,336.64		<b>Balance B/f</b>			5,50,69,23,373.91	
		<b>5. BILLS FOR COLLECTIONS</b>				
		<b>AS PER CONTRA.</b>				
3,42,176.00		1.A. Inward Bills for Collection	2,03,571.00			
6,24,938.00		B. Outward Bills for Collection	4,70,176.00			
<b>9,67,114.00</b>					<b>6,73,747.00</b>	
<b>1,63,21,089.65</b>		2. Overdue Interest Reserve (NPA)	<b>2,12,10,074.65</b>		<b>2,12,10,074.65</b>	
<b>10,76,991.00</b>		3. Unclaimed Member Gift	15,06,096.00		<b>15,06,096.00</b>	
		4. Unclaimed Deposit Reserve Bank of India	<b>1,11,69,493.20</b>		<b>1,11,69,493.20</b>	
<b>0.00</b>		<b>6. BRANCH ADJUSTMENTS</b>		<b>0.00</b>		
<b>6,34,931.14</b>		<b>7. OVERDUE INTEREST RESERVE</b>			<b>8,42,918.14</b>	
<b>0.00</b>		<b>8. INTEREST PAYABLE</b>				
		<b>9. OTHER LIABILITIES</b>				
19,32,012.00		1. Unclaimed Dividend	28,88,205.00			
2,12,13,161.88		2. Bills Payable	1,85,38,846.06			
35,92,576.71		3. Bad & Doubtful Debts Written off	35,92,576.71			
1,90,20,000.00		4. Provision for Income Tax	3,61,60,000.00			
2,73,595.00		5. Others	4,73,601.15			
<b>4,60,31,345.59</b>					<b>6,16,53,228.92</b>	
		<b>10. PROFIT &amp; LOSS A/C.</b>				
		Balance of				
		Profit last Year	5,06,60,040.93			
		Les: Appropriation	5,06,60,040.93			
<b>5,06,60,040.93</b>		Add Profit for the current year	5,67,96,721.58		<b>5,67,96,721.58</b>	
		<b>11. Contingent Liabilities</b>				
		Last Year	32,95,000.00			
		Current Year	32,95,000.00			
		<b>*The Contingent liabilities are fully secured</b>				
		<b>by mortgage of immovable properties and/or</b>				
		<b>Charge over movable assets.</b>				
<b>4,95,23,82,848.95</b>		<b>TOTAL</b>			<b>5,66,07,75,653.40</b>	



**Balance Sheet As on 31/03/2015**

31/03/2014		Property and Assets	Rs. Ps.		31/03/2015	
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
<b>4,94,54,38,788.25</b>		<b>Balance B/f</b>				<b>5,64,95,58,946.89</b>
		<b>12. OTHER ASSETS :</b>				
53,386.00		1. Telephone Deposit	64,386.00			
7,000.00		2. Advance Payments	10,000.00			
1,600.00		3. Gas Deposit	1,600.00			
7,53,309.88		4. Stationery Stock on Hand	8,74,385.00			
1,083.82		5. Clearing Adj.	0.00			
36,44,502.00		6. Adhesives Stamps for Sale	40,56,570.00			
4,81,281.00		7. GEB Meter Deposit	4,91,642.00			
1,00,000.00		8. Branch Building Maintenance Deposit	1,00,000.00			
1,03,951.00		9. Pre paid expenses	1,55,388.00			
2,00,000.00		10. Land Premises	2,00,000.00			
2,150.00		11. Water Connection Deposit	2,150.00			
3,123.00		12. Adhesive Stamp	4,153.00			
0.00		13. Computer Advance	730,691.00			
9,48,774.00		14. Gulabnagar Branch Building Consu.A/c.	29,31,324.00			
600.00		15. Locker Stamp	600.00			
2,66,000.00		16. Festival Advance	2,55,000.00			
0.00		17. Suspense Law Charges	1,23,471.00			
0.00		18. P.G.V.C.L. Bill Collection Deposit	9,00,000.00			
0.00		19. Unclaimed Deposit-Receivable RBI	1,97,466.51			
<b>65,66,760.70</b>						<b>1,10,98,826.51</b>
<b>3,77,300.00</b>		<b>13. Residual Premium on Purchase of Securities</b>				<b>1,17,880.00</b>
<b>4,95,23,82,848.95</b>		<b>Total</b>				<b>5,66,07,75,653.40</b>

As per our audit report till date

Place : Jamnagar

Date : 01/06/2015

Jaydeep Mehta & Associates

Chartered Accountant

Sign. : Jaydeep D. Mehta

Membership No. : 102782, Panel No. : 1029

**Ramnijklal K. Shah** Chairman    **Dhirajlal J. Kanakhara** Vice Chairman    **Kiranbhai R. Madhvani** Managing Director    **Nileshbhai M. Tolia** Jt. Managing Director

**Directors**

Dhirajlal M. Shah    Nathalal V. Mungra    Vijaykumar M. Sheth  
 Parmanandbhai V. Khattar    Subhashchandra K. Shah    Prashantbhai M Maharishi  
 Satishchandra M. Kundalia    Hiteshbhai G. Parmar  
 Chandulal R. Shah    Hasmukhbhai I. Hindocha

**Ashvin R Jhaveri**  
Dy. General Manager

**Ramkrushna D Adhiya**  
Asst. General Manager



**Notes forming part of the Balance Sheet as at 31<sup>st</sup> March, 2015 and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2015**

**(A) Background :**

**The Nawanagar Co-Operative Bank Ltd. was incorporated in 1980 and at present, having 9 Branches and 1 Extension Counter. The Bank provides various products which caters to the needs of its customers.**

**(B) Significant Accounting Policies :**

**1. Accounting Convention**

The accompanying Financial Statements have been prepared and presented under the historical cost convention on accrual basis of accounting, unless otherwise stated, on a going concern basis and comply with the generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act, 1949, and the Gujarat Co-Operative Act, 1961, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, and the current practices prevailing amongst the Co-operative Banks in India.

**2. Use of Estimates**

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

**3. Investments**

**3.1 Categorisation of Investments :**

In accordance with the guidelines issued by RBI, the Bank classifies its investment portfolio into three categories viz. 'Held to Maturity', "Available for Sale" and "Held for Trading".

In respect of Securities included in any of the above three categories where interest / principle is in arrears for more than 180 days, income is not recognized as per prudential norms.

**3.2 Classification of Investments :**

For the purpose of Disclosure in Balance Sheet investments have been classified as required under RBI Guidelines - Government Securities (Central & State), Other approved Securities, Shares of Other Co-operative Institutions and other Investments.

**3.3 Valuation of Investments :**

**(i) Held to Maturity:** Investments in HTM (i) category are valued at acquisition cost unless it is more than the face value in which case the premium (if any) paid on the investments under this category is shown under "Other Assets" and is amortised over the period remaining to maturity.

**(ii) Held for Trading & Available for Sale :** Investments under AFS and HFT categories are valued scrip-wise at lower of Book Value and Market Value and depreciation/appreciation is aggregated for each classification. Net depreciation, if any, is provided for while net appreciation, if any, is ignored. Net Depreciation for the year under these categories is charged to the Profit and Loss Account.

**(iii)** Shares of Co-operative Institutions and Financial Corporations are valued at cost unless there is a diminution in the value thereof in which case the diminution is fully provided for.

**(iv)** Market Value of the Government Securities under available for sale is determined in terms of Yield to Maturity (YTM) method indicated by Fixed Income Money Market & Derivatives Association of India (FIMMDA).

**(v)** Broken period interest in respect of the Government Securities purchased is treated as an item of expenditure under the Profit and Loss account.

**4. Advances**

(I) All Advances are classified as Standard, Sub-standard, Doubtful and Loss Assets in accordance with guidelines issued by RBI. Provisions are made in accordance with the prudential norms prescribed by Reserve Bank of India.

(ii) The overdue interest in respect of non-performing advances is provided separately under Overdue Interest Reserve as per directives issued by RBI.

**5. Fixed Assets and Depreciation**

(i) Premises and other fixed Assets have been accounted for at historical cost less Depreciation.

(ii) Fixed Assets except computers are depreciated on Written Down Value Method at the rate considered appropriate by the management. Computers are depreciated on Straight Line Method @ 33.33% as directed by RBI.

(iii) Depreciation on Fixed Assets purchased during the year is charged for the entire year if asset is purchased and retained for 180 days or more. Otherwise it is charged at 50% of the normal rate. No depreciation is charged on assets sold during the year.

(iv) Fixed assets which have been fully depreciated but are still in use, are carried in the books at Rs. 1/-.

Accounting Standards 6 and 10 issued by the Institute of Chartered Accountants of India relating to Accounting for Fixed Assets and depreciation requires for disclosure of gross and net values of assets and accumulated depreciation thereon. However, as per the format applicable to the Co-operative Banks, the above disclosure are not made in the accounts and to that extent, the disclosure norms of the Accounting standards as referred above have not been followed. However, the same has no impact on the results of the bank.

**6. Revenue Recognition****(I) Income**

Interest and other income are recognized on accrual basis except the following, which are recognized on realization basis as per RBI guidelines.

(a) Interest and other income on Non Performing Advances as per RBI Norms

(b) Locker Rent (c) Commission income (d) Commission on stamp vending

(e) Income from distribution of insurance products

**(ii) Expenditure**

Revenue expenditure is accounted for on accrual basis except the following, which are recognized on payment.

(a) Postage and Local Authorities Dues etc. (b) Service charges for Annual Maintenance contract.

(c) Electricity and Telephone bills.

**7. Employee Benefits (AS – 15)**

The Bank has taken group gratuity insurance with the Life Insurance Corporation of India for payment of retirement gratuity as well as leave encashment under the Scheme of this corporation. The annual contribution to Gratuity Fund and leave encashment are paid on yearly premium basis. The Bank has funded on retirement gratuity and leave encashment to Life Insurance Corporation of India amounting to Rs. 14,55,054/- (Previous year : Rs. 2,52,738/-) and Rs. 6,21,265/- (Previous year : Rs. 12,90,867/-) respectively.

The Bank's contribution to provident fund is accounted for on the basis of contribution to the Employees' Provident Fund Scheme Account set up by the Government on accrual basis.

**8. Segment Reporting (AS – 17)**

The bank is organized into two main business segments mainly :

(a) Treasury



(b) Other Banking operations

However, the above disclosure are not made in the accounts and to that extent, the disclosure norms of the Accounting standards as referred above have not been followed. However, the same has no impact on the results of the bank.

### 9. Operating Leases (AS – 19)

Lease rental obligations in respect of assets taken on operating lease are charged to Profit and Loss Account on straight line basis over the lease term. Initial direct costs are charged to profit and loss account. The bank has paid lease rental of Rs. 29,16,185/- (Previous Year : Rs. 29,29,290/-)

### 10. Income Tax (AS – 22)

Provision for Current Tax is made on the basis of estimated taxable income for the year.

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

### 11. Impairment of Assets (AS – 28)

The bank has ascertained that there is no material impairment of any of its assets except unsecured portion of NPA advance, against which necessary provision is made in line with the RBI guidelines. Hence, in the opinion of bank no separate provision under accounting standard – 28 on impairment of Assets (AS – 28) issued by the ICAI is required.

### 12. Accounting for Provisions, Contingent Liabilities (AS – 29)

(a) The bank recognizes provisions only when it has a present obligation as a result of past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank.

(b) Contingent Assets are not recognized since this may result in the recognition of income that will never be realized.

## (C) OTHER NOTES FORMING PART OF ACCOUNTS FOR THE YEAR 2014-15

### 1. Share Capital

Share Capital stated in the Balance Sheet as on 31<sup>st</sup> March, 2015 includes Linking Share Capital. The details of Corpus Share Capital and Linking Share Capital cannot be ascertained and hence not disclosed.

### 2. Provision for contingencies

Net profit is arrived at after “provision and contingencies” which includes.

- (a) Bad Debt Reserve
- (b) Investment Depreciation Reserve
- (c) Provision for income Tax
- (d) Staff bonus payable
- (e) Provision for Productivity Linked Incentive
- (f) Provision against Standard Assets
- (g) Investment Fluctuation Reserve
- (h) Provision for members Gift



**3. Investments include fixed deposits pledged as follows :**

(a) Rs. 6,57,16,060/- (Previous Year : Rs. 7,99,73,130/-) pledged with Bank of Baroda, Ranjit Road Branch, Jamnagar against overdraft limit sanctioned to the bank. The balance outstanding against the said facility as on 31.03.2015 was Rs. NIL. (Previous Year : Rs. NIL)

(b) Rs. 6,32,34,164/- (Previous Year : Rs. 6,22,58,895/-) pledged with Central Bank of India, SSI Area Branch, Jamnagar against overdraft limit sanctioned to the bank. The balance outstanding against the said facility as on 31.03.2015 was Rs. NIL. (Previous Year : Rs. NIL)

(c) Rs. 5,70,00,000/- (Previous Year : Rs. 10,00,00,000/-) pledged with IDBI Bank Ltd., Jamnagar against overdraft limit sanctioned to the bank. The balance outstanding against the said facility as on 31.03.2015 was Rs. NIL. (Previous Year : Rs. NIL)

(d) Rs. NIL /- (Previous Year : Rs. 2,00,00,000/-) pledged with Jamnagar District Co. Operative Bank Ltd., Jamnagar against overdraft limit sanctioned to the bank. The balance outstanding against the said facility as on 31.03.2015 was Rs. NIL. (Previous Year : Rs. NIL)

**4. Contingent Liabilities :**

(a) Contingent Liability towards Guarantees issued by the bank on behalf of customers is Rs. 32,95,000/- (Previous Year : Rs. 32,95,000/-)

(b) As per section 26A of the Banking Regulation Act, 1949, the Reserve Bank of India has established the Depositor Education and Awareness Fund Scheme, 2014 (DEAF Scheme) through notification published in the Official Gazette on 24<sup>th</sup> May, 2014. As per the RBI directives, the bank is contingent liable for the amount lying with the DEAF Scheme. The details of the same is as under :

	Current Year	*Previous Year
Opening balance of amounts transferred to DEAF	Nil	Not applicable
Add : Amounts transferred to DEAF during the year	1,17,41,682	Not applicable
Less : Amounts reimbursed by DEAF towards claims	3,77,672	Not applicable
Less : Claim receivable from DEAF	1,94,517	Not applicable
Closing balance of amounts transferred to DEAF	1,11,69,493	Not applicable

\* Since the scheme has been notified in the Official Gazette on 24<sup>th</sup> May, 2014, the figures of previous year are not furnished.

(c) The income tax assessments of the Company have been completed up to Assessment Year 2012-13. There are no any disputed matters except for assessment year 2012-12 for which the Income-Tax Department raised demand of Rs. 17,66,790/-. Based on the decisions of the Appellate authorities and the interpretation of other relevant provisions, the Bank has been advised that no provision for tax is required.

Further, in view of appeal effect order of Appellate Order of ITAT, Rajkot in respect of A. Y. 2007-08 and A. Y. 2008-09 and consequential tax effect thereof for A. Y. 2009-10 and A. Y. 2010-11, shall create tax liability for that year, however, related re-assessment order/ rectification orders are yet to be passed hence, provision thereof is not made in the books.

The bank has not disclosed contingent liabilities as mentioned at Para No. 4(b) & 4(c) in the books of accounts.

**5. Excess Provision not written back**

The bank is appropriating every year, the amount towards distribution of gift to its members out of profit by making provisions in the books of accounts. However, excess amount of provisions made were not written back in the books of accounts. Due to these, the provision of Gift to members as reflected in balance sheet under the head "Reserve Fund and Other Reserve" is overstated by Rs. 53,09,265/-. The year-wise details of the same are as under :

Financial Year	Provision made in the books of accounts	Actual expenditure	Excess Provision to be written back
2010-11	44,00,000	40,13,353	3,86,647
2011-12	41,75,000	40,73,762	1,01,238
2012-13	43,00,000	*Nil	43,00,000
2013-14	50,00,000	44,78,620	5,21,380
		<b>Total....</b>	<b>53,09,265</b>

**6. Construction of Gulabnagar Branch :**

The Bank has violated the Accounting Standard – 6 in respect of Fixed Assets, issued by the Institute of Chartered Accountants of India by showing the construction work in progress of Gulabnagar Branch Building amounting to Rs. 29,31,324/- under the head "Other Assets" instead of "Fixed Assets". Due to this, the amount of fixed assets is understated by Rs. 29,31,324/-.

**1. Other Disclosures :****(a) Investments**

(i)The Pattern of securities held under the Held to Maturity as on 31<sup>st</sup> March 2015 are as under:  
(Rs. In Lacs)

Central Government Security (Face Value)	380.00
State Government Security	0.00
Total	380.00

Investments under "Held to Maturity" category are 0.86% as against maximum permissible limit of 25% of NDTL.

(ii)The pattern of other Securities held under the Held to Maturity as on 31<sup>st</sup> March 2015 are as under:  
(Rs. In Lacs)

Other Approved Security	0.00
PSU Bonds	0.00
Shares of Co.-Operative Banks	0.05
Total	0.05

Total Investment in Held to Maturity of Rs. 380.05 lacs.

(iii)The pattern of other Securities held under the Available for Sale as on 31<sup>st</sup> March 2015 are as under:  
(Rs. In Lacs)

Central Government Security	22388.03
State Government Security	4402.51
Mutual Funds	0.00



PSU Bonds	232.90
Other Approved Security	0.00
<b>Total</b>	<b>27023.44</b>

**(b) Reserves:**

**(I) Investments Depreciation Reserve**

(Rs. In Lacs)

Investments Depreciation Reserve (As on 31.03.2014)	1281.36
Add: Provided from Profit & Loss Account of current year	0.00
Investments Depreciation Reserve (As on 31.03.2015)	1281.36

(ii) The Investments Fluctuation Reserve of Rs. 1079.67 lacs which worked out to 4.00 % of investments held under Available for Sales Category.

Sr. No.	Particulars	31-03-2015	31-03-2014
1	Capital to Risk Asset Ratio (CRAR)	28.01	26.14 %
2	Movement in CRAR		
	(i) Total Capital Funds	5312.65	4866.74
	(ii) Risk Weighted Assets	18969.65	18617.20
3	Investments :		
	(I) Book Value	27403.50	19712.90
	(ii) Face Value	28020.85	20120.85
	(iii) Market Value	28036.20	18352.70
4	Advances Against :		
	(i) Real Estate and Construction	1106.89	970.60
	(ii) Housing	4210.09	3975.32
5	Advances against Shares and Debentures	0.00	0.00
6	Advances to Directors and their relatives, companies /firms in which they are interested		
	(i) Fund Based	36.97	35.67
	(ii) Non Fund Based	0.00	0.00
7	Average Cost of Deposits	6.96%	6.61%
8	NPAs		
	(i) Gross NPAs	269.04	97.34
	(ii) Net NPAs	0.00	0.00
9	Movement in NPAs		
	(i) Gross NPAs		
	Opening Balance	97.34	130.25
	Add : Additions during the year	264.32	77.14
	Less : Reduction during the year	92.63	110.05
	Closing Balance	269.04	97.34
	(ii) Net NPAs		
	Opening Balance	0.00	0.00
	Add : Additions during the year	0.00	0.00
	Less : Reduction during the year	0.00	0.00
	Closing Balance	0.00	0.00
10	Profitability :		



	(i) Interest income as a percentage of working funds	8.23%	8.16%
	(ii) Non – Interest income as a percentage of working funds	0.32%	0.38%
	(iii) Operating profit as a percentage of working funds	2.17%	2.29%
	(iv) Return on average Assets	8.55%	9.06%
	(v) Business (Deposits + Advances) per Employee	503.52	450.84
	(vi) Operating Profit per Employee	9.83	9.11
11	Provisions made towards :		
	(I) NPAs	1911.47	1750.47
	(ii) Investment Depreciation Reserve – Investments	691.21	691.21
	(iii) Investment Depreciation Reserve – MNCB	590.15	590.15
	(iv) Standard Assets	449.50	404.50
12	Movement in Provisions :		
	(i) Towards NPAs		
	Opening Balance	1750.47	1625.62
	Add : Additions during the year	161.00	124.85
	Less : Reduction during the year	0.00	0.00
	Closing Balance	1911.47	1750.47
	(ii) Towards Depreciation on Investments		
	Opening Balance	1281.36	1081.36
	Add : Additions during the year	0.00	200.00
	Less : Reduction during the year	0.00	0.00
	Closing Balance	1281.36	1281.36
	(iii) Towards Standard Assets		
	Opening Balance	404.50	359.50
	Add : Additions during the year	45.00	45.00
	Less : Reduction during the year	0.00	0.00
	Closing Balance	449.50	404.50
13	Foreign Currency Assets and Liabilities	N.A.	N.A.
14	(i) Payment of DICGC Insurance Premium	44.08	38.90
	(ii) Arrears in Payment of DICGC Insurance Premium	0.00	0.00
15	Penalty imposed by RBI	0.00	0.00

(a) Details of Issuer composition of Non - SLR investments and non – performing Non – SLR Investment

(i) Issuer Composition of Non SLR Investments

(Rs. In Lacs)

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	232.90	NIL	NIL	NIL
2	Fis	NIL	NIL	NIL	NIL
3	Public Sector Banks	NIL	NIL	NIL	NIL
4	Mutual Funds	NIL	NIL	NIL	NIL
5	Others (Shares of Central & State Co.-Op. Banks)	0.05	NIL	NIL	0.05
6	Provision held towards Depreciation	NIL	NIL	NIL	NIL



## (ii) Non Performing Non SLR Investment

Particulars	31-03-2015	31-03-2014
Opening Balance	NIL	NIL
Additions during the year	NIL	NIL
Reductions during the year	NIL	NIL
Closing Balance	NIL	NIL

		Housing Loan	SME Debt Restricting	Others
Standard Advances restructured	No. of Borrowers Amount Sacrifice (diminution in the fair value)	<b>NIL</b>		
Sub Standard restructured Advances	No. of Borrowers Amount Sacrifice (diminution in the fair value)			
Doubtful Advances restructured	No. of Borrowers Amount Sacrifice (diminution in the fair value)			
Total	No. of Borrowers Amount Sacrifice (diminution in the fair value)			

For,  
M/s Jaydeep Mehta & Associates (FRN : 122154W)  
Chartered Accountants

Ramniklal K. Shah  
Chairman

Dhirajlal J. Kanakhara  
Vice Chairman

CA. Jaydeep D. Mehta (Mem. No. 102782)  
Proprietor  
Statutory Auditors  
Place : Jamnagar  
Date : 01<sup>st</sup> June, 2015

Kiranbhai R. Madhvani  
Managing Director

Nileshbhai M. Tolia  
Jt. Managing Director

**: Directors :**

Dhirajlal M. Shah  
Parmanand V. Khattar  
Satishchandra M. Kundalia  
Chandulal R. Shah  
Nathalal V. Mungra

Subhashchandra K. Shah  
Hiteshbhai G. Parmar  
Hasmukhbhai I. Hindocha  
Vijaykumar M. Sheth  
Prashantbhai M. Mahrishi

A. R. Jhaveri  
In charge General Manager

R. D. Adhiya  
Asst. General Manager

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015**

Particular	31st March 2015 Amount (In Rs.)	31st March 2014 Amount (In Rs.)
<b>Operating Activity</b>		
<b>Net Profit as Per Books of Account</b>	<b>5,67,96,722</b>	<b>5,06,60,041</b>
<b>Add : Adjustment for Differed Tax Provision</b>	<b>1,40,000</b>	-
Investment Depreciation Reserve	-	2,00,00,000
Provision for Share Holder	51,00,000	50,00,000
Provision for Rebate Payable to Puntual Borrower	40,00,000	29,00,000
Provision for Standard Assets	45,00,000	45,00,000
Product Linked Incentive	74,00,000	66,00,000
Provision for Expenses	2,71,972	8,67,015
Staff Bonus	13,625	12,689
Provision for Income Tax	3,55,00,000	1,85,00,000
Provision for Bad and Doubtful	85,00,000	48,00,000
Income Tax	7,52,459	38,69,170
Loss on Sale of Fixed Assets	18,245	82,493
Depreciation	77,42,093	70,83,846
<b>Less : Adjustment For</b>		
Share Transfer Fees	27,457	32,736
Dividend Income	750	750
Profit and Sale of Fixed Assets	1,09,593	1,42,650
Nominal Member Fees	3,400	23,025
<b>Increase / (Decrease) in Working Capital and Other Reserves</b>		
Increase / (Decrease) in Advances	3,72,21,225	21,74,41,129
Increase / (Decrease) in Other Assets	22,90,096	2,461
Increase / (Decrease) in Investments	71,56,13,948	10,60,91,966
Increase / (Decrease) in Deposits	61,59,53,895	37,12,56,790
Increase / (Decrease) in Overdue Interest Reserve	2,07,987	74,971
Increase / (Decrease) in Other Liabilities	2,00,006	13,650
Increase / (Decrease) in Interest Payable	-	87,643
Increase / (Decrease) in Bills Payable (Bharvapatra Bills)	1,43,59,913	73,97,132
Increase / (Decrease) in Bad Debts Written Off	-	8,52,756
Increase / (Decrease) in Income Tax Liability of Previous Years	80,428	25,63,193



Increase / (Decrease) in Reserve Fund and Other Reserves	69,08,442	65,86,909
<b>Net Cash Inflow (Outflow) from Operating Activity Before Tax</b>	<b>2,95,18,247</b>	<b>15,48,53,295</b>
Less : Current Year Advance Income Tax Paid	3,06,64,832	2,01,32,268
<b>Net Cash Inflow (Outflow) from Operating Activity After Tax - (A)</b>	<b>6,01,83,079</b>	<b>13,47,21,027</b>
<b>Investing Activities</b>		
Increase in Fixed Assets	64,60,826	80,92,879
Sales Proceeds from Fixed Assets	6,16,128	3,50,935
Dividend Income	750	750
<b>Net Cash Inflow (Outflow) from Investing Activity - (B)</b>	<b>58,43,948</b>	<b>77,41,194</b>
<b>Financing Activities</b>		
Share Transfer Fees	27,457	32,736
Nominal Member Fees	3,400	23,025
Increase in Share Capital	81,48,375	1,03,66,250
Gift Paid to Share Holder	44,78,620	-
Dividend Paid	1,02,87,019	96,89,895
<b>Net Cash Inflow (Outflow) from Financing Activity - (C)</b>	<b>65,86,407</b>	<b>7,32,116</b>
Cash and Cash Equivalents at the beginning of the period	40,01,73,558	27,24,61,609
Change in Cash and Cash Equivalents ( A + B + C )	7,26,13,434	12,77,11,949
Cash and Cash equivalents at the end of the period as per statement of financial position	32,75,60,124	40,01,73,558

The Above Cash Flow Statement has been prepared under 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement

For,  
M/s Jaydeep Mehta & Associates (FRN : 122154W)  
Chartered Accountants

CA. Jaydeep D. Mehta (Mem. No. 102782)  
Proprietor  
Statutory Auditors  
Place : Jamnagar  
Date : 01<sup>st</sup> June, 2015

Ramniklal K. Shah  
Chairman

Dhirajlal J. Kanakhara  
Vice Chairman

Kiranbhai R. Madhvani  
Managing Director

Nileshbhai M. Tolia  
Joint Managing Director

**: Directors :**

Dhirajlal M. Shah  
Parmanand V. Khattar  
Satishchandra M. Kundalia  
Chandulal R. Shah  
Nathalal V. Mungra

Subhashchandra K. Shah  
Hiteshbhai G. Parmar  
Hasmukhbhai I. Hindocha  
Vijaykumar M. Sheth  
Prashantbhai M. Mahrishi

A. R. Jhaveri  
In charge General Manager

R. D. Adhiya  
Assistant General Manager

**Investment Details Dt. : 31/03/2015****NON S. L. R. Investments**

	<b>Rs.</b>	<b>Ps.</b>
<b>Fixed Deposits</b>		
1. Madhavpura Mercantile Co.-Op. Bank Ltd.	5,90,14,997.00	
2. Central Bank of India	6,32,34,164.00	
3. Bank of Baroda	7,52,16,060.00	
4. I. D. B. I. Bank	5,70,00,000.00	
5. Union Bank of India	17,02,93,113.00	
6. Canara Bank	6,20,00,000.00	
7. Indian Overseas Bank	2,00,00,000.00	
	<b>50,67,58,334.00</b>	
<b>Public Bonds</b>		
8. Power Finance Corporation Bonds	2,32,90,000.00	
	<b>2,32,90,000.00</b>	
<b>Other Investors</b>		
9. Post Office		747.50
10. Jamnagar District Co.-Op- Bank Ltd.		50.00
11. Gujarat State Co.-Op- Bank Ltd.		5000.00
		<b>5797.50</b>
<b>Total NON S. L. R. Investment (A)</b>	<b>53,00,54,131.50</b>	

**S. L. R. Investment**

<b>State Development Loan Securities</b>		
1. Andhrapradesh State Development Loan	13,91,77,464.00	
2. Maharashtra State Development Loan	16,47,80,000.00	
3. Gujarat State Development Loan	10,00,85,000.00	
4. Tamilnadu State Development Loan	3,62,08,800.00	
	<b>44,02,51,264.00</b>	
<b>Government of India Securities</b>		
5. Government of India Loan	2,27,68,03,201.00	
	<b>2,27,68,03,201.00</b>	
<b>Fixed Deposits</b>		
6. Gujarat State Co.-Op- Bank Ltd.	4,00,000.00	
	<b>4,00,000.00</b>	
<b>Total S. L. R. Investment (B)</b>	<b>2,71,74,54,465.00</b>	
<b>Total Investment (A) + (B)</b>	<b>3,24,75,08,596.50</b>	