

b) Deferred Tax Liability(net) of Rs.6,82,630/- is debited to Profit & Loss Account .
c) Pursuant to Reserve Bank of India (RBI) Circular No. DBOD No. BP.BC.77/21.04.018/2013-14 dated 20th December, 2013, the bank has created during the year, deferred tax liability of Rs. 7,14,987/- on special reserve under section 36(1)(viii) of the Income Tax Act, 1961
6. a. Ernakulam Branch of the bank had extended a Term Loan and a Cash credit of Rs. 25.00 lakhs each against mortgage of property. Due to defaults in loan repayments, the bank had initiated securitisation procedure under SARFAESI Act for recovery of the loan amount against the borrower and the bank had sold the property by way of auction and closed the loans with the proceeds. The borrower had filed a petition in DRT against the action of the bank and obtained decree in favour of him. As per the order of DRT dated 24-05-2016, the entire auction procedure was nullified and ordered to refund the sale amount of Rs. 61.65 lakhs to the purchaser with 9.00% interest p.a. However, the purchaser has declined to accept the amount with 9.00% interest as ordered by the DRT, raised a demand of Rs. 40.00 lakhs, claiming a higher rate of interest, which he had incurred on the amount raised for the purchase and also to cover the cost of registration.

Based on the legal opinion received from bank's panel advocate, the bank decided not to go for an appeal to the appellate tribunal against the order of DRT but to move forward with the auction procedure of the property as envisaged in Rule 5 (C) of the Security Interest (Enforcement) Rules.

The security with the bank was valued for Rs. 164.22 lakhs as per the bank valuation dated 30.07.2010 and as the bank is confident of recovering the loan amount together with interest and other charges by disposing the property, no provision is made in the books but shown as a contingent liability.

b. Claims not acknowledged as debt:- Bank has received an additional income tax demand of Rs. 15.54 Lakhs for the year 2013-14. The Bank has contested the demand and filed appeal before the CIT Appeals. The bank does not expect the outcome of these proceeding to have a material adverse impact and pending disposal of the appeal it is treated as contingent liability.

7. Changes in Classification

The Board of Directors has proposed a dividend of 15% per Equity Share (Previous Year 15% per Equity Share) for the year ended 31st March 2017, subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS)-4, 'Contingencies and Events Occurring After Balance Sheet Date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendments Rules, 2016, dated March 30, 2016, Proposed Dividend of Rs. 2,56,61,880/- is not recognized as Liability as on 31st March 2017. Accordingly the liability has not been reckoned in Capital Funds for computing Capital Adequacy Ratio as at 31st March 2017. Capital Adequacy Ratio after considering the impact of Proposed Dividend is 12.42% as at 31st March 2017.

8. Disclosure on Divergence in Asset Classification and Provisioning for Non-Performing Assets as per RBI Circular wide DBR.BP.BC.No.63/21.04.018/2016-17, dated 18th April 2017 - Nil

9. Disclosure of Specified Bank Notes (SBNs)

As per the clarification from RBI, the provisions of the MCA Notification dated 30th March, 2017 requiring companies to disclose details of the SBNs held and transacted during the notified period is not applicable to banks.

10. Previous year's figures have been re-grouped/recast, wherever necessary, to conform to the current year's presentation.

11. Disclosures as per RBI's Master Circular on Disclosure in Financial Statements'

i) Capital to Risk Weight Asset Ratio (CRAR)

ii) Movement of CRAR

	31.03.2017	31.3.2016
i. CRAR (%) - Basel II	13.21	12.93
ii. CRAR - Tier I Capital (%)	11.06	10.61
iii. CRAR - Tier II Capital (%)	2.15	2.32

iii) Investments

(Rs. in Lakhs)

SLR Investment-		
a. Book Value and Face value		
i) Book value	11,775.73	10,368.72
ii) Face Value	11,908.30	10,521.85
b. Market Value	12,525.38	10,712.58
i) Depreciation	25.50	25.50
ii) Provisions Held	193.61	193.61

b. Details of Issuer Composition of Non-SLR Investments and non performing Non-SLR Investment.

Issuer	Amount Rs.	Extent of 'below investment grade' Securities	Extent of unrated Securities	Extent of unlisted Securities
1. PSU	-	}	-	-
2. FIS	-			
3. Public Sector Banks	-			
4. Mutual Funds	-			
5. Others	-			
6. Provision held towards depreciation	-			
ii. Non performing Non SLR Investments (Rs. Lakhs)		}	-	-
Opening Balance	-			
Additions during the year since 1st April	-			
Reductions during the above period	-			
Closing Balance	-			
Total provisions held	-			

iv. Advances against Real Estate, Construction Business, Housing	7,281.70	5,741.54
v. Advances against Shares and Debentures etc.	-	-
vi. Advances to Directors, their Relatives, Companies/ Firms in which they are interested :		
a. Fund Based	-	-
b. Non Fund Based (Guarantees , L/C , etc)	-	-

vii. Cost of Deposit		
Average Cost of Deposits	8.07	8.30

viii Non Performing Advances		
ix Movement in NPAs		
a. Gross Non-Performing Assets (Rs in Lakhs)	1,903.24	1,061.16
b. Gross Non-Performing Assets (%)	5.46	3.82
c. Provisions Held (Rs in Lakhs)	977.57	770.46
d. Net Non-Performing Assets (Rs in Lakhs)	925.67	290.70
e. Net Non-Performing Assets (%)	2.65	1.04

x. Profitability		
a. Interest Income as a percentage of Working Funds (%)	9.67	9.78
b. Non Interest Income as a percentage of Working Funds (%)	0.27	0.29
c. Operating Profit as a percentage of Working Funds (%)	1.39	1.47
d. Return on Assets (%)	0.57	0.56
e. Business (Deposits + Advances) per Employee (Rs. Lakhs)	882.37	780.62
f. Profit per Employee (Rs. Lakhs)	3.37	3.03

xi. Provisions made towards NPAs, Depreciation in Investments, Standard Assets		
xii. Movement in Provisions		
a. Towards NPAs	977.57	770.46
b. Towards Depreciation on Investments	25.50	25.50
c. Towards standard assets	329.68	272.47

xiii. Foreign Currency Assets and Liabilities

xiv. Payment of D.I.C.G.C Insurance Premium (Rs. in Lakhs)

a. Insurance Premium Paid (up to date)	50.79	42.31
b. Of the above arrears	-	-

xv. Penalty Imposed by RBI

(UBD. PCB Cir No 40/16.45.00/2004-05DT 01-03-2005)

xvi. Restructured Accounts:

Particulars of Accounts Restructured				
		Housing Loan	SME Debt Restructuring	Others
	Number of Borrowers	Nil	Nil	Nil
Standard Advances Restructured	Amount Outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Sub-standard advances restructured	Number of Borrowers	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Doubtful Advances Restructured	Number of Borrowers	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil
Total	Number of Borrowers	Nil	Nil	Nil
	Amount Outstanding	Nil	Nil	Nil
	Sacrifice (diminution in the fair value)	Nil	Nil	Nil

(a) The amount and number of accounts in respect of which applications for restructuring are under process, but the restructuring packages have not yet been approved. Nil

(UBD, PCB, BPD.No. 53/13.05.000/2008-09 Nil dated March 06, 2009 and UBD, PCB, BPD.60/13.05.000/2008-09 dated April 20.2009)

xvii) Fixed Assets Valuation /Revaluation of Asset

The value of land was revalued in the year 2012-13. Original cost of 50 cents of land is Rs. 9,576.95. The revalued amount is Rs.2,15,20,182.50.

(Sd/-) Chairman
(Sd/-) Director

(Sd/-) Director
(Sd/-) General Manager

N. Satheesan
Proprietor
(M No. 027736)
For N. Satheesan & Co (Sd/-)
Chartered Accountants
Firm's Reg No. 014973S

Place: Tripunithura
Date 30.08.2017

Place: Ernakulam
Date: 30.08.2017

Cash flow statement as on 31.3.2017

Particulars	2016-17 Rs.	2015-16 Rs.
A.Cash Flow from Operating Activities		
Profit Before Tax	5,93,18,277.49	6,17,60,671.43
Adjustments for:		
Depreciation on Fixed Assets	34,60,862.75	32,24,301.00
Provisions and Contingencies	2,70,72,352.00	1,99,98,235.03
Provisions Written Back	-	-
Operating Profit before Working Capital Change	8,98,51,492.24	8,49,83,207.46
Adjustment for Working Capital Change		
Advances	(70,72,14,068.95)	(30,86,29,008.90)
Investments	(14,07,01,142.00)	(14,50,44,642.00)
Other Operating Assets	92,36,710.63	(1,41,50,170.84)
Deposits	62,25,30,661.63	65,65,32,413.27
Borrowings	-	-
Other Operating Liabilities	(3,12,15,928.41)	2,48,73,075.70
Utilisation of various funds	(5,74,535.00)	(9,15,200.00)
Cash generated from Operations	(15,80,86,809.86)	29,76,49,674.69
Direct Taxes Paid	(2,14,14,292.00)	(2,62,55,013.00)
Net Cash Flow from Operations (A)	(17,95,01,101.86)	27,13,94,661.69
B.Cash Flow from Investment Activities		
Net Additions to Fixed Assets	(19,88,046.00)	(61,02,908.20)
Net Cash Flow from Investment Activities (B)	(19,88,046.00)	(61,02,908.20)
C.Cash Flow from Financing Activities		
Share Capital	3,34,14,300.00	3,03,59,825.00
Dividend Paid	(1,38,85,775.00)	(1,26,50,126.00)
Net Cash generated from Financing Activities (C)	1,95,28,525.00	1,77,09,699.00
D.Net increase in Cash and Cash Equivalents (A+B+C)	(16,19,60,622.86)	28,30,01,452.49
Cash and Cash Equivalents as at Opening	1,59,50,66,785.91	1,31,20,65,333.42
Cash and Cash Equivalents as at Closing	1,43,31,06,163.05	1,59,50,66,785.91

(Sd/-)
Chairman

(Sd/-)
Director

As per our Report of even date

For N.Satheesan & Co.
Chartered Accountants
Firm's Reg No.014973S

(Sd/-)
Director

(Sd/-)
General Manager



(Sd/-)
N.satheesan
(M.No.027736)
Proprietor.

Place: Tripunithura
Date : 30-08-2017

Place: Ernakulam
Date : 30-08-2017