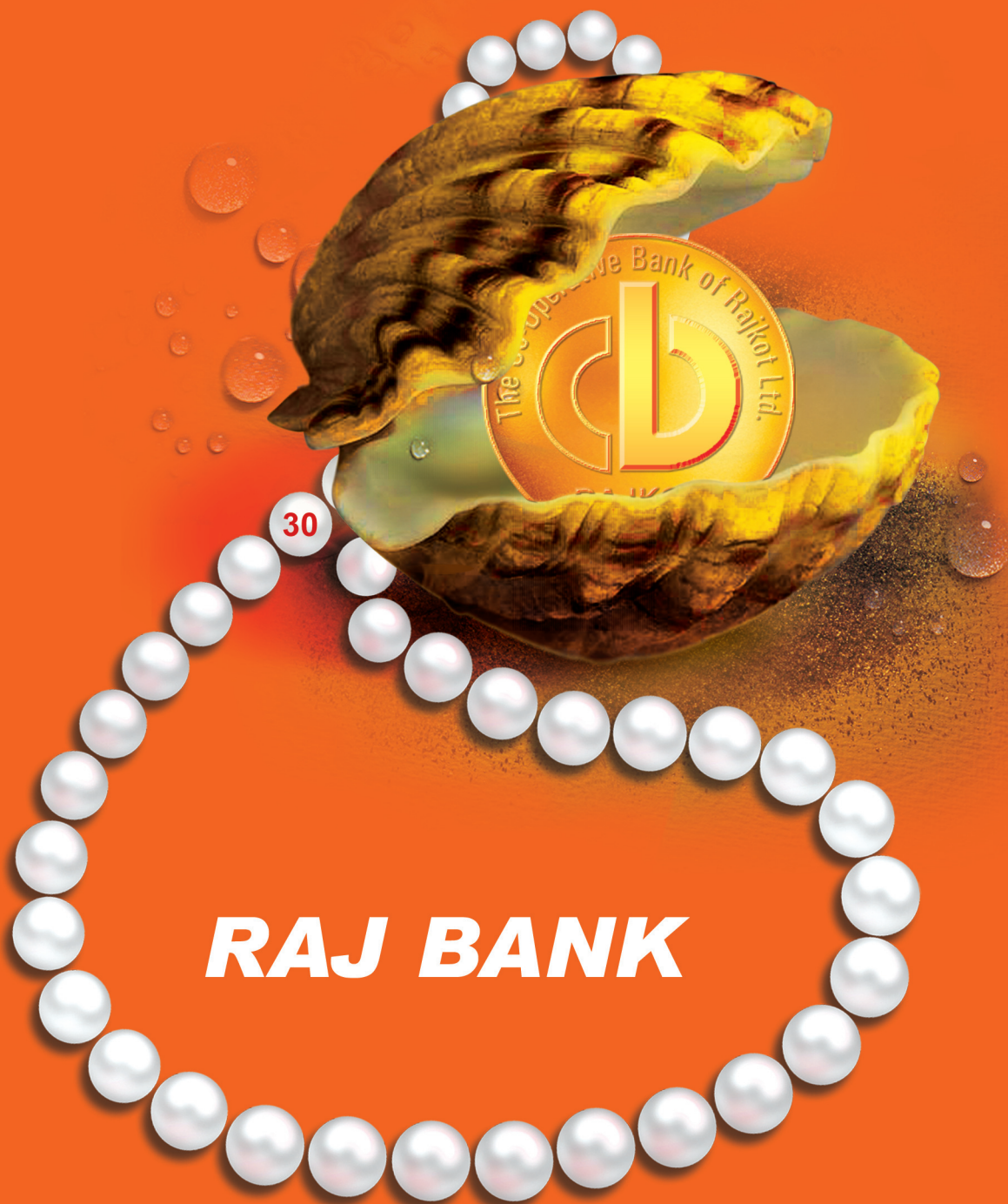


Together
Everyone

Achieves

More

30th
Annual Report
2009 - 2010



RAJ BANK

The Co-Op. Bank of Rajkot Ltd.



બેંકની જામનગર શાખાના ઉદઘાટન પ્રસંગે દીપ પ્રગટાવી સમારોહને પુષ્ટી મુકતા માન. દીનશા પટેલ (લઘુઉદ્યોગ મંત્રીશ્રી, ભારત સરકાર)



બેંકની જામનગર શાખાનાં ઉદઘાટન પ્રસંગે ઉદબોધન કરી રહેલ રાજબેંકનાં ચેરમેન મધુસુદન ઠોંગા.



બેંકીંગ ફ્રન્ટીયર્સ - મુંબઈ આયોજીત એવોર્ડ્સમાં ઝીરો નેટ એનપીએ -એવોર્ડ સ્વીકારતા રાજબેંકનાં Jt.MD કમલ ધામી, AGM ભૂપેન્દ્ર વેકરીયા, વિનોદ સુદાણી તથા સજ્જન પટેલ સાથે કર્મચારી અશોક ભાલારા



૩૧ માર્ચ-૨૦૧૦ ની પ્રેસ કોન્ફરન્સ સમયે ઉપસ્થિત ગ્રાહકો, આમંત્રિતો, પ્રેસ, મીડીયા સેલ, સ્ટેજ પર વિશેષ ઉપસ્થિત મહેમાનો સાથે રાજબેંકનું બોર્ડ ઓફ ડિરેક્ટર્સ.



ઈન્ડિયન એચીવર્સ ફોરમ - દિલ્હી આયોજીત એવોર્ડ્સમાં સમગ્ર ભારતની સહકારી બેંકોમાં ત્રીજું સ્થાન અને સમગ્ર ગુજરાતમાં બીજું સ્થાન મેળવવા બદલ એવોર્ડ સ્વીકારતા Jt.MD કમલ ધામી



બેંકની જામનગર શાખાની મુલાકાત લઈ રહેલ માન. દીનશા પટેલ, માન. દીલીપ સંઘાણી સાથે રાજબેંકનાં ચેરમેન મધુસુદન ઠોંગા, વાઈસ ચેરમેન નરેશ પટેલ, Jt.MD કમલ ધામી, CEO સત્યપ્રકાશ ખોખરા તથા અન્ય અધિકારીગણ અને આમંત્રિતો.

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Concurrent Auditors
AMBANI NIRAV AND ASSOCIATES
Chartered Accountants
Rajkot - 360 001.

Statutory Auditors
A. D. RUPAREL & Co.
Chartered Accountants
Opp. Govt. Ayurvedic Hospital,
Nr. Old Bus Stand, Amreli - 365 601.

Area of Operations [in Distirct]

✧ Entire Saurashtra & Kutchh ✧ Ahmedabad ✧ Baroda ✧ Kheda ✧ Anand ✧
✧ Mehsana ✧ Gandhinagar ✧ Sabarkantha ✧ Banaskantha ✧ Bharuch ✧ Panchmahal ✧



These three things convey love:
Attention, Approval & Appreciation.
Give some of each every day.

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Know Your Bank

R.C.S. Regi. No.	: S - 6149 Dt. 19.07.1980	Established on	: 24.11.1980
RBI Licence No.	: ACD. GJ. 219.P Dt. 12.08.1980	Bank Code No.	: 213
OSS Code No.	: 08672901	DICGC Code No.	: 43106 [F-G / 284]
Present Chairman	: Madhusudanbhai Donga	Appointment Dt.	: 20.05.2007
Previous Chairman	: Ramnikbhai Sejpal	Date up to	: 19.05.2007
Name of GM & CEO	: Satyaprakash Khokhara	Appointment Dt.	: 01.06.2000
Phone No.	: [0281] 2233155, 2234454	Fax No.	: [0281] 2236682
E-mail	: rajbank@yahoo.com	Website	: www.rajbank.net
Registered Office	: "Sahakar Sarita", Panchnath Road, Rajkot - 360 001. (Gujarat)		

Branch Network

Sr. No.	Branch Name	Address	Std Code	Phone	At Your Service From	RBI Licence No.
1	Panchnath Road (With ATM)	"Sahakar Sarita" Panchnath Road, Rajkot -360 001.	0281	2233155 2224120	24-11-1980	ACD.GJ.219. P. Dt.12-08-1980
2	Gandhigram (With ATM)	"Sahakar Dhara", Dharam Nagar Main Road, 150 Ft. Ring Rd., Rajkot - 360 007.	0281	3294151 2575261	10-04-1989	UBD.BL 1937 Dt. 26-10-1987 Date of Shifting 23-04-2005
3	Sau. Uni. Road (With ATM)	"Sahakar Saurabh" Saurashtra Uni. Road, Rajkot-360 005.	0281	2573600 2573601	05-04-1993	UBD. AH-4 Dt. 12-08-1992
4	Jasdan	Chitalia Kuva Road, Jasdan-360 050.	02821	220830	16-01-1995	UBD. AH/95 Dt. 09-08-1994
5	Morvi (With ATM)	"Sahakar Sadan", Ravapar Road, Morvi-363 641.	02822	230920	05-06-1995	UBD. AH/96 Dt. 09-08-1994
6	Jetpur	"Sahakar Deep", Kanakia Plot, Jetpur-360 370.	02823	223151	16-01-1996	UBD. AH/94 Dt. 09-08-1994
7	Upleta (With ATM)	Raj Marg, Upleta-360 490.	02826	222955	24-03-1998	UBD. AH/334 Dt. 19-06-1997
8	Gondal	Opp. circuit House, Gondal-360 311.	02825	223143	15-01-1999	UBD. AH/348 Dt. 25-09-1997
9	Sahakar Soc. Area (With ATM)	"Sahakar Jyot", Hasanwadi Main Road, Nr. Trishul Chowk, Rajkot-360 002.	0281	3294144 2363536	26-01-2002	UBD. AH/610 Dt. 10-08-2001
10	Raiya Road (With ATM)	Omkar Tower, Opp. Nirmala School, Rajkot-360 007.	0281	2589494 3294181	27-01-2002	UBD. AH/608 Dt. 28-05-2001
11	Junagadh (With ATM)	"Sardar Bhavan" Maharshi Arvind Marg, Junagadh-362 001.	0285	2621313 3290427	31-10-2003	UBD. AH/642 Dt. 28-05-2003
12	Naranpura	2, Amarnath Society, Naranpura Char Rasta, Ahmedabad-380 013	079	27681234	02-04-2007	UBD AH/661 Dt.02-04-2007
13	Maninagar	2 Mihir Tower, Uttam Nagar, Opp Bus Stop, Ahmedabad-380 008	079	25462566	02-04-2007	UBD. AH/662 Dt.02-04-2007
14	K K Nagar	31 Vidhata Society, Opp K K Nagar, Ghatlodiya Road, Ahmedabad-380 061	079	27601987	02-04-2007	UBD. AH/663 Dt.02-04-2007
15	Jamnagar (With ATM)	Shwetketu, Summair Club Road, Near S. T. Depo, Jamnagar-361 005	0288	2661622 2661633	18-01-2010	UBD. AH. BMSI / 1877 / 07.01.213. 2009 - 10 Dt. 10-9-2009
16	Mavdi Chowkdi (With ATM)	Mavdi Chokdi, 150 Ft. Ring Road, Opp. Jitriya Hanuman Temple, Rajkot-360 004	0281	2364300	05-04-2008	UBD. AH/665 Dt.02-04-2007 Date of Shifting 05.04. 2008
17	Surendranagar (With ATM)	Mega Mall, Bus Stand Road, Surendranagar-363 002	02752	230401 238401	18-08-2008	UBD. AH/695 Dt. 13-08-2008



**Board
of
Directors**

Madhusudan Donga	Chairman
Nareshbhai Patel	Vice Chairman
Ramnikbhai Sejpal	Director
Kiritbhai Kamdar	Director
Manharbhai Shah	Director
Manubhai Nasit	Director
Chandubhai Pambhar	Director
Chandrakantbhai Patel	Director
Dr. Vallabhbhai Hirani	Director
Gopalbhai Karia	Director
Shashikantbhai Mehta	Director
Muljibhai Chauhan	Director
Nileshbhai Dhruv	Director
Leelaben Dhami	Director
Arunaba Chudasama	Director
Divaliben Dharsandia	Director
Bakulbhai Zalawadia, CA	Professional Director
Bipinchandra Shah, CAIIB	Professional Director

**Top
Management**

Kamal Dhami <i>Jt. Managing Director</i>	Ramnikbhai Dhami <i>Managing Director</i>
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Dipak Mehta <i>Dy. General Manager</i>	Satyaprakash Khokhara <i>General Manager & CEO</i>
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Assistant General Managers

Bhupendra Vekaria	Vishwesh Vaishnav
Ravji Pansuria	Vinod Sudani
Ramnik Boda	Kanji Viradia
Dhirendra Dave	Sajjan Patel

Ketan Shah - *Software Engineer*
Sanjiv Virparia - *Manager*

Committees

Audit	<p>Madhusudan Donga Bakulbhai Zalawadia, C.A. Kiritbhai Kamdar Nareshbhai Patel Chandubhai Pambhar Bipinchandra Shah, CAIIB Ramnikbhai Dhama, M.D. Kamal Dhama, Jt. M.D. Satyaprakash Khokhara, G.M. & C.E.O.</p>
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<p>Madhusudan Donga Nareshbhai Patel Bakulbhai Zalawadia, C.A. Dipakbhai Mehta, DGM Vishwesh Vaishnav, AGM Ramnikbhai Dhama, M.D. Satyaprakash Khokhara, G.M. & C.E.O. Ketan Shah, Software Engineer</p>	Asset Liabilities
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Staff	<p>Madhusudan Donga Dr. Vallabhbhai Hirani Gopalbhai Karia Leelaben Dhama Arunaba Chudasama Shashibhai Mehta Diwaliben Dharsandia Ramnikbhai Dhama, M.D. Satyaprakash Khokhara, G.M. & C.E.O.</p>
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<p>Madhusudan Donga Ramnikbhai Dhama, M.D. Kamal Dhama, Jt. M.D. Satyaprakash Khokhara, G.M. & C.E.O. Dipak Mehta, DGM Bhupendra Vekariya, AGM Ravji Pansuriya, AGM Vishwesh Vaishnav, AGM Vinod Sudani, AGM</p>	Investment
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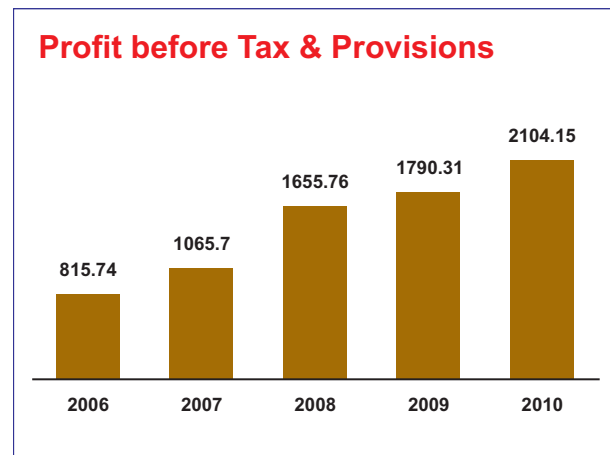
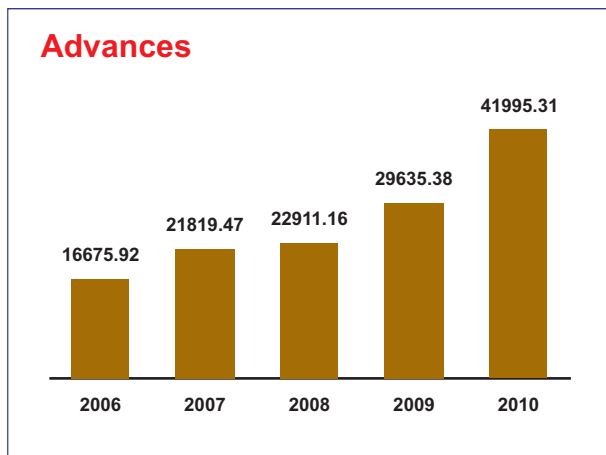
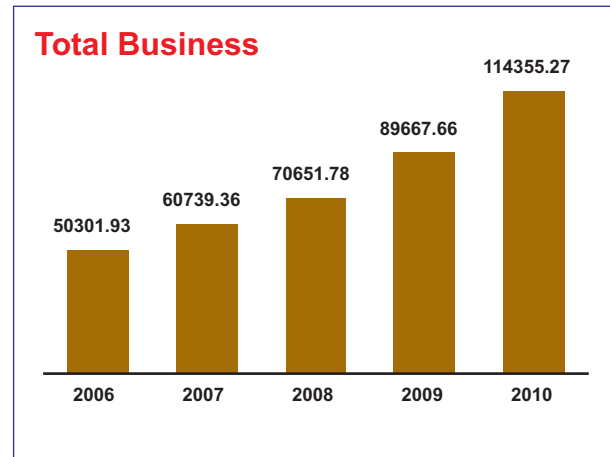
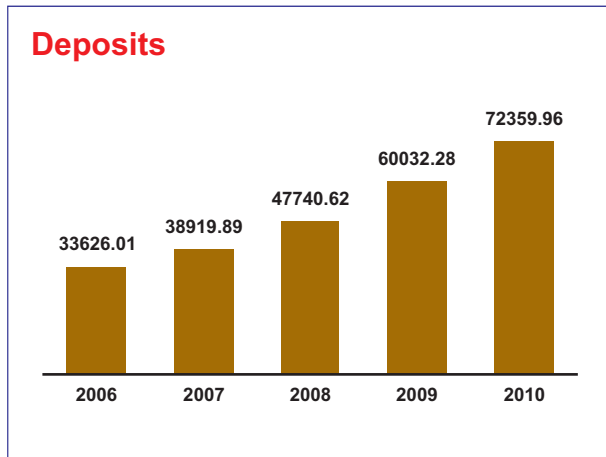
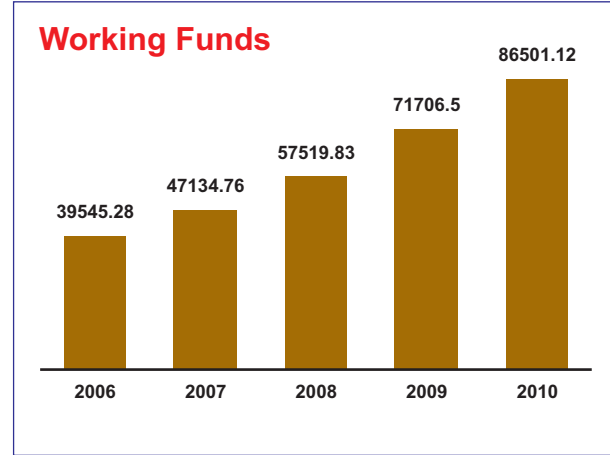
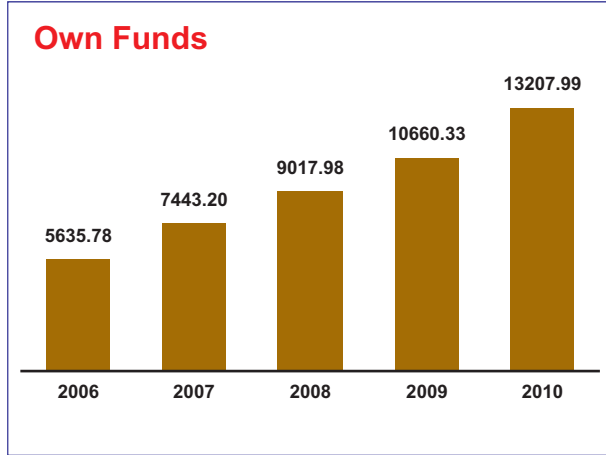
Deposit	<p>Manharbhai Shah Nareshbhai Patel Chandrakantbhai Patel Shashibhai Mehta Nileshbhai Dhruv Ramnikbhai Dhama, M.D. Kamal Dhama, Jt. M.D. Satyaprakash Khokhara, G.M. & C.E.O.</p>
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<p>Madhusudan Donga Ramnikbhai Dhama, M.D. Kamal Dhama, Jt. M.D. Satyaprakash Khokhara, G.M. & C.E.O. Dipak Mehta, DGM Bhupendra Vekariya, AGM Ravji Pansuriya, AGM Vinod Sudani, AGM</p>	Settlement
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Advance	<p>Ramnikbhai Sejpal Chandubhai Pambhar Madhusudan Donga Manubhai Nasit Ramnikbhai Dhama, M.D. Kamal Dhama, Jt. M.D. Satyaprakash Khokhara, G.M. & C.E.O.</p>
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<p>Madhusudan Donga Ramnikbhai Dhama, M.D. Kamal Dhama, Jt. M.D. Satyaprakash Khokhara, G.M. & C.E.O. Dipak Mehta, DGM Bhupendra Vekariya, AGM Ravji Pansuriya, AGM Vinod Sudani, AGM</p>	Credit
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[Rs. in Lacs]



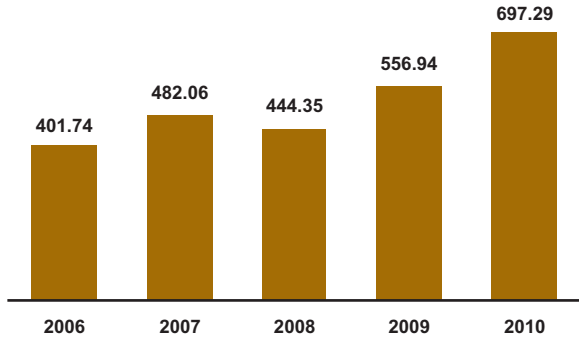


Having fun with those you work with is not time wasted.
Happy teams are productive teams.

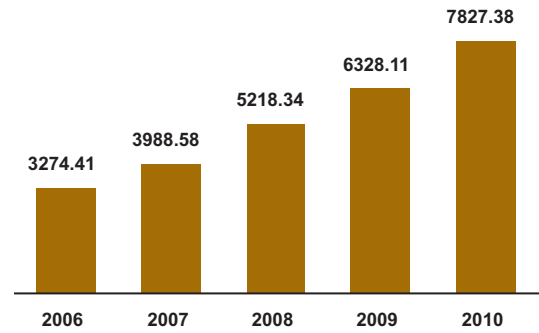
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[Rs. in Lacs]

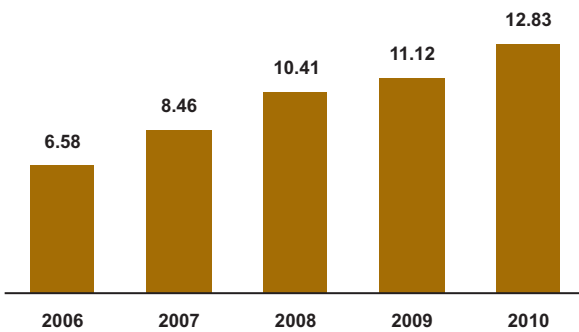
Business per Employee



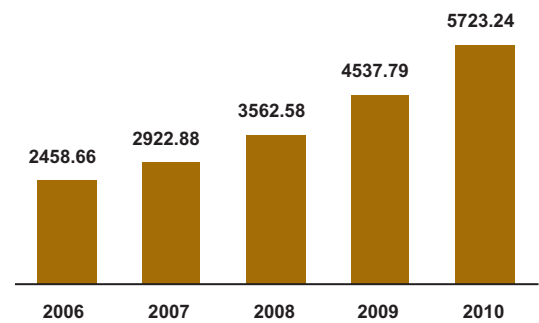
Total Income



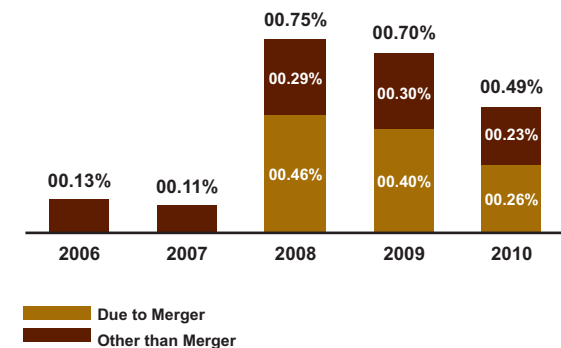
Profit per Employee



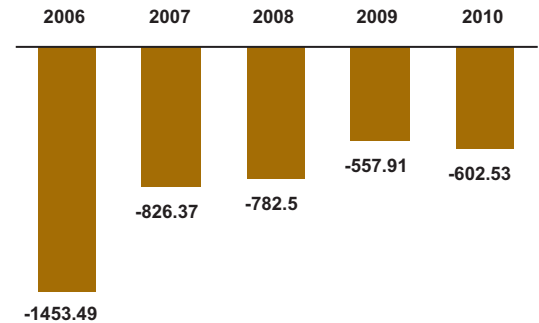
Total Expense



Gross NPAs



Net NPAs



Key Financial Indicators

[Rs. in Lacs]

Particulars	Projections 2009-10	Actual 2009-10	Change
Own Funds	11600.00	13207.99	↑ 13.86%
Deposits	66600.00	72359.96	↑ 8.65%
Advances	36000.00	41995.31	↑ 16.65%
Total Business	102600.00	114355.27	↑ 11.46%
Investments	32500.00	36063.55	↑ 10.96%
Working Funds	80100.00	86501.12	↑ 7.99%
C/D Ratio	55.00%	58.04%	↑ 3.04%
Gross Profit	2000.00	2104.15	↑ 5.21%
Interest Spread	2700.00	2775.95	↑ 2.81%

30th Annual General Meeting

Date : 13th June, 2010

Day : Sunday

Time : 9.00 am

Venue : Registered Office
"Sahakar Sarita",
Panchnath Road,
Rajkot 360 001.

YoY Growth History

[Rs. in Lacs]

Particulars	Financial Year Ended					CAGR [2006-10]	Fiscal 2011 [Projected]
	2006	2007	2008	2009	2010		
Own Funds	5635.79	7443.20	9017.98	10660.33	13207.99	23.73%	15500.00
Deposits	33626.01	38919.90	47740.62	60032.26	72359.96	21.12%	84000.00
Advances	16675.92	21819.47	22911.16	29635.38	41995.31	25.97%	50400.00
Total Business	50301.93	60739.37	70651.78	89667.64	114355.27	22.79%	134400.00
Investments	19453.42	18153.06	27809.11	31832.82	36063.55	16.69%	41400.00
Working Funds	39545.28	47134.76	57519.83	71706.50	86501.12	21.61%	102000.00
C/D Ratio	50.32%	56.06%	47.99%	49.37%	58.04%	3.63%	60.00%
Gross Profit	815.74	1065.70	1655.76	1790.31	2104.15	26.73%	2400.00
Total Assets	39545.28	47134.76	57519.83	71706.50	86769.35	21.71%	102400.00
CRAR	21.17%	26.64%	27.99%	26.25%	23.85%	3.02%	25.00%
Audit Class	"A"	"A"	"A"	"A"	"A"	---	"A"
Dividend	15%	15%	15%	15%	15% (Proposed)	---	15%



Large ambitious goals usually require
that people work together.

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Message from Managing Director

Your bank's inspiring performance of 30 years is marked by long tradition of trust, transparency and teamwork of Management & Employees giving wings to a million extra ordinary dreams to reach out to new horizons of growth and excellent banking.

I am delighted to share with you that your bank is emerging as one of the premier and most preferred co-operative banks in the country by autographing its 30 year's success story with clarity of vision, mission, financial prudence, Transparency, good corporate governance, high standards of professionalism and excellence in all areas of banking placing the customer at the centre point.

I am happy to announce that your bank's ambition, fueled by compassion, wisdom and integrity, is a powerful force which has driven your bank at the **3rd position** in entire co-operative banking sector of the nation and **2nd position** in entire Gujarat in the event organized by Indian Achievers' Forum for its overall performance in the fiscal year 2008-09.

Success is a journey, not a destination. After successful mergers of two weak co-operative banks, the bank has come up with its **third merger proposal**. Your bank has planned to merge one of the weak co-operative banks i.e. The Vaso Co-operative Bank Ltd., VCBL having three branches to extend its excellent banking services to the district of Nadiad in the state of Gujarat. The merger is likely to get effect in the fiscal year 2010-11.

The dramatically changed world of finance and business today, has built up pressure for co-operative banks to explore new possibilities by abandoning the Mundane and embracing the unconventional ones. Competition, too, is compelling banks to be agile and innovate every day. In this milieu, what really enables banks to build a lasting competitive advantage is the ability to continuously innovate, achieve differentiation and respond quickly to dynamic business challenges. To meet the challenges posed by the changed and dynamic environment, your bank has decided to go for an efficient and adaptive **Core Banking Solution** and this initiative will surely delight you with Any Branch Banking [ABB] and serve you new aged banking products with the highest accuracy and of course with the smiling faces.

The bank has successfully implemented its **agenda of shifting C G Road branch from Ahmedabad** to new potential area of operation of the bank i.e. Jamnagar and converted the threat of slow and low growth branch into profitable business opportunity. This intelligent business decision has resulted in the growth of branch business by **Rs. 1029.91 lacs** as compared to **Rs.144.50 lacs** within the short time of only **2.5 months** and crossed the amount of **Rs.1174.41 lacs** as on **31st March, 2010**.



I am happy to announce that the consistent growth story of your bank has placed the bank in a coveted and safe position in the urban banking sector of the nation. The overall performance coupled with the challenges ahead makes us more vibrant and dynamic. Bound by the guiding principles of honesty, sincerity, confidence and service, the bank's financial figures has not only grown bigger and better this year but also paved way for a brighter tomorrow. The detailed progress report is highlighted by young and dynamic CEO. Since inception, the bank has been scaling heights of excellence as evidenced not only by its financial performance but also by the ever increasing accolades of glory bestowed upon it every year.

Your bank has autographed its work with excellence and has touched the lives of millions of people, whether customers, Share holders or employees. Your bank has also set up bench mark for fulfilling its social responsibilities. Therefore, your bank has become pivotal centre of attraction to not only to customers, competitors and local public but to the entire banking industry of the nation.

I am pleased to inform you that your bank has earned a place of pride in rendering speedy and qualitative customer services which help in winning customer confidence and acquiring new customers and business. Your bank believes in orienting its business in line with the needs of the people, the environment and the community at large. The vital Customer services have become one of the sharpest tool and sustainable competitive advantages for your bank.

Your bank has continued its achievement of approving its financial results on last financial day [31st March] itself and publishing in the News papers very next day morning with cent percent transparent management. The same tradition is also being followed for the publication of quarterly results of the bank. Strong and dedicated team of your bank strongly deserve appreciation for their amazing teamwork and their contribution to this amazing performance of your bank.

I am pleased to announce at this juncture that your bank is awarded with **Banking Frontiers Award 2009** for reducing its existing and acquired NPA by its excellent management for the fiscal year 2008-09.

Your bank has demonstrated its success over a period of time. Your bank's strong capital position, sound financial position and well documented procedures, intensive training of personnel and ongoing audit reviews have enabled us to meet the challenges posed by the economic and legal developments and to maintain the excellence of maintaining Gross NPA nearer to ZERO i.e. only **00.49%** of the total advances as on 31.03.2010 which made the bank one of the Lowest Gross NPA Banks across all Tier II, non scheduled Urban Co-operative Banking sector of the nation.



None of us is as smart as all of us.

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Penalty imposed by RBI. During the course of RBI inspection there was a difference of opinion regarding interpretation of Exposure Limit circular amongst the RBI inspectors & Bank. In this regard Bank has made several correspondence to clarify the interpretation of Exposure Norm Ceiling with respect to Individual Borrowers within the group of borrowers since November 2008. As and when such type of issues arise RBI's decision is considered to be final. Finally after continuous correspondence between November 2008 to July 2009 with RBI, we received reply as on 20th August 2009 from RBI. At that time Bank had already taken corrective action in this regard as per the opinion of RBI inspectors and the same was duly mentioned in XIth RBI inspection report. In spite of this, your Bank has been penalised unfortunately by RBI and demoralised our efforts which was not fair as per my point of view, as there is no question of any violation which is repetitive in nature.

I believe that architecting and laying down a strong foundation for creating a co-operative bank of the future for the next century is the true salutation to all our beneficiaries, business partners, valuable customers, Share holders etc. We assure you that we are preparing to quickly catapult the Bank in adopting and implementing best banking practices, simplified processes, efficient delivery platforms, innovative business models and newer skill sets and also gearing up to quickly embrace high technology (CBS) and transform the bank into customer centric organization.

Success is half won when one gains the habit of work. We assure you that your bank will continue its marching with lots of expansion dreams and passion to achieve them at the end of the next financial year by continuous efforts of innovating its products, process and technology to serve you better but with the same values, ethos and commitment to all the concerned parties as we believe that success in business implies optimism, mutual confidence, and fair playing level field.

I am delighted to recognize the **teamwork of my employees** under the effective guidance of our **CEO- Satyaprakash Khokhara**. I further assure you that this perfect combination will further strengthen and expand your bank with support of all stakeholders in this endeavor.

I would like to conclude that it is not only time to finish the unfinished agenda but also take up new agenda, set new goals, make fresh starts in newer areas and achieve newer milestones in the years to come.

Date : 23.04.2010
Place : Rajkot

Ramnikbhai Dhani
Managing Director

"Go as far as you can see, and when you get there you will see farther"



From The Desk of CEO

I am privileged to have the opportunity to lead The Co-Operative Bank of Rajkot Ltd., as General Manager & CEO. Your bank has been built over last 30 years under the effective leadership of founder chairman and existing Managing Director **Hon. Shri Ramnikbhai Dhami** and under the useful guidance of existing Chairman, **Hon. Shri Madhusudanbhai Donga** and Vice Chairman, **Hon. Shri Nareshbhai Patel**, alongwith Board of Directors. I would like to express our gratitude to them for their immense contribution to the growth and success of your bank.

Your bank has strong traditional values and deeply held beliefs. Your bank has recognized the changing trend of “Crazy banking” in place of “Lazy banking” and therefore, always believes in capitalizing on emerging opportunities and innovations to enhance the range of products and services with unflinching gusto and aplomb with smile to provide greater convenience to our valuable customers.

Your bank believes in building depth of talent and leadership in the organization and empowering the team to achieve organizational goals. At this juncture, I truly recognize significant contribution of my **TEAM** and their **PAINS** i.e. **Positive Approach In Negative Situations** and can take proud to say **“Together Everyone Can Achieve More”** is real achievement of intelligent human resource of your bank.

Your bank has placed strong emphasis on a framework of ethics and good governance that balances the interests of different stake holders. We have sought to be adaptable and flexible, anticipating and responding to the changing needs of the economy, the dynamic business environment and the expectations of the stakeholders. These values and beliefs will continue to be the foundation of our strategy as **“Three basic ingredients of Success are persistent Learning, Earning and Yearning”**.

Even though we have healthy capital adequacy, sound liquidity and improved cost efficiencies, looking to the rapid changing economic environment of India in particular and of the world in total, we have focused on a constant strategy of capital conservation, risk containment and efficiency improvement. As a part of this strategy and to respond positively towards the ever changing economic environment, your bank has undertaken CBS Project and decided to implement the same during Fiscal Year 2010-11 to delight the customers by offering world class technology at par with private and nationalized banks.



**Teamwork is the fuel that allows Common
People to Attain Uncommon Results.**

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Looking ahead, we foresee favorable prospects for the Indian economy and we will continue to participate in India's growth by meeting the banking needs of the Indian economy. Further, to strengthen the economy in general and Urban Co-operative Banking Sector in particular, your bank is consistently merging weak Co-Operative banks with safe guarding the interest of depositors, employees and public at large.

Agenda for the forth coming year, your bank has an agenda of merging one of the negative net worth banks namely Vaso Co-operative Bank Ltd. of Kheda District having three branches. No doubt we will be eligible to avail the benefits of scheme of amalgamation that provides for payment to depositors u/s 16(2) of DICGC Act, 1961, financial contribution by the transferee bank and sacrifice by large depositors as per RBI Circular Ref.No. 43/09.16.900/08-09 dated 30th January, 2009. Further, additional incentives like closing down the net loss incurring branches of the merged bank for last three years consistently and using these branch licenses for opening new branches in the expanded area of operation of your bank and the same of the merged bank will be also available. Similarly, shifting/ relocating of the branches of the merged bank may also be permitted within the extended area of operation without effecting services to existing clientele, etc from this merger.

I am please to announce that Reserve Bank of India has approved our Due Diligence Report for Vaso Bank and further, Scheme of the said merger which is approved by State Registrar is further sent to Reserve Bank of india for sanctioning of the said merger.

I firmly believe that the strategy that we have followed provide a strong foundation for our growth in the years to come.

.I conclude with providing my heartiest gratitude to Registrar of Co-operative Societies, Reserve Bank of India and their dignitaries and all other legitimate bodies for their timely and consistent support and guidance in all our endeavours and of course, we look forward to the continued support and faith of our stakeholders too in our success journey.

With Best Wishes,

Date : 23.04.2010
Place : Rajkot

Satyaprakash Khokhara
General Manager & CEO



A ZERO*Net***NPA BANK**

Since 1990

It doesn't take the strength to win,
it takes the true heart of the team to win.



PROGRESS OF THE BANK AT A GLANCE

[Rs. in Lacs]

Year	Share Capital	Reserves & Surplus	Total Deposits	Total Advances	Investments	Total Income	Total Expenditure	Gross Profit	Total Provisions	Net Profit
1982	6.62	00.67	53.99	55.77	10.23	8.16	4.69	3.47	0.00	3.47
1993	34.69	186.16	1274.54	535.14	909.14	209.85	137.86	71.99	10.00	61.99
1994	41.80	236.70	1760.22	671.56	1313.34	273.66	197.26	76.40	6.60	69.80
1995	55.09	335.16	2365.70	1000.47	1649.58	368.91	236.33	132.58	12.53	120.05
1996	68.81	464.79	3130.31	1218.23	2259.40	345.46	144.88	200.58	34.50	166.08
1997	86.76	645.94	4226.29	1668.45	3015.69	466.22	267.82	198.40	39.45	158.95
1998	116.89	956.46	5601.91	2289.98	3907.08	791.55	527.23	264.32	100.77	163.55
1999	155.03	1262.27	8051.11	3264.43	5732.85	1079.51	754.67	324.84	144.50	180.34
2000	222.98	1434.87	12218.49	5219.49	7945.36	1546.70	1104.58	442.12	254.50	187.62
2001	322.41	2190.73	15272.11	8131.43	9428.66	2134.08	1530.04	604.04	400.45	203.59
2002	360.91	2630.16	18553.28	8334.25	12914.03	2656.50	1952.03	704.51	482.59	221.92
2003	393.53	3225.52	21135.56	9149.74	15329.42	2994.62	2215.14	779.48	533.59	245.89
2004	474.89	3804.97	26174.81	11203.90	18618.23	3128.97	2323.91	805.06	534.25	270.81
2005	460.22	4264.45	28640.94	14211.77	18486.28	3266.46	2456.03	810.43	533.37	277.06
2006	518.95	5116.83	33626.01	16675.92	21537.86	3274.41	2459.04	815.37	535.00	280.37
2007	976.73	6466.46	38919.89	21819.47	21153.06	3988.58	2922.88	1065.70	740.93	324.77
2008	1335.34	7682.64	47740.62	22911.16	27809.11	5218.34	3562.58	1655.76	940.01	715.75
2009	1845.47	8814.86	60032.28	29635.38	31832.82	6328.11	4537.80	1790.31	942.13	848.19
2010	2635.39	10572.60	72359.96	41995.31	36063.55	7827.38	5723.23	2104.15	1100.50	1003.65

Year	No. of Members	No. of Shares	No. of Depositors	No. of Borrowers	Working Capital	No. of Branches	C/D Ratio	Rate of Dividend	Audit Class	Business
1982	4959	18665	6339	189	81.15	1	103.30%	12%	"A"	109.76
1993	10463	138751	23994	607	1580.06	2	41.99%	12%	"A"	1809.68
1994	10729	167184	28624	781	2144.04	3	38.15%	12%	"A"	2431.78
1995	11107	220355	31587	1134	2889.33	4	42.29%	12%	"A"	3366.17
1996	11582	275248	36589	1381	3872.78	6	38.92%	15%	"A"	4348.54
1997	12882	347043	43810	2189	5176.12	6	39.48%	15%	"A"	5894.74
1998	14849	467554	52915	3114	6934.57	7	40.88%	15%	"A"	7891.89
1999	17090	620103	64635	3835	9725.12	8	40.55%	15%	"A"	11315.54
2000	19993	891900	81141	4384	14238.34	8	42.72%	15%	"A"	17437.98
2001	22920	1289628	97189	5477	17963.27	8	53.24%	15%	"A"	23403.54
2002	24696	1443646	110971	5874	21921.83	10	44.92%	15%	"A"	26887.53
2003	25732	1574132	119372	6149	25270.96	10	43.29%	15%	"A"	30285.30
2004	27335	1899589	131098	6465	30934.30	11	42.80%	15%	"A"	37378.71
2005	29060	1840885	139129	6785	33912.50	11	49.62%	15%	"A"	42852.71
2006	30722	1471518	149201	7278	39548.07	11	50.32%	15%	"A"	50301.93
2007	32516	3906920	159325	7210	47138.84	11	56.06%	15%	"A"	60739.36
2008	34851	5341375	186236	7321	57679.05	16	47.99%	15%	"A"	70651.78
2009	37999	7381877	226876	7105	71924.03	17	49.37%	15%	"A"	89667.66
2010	40033	10541541	240023	7121	86488.03	17	58.04%	15%	"A"	114355.27

(Proposed)

Raj Bank**The Co-Operative Bank of Rajkot Ltd.**

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Theme of Team is When We all Work
Together, we will Win Together.

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Directors' Report

Your Directors have pleasure in presenting the **30th Annual Report** on the Business and Operations of your Bank together with the Audited Statements of Accounts for the year ended **March 31, 2010**.

Financial Results

Your Bank's performance during the Fiscal 2010 was satisfactory on all fronts as can be observed below:

Year ended / As on 31st March	2009	2010	Change
Interest Income	5972.71	6957.89	16.49%
Interest Expenses	3434.31	4181.94	21.77%
Net Interest Income	2538.40	2775.95	9.36%
Non Interest Income	355.40	869.49	144.65%
Total Income	6328.11	7827.38	23.69%
Operating Expenses [including Depreciation]	1103.49	1541.29	39.67%
Net Profit after Tax	848.19	1003.65	18.33%
Deposits	60032.28	72359.96	20.54%
CASA Deposits	22286.44	30498.05	36.85%
Advances	29635.38	41995.31	41.71%
Own Funds	10660.33	13207.99	23.90%
Total Assets	71924.03	86769.35	20.64%

Key Ratios [%]

Net Interest Margin	3.92%	3.28%	-0.64%
Operating Expenses /Total income	17.44%	19.69%	2.25%
Cost to Income	71.71%	73.12%	1.41%
Yield on Advances	13.25%	12.38%	-0.87%
Cost of Deposits	6.44%	6.50%	0.06%
Core spread	6.80%	5.88%	-0.92%
Capital Adequacy Ratio	26.25%	23.85%	-2.40%
Tier I Capital Adequacy Ratio	21.40%	16.79%	-4.61%
Credit/Deposit ratio	49.37%	58.04%	8.67%
Net NPA to Net Advances	NIL	NIL	---
Net NPA to Net worth	NIL	NIL	---

The financial performance during the fiscal year 2009-10 remained healthy with total net revenues [net interest income plus other income] increasing by 25.97% to Rs. 3645.44 lacs from Rs. 2893.80 lacs in 2008-09. The revenue growth was driven both by an increase in net interest income and other income.



The Profit before Tax & Provision has increased to Rs. 2104.15 lacs in 2009-10 as against Rs. 1790.31 lacs in 2008-09; representing a rise of 17.53%. Profit after Tax [PAT] went up by 18.33 % to Rs. 1003.65 lacs from Rs. 848.19 lacs in the previous year.

During 2009-10, the Bank's total balance sheet increased by 20.64% over that on March 31, 2009 to Rs. 867.69 crores. Gross advances grew by 41.71% to Rs. 41995.31 lacs while Deposits by grew 20.54% and reached upto Rs. 72359.96 lacs. More significantly a growth of 36.85% was achieved in CASA deposits during fiscal 2010 with Savings account deposits at Rs. 21068.32 lacs and Current account deposits at Rs. 9429.73 lacs, forming total CASA deposits at 42.15% of total deposits as of March 31, 2010.

Dividend

Your Bank has had a consistent dividend policy of balancing the dual objectives of appropriately rewarding shareholders through dividends and retaining capital to maintain a healthy capital adequacy ratio to support future growth. Consistent with this policy, and in recognition of the overall performance during 2009-10, your directors are pleased to recommend a dividend of 15% for the year ended March 31, 2010.

Capital Funds & Capital Adequacy Ratio

Capital Funds are the real strength for any Bank. There has been an increase of 23.90% in the Net worth of your Bank in 2009-10 as compared to 2008-09. As of 31st March, 2010 your bank's Capital Funds of Rs.11,586.94 lacs includes Tier I Capital of Rs.8,157.77 lacs and Tier II Capital of Rs.3,429.17 lacs.

As of 31st March, 2010, your Bank's total Capital Adequacy Ratio [CAR] stood at 23.85%, well above the regulatory minimum of 9 %. Of this, Tier I CAR is 16.79%.

Asset Quality & Recovery Management

Continuous focus on quality of Assets aided by prudent risk management mechanisms has facilitated progressive improvement in Bank's Asset quality. Prompt and timely measures coupled with enhanced credit supervision and monitoring during the year have provided positive results as is evident from fact that during during 2009-10 your Bank has made 99.998% recovery out of its total advances as only Rs. 00.96 lacs [0.002%] remained overdue as of 31st March, 2010 consisting only 11 overdue accounts.

In absolute terms, Gross NPA of the Bank stood at Rs.205.69 lacs which constitute 00.49% of gross advances.

Bank has not granted any Advances to its Directors or their relatives as of 31st March 2010 in compliance with RBI's instructions.

Internal Audit & Compliance

The Bank has Internal Audit & Compliance functions which are responsible for independently evaluating the adequacy of all internal controls and ensuring operating and business units adhere to internal processes and procedures as well as to regulatory and legal requirements. The audit function also



Talents win Games, but Teamwork & Intelligence win Championships where the Magic of Working Together lies.

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proactively recommends improvements in operational processes and service quality. To ensure independence, the Audit department has a reporting line to the Chairman of the Board of Directors and the Audit Committee of the Board. To mitigate operational risks, the Bank has put in place extensive internal controls including restricted access to the Bank's computer systems, appropriate segregation of front and back office operations and strong audit trails.

Bank has a practice of conducting Concurrent Audit through independent outside Auditors for focusing on the adequacy of all internal controls and ensuring adherence of internal processes and procedures.

Treasury Operations

The primary responsibility of the Treasury Department is of maintenance of the statutory obligations of Cash Reserve Ratio [CRR] and Statutory Liquidity Ratio [SLR]. The CRR was 4.80% as of 31st March 2010 as against the statutory requirement of 3%.

The average Yield on investments for the year ended 31st March 2010 stood at 6.54% as against 9.13% for the year ended 31st March 2009.

Your Bank's Treasury Department incurred a net loss of Rs. 123.95 lacs from the trading in securities during 2009-10.

Expansion Plans & Initiatives

Directors are happy to inform that the State Registrar has approved our application for increase in the area of operation in various parts of Gujarat. At present your Bank can operate in Rajkot, Jamnagar, Junagadh, Surendranagar, Amreli, Kutchchh, Bhavnagar, Ahmedabad, Porbandar, Vadodara, Kheda, Anand & Mehsana Districts.

Your Bank has added a new Branch at Jamnagar by shifting of C.G. Road, Ahmedabad, Branch during the year 2009-10. The Jamnagar Branch reported total Business of Rs.11.74 crores and a Net Profit of Rs.2.09 lacs during the fiscal 2010. [Branch opening date: 16-01-2010]

Your Bank is going to take over one more Bank in near future and expand its operations in North Gujarat. Further, your Bank is planning to expand its area of operation to entire state of Gujarat.

Bank is also planning to go for Core Banking Project as well as Self Service Banking Branch at selected places.

Personnel Management

The Performance Linked Incentive Scheme of the Bank has been broad-based with an aim to foster team spirit amongst the employees and to motivate them to excel in customer service. This also helped the Bank in exploiting the new emerging business opportunities to achieve the Bank's growth plans. The Bank continues to focus on training its employees on a continuing basis, both on the job and through training programs conducted by internal and external faculty. Our Bank lists 'people' as one of its stated values. The Bank believes in empowering its employees and constantly takes various measures to achieve this.



The staff productivity in the form of Business per employee stood at Rs.697.29 lacs as of 31st March, 2010 as compared to previous year's figure of Rs.556.94 lacs. Profit per employee increased from Rs. 11.12 lacs in the previous year to Rs. 12.83 lacs during 2009-10.

Corporate Social Responsibility and Community Service

Your Bank continues to support for promoting activities linked to upliftment of members belonging to weaker sections of society. Bank has donated Rs. 1,86,000 for this purpose as well as encouraged many social institutions by issuing advertisements. Your Bank also distributes useful household articles to its members every year as gifts since consecutive last ten years.

Directors' Responsibility Statement

The Board of Directors hereby declares and confirms that:

- [i] In the preparation of accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure.
- [ii] The Directors had adapted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Bank at the end of the accounting year and of the profit or loss of your Bank for that period.
- [iii] The Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the regulatory provisions, for safeguarding the assets of your Bank and for preventing and detecting fraud and other irregularities.
- [iv] The Directors had prepared the accounts on a going concern basis.

Acknowledgements

Your Directors would like to place on record their gratitude for the valuable guidance and support received from the Government of India, Reserve Bank of India, Registrar of Co-Operative Societies, other Regulatory agencies, various banks and financial institutions, legal advisors, auditors and other service providers.

The Board takes this opportunity to thank all its shareholders and customers for extending their support during the year and looks forward to their continued association in the years ahead.

The Board appreciates sincere and devoted services displayed by its entire staff and highly values their commitment in improving your Bank's performance.

For and on behalf of the Board

Date : 23.04.2010
Place : Rajkot

Madhusudan Donga
Chairman



Teamwork divides the task and doubles the success.

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Report on Corporate Governance

The Directors present the Bank's Report on Corporate Governance.

The Co-Operative Bank of Rajkot Ltd. [herein after referred to as **Raj Bank in this report**], defines Corporate Governance as a systemic process by which the bank is directed and controlled to enhance its wealth-generating capacity. Since the bank employs a vast quantum societal resources. **Raj Bank** believes that the governance process should ensure that these resources are utilized in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Bank's deep commitment to contribute to the "triple bottom line", namely the development, nurture and regeneration of the nation's economic, social and environmental capital.

Raj Bank's Corporate Governance structure, systems and processes are based on two core principles.

[i] Management must have the executive freedom to drive the bank forward without undue restraints,

and

[ii] This freedom of management should be exercised within a framework of effective accountability.

Raj Bank believes that any meaningful policy on Corporate Governance must empower the executive management of the Bank. At the same time, Governance must create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

From this definition and core principles of Corporate Governance emerge the cornerstones of **Raj Bank's** governance philosophy, namely trusteeship, transparency, empowerment and accountability, control and ethical corporate citizenship. **Raj Bank** believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

Trusteeship recognizes that co-operative banks, which represent a coalition of interests, namely those of the shareholders, other providers of capital, business associates and employees, have both an economic and a social purpose, thereby casting the responsibility on the Board of Directors to protect and enhance shareholder value, as well as fulfill obligations to other stakeholders. Inherent in the concept of trusteeship is the responsibility to ensure equity of all stakeholders, namely, that the rights of all stakeholders are protected.

Transparency means explaining the Bank's policies and actions to those to whom it has responsibilities. Externally, this means maximum appropriate disclosures without jeopardizing the Bank's strategic interests and internally, this mean openness in the Bank's relationship with its employees and in the conduct of its business. **Raj Bank's** believes transparency enhances accountability.

Empowerment is a process of unleashing creativity and innovation throughout the organization by truly vesting decision-making powers at the most appropriate levels and as close to the scene of action as feasible, thereby helping actualize the potential of its employees.



Empowerment is an essential concomitant of **Raj Bank's** first core principle of governance that management must have the freedom to drive the enterprise forward. **Raj Bank** believes that empowerment combined with accountability provides an impetus to performance and improves effectiveness, thereby enhancing shareholder value.

Control ensures that freedom of management is exercised within a framework of checks and balances and is designed to prevent misuse of power, facilitate timely management of change and ensure effective management of risks. **Raj Bank** believes that control is a necessary concomitant of its second core principle of governance that the freedom of management should be exercised within a framework of appropriate checks and balances.

Ethical Corporate Citizenship means setting exemplary standards of ethical behavior, both internally within the organization, as well as in external relationships. **Raj Bank** believes that unethical behavior corrupts organizational culture and undermines stakeholder value. Governance processes in **Raj Bank** continuously reinforce and help realize the Corporate's belief in ethical Corporate citizenship.

THE GOVERNANCE STRUCTURE

The practice of Corporate Governance in **Raj Bank** is at three interlinked levels:

Strategic Supervision	By the Board of Directors
Strategic Management	By the Board/Management Committee
Executive Management	By the Departmental Management/Branch Management

The three-tier governance structure ensures that:

- [a] Strategic supervision [on behalf of the shareholders], being free from involvement in the task of strategic management of the Bank, can be conducted by the Board with objectivity, thereby sharpening accountability of management;
- [b] Strategic management of the Bank, uncluttered by the day-to-day tasks of executive management, remains focused and energized
- [c] Executive management of a Branch/ Department, free from collective strategic responsibilities for **Raj Bank** as a whole, focuses on enhancing the quality, efficiency and effectiveness of the business.

Board of Directors [Board] The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of **Raj Bank**. As trustees, the Board ensures that the Bank has clear goals relating to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also provides direction and exercises appropriate control to ensure that the Bank is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, also periodically reviews its role. Board is



The whole is greater than the sum of the parts.

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to provide leadership to the management for realizing Bank's goals in accordance with the charter approved by the Board.

Chairman/Vice Chairman The Board of Directors shall elect a Chairman and Vice Chairman of **Raj Bank** from among the elected directors. The Chairman shall preside over all meetings of the Board, Sub-Committee meetings in which he is the member and also over the Annual General Body meeting and Special General Meeting when such meetings are called for. In the absence of the Chairman, the Vice Chairman shall preside over the meetings.

Chief Executive Officer [CEO]/General Manager [GM] The CEO/GM, as member of the Board/Management Committee, contribute to the strategic management of the Bank's businesses within Board approved direction framework. As CEO/GM is accountable to the Board for a business function, he assumes overall responsibility for its strategic management, including its governance processes and top management effectiveness. CEO/GM is accountable to the Board for the custodians of **Raj Bank's** interests and is responsible for their governance in accordance with the charter approved by the Board.

BOARD OF DIRECTORS

Composition

The Board of Directors comprises **eighteen** members including the Chairman and the Vice Chairman. All directors, except the Managing Director are paid sitting fees of rupees two hundred per meeting on attending the same. The Board consists of eminent persons with practical experience and specialized knowledge in various streams including banking, technology, accountancy, finance and law.

Delegation of Powers

Under the Order issue by the Registrar of Co-op Societies, Gujarat u/s 160 [1] of the Gujarat State Co-op. Societies Act, 1961, the bank has made various policies/procedures as well formed various board/management committee to delegate powers to the Committee/Management for smooth functioning of the day to day banking business and administration.

Committee of the Board

Currently, there are eight Board Committees - Audit, Investment, Credit, Deposit, Advance, Asset-Liability, Settlement and Staff Committee. The term of reference of the Board Committees are determined by the Board from time to time.

Audit Committee

The Audit Committee of the Board has been constituted by the Bank as per the guidelines of the Reserve Bank of India. The Committee provides direction, oversees the total audit function of the Bank and follows up on the statutory/concurrent/internal/ISA audits of the Bank. It also ensures the strict adherence of RBI's guidelines and directives from time to time.



HR Committee

The HR Committee looks into HR and training issues, formulation and implementation of action plan for sustaining/improving the quality of the Bank's human resources and welfare measures for employees at all levels.

During the year under Report there were **25** meetings of the Board of Directors and **18** meetings of the Committee of the Board of Directors. The details of their attendance is as under-

Name of the Director	Meeting of the Board of Directors		Meeting of the Committees	
	Total Meetings	Attendance	Total Meetings	Attendance
1. Madhusudan Donga	25	25	18	18
2. Nareshbhai Patel	25	15	12	5
3. Ramnikbhai Sejpal	25	14	2	1
4. Kiritbhai Kamdar	25	21	7	6
5. Manubhai Nasit	25	23	2	2
7. Manharbhai Shah	25	25	2	2
8. Chandubhai Pambhar	25	23	9	9
9. Chandrakantbhai Patel	25	13	2	2
10. Vallabhbhai Hirani	25	22	1	1
11. Gopalbhai Karia	25	23	1	1
12. Shashikantbhai Mehta	25	24	3	3
13. Muljibhai Chauhan	25	16	--	--
14. Nileshbhai Dhruv	25	25	2	2
15. Leelaben Dhami	25	24	1	1
16. Arunaba Chudsama	25	21	1	1
16. Bakulbhai Zalawadia	25	24	10	10
17. Bipinchandra Shah	25	25	7	4
18. Divaliben Dharsandia	25	21	1	1

Last Three Annual General Meetings

Date	Day	Time	Year	Venue
May 3, 2009	Sunday	9.00 a.m.	2008-09	'Sahakar Sarita' Panchnath Road, Rajkot-360 001.
May 18, 2008	Sunday	9.00 a.m.	2007-08	
May 20, 2007	Sunday	9.00 a.m.	2006-07	



Love, simplicity and humility, if you embrace
these three qualities you can't go wrong.

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RAJ BANK CODE OF CONDUCT

The Raj Bank Code of Conduct, as adopted by the Board of Directors, is applicable to Directors, Senior Management and Employees of the Company. The Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct. The Code covers Raj Bank's commitment to sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and audit ability, legal compliance, and the philosophy of leading by personal example.

DISCLOSURES

There were no materially significant related party transactions with the directors, the management or relatives of the directors that have a potential conflict with interest of the bank at large.

The bank has complied with applicable Accounting Standards issued by The Institute of Chartered Accountants of India.

The bank has formulated a Risk Management Framework, which lays the procedures for risk assessment and mitigation. The Risk Management Committee [RMC] apprises the board of the key risks associated with the business of the bank and measures taken to mitigate the same.

During the year under review, the RMC reviewed key risks associated with the business of the bank, its root causes and the efficacy of the measures taken to mitigate the same. The Board of Directors also reviewed the procedures adopted the bank to assess risks and their mitigation mechanism.

MEMBER'S HELPDESK

Share Transfer, Dividend payments and all other investor related activities are attended to and processed at Bank's Head office. For lodgment of transfer deeds and for any other complaints or grievance, members are kindly welcome to contact our Head Office at "Sahakar Sarita", Panchnath Road, Rajkot-360001.

MEANS OF COMMUNICATION

Quarterly financial results of the bank for the year under review were published in all the leading local newspapers of the district of jurisdiction in regional language.

For and on behalf of the Board of Directors.

Date : 23.04.2010
Place : Rajkot

Madhusudan Donga
Chairman

Naresh Patel
Vice Chairman

Ramnikbhai Dhami
Managing Director



Auditor's Report

To the Members,

We have audited the attached Balance Sheet of **The Co-operative Bank Of Rajkot Ltd.** [here in after referred to as "The Bank"] as at **March 31, 2010**, as also the Profit and Loss Account for the year ended on that date annexed thereto.

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion, Subject to our notes on accounts as per Schedule 18 annexed herewith.

The Balance Sheet and Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949.

We report that

1. 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.
2. The transactions of the Bank which have come to our notice have been within the powers of the Bank.
3. The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
4. 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 and proper returns adequate for the purpose of our audit have been received from offices and branches not visited by us.
5. The Bank's Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account & the returns and they comply with the Accounting Standards applicable to the Bank read with guidelines issued by the Reserve Bank of India in so far as they apply to the Bank.
6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required there under 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 on **March 31, 2010** and
 - b) In the case of the Profit and Loss Account, the same shows a true balance of Profit for the year ended **March 31, 2010** covered by such accounts.

For A. D. Ruparel & Co.
Chartered Accountants

Anil D. Ruparel
Proprietor

Membership No. 035288

Place : Rajkot

Date : 23.04.2010



Shared Values define team.

30th
Annual Report
2009-2010

BALANCE SHEET As At 31st March, 2010

PARTICULARS	Sch.	Amount in Rs.	
		As At 31.03.2010	As At 31.03.2009
CAPITAL & LIABILITIES			
Capital	1	26,35,38,525.00	18,45,46,925.00
Reserves & Surplus	2	105,72,59,754.20	88,14,86,248.36
Deposits	3	723,59,96,352.44	600,32,27,518.38
Borrowings	4	NIL	NIL
Other Liabilities & Provisions	5	12,01,40,658.88	12,31,41,955.37
TOTAL		867,69,35,290.52	719,24,02,647.11
ASSETS & PROPERTIES			
Cash & Balances with RBI	6	11,64,13,605.68	9,17,34,751.80
Balances with Banks & Call Money Deposit	7	186,66,80,971.53	196,83,78,632.67
Investments	8	206,71,17,577.10	180,85,64,665.10
Loan & Advances	9	419,95,30,552.96	296,35,38,414.87
Fixed Assets	10	24,78,44,175.44	16,97,19,804.17
Other Assets	11	17,93,48,407.81	19,04,66,378.50
TOTAL		867,69,35,290.52	719,24,02,647.11
Contingent Liabilities	12	6,37,97,779.00	5,83,76,710.50
Off Balance Sheet Items	Note	3,34,18,691.48	3,12,78,888.49

The Schedules referred to above forms an integral part of the Balance Sheet.

*As per Our Separate Report
For, **A. D. Ruparel & Co.,**
Chartered Accountants*

For, **The Co-Operative Bank of Rajkot Ltd.**

Dipak Mehta
DGM

Satyaprakash Khokhara
General Manager & CEO

***Anil D. Ruparel**
Proprietor*

Kamal Dhani
Jt. Managing Director

Ramnikbhai Dhani
Managing Director

*Place : Rajkot
Date : 23.04.2010*

Nareshbhai Patel
Vice Chairman

Madhusudan Donga
Chairman



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

Amount in Rs.

PARTICULARS	Sch.	Year Ended 31.03.2010	Year Ended 31.03.2009
I. INCOME			
Interest & Dividend Earned	13	69,57,89,192.62	59,72,70,759.76
Other Incomes	14	8,69,49,248.87	3,55,39,946.50
TOTAL		78,27,38,441.49	63,28,10,706.26
II. EXPENDITURE			
Interest Expended	15	41,81,94,496.90	34,34,30,652.47
Operating Expenses	16	15,41,29,066.48	11,03,48,824.05
TOTAL		57,23,23,563.38	45,37,79,476.52
III. PROFIT BEFORE TAX & PROVISIONS [I-II]		21,04,14,878.11	17,90,31,229.74
Less : Provision & Contingencies	17	6,55,50,000.00	4,05,29,430.87
Less : Provision for Taxation	17	4,45,00,000.00	5,36,83,080.00
Total Provisions & Contingencies		11,00,50,000.00	9,42,12,510.87
IV. NET PROFIT TRANSFERRED TO BALANCE SHEET		10,03,64,878.11	8,48,18,718.87
V. APPROPRIATIONS OF PROFIT [Proposed, Subject to Approval in AGM]			
a. Transfer to Statutory Reserve		4,01,45,951.24	4,00,76,844.67
b. Transfer to Investment Fluctuation Fund		1,00,00,000.00	50,00,000.00
c. Transfer to Proposed Dividend		3,27,00,000.00	2,26,00,842.00
d. Transfer to Building Fund		1,50,00,000.00	1,56,91,652.00
e. Transfer to Education Fund		3,00,000.00	3,00,000.00
f. Transfer to Credit Equalization Fund		57,913.18	34,045.97
g. Transfer to Bad Debt Reserves as per GSC Act		18,32,839.03	9,22,407.03
h. Transfer to Other Reserves			
1. Transfer to Members' Welfare Fund		1,47,678.60	86,817.24
2. Transfer to Dividend Equalization Fund		82,043.66	48,231.80
3. Transfer to Co-op. Propaganda Fund		49,226.20	28,939.08
4. Transfer to Charity Fund		49,226.20	28,939.08
TOTAL		10,03,64,878.11	8,48,18,718.87

Notes on Preparation of Financial Statements 18

The Schedules referred to above forms an integral part of the Profit & Loss Account.

*As per Our Separate Report
For, A. D. Ruparel & Co.,
Chartered Accountants*

For, **The Co-Operative Bank of Rajkot Ltd.**

Dipak Mehta
DGM

Satyaprakash Khokhara
General Manager & CEO

Anil D. Ruparel
Proprietor

Kamal Dhani
Jt. Managing Director

Ramnikbhai Dhani
Managing Director

*Place : Rajkot
Date : 23.04.2010*

Nareshbhai Patel
Vice Chairman

Madhusudan Donga
Chairman

Schedules to the Balance Sheet as on 31st MARCH, 2010

Schedule - 1

CAPITAL	As On 31.03.2010	As On 31.03.2009
Authorised Share Capital [2,00,00,000 Shares of Rs. 25/- each] - Current Year	50,00,00,000.00	20,00,00,000.00
Subscribed & Paid up Capital [1,05,41,541 Shares of Rs. 25/- each] - Current Year [73,81,877 Shares of Rs. 25/- each] - Last Year	26,35,38,525.00	18,45,46,925.00
TOTAL	26,35,38,525.00	18,45,46,925.00

Schedule - 2

RESERVES & SURPLUS	As On 31.03.2010	As On 31.03.2009
Statutory Reserves	34,05,42,437.47	29,98,22,624.10
Capital Reserves	---	---
Revaluation Reserves	13,06,16,464.43	7,26,59,917.43
Building Fund	13,24,99,999.60	11,68,08,347.60
Dividend Equalization Fund	80,70,330.98	3,80,22,099.18
Special Bad Debts Reserves	---	---
Bad & Doubtful Debt Reserve	6,33,22,407.03	6,42,00,000.00
Investment Depreciation Reserve	2,38,00,000.00	5,50,00,000.00
Investment Fluctuation Reserve	22,34,20,146.00	9,50,00,000.00
Revenue & Other Funds & Reserves		
Co-Operative Propaganda Fund	60,822.24	10,31,883.16
Charity Fund	22,94,036.94	24,51,097.86
Members Welfare Fund	1,32,741.33	13,45,924.09
Contingent Fund	---	50,00,000.00
Reserve for FDR with Madhavpura Mer. Co.-op. Bank	---	2,59,40,146.00
Jubilee Celebration Fund	85,489.69	3,85,489.69
General Provision against Standard Assets	1,75,00,000.00	1,25,00,000.00
Staff Hospitalization Fund	5,00,000.38	30,00,000.38
Special Reserve	1,40,50,000.00	35,00,000.00
Sub Total	95,68,94,876.09	79,66,67,529.49
Profit & Loss Account		
Profit as per last B/Sheet	8,48,18,718.87	
Less: Appropriation	(8,48,18,718.87)	
Add: Profit for the Current Year	10,03,64,878.11	
Balance in Profit & Loss A/c	10,03,64,878.11	8,48,18,718.87
TOTAL	105,72,59,754.20	88,14,86,248.36

Schedule - 3

DEPOSITS [In India]	As On 31.03.2010	As On 31.03.2009
Demand Deposits		
Current Deposits	91,97,83,559.38	65,37,22,733.50
Cash Credit [Credit Balance]	2,31,89,506.91	2,89,11,158.42
Sub Total	94,29,73,066.29	68,26,33,891.92
Savings Deposits		
Savings Bank Deposits	200,48,84,764.56	147,56,29,778.15
Locker Savings Deposits	6,21,93,916.40	3,93,54,926.80
Special Savings Deposits	3,97,53,194.10	3,10,25,066.00
Sub Total	210,68,31,875.06	154,60,09,770.95
Term Deposits		
Simple Term Deposits	34,52,20,159.00	41,03,44,872.22
Double Term Deposits	5,14,42,811.00	7,77,82,335.00
Reinvestment Deposits	270,68,82,002.69	230,00,33,622.89
Recurring Deposits	1,86,39,606.83	1,47,84,060.83
Monthly Term Deposits	58,65,27,698.00	53,27,17,962.00
Quarterly Term Deposits	42,28,75,458.57	38,74,49,502.57
Member's Share Deposit	5,46,03,675.00	5,14,71,500.00
Sub Total	418,61,91,411.09	377,45,83,855.51
TOTAL	723,59,96,352.44	600,32,27,518.38

Schedule - 4

BORROWINGS [In India]	As On 31.03.2010	As On 31.03.2009
Borrowings from Reserve Bank of India	NIL	NIL
Borrowings from Other Banks & Institutions	NIL	NIL
TOTAL	NIL	NIL

Schedule - 5

OTHER LIABILITIES & PROVISIONS	As On 31.03.2010	As On 31.03.2009
Overdue Interest Reserve		
On PA accounts	13,09,665.33	15,33,134.13
On NPA accounts	2,68,23,118.08	2,17,52,736.08
Sub Total	2,81,32,783.41	2,32,85,870.21
Interest Payable on Deposits		
On Savings Deposits	61,40,476.00	86,58,832.05
On Recurring Deposits	12,46,965.00	6,51,521.00
On Member Share Deposits	68,12,391.61	29,72,100.07
On Matured Deposits	12,00,000.00	---
Sub Total	1,53,99,832.61	1,22,82,453.12
Sundry Liabilities		
Share Capital Reserve	3,51,025.00	36,98,475.00
Members Share Deposit Reserve	5,000.00	5,750.00
Entrance Fees Reserve	17,525.00	17,500.00
Nominal member fees Reserve	60.00	60.00
Personal Loanee Benefit Fund	9,92,993.00	8,71,936.00
Pay Slips Payable A/c	1,05,25,956.92	59,59,648.03
Unclaimed Dividend	46,34,454.30	38,47,508.60
Inter Branch Adjustments [net]	87,74,267.64	1,78,34,850.26
Bills Payable	43,69,500.00	---
Advocate Fees Payable	74,511.00	56,650.00
Audit Fees Payable	2,50,000.00	2,50,000.00
Sundry Creditors	5,12,750.00	8,92,750.00
Expense Payable [Provision]	16,00,000.00	6,38,504.15
Income Tax Payable	4,45,00,000.00	5,35,00,000.00
Sub Total	7,66,08,042.86	8,75,73,632.04
TOTAL	12,01,40,658.88	12,31,41,955.37

Schedule - 6

CASH & BALANCES WITH RESERVE BANK OF INDIA	As On 31.03.2010	As On 31.03.2009
Cash in Hand	8,81,21,177.17	6,89,25,909.69
Cash in ATM	99,58,300.00	95,83,300.00
Balance with R.B.I.	1,83,34,128.51	1,32,25,542.11
TOTAL	11,64,13,605.68	9,17,34,751.80

Schedule - 7

BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE	As On 31.03.2010	As On 31.03.2009
1. Balances in Current Accounts with Other Banks [In India]		
a. Balances with SCB &, CCB of the District		
Gujarat State Co-operative Bank Ltd.	2,000.00	68,309.94
Rajkot District Co-operative Bank Ltd.	18,92,818.70	40,34,854.70
Ahmedabad District Co-operative Bank Ltd.	1,01,12,134.63	1,21,11,694.63
Sub Total [1a]	1,20,06,953.33	1,62,14,859.27
b. Balances with SBI & Other Notified Banks		
State Bank of India	4,83,16,839.74	5,09,19,568.47
Bank of Baroda	7,79,36,116.75	33,61,40,911.43
Bank of Baroda Clg Adjustment A/c	1,000.00	1,000.00
UCO Bank	1,03,86,045.00	5,76,049.70
Bank of India	---	19,844.93
Dena Bank	---	2,25,944.10
Union Bank of India	1,05,000.00	40,82,100.00
Sub Total [1b]	13,67,45,001.49	39,19,65,418.63
c. Balances with Private Banks		
AXIS Bank	2,05,87,996.22	1,39,75,997.20
ICICI Bank	4,02,71,448.86	1,00,18,764.00
IDBI Bank	6,58,15,474.10	9,02,80,349.04
HDFC Bank	3,18,16,922.53	6,06,15,793.52
Kotak Mahindra Bank	2,02,00,000.00	1,02,00,990.91
Indus Ind Bank Ltd.	---	3,89,285.10
Sub Total [1c]	17,86,91,841.71	18,54,81,179.77
TOTAL [1a + 1b + 1c]	32,74,43,796.53	59,36,61,457.67
2. Balances in Deposit Accounts with Other Banks [In India]		
a. Balances with SCB &, CCB of the District - SLR		
Rajkot Dist. Co-operative Bank Ltd.	25,00,00,000.00	50,00,00,000.00
Gujarat State Co-operative Bank Ltd.	15,00,00,000.00	80,000.00
Ahmedabad District Co-operative Bank Ltd.	30,00,00,000.00	10,00,00,000.00
Sub Total [2a]	70,00,00,000.00	60,00,80,000.00
b. Fixed Deposit with SBI & Other Notified Banks		
State Bank of India	14,60,00,000.00	12,04,00,000.00
Bank of Baroda	22,00,00,000.00	5,20,00,000.00
Union Bank of India	9,00,00,000.00	8,50,00,000.00

Continue on next page...

Schedule - 7 [Continued]

BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE	As On 31.03.2010	As On 31.03.2009
Central Bank of India	2,70,00,000.00	---
UCO Bank	4,50,00,000.00	8,50,00,000.00
Bank of India	---	8,50,00,000.00
Indian Bank Ltd.	---	8,50,00,000.00
Sub Total [2b]	52,80,00,000.00	51,24,00,000.00
c. Fixed Deposit with Private Banks		
HDFC Bank	5,90,00,000.00	15,00,00,000.00
ICICI Bank	9,50,00,000.00	---
IDBI Bank	---	8,50,00,000.00
Sub Total [2c]	15,40,00,000.00	23,50,00,000.00
TOTAL [2a +2b +2c]	138,20,00,000.00	134,74,80,000.00
3. Money at Call & Short Notice [In India]		
With HDFC Bank Ltd.	13,00,00,000.00	---
4. Madhavpura Mercantile Co-op Bank [Reconstruction Fund]	2,72,37,175.00	2,72,37,175.00
TOTAL[1+2+3+4]	186,66,80,971.53	196,83,78,632.67

Schedule - 8

INVESTMENTS [IN INDIA]	As On 31.03.2010	As On 31.03.2009
Investments in Government Securities [SGL Form]		
Central Government Securities	198,95,17,079.00	172,98,63,663.00
State Government Securities	5,62,55,521.00	5,73,56,000.00
Sub Total	204,57,72,600.00	178,72,19,663.00
Other Investments [Non-SLR]		
Units of UTI Mutual Fund	1,66,70,477.10	1,66,70,477.10
Sub Total	1,66,70,477.10	1,66,70,477.10
Investments in Shares of Other Co-Operative Institutions		
Shares of Rajkot District Co-Op. Bank Ltd.	11,74,500.00	11,74,500.00
Shares of Gujarat District Co-Op Bank Ltd.	20,00,000.00	20,00,000.00
Shares of KRIBHCO	5,00,000.00	5,00,000.00
Shares of IFFCO	10,00,000.00	10,00,000.00
Shares of SUMCO	---	25.00
Sub Total	46,74,500.00	46,74,525.00
TOTAL	206,71,17,577.10	180,85,64,665.10

Schedule - 9

LOANS & ADVANCES [IN INDIA]	As On 31.03.2010	As On 31.03.2009
Cash Credits, Overdrafts & Other Loans Repayable on Demand		
Cash Credits	142,80,44,753.76	84,74,25,629.47
Clean Overdraft	1,35,217.33	2,57,307.44
Secured Overdraft	47,02,77,313.90	37,40,42,985.87
Overdraft Against Fixed Deposit	14,39,33,990.60	11,97,87,264.96
Temporary Overdraft	45,90,215.36	46,03,477.58
Loans Against Fixed Deposits	6,92,59,801.63	5,32,40,960.50
Loans Against NSC / KVP / Policies	1,31,82,507.33	1,09,90,727.60
Sub-Total	212,94,23,799.91	141,03,48,353.42
Term Loans		
Personal Loan	5,88,48,670.92	5,95,49,377.99
Machinery Loan	55,42,55,222.93	44,86,93,978.75
Vehicle Loan	4,81,50,040.39	3,37,60,462.09
Building Loan	51,45,762.80	1,92,16,441.90
Staff Housing Loan	5,03,02,884.00	3,38,06,078.00
Consumer Durable Loan	---	15,534.00
Home Loan	25,12,43,638.63	21,78,68,206.73
Mortgage Loan	4,96,83,538.90	6,58,89,951.90
Industrial Loan	43,54,43,789.10	33,37,42,637.80
Business Loan	59,08,56,014.38	32,16,15,098.49
Medical Equipment Loan	1,32,02,276.00	63,53,676.00
Staff Car Loan & Staff Advances	39,45,133.00	28,80,468.00
Staff Secured Loan	20,11,093.00	33,12,039.00
Gold Loan	69,32,375.00	64,86,110.80
KG to PG Loan (Computer Purchase)	86,314.00	---
Sub-Total	207,01,06,753.05	155,31,90,061.45
TOTAL	419,95,30,552.96	296,35,38,414.87
ADVANCES ARE SECURED AGAINST		
Secured by Other Tangible Securities & Assets	413,59,56,449.35	289,91,28,251.86
Unsecured Advances	6,35,74,103.61	6,44,10,163.01
TOTAL	419,95,30,552.96	296,35,38,414.87

Fixed Assets

Schedule - 10

Sr. No.	DETAILS OF FIXED ASSETS	Rate of Depreciation %	OPENING BALANCE		GROSS BLOCK				CLOSING BALANCE	
			01.04.2009 [Excluding Revaluation Reserve]	Revaluation Reserve 01.04.2009	ADDITION	DEDUCTION / TRANSFER		31.03.2010 [excluding Revaluation Balance]	Revaluation Reserve 31.03.2010	
			First Half Year 01.04.2009 to 30.09.2009	Second Half Year 01.10.2009 to 31.03.2010	Revaluation during the year	Sales / Scrap	Transfer / Out			
1.	Land	---	---	---	3,64,88,047.00	---	---	---	2,88,82,302.00	5,71,64,698.00
2.	Capital Work in Progress	---	1,61,55,780.00	93,10,740.52	---	---	2,21,70,525.52	---	2,17,02,945.09	---
3.	Building	10.00%	3,58,13,233.57	---	2,14,68,500.00	---	---	---	4,18,17,137.85	7,34,51,766.43
4.	Computer & Peripherals	33.33%	1,63,88,767.90	---	---	12,44,206.00	9,170.00	---	1,65,85,349.05	---
5.	Other Equipments	25.00%	77,25,971.57	---	---	3,72,254.50	---	---	83,78,817.07	---
6.	Electric Equipments	15.00%	1,07,11,498.33	---	---	4,650.00	---	---	1,83,46,285.68	---
7.	Furnitures & Fixtures	10.00%	3,29,26,131.36	---	---	9,09,145.11	1,70,583.00	---	4,08,56,856.07	---
8.	Vehicles	15.00%	45,54,856.00	---	---	---	---	---	58,80,106.00	---
	TOTAL		15,54,09,710.82	7,26,59,917.43	5,79,56,547.00	25,30,255.61	2,23,50,278.52	18,24,49,798.81	13,06,16,464.43	

Sr. No.	DETAILS OF FIXED ASSETS	Rate of Depreciation %	DEPRECIATION FUND			NET BLOCK / W.D.V.		
			Opening Balance on 01.04.2009	Addition / Transfer In	Deduction / Transfer Out	Depreciation for the current Year [Gross]	Closing Balances on 31.03.2010	Opening Balance on 01.04.2009
1.	Land	---	---	---	---	---	4,95,58,953.00	8,60,47,000.00
2.	Capital Work in Progress	---	---	---	---	---	1,84,06,950.09	2,17,02,945.09
3.	Building	10.00%	1,96,23,355.92	7,60,500.00	12,46,886.00	19,95,232.98	6,81,73,144.08	9,44,10,815.38
4.	Computer & Peripherals	33.33%	1,11,18,780.24	7,26,466.35	12,46,886.00	26,92,946.45	52,69,987.66	32,94,042.01
5.	Other Equipments	25.00%	46,08,413.14	---	3,50,957.54	9,68,167.08	31,17,558.43	31,53,194.39
6.	Electric Equipments	15.00%	59,93,665.71	10,878.15	7,27,366.15	14,15,853.54	47,17,832.62	1,16,53,254.43
7.	Furnitures & Fixtures	10.00%	1,52,22,453.91	---	6,40,090.75	21,77,141.99	1,77,03,677.45	2,40,97,350.92
8.	Vehicles	15.00%	17,83,155.16	---	---	6,11,377.62	27,71,700.84	34,85,573.22
	TOTAL		5,83,49,824.08	7,37,344.50	37,25,800.44	98,60,719.66	16,97,19,804.17	24,78,44,175.44

Schedule - 11

OTHER ASSETS	As On 31.03.2010	As On 31.03.2009
Interest Receivable		
On Investments/SGL & Other Bank Deposits	6,27,03,476.00	6,35,70,094.00
On NPA accounts	2,68,23,118.08	2,17,52,736.08
On SGL accounts (Central + State)	3,47,18,756.00	3,49,95,874.44
On Advances	24,00,000.00	42,44,543.00
Dead Stock		
Stationery Stock	1,46,683.00	1,46,683.00
Adhesive Stamp Stock	52,63,652.00	39,02,536.00
Deposits		
Telephone / OYT / Cellular Deposit	92,117.00	92,117.00
Electricity Deposit	4,98,993.50	3,44,763.50
CBLO Cash Margin Deposit With CCIL	1,00,000.00	1,00,000.00
Security Deposit for Rented Premises	40,00,000.00	30,00,000.00
Advance House Rent Paid	2,83,101.00	2,83,101.00
Clearing Adjustment Account	5,000.00	---
Suspense Account	(16,942.50)	---
Sundry Assets		
Tax Deducted at Source [TDS] Receivable	10,84,954.73	23,52,330.48
Cenvat Credit [Service Tax & Education Cess]	2,72,843.00	---
Advance Income Tax Paid	---	21,81,600.00
Advance Income Tax Paid 2009-10	---	5,35,00,000.00
Advance Income Tax Paid 2010-2011	3,50,00,000.00	---
Income Tax Refund Receivable A.Y. 2007-08	21,81,600.00	---
Income Tax Refund Receivable A.Y. 2009-10	37,91,056.00	---
TOTAL	17,93,48,407.81	19,04,66,378.50

Schedule - 12

CONTINGENT LIABILITIES	As On 31.03.2010	As On 31.03.2009
Claims against the bank not acknowledged as debts	27,56,030.00	---
Guarantees given on behalf of constituents [in India]	20,75,000.00	39,72,761.00
Guarantees given through HDFC Bank	5,89,66,749.00	5,44,03,949.50
TOTAL	6,37,97,779.00	5,83,76,710.50
Note : OFF BALANCE SHEET ITEMS		
Investment under LIC GGCA Gratuity Scheme	1,15,59,675.00	1,10,75,915.00
Investment under LIC Leave Encashment Scheme	64,61,774.00	62,34,274.00
Sub Total	1,80,21,449.00	1,73,10,189.00
Inward Bills for Collection - [IBC]	12,68,651.73	17,21,612.40
Outward Bills for Collection - [OBC]	1,41,28,590.75	1,22,47,087.09
Sub Total	1,53,97,242.48	1,39,68,699.49
TOTAL	3,34,18,691.48	3,12,78,888.49



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Schedules to the Profit & Loss Account ended on 31st MARCH, 2010

Schedule - 13

INTEREST EARNED	As On 31.03.2010	As On 31.03.2009
Interest Earned on Advances		
Short Term Advances	20,95,96,718.49	16,00,39,211.00
Medium Term Advances	19,26,72,072.00	16,52,35,818.60
Long Term Advances	2,73,98,465.00	15,37,220.00
Sub Total	42,96,67,255.49	32,68,12,249.60
Interest Earned on Deposits		
On Deposits With Other Co-Operative Banks	7,02,294.00	3,20,936.00
On Deposits With Other Banks	11,86,90,768.09	13,41,26,433.08
On Call Money Deposits	34,43,298.85	2,81,74,536.31
Sub Total	12,28,36,360.94	16,26,21,905.39
Interest Earned on Investments		
Interest Received on Central Govt. Securities	13,95,24,317.23	10,39,39,000.65
Interest Received on State Govt. Securities	37,61,258.96	38,97,604.12
Sub Total	14,32,85,576.19	10,78,36,604.77
TOTAL	69,57,89,192.62	59,72,70,759.76

Schedule - 14

OTHER INCOME	As On 31.03.2010	As On 31.03.2009
Commission, Exchange & Brokerage	69,59,583.46	86,51,069.10
Profit on Sale of Investments	1,32,25,000.00	53,94,669.10
Income earned by way of Dividends on Shares & Units	14,60,106.97	9,69,745.66
Documents Charges	2,78,03,527.00	1,67,05,655.00
Share Transfer Fees / Duplicate Certificate Fees	13,700.00	8,730.00
Locker Rent	15,49,704.00	11,48,904.00
Insurance Commission Income	50,35,506.34	14,91,750.11
Income Tax Provision Written Back	8,77,613.52	5,62,486.00
Other Income [Annexure-1]	3,00,24,507.58	6,06,937.53
TOTAL	8,69,49,248.87	3,55,39,946.50



Schedule - 15

INTEREST EXPENDITURE	As On 31.03.2010	As On 31.03.2009
Interest Expended on Deposits		
Demand Deposits	---	---
Savings Deposits	4,99,64,258.00	4,01,59,558.00
Term Deposits	36,82,30,238.90	30,32,71,094.47
TOTAL	41,81,94,496.90	34,34,30,652.47

Schedule - 16

OPERATING EXPENDITURE		As On 31.03.2010	As On 31.03.2009
Payments to & Provisions for Employees	[Annexure -2]	5,77,74,280.68	5,12,41,443.07
Rent, Taxes and Lighting	[Annexure -2]	98,00,663.52	67,81,443.33
Repairs and Maintenance	[Annexure -2]	76,59,955.39	50,16,503.09
Government Taxes Paid	[Annexure -2]	41,49,172.00	30,98,983.00
Other Expenditure	[Annexure -3]	1,34,71,034.15	77,46,849.76
Postage, Telegrams, Telephones, etc.		3,41,173.96	2,29,933.31
Printing and Stationery		4,12,238.45	4,65,857.64
Advertisement and Publicity		85,88,988.85	1,09,55,937.93
Depreciation on Fixed Assets		90,75,985.99	1,07,42,645.42
Director's Sitting Fees, Allowances & Expenses		1,07,200.00	1,00,200.00
Auditor's Fees and Expenses		4,03,000.00	2,84,320.00
Law Charges		2,03,557.00	1,46,402.00
Insurance Premium on Assets		4,08,687.00	4,81,523.00
DICGC Insurance Premium Paid		55,39,026.01	49,81,782.50
Amortization of Premium of Govt. Securities		1,04,61,642.00	80,75,000.00
Loss From Sale of Furniture & Fixture		1,12,461.48	---
Loss From Sale of Govt. Securities		2,56,20,000.00	---
TOTAL		15,41,29,066.48	11,03,48,824.05

Schedule - 17

PROVISIONS & CONTINGENCIES		As On 31.03.2010	As On 31.03.2009
Provision against Bad & Doubtful Debts		1,07,00,000.00	1,30,37,219.87
General Provision against Standard Assets		50,00,000.00	25,00,000.00
Provision for Investment Depreciation Fund		2,38,00,000.00	2,10,00,000.00
Provision for Staff Hospitalisation Fund		---	4,92,211.00
Provision for Investment Fluctuation Reserve		1,55,00,000.00	---
Provision for Special Reserve u/s 36 (1) (viii) of Income Tax Act		1,05,50,000.00	35,00,000.00
Sub Total		6,55,50,000.00	4,05,29,430.87
Provision for Taxation			
Provision for Income Tax		4,45,00,000.00	5,35,00,000.00
Fringe Benefit Tax		---	1,83,080.00
Sub Total		4,45,00,000.00	5,36,83,080.00
TOTAL		11,00,50,000.00	9,42,12,510.87

Annexure - 1

OTHER INCOME	As On 31.03.2010	As On 31.03.2009
Cheque Return Charges	11,62,810.84	1,28,274.93
Incidental Charges	5,966.80	19.60
Cash Handling Charges	10,36,174.00	4,72,113.00
Other Misc Income	3,31,709.42	6,530.00
Dividend Income	18,62,110.38	---
Award Incentive	5,400.00	---
Surplus on Sale of Furniture & Fixture	336.14	---
Excess Provision of ID/Written back	2,56,20,000.00	---
TOTAL	3,00,24,507.58	6,06,937.53

Annexure - 2

OPERATING EXPENDITURE	As On 31.03.2010	As On 31.03.2009
Payments to & Provisions for Employees		
Salary & Allowances	5,16,24,745.68	4,51,84,013.07
Contribution to Provident Fund	40,90,530.00	36,03,371.00
Insurance Premium for Group Gratuity Scheme	5,47,827.00	13,85,479.00
Insurance Premium for Leave Encashment Scheme	1,82,241.00	5,00,031.00
Medical Reimbursement	2,54,000.00	76,732.00
Insurance Premium for EDLI Scheme	37,780.00	38,139.00
VRS Salary Expenses	10,37,157.00	4,53,678.00
TOTAL	5,77,74,280.68	5,12,41,443.07
Rent, Taxes and Lighting		
Rent Expense	54,92,379.00	27,95,911.00
Municipal Taxes	6,50,737.00	8,55,696.00
Electricity Charges	36,57,547.52	31,29,836.33
TOTAL	98,00,663.52	67,81,443.33
Repairs and Maintenance		
Maintenance Service Charges	23,72,835.35	29,68,275.01
Building & Furniture Repairing	48,95,489.26	16,77,158.15
Repair & Maintenance of Motor Car	3,91,630.78	3,71,069.93
TOTAL	76,59,955.39	50,16,503.09
Government Taxes Paid		
Service Tax Expenses	40,98,308.00	30,98,983.00
Fringe Benefit Tax	50,864.00	---
TOTAL	41,49,172.00	30,98,983.00

Annexure - 3

OTHER EXPENDITURE	As On 31.03.2010	As On 31.03.2009
Miscellaneous Expenses	3,77,809.74	2,47,001.40
Hospitality Expenses	5,11,201.40	3,51,202.75
Conveyance, Tours & Travel Expenses	4,64,246.00	6,67,529.89
Clearing House Rent	1,66,257.00	1,50,506.00
Remittance Expenses	22,896.00	21,397.00
Books, Periodicals and Newspaper	19,664.00	37,027.50
Membership Fees	79,350.00	79,350.00
Function Expenses	16,47,329.92	16,70,781.74
Training Seminar Participation Fees	74,100.00	4,52,934.40
Vehicle Expenses For Two Wheelers	50,702.89	42,030.64
SGLA/c Operating Charges	40,193.70	40,203.16
Lease Line Rent Charges	4,93,082.00	5,02,957.00
MICR CP Center Charges	8,97,614.00	7,98,676.00
ATM Card Expenses	70,528.00	900.00
Security Guard Expenses	8,59,352.00	7,32,047.00
Interest Rebate Expense	57,34,631.00	---
Professional Tax Expenses	20,346.00	19,000.00
Commission Expenses	1,39,384.50	4,27,593.26
Other Expenses [Provision]	16,00,000.00	8,28,504.15
Loss on Merger of Amruta Mahila Bank	---	6,77,207.87
Website Development & Designing	40,200.00	---
Incentive Expenses	1,62,146.00	---
TOTAL	1,34,71,034.15	77,46,849.76

Schedule : 18 - NOTES ON PREPARATION OF FINANCIAL STATEMENTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation

The financial statements have been prepared on the historical basis and conform, in all material aspects, to Generally Accepted Accounting Principles [GAAP] in India which encompasses applicable statutory provisions, regulatory norms prescribed by Reserve Bank of India [RBI], Accounting Standards [AS] and prevailing practices in Banking industry. The financial statements are presented in Indian Rupees

2. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates.

3. Revenue Recognition

All Incomes and Expenses are recognized on accrual basis subject to the following:

- 3.1 Interest income is accrued except in the case of non performing assets where it is recognized upon realisation as per the prudential norms of RBI.
- 3.2 Guarantee Commission is reckoned as accrued upfront.
- 3.3 Loker Rent is accrued for the whole at the beginning of the year.
- 3.4 Dividend income is accounted for on realization basis.
- 3.5 VRS Salary & Leave Salary Expenses are accounted for on payment basis.

4. Investments

Classification and valuation of the Bank's investments is carried out in accordance with RBI Circular UBD.BPD[PCB]. MC.No12 /16.20.000/2009-10 dated 1 July 2009 and amendments thereto.

Classification

Investments are classified as 'Held to Maturity' ['HTM'], or 'Held for Trading' ['HFT'] or Available for Sale' ['AFS'] at the time of its purchase. Investments acquired with the intention of holding up to maturity are classified as HTM. Investments acquired by the Bank with the intention to trade by taking advantage of the short-term price / interest rate movements are classified as HFT. All other investments are classified as AFS. For disclosure in the financial statements, investments are disclosed under five categories as given in Schedule : 8 - Investments.

Valuation

Investments classified as HTM are carried at acquisition cost. Any premium on acquisition is amortized over the remaining period till maturity on the basis of a constant yield to maturity. Where in the opinion of management, any diminution has occurred in the value of any HTM security, which is other than temporary, appropriate provisions are made.

Investments classified as AFS and those classified under HFT are marked to market on a yearly basis. This has no impact on the yearly profitability. Net depreciation for each classification in respect of any category mentioned in Schedule : 8 - Investments is recognized in the Profit and Loss account. Net appreciation is ignored.

The mark to market value of investments classified as HFT and AFS is determined using Yield to Maturity ['YTM'] rate as notified by Fixed Income Money Market and Derivatives Association ['FIMMDA'] jointly with Primary Dealers Association of India ['PDAI'].

Transfer of securities from one category to another is accounted for at the least of acquisition cost / book value / market value on the date of transfer. The Depreciation, if any, on such transfer is fully provided for.

5. Advances

Classification and provisioning of advances of the Bank are carried out in accordance with the Prudential Norms prescribed by the Reserve Bank of India.

The Bank adopts a '90 day overdue norm' for identification of Non Performing Assets ['NPAs'], unless the events warrant an earlier recognition of NPA. Specific Loan loss provisions in respect of Non Performing Advances are made based on management's assessment of the degree of impairment of the advances subject to the minimum provisioning levels prescribed by RBI guidelines.

The Bank also maintains a general provision to cover potential credit losses, which are inherent in any loan portfolio but not yet identified, in accordance with RBI Circular No. UBD.PCB.MC.No. 3 / 09.14.000 / 2009-10 dated July 1, 2009 and discloses the same in Note on Accounts Point No. 5.

Recoveries in Non-Performing Assets are appropriated first towards PA Interest, then to NPA Interest and lastly towards Principal amount outstanding.

6. Fixed Assets and Depreciation

Fixed assets are carried at historical cost less accumulated depreciation till date except in cases of assets which have been revalued. The appreciation on revaluation, if any, is credited to the 'Revaluation Reserve' Account. Premises include cost of land.

Depreciation is provided according to Written Down Value [WDV] method on all the assets except on Computer & Peripherals on which depreciation is provided according to Straight Line Method [SLM] @ 33.33% as per RBI guidelines. The rates used for providing depreciation are as under:

Fixed Asset	Depreciation Method used	Rate of Depreciation
Land	-	-
Building	WDV	10.00%
Computer & Peripherals	SLM	33.33%
Other Equipments	WDV	25.00%
Electric Equipments	WDV	15.00%
Furniture & Fixtures	WDV	10.00%
Vehicles	WDV	15.00%

No depreciation is provided on the fixed assets sold or discarded during the year. Depreciation on additions of fixed assets is provided at 50% of the respective rates of depreciation applicable to such fixed assets, if they have been put to use after 30.09.2009 during the year.



If a team is to reach its potential, each player must be willing to subordinate his personal goals to the good of the team.

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7. Employee Benefits

Eligible Bank's employees are covered by Provident Fund to which the bank makes a defined contribution measured as a fixed percentage of basic salary plus dearness allowance. Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to profit and loss account when due.

Payments under Group Gratuity [Cash Accumulation] Policy & Group Leave Encashment Policy are made to Life Insurance Corporation as per contribution for the year as determined by the Life Insurance Corporation.

8. Taxation

Provision for Income Tax is made using applicable tax rates and tax laws under the provisions of Income Tax Act, 1961 for the year.

Total Advance Tax payment during the year was Rs. 3,50,00,000 and the total TDS on various incomes of the current year was Rs. 10,84,954.73 to which the Bank is entitled to take the credit at the time of final payment of tax liability on returned income of the current year under the Income Tax Act, 1961.

9. Net Profit

The Net Profit is arrived at after accounting for the following "Provisions and Contingencies":

- a. Provision for taxes in accordance with statutory requirements.
- b. Provision on Standard Assets.
- c. Provision for Non Performing Advances.
- d. Bad debts written off, if any.
- e. Provision for Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961.
- f. Other necessary provisions

B. NOTES ON ACCOUNTS

1. Previous year's figures have been regrouped / rearranged / reclassified wherever necessary.

2. Balancing of Books of Accounts

Books of accounts have been balanced and are in tallied condition up to 31st March, 2010. The accounts with other banks have been reconciled up to 31st March, 2010. Efforts are going on to eliminate the outstanding items.

3. Premises & Revaluation

During the financial year 2009-10, the Bank has revalued its properties comprising Land & Office building based on valuations made by professionally qualified independent Valuers at market value and accounted it on September 26, 2009. The net appreciation of Rs. 5,79,56,547.00 arising on revaluation has been credited to Revaluation Reserve.

4. Investments

Bank had applied for value free transfer of securities of the erstwhile The Amruta Mahila Co-Op. Bank Ltd. held with CSGL account with Indusind Bank to CSGL account with HDFC Bank Ltd. The same had been transferred on 21.05.2009 and the CSGL account was suitably reconciled for the same.

There are no Non Performing Investments [NPI] as on 31st March 2010 in the investment portfolio of the Bank. However in the case of MNCB Reconstruction fund of Rs.272.37 lacs are considered doubtful for recovery and bank has not received interest on the same since August 2007. In our opinion bank should make necessary provision for the same as per instruction of RBI from time to time.

NON SLR investment of the bank remain same as per last year in the UTI Mutual fund and the same has been duly Marked to Market as on 31.03.2010.

5. Provisioning on Advances

A provision of Rs.50,00,000 is made out of the current year's profit for General Provision on Standard Assets. Also provision amounting to Rs.1,07,00,000 is similarly made for Bad & Doubtful Debts out of current year's profit. The details of provisions held and required against NPA are given in the following chart:

[Rs. in Lacs]			
Particulars	Bad & Doubtful Debt Reserve	General Provision on Std. Assets	Total
Balance as on 31.03.2010	633.22	175.00	808.22
Less: Provision required	144.21	176.62	320.83
Excess Provision held	489.01	-1.62	487.39
Unrealized Interest on NPA accounts as on 31.03.2010	---	---	268.23

6. Provisioning

Total provisions made during the year amounts to Rs. 11,00,50,000/-. This comprises of the following provisions from the amount of Gross Profit:

1. Provision against Bad & Doubtful Debts of Rs. 1,07,00,000
2. General Provision against Standard Advances of Rs. 50,00,000
3. Provision for Investment Depreciation Fund of Rs. 2,38,00,000
4. Provision for Investment Fluctuation Reserve of Rs. 1,55,00,000
5. Provision for Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 of Rs. 1,05,50,000
6. Provision for Income Tax of Rs. 4,45,00,000

7. Claims against Bank not acknowledged as debts

Claims against Bank not acknowledged as debts amounts to Rs. 27.56 lacs that comprise of Income tax claims disputed by the Bank relating to amortization of premium on Investment held under Held to Maturity [HTM] category of Rs. 68.25 lacs that has been debited to Profit & Loss account as per RBI guidelines. The same was claimed as an expenditure in the return filed with the Income Tax department for financial year 2006-07 [Assessment Year 2007-08]. The Bank will file an appeal before Income Tax Appellate Tribunal against the order of the Commissioner of Income Tax [Appeals] which has disallowed the aforesaid claim of amortization. The bank is confident to get a favorable judgment and hence the same is not provided in Profit & Loss account as Provision for Taxation for Rs. 21 lacs. The Bank has already paid more tax of Rs. 21.82 lacs than the required amount as per the return of income filed with the income tax department. To disclose claims against the Bank not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

8. Break up of Reserves & Surplus

Following is the break up of various accounts shown under the head "Reserves & Surplus" in Schedule - 2 to the Financial Statements:

Sr.	Reserve Funds & Other Funds	Opening Balance	Debit	Credit	Closing Balance
1	Statutory Reserves	29,98,22,624.10	---	4,07,19,813.37	34,05,42,437.47
2	Revaluation Reserve	7,26,59,917.43	---	5,79,56,547.00	13,06,16,464.43
3	Building Fund	11,68,08,347.60	---	1,56,91,652.00	13,24,99,999.60
4	Dividend Equalization Fund	3,80,22,099.18	3,00,00,000.00	48,231.80	80,70,330.98
5	Bad & Doubtful Debt Reserve	6,42,00,000.00	1,25,00,000.00	1,16,22,407.03	6,33,22,407.03
6	Investment Depreciation Reserve	5,50,00,000.00	5,50,00,000.00	2,38,00,000.00	2,38,00,000.00
7	Investment fluctuation Reserve	9,50,00,000.00	---	12,84,20,146.00	22,34,20,146.00
8	Co-Operative Propaganda Fund	10,31,883.16	10,00,000.00	28,939.08	60,822.24
9	Charity Fund	24,51,097.86	1,86,000.00	28,939.08	22,94,036.94
10	Member Welfare Fund	13,45,924.09	13,00,000.00	86,817.24	1,32,741.33
11	Contingent Fund	50,00,000.00	50,00,000.00	---	---
12	Reserve for FDR with MMC Bank	2,59,40,146.00	2,59,40,146.00	---	---
13	Jubilee Celebration Fund	3,85,489.69	3,00,000.00	---	85,489.69
14	General Provision against Std. Assets	1,25,00,000.00	---	50,00,000.00	1,75,00,000.00
15	Staff Hospitalization fund	30,00,000.38	25,00,000.00	---	5,00,000.38
16	Special Reserve	35,00,000.00	---	1,05,50,000.00	1,40,50,000.00
17	Credit Equalisation Fund	---	39,045.97	39,045.97	---
	Total Reserve Funds & Other Funds	79,66,67,529.49	13,37,65,191.97	29,39,92,538.57	95,68,94,876.09

During the year 2009-10 Board of Directors of the bank reviewed various funds which were created out of profit of the bank in past years, on basis of this review taken by Board of Directors and decided to internally transfer following funds.

[Rs. in Lacs]

NAME OF FUNDS		Amount	Transfer to
Staff Hospitalization Fund	25.00		IFR.
Dividend Equalization Fund	300.00		IFR.
Co-Op. Propaganda Fund	10.00		IFR.
Member's Welfare Fund	13.00		IFR.
Jubilee Celebration Fund	3.00		IFR.
Contigent Fund	50.00	401.00	IFR.
Reserve Fund for MNCB Deposits		259.40	IFR.
Investment Depreciation Fund	293.80		IFR.
Bad & Doubtful Reserve	125.00	418.80	IFR.
TOTAL		1079.20	

Since the various funds have been created as per provision of the bye law at relavevant time. out of profit of the bank necessary approval of AGM is required to be taken. Issue may be put before the AGM and decision of BOD is required to be ratified by AGM in this respect.

9. Additional Disclosures required as per RBI guidelines

9.1 Capital

Particulars	Current Year	Previous Year
i] CRAR - Tier I Capital [%]	16.79%	21.40%
ii] CRAR - Tier II Capital [%]	7.06%	4.85%
iii] CRAR [%]	23.85%	26.25%

9.2 Asset Quality

[Rs. in Lacs]

Particulars	Current Year	Previous Year
[i] Net NPAs to Net Advances [%]	NIL	NIL
[ii] Movement of NPAs [Gross]		
[a] Opening balance	209.09	172.50
[b] Additions during the year	58.30	48.00
[c] Reductions during the year	61.70	11.41
[d] Closing balance	205.69	209.09

Continue on next page...

9.2 Asset Quality [Continued]

[Rs. in Lacs]

Particulars	Current Year	Previous Year
[iii] Movement of Net NPAs		
[a] Opening balance	NIL	NIL
[b] Additions during the year	NIL	NIL
[c] Reductions during the year	NIL	NIL
[d] Closing balance	NIL	NIL
[iv] Movement of provisions for NPAs [excluding provisions on standard assets]		
[a] Opening balance	642.00	700.00
[b] Provisions made during the year	116.22	194.58
[c] Write-off/ write-back of excess provisions	125.00	252.58
[d] Closing balance	633.22	642.00
[v] Provision towards Standard Assets	175.00	125.00
[vi] Gross NPAs to Total Advances [%]	00.49%	00.70%
[vii] Non Performing Non SLR Investment [as per notes to the Account Point No. 4 Sch. 18]	NIL	NIL

9.3 Investments [in India]

[Rs. in Lacs]

Particulars	Current Year	Previous Year
[1] Value of Investments		
[i] Book Value	20671.18	18085.65
[ii] Face Value	19056.47	15967.36
[iii] Market Value	19023.75	16669.03
[iv] Diminution in Value	1647.43	1416.62
[2] Provisions for Depreciation in Value of Investments		
[i] Held in Books	2472.20	1500.00
[ii] Excess/[Short] Provision	824.77	83.38
[3] Net Value of Investments [Book Value - Provision for depreciation held in books]	18198.98	16585.65
[4] Movement of Provisions held towards depreciation		
[i] Opening balance	1500.00	1930.00
[ii] Add: Provisions made during the year	1522.20	220.00
[iii] Less: Write-off/ write-back of excess	550.00	650.00
[iv] Closing balance	2472.20	1500.00
[5] Issuer Composition of Non SLR Investments		
[i] PSUs	---	---
[ii] FIs - Mutual Funds [UTI Mutual Fund]	166.70	166.70
[iii] Banks	---	---
[iv] Others - Shares of Co-Op. Institutions	46.75	46.75

Security	Position as on March 31, 2010				Position as on March 31, 2009			
	HTM	HFT	AFS	TOTAL	HTM	HFT	AFS	TOTAL
Govt. Securities	11760.85	---	8696.88	20457.73	9092.01	3071.20	5708.99	17872.20
Other Approved Securities	---	---	---	---	---	---	---	---
Shares	---	---	46.75	46.75	---	---	46.75	46.75
Debentures/ Bonds	---	---	---	---	---	---	---	---
Subsidiaries/ Joint Venture	---	---	---	---	---	---	---	---
Other CP, IVP, UTI Mutual Fund etc.	---	---	166.70	166.70	---	---	166.70	166.70
TOTAL	11760.85	---	8910.33	20671.18	9092.01	3071.20	5922.44	18085.65

9.4 Asset Liability Management

[Rs. in Lacs]

	1 to 14 Days	15 to 28 Days	29 Days to 3 Months	Over 3 Months & up to 6 Months	Over 6 Months & up to 3 Year	Over 1 Year & up to 3 Years	Over 3 Years & up to 5 Years	Over 5 Years	Total
Deposits	54.02	8.18	43.33	54.05	72.06	462.25	29.00	0.71	723.61
Advances	0.38	5.71	11.31	16.77	32.64	261.54	70.56	21.05	419.96
Investments	---	4.83	82.14	---	---	---	5.05	114.69	206.71
Borrowings	---	---	---	---	---	---	---	---	---

9.5 Exposure to Sensitive Sector

[Rs. in Lacs]

Category	Current Year	Previous Year
Advances against Housing		
Housing Loans to individuals	2512.44	2178.68
Staff Housing Loans	503.03	338.06
Mortgage Loans	496.84	658.90
Loans to Builders & Contractors [Commercial Real Estate]	1576.46	1470.00
Total Exposure to Real Estate	5088.77	4645.64
Real Estate Advances to Total Advances	3.75%	4.96%
Advances against Housing to Total Advances	8.36%	10.71%
Advances against Shares & Debentures	NIL	NIL

9.6 Bancassurance Business

Total Bancassurance Business income received by the Bank during 2009-10 amounts to Rs. 50,35,506.34. Out of this Rs. 46,62,228.34 is earned from ING Vysya Life Insurance Company and Rs. 3,73,278 is earned from IFFCO Tokio General Insurance Company Ltd.

9.7 Penalties Imposed by RBI

Reserve Bank of India has imposed penalty of Rs. 1 lac during the year ended March 31, 2010, on the bank, for the breach of credit exposure ceiling to individual / group borrowers in loan and advances. This amount was duly paid.

9.8 DICGC Premia Payments

[Rs. in Lacs]

Particulars	Current Year	Previous Year
Insurance premium paid to DICGC during the year	55.39	49.82
Arrears included in the above payment	---	---
Arrears of insurance premium due to DICGC at the end of the year	---	---

9.9 Business Ratios

Particulars	Current Year	Previous Year
Interest Income to Working Funds	8.76%	9.22%
Non-Interest Income to Working Funds	1.10%	0.55%
Operating Profit to Working Funds	2.66%	2.71%
Return on Assets	2.65%	2.71%
Business per Employee [Rs. in Lacs]	697.29	556.94
Profit per Employee [Rs. in Lacs]	12.83	11.12
Yield on Funds	9.86%	9.71%
Average Cost of Deposits	6.41%	6.45%
Average Cost of Funds	5.29%	5.30%
Average yield on Advances	12.38%	13.25%
Average yield on Investments	6.54%	9.13%
Non-Interest Income to Total Income	11.11%	5.62%
Cost to Revenue Ratio [excluding Interest Expense]	42.28%	39.34%
Staff Cost to Total Income	7.38%	8.03%
Risk provisions & write offs to Operating Profit	31.15%	22.64%
Interest in Suspense to Total Advances	0.64%	0.73%
Return on Equity [ROE]	7.60%	7.96%
Own Funds to Total Assets	15.22%	14.82%
Deposits to Total Assets	83.39%	83.47%
Investments to Total Assets	41.56%	44.26%
Net Advances to Total Assets	48.16%	40.91%
Contingents to Total Assets	0.70%	0.81%

Continue on next page...

9.9 Business Ratios [Continued]

Particulars	Current Year	Previous Year
Term Deposits to Total Deposits	57.85%	62.88%
Demand Deposits to Total Deposits	13.03%	11.37%
Liquid Assets to Total Assets	22.85%	28.64%
Liquid Assets to Deposits	27.41%	34.32%
Loans & Investments to Deposits	46.60%	79.49%
SLR Assets to Deposits	37.95%	45.88%
SLR Securities to Investments	98.97%	98.82%
Growth of Deposits [excluding Demand deposits]	18.28%	27.00%
Increase in Contingents	4.57%	1724.85%
Priority Sector Advances to Total Advances	76.63%	73.96%
Agriculture Advances to Total Advances	0.30%	0.37%
SSI Advances to Total Advances	50.24%	49.27%
Weaker Section Advances to Total Advances	17.75%	13.57%
Loan Loss Ratio [Loss provisions to Advances]	1.51%	2.17%
Loss provisions cover Ratio	395.91%	710.41%
Number of Employees	164	161
Number of Branches	17	17
Number of Regular Share holders	40033	37999
Nominal Share Holders	585	754
Earning per Share [EPS] [in Rs.]	9.52	11.49

9.10 Arrears in Reconciliation

[Rs. in Lacs]

Particulars	Current Year	Previous Year
Arrears in Inter Bank Reconciliation	330.80 [Net Credit]	185.56 [Net Credit]
Arrears in Inter Branch Reconciliation	87.74 [Net Credit]	178.35 [Net Credit]

Signatures to Schedule 1 to 18

*As per Our Separate Report
For, A. D. Ruparel & Co.,
Chartered Accountants*

For, **The Co-Operative Bank of Rajkot Ltd.**

Dipak Mehta
DGM

Satyaprakash Khokhara
General Manager & CEO

Anil D. Ruparel
Proprietor

Kamal Dhani
Jt. Managing Director

Ramnikbhai Dhani
Managing Director

Place : Rajkot
Date : 23.04.2010

Nareshbhai Patel
Vice Chairman

Madhusudan Donga
Chairman



Teamwork is the lynchpin in our long term success.

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**BRANCHWISE COMPARATIVE STATEMENT OF
DEPOSITS, ADVANCES
& CREDIT-DEPOSIT RATIO**

[Rs. in lacs]

Name of Branch	Deposits			Advances			Credit / Deposit Ratio		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Panchnath	16733.09	19721.58	22143.50	8267.63	9350.79	12230.41	49.41%	47.41%	55.23%
Gandhigram	1976.74	2302.85	2666.82	851.64	1037.72	961.61	43.08%	45.06%	36.06%
University	9934.71	11518.19	16169.83	3058.95	3962.50	4863.53	30.79%	34.40%	30.08%
Jasdan	1702.30	1912.45	1944.23	587.02	686.48	1191.37	34.48%	35.90%	61.28%
Morvi	2094.33	2666.07	3274.80	1520.72	1748.98	2868.31	72.61%	65.60%	87.59%
Jetpur	2196.51	2567.88	2946.91	615.49	1632.38	1405.29	28.02%	63.57%	47.69%
Upleta	1934.55	2721.09	2797.00	1902.92	2225.81	2910.54	98.36%	81.80%	104.06%
Gondal	1736.61	2428.02	2448.35	1586.42	1778.50	3935.46	91.35%	73.25%	160.74%
Sahakar Soc.	3894.46	4862.26	5762.16	1216.33	1491.09	1849.42	31.23%	30.67%	32.10%
Raiya Road	2607.00	3042.16	3472.56	761.97	694.64	871.56	29.23%	22.83%	25.10%
Junagadh	1108.95	1236.66	1352.55	1234.22	1908.29	2249.31	111.30%	154.31%	166.30%
Naranpura	757.27	1047.14	1286.67	684.82	471.35	960.46	90.43%	45.01%	74.65%
Maninagar	363.01	483.88	595.76	124.48	99.77	383.65	34.29%	20.62%	64.40%
K K Nagar	479.39	717.85	840.71	263.16	231.16	315.22	54.89%	32.20%	37.49%
C G Road	221.68	57.67	Shifted	235.38	142.09	Shifted	106.18%	246.38%	Shifted
Jamnagar	---	---	448.13	---	---	726.28	---	---	162.20%
Mavdi	---	1911.60	3090.52	---	877.46	2227.66	---	45.90%	72.08%
Surendra-nagar	---	834.91	1119.46	---	1296.37	2045.23	---	155.27%	182.70%
TOTAL	47740.62	60032.26	72359.96	22911.16	29635.38	41995.31	47.99%	49.37%	58.04%
% Change	22.67%	25.75%	20.54%	5.00%	29.35%	41.71%	-8.07%	1.38%	8.67%



BRANCHWISE COMPARATIVE STATEMENT OF INCOME, EXPENDITURE & GROSS PROFIT

[Rs. in Lacs]

Branch	Income			Expenditure			Gross Profit		
	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10	2007-08	2008-09	2009-10
Panchnath	3424.86	3899.56	4614.89	2861.67	3353.54	4146.20	563.18	546.02	468.69
Gandhigram	173.68	204.82	234.95	148.02	168.14	180.69	25.66	36.68	54.26
University	803.26	983.36	1213.76	509.77	659.62	857.99	293.49	323.74	355.77
Jasdan	148.70	159.31	180.92	123.70	144.61	155.01	25.00	14.70	25.91
Morvi	245.08	304.17	388.79	123.52	152.35	183.20	121.56	151.82	205.59
Jetpur	213.17	260.54	298.56	132.72	148.30	171.80	80.45	112.24	126.76
Upleta	243.93	307.75	379.25	117.74	169.95	214.00	126.18	137.80	165.25
Gondal	261.06	279.94	393.83	116.49	131.96	199.07	144.57	147.98	194.76
Sahakar Soc.	316.41	412.20	487.19	206.76	286.75	332.05	109.65	125.45	155.14
RaiyaRoad	222.06	238.99	276.46	181.58	231.28	265.02	40.48	7.71	11.44
Junagadh	182.66	240.63	333.11	92.10	126.61	191.99	90.55	114.02	141.12
Naranpura	118.82	94.37	276.91	110.98	78.17	230.24	7.83	16.20	46.67
Maninagar	23.68	39.80	43.48	11.10	31.19	38.29	12.58	8.61	5.19
K K Nagar	35.08	49.85	62.22	23.32	49.09	60.96	11.76	0.76	1.26
C G Road	13.09	15.39	4.49	10.50	15.13	3.86	2.58	0.26	0.63
Jamnagar	---	---	5.58	---	---	3.49	---	---	2.09
Mavdi Chokdi	---	114.03	280.71	---	88.01	177.51	---	26.02	103.20
Surendranagar	---	43.18	199.99	---	22.88	159.57	---	20.30	40.42
Branch Total	6430.42	7647.89	9675.09	4774.66	5857.58	7570.94	1655.76	1790.31	2104.15
Less: IBT Int.	1212.08	1319.78	1847.71	1212.08	1319.78	1847.71	0.00	0.00	0.00
BANK TOTAL	5218.34	6328.11	7827.38	3562.58	4537.80	5723.23	1655.76	1790.31	2104.15
% Change	30.83%	21.26%	23.69%	21.89%	27.37%	26.12%	55.37%	8.13%	17.53%

SIZEWISE DEPOSITORS AND AMOUNT OF DEPOSITS AS ON 31st MARCH, 2010

Size of Deposits in Rs.	No. of Depositors	Deposit Amount	% of Deposits
1 to 1,000	59124	3,36,65,415.59	0.46%
1,001 to 2,000	34635	4,96,99,589.99	0.69%
2,001 to 5,000	33216	10,89,44,332.59	1.51%
5,001 to 10,000	17898	12,63,88,661.76	1.75%
10,001 to 25,000	32605	52,06,85,665.81	7.20%
25,001 to 50,000	27672	103,83,29,575.59	14.35%
50,001 to 1,00,000	22693	152,09,12,261.24	21.02%
1,00,001 and Above	12180	383,73,70,849.87	53.03%
TOTAL	240023	723,59,96,352.44	100.00%

Average Deposit Amount per Depositor is Rs. 30,147.10



No one can whistle a symphony.
It takes a whole orchestra to play it.

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DETAILS OF NPA & OVERDUE ACCOUNTS

[Rs. in Lacs]

YEAR	GROSS LOAN		GROSS NPA		% Gross NPA to Gross Loan	NET NPA		PROVISIONS		OVERDUE		% Overdue to Gross Loan	% Recovery Ratio
	No. of A/c	Rs.	No. of A/c	Rs.		Rs.	%	Required	Actually Held	No. of A/c	Rs.		
1995	1859	1,000.47	10	1.07	00.11%	0	0%	0.72	21.00	12	1.15	00.11%	99.89%
1996	1954	1,218.23	4	0.23	00.02%	0	0%	0.23	25.00	4	0.23	00.02%	99.98%
1997	2279	1,668.45	4	0.21	00.01%	0	0%	0.21	30.00	12	1.00	00.06%	99.94%
1998	3114	2,289.98	2	0.08	00.00%	0	0%	0.08	40.00	13	1.09	00.05%	99.95%
1999	3835	3,264.43	2	8.08	00.25%	0	0%	0.81	61.00	7	8.79	00.27%	99.73%
2000	4384	5,219.49	2	8.57	00.16%	0	0%	0.86	122.00	28	11.87	00.23%	99.77%
2001	5477	8,131.43	6	11.26	00.14%	0	0%	2.69	200.00	57	12.66	00.16%	99.84%
2002	5874	8,334.25	9	14.69	00.18%	0	0%	4.68	300.00	128	24.48	00.29%	99.71%
2003	6149	9,149.74	15	22.89	00.25%	0	0%	6.20	500.00	100	22.46	00.25%	99.75%
2004	6465	11,203.90	23	29.19	00.26%	0	0%	4.47	1,200.00	63	4.58	00.04%	99.96%
2005	6785	14,211.77	29	48.35	00.34%	0	0%	7.26	1,200.00	44	21.25	00.15%	99.85%
2006	7278	16,675.92	14	21.51	00.13%	0	0%	15.55	1,400.00	37	2.09	00.01%	99.99%
2007	7210	21,819.47	13	23.63	00.11%	0	0%	7.63	850.00	14	1.89	00.01%	99.99%
2008	7321	22,911.16	61	172.50	00.75%	0	0%	101.44	955.00	36	2.11	00.01%	99.99%
2009	7105	29635.38	59	209.09	00.70%	0	0%	90.37	767.00	80	34.69	00.12%	99.88%
2010	7121	41995.31	54	205.69	00.49%	0	0%	144.21	633.22	11	00.96	00.01%	99.99%

COST WISE DEPOSITS AS ON 31st MARCH, 2010

[Rs. in Lacs]

RATE OF INTEREST WISE DEPOSITS		% to Total Deposits	No. of Depositors	Balance Outstanding
LOW COST DEPOSITS	Current Account Balances	13.03%	20106	9,429.73
	Savings Bank Deposits	29.12%	108013	21,068.38
	Low Cost Term Deposits up to 5.00%	1.09%	605	791.02
	Sub Total	43.24%	128724	31,289.13
TERM DEPOSITS	Between 5.50% to 7.50%	12.67%	56391	9,172.29
	Between 8.00% to 10.00%	30.38%	39686	21,979.33
	Between 10.25% to 12.00%	13.67%	15152	9,889.65
	Above 12.50%	0.04%	70	29.56
Sub Total	56.76%	111299	41,070.83	
TOTAL	100.00%	240023	72,359.96	

YIELD WISE ADVANCES AS ON 31st MARCH, 2010

[Rs. in Lacs]

RATE OF INTEREST WISE ADVANCES		% to Total Advances	No. of Borrowers	Balance Outstanding
LOW YIELDING ADVANCES	Upto 5%	1.75%	366	739.27
MEDIUM & HIGHYIELDING ADVANCES	Between 5.50% to 12.50%	58.31%	3206	24,483.33
HIGH YIELDING ADVANCES	Above 12.50%	39.94%	3549	16,772.71
TOTAL		100.00%	7121	41,995.31



BRANCHWISE CLASSIFICATION OF NPA AS ON 31st MARCH, 2010 [Rs. in Lacs]

Sr. No.	Branch		No. of A/c.	Principal Amount	PA Interest Amount	Outstanding Balance	Provision Required
	No.	Name					
SAURASHTRA REGION							
1	01	Panchnath Road	8	26.98	1.95	28.93	5.75
2	06	Jetpur	3	2.82	---	2.82	1.13
3	08	Gondal	8	53.94	10.56	64.50	34.33
4	09	Sahakar Soc.	1	00.39	00.05	00.44	00.43
5	10	Raiya Road	1	00.25	00.04	00.29	00.29
Sub Total			21	84.38	12.60	96.98	41.93
AHMEDABAD [NPA Due to merger of Mahila Utkarsh Nagarik Sahakari Bank Ltd.]							
6	12	Naranpura	16	94.52	00.49	95.01	95.01
7	13	Maninagar	1	00.40	---	00.40	00.40
Sub Total			17	94.92	00.49	95.41	95.41
[NPA Due to merger of Amruta Mahila Co-Op. Bank Ltd.]							
8	17	Surendranagar	16	13.30	---	13.30	6.87
TOTAL			54	192.60	13.09	205.69	144.21

CLASSIFICATION OF PERFORMING & NON PERFORMING ADVANCES [Rs. in Lacs]

Sr. No.	CLASSIFICATION OF ADVANCES	AS ON 31.03.2010			AS ON 31.03.2009			
		No. of A/cs.	Outstanding Advance	% of Total Advance	No. of A/cs.	Outstanding Advance	% of Total Advance	
1.	TOTAL LOANS & ADVANCES	7121	41995.31	100.00%	7105	29635.38	100%	
	1. PERFORMING / STANDARD ADVANCES	7067	41789.62	99.51%	7046	29426.29	99.30%	
	2. NON PERFORMING ASSETS							
	1. Sub Standard Assets	6	24.06	00.06%	11	33.30	00.11%	
	2. Doubtful Assets							
	Upto 1 Year							
		[a] Secured	8	22.26	00.05%	6	59.18	00.20%
		[b] Unsecured	2	00.51	00.00%	0	00.00	00.00%
	Above 1 & Upto 3 Years							
		[a] Secured	4	44.31	00.10%	6	22.17	00.07%
		[b] Unsecured	2	2.74	00.01%	0	00.00	00.00%
	Above 3 Years							
		[a] Secured	4	35.41	00.08%	17	90.34	00.31%
		[b] Unsecured	17	74.22	00.18%	0	00.00	00.00%
	Total Doubtful Assets							
		[a] Secured	16	101.98	00.23%	29	171.69	00.58%
		[b] Unsecured	21	77.47	00.19%	0	00.00	00.00%
	3. Loss Assets							
			11	2.18	00.01%	19	4.10	00.01%
	TOTAL GROSS NPA	54	205.69	00.49%	59	209.09	00.70%	

GROSS NPA Only 00.49%

[Rs. in Lacs]

PARTICULARS	Advances [%]	Advances Assets	Provisions required	Provisions Held
Performing Assets [Standard]	99.51%	41789.62	176.62	175.00
Non Performing Assets	00.49%	205.69	144.21	633.22
TOTAL	100.00%	41995.31	320.83	808.22

SEGMENTWISE CREDIT PORTFOLIO AS AT 31st MARCH, 2010 [Rs. in Lacs]

Sr. No.	Segments of Borrowers	Advances Outstanding	% to Total Advances
1	Engineering Tools & Products	1,196.24	2.85%
2	Electronics & Electricals	1,283.80	3.06%
3	Textile	3,253.42	7.75%
4	Jute Textile	43.63	0.10%
5	Paper, Paper Products & Printing	536.93	1.28%
6	Rubber & Rubber Products	483.47	1.15%
7	Cement	743.57	1.77%
8	Iron & Steel	376.61	0.90%
9	Sugar	---	---
10	Chemical, Dyes, Paints, etc.	369.73	0.88%
11	Metal & Metal Products	3,483.50	8.29%
12	Vegetables	71.66	0.17%
13	Tobacco & Tobacco Products	3.35	0.01%
14	Leather & Leather Products	78.72	0.19%
15	Gems & Jewellery	162.31	0.39%
16	Food Processing & Manufacturing	4,828.41	11.50%
17	Vehicle, Vehicle Parts & Transport Equipments	698.60	1.66%
18	SME, Retail Trade & Miscellaneous Advances	24,381.36	58.05%
TOTAL ADVANCES		41,995.31	100.00%

BRANCHWISE COMPARATIVE DEPOSITORS, BORROWERS & EMPLOYEES

NAME OF BRANCH	DEPOSITORS			BORROWERS			EMPLOYEES		
	07-08	08-09	09-10	07-08	08-09	09-10	07-08	08-09	09-10
Panchnath Road	71497	86540	89522	2403	2183	2128	51	49	48
Gandhigram	8095	8895	9772	465	463	446	6	6	6
University Road	23089	30370	32118	1000	881	846	13	10	10
Jasdan	6363	6727	6727	299	297	311	6	6	6
Morvi	9891	10727	11314	348	344	333	7	6	7
Jetpur	9688	10023	10160	251	222	214	8	9	9
Upleta	6368	7075	7183	425	400	392	7	8	8
Gondal	7220	8671	9284	286	226	242	10	10	10
Sahakar Society	13923	16841	17979	839	750	701	7	9	7
Raiya Road	7518	8428	8732	451	389	377	6	6	5
Junagadh	5634	5920	5933	207	163	161	6	6	7
Naranpura	7507	8477	8657	202	184	232	18	14	14
Maninagar	3216	3655	3850	65	72	81	5	5	5
K K Nagar	4710	5534	5628	45	50	72	5	6	5
C. G. Road	1517	521	---	35	10	---	4	4	---
Jamnagar	1517	521	830	35	10	17	4	4	5
Mavdi Chokdi	0	5321	7930	0	223	401	0	6	7
Surendranagar	0	3151	4113	0	248	167	0	1	5
TOTAL	186236	226876	240023	7321	7105	7121	159	161	164

If everyone is moving forward together,
then success takes care of itself.



બેંકની જામનગર શાખાનાં ઉદઘાટન પ્રસંગે આયોજીત લોકડાયરાનું દીપ પ્રગટાવી ઉદઘાટન કરી રહેલ રાજબેંકનાં Jt.MD. કમલભાઈ ધામી સાથે ઉપસ્થિત અધિકારીગણ તથા લોકકલાકારો ધીરુભાઈ સરવૈયા, સાંઈરામ દવે તથા અભેસિંહ રાહોડ



બેંકની જામનગર શાખાનાં ઉદઘાટન પ્રસંગે માન. દિનશા પટેલ (લઘુઉદ્યોગ મંત્રીશ્રી, ભારત સરકાર)નું સન્માન કરી રહેલ બેંકનાં ચેરમેન મધુસુદન ડોંગા તથા માન. દીલીપભાઈ સંઘાણી (સહકારમંત્રીશ્રી, ગુજરાત રાજ્ય)નું સન્માન કરી રહેલ બેંકનાં વાઈસ ચેરમેન નરેશભાઈ પટેલ



બેંકની જામનગર શાખા પ્રસંગે લોકડાયરાની જમાવટ કરી રહેલ લોકકલાકારો અને કાર્યક્રમને માણી રહેલ વિશાળ જનમેદની.



AGM કે. આર. વીરડીયાને ING વૈશ્ય લાઈફ ઇન્સ્યોરન્સ પ્રીમીયમ કલેક્શનની કામગીરીમાં સમગ્ર ભારતમાં પ્રથમ સ્થાન મેળવવા બદલ સન્માનિત કરી મોમેન્ટો આપી રહેલ બેંકના ચેરમેન મધુસુદન ડોંગા, વાઈસ ચેરમેન નરેશ પટેલ, Jt.MD. કમલ ધામી, CEO સત્યપ્રકાશ ખોખરા

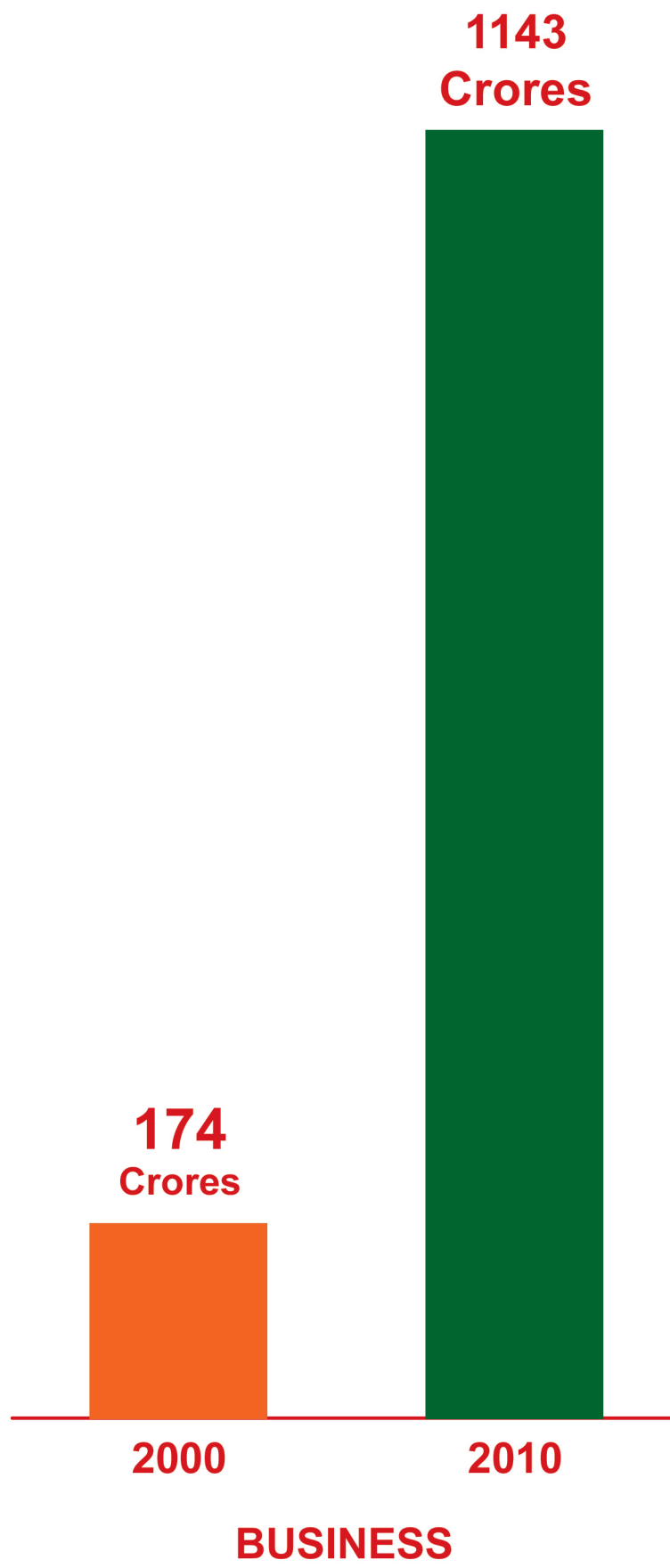


કાર્યક્ષમતાની ભેટ ઉપર રાજબેંકનાં કર્મચારીઓને મનનીય પ્રવચન આપી રહેલ શ્રી સંજીવ શાહ



શ્રી અરવિંદભાઈ પટેલ નિર્મિત શમશાદ બેગમનાં ૯૦માં જન્મદીન નીમીતે રાજબેંક આયોજીત રાત રંગીલી ગાયે રે નાં ઓડીયો-વીડીયો વીઝ્યુઅલ શો પ્રસંગે ઉદબોધન કરી રહેલ રાજબેંકના Jt.MD. કમલ ધામી તથા કાર્યક્રમ માણી રહેલ આમંત્રિતો.

A ZERO  **NPA BANK** *Since 1990*



After Merger of 2 Banks **Gross NPA 00.49%**