

Query 1 -

From: mukundpuranik@ymail.com [<mailto:mukundpuranik@ymail.com>]

Sent: Wednesday, November 18, 2020 6:40 PM

To: agm71@janatabankpune.com

Subject: {Spam?}

November 18, 2020

Shri Abhay Mate,
Chairman,
JSB Ltd. Pune.

Sir,

Ref : Alarming levels of NPAs.

In reference to the captioned matter, we need to devise a fool proof system where accountability, responsibility and vigilance would work with no deviation whatsoever. For sure, if this is implemented; it shall bring the desired results.

Accountability we mean,

“the quality or state of being accountable; an obligation or willingness to accept responsibility for one's actions.”

Responsibility we mean,

the state or fact of being responsible, answerable, for something within one's power, control, or management.

An instance of being responsible: "The responsibility for this mess is yours, the responsibilities of authority".

Instruct the concerned managers to own up the responsibility.

Vigilance we mean,

staying awake and alert in order to avoid losses.

Let GM (NPAs) keep a constant watch on all untoward incidences with a vigilant eye, and seized every passing opportunity of exposing departures from sound principles of bank.

And,

Let the team of vigilance enroll some external experienced heads but from within the "JSB shareholders - members fraternity".

All said, theory has always been fine !

Lest not forget, it's the implementation that lingers.

Sincerely,

@ Anil Gachke
Membership No.
@ Sudhakar Wani
Membership No.
@ Mukund Joshi
Membership No.
@ Mukund Puranik
Membership No.110518
P.S.

Respected Shri Abhay Mate,

You are a professional person. These management principles are not new to you. We dared spell out these concepts, because only a professional would know the potential power of these principles.

Hope, you would emphasise it's significance to your colleagues on the board and who perhaps are ignorant.... and are lacking... professional approach.

Query 2 -

From: mukundpuranik@ymail.com [<mailto:mukundpuranik@ymail.com>]

Sent: Wednesday, November 18, 2020 6:41 PM

To: agm71@janatabankpune.com

Subject: {Spam?}

November 18, 2020

Shri Abhay Mate,

Chairman,

JSB Ltd, Pune.

Sir,

The first glance over the annual financial report 2019-20 of our bank clearly signals out that the ship is sinking and the bottom line financial results are highly alarming.

Not to talk much on every parameter, we would prefer pointing only one aspect of it.

The honourable Chairman stated in 71st annual report that increase in deposits in banks is linked with enhanced confidence of customers. And that the rise in deposits in 2019-20 over the previous year is ₹ 190.64 Cr in our bank.

Bitter it may sound though..., we state that the ideology with which all of us live and profess; teaches us, to be selfless and so are most of our depositors who not only subscribe to bank deposits but also buy shares even if the returns are weak and less attractive. This, perhaps we may rightly term as 'Good Virtue of RSS'.

So, this trust & confidence of depositors is neither commanded.., nor earned.. by management, it's selflessly endowed on our bank.

The consistently poor results of the bank substantiates our above remarks.

If we apply the economic parameters, the enhanced deposits if not deployed become the big burden of cost. Lest not forget that deposits are to be serviced and it has a cost.

The figures of last 3 years in particular of advances to deposits indicates a big dent in income.

The ratio of loans & advances to deposits that brings income saw a downward trend. It was 67% in 2017-18, 60% in 2018-19 & 59% in the current year.

Thus, it's futile to pat our own back for increase in deposits... as it's requisite deployment was no near to its standard norms.

The bank is going through extraordinary times. Hence, it requires extraordinary efforts to come out of this bottom reach performance and failing recoveries. If we have to succeed the bank must focus on the extraordinary creativity and enterprise of extraordinary members in the board.

In the above mentioned grave circumstances, we demand that those inactive (like dormant accounts) members of the board who have been associated with the bank for 15 or more years, should resign forthwith.

And that they be replaced with members of fresh ideas & with members who have keen interest in governance of the bank.

Sincerely,

@ Anil Gachke

Membership No.

@ Sudhakar Wani

Membership No.1720

@ Mukund Joshi

Membership No.106406

@ Mukund Puranik

Membership No.110518

Reply to Query 1 & 2 –

From: ashish.kuvalekar@janatabankpune.com

To: mukundpuranik@ymail.com

CC: Sunil Kamat <sunil.kamat@janatabankpune.com>, Jayant Kakatkar <jayant.kakatkar@janatabankpune.com>

Sent: Fri, Nov 20, 2020, 03:22 PM

Subject: 71 st A G M of our Bank

Dear Shri. Mukund Puranik,

This refers your two mails dated 18.11.2020 on 71st A G M of our Bank. The observations of your mail are factual and are noted.

Bank most respectfully accepts the selfless attitude of depositors of the Bank and shall remain obliged for the confidence bestowed on Bank, time again. In the financial year 19-20 cooperative banks witnessed impact of financial fraud of PMC BANK in general and penalty by RBI on our Bank in particular. In such a situation our Bank could register growth in deposits and on a positive note, growth in CASA.

Management of the Bank is aware of interest cost of Deposits and endeavor always profitable deployment of funds. Bank in past few years has taken decision of cautious and qualitative growth in loan portfolio. Bank in F Y 2019-20 has disbursed new loans to the extent of Rs.1200 Cr. Bank has promoted various loan scheme for F Y .2019-20 which include Loans under consortium, Scheme was designed for flood affected areas of Kolhapur, Sangli, loan proposals for HAM projects, Proposals of bill discounting facilities back by LC, Festival bonanza scheme was designed for purchase of vehicles, furniture Scheme for textiles industries in western Maharashtra, loan scheme for purchase for Electrical vehicles etc. Due to emergence of pandemic situation business class customers of the Bank preferred limited utilization of working capital limit and loans of Rs.200/- Cr remained unavailed. Further bank has written off loans to the extent of Rs.76.10 Cr. This in all resulted in downward trend of C D ratio. However during the said F Y bank was successful in making trading profit of Rs.44.54 Cr from investment portfolio.

Bank values all the suggestions of your mail for future implementation.

Regards,

A S Kuvalekar

Dy G M - Accounts

Query 3 -

From: Milind Bhide [<mailto:milindpbhide@gmail.com>]

Sent: Wednesday, November 18, 2020 2:51 PM

To: agm71@janatabankpune.com

Subject: AGM 71 Questions.

Dear Director,

Janata Sahakari Bank Ltd, Pune.

Dear Sir,

On the financial results for the FY 2019-20 I have below questions :

1. In Balance Sheet Branch Adjustment INR 13588335. What is the reason for sch huge adjustment as this is pertains within the Bank control, such adjustments shows month on month no reconciliation's are done. What is the system exist in Bank ? What is the preventative control to avoid the recurrence. Have we stop finding the differences ?
2. In P & L Item 10 Other Expenditure B Sundry Expenses this is close to 60% of other expenditure, please provide the top 20% of expenses under this. As there should be expectational item should be as Sundry Expenses, other-wise for every expenditure there should be proper head to classify.
3. In P & L Item 10 f , What is the change that is reduced the commission payment from last year INR 2733469 to CY 99431.
4. In P & L Income item 6 Profit on Sales of Securities, there is jump of 4 fold, which are these securities sale made such a profit ?
5. In P & L Dr. Item 12 Why such big write-off in one year as LY 0, to CY 761055063, For this recovery process will be stopped ? Is there any person / organization for which write-off done and again loan / advance is disbursed ?

Milind Purushottam Bhide

Membership No : 11473800029640

Mobile : 9850978567

Thanks & Regards,

Milind Bhide

Reply to Query 3 –

From: ashish.kuvalekar@janatabankpune.com
[mailto:ashish.kuvalekar@janatabankpune.com]
Sent: 19 November 2020 17:11
To: milindpbhide@gmail.com
Cc: Sunil Kamat <sunil.kamat@janatabankpune.com>; Jayant Kakatkar <jayant.kakatkar@janatabankpune.com>
Subject: Reply to your mail.

Dear Shri. Milind Purushottam Bhide.

In reply to your mail dated 18.11.2020 sent to agm71@janatabankpune.com our point-wise submission is as under:-

- 1) This is the balancing figure of debit & credit manual/ system generated unreconciled entries which are passed by branches on other branches/ Head Office or by Head office on branches. The pend ency period is generally not more than 3 days. In the last year this figure appeared on the asset side. The system to reconcile the entries followed by Head Office and unreconciled entries appear either on asset side or liability side.
- 2) The YOY rise in other expenses is of Rs.1.62Cr approx. mainly due to rise in AMC, CCIL (clearing charges) expenses, NFS (digital payment) charges, software charges
- 3) This is an amount paid by our bank to other banks for availing of various services. In F Y 19-20 the said amount is comparatively low as it was debited to different P & L head “other banks service charges” (for GST purpose)
- 4) These are the government securities (State & Central) (under the head Investments in the balance sheet) which are sold in G-Sec market. These securities generate trading profit when the interest rates are falling which repeatedly happened in F Y 19-20. Bank took the opportunity of market conditions and registered income 4 folds than the corresponding last financial year.
- 5) During financial year the bank has written off bad loans in which bank had made 100% provision and certified by the Statutory Auditors of the Bank. However bank’s recovery rights against these borrowers and guarantors remain in force. Bank has recovered about Rs.3/- crore from written off accounts in F Y 19-20.Recovery to the extent of Rs. 11.13 Cr is done in last 5 years in written off. There is no person / organization for which write-off was done and again loan / advance is disbursed.

Regards

A S Kuvalekar
Dy G M - Accounts

Query 4 –

From: svsathe31@rediffmail.com [<mailto:svsathe31@rediffmail.com>]

Sent: Wednesday, November 18, 2020 4:48 PM

To: agm71

Subject: Regarding Annual Report 2019-2020

I have attended the annual general meeting. Prior to annual general meeting, I have sent an email for some queries relating to operative profit and provision amount shown in nutshell profit and loss account and in Director's report on page 7 in hard copy of financial report. The concerned officers answered me but I am not able to grasp it. Please give me the answer why there is a difference between nutshell operating profit and provision amount and in director's annual report operating profit and provision amount? See page 7 of hard copy.

I am attaching herewith screenshots of nutshell profit and loss account and of page 7 of hard copy. Why the provision amount is bigger than operating profit? It simply denotes that bank is in loss position. Please explain me with actual figure calculation chart.

Thanking you

Your,s Faithfully

Shrikant V.Sathe

9423902426

Sent from RediffmailNG on Android

Query 5 –

From: svsathe31@rediffmail.com [<mailto:svsathe31@rediffmail.com>]

Sent: Wednesday, November 18, 2020 11:33 PM

To: agm71

Subject: Re: Regarding Annual Report 2019-2020

Sir,

The provision amount tallied with the hard copy. Now my query regarding provision amount is solved. But operating profit query is still in question.

With regards

Shrikant V.Sathe

Sent from RediffmailNG on Android

Query 6 –

From: svsathe31@rediffmail.com [<mailto:svsathe31@rediffmail.com>]

Sent: Thursday, November 19, 2020 9:30 AM

To: agm71

Subject: Restrictions in the financial year 2019-2020

Sir,

I want to know that, does Reserve Bank impose certain restrictions on our bank?

Secondly although Mr. Sanjay Lele has resigned from the post of chairman, he was expected to conduct the annual general meeting because he was chairman in the financial year 2019-2020. I remember Mr. Khaladkar who was Chairman and had resigned from the post but conducted the meeting because he was Chairman for that financial year. Is there any rule regarding this?

Thanking you,

Yours Faithfully

Shrikant V. Sathe

Sent from RediffmailNG on Android

Reply to Query 4, 5 & 6 –

From: ashish.kuvalekar@janatabankpune.com
[<mailto:ashish.kuvalekar@janatabankpune.com>]

Sent: 19 November 2020 18:15

To: svsathe31@rediffmail.com

Cc: Sunil Kamat <sunil.kamat@janatabankpune.com>; Jayant Kakatkar <jayant.kakatkar@janatabankpune.com>

Subject: 71st A G M of Bank

Dear Shri. Shrikant Sathe, We refer to your 2 mails dated 18.11.2020 regarding Annual Report 2019-20 seeking further clarification on operating profit.

We wish to submit that the operating profit of the Bank is Rs.143.63 Cr as mentioned in the nutshell B/S is **profit before tax & other provisions** (net profit transferred to P & L appropriation A/c+ All provisions+ Income tax) The operating profit disclosed in the Annual Report on page No.7 and 14 of the Bank is Rs.129.70 Cr and **is as per banking norms (net profit transferred to P & L appropriation A/c+ All provisions+ Income tax (minus) Excess provisions written back (excluding gap between BDDR written back & Bad debts write off and bad debts written off now recovered)**. This was informed to you in our personal discussions also.

We also refer to your mail dated 19.11.2020 regarding Restrictions in the financial year 2019-2020 and wish to submit that...

1) Since the Bank's net NPA exceed 6% and as per the RBI's circular dated 06.01.2020, Bank is under Supervisory Action Framework

2) As per the legal provisions both the Annual General Meetings are presided over by the present Chairman of the Bank and not by the then Chairman.

Hope the submission shall serve your purpose.

A S Kuvalekar

Dy G M - Accounts