

ANNUAL REPORT

2021-22

# LEADING THE CHANGE



**SVC CO-OPERATIVE  
BANK LTD.** | (Multi-State Scheduled Bank)  
ESTD.1906

**(Formerly The Shamrao Vithal Co-op Bank Ltd.)**



SVC Bank was awarded at the hands of Shri. Amitbhai Shah - Hon'ble Union Minister of Home Affairs and Cooperation, GoI, for 100+ years of dedicated service in the Co-operative Banking Sector at National Conclave of Scheduled & Multi-state Urban Cooperative Banks & Credit Societies by NAFCUB, Vigyaan Bhavan, Delhi.

In frame, from L-R: Shri. Jyotindra Mehta - President, NAFCUB, Shri. Amitbhai Shah - Hon'ble Union Minister of Home Affairs and Cooperation, GoI, Shri. Durgesh S. Chandavarkar – Chairman, SVC Bank, Shri B. L. Verma - Hon'ble Minister of State for Cooperation, GoI, and Shri. Udaykumar P. Gurkar, Vice Chairman, SVC Bank

## #116YearsOfTrust



Humbled to have met and expressed our gratitude to esteemed leaders at NAFCUB. Interacting with them and learning from their wisdom and experience was enlightening.

In frame, from L-R: Shri. Udaykumar P. Gurkar - Vice Chairman, SVC Bank, Shri. Durgesh S. Chandavarkar – Chairman, SVC Bank, Dr. Bhagwat K. Karad - Hon'ble Minister of State for Finance, GoI and Shri. Satish Marathe, Director, Reserve Bank of India (RBI).

## Bowing in gratitude to our Founders



Late Shamrao Vitthal Kaikini  
(1842-1905)



Late Rao Bahadur S. S. Talmaki  
(1868-1948)

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## Chairman's Message

“*Banking industry is changing and so are we. We are, once again, leading the change in the sector, in line with our 116-year tradition to create value for our customers, employees and shareholders.*”

Dear Members,

India has shown, what it is capable of. We have a solution for every challenge, a plan for every opportunity. We have emerged as one of the fastest to produce and deploy COVID-19 vaccines and also one of the fastest adopters of digital as a way of life. Today, while we tread cautiously to avoid more waves, we are also building on the wave of resurgence – a booming economy and creation of multiple investment and employment opportunities. I have full faith that with a hardworking, educated population at the foundation, we shall soon be a super power to reckon with.

I feel happy and proud to share with you that SVC Bank has not only kept pace with changes in the banking industry but has also been a Change Leader. Thanks to the trust bestowed upon us by all our stakeholders, we have surpassed the milestone of INR 31,000 Crore Total Business in F.Y. 2021-22. A collective effort from our employees and continued trust of our customers saw us tide through many challenges, ensuring we stay ahead, creating value all the way.

There's still a lot to be done and many more miles to go to meet the ever evolving expectations of our customers. Our appetite for absorbing changes has grown manifold. We are well aware of how technology is the ticket to play for not only complying with regulatory guidelines but also to provide enhanced customer experience and market leadership. One of our key strengths, of course, is Human Intelligence – the learning and expertise that

we have harnessed for 116 years. Now it is time for us to forge a balance mix of technology, powering our human expertise to deliver even higher value for our customers and lead the way for the Co-operative Banking Industry to adapt to new challenges. We seek to simplify the complex and serve personalised banking experiences that are relevant and value-adding, making banking more interesting and enjoyable.

We invite you all in our journey while seeking your active support and encouragement, as SVC Bank continues to put in its best to achieve excellence. Let us together craft new stories of progress and well-being for ourselves and our families. I pray to the Almighty to give all of us good health and energy to keep treading on the path of peace and happiness.

With lots of love and profound regards,

**Durgesh S. Chandavarkar**  
Chairman, SVC Bank

## Vice Chairman's Message

“*Transformation with speed, is the need of the hour and your Bank has taken firm steps in this regard.*”

Dear Members,

SVC Bank has, time and again, proved its mettle for championing both, the present and future opportunities. Our employees have put in their best efforts, despite the challenges posed by a fast-changing business environment. We, as Brand SVC Bank, represent the change, and are honoured to lead all our stakeholders through it, as we bring value and delight to the table.

We are witness to how large consumer tech companies are investing deep into changing customer behaviour. Regulations are evolving to follow suit. There is also competition from players outside traditional BFSI category. As FinTech, RegTech companies come into the equation, technologies like AI, Robotics, Machine Learning, Blockchain are converging to deliver an outstanding experience. But the best thing about change is that it doesn't discriminate. It brings in enough opportunities for the big and small, new and old. Transformation with speed through use of technology, is the need of the hour and your Bank has taken firm steps to ensure we optimise the best of our Human Capital and our technology investment. At SVC Bank, the seeds are sown into building an enterprise that not only carries forward the rich learnings and expertise of traditional banking, but also exploits and builds upon Data, Analytics and Digital to drive efficiencies

throughout. We are here to showcase what happens when technology complements human intelligence, how our service on-the-ground and our digital experience walk together into building customer delight, and most importantly, carve out a robust market share.

Your trust has made us challenge stereotypes about the co-operative banking segment and, therein, lies our secret for innovation and growth. We seek your active support, as we champion the 5 R's of change – Reason, Return, Risk, Resources and Responsibility, in our continued quest of being the Change Leader, delivering exceptional value.

With warm wishes to you and your family for a happy and healthy tomorrow.

**Udaykumar P. Gurkar**  
Vice Chairman, SVC Bank



# Banking is Changing

Technology advancement, adoption by customers and affordability are disrupting the complex banking landscape rapidly. Over the years, due to technology advancement and changing customer behaviour, Digital channels have been gaining increasing popularity. What started as the channel migration strategy is now becoming the core of customer engagement and delivery.

The 4 key areas creating systemic changes within the market are,

## 1. Technology

Technology is no longer seen as a business enabler, it is an integral part of business today. It is disrupting the normal business cycles. Key trends are as follows:

- Shared Resources:** Sharing resources refers to renting or borrowing goods /services, rather than owning them. This phenomenon not only improves efficiency and saves cost, but it also offers environmental / social benefits. Examples of shared resources are Taxi Sharing, Hardware Sharing, Aggregation of unorganized sector and more.
- Data Explosion:** Increase in internet bandwidth, low cost internet coupled with smartphone penetration, has led to data explosion. Each consumer is leaving enough footprints at every step. This data is now being harnessed by service providers to offer innovative product and services to customers. The launch of AA (Account Aggregator) ecosystem, under the aegis of Reserve Bank of India (RBI) will further revolutionize how banks or non-banks offer and engage with customers. Over the next 2-5 years, banking revolution will be led by this multi-regulatory (RBI, SEBI, IRDAI and TRAI) ecosystem.
- Data Storage & Processing Speeds:** The cost of hardware storage and computing complex data is coming down every progressive year. Hence, tools like Big Data Platform lend themselves to analyzing large volumes of data in virtually no time.
- Artificial Intelligence (AI) & Machine Learning (ML):** The ability to decipher and imitate repetitive jobs with accuracy and consistency, which is much higher than that of humans, is increasingly leading to intelligent automation. As we go along, it will become more and more sophisticated. The use cases of AI & ML, which were predominantly for process automation or query-handling, are already giving way to engagement and sales of complex products, discovery of features and

credit underwriting, apart from detecting fraud warning signals.

- Blockchain:** Blockchain is a lot more than only Crypto Currencies and while there is still uncertainty over the regulations around Crypto, the use of blockchain technology to disrupt intermediation and build a trusted ecosystem will only increase. Already in India, DLT (Distributed Ledger Technology) has been deployed by TRAI to do away with the menace of short codes being used by scammers to dupe unsuspecting customers. Banks have come together to form a blockchain company for bringing efficiencies in the Trade Finance business.
- Digital Investments:** The COVID-19 Pandemic has accelerated the digital adoption. Hence, even the earlier traditional sectors have jumped on the digital bandwagon. For BFSI sector, which was already in the forefront, digital today has become the ticket to play for long term sustainability and profitability.
- JAM Revolution:** Over the last decade or so, Mobile has become ubiquitous, particularly in India. The reduction in rate of 4G handsets coupled with the low cost of usage and increased connectivity, has led to substantial increase in mobile penetration. Government initiatives like Aadhaar (India Stack) and Jan Dhan Yojana has led to substantial increase in the banked population across the country.

## 2. Regulatory Framework

Regulators and Government in India are increasingly taking steps to push for digitization, as this leads to transparency and efficiency. This will aid better governance and discipline in the country. Payment Banks, Wallet Regulations, Aadhaar (India Stack), Video KYC, amongst other initiatives, are enabling this switch to digital economy. Increasing digitization is leading to increased Cyber Security and data protection risk, and hence, greater investments are required in the cyber security segment.

On the Co-operative Banking front, welcome measures like increasing the Housing Loan limits for co-operative banks have been taken by Reserve Bank of India (RBI). More measures which can boost the sector's growth are awaited.

## 3. Service Providers

Startups across industries, be it Mediatech, Fintech, Edutech, Insurtech, Retail and Hyper locals, are disrupting existing business models. The unit economies as well as customer acquisition strategies are changing rapidly.

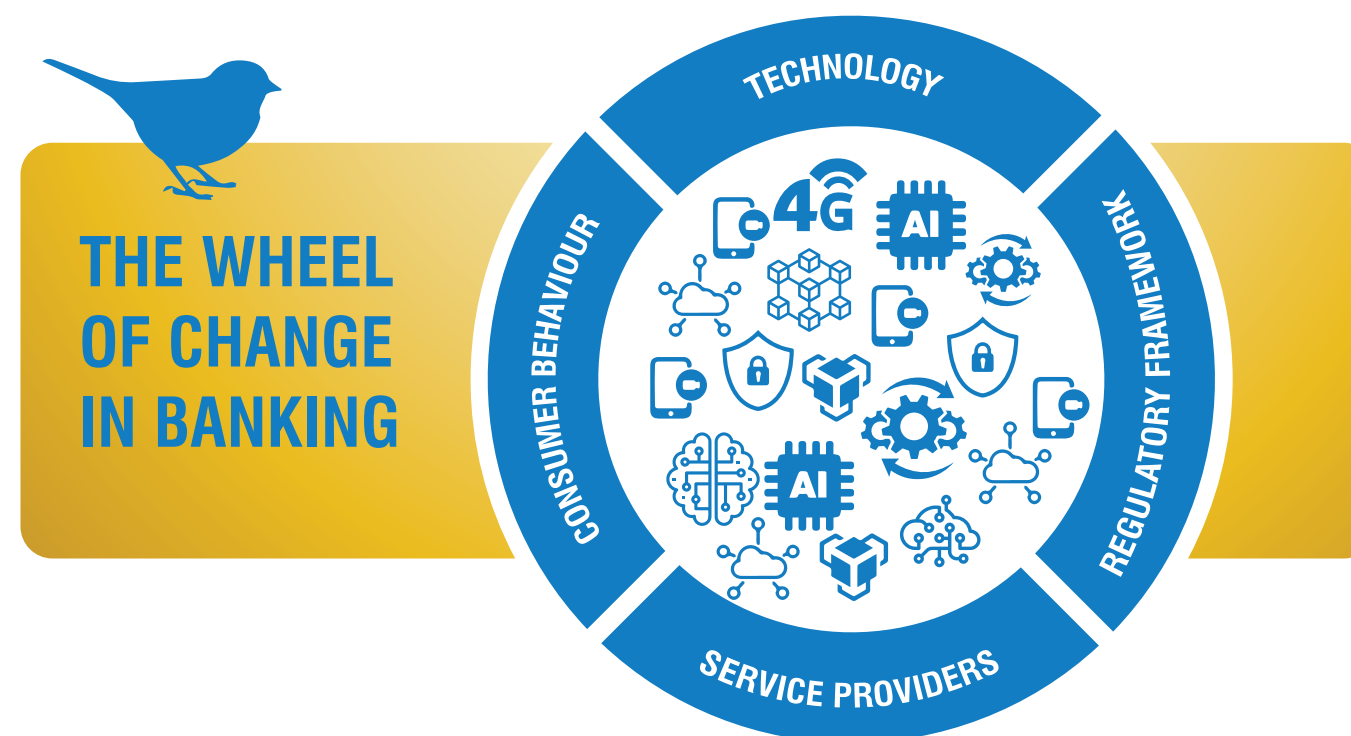
## 4. Consumer Behaviour

All the above, aided by young population of the country with increasing access to information and knowledge, is leading to change in consumer behaviour. Customers are more amenable to change and are experimenting even with their savings and money. Consumers today want transparency and convenience and are unwilling to give leeway on these to any player or industry.

Given the evolution of the customer and the market dynamics, it is important for all banks to change the way they think, behave, organize themselves, work and deliver to adapt to the changing consumer behaviour.

Competition is not only from other banks but from anyone who has a large customer base or has the ability to acquire large sets of customers and drive repeat behaviour through constant consumer engagement.

SVC Bank has been constantly evolving and investing to ensure we are future-proof and continue to provide enhanced value to our customers, employees and shareholders.





# The Flight of Change

## 7 Key Focus Areas of Change Leadership

Change is inevitable. Change is fast. 116 years of being the leader in the co-operative banking segment, we look at change as an opportunity to build value. The changing customer expectations and the ensuing regulations propel us to change the way we have structured ourselves.

Our priorities, our workforce and our motivation are all directed towards the single pursuit of building a futuristic enterprise that sets benchmarks for customer experience, compliance, employee welfare and profitability. Being one with change, in an ever-evolving banking industry, we are best positioned today to nurture strong and more profitable stakeholder relationships.

### Culture

People are undoubtedly our biggest and most efficient assets. We are committed to creating a congenial environment of professional growth, learning, warmth and meritocracy. Customer Centricity and excellence in last-mile delivery continues to be the core objective of our people programs aimed at enhancing the skills of our employees. We continue to make significant investment in overall learning and development of our people.

### Compliance

The guidelines set by the regulators propel us to follow the best practices in our trade, ensuring that our commitment towards customer centricity gets even more intense. We set the highest standards of integrity and compliance with a pure conscience in everything we do. Regtech softwares are aiding us in faster dissemination of regulatory expectations to branches and key departments. The office of the Chief Risk Officer scrutinises every critical project safeguarding both the customer and the organisation's interests. A dedicated Audit and Compliance Cell is helping us ensure a strong control on the implementation of guidelines, while a Fraud Risk Management (FRM) Cell is being created for monitoring real-time threats that may occur through manual and digital banking transactions. The ultimate goal is to offer a superior, safe and value-added banking experience to the customer within the overall regulatory framework, where employees imbibe the value of compliance by conscience.

### Capital

SVC Bank has always maintained the Capital Adequacy Ratio, much higher than the RBI requirement. Given the changing environment, we are making substantial investments in technology and will require growth Capital. Hence, we will focus on raising adequate Capital, both Tier 1 and Tier 2, as may be required to propel the Bank into the growth orbit. This will also enable us to strengthen overall health, absorb fluctuations and harness more growth opportunities.



### Deposit Growth

Deposits, that too at low cost, are the foundation Pillar of any Bank. Our continued focus on low cost deposits is yielding good results. In F.Y. 2021-22, CASA increased to 28.11% of Total Deposits through concerted efforts by our Branch teams to source more new-to-bank customers, as well as deepen existing relationships. There was a conscious effort to increase the Retail FD customer base for a more competitive pricing on loans. Online FD booking also gained good traction resulting in the creation of an invest-from-home segment.



### Operational Excellence

SVC Bank has invested in systems to reduce the amount of time spent on non-critical tasks, reducing the chances of human error. For instance, Business Intelligence System that provides data for historical, current and future trends. This data tool has aided the Bank in making accurate decisions, thereby, bringing an overall increase in the productivity and efficiency. Projects like Switch Migration have been executed to increase the role of automation and bring down human dependency. We continue to identify and focus on areas which can be automated to provide greater efficiency and consistent customer experience through use of latest tools and techniques.



### Collaboration

Fintech partnerships are an extension of our strategy to adapt to changes quicker, while meeting the ever-evolving customer expectations. Major projects on Institutional CASA, digital incentivisation, executed earlier, have gained traction. Core softwares – business enablers, are also being realigned through fintech associations, in order to increase our service efficiencies with an overall objective of being more agile and alert.



### Customer

Our operations, marketing and product design thinking are centred around delivering world-class and unique customer experiences, in both digital and physical environment. SVC Bank Branches are gradually being realigned as Customer Engagement Centres where customers shall receive expert guidance on all things finance. With the introduction of ATM recycler machines, we are equipping customers to withdraw and deposit cash round-the-clock. Enhancements made in the ATM / Debit Card delivery process have given more convenience to our customers.



# Board of Directors

The Pillars of Our Bank



**Mr. Durgesh S. Chandavarkar**  
Chairman



**Mr. Udaykumar P. Gurkar**  
Vice Chairman



**Mr. Pramod D. Shedde**  
Director



**Mr. Prakash A. Bijoor**  
Director



**Mr. Ravindra K. Kulkarni**  
Director



**Mr. Sunil S. Gokarn**  
Director



**Mr. Raghunandan  
U. Bangalorekar**  
Director



**Mr. Girish R. Karnad**  
Director



**Ms. Smita P. Mavinkurve**  
Director



**Ms. Maitreyi S. Sanadi**  
Director



**Mr. Rubab N. Tadv**  
Director



**Mr. Ashish Singhal**  
Managing Director

## Advisor To The Board

Drawing insights from his cross-functional expertise to enhance efficiency



**Mr. Praveen P. Kadle**

## Board of Management

The Guiding Light of our Bank



**Mr. Prakash A. Bijoor**  
Chairman (BoM)



**Mr. Udaykumar P. Gurkar**  
Member



**Mr. Sunil S. Gokarn**  
Member



**Mr. Dilip G. Mavinkurve**  
Member



**Mr. Devdutta N. Chandavarkar**  
Member



**Mr. Sudhir S. Mundkur**  
Member

## Top Management Executives

We set the strategic roadmap and direction for our Bank.  
Our priorities - the highest standards of governance and transparency, and achieving all our business goals.



**Mr. Ravinder Singh**  
Chief General Manager  
Corporate Banking



**Mr. Ravindra B. Subhedar**  
Chief General Manager  
Retail Banking



**Mr. Dilip J. Pendse**  
Chief Financial Officer  
(Chief General Manager)



**Mr. Anand D. Taggarsi**  
Chief General Manager  
HRM, Admin, Procurement  
and Premises & Development



**Mr. R. Janakiraman**  
General Manager  
Treasury



**Mr. Santosh V. Mohile**  
General Manager  
Information Technology



**Mr. Milind S. Bhalerao**  
General Manager  
Audit & Compliance



**Mr. Shailesh M. Nadkarni**  
General Manager  
Legal & Recovery

Success is driven by Vision.  
And great Vision takes great leadership.



## Partner in Progress - Officers' Association

Where Welfare and Business Growth go hand-in-hand.  
We move our officers to meet the objectives of our institution.



**Mr. Ashish L. Kale**  
President



**Mr. Milind M. Bijoor**  
General Secretary



**Mr. Pramod M. Kallyanpur**  
Treasurer



**Mr. Rohan A. Kamath**  
Joint Secretary



**Mr. Anirudhha R. Rao**  
Joint Secretary



**Ms. Sonali S. Sawant**  
Joint Treasurer

### Hon. Advisor To Officers' Association

Carrying forward the welfare mottos with his valuable guidance and rich experience



**Mr. Cyril M. Joseph**

## Partner in Progress – Employees' Union

We are the union of energy and positivity.  
Our comrades face every challenge and live every opportunity,  
always prioritising the progress of the Bank.



**Mr. Baban M. Kamble**  
President



**Mr. Sanjay L. Bagkar**  
General Secretary



**Mr. Vinayak V. Pai**  
Treasurer



**Mr. Kishor M. Mandare**  
Vice President



**Mr. Durgesh M. Haldipur**  
Joint Secretary



**Mr. Mangesh P. Sakpal**  
Joint Treasurer

Building an organisation upon the  
strong bond of faith,  
trust and hope, shared between the  
management and employees.



# Getting Closer to the Customer

## Key Initiatives F.Y. 2021-22

### BillPay



A delight for our Internet Banking customers, the enhanced SVC BillPay facility was introduced to facilitate quick and easy payment of utility bills such as water, gas, electricity, telecom and more.

BillPay facility is equipped with features such as instant registration of a biller, real-time notification on bill generation, AutoPay facility and instant payment confirmation.

### Mobile Banking Application

The enhanced SVC Mobile Banking Application is a bank-in-the-pocket solution. Based on an intelligent interface platform the App aids easy and secured access to account details through MPIN. A truly mobile application, it aids quick fund transfer, access to account statement and balance, among other services. Customers also earn points from SVC Rewards, which can be redeemed against products and services of leading brands across Fashion, Lifestyle, Accessories, Electronics, Fitness, Health and Beauty.



### Enhancing ATM /Debit Card / Cheque Book Customer Journeys

The changing lifestyle of the modern customer of today, has made it imperative for our banking to follow suit and alter processes that are in line with customer expectations. Cheque Book and Debit Card delivery processes have accordingly been changed, empowering the customer to choose their preferred delivery address. In order to provide customers with an additional option of depositing their funds at the Bank, apart from Branch Banking, 67 Cash Recycling Machines have been introduced in SVC Bank Branch and Offsite ATMs. These machines offer the customer a 24/7 access to their SVC Bank account, allowing withdrawals and deposits as per their convenience.



### Transforming Branches into Customer Engagement Centres



**Bandra (W) Branch, Mumbai**



**Charkop Branch, Mumbai**



**Bhosari Branch, Pune**



**Sadashiv Peth Branch, Pune**



**Nagpur Branch**

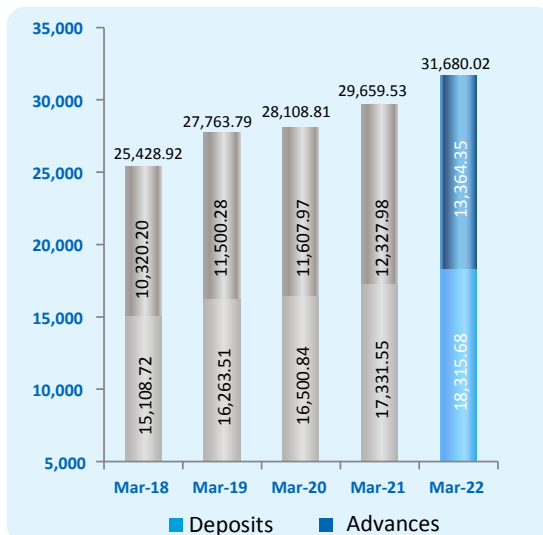


**Latur Branch**

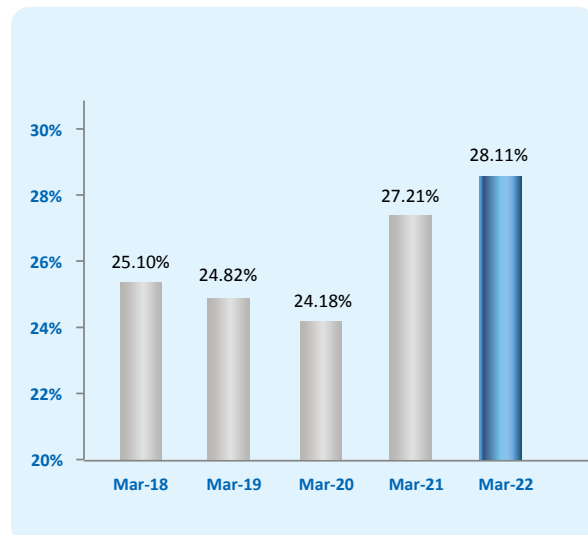
Ensuring ease of access for customers is an important criteria governing our service fundamentals. F.Y. 2021-22 saw us deepen this objective. We have made every effort to convert our branches into Customer Engagement Centres as they get relocated into new premises. The Centre focuses on providing personalised attention to guide customers into building value through financial products that are based on their lifestage. It will also be the Digital Engagement Centre, where customers can walk in to educate themselves on our digital suite and avail on-the-spot registration. For the shoppers, there are offers and privileges from leading brands too. The intent is to give the customer the best experience within and beyond banking.

# Performance Highlights

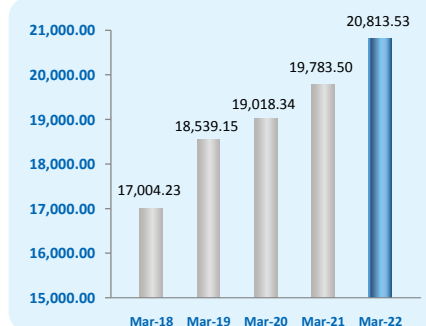
Total Business (₹ in Cr.)



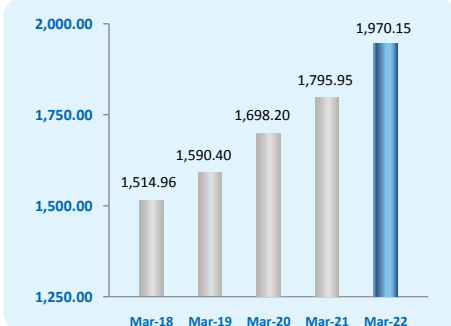
CASA (%)



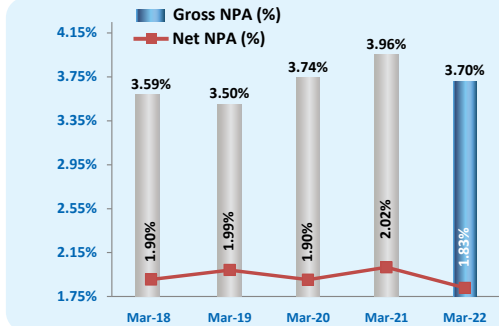
Working Funds (₹ in Cr.)



Capital and Reserves (₹ in Cr.)



NPA (%)



## Financial Highlights

(₹ in Cr.)

Particulars	F.Y. 21-22	F.Y. 20-21	% Growth
Deposits	18,315.68	17,331.55	5.68%
Advances	13,364.35	12,327.98	8.41%
Total Business	31,680.02	29,659.53	6.81%
Net Profit	146.86	150.21	(2.23%)
Working Funds	20,813.53	19,783.50	5.21%
Capital + Reserves	1,970.15	1,795.95	9.70%
Gross NPA (%)	3.70%	3.96%	(0.26%)
Capital to Risk Assets Ratio (CRAR)	13.47%	13.89%	(0.42%)
No. of Branches	198	198	-

## NOTICE OF 116<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the **116<sup>th</sup> Annual General Meeting** of the Members of the Bank will be held at **NMIMS, Gate Number 4, Mukesh Patel Auditorium, Navyug Society, Navpada, JVPD Scheme, Opposite Mithibai College, Vile Parle West, Mumbai 400 056** on **Friday, September 30, 2022, at 2.30 p.m.** to transact the following business:

1. Adoption of Annual Report with Audited Balance Sheet as at March 31, 2022 and the Profit and Loss Account for the year ended March 31, 2022.
2. Declaration of Dividend and Allocation of Profits for the Financial Year 2021-22.
3. Declaration of Dividend on PNCPS Shares (Series I & Series II) for the Financial Year 2019-20 in the Financial Year 2022-23.
4. Consideration of Joint Statutory Audit Report from M/s. Mukund M. Chitale & Co., Chartered Accountants & P G Bhagwat LLP, Chartered Accountants, with compliance report thereto, for the Financial Year 2021-22.
5. Appointment of Joint Statutory Auditors (JSAs) for the Financial Year 2022-23 and to authorize the Board to approve their remuneration.
6. Review the list of employees who are relatives of members of the Board or of the Managing Director.
7. To grant leave of absence to those Members of the Bank who have not attended this Annual General Meeting.
8. Approval of Amendments to Bye-laws.
9. Disposal of any other business that may be brought before the meeting and responding to Members' questions, relating to the working of the Bank during the Financial Year 2021-22, permissible under the Bank's Bye-Laws and Rules and in respect of which, at least 8 days' notice, in writing, has been furnished to the Managing Director, at the Bank's Registered Office.

**Note:** If, within half an hour after the time appointed for the meeting, the quorum is not formed, the meeting would stand adjourned and this adjourned meeting shall be held either on the same day or on such other date at the time and place as may be decided by the Chairman or the member presiding over the meeting in his absence. At such adjourned meeting, the business before it may be transacted notwithstanding the fact that there is no quorum.

Here 'Member' refers to 'Regular Member' of the Bank, wherever applicable, as per the Bye-law.

Further, it is to be noted that COVID-19 guidelines, as issued by the State Government of Maharashtra/ Statutory Authority from time to time, will be applicable on the day of Annual General Meeting.

**BY ORDER OF THE BOARD OF DIRECTORS**

sd/-

**Ashish Singhal**  
Managing Director

### Registered Office

SVC Tower,  
Jawaharlal Nehru Road, Vakola, Santacruz East, Mumbai – 400 055  
Date: 25<sup>th</sup> July 2022

The Annual Report can also be downloaded from [www.svcbank.com/AGM116.pdf](http://www.svcbank.com/AGM116.pdf)

[Enrol here to become a Digital Customer](#)

Name: \_\_\_\_\_

Email ID: \_\_\_\_\_ Mobile No. : \_\_\_\_\_

Existing customer: ☐ Yes ☐ No

If yes, which branch do you bank with: \_\_\_\_\_

Nature of Account maintained with our Bank

☐ Savings A/c ☐ Current A/c ☐ OD/CC/TL A/c ☐ Term Deposit

Choose the Digital Product that you wish to use

- a) Debit Card ☐
- b) BHIM/UPI ☐
- c) IMPS/NEFT/RTGS ☐
- d) NetBanking for ☐ Saving A/c ☐ Current A/c ☐ OD/CC A/c
- e) Mobile Banking ☐

**Note:** Please fill this slip and hand it over at the entrance stall placed at the AGM venue.



## NOTICE

### DIVIDEND FOR 2018-19 (113<sup>TH</sup> DIVIDEND WARRANT)

Members who have not encashed their Dividends for the Financial Year 2018-19 are requested to do so immediately. They are requested to please note that if the Dividend is not encashed on or before December 31, 2022, it would stand forfeited by the Bank and the proceeds thereof would be transferred to the Bank's Reserve Fund, as per the provisions of the Bank's Bye-Law no. 55(v). This intimation by the Bank may be treated as the final notice to the concerned members who are yet to encash their dividends.

For any correspondence relating to shares, dividend or change of address, members are requested to kindly write to:

<b>Datamatics Business Solutions Limited</b> Unit: SVC Co-operative Bank Limited Plot No. B-5, Part B, Cross Lane, MIDC, Andheri East, Mumbai – 400 093. Tel.: +91 22 6671 2001/ D: +91 22 6671 2211 /2216	<b>SVC Co-operative Bank Limited</b> Shares Department SVC Tower, Jawaharlal Nehru Road, Vakola, Santacruz East, Mumbai – 400 055 Tel.: +91 22 6699 9999
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### IMPORTANT NOTICE TO MEMBERS

With a view to ensuring that only bonafide members attend the Annual General Meeting, the Bank has a system of obtaining an attendance slip from every member who attends the meeting. The enclosed attendance slip in this report, must be duly signed by the Member and should be presented to the Bank's authorized representative, at the entrance of the hall.

Members are requested to be in their seats before the commencement of the meeting.

**SVC Co-operative Bank Limited**  
Registered Office:  
SVC Tower, Jawaharlal Nehru Road,  
Vakola, Santacruz East, Mumbai – 400 055  
**Attendance Slip**  
**116<sup>th</sup> Annual General Meeting**

Regn. No.: \_\_\_\_\_

I declare that I am a registered Member of SVC Co-operative Bank Ltd.

I hereby record my presence at the 116<sup>th</sup> Annual General Meeting of the Bank at **NMIMS, Gate Number 4, Mukesh Patel Auditorium, Navyug Society, Navpada, JVPD Scheme, Opposite Mithibai College, Vile Parle West, Mumbai 400 056** on **Friday, September 30, 2022, at 2.30 p.m.**

\_\_\_\_\_  
Name in Block Letters

\_\_\_\_\_  
Signature

**Note:** Please fill in and sign the attendance slip before handing it over to the Bank representative at the hall entrance.

## DIRECTORS' REPORT

Dear Members,

The Board of Directors is pleased to present the 116<sup>th</sup> Annual Report of SVC Co-operative Bank Ltd., on its business and operations along with the revised Audited Statements of Accounts for the year ended March 31, 2022.

### BANK'S PERFORMANCE

Highlights of the Bank's Performance for the Financial Year 2021-22 is presented below.

### PERFORMANCE HIGHLIGHTS

(₹ in Crores)

Particulars	Mar-2022	Mar-2021	Increase/ (Decrease)	% Growth
CASA	5,149.16	4,715.10	434.06	9.21%
Term Deposits	13,166.52	12,616.45	550.07	4.36%
Total Deposits	18,315.68	17,331.55	984.13	5.68%
Wholesale Advances	10,415.70	9,550.98	864.72	9.05%
Retail Advances	2,948.64	2,777.00	171.64	6.18%
Total Advances	13,364.35	12,327.98	1,036.37	8.41%
Total Business	31,680.02	29,659.53	2,020.49	6.81%
Gross NPA (%)	3.70%	3.96%	(0.26%)	
Net NPA (%)	1.83%	2.02%	(0.19%)	
Net Profit After Tax	146.86	150.21	(3.35)	(2.23%)
Capital to Risk Asset Ratio (CRAR)	13.47%	13.89%	(0.42%)	

### ECONOMIC OUTLOOK FOR FINANCIAL YEAR 2022-23

After the steep decline in growth during the Financial Year 2020-21, due to the COVID-19 Pandemic and the ensuing lengthy lockdowns, the year 2021-22 was the year of growth for India and many other countries. The initial growth estimates for Financial Year 2021-22 for India were very high but the devastating second wave of the Pandemic, in the first quarter of the Financial Year, dented the growth to some extent. The growth rate for the Financial Year 2021-22 was 8.7%, as per the data released by National Statistics Office. It is imperative to note that this growth was achieved in spite of the second wave, early in the year, and the Omicron wave, in the last quarter.

The growth momentum may continue, and India is likely to grow at a rate between 7.0% and 7.5% in the Financial Year 2022-23, as per estimates by FICCI and Standard & Poor. Reserve Bank of India (RBI) expects the growth rate for Financial Year 2022-23 to be around 7.2%. Though the earlier forecasts by various agencies were higher, the war between Russia and Ukraine, and the steep rise in crude oil prices, resulted in the downward revision of growth forecasts. Nevertheless, India is likely to be one of the fastest growing major economies of the world in Financial Year 2022-23.

Inflation, hovering above 7.0%, is a major worry to the policy makers. Further increase in crude oil prices, as anticipated, may result in higher inflation, which could, consequently, pose as a risk to the growth, though inflation is expected to moderate later during the year.



## MONETARY POLICY HIGHLIGHTS

In the Financial Year 2021-22, Reserve Bank of India (RBI) did not make any change to the policy rates or stance on liquidity. The benchmark Repo Rate remained at 4.0% throughout the year and the Reverse Repo Rate remained at 3.35%. The stance on liquidity continued to be accommodative. Thus, after many years, markets did not see any change in the policy rates for a whole year.

However, Reserve Bank of India (RBI) undertook subtle and nuanced measures to gradually move towards the tightening of liquidity and hikes in policy rates. To begin with, Reserve Bank of India (RBI) introduced the Variable Rate Reverse Repo (VRRR) auctions for different periods, which resulted in banks getting higher returns than the overnight Reverse Repo Rate for their placements with Reserve Bank of India (RBI). This resulted in market rates slowly moving from the overnight Reverse Repo Rate towards the Repo Rate. Later, Reserve Bank of India (RBI) announced long term Sell / Buy swaps in USD / INR to drain liquidity from the market.

Though the market was expecting some rate action early in the Financial Year 2022-23, Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) did not announce any hike in policy rates in its April 2022 meeting. However, Reserve Bank of India (RBI) introduced a new instrument, Standing Deposit Facility (SDF), replacing Reverse Repo at the lower end of the Liquidity Adjustment Facility (LAF) corridor. Unlike Reverse Repo, there will be no collaterals offered by Reserve Bank of India (RBI) against surplus funds placed by banks with Reserve Bank of India (RBI), under SDF. The rate on SDF was fixed at 3.75%, 40 basis points above 3.35%, that the Reverse Repo was yielding.

However, MPC surprised the markets by holding an out-of-turn meeting in early May 2022, and announcing a hike of 40 basis points in policy rates. Reserve Bank of India (RBI) also announced a 0.50% increase in Cash Reserve Ratio by increasing it to 4.50% to reduce the liquidity in the market.

Reserve Bank of India (RBI), again increased the policy rate by 50 basis points each, in its normal MPC meetings, in June and August 2022 to take the Repo Rate to 5.40%. Reserve Bank of India (RBI) has made it clear, that more interest rate hikes are likely in the Financial Year 2022-23, to fight inflation. The upward cycle in interest rates is already here and will remain so, for a few more years.

## DIVIDEND

The Board of Directors has recommended a Dividend of 12% p.a. on Equity Share Capital, Dividend of 10.50% p.a. on Perpetual Non-Cumulative Preference Share Capital – Series I and a Dividend of 10% p.a. on Perpetual Non-Cumulative Preference Share Capital – Series II for the Financial Year 2021-22, in the Financial Year 2022-23, post receipt of approval of the Annual General Meeting.

The Board of Directors has also recommended a Dividend of 10.50% p.a. on Perpetual Non-Cumulative Preference Share Capital – Series I and a Dividend of 10% p.a. on Perpetual Non-Cumulative Preference Share Capital – Series II for the Financial Year 2019-20, in the Financial Year 2022-23, post receipt of approval of the Annual General Meeting.

## SHARE CAPITAL

The paid-up Share Capital of the Bank as on March 31, 2022 was ₹ 109.89 Crores.

## OPERATIONS

Centralization is at the core of the Bank's operational success in terms of increased efficiency and reduction in operational cost. This in turn, results in better compliance and competent customer service. The Bank is always on the frontline to be in compliance as per regulators' instructions, be it Reserve Bank of India (RBI), National Payments Corporation of India (NPCI) or any other regulatory department.

Operations Department Initiatives

### Return to Origin (RTO) Process

With an objective to enhance customer service, the Department has introduced the option of delivering Cheque Book and Debit Card to the address chosen by the customer.

### New Bill Payment Facility in NetBanking

New services are introduced with the aim of delivering better customer service. These services, not only reduce the time taken per bill payment, but also eradicate any delay or missed timelines from the customers' end, when it comes to making routine bill payments.

The following new features were added to the Bill Payment Facility:

- Instant registration of biller
- Notification on bill generation
- AutoPay Facility
- Instant payment confirmation

### Cheque Clearing Process

Out of the several initiatives which have been embedded in the large and consistent organizational plan of the Bank, one crucial initiative involves the Bank's Payment systems. Bank has proactively embraced best-in-class technology and industry best practices of outsourcing the clearing processes to a large extent. This user-friendly, tech-enabled initiative ensures effective utilization of human resources, towards garnering added business for the Bank.

### Locker Intimation

The Bank now provides same-day intimation to customers with reference to Locker Allotment, Locker Waitlist and Locker Access.

## PRIVILEGE BANKING PROGRAM

SVC Bank's Privilege Banking Program aims at providing personalised, distinguished and prioritised service to the High Net Worth Individual (HNI) customers of the Bank. The program entitles all HNI customers to a comprehensive suite of specially curated products and services along with special Reward Points on every transaction executed digitally. Additionally, a dedicated Privilege Banker caters to their financial needs and delivers a delightful banking experience. Privilege Banking Program has, thus, played a vital role in deepening HNI relationships.

## LEGAL

The Legal Department oversees and reviews the various legal aspects of the banking business and effectively communicates the risks and possible legal concerns involved in any decision, so that informed decisions are made within the framework of applicable laws. The Bank has a qualified and well-experienced in-house Legal Team, which advises business on the required due diligence to be conducted in respect of documentation, adherence to the rules, regulations and laws. The Legal Department assists business to ensure the banking transactions / businesses are carried out as per the due process of the Law.

## INFORMATION TECHNOLOGY

The Bank has embarked on the journey of becoming a Phygital Bank. This brings out the best of both worlds, in terms of extending enhanced customer experience through the convenience of Digital Banking, and the comfort of being close to the Bank via Branch Banking.

The Bank hosts its Technology Services from the Bank-owned 3-way (Primary / Far DR / Near DR) Data Centres, which ensure zero data loss and continuous availability of business services.

The Bank constantly adapts to changing demands of the customer by adopting innovative technology solutions, which offer customer convenience and value-added services.

To further strengthen its customer services, the Bank has embarked upon major technology initiatives, such as Core Banking Transformation, upgrading of Digital Channels such as Mobile Banking and NetBanking, ATM Switch Hosting for better performance and continuous availability, SVC Website Enhancement, Digitization of Documents, Workflow System and more.

As part of the digital initiatives, the Bank has introduced upgraded Mobile Banking Application for Android and iOS, complete with Card Limit - Control Features.

Bill Payment in NetBanking has been upgraded to provide enhanced bill payment experience using Bharat Bill Payment System.

The Bank is rolling out Cash Recyclers in the Branches to facilitate round-the-clock cash deposits.

Security is the top priority for the Bank. Therefore, the Bank makes continuous investments into strengthening the cybersecurity controls, already in place, viz. Data Leak Prevention system, Anti-APT / Anti-Malware system, Cyber SOC, Anti-Phishing, Forensic Consultation tie-up, Cyber Incident Response etc. The Bank, has also enhanced its Patch Management Solution and introduced micro-segmentation enabled switches in its environment.

The Bank also initiated plans to implement advanced IT Service Desk Management tools to reduce downtime and improve customer satisfaction.

The Bank intends to strengthen its existing defence mechanism by putting in place additional IT controls such as Mobile Device Management, Security Orchestration and Automated Response, Cyber Drills, Network Access Control, Secure File Transfer, Application Whitelisting and so on, so as to comply with Reserve Bank of India's (RBI) comprehensive Cyber Security Framework for UCBs, which has always been the Bank's priority.

## WEALTH MANAGEMENT

The Wealth Management Department builds on the expertise of third-party partners, working on an in-depth understanding of financial needs of the customers and delivering customized solutions for Wealth Creation and Insurance. The Department plays a pivotal role in offering a broad spectrum of financial services, spread across Insurance, Mutual Funds, Demat and E-trade, while ensuring strict compliance of regulatory guidelines. It also facilitates the training of SVC Bank Branch Staff to maintain high standards of service delivery across all touchpoints.

Wealth Management Insurance Tie-up Partners

Life Insurance	General Insurance	Health Insurance
Bajaj Allianz Life Insurance Company Limited	The New India Assurance Company Limited	ManipalCigna Health Insurance Company Limited (Formerly known as CignaTTK Health Insurance Company Limited)
Exide Life Insurance Company Limited	HDFC ERGO General Insurance Company Limited	Aditya Birla Health Insurance Company Limited

During the Financial Year 2021-2022, the Bank earned a revenue of ₹ 5.88 Crores from the sale of third-party insurance products as under: (₹ In Crores)

Segment	Revenue Generated
Life Insurance	4.76
General Insurance	0.32
Health Insurance	0.80

Wealth Management Mutual Fund Tie-up Partners

Mutual Funds
HDFC Mutual Fund
Aditya Birla Sun Life Mutual Fund
Nippon Mutual Fund
DSP Mutual Fund
Principal Mutual Fund
Sundaram Mutual Fund
Tata Mutual Fund
SBI Mutual Fund

Wealth Management E-Trade Tie-up Partner

E-Trade
Geojit Financial Services Ltd.

## CREDIT

The Bank's advances portfolio has increased from ₹ 12,327.98 Crores as on March 31, 2021 to ₹ 13,364.35 Crores as on March 31, 2022. The net increase, in absolute terms, for the Financial Year is ₹ 1,036.37 Crores, reflecting an 8.41% growth compared to the previous Financial Year.

The Bank continued to concentrate its efforts on developing a healthy, strong, well-diversified, mixed and balanced advances portfolio. The focus was also on growing priority sector advances by financing maximum customers in these sectors. The Bank has achieved the priority sector target of 50% of total advances as per the regulatory guidelines from Reserve Bank of India (RBI).

The second wave of the COVID-19 Pandemic, towards the end of March 2021 continued till the first half of the Financial Year 2021-22, which again disrupted economic activities. Various states of the country had imposed restrictions on movement of people and economic activities except those engaged in essential commodities and services. Though banking operations, all over, were impacted to a certain extent, SVC Bank focused on asset quality on an ongoing basis and provided the necessary support to its customers.

In the second half of the Financial Year 2021-22, economic activities started regaining pace. The Bank has been able to register a growth in portfolio as well as maintain and improve the quality of the portfolio. To assist business entities overcome liquidity issues, which arose due to the COVID-19 Pandemic, the Bank implemented the Emergency Credit Line and Guarantee Scheme (ECLGS), as per the guidelines from the Government of India. The Russia – Ukraine war has spread a feeling of worry and tension across the globe but it is expected that the Indian Economy will continue to do comparatively better, due to its inherent strengths and focus on the 'Make in India' initiative. Similarly, SVC Bank would also endeavour to achieve higher growth without losing focus on asset quality, margins and customer service.

## MSME BUSINESS

SVC Bank's MSME portfolio as on March 31, 2022 stood at ₹ 4,789.87 Crores. The Bank has strictly followed the Reserve Bank of India (RBI) guidelines, in categorising the MSME borrowers. The Udyam Registration / Udyog Aadhaar Registration Certificate has been considered as the basic criteria to include accounts under MSME. The Bank continued its strategy to focus on MSME customers so as to broaden its customer base as well as to reduce concentration risk. This is also in line with the Reserve Bank of India's (RBI) advice to Co-operative Banks to focus more on priority sector advances with special emphasis on advances upto ₹ 1 Crore to Micro Enterprises.

As per the Bank's MSME strategy, a separate segment has been created within wholesale banking to focus on small ticket and MSME advances. The Bank has also put in place segment-specific schemes to meet funding requirements of MSMEs, including simplified overdraft scheme for small businesses and professionals, exclusive advances products for Chemists for meeting working capital requirement, SVC Medi Equip Scheme for procurement of medical equipment for Nursing Homes, ENT Centres and more, and schemes for small traders, agri processing units and agri-products traders. The Bank is assisting MSME borrowers through its Government guarantee CGTMSE scheme and acting as an aide for availing Government subsidies under TUFS, CLCSS, Interest subvention scheme etc., as per the guidelines laid down for such schemes.

MSME would be the focus area of the Government of India for creation of employment and to promote scattered and equal growth across various states. The Bank sees the MSME segment as a major contributor to its advances portfolio, which would be a more remunerative and less risk carrying portfolio. The Bank would continue to pay wholehearted attention to garnering more MSME customers and to become a Family Bank for them.

## RETAIL BANKING

### Retail Advances

SVC Bank has continued to increase its focus on Retail Assets in order to increase the granularity of the portfolio. The Bank has a wide suite of Retail Asset products which includes Home Loan, Loan Against Property, Gold Loan, Vehicle Loan, Education Loan, Commercial Property Purchase Loan, Personal Loan, Consumer Durable Loan, Lifestyle Finance Loan, Loan Against Shares / Mutual Funds / Liquid Securities and Doctors Loan. During the year, the Bank realigned its product policies and pricing strategy to be competitive in the market. As a result, the Retail Advances increased from ₹ 2,777.00 Crores at the end of Financial Year 2020-21 to ₹ 2,948.64 Crores at the end of Financial Year 2021-22, i.e. a growth of 6.18%.

### Retail Deposits

Total Deposits increased by 5.68%, from ₹ 17,331.55 Crores, as on March 31, 2021 to ₹ 18,315.68 Crores as on March 31, 2022. The low-cost Current Account and Savings Account (CASA) deposits recorded a strong growth of 9.21% from ₹ 4,715.10 Crores as on March 31, 2021 to ₹ 5,149.16 Crores as on March 31, 2022. As a result, the CASA ratio increased from 27.21% as on March 31, 2021 to 28.11% as on March 31, 2022. The Bank focused on new customer acquisitions as well as building value in the existing accounts. With the help of Digital Marketing and promotions by Branch Staff through events, the Bank was able to build awareness of its deposit products, and increase the average balances. Institutional Deposits continued to remain a key focus area with Housing Societies and Corporates being targeted through customized offerings.

### Digital Banking

The Bank enhanced the SVC Mobile Banking Application, complete with a new user interface and a number of features such as - MPIN (Mobile Banking PIN), wherein customers can set up a 6-digit Mobile Banking PIN for easy access, Debit & ATM

Card features and limit controls, and direct access to SVC Rewards from the Mobile Application. The new SVC Mobile Banking Application also offers a host of facilities for prospective customers such as calculator, contacts and options to apply for SVC Bank products. The other important development in the Financial Year 2021-22 was the enhancement of Bill Payment platform within Personal NetBanking, which made it a one-stop-shop for all recurring payments, such as Utility Bill, Credit Card / Insurance / Mutual Funds Payments, or Charity / Donations. The new BillPay platform supports instant registration, notification on bill generation and AutoPay facility.

#### **Retail Products Cell**

The Retail Products Cell focuses on market benchmarking and alignment of product suite, prior to migration to Finacle. Joint project with other departments, within the Bank, were taken up to make every product available in all Branches. Concurrently, data analytics based customer insights were generated and shared with Branches, in order to further strengthen the relationship between the Bank and its customers. In addition, Customer Segmentation further helped select and offer appropriate products to each customer.

#### **POST SANCTION MONITORING (PSM) CELL**

Post Saction Monitoring Cell (PSM) of our Bank has continued to play an important role in compliance and monitoring of Advances. The involvement of the PSM Cell begins from the processes of actual on-boarding of borrower, once the proposal is sanctioned. The processes involved are ensuring compliance of KYC, legal documents, pre and post disbursement terms and conditions, in a timely manner. PSM Cell ensures implementation of various guidelines on Advances, issued by Reserve Bank of India (RBI) and other statutory authorities, through preparation of policies and processes. Various segmentation of Advances into Retail Advances, Small Enterprises Advances, Large Advances, Industry-wise Advances, Sector-wise Advances, borrower-wise exposure of Advances etc. are done for internal MIS and periodical Reserve Bank of India (RBI) reporting. Monitoring of Advances portfolio through behavioural pattern, stressed accounts and delay in repayment of dues, checking of Days Past Due (DPD) and Special Mention Account (SMA) status on a daily basis, is being carried out by PSM Cell. Key MIS such as, renewal status, potential NPA status, end use of funds, pending security creation, renewal of insurance status, low-high turnover, submission of stock-book debt statements and other periodical statements etc. are being provided to Corporate and Retail Banking Department which, in turn, helps in maintaining asset quality of advances. Considering the importance of PSM Cell, the Bank will continue to strategically increase the scope of work with more skilled personnel and latest technology based Monitoring, MIS and Reporting tools.

#### **SEG DISTRIBUTION DIVISION (ERSTWHILE CREDIT MARKETING)**

The SEG Distribution Division solely focuses on sourcing proposals for the Small Enterprises Group (SEG). This new vertical was formed within the Corporate Banking Department of the Bank, in order to cater to Business Credit requirements ranging from above ₹ 1 Crore to ₹ 20 Crores.

SEG Distribution Division focuses on sourcing bankable SME credit proposals from the market, conforming to the credit policy laid down by the Bank. This Department is responsible for launching new SEG products, while studying and redefining existing Corporate Credit products based on business trends and the Bank's customer needs.

In order to increase lending to priority sector, special loan schemes have been designed for encouraging MSME borrowers. The Department is responsible for driving SEG business along with SEG Branches and regions. The Department is also responsible for imparting necessary training to SEG Branches for SEG products and business.

#### **INTERNATIONAL BANKING**

The Bank has the coveted Authorised Dealer Category 1 licence from the Reserve Bank of India (RBI) to conduct foreign exchange business. Over the period of many years, the Bank has established itself as a premier institution offering foreign exchange services to its customers.

The forex business is conducted through International Banking Division (IBD), Mumbai. IBD handles all types of import, export and foreign currency remittance transactions.

The Bank is maintaining Nostro Accounts in seven major currencies for smooth conduct of foreign exchange business. The Bank has established a strong network of correspondent banking partners to conduct transactions in other currencies also. The Bank offers all types of deposit products to Non-Resident Indians including Non-Resident External (NRE) accounts, Non-Resident Ordinary (NRO) accounts and Foreign Currency Non-Resident (FCNR) deposits at competitive interest rates. For those who have returned to India after staying in foreign countries, Resident Foreign Currency (RFC) account is offered.

Export Finance is made available in Indian Rupee and foreign currencies. Both pre-shipment and post-shipment finances are provided within the credit policy framework of the Bank. Views and news on foreign exchange movements are regularly shared with the customers. Customers are encouraged to book forward contracts to hedge their exchange risk.

To provide forex services to our customers located in different parts of the country, the Bank has established forex authorised Branches in four cities, viz., Mumbai, Pune, Bengaluru and Delhi. All the Branches of the Bank can offer forex products to their customers through one of the four forex authorised Branches. While continuing the forex services in all four centres, the Bank is in the process of consolidating the forex operations, accounting and communication services in its International Banking Division situated in Mumbai, for ease of execution and delivering faster customer service.

The Bank has arrangements with Thomas Cook (I) Ltd. and Pheroze Framroze & Co. Pvt. Ltd. to procure foreign currency cash for our customers.

#### **TREASURY OPERATIONS**

The Bank's Integrated Treasury operations continued to be conducted in an efficient manner in the Financial Year 2021-22. Both Domestic and Forex Treasury worked in close co-ordination with each other to ensure that the local currency could be converted into foreign currency or vice-versa at any time of the year, as per the requirements of market conditions for optimum utilisation of funds.

The Bank's Domestic Treasury is in charge of managing the funds of the Bank and maintaining the regulatory reserves such as the Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR) for the Bank. Liquidity Management is also an important function of Domestic Treasury. In addition to these activities, Domestic Treasury manages Non-SLR investments of the Bank and trades in securities. During the year, a fine balance between safety of funds and return on investments was maintained, while managing the investment book of the Bank.

Due to the large excess liquidity in the market, the returns from Non SLR investments were very low during the year. In such a situation, the Bank took a conscious call to divert part of the surplus funds to credit, where the returns were higher.

Forex Treasury conducts interbank dealings and cover operations for positions arising out of merchant forex transactions. Spot, Swap and Outright Forward deals are done as per requirements. Trading in forex is also conducted.

The Integrated Treasury conducts itself within the regulatory guidelines and approved risk parameters, while efficiently managing the funds and forex positions.

#### **REPORTING REQUIREMENT UNDER FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) AND COMMON REPORTING STANDARDS (CRS)**

##### **FATCA**

The Foreign Account Tax Compliance Act (FATCA) is a tax information reporting regime, which requires Financial Institutions (FIs) to identify their U.S. accounts through enhanced due diligence reviews and report them periodically to the U.S. Internal Revenue Service (IRS) or, in case of Inter-Governmental Agreement (IGA), to the appropriate government authority.

##### **CRS**

Common Reporting Standard (CRS) is a global level uniform standard for automatic exchange of financial account information. CRS is an initiative of G-20 countries and the Organisation for Economic Co-operation and Development (OECD), and is similar to FATCA. Under this standard, jurisdictions would obtain financial information from their financial institutions and exchange that information with other jurisdictions on an automatic annual basis. Countries, all over the world, have taken up initiatives to combat offshore tax evasion and stashing of unaccounted money overseas. Towards this end, countries have entered into agreements with each other for automatic exchange of information pertaining to such unaccounted resources. The Bank has been prompt in acting on the directives of the competent regulatory authorities regarding FATCA and CRS. The Bank has filed the required returns in a timely manner.

#### **NPA AND RECOVERY**

In the Financial Year 2021-22, with the surge of COVID-19 Pandemic, management of NPAs proved to be a great challenge for the banking sector, as it posed high risks to all Banks' asset quality. However, the Recovery Department played a pivotal role in curbing NPAs by effectuating substantial recoveries in the current Financial Year, thereby controlling the Gross and Net NPA figures of the Bank.



The Department's timely actions and perseverance led to restricting Gross NPA to 3.70% of Gross Advances of the Bank. The Bank's Net NPA% stood at 1.83% for the year ending March 31, 2022.

#### ANTI-MONEY LAUNDERING (AML)

The Bank has a comprehensive Anti-Money Laundering (AML) Policy (based on the Reserve Bank of India (RBI) guidelines/provisions of the Prevention of Money Laundering Act, 2002), incorporating the key elements of Customer Acceptance Policy, Customer Identification Procedures, Risk Management and Monitoring of Transactions. The policy is subjected to an annual review and is duly approved by the Board. The adherence to the guidelines prescribed in the policy is monitored by the Bank at various stages of the customer lifecycle. The Bank also has a continuous review process in the form of transaction monitoring, including a dedicated AML Monitoring Team, which carries out extensive transaction reviews for identification of suspicious patterns or trends, which act as an early warning signal for the Bank to carry out enhanced due diligence and appropriate action, thereafter. Training sessions are conducted to guide and apprise the employees. The Bank has submitted all the statutory reports within prescribed time limit, in accordance with rules and regulations, to Financial Intelligence Unit (FIU) – India.

#### BRANCH EXPANSION

SVC Bank continued with its strategy to consolidate its operations in view of the ongoing COVID-19 Pandemic and hence, refrained from adding to its Branch network.

The Bank's Branch strength as on March 31, 2022 stood at 198 and the ATM Network of the Bank stood at 214 ATMs (Offsite - 6 & Onsite - 208).

#### HUMAN RESOURCE MANAGEMENT (HRM)

Human Resource Management (HRM) is a key strategic business alliance of the Bank, in building and supporting a robust workforce. This, in turn, leverages a culture of high performance with sustainable growth embedded with our core values of integrity and professionalism. HRM has been the driving force, in line with all other business verticals, adapting and transforming an exceptional scale of agile workforce for operational and managerial functions, to deliver consistent long term performance.

During the COVID-19 Pandemic, HRM has been resilient in ensuring employee health and safety across all levels and locations with strict adherence to COVID-19 guidelines. HRM necessitates an overarching strategy, which is focussed on evolution of our workforce to sustain pre and post pandemic challenges with integrated framework and compliance. This ensures business continuity and efficacy across business operations, with optimal human resource mobilisation.

HRM constantly undertakes multiple initiatives for strengthening and developing the human capital of the Bank, with streamlined processes, such as Recruitment, Talent Management, Employee Training, Employee Engagement, Industrial Relations, Internal Job Posting, Succession Planning, Performance Management, Rewards & Recognition, Compensation & Benefits, and Capability Building.

HRM endeavours to fulfil its commitments and goals of strengthening the business systems with an agile workforce to ensure operational excellence for the growth of the Bank.

#### LEARNING AND DEVELOPMENT

The Bank constantly endeavours to create new learning opportunities for employees of the Bank. As a result, the trend of conducting training programs virtually, continued successfully throughout the year. Additionally, online learning courses on topics, such as Know Your Customer, Cash Management, Information Security Awareness, Prevention of Sexual Harassment of Women at Workplace, were developed and administered to employees. The benefits of virtual training, coupled with online learning courses, facilitated training of large number of employees on a variety of topics in a short span of time.

During the Financial Year 2021-22, a total number of 159 learning programs were conducted. Online internal learning sessions were conducted for employees in the areas of Products and Services offered by the Bank, Digital Banking, Information Security Awareness, Customer Service as per BCSBI Guidelines, Orientation Program, Operational Efficiency, Credit Marketing, and Leadership Effectiveness for Divisional Managers and Branch Managers of the Bank. Executives and employees also attended online workshops, webinars, banking summits / conferences conducted by external training institutes in the areas of Dashboards and MIS Reports using Microsoft Power BI, Performance Management - in the virtual environment, MS Excel,

Risk Based Internal Audit, Consumer Protection and Grievance Redress, Forex Retail Business, Fraud Risk Management, Emerging Cyber Security Practices, Risk Based Approach for KYC AML Supervision and FATF Mutual Evaluation, Managing Operational Risk in Banks and Financial Institutions.

#### INTEGRATED RISK MANAGEMENT (IRM) CELL

Managing and reducing risks is critical in achieving long-term financial security and success for the Bank. The Board of Directors has an oversight on all the risks assumed by the Bank. Specific Committees have been constituted to facilitate focused supervision of various risks. The Risk Management Committee of the Board, inter alia, reviews Risk Management Policies of the Bank pertaining to Credit, Market and Operational. The Bank has Integrated Risk Management (IRM) Department, independent from Operations and Business Units. For assessing Credit Risk, the Bank has a full-fledged Credit Risk Rating system. The Credit Rating takes into consideration the borrowers' current and anticipated financial position and other relevant risk factors such as Business risk, Industry and Management quality. Risk-based pricing helps in better pricing decisions. Rating Migration Reports are prepared for tracking the asset health code. Retail portfolios typically consist of large number accounts of relatively small value loans. The credit assessment in such portfolios is typically done using a combination of Client Scoring, Product Policy and External Credit Reporting Information such as Credit Bureaus, wherever available. To avoid undue Credit Risk Concentration in credit exposures and to maintain diversification, the Bank operates within Board approved limits, i.e., Single / Group borrower exposure limits and Sectoral limits. Industry Exposure limits are monitored against approved limits to guard against unacceptable risk concentrations, and appropriate actions are taken wherever necessary.

The objective of Operational Risk Management at the Bank is to manage and control operational risk in a cost effective manner. The business units and support functions are accountable for operational risks and controls in their respective areas, which they manage under the policies, standards, processes, procedures and operational risk management framework, laid down by IRM Department. Risk Management in operational areas of the Bank is assessed. The Bank has also introduced a system of Risk Framework for new products. For assessing Market Risk, Daily Market Risk reports from International Banking Division (IBD) are reviewed on a weekly basis by the IRM Department. Policies are reviewed on a yearly basis.

The Chief Risk Officer (CRO), who is appointed by the Board of Directors, and reports directly to the Managing Director, heads the Independent Risk Function in the Bank. The Risk Function provides an independent and integrated assessment of risks, across various business lines.

#### COMPLIANCE CELL

Considering the importance given to compliance function by the regulatory authorities, SVC Bank has suo moto initiated the setting up of a new cell namely Compliance Cell from March 2018.

The significance of compliance function lies in identifying, evaluating and addressing regulatory risks. It has to ensure strict observance of all regulatory guidelines issued through various legislations.

The Compliance Cell aims at managing compliance risk and overseeing its implementation, thus, ensuring that compliance issues are resolved effectively and expeditiously, so as to prevent Financial penalties or Loss of Reputation.

The Bank uses Knowledge Management Tool for monitoring the changes in existing regulations as well as new regulations. The Compliance Department keeps the Management / Board informed about important compliance related matters through monthly meetings. The Bank has also initiated implementation of a software for tracking compliance of regulations.

#### AUDIT & INSPECTION

Audit function plays a crucial role in continuous assessment of the Bank's internal control, risk management and governance systems and processes, providing assurance to the Board of Directors and the Senior Management on its quality and effectiveness.

The Audit & Inspection Department of the Bank is well-equipped with qualified and experienced personnel. An Internal Audit system is in place to focus more on core areas of Branch Banking and Departments' functions. It is aimed at ensuring adherence to laid down systems and procedures, with an objective to safeguard the interest of the Bank. The Audit & Inspection Department is experimental in devising new areas and methods for conducting audits.

In view of the recently mandated Risk Based Internal Audit (RBIA) by Reserve Bank of India (RBI), Audit Department has implemented Risk Based Internal Audit Framework, which aims at providing qualitative and quantitative input on critical functions. Audit Department has also initiated implementation of audit system 'eTHIC' for automating audit processes.

A well-defined RBIA Policy, approved by the Board, is in place and the Audit function is undertaken, strictly in line with the said policy. The policy is reviewed each year and suitable amendments, as per the changing requirements, are made with the approval of Audit Committee of the Board.

All Branches of the Bank are placed under Concurrent Audit system through well-experienced Chartered Accountant Firms, which are empanelled after thorough scrutiny of profiles.

Audit Committee of the Board constantly endeavours to increase the effectiveness of the overall Audit function by giving valuable suggestions from time to time.

#### MARKETING AND CORPORATE COMMUNICATIONS (MCC)

The Marketing and Corporate Communications Department continued to assist customers by providing latest Bank updates, product and service information via SMS, E-mail and Social Media. The Department also managed Online Reputation Management (ORM) by addressing customer grievances, real-time, to ensure they received swift and speedy resolutions. Both internal and external campaigns were crafted, throughout the year, to promote and educate employees and customers on the latest digital programs initiated by the Bank. The Department, also, successfully executed Branch Branding to ensure uniform Brand Visibility and experience, across all touchpoints. Lead Generation Campaign via Digital Media was also undertaken to increase brand awareness and support business growth.

#### BOARD OF DIRECTORS

The Board of Directors of SVC Co-operative Bank Ltd. comprises of 12 members, including Managing Director. They are a combination of Chartered Accountants, Solicitors, and experienced Bankers, providing insight on Banking Operations, formulating and approving the Bank's strategies and policies. The Board of Directors also guides and motivates the management into achieving the common objectives of the Bank.

The Board of Directors met regularly during the Financial Year 2021-22. The Board met 28 times during the year, with an average attendance of over 83% of the directors. The various committees of the Board, namely, The Administrative Committee, The Executive Committee (for Accounts and Investment, Retail Loans and Retail Distribution / Information Technology/Operations and BPR / Compliance and Risk), Loans Committee (for Loans and Shares/for NPA Review), and Audit Committee also met regularly. There were, in all, 12 meetings of the Administrative Committee, 60 meetings of the Executive Committee, 54 meetings of the Loans Committee and 15 meetings of the Audit Committee.

#### BOARD OF MANAGEMENT (BOM)

The Members were informed about the Board of Management (BoM) during both, the 114<sup>th</sup> Annual General Meeting and the 115<sup>th</sup> Annual General Meeting, by way of Amendment to Bye-law, which was approved by the members. As per the regulatory requirements, the Bank had sought an approval from the Central Registrar, which was received on April 4, 2022.

Accordingly, the Bank has appointed the following candidates as members of the Board of Management (BoM),

1. Mr. Prakash A. Bijoor
2. Mr. Udaykumar P. Gurkar
3. Mr. Sunil S. Gokarn
4. Mr. Dilip G. Mavinkurve
5. Mr. Devdutta N. Chandavarkar
6. Mr. Sudhir S. Mundkur

#### AMENDMENT TO BYE-LAW

The Board of Directors propose the amendments to the Bye-laws as described in Annexure A to the Annual Report, which will be subject to the approval from Central Registrar of Co-operative Societies, New Delhi.

#### CORPORATE GOVERNANCE

The Board of Directors of SVC Bank is committed to a framework formed of internal controls, policies, and procedures that govern the Bank's dealings with various stakeholders such as customers, management, employees, government and industry bodies. The Board functions as a trustee of the Members, ensuring the long-term economic value received by them is enhanced and the corporate objectives are achieved through effective decision making, risk mitigation, compliance of statutory and legal mandates, and improvement in the organizational efficiency.

#### DEPOSIT INSURANCE

The Bank has been regularly paying premium to Deposit Insurance and Credit Guarantee Corporation (DICGC).

#### TRIBUTE TO DEPARTED SOULS

The Board of Directors and Management express their profound grief at the sad demise of eight of our worthy employees,

Name	Designation	Last Posting	Date Of Demise
Mr. Prasad Y. Kadlaskar	Manager	Retail Credit & Collection, Pune	11.04.2021
Ms. B. N. Latharani	Officer	IT - Bengaluru	14.04.2021
Mr. Siddharth U. Kawade	CSR	Warje Branch	17.04.2021
Ms. Shruti V. Sawant	Assistant Manager	Thane Branch	02.06.2021
Mr. Mukesh S. Kumar	Assistant Manager	Hadapsar Branch	04.09.2021
Ms. Rekha D. Gonbare	Clerk	Mulund East Branch	14.10.2021
Mr. Rahul M. Satam	Officer	Retail Credit & Collection, Mumbai	07.02.2022
Mr. Girish S. Adsul	CSO	Cuffe Parade Branch	12.02.2022

#### RECENT AWARDS AND RECOGNITION

- Awarded at the hands of Shri. Amitbhai Shah - Hon'ble Union Minister of Home Affairs and Cooperation, GoI, for 100+ years of dedicated service in the Co-operative Banking Sector at National Conclave of Scheduled & Multi-state Urban Cooperative Banks & Credit Societies by NAFCUB, Vigyaan Bhavan, Delhi.
- 'Co-operative Bank of the year' at the 6th Annual India Banking Summit & Awards 2021-22
- Award for 'Outstanding response to COVID 19' at Cooperative Banks Ingenious Leadership Summit & Technology Awards 2022
- 'Data Centers Award' & 'Enterprise Security Award' at Express BFSI Technology Awards 2022
- 'Best Co-operative Bank,' 'Best ePayments Initiative' and 'Best 3rd Party Business Growth' Awards (Large UCB Category) at Frontiers In Co-operative Banking Awards (FCBA) and National Co-operative Banking Summit (NCBS) F.Y 2020-21, by Banking Frontiers
- 'Best Co-operative Bank' at National Awards for Excellence in BFSI by World HRD Congress

**PROPOSED APPROPRIATIONS OF NET PROFIT**

(Amt. in ₹)

Particulars	2021-22	2020-21
Profit for last year b/f	19,47,73,168.63	1,26,66,214.67
Net Profit for the year	146,85,80,774.06	150,21,28,953.96
Transferred from Investment Fluctuation Reserve	21,00,00,000.00	3,34,00,000.00
<b>Net Profit available for Appropriation</b>	<b>187,33,53,942.69</b>	<b>154,81,95,168.63</b>
<b>Less: Proposed Appropriations</b>		
Statutory Reserve	37,00,00,000.00	37,80,00,000.00
Contingency Reserve	14,95,00,000.00	15,25,00,000.00
<b>Charitable and Co-operative Purposes</b>		
Staff Welfare	30,00,000.00	30,00,000.00
Member Welfare	50,00,000.00	50,00,000.00
Bad & Doubtful Debts Reserve	-	31,00,00,000.00
Education Fund	1,46,87,000.00	1,50,22,000.00
Ex-gratia to Staff	31,25,00,000.00	29,25,00,000.00
Investment Fluctuation Reserve	51,00,00,000.00	4,00,00,000.00
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	19,76,00,000.00	15,74,00,000.00
Dividend on Equity Shares (F.Y. 2020-21)	11,00,00,000.00	-
Dividend on PNCPS Shares (F.Y. 2020-21)	2,25,00,000.00	-
<b>Balance of Net Profit Carried Forward</b>	<b>17,85,66,942.69</b>	<b>19,47,73,168.63</b>

In terms of revised Accounting Standard 4 (AS 4) – “Contingencies and Events Occurring After the Balance Sheet Date” – issued by The Institute of Chartered Accountants of India (ICAI), dividend which is subject to approval by shareholders in the Annual General Meeting has not been included as liability in these financial statements. Accordingly, the Bank has not reflected proposed dividend to shareholders of ₹ 1,425 Lakhs as a liability for Financial Year 2021-22, but the said amount has been retained in the Profit & Loss Account on the Liabilities side of Balance Sheet.

**ACKNOWLEDGEMENT**

The Board of Directors takes this opportunity to express its gratitude to the Members, Depositors, Borrowers and well-wishers for their valued support and for having been the major driving force for us to strive for excellence and not settle for anything but the best.

The Board records its appreciation for the unstinted cooperation extended by the officers of the Reserve Bank of India (RBI), especially the Department of Supervision, Central Office (DOS-CO) and Department of Regulation, Central Office (DOR - CO), The Central Registrar of Co-operative Societies, New Delhi, The Commissioners for Co-operation and Registrar of Co-operative Societies for the State of Maharashtra, Karnataka, Goa, New Delhi, Gujarat, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, Rajasthan, Haryana and Telangana and the Officials of the Co-operative Departments in these states and the Divisional Joint Registrar, Mumbai, for their invaluable guidance and assistance rendered to the Bank, from time to time.

The Board is also thankful to the Bank's Legal Advisors, Management and Tax Consultants, Architects, Concurrent and Statutory Auditors, other Consultants and Vendors for their cooperation and guidance.

The Board conveys its sincere thanks to the print and electronic media for their support in all the endeavours and initiatives of the Bank.

The Board also conveys its sincere appreciation to all the Executives, Officers and Employees of the Bank for their unstinted loyalty, dedication to duty, constructive support and contribution in the progress of the Bank. They have put their heart and soul into the task of delivering good performance and growth, year after year, to help the Bank attain greater heights.

**For and on behalf of the Board of Directors,**

Date: 25th July 2022  
Place: Mumbai

**Durgesh S. Chandavarkar**  
**Chairman**



<b>REGISTERED OFFICE</b>	SVC Tower, Jawaharlal Nehru Road, Vakola, Santacruz (E), Mumbai - 400 055.
<b>DATE OF REGISTRATION</b>	December 27, 1906.
<b>NO. &amp; DATE OF R.B.I. LICENCE</b>	UBD/MH/402 P
	August 24, 1984

(₹ in Crores)

Items	As on March 31, 2022
No. Of Branches	198
<b>Membership:</b>	
No. of Regular Members	1,80,425
No. of Nominal Members	10,693
<b>Paid up Capital</b>	
Equity Capital	89.69
Perpetual Non-Cumulative Preference Share Capital	20.21
Reserves Fund and other Reserves	1,860.26
Deposits:	
Current	1,315.75
Savings	3,833.41
Term	13,166.52
<b>Total</b>	<b>18,315.68</b>
<b>Advances:</b>	
Secured	13,340.57
Unsecured	23.78
<b>Total</b>	<b>13,364.35</b>
Priority Sector Percentage to Adjusted Net Bank Credit	50.26%
Of which Total Percentage to Weaker Section	2.78%
Overdues	526.23
Investments	4,582.18
Net Profit	146.86
Audit Classification	'A'
Working Funds	20,813.53
Total Staff	2,329

# Financial Statements F.Y. 2021-22.

## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
SVC Co-operative Bank Ltd.,

### Report on Financial Statements

#### Opinion

1. We have audited the accompanying Financial Statements of SVC Co-operative Bank Limited, ("The Bank") which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information in which are included returns of Head Office and its departments and 198 branches, which are consolidated in these financial statements. The returns of 50 branches audited by us and also returns of 148 branches which have been independently reviewed by Concurrent branch auditors are incorporated in these financial statements. To the best of our knowledge and as informed to us by the management, Bank has not received any specific guidelines from the Central Registrar of Co-operative Societies with respect to selection of branches to be covered under audit. The branches and other departments of Head office covered by us, account for 59.58 percent of advances, 50.14 percent of deposits, 59.63 percent of interest income and 51.62 percent of interest expenses.
2. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by The Banking Regulation Act, 1949 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020, The Multi State Co-operative Societies Act, 2002, The Multi State Co-operative Societies Rules, 2002 made there under, National Bank for Agricultural and Rural Development, if applicable, the guidelines issued by the Reserve Bank (RBI) and the Central Registrar of Cooperative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31<sup>st</sup> March 2022;
  - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the bank in accordance with the code of ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements under the provisions of The Banking Regulations Act, 1949 (as applicable to Co-operative Societies), as amended by the Banking Regulation (Amendment) Act, 2020, and the rules made there under and under the provisions of The Multi State Co-operative Societies Act, 2002 and The Multi State Co-operative Societies Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

#### Emphasis of Matters

4. We draw your attention to
  - a) Note III-1 of schedule 15- "Notes forming part of financial statements" regarding revised financial statements for considering effect of RBI circular DOR.STR.REC.51/21.04.048/2022-23 dated 28<sup>th</sup> June 2022 on valuation of Security Receipts. The audit procedures conducted by us are restricted to the amendments made in financial statements for complying with the circular.
  - b) Note III-3 ii of schedule 15- "Notes forming part of financial statements", regarding methodology of valuation of security receipts subscribed by the Bank, which has been done in accordance with RBI guidelines.

Our opinion is not modified in respect of this matters.

#### Information Other than the Financial Statements and Auditor's Report Thereon

5. The Bank's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board of Directors' Report including other explanatory information but does not include Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Report of Board of Directors including other explanatory information, if based on the work we have performed, we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors are responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, the provisions of The Banking Regulation Act, 1949, The Multi State Co-operative Societies Act, 2002, The Multi State Co-operative Societies Rules, 2002 made there under, National Bank for Agricultural and Rural Development, if applicable, the guidelines issued by the Reserve Bank of India (RBI) and the Central Registrar of Cooperative Societies. This responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding of assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement whether due to fraud or error and to issue auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

- The Balance Sheet and the Profit and Loss Account have been drawn up in Forms A and B respectively of the Third Schedule to The Banking Regulation Act, 1949 and The Multi State Co-operative Societies Act, 2002, The Multi State Co-operative Societies Rules, 2002.
- As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, we report that:
  - We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found to be satisfactory;
  - In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/offices;
  - As required by Section 30(3) of The Banking Regulation Act, 1949, we further report that the

transactions of the Bank which came to our notice have been within the powers of the Bank.

- The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the books of account and the returns;
  - The accounting standards adopted by the Bank are consistent with those laid down by accounting principles generally accepted in India so far as applicable to Banks;
  - In our opinion and according to information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realization of money due to the bank.
- As required by Rule 27 (3) of the Multi State Cooperative Societies Rules, 2002, as per the information and explanations given to us and based on our examination of books of accounts and other records, we report as under on the matters specified in clause (a) to (f) of the Rule 27(3) of The Multi State Co-operative Societies Rules, 2002:
    - During the course of our audit, we have generally not come across transactions which appear to be contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.
    - During the course of our audit, we have not come across material and significant transactions which appear to be contrary to the guidelines issued by The Reserve Bank of India. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding transactions contrary to the guidelines issued by the said Bank are not called for.
    - The following advances are categorized as doubtful or loss assets as per prudential norms of RBI as on 31<sup>st</sup> March 2022 and reported in terms of clause (c) of Rule 27(3) of The Multi State Co-operative Societies Rules, 2002:

Category	Principal Outstanding as at 31 <sup>st</sup> March 2022 (₹ In Lakhs)
Doubtful Assets	33,094.77
Loss Assets	4,587.19
<b>Total</b>	<b>37,681.96</b>

- As per the information provided to us and to the best of our knowledge, no credit facilities have been sanctioned by the Bank to the members of the Board or their relatives.
- During the course of our audit, we have generally not come across any violations of guidelines, conditions etc. issued by the Reserve Bank of India. Since the Bank has neither accepted deposits

nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding violations of guidelines issued by the said Bank are not called for.

- To the best of our knowledge, no other matters have been specified by The Central Registrar of Co-operative Societies, which require reporting under this Rule.

**For M/s Mukund M Chitale & Co.**  
Chartered Accountants  
FRN: 106655W

**Nilesh RS Joshi**  
Partner  
Membership No.: 114749  
UDIN : 22114749ANOQWW8295

Place : Mumbai  
Date : 25<sup>th</sup> July, 2022

**For P G BHAGWAT LLP**  
Chartered Accountants  
FRN: 101118W/W100682

**Nachiket Deo**  
Partner  
Membership No.: 117695  
UDIN : 22117695ANOTBA1415



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022

(₹ in lakhs)			
CAPITAL AND LIABILITIES	Schedule	As at 31-Mar-22	As at 31-Mar-21
1. CAPITAL	1	10,989	11,184
2. RESERVE FUND & OTHER RESERVES	2	1,86,026	1,68,411
3. PRINCIPAL/SUBSIDIARY STATE PARTNERSHIP		-	-
4. DEPOSITS AND OTHER ACCOUNTS	3	18,31,568	17,33,155
5. BORROWINGS	4	34,602	44,602
6. BILLS FOR COLLECTION		65,136	43,487
BEING BILLS RECEIVABLE (As per Contra)			
7. BRANCH ADJUSTMENT		3,451	-
8. OVERDUE INTEREST RESERVE-I		1,232	2,256
9. OVERDUE INTEREST RESERVE-II (As per Contra)		15,258	13,784
10. INTEREST PAYABLE		2,894	3,794
11. OTHER LIABILITIES	5	1,06,615	1,94,077
12. PROFIT & LOSS ACCOUNT		1,786	1,948
<b>TOTAL</b>		<b>22,59,557</b>	<b>22,16,698</b>
CONTINGENT LIABILITIES		1,01,188	1,25,553
NOTES TO ACCOUNTS FORM PART OF ACCOUNTS	15		

AS PER OUR REPORT OF EVEN DATE  
FOR **M/s MUKUND M. CHITALE & CO.**  
CHARTERED ACCOUNTANTS  
(F.R. No.106655W)

**NILESH RS. JOSHI**  
MEMBERSHIP NO. 114749  
PARTNER  
STATUTORY AUDITORS

PLACE : MUMBAI  
DATE : JULY 25, 2022

FOR **P G BHAGWAT LLP**  
CHARTERED ACCOUNTANTS  
(F.R. No.101118W/W100682)

**NACHIKET DEO**  
MEMBERSHIP NO. 117695  
PARTNER  
STATUTORY AUDITORS

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022

(₹ in lakhs)			
PROPERTY AND ASSETS	Schedule	As at 31-Mar-22	As at 31-Mar-21
1. CASH	6	98,370	79,718
2. BALANCES WITH OTHER BANKS	7	55,191	34,521
3. MONEY AT CALL & SHORT NOTICE		65,240	1,47,016
4. INVESTMENTS	8	4,58,218	4,23,786
5. INVESTMENTS OUT OF THE PRINCIPAL/ SUBSIDIARY STATE PARTNERSHIP FUND		-	-
6. ADVANCES	9	13,36,435	12,32,798
7. INTEREST RECEIVABLE			
a) on Investments & Staff housing loans	10	11,548	10,254
b) on Advances OIR-II (As per Contra)		15,258	13,784
8. BILLS RECEIVABLE		65,136	43,487
BEING BILLS FOR COLLECTION (As per Contra)			
9. PREMISES	11	49,763	51,790
10. FURNITURE & FIXTURES	12	2,468	2,609
11. OTHER FIXED ASSETS	13	5,936	4,698
12. OTHER ASSETS	14	92,472	1,68,578
13. BRANCH ADJUSTMENT		-	367
14. DEFERRED TAX ASSET		3,524	3,292
<b>TOTAL</b>		<b>22,59,557</b>	<b>22,16,698</b>

**DILIP J. PENDSE**  
CHIEF FINANCIAL OFFICER

**ASHISH SINGHAL**  
MANAGING DIRECTOR

**MAITREYI S. SANADI**  
DIRECTOR

**UDAYKUMAR P. GURKAR**  
VICE-CHAIRMAN

**DURGESH S. CHANDAVARKAR**  
CHAIRMAN

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

		(₹ in lakhs)	
Sr. No.	EXPENDITURE	Year ended 31-Mar-22	Year ended 31-Mar-21
1	Interest on Deposits and Borrowings	85,457	96,758
2	Salaries, Allowances and Provident Fund	21,195	20,630
3	Directors Fees, Travelling and Conveyance	190	80
4	Rent, Taxes, Insurance and Lighting	8,461	7,409
5	Law Charges	785	753
6	Postage Telegrams and Telephone Charges	73	78
7	Auditor's Fees	268	277
8	Depreciation on and Repairs to property	4,019	4,059
9	Stationery, Printing and Advertisement, etc	407	351
10	Other Expenditure:		
	i. Repairs and Maintenance	2,279	1,670
	ii. Travelling and Conveyance	38	26
	iii. Depreciation on Securities	3,740	595
	iv. Premium on Securities amortised	649	590
	v. Loss/ Impairment on sale of Assets	-	62
	vi. Loss on sale of Loan Assets to ARCs (written off)	1,645	-
	vii. Networking Expenses	510	574
	viii. Sundry Expenses	4,105	3,197
11	Bad debts Written Off	1,000	3,099
12	Provisions and Contingencies for		
	i. Gratuity Payable to Staff	506	591
	ii. Bad & Doubtful Debts	3,041	2,762
	iii. BDDR (ARC) (Net)	1,165	1,063
	iv. Contingent Provision against Standard Assets	1,013	117
	v. Leave Encashment	1,769	1,932
	vi. Provision for depreciation in Investment	-	119
	<b>Income - Tax Expenses:</b>		
	Current Tax	5,000	
	Less: Excess Provision Written Back	(-)	4,281
	Deferred Tax	(232)	884
	<b>NET PROFIT FOR THE YEAR CARRIED FORWARD</b>	<b>14,686</b>	<b>15,021</b>
	<b>TOTAL</b>	<b>1,61,768</b>	<b>1,66,978</b>
	NOTES TO ACCOUNTS FORM PART OF ACCOUNTS - SCHEDULE 15		

AS PER OUR REPORT OF EVEN DATE  
FOR **M/s MUKUND M. CHITALE & CO.**  
CHARTERED ACCOUNTANTS  
(F.R. No.106655W)

**NILESH RS. JOSHI**  
MEMBERSHIP NO. 114749  
PARTNER  
STATUTORY AUDITORS

PLACE : MUMBAI  
DATE : JULY 25, 2022

FOR P G BHAGWAT LLP  
CHARTERED ACCOUNTANTS  
(F.R. No.101118W/W100682)

**NACHIKET DEO**  
MEMBERSHIP NO. 117695  
PARTNER  
STATUTORY AUDITORS

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

Sr. No.	INCOME	Year ended 31-Mar-22	Year ended 31-Mar-21
1	Interest on Advances	1,06,121	1,08,763
2	Interest Income on Investment	35,979	40,002
3	Commission, Exchange & Brokerage	3,096	2,776
4	Other Receipts:		
i.	Processing Fees	3,196	3,111
ii.	Rent on Safe Deposit Lockers	823	829
iii.	Profit on Sale of Assets (Net)	28	-
iv.	Other Income	4,465	3,725
5	Profit on Sale of Securities	5,150	2,894
6	BDDR Written Back on Bad Debts Written Off	1,000	3,099
7	BDDR Written Back on Sale of Loan Assets to ARCs	-	1,063
8	Profit on Exchange Transactions	1,196	716
9	Excess Investment Depreciation Reserve Written back	714	-
TOTAL		1,61,768	1,66,978

**DILIP J. PENDSE**  
CHIEF FINANCIAL OFFICER

**ASHISH SINGHAL**  
MANAGING DIRECTOR

**MAITREYI S. SANADI**  
DIRECTOR

**UDAYKUMAR P. GURKAR**  
VICE-CHAIRMAN

**DURGESH S. CHANDAVARKAR**  
CHAIRMAN

## PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(₹ in lakhs)		
EXPENDITURE	Year ended 31-Mar-22	Year ended 31-Mar-21
<b>Appropriations</b>		
Statutory Reserve	<b>3,700</b>	3,780
Contingency Reserve	<b>1,495</b>	1,525
<b>Charitable &amp; Co-operative Purposes</b>		
Staff Welfare	<b>30</b>	30
Member Welfare	<b>50</b>	50
Bad & Doubtful Debts Reserve	-	3,100
Education Fund	<b>147</b>	150
Ex-gratia to Staff	<b>3,125</b>	2,925
Investment Fluctuation Reserve	<b>5,100</b>	400
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	<b>1,976</b>	1,574
Dividend on Equity Shares (F.Y. 2020-21)	<b>1,100</b>	-
Dividend on PNCPS Shares (F.Y. 2020-21)	<b>225</b>	-
	<b>16,948</b>	13,534
<b>NET PROFIT CARRIED TO BALANCE SHEET</b>	<b>1,786</b>	1,948
<b>TOTAL</b>	<b>18,734</b>	<b>15,482</b>
NOTES TO ACCOUNTS FORM PART OF ACCOUNTS - SCHEDULE 15		

AS PER OUR REPORT OF EVEN DATE  
FOR **M/s MUKUND M. CHITALE & CO.**  
CHARTERED ACCOUNTANTS  
(F.R. No.106655W)

**NILESH RS. JOSHI**  
MEMBERSHIP NO. 114749  
PARTNER  
STATUTORY AUDITORS

PLACE : MUMBAI  
DATE : JULY 25, 2022

FOR **P G BHAGWAT LLP**  
CHARTERED ACCOUNTANTS  
(F.R. No.101118W/W100682)

**NACHIKET DEO**  
MEMBERSHIP NO. 117695  
PARTNER  
STATUTORY AUDITORS

## PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

(₹ in lakhs)		
INCOME	Year ended 31-Mar-22	Year ended 31-Mar-21
Profit Brought Forward	14,686	15,021
Investment Fluctuation Reserve	2,100	334
Profit Of Last Year	1,948	127
<b>TOTAL</b>	<b>18,734</b>	<b>15,482</b>

**DILIP J. PENDSE**  
CHIEF FINANCIAL OFFICER

**MAITREYI S. SANADI**  
DIRECTOR

**UDAYKUMAR P. GURKAR**  
VICE-CHAIRMAN

**ASHISH SINGHAL**  
MANAGING DIRECTOR

**DURGESH S. CHANDAVARKAR**  
CHAIRMAN



## SCHEDULES

			(₹ in lakhs)
SCHEDULES	As at 31-Mar-22	As at 31-Mar-21	
<b>SCHEDULE 1 -- CAPITAL</b>			
<b>Authorised Capital:</b>			
20,00,00,000 Equity Shares of ₹25/-each	50,000	50,000	
50,00,00,000 PNCPs of ₹10/- each	50,000	50,000	
<b>Subscribed Capital :</b>			
i) 3,58,69,100 (P.Y. 3,64,92,798) Equity Shares of ₹25/- each	8,967	9,123	
ii) Paid-up Capital of Acquired Bank (Bangalore Central Co-operative Bank Ltd)	1	40	
iii) Perpetual Non Cumulative Preference Share Capital (PNCPs)			
Series I (@ 10.50%) - 1,18,59,500 (P.Y.1,18,59,500) shares of ₹10/- each	1,186	1,186	
Series II (@ 10.00%) - 83,47,800 (P.Y. 83,47,800) shares of ₹10/- each	835	835	
<b>Amount Called up :</b>			
i) 3,58,69,100 (P.Y. 3,64,92,798) Equity Shares of ₹25/- each	8,967	9,123	
ii) Paid-up Capital of Acquired Bank (Bangalore Central Co-operative Bank Ltd)	1	40	
iii) Perpetual Non Cumulative Preference Share Capital (PNCPs)			
Series I (@ 10.50%) - 1,18,59,500 (P.Y.1,18,59,500) shares of ₹10/- each	1,186	1,186	
Series II (@ 10.00%) - 83,47,800 (P.Y. 83,47,800) shares of ₹10/- each	835	835	
<b>Of the above held by:</b>			
a) Individuals	8,969	9,163	
b) Co-operative Institutions	-	-	
c) State Government	-	-	
<b>Total</b>	<b>10,989</b>	<b>11,184</b>	
<b>SCHEDULE 2 -- RESERVE FUND &amp; OTHER RESERVES</b>			
i Statutory Reserve	47,042	43,177	
ii Building Fund	18,099	18,099	
iii Dividend Equalisation Fund	140	110	
iv Special Bad Debt Reserve	-	-	
v Bad and Doubtful Debts Reserves	24,203	22,163	
vi Contingent provision against depreciation in Investment	3,888	862	
vii Other Funds and Reserves			
a) Contingency Reserve	17,171	15,676	
b) General Reserves	3,199	1,827	
c) Special General Reserve	5,474	5,474	
d) Investment Fluctuation Reserve	7,400	4,400	

			(₹ in lakhs)
SCHEDULES	As at 31-Mar-22	As at 31-Mar-21	
e) Contingent Provision against Standard Assets	6,801	5,677	
f) Contingent Provision against Standard Assets- RBI Circular dated 17.04.2020	-	112	
g) Revaluation Reserve	34,010	35,378	
h) Special Reserve u/s.36 (1) (viii) of The Income Tax Act,1961	14,748	12,772	
i) BDDR (ARC) (Refer Schedule 15- IV.4.e)	3,756	2,591	
j) Charities Fund (Public)	95	95	
<b>Total</b>	<b>1,86,026</b>	<b>1,68,411</b>	
<b>SCHEDULE 3 -- DEPOSITS AND OTHER ACCOUNTS</b>			
<b>I. Fixed Deposits</b>			
i) Individuals	8,51,275	8,16,185	
ii) Central Co-operative Banks	-	-	
iii) Other societies	4,47,349	4,12,185	
<b>Total</b>	<b>12,98,624</b>	<b>12,28,370</b>	
<b>II. Savings Bank Deposits</b>			
i) Individuals	3,55,779	3,28,788	
ii) Central Co-operative Banks	-	-	
iii) Other societies	27,563	25,450	
<b>Total</b>	<b>3,83,341</b>	<b>3,54,238</b>	
<b>III. Current Deposits</b>			
i) Individuals	1,11,951	98,835	
ii) Central Co-operative Banks	-	-	
iii) Other societies	19,624	18,437	
<b>Total</b>	<b>1,31,575</b>	<b>1,17,272</b>	
<b>IV. Matured Deposits</b>	18,027	33,275	
<b>Total (I+II+III+IV)</b>	<b>18,31,568</b>	<b>17,33,155</b>	
<b>SCHEDULE 4 -- BORROWINGS</b>			
i) From the Reserve Bank of India / State / Central Co-op Bank	-	-	
a) Short Term Loans, Cash Credit and Overdrafts			
Of which secured against,			
(A) Government and other approved securities			
(B) Other tangible securities			
b) Medium Term Loans of which secured against	-	-	
(A) Government and other approved securities			
(B) Other tangible securities			

		(₹ in lakhs)	
SCHEDULES		As at 31-Mar-22	As at 31-Mar-21
c)	Long Term Loans of which secured against	-	-
	(A) Government and other approved securities		
	(B) Other tangible securities		
ii)	From the State Bank of India	-	-
iii)	From the State Government	-	-
iv)	Loans from Other Sources	-	-
a)	Long Term (Subordinated ) Deposits	34,602	44,602
<b>Total</b>		<b>34,602</b>	<b>44,602</b>
<b>SCHEDULE 5 -- OTHER LIABILITIES</b>			
i	Bills Payable	2,312	2,150
ii	Unclaimed Dividends	284	180
iii	Drafts Payable	586	701
iv	Bonus & Ex-gratia	3,632	3,271
v	Pay orders Issued	3,333	16,552
vi	Provision for Income Tax	18,578	13,578
vii	Interest / Commission received in advance	780	721
viii	Leave Encashment	4,877	4,545
ix	Sundries	4,796	4,867
x	Securities Deliverable under RBI Reverse Repo A/c	63,800	1,45,700
xi	Sundry Liabilities (Interest capitalisation)	1,993	125
xii	ECGC Claim Received	406	406
xiii	Provision towards Other Doubtful Assets	446	404
xiv	Gratuity	792	878
<b>Total</b>		<b>1,06,615</b>	<b>1,94,077</b>
<b>SCHEDULE 6 -- CASH</b>			
i)	Cash in Hand	14,577	14,266
ii)	Balances with Reserve Bank of India	83,766	65,277
iii)	Balances with State Bank of India & its Subsidiaries	27	175
iv)	Balances with State Co-operative Banks	-	-
v)	Balances with District Central Co-operative Bank Ltd.	-	-
<b>Total</b>		<b>98,370</b>	<b>79,718</b>
<b>SCHEDULE 7 -- BALANCES WITH OTHER BANKS</b>			
i)	Current Deposits		
a)	Current Deposits with Private and Nationalised Banks	8,434	3,326
b)	Current Deposits with Banks abroad	1,114	373

		(₹ in lakhs)	
SCHEDULES		As at 31-Mar-22	As at 31-Mar-21
ii)	Saving Bank Deposits	-	-
iii)	Fixed Deposits	45,642	30,822
<b>Total</b>		<b>55,191</b>	<b>34,521</b>
<b>SCHEDULE 8 -- INVESTMENTS</b>			
i)	In Central & State Government Securities (at book value)	4,23,612	3,89,409
	Face Value = ₹4,20,107.30 lakhs, Market Value = ₹4,23,611.89 lakhs		
ii)	Shares in Co-operative Institutions	7	7
iii)	Other Approved Securities	-	-
iv)	Shares	25	25
v)	Bonds of P.S.U.	-	-
vi)	Others		
	1) Certificate of Deposits	-	-
	2) Commercial Paper	-	-
	3) Non SLR Bond	3	3
	(FV=₹5.00 lakhs ,MV=₹ 4.96 lakhs)		
	4) Security Receipts	34,572	34,342
	(FV=₹34,571.64 lakhs ,MV=₹42,003.79 lakhs)		
<b>Total</b>		<b>4,58,218</b>	<b>4,23,786</b>
<b>SCHEDULE 9 -- ADVANCES</b>			
I)	<b>Short Term Loans, Cash Credit, Overdraft , Bills Discounted</b>	<b>5,05,118</b>	4,67,647
	<b>Of which, secured against</b>		
a)	Govt. & Other approved Securities	1,766	1,645
b)	Other Tangible Securities( Including ₹4,195.20 lakhs (PY- ₹4,945.98 lakhs) against endorsements / acceptances by Banks)	5,03,353	4,66,001
c)	Unsecured Advances / Surety Loans with or without Collateral Securities	-	1
	Of the Short Term advances, amount due from individuals ₹ 37,327.25 lakhs (P.Y.-₹ 37,347.70 lakhs )		
	Of the Short Term advances amount Overdue ₹ 36,512.72 lakhs (P.Y.-₹ 29,882.77 lakhs )		
	Considered Bad & Doubtful of recovery (Fully Provided for) ₹ 4,408.56 lakhs (P.Y.-₹ 4,048.50 lakhs )		
II)	<b>Medium Term Loans of which, secured against</b>	<b>78,098</b>	47,502
a)	Govt. & Other approved Securities	98	50
b)	Other Tangible Securities( Including ₹NIL against endorsements / acceptances by Banks)	76,537	46,084
c)	Unsecured Advances / Surety Loans with or without Collateral Securities	1,462	1,369

		(₹ in lakhs)	
SCHEDULES		As at 31-Mar-22	As at 31-Mar-21
	Of the Medium Term advances, amount due from individuals ₹16,328.35 lakhs (P.Y.-₹16,611.54 lakhs )		
	Of the Medium Term advances amount		
	Overdue ₹ 1,135.03 Lakhs (P.Y.-₹ 961.71 lakhs )		
	Considered Bad & Doubtful of recovery (Fully Provided for) ₹ 651.12 lakhs (P.Y.-₹ .652.30 lakhs )		
<b>III) Long Term Loans of which, secured against</b>		<b>7,53,219</b>	7,17,649
a) Govt. & Other approved Securities		<b>35</b>	102
b) Other Tangible Securities( Including ₹NIL against endorsements / acceptances by Banks)		<b>7,52,269</b>	7,16,118
c) Unsecured Advances / Surety Loans with or without Collateral Securities		<b>915</b>	1,429
	Of the Long Term advances, amount due from individuals ₹2,17,821.48 Lakhs ( P.Y.-₹ 2,06,606.04 lakhs )		
	Of the Long Term advances amount		
	Overdue ₹ 14,974.72 Lakhs ( P.Y.-₹6,068.93 lakhs )		
	Considered Bad & Doubtful of recovery (Fully Provided for) ₹6,082.44 lakhs ( P.Y.-₹6,621.25 lakhs )		
<b>Total</b>		<b>13,36,435</b>	<b>12,32,798</b>
<b>SCHEDULE 10 -- INTEREST RECEIVABLE</b>			
i) On Investments		<b>7,879</b>	7,075
ii) On Margin money with CCIL		-	-
iii) On Staff Housing Loans		<b>3,669</b>	3,179
<b>Total</b>		<b>11,548</b>	<b>10,254</b>
<b>SCHEDULE 11 -- PREMISES</b>			
<b>GROSS BLOCK</b>			
Opening Balance		<b>70,587</b>	73,219
Additions during the year		-	-
Deductions during the year		<b>8,922</b>	2,632
<b>Closing Balance</b>		<b>61,666</b>	70,587
<b>ACCUMULATED DEPRECIATION</b>			
Opening Balance		<b>18,797</b>	17,914
Additions during the year		<b>1,446</b>	1,446
Deductions during the year		<b>8,340</b>	563
<b>Closing Balance</b>		<b>11,903</b>	18,797
<b>NET BLOCK</b>		<b>49,763</b>	51,790

		(₹ in lakhs)	
SCHEDULES		As at 31-Mar-22	As at 31-Mar-21
<b>SCHEDULE 12 -- FURNITURE &amp; FIXTURES</b>			
<b>GROSS BLOCK</b>			
Opening Balance		<b>8,133</b>	8,099
Additions during the year		<b>303</b>	200
Deductions during the year		<b>170</b>	167
<b>Closing Balance</b>		<b>8,266</b>	8,133
<b>ACCUMULATED DEPRECIATION</b>			
Opening Balance		<b>5,524</b>	5,200
Additions during the year		<b>421</b>	445
Deductions during the year		<b>146</b>	121
<b>Closing Balance</b>		<b>5,798</b>	5,524
<b>NET BLOCK</b>		<b>2,468</b>	2,609
<b>SCHEDULE 13 -- OTHER FIXED ASSETS</b>			
<b>I) OFFICE EQUIPMENTS</b>			
<b>GROSS BLOCK</b>			
Opening Balance		<b>4,082</b>	3,949
Additions during the year		<b>341</b>	225
Deductions during the year		<b>351</b>	92
<b>Closing Balance</b>		<b>4,072</b>	4,082
<b>ACCUMULATED DEPRECIATION</b>			
Opening Balance		<b>3,179</b>	2,755
Additions during the year		<b>408</b>	508
Deductions during the year		<b>341</b>	83
<b>Closing Balance</b>		<b>3,246</b>	3,179
<b>NET BLOCK (A)</b>		<b>826</b>	903
<b>II) CIVIL WORKS</b>			
<b>GROSS BLOCK</b>			
Opening Balance		<b>4,626</b>	4,695
Additions during the year		<b>62</b>	45
Deductions during the year		<b>125</b>	114
<b>Closing Balance</b>		<b>4,563</b>	4,626



		(₹ in lakhs)	
SCHEDULES		As at 31-Mar-22	As at 31-Mar-21
<b>ACCUMULATED DEPRECIATION</b>			
Opening Balance		3,601	3,353
Additions during the year		306	337
Deductions during the year		121	89
<b>Closing Balance</b>		<b>3,785</b>	3,601
<b>NET BLOCK (B)</b>		<b>778</b>	1,025
<b>III) VEHICLES</b>			
GROSS BLOCK			
Opening Balance		345	387
Additions during the year		152	47
Deductions during the year		124	88
<b>Closing Balance</b>		<b>373</b>	345
<b>ACCUMULATED DEPRECIATION</b>			
Opening Balance		153	165
Additions during the year		54	48
Deductions during the year		79	60
<b>Closing Balance</b>		<b>128</b>	153
<b>NET BLOCK ( C )</b>		<b>246</b>	193
<b>IV) COMPUTERS</b>			
GROSS BLOCK			
Opening Balance		5,663	5,567
Additions during the year		197	195
Deductions during the year		-	99
<b>Closing Balance</b>		<b>5,860</b>	5,663
<b>ACCUMULATED DEPRECIATION</b>			
Opening Balance		5,142	5,125
Additions during the year		168	106
Deductions during the year		-	90
<b>Closing Balance</b>		<b>5,310</b>	5,142
<b>NET BLOCK (D)</b>		<b>549</b>	521

		(₹ in lakhs)	
SCHEDULES		As at 31-Mar-22	As at 31-Mar-21
<b>V). SOFTWARE</b>			
GROSS BLOCK			
Opening Balance		3,678	3,252
Additions during the year		931	426
Deductions during the year		-	-
<b>Closing Balance</b>		<b>4,610</b>	3,678
<b>ACCUMULATED DEPRECIATION</b>			
Opening Balance		2,654	1,486
Additions during the year		1,210	1,169
Deductions during the year		-	-
<b>Closing Balance</b>		<b>3,864</b>	2,654
<b>NET BLOCK (E)</b>		<b>745</b>	1,024
<b>VI) CAPITAL WORK IN PROGRESS (F)</b>		<b>2,792</b>	1,033
<b>Total-(A+B+C+D+E+F)</b>		<b>5,936</b>	<b>4,698</b>
<b>SCHEDULE 14 -- OTHER ASSETS</b>			
i	Stock of Stationery	74	83
ii	Deposits with BEST,Telephones & BMC	89	90
iii	Advance Income tax	20,729	14,879
iv	Tax deducted/collected at source	408	304
v	Miscellaneous Assets	5,442	5,674
vi	Securities Purchased under RBI Reverse Repo A/c	63,800	1,45,700
vii	Securities Receivable under RBI Repo A/c	-	-
viii	Securities Receivable Under CCIL TPR Repo A/C	-	-
ix	Security Deposits for Premises	1,716	1,704
x	Margin (cash) with CCIL	15	15
xi	Margin (cash) with Settlement Guarantee Fund	181	81
xii	Sundry Debtors	18	49
<b>Total</b>		<b>92,472</b>	<b>1,68,578</b>

## SCHEDULE 15 - NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022 AND BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2022.

### I. OVERVIEW:

SVC Co-operative Bank Ltd. ("the Bank") was incorporated in 1906 and has completed 116 years of providing wide range of Banking & Financial Services including Corporate Banking, Retail Banking products and Treasury Operations.

#### 1) BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act, 1949 as amended, and The Multi-State Co-operative Societies Act, 2002 and rules made thereunder, circulars and guidelines issued by The Reserve Bank of India (RBI) from time to time, the Accounting Standards (AS) issued by The Institute of Chartered Accountants of India (ICAI) and current practices prevailing within the Banking Industry in India.

#### 2) USE OF ESTIMATES

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

### II. SIGNIFICANT ACCOUNTING POLICIES:

#### 1) Accounting Convention:

The financial statements are drawn up in accordance with the historical cost and going concern concept and in accordance with generally accepted accounting principles and practices prevailing in the Banking Industry in India, except otherwise stated.

#### 2) Revenue Recognition:

Income and Expenditure are accounted on accrual basis except Rent on Safe Deposit Lockers is accounted for on receipt basis. Further, Interest on Advances which are classified as Sub-standard, Doubtful or Loss Assets, is recognized on realization, as per Income Recognition norms of RBI. Upon classification of a borrower account as Non-Performing Asset, unrealized interest till that date is accounted in Overdue Interest Reserve-I.

#### 3) Advances:

- Advances are classified into Standard, Sub-standard, Doubtful and Loss Assets in accordance with the guidelines issued by RBI from time to time.
- Provision on Advances categorized under Sub-standard, Doubtful and Loss Assets is made in accordance with the guidelines issued by RBI. In addition, a general provision has been made on all standard assets as per RBI Master Circular No. RBI/2021-22/117 DOR.No.STR.REC.64/21.04.048/2021-22 dated 1<sup>st</sup> November 2021 and in accordance with amendments and clarifications issued from time to time.
- The unrealized interest from the date of classification as Non-Performing Assets is disclosed separately under "Overdue Interest Reserve-II".

#### 4) Investments:

- The Bank has categorized the investments in accordance with RBI Circulars applicable to Urban Co-operative Banks. Accordingly, classification of investments for the purpose of valuation is done under the following categories:
  - Held to Maturity (HTM)
  - Available for Sale (AFS)
  - Held for Trading (HFT)
- Investments have been classified under five groups as required under RBI Circulars – Government Securities, Other approved Securities, Shares, Bonds of PSUs and Others, for the purpose of disclosure in the Balance Sheet.
- Investments under "Held to Maturity" category have been valued at acquisition cost. Premium, if any, on such investments is amortized over the residual life of the particular investment.

- Investments under "Held for Trading" and "Available for Sale" categories have been marked to market on the basis of guidelines issued by RBI. Net depreciation, if any, under each classification has been provided for, net appreciation, if any, has been ignored.
- Treasury bills, Commercial Papers and Certificate of Deposits under all the classifications have been valued at carrying cost.
- Units of Mutual Funds are valued at the lower of cost or Net Asset Value provided by the respective Mutual Funds.
- Security Receipts (SRs) are valued at Net Asset Value as provided by the Asset Reconstruction Companies (ARCs). However, when the investment in SRs backed by stressed loans transferred by Bank are more than 10 per cent of all SRs backed by its transferred loans and issued under that securitisation, the valuation of such SRs by the Bank will be additionally subject to a floor of face value of the SRs reduced by the provisioning rate as applicable to the underlying loans, had the loans continued in the books of the Bank.
- Market value in the case of State Government and Other Securities, for which quotes are not available, is determined on the basis of the "Yield to Maturity" indicated by Financial Benchmark India Pvt. Ltd (FBIL).
- Broken period interest on debt instruments is treated as a revenue item. Brokerage, commission, etc. pertaining to investments paid at the time of acquisition is charged to revenue.

#### 5) Cash Flow Statements (AS 3)

For the purpose of preparation of Cash Flow Statement, Cash and Cash Equivalents include highly liquid short term investments for short period in form of Cash, balances held in current accounts with other Banks (including Term Deposits maturing within 3 months) and Money at Call & Short Notice, in accordance with AS 3 issued by the ICAI.

#### 6) Property, Plant & Equipment (Fixed Assets) (AS 10):

- Fixed Assets, except Premises are stated at historical cost less accumulated depreciation in accordance with AS 10 issued by the ICAI. Fixed Assets include incidental expenses incurred on acquisition and installation of the assets.
- Depreciation is calculated on Written down Value (WDV) basis on fixed assets other than Premises, Civil Works, Computers and Software. Depreciation on Civil works and Computers is calculated on Straight Line Method (SLM). Depreciation on Premises is calculated over the remaining useful life, on SLM basis. The management has estimated the useful life of the Premises as 60 years.
- Premises have been last revalued in FY 2016-17 as per Valuation Reports of registered Government approved valuers. The surplus arising out of such revaluation is added to Premises and is accounted under Revaluation Reserve. In respect of revalued assets, the additional depreciation consequent to revaluation is transferred from Revaluation Reserve to General Reserve in the Balance Sheet.
- Fixed Assets are depreciated at the rates considered appropriate by the Management as under:

Particulars	Method of Depreciation	Rate
Civil Works	Straight- Line	10%
Furniture & Fixtures	Written Down Value	15%
Vehicles	Written Down Value	20%
Computers	Straight- Line	20%
Office Equipments	Written Down Value	25%

- Software is amortized over its useful life or 5 years, whichever is lower.
- Depreciation on fixed assets purchased during the year is charged when the asset is available for use. Depreciation is charged on fixed assets sold during the year till the end of previous quarter of the date on which asset is sold as per the generally accepted norms.

#### 7) The Effects of Changes in Foreign Exchange Rates (AS 11):

Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of transactions. Foreign currency monetary items are translated at the exchange rates as on the date of Balance Sheet as notified by Foreign Exchange Dealers Association of India (FEDAI). All profits/losses resulting from such revaluation are recognized in the Profit and Loss Account.

Outstanding forward exchange contracts and spot exchange contracts are revalued at the year end at exchange rates notified by FEDAI. The resulting gains or losses on revaluation are included in the Profit and Loss Account in accordance with RBI / FEDAI guidelines.

Contingent liabilities on account of foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.

**8) Accounting for Amalgamation (AS 14):**

Accounting for Amalgamation in case of amalgamated Banks with the Bank is carried out as per the guidelines issued by RBI, from time to time.

**9) Employee Benefits (AS 15) (Revised):**

- i) Provident Fund contribution is paid to Employees Provident Fund Organization (EPFO) and is accounted for on accrual basis.
- ii) The liability towards employee defined benefits such as Gratuity and Leave Encashment is assessed on actuarial valuation in accordance with Projected Unit Credit Method as per AS 15 (Revised) issued by the ICAI and the same is fully provided for.

**10) Segment Reporting (AS 17):**

In accordance with the AS 17 issued by the ICAI and guidelines issued by RBI, Segment Reporting is made as under:

- i) Treasury includes all investment portfolio, profit/loss on sale of investments, profit/loss on foreign exchange transactions and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation/amortization of premium on Held to Maturity category investments.
- ii) Corporate (including large advances) Banking.
- iii) Retail Banking.
- iv) Other Banking Operations include all other operations not covered under Treasury, Corporate Banking & Retail Banking.

**11) Leases (AS 19):**

Lease payments for assets taken on operating lease are recognized in the Profit and Loss Account on straight-line basis over the lease term in accordance with the AS 19 issued by the ICAI.

**12) Earnings Per Share (AS 20):**

Earnings per share is calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding as on the end of the year except when its results are anti-dilutive. The weighted average number of shares is calculated on monthly basis.

**13) Accounting for Taxes on Income (AS 22):**

- i) Tax expense comprises of both deferred and current taxes. Deferred Income Tax reflects the tax impact of timing differences between taxable income and accounting income as at year end and reversal of timing differences of earlier years.
- ii) Deferred Tax is based on tax rates and the tax laws enacted by the Balance Sheet date.
- iii) Deferred Tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

**14) Intangible Assets (AS 26):**

Software expenses are disclosed in accordance with AS 26 issued for Intangible Assets by the ICAI. The Bank has developed its own Banking Software which is used in-house as well as sold/leased to other Co-operative Entities. Cost incurred for development of the Software is capitalized and entire cost is amortized over a period of 3 years on straight-line (SLM) basis. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, Future economic benefits are probable. The entity has an intention and ability to complete and use or sell the software and the costs can be measured reliably.

**15) Impairment of Assets (AS 28) :**

The Bank assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. Impairment loss if any is recognized in the statement of Profit & loss to the extent, the carrying amount of asset exceeds its estimated recoverable amount.

**16) Provisions, Contingent Liabilities And Contingent Assets (AS 29):**

A provision is recognized when the Bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of Contingent Liability is made when there is:

- i) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- ii) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are not recognized in the financial statements. However, Contingent Assets are assessed continually.

**III. NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022:**

- 1) The audited financial statements were approved by Board of Director on 20<sup>th</sup> May, 2022. Subsequently, these audited financial statements have been revised to consider effect of RBI circular DOR.STR.REC.51/21.04.048/2022-23, dated 28<sup>th</sup> June, 2022 on valuation of Security Receipts.
- 2) Payments to Micro, Small, Medium Enterprises (MSME) registered suppliers, as per information available with the Bank, have been made within the timeline specified in Micro, Small, Medium Enterprises Development Act, 2006.

**3) EVENTS OCCURRING AFTER BALANCE SHEET DATE (AS 4)**

- i) The Board of Directors have proposed dividend of 12% (previous year 12%) on Equity Shares and 10.50% (Previous Year 10.50%) and 10% (Previous Year 10%) on PNCPS Series I and Series II, respectively for FY-2021-22. The Board of Directors have also proposed dividend of 10.50% and 10% on PNCPS Series I and Series II, respectively for F.Y. 2019-2020.
- ii) Security Receipts (SRs) subscribed by the Bank on or after 24<sup>th</sup> September, 2021 have been valued as required by Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (Master Directions). Hitherto, as per Paragraph 5(A)(c) of “Guidelines on Sale of Financial Assets to Securitisation Company / Reconstruction Company (SC / RC) by Multi State Urban Cooperative Banks” dated 28<sup>th</sup> March, 2014 and Paragraph 5(A)(c) of the ‘Annex VI – Guidelines on Sale of Financial Assets to ARC [Paragraph 12.2]’ of Master Circular on Investments by Primary (Urban) Co-operative Banks dated 20<sup>th</sup> September, 2021 issued, by Reserve Bank of India (RBI), SRs subscribed prior to 24<sup>th</sup> September, 2021 were valued at Net Asset Value provided by the Asset Reconstruction Companies (ARCs). Subsequently, the RBI has issued circular dated 28<sup>th</sup> June, 2022 having reference no. DOR.STR.REC.51/21.04.048/2022-23, as per which the difference between the carrying value of such SRs and the valuation arrived at as on the next financial reporting date, in accordance with the Master Directions issued by Reserve Bank of India, to be provided over a five-year period from F.Y. 2021-22 to F.Y. 2025-26. Accordingly, the Bank has provided during the year ₹ 37.40 Cr. being 20% of such amount and balance will be provided from F.Y. 2022-23 to F.Y. 2025-26, depending on respective year’s provisioning requirements.

As against pending SRs to be redeemed of ₹ 345.72 Cr., the Net Asset Value of the said SRs is ₹ 420.04 Cr.

**4) PRIOR PERIOD ITEMS (AS 5)**

There are no items of material significance in the prior period account requiring disclosure.

**5) PROPERTY, PLANT & EQUIPMENT (FIXED ASSET) (AS 10)**

- a) The Bank has accounted and made disclosure of gross and net block of Property, Plant & Equipment and depreciation in accordance with AS 10 issued by the ICAI.

**6) THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES (AS 11)**

The Bank has revalued all the outstanding Open Foreign Currency Positions and all the outstanding Forward as well as Spot Exchange Contracts, as per FEDAI rates as on the date of Balance Sheet and net exchange profit of ₹ 11.96 Cr. (Previous Year: ₹ 7.16 Cr.) representing net effect of realized and revalued exchange earnings is credited to Profit & Loss account in accordance with AS 11 issued by the ICAI.



**7) EMPLOYEE BENEFITS (AS 15)**

The details as required by AS 15 issued by the ICAI pertaining to Gratuity is as under:

(Amount in ₹ Cr.)

Sr. No.	Particulars	Gratuity (Funded) 31.03.2022	Gratuity (Funded) 31.03.2021
1	Discount rate	7.29%	6.88%
2	Expected Return on plan assets	6.84%	7.00%
3	Salary Escalation Rate	5.00%	5.00%
4	Reconciliation of opening and closing balance of the present value of the defined benefit obligation:		
i	Opening Present value of obligation	63.83	59.99
ii	Interest cost	4.23	3.95
iii	Current service cost	4.71	4.50
iv	Liability transfer in	-	-
v	Benefits paid	(7.77)	(5.46)
vi	Past Service Cost	-	-
vii	Actuarial (gains) / loss on obligations	0.01	0.85
viii	Present value of obligation as at Year End	65.01	63.83
5	Reconciliation of opening & closing balance of fair value of plan assets:		
i	Opening Fair value of plan assets	55.05	48.34
ii	Expected return on plan assets	3.80	3.75
iii	Contributions	5.58	5.46
iv	Transfer from other entities	-	-
v	Benefits paid	(6.86)	(2.14)
vi	Actuarial gain / (loss) on plan assets	0.09	(0.36)
vii	Fair value of plan assets as at Year End	57.66	55.05
6	Amount recognized in Balance Sheet		
i	Present value of obligations as at Year End	65.01	63.83
ii	Fair value of Plan Assets as at Year End	57.66	55.05
iii	Assets / (Liability) as at Year End	(7.35)	(8.78)
7	Expenses recognized in Profit and Loss Account		
i	Current service cost	4.71	4.50
ii	Interest cost	4.23	3.95
iii	Return on Plan Assets	(3.81)	(3.75)
iv	Past Service Cost	-	-
v	Net actuarial (gain) / loss	(0.07)	1.21
vi	Expenses recognized in Profit and Loss Account	5.06	5.91

Data as required by AS 15 issued by the ICAI pertaining to Leave Encashment is as under:

(Amount in ₹ Cr.)

Sr. No.	Particulars	Leave Encashment (Non Funded) 31.03.2022	Leave Encashment (Non Funded) 31.03.2021
1	Discount rate	7.29%	6.88%
2	Salary Escalation Rate	5.00%	5.00%
3	Total Actuarial Liability	48.77	45.45

**8) SEGMENT REPORTING (AS 17)**

Primary Segment Reporting (By Business Segments) is as under:

**Part A: Business segments**

(Amount in ₹ Cr.)

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Business		Total	
Particulars	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Revenue	130.74	65.54	373.44	358.15	1,096.34	1,204.47	-	-	1,600.54	1,628.16
Result	94.78	34.57	87.55	154.14	12.21	13.16	-	-	194.54	201.87
Unallocated expenses									-	-
Operating profit									194.54	201.87
Income taxes									47.68	51.65
Extraordinary profit / loss	-	-	-	-	-	-	-	-	-	-
Net profit									146.86	150.21

(Amount in ₹ Cr.)

Business Segments	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Business		Total	
Particulars	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Other information:										
Segment assets	5,446.18	6,088.12	10,881.15	10,171.97	3,107.13	3,020.84	-	-	19,434.46	19,280.93
Unallocated assets									3,161.11	2,886.05
Total assets									22,595.57	22,166.98
Segment liabilities	4,709.74	4,806.93	10,967.24	10,238.32	3,025.92	2,792.83	-	-	18,702.95	17,838.08
Unallocated liabilities									3,892.62	4,328.91
Total liabilities									22,595.57	22,166.98

- The Bank is catering mainly to the needs of Indian customers, operates as a single unit in India, hence, separate information regarding geographical segment is not given.
- Business segments are classified as under:
  - Treasury includes all investment portfolio, profit/loss on sale of investments, profit/loss on foreign exchange transactions and money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation/amortization of premium on Held to Maturity category investments.
  - Corporate (including large advances) Banking
  - Retail Banking.
  - Other Banking Operations include all other operations not covered under Treasury, Retail banking & corporate banking.
- The above segments are reported considering the nature of products/ services and their attributable risks/returns, overall organizational structure and the internal management reporting system of the Bank.

**9) RELATED PARTY DISCLOSURE (AS 18)**

Related Party transactions as at 31.03.2022 are as follows:

(Amount in ₹ Cr.)

Items/Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits	-	-	-	0.05	-	0.05
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	0.30	-	0.30
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received	-	-	-	0.01	0.00	0.01
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

Maximum Outstanding Balance of Related Party transactions during the year ended 31.03.2022 is as follows

(Amount in ₹ Cr.)

Items/Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel	Relatives of Key Management Personnel	Total
Borrowings	-	-	-	-	-	-
Deposits*	-	-	-	0.28	0.15	0.43
Placement of deposits	-	-	-	-	-	-
Advances	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Non-funded commitments	-	-	-	-	-	-
Leasing/HP arrangements availed	-	-	-	-	-	-
Leasing/HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	0.30	-	0.30
Sale of fixed assets	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Interest received*	-	-	-	0.01	0.00	0.01
Rendering of services	-	-	-	-	-	-
Receiving of services	-	-	-	-	-	-
Management contracts	-	-	-	-	-	-

\*Only balances / transactions upto 31<sup>st</sup> August, 2021 of Ex-Managing Director and his relatives have been considered in related party transactions

#### Key Management personnel

Sr No	Name of Key Management Personnel	Relatives of Key management Personnel	Nature of Relationship with Key Management Personnel
1	Mr Ashish Singhal (Managing Director w.e.f 1 <sup>st</sup> September 2021)	-	-
2	Mr Ajit E. Venugopalan (Managing Director upto 31 <sup>st</sup> August 2021)	1. Mrs. Shanthakumari E. Venugopalan 2. Mrs. Beena Ajit Venugopalan 3. Mrs. Sharmila Anil Venugopalan	1. Mother 2. Wife 3. Sister-in-law

#### 10) LEASES (AS 19)

Lease rental obligations in respect of assets taken on operating lease are charged to Profit and Loss Account on straight-line basis over the lease term. Initial direct costs are charged to Profit and Loss Account.

The Bank has cancellable operating leases and the disclosures under AS 19 on "Leases" issued by the ICAI are as follows:

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Future lease rental payable as at the end of the year:	171.13	174.90
- Not later than one year	36.54	37.45
- Later than one year and not later than five years	112.79	114.80
- Later than five years	21.79	22.65
Total of minimum lease payments recognized in the Profit and Loss Account for the year	43.10	34.65
Total of future minimum sub-lease payment expected to be received under non-cancellable sub-lease	-	-
Sub-lease payments recognized in the Profit and Loss Account for the year	-	-

#### 11) EARNINGS PER SHARE (EPS) (AS 20) :

(Amount in ₹ Cr.)

Sr No	Particulars	31.03.2022	31.03.2021
A	Amount used as numerator		
	Profit after tax (₹ in Cr.)	146.86	150.21
B	Nominal value of Share (₹ Per Share)	25	25
C	Weighted Number of Equity shares used as the denominator	3,60,70,918	3,63,50,531
D	EPS – Basic & Diluted (in ₹)	40.71	41.32

#### 12) ACCOUNTING FOR TAXES ON INCOME (AS 22)

The major components of Deferred Tax Assets/Liabilities (net) arising on account of timing differences between book profit and taxable profits as at 31<sup>st</sup> March, 2022 are as follows:

(Amount in ₹ Cr.)

Particulars	As on 31.03.2021	During 2021-22	As on 31.03.2022
<b>DTL on Account of</b>			
a) Depreciation	4.59	0.75	5.35
b) Special Reserve u/s. 36 (1) (viii) of The Income Tax Act, 1961	32.14	4.97	37.12
c) BDDR provision as per Income Tax Act	4.08	2.11	6.18
<b>Total (A)</b>	<b>40.81</b>	<b>7.83</b>	<b>48.65</b>
<b>DTA on account of</b>			
a) Provision for leave encashment	(11.44)	(0.84)	(12.27)
b) BDDR	(62.30)	(8.07)	(70.37)
c) Lease liability (straight-line)	-	(1.25)	(1.25)
<b>Total (B)</b>	<b>(73.74)</b>	<b>(10.15)</b>	<b>(83.89)</b>
<b>Net Deferred Tax Liability / (Asset)</b>	<b>(32.92)</b>	<b>(2.32)</b>	<b>(35.24)</b>

The application of Deferred Tax has resulted in a net credit of ₹. 2.32 Cr. to the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2022. The closing Deferred Tax Asset (net) of ₹. 35.24 Cr. has been shown separately in the Balance Sheet.

#### 13) IMPAIRMENT OF ASSETS (AS 28)

The Bank has ascertained that there is no material impairment of any of its assets and as such no provision under Accounting Standard 28 on Impairment of Assets issued by the ICAI is required

#### 14) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS 29):

i) Contingent Liabilities on account of Claims against Bank not acknowledged as debts, Bank Guarantees, Letters of Credit, Forward Contracts and Bills under Import LCs are as follows:

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Bank Guarantees	247.10	265.23
Letters of Credit	238.97	189.57
Forward Contracts	395.28	660.93
Bills under Import LCs	75.71	101.64
Standby Letters of Credit	17.24	5.37
<b>Total</b>	<b>974.30</b>	<b>1,222.74</b>

(ii) Transfers to Depositor Education and Awareness Fund (DEAF)

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Opening balance of amounts transferred to DEAF	32.80	27.60
Add: Amounts transferred to DEAF during the year	5.04	5.44
Less: Amounts reimbursed by DEAF towards claims	0.27	0.24
Closing balance of amounts transferred to DEAF	37.57	32.80

- 15) The Bank has written off an amount of ₹ 10.00 Cr. (Previous Year ₹ 30.99 Cr.) towards bad debts which is identified by the Management as irrecoverable, approved by the Board of Directors.

**IV: DISCLOSURE IN TERMS OF RBI GUIDELINES:**

**1) Regulatory Capital**

**a) Composition of Regulatory Capital is as follows:**

(Amount in ₹ Cr.)

Sr No	Particulars	31.03.2022	31.03.2021
i.	Paid up share capital and reserves (net of deductions, if any)	1,129.62	1,034.79
ii.	Other Tier 1 capital	20.21	20.21
iii.	Tier 1 capital (i + ii)	1,149.83	1,055.00
iv.	Tier 2 capital	608.15	632.82
v.	Total capital (Tier 1+Tier 2)	1,757.98	1,687.82
vi.	Total Risk Weighted Assets (RWAs)	13,055.28	12,153.79
vii.	Paid-up share capital and reserves as percentage of RWAs	8.65%	8.51%
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	8.81%	8.68%
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	4.66%	5.21%
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	13.47%	13.89%
xi.	Percentage of the shareholding of	Not Applicable	Not Applicable
	a) Government of India		
	b) State Government		
	c) Sponsor Bank		
xii.	Amount of paid-up equity capital raised during the year (net of refunds)	-1.56	1.44
xiii.	Amount of non-equity Tier 1 capital raised during the year, of which	-	6.39
xiv.	Perpetual Non-Cumulative Preference Shares – Series II	-	6.39
xv.	Amount of Tier 2 capital raised during the year, of which	-	100.00
xvi.	Long Term (Subordinated) Deposits - Series 8	-	100.00

- b) There has not been any drawdown from Reserves during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

**2) Asset Liability management**

**a) The maturity pattern of certain items of assets and liabilities of the Bank as at 31<sup>st</sup> March 2022 is as follows:**

(Amount in ₹ Cr.)												
Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months and to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits*	224.01	407.90	442.67	440.67	763.18	1,035.94	2,549.03	3,287.74	8,681.06	412.74	70.75	18,315.68
Advances*	261.49	221.15	424.69	232.01	105.61	114.39	314.08	614.52	5,542.50	2,269.15	3,264.76	13,364.35
Investments\$	8.34	0.59	23.52	2.41	5.17	21.66	21.01	424.93	122.96	695.58	3,726.83	5,053.00
Borrowings	-	-	-	-	-	-	-	-	-	-	346.02	346.02
Foreign Currency assets	13.29	-	2.88	14.82	15.95	17.46	7.11	12.15	31.45	12.29	-	127.40
Foreign Currency liabilities	16.82	0.03	0.05	-	1.80	-	2.52	6.35	9.77	0.95	-	38.29

**b) The maturity pattern of certain items of assets and liabilities of the Bank as at 31<sup>st</sup> March 2021 is as follows:**

(Amount in ₹ Cr.)											
Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months and to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Total
Deposits*	387.35	458.88	533.89	626.05	1,133.74	1,061.51	2,465.78	3,393.13	7,031.11	204.46	17,331.55
Advances*	160.32	199.14	327.53	201.68	102.00	205.66	313.08	574.81	5,007.09	1,826.11	12,327.98
Investments\$	7.31	-	0.64	1.37	2.37	25.38	65.84	217.94	76.02	456.74	4,559.24
Borrowings	-	-	-	-	-	-	-	-	-	-	446.02
Foreign Currency assets	7.68	1.99	1.98	5.52	12.73	6.72	9.21	6.57	25.19	10.97	88.56
Foreign Currency liabilities	16.73	0	0.44	0.37	5.55	1.99	2.11	9.1	16.04	1.47	53.80

\* Includes Foreign Currency balances.

\$ Includes Fixed Deposits with Other Banks and Call & Short Term Deposit in Foreign Currency.



3) Investments

a) Composition of Investment Portfolio as at 31<sup>st</sup> March 2022 is as follows:

Particulars	Investments in India						Investments Outside in India				(Amount in ₹ Cr.)	
	Government Securities	Other Approved Securities	Shares	Debentures & Bonds	Subsidiaries and/or Joint ventures	Others	Total Investments in India	Government Securities (including Local authorities)	Subsidiaries and/or Joint ventures	Others	Investments outside in India	Total Investments
<b>Held to Maturity</b>												
Gross	4,236.12	-	-	0.01	-	-	4,236.13	-	-	-	-	4,236.13
Less: Provision for non- performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	4,236.12	-	-	0.01	-	-	4,236.13	-	-	-	-	4,236.13
<b>Available for Sale</b>												
Gross	-	-	0.32	0.02	-	345.72	346.06	-	-	-	-	346.06
Less: Provision for depreciation & (NPI)	-	-	0.09	-	-	38.79	38.88	-	-	-	-	38.88
Net	-	-	0.23	0.02	-	306.93	307.18	-	-	-	-	307.18
<b>Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non- performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	<b>4,236.12</b>	<b>-</b>	<b>0.32</b>	<b>0.03</b>	<b>-</b>	<b>345.72</b>	<b>4,582.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,582.18</b>
Less: Provision for non- performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	0.09	-	-	38.79	38.88	-	-	-	-	38.88
Net	4,236.12	-	0.23	0.03	-	306.93	4,543.33	-	-	-	-	4,543.33

Composition of Investment Portfolio as at 31<sup>st</sup> March 2021 is as follows:

Particulars	Investments in India						Investments Outside in India				(Amount in ₹ Cr.)	
	Government Securities	Other Approved Securities	Shares	Debentures & Bonds	Subsidiaries and/or Joint ventures	Others	Total Investments in India	Government Securities (including Local authorities)	Subsidiaries and/or Joint ventures	Others	Investments outside in India	Total Investments
<b>Held to Maturity</b>												
Gross	3,894.09	-	-	0.01	-	-	3,894.10	-	-	-	-	3,894.10
Less: Provision for non- performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	3,894.09	-	-	0.01	-	-	3,894.10	-	-	-	-	3,894.10
<b>Available for Sale</b>												
Gross	-	-	0.32	0.02	-	343.42	343.76	-	-	-	-	343.76
Less: Provision for depreciation & (NPI)	-	-	0.09	-	-	8.53	8.62	-	-	-	-	8.62
Net	-	-	0.23	0.02	-	334.89	335.14	-	-	-	-	335.14
<b>Held for Trading</b>												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non- performing investments (NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Investments</b>	<b>3,894.09</b>	<b>-</b>	<b>0.32</b>	<b>0.03</b>	<b>-</b>	<b>343.42</b>	<b>4,237.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,237.86</b>
Less: Provision for non- performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	0.09	-	-	8.53	8.62	-	-	-	-	8.62
Net	3,894.09	-	0.23	0.03	-	334.89	4,229.24	-	-	-	-	4,229.24

**b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve is as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
<b>i) Movement of provisions held towards depreciation on investments</b>		
a) Opening balance	8.62	1.48
b) Add: Provisions made during the year	37.40	7.14
c) Less: Write off / write back of excess provisions during the year	7.13	-
d) Closing balance	38.88	8.62
<b>ii) Movement of Investment Fluctuation Reserve</b>		
a) Opening balance	44.00	43.34
b) Add: Amount transferred during the year	51.00	4.00
c) Less: Drawdown	21.00	3.34
d) Closing balance	74.00	44.00
<b>iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category</b>	21.38%	12.80%

**c) There are no transfers from HTM category, other than as permitted by RBI Guidelines.**
**d) Non-SLR investment portfolio**
**i) Non-performing Non-SLR investments are as follows:**

(Amount in ₹ Cr.)

Sr No	Particulars	31.03.2022	31.03.2021
1.	Opening balance	0.00	0.00
2.	Additions during the year since 1 <sup>st</sup> April	0.00	0.00
3.	Reductions during the above period	0.00	0.00
4.	Closing balance	0.00	0.00
5.	Total provisions held	0.00	0.00

**ii) Issuer composition of Non-SLR investments are as follows:**

(Amount in ₹ Cr.)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
1.	PSUs	-	-	-	-	-	-	-	-	-	-
2.	FIs	-	-	-	-	-	-	-	-	-	-
3.	Banks	0.08	0.08	0.07	0.07	-	-	0.07	0.07	0.07	0.07
4.	Private Corporates	0.02	0.02	-	-	-	-	-	-	-	-
5.	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
6.	Others	345.97	343.67	345.97	343.67	-	-	0.25	0.25	345.97	343.67
7.	Provision held towards depreciation	38.88	8.62	38.88	8.62	-	-	0.09	0.09	38.88	8.62
8.	Total	307.19	335.15	307.16	335.12	-	-	0.23	0.23	307.16	335.12

**e) Repo Transactions (in face value terms) are as follows:**
**Details of Repo Transactions during the year ended 31<sup>st</sup> March, 2022:**

(Amount in ₹ Cr.)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31.03.2022
<b>i) Securities sold under repo</b>				
a) Government securities	5.00	526.00	128.15	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
<b>ii) Securities purchased under reverse repo</b>				
a) Government securities	70.00	1,748.00	608.59	638.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

**Details of Repo Transactions during the year ended 31<sup>st</sup> March, 2021:**

(Amount in ₹ Cr.)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31.03.2021
<b>i) Securities sold under repo</b>				
a) Government securities	10.00	621.00	221.87	-
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-
<b>ii) Securities purchased under reverse repo</b>				
a) Government securities	7.00	1,457.00	283.44	1,457.00
b) Corporate debt securities	-	-	-	-
c) Any other securities	-	-	-	-

4) Asset Quality

a) Classification of advances and provisions held as at 31.03.2022 are as follows:

(Amount in ₹ Cr.)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances (incl. OIR-I)	
Gross Standard Advances and NPAs						
Opening Balance (as at 01.04.2021)	11,840.13	199.54	264.77	23.54	487.85	12,327.98
Add: Additions during the year					374.65	-
Less: Reductions during the year					367.36	-
Closing balance (as at 31.03.2022)	12,869.20	118.32	330.95	45.87	495.14	13,364.34
Reductions in Gross NPAs due to:						
i) Up gradation					280.78	-
ii) Recoveries (excluding recoveries from upgraded accounts)					42.23	-
iii) Technical/ Prudential Write-offs					12.54	-
iv) Write-offs other than those under (iii) above Note: Amount considered of Transfer of Loan to ARC					31.81	-
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held (as at 01.04.2021)	57.89	18.59	179.64	23.39	221.62	279.51
Add: Fresh provisions made during the year					30.41	-
Less: Excess provision reversed/ Write-off loans					10.00	-
Closing balance of provisions held (as at 31.03.2022)	68.01	11.60	184.96	45.47	242.03	310.04
<b>Net NPAs*</b>						
Opening Balance ( as at 01.04.2021)		153.19	90.46	-	243.64	
Add: Fresh additions during the year					104.44	
Less: Reductions during the year					108.65	
Closing Balance (as at 31.03.2022)		94.97	144.46	-	239.43	-

\*Excluding unrealized interest in outstanding balances on accounts marked as NPA

(Amount in ₹ Cr.)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances (incl. OIR-I)	
<b>Floating Provisions</b>						
Opening Balance (as at 01.04.2021)						-
Add: Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing balance of floating provisions (as at 31.03.2022)						-
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts (as at 01.04.2021)						297.68
Add: Technical/ Prudential write-offs during the year						10.00
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						10.98
Closing balance (as at 31.03.2022)						296.70

Classification of advances and provisions held as at 31.03.2021 are as follows:

(Amount in ₹ Cr.)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances (incl. OIR-I)	
Gross Standard Advances and NPAs						
Opening Balance (as at 01.04.2020)	11,173.43	154.88	203.54	76.13	434.55	11,607.97
Add: Additions during the year					202.97	-
Less: Reductions during the year					149.66	-
Closing balance (as at 31.03.2021)	11,840.13	199.54	264.77	23.54	487.85	12,327.98
Reductions in Gross NPAs due to:						
i) Up gradation					8.35	-
ii) Recoveries (excluding recoveries from upgraded accounts)					52.27	-
iii) Technical/ Prudential Write-offs					31.90	-
iv) Write-offs other than those under (iii) above					57.13	-
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held (as at 01.04.2020)	56.72	15.06	160.10	29.47	204.63	261.35
Add: Fresh provisions made during the year					58.62	-
Less: Excess provision reversed/ Write-off loans					41.62	-
Closing balance of provisions held (as at 31.03.2021)	57.89	18.59	179.65	23.39	221.63	279.52
<b>Net NPAs*</b>						
Opening Balance ( as at 01.04.2020)		102.34	69.89	33.41	205.64	
Add: Fresh additions during the year					167.32	
Less: Reductions during the year					129.32	
Closing Balance (as at 31.03.2021)		153.19	90.46	-	243.64	-

\*Excluding unrealized interest in outstanding balances on accounts marked as NPA



(Amount in ₹ Cr.)

Particulars	Standard	Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advance
<b>Floating Provisions</b>					
Opening Balance (as at 01.04.2020)					-
Add: Additional provisions made during the year					-
Less: Amount drawn down during the year*					-
Closing balance of floating provisions (as at 31.03.2021)					-
<b>Technical write-offs and the recoveries made thereon</b>					
Opening balance of Technical/ Prudential written-off accounts (as at 01.04.2020)					274.57
Add: Technical/ Prudential write-offs during the year					30.99
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					7.88
Closing balance (as at 31.03.2021)					297.68

Ratios (in per cent)	31.03.2022	31.03.2021
Gross NPA to Gross Advances	3.70%	3.96%
Net NPA to Net Advances	1.83%	2.02%
Provision coverage ratio	48.88%	45.43%

**b) Overseas assets, NPAs and revenue**

Bank does not have overseas assets, NPA and Revenue during previous year and current year.

**c) Sector wise Advances & Gross NPAs are as follows:**

(Amount in ₹ Cr.)

Sr. No	Sector	31.03.2022			31.03.2021		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>i) Priority Sector</b>							
a.	Agriculture and allied activities	254.35	15.65	6.15%	266.74	-	-
b.	Advances to industries sector eligible as priority sector lending	3,306.76	88.29	2.67%	2,891.46	128.95	4.46%
c.	Services	1,532.65	89.08	5.79%	1,758.00	133.03	7.57%
d.	Personal loans	616.66	12.95	2.14%	549.93	11.41	2.07%
	<b>Subtotal (i)</b>	<b>5,710.42</b>	<b>205.97</b>	<b>3.61%</b>	<b>5,466.13</b>	<b>273.39</b>	<b>5.00%</b>
<b>ii) Non-priority Sector</b>							
a.	Agriculture and allied activities	366.25	-	-	269.65	-	-
b.	Industry	3,497.39	192.77	3.55%	5,176.94	191.61	3.70%
c.	Services	888.26	84.71	13.11%	602.80	11.99	2%
d.	Personal loans	2,902.03	11.69	2.48%	812.45	10.86	1.34%
	<b>Subtotal (ii)</b>	<b>7,653.92</b>	<b>289.17</b>	<b>3.78%</b>	<b>6,861.84</b>	<b>214.46</b>	<b>3.12%</b>
	<b>Total (i + ii)</b>	<b>13,364.34</b>	<b>495.14</b>	<b>3.70%</b>	<b>12,327.98</b>	<b>487.85</b>	<b>3.96%</b>

(Amount in ₹ Cr.)

**d) Details of accounts subjected to restructuring are as follows:**

Particulars	Agriculture & Allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021
Standard	Number of Borrowers	-	-	1	5	7	36	4	41	12
	Gross Amount (₹ in Cr.)	-	-	39.15	117.60	22.29	15.20	1.42	132.80	62.86
	Provision held (₹ in Cr.)	-	-	3.81	11.76	1.34	1.52	0.14	13.28	5.30
Sub-Standard	Number of Borrowers	-	-	-	-	-	-	-	-	-
	Gross Amount (₹ in Cr.)	-	-	-	-	-	-	-	-	-
	Provision held (₹ in Cr.)	-	-	-	-	-	-	-	-	-
Doubtful	Number of Borrowers	-	-	-	-	-	-	-	-	-
	Gross Amount (₹ in Cr.)	-	-	-	-	-	-	-	-	-
	Provision held (₹ in Cr.)	-	-	-	-	-	-	-	-	-
Total	Number of Borrowers	-	-	1	5	7	36	4	41	12
	Gross Amount (₹ in Cr.)	-	-	39.15	117.60	22.29	15.20	1.42	132.80	62.86
	Provision held (₹ in Cr.)	-	-	3.81	11.76	1.34	1.52	0.14	13.28	5.30

Amount and number of accounts in respect of which restructuring applications received and under process, but the restructuring packages have not yet been approved – Nil (Nil) as on 31<sup>st</sup> March2022.

**e) Disclosure of transfer of loan exposures / loans acquired are as follows:**

**i. Details of stressed loans transferred during the year ended 31<sup>st</sup> March, 2022**

(Amount in ₹ Cr.)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	13	-	-
Aggregate principal outstanding of loans transferred	30.15	-	-
Weighted average residual tenor of the loans transferred	1.51	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-
Aggregate consideration	13.70	-	-
Additional consideration realized in respect of accounts transferred in earlier years	1.56	-	-

BDDR ARC disclosed under schedule 2 represents the aggregate gain over net book value of the asset sold to SC/RC as on 31-03-2022.

**ii. Details of loans acquired during the year ended 31<sup>st</sup> March, 2022**

(Amount in ₹ Cr.)

Particulars	From SCBs, RRBs, UCBs, SCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies(HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average residual tenor of loans acquired	-	-

**iii. Details of transfer of loan exposures during the year ended 31<sup>st</sup> March, 2021**

(Amount in ₹ Cr.)

Particulars	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	1	-	-
Aggregate principal outstanding of loans transferred	57.13	-	-
Weighted average residual tenor of the loans transferred	-	-	-
Net book value of loans transferred (at the time of transfer)	42.53	-	-
Aggregate consideration	57.30	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-	-

BDDR ARC disclosed under schedule 2 represents the aggregate gain over net book value of the asset sold to SC/RC as on 31-03-2021.

**iv. Details of loans acquired during the year ended 31<sup>st</sup> March, 2021**

(Amount in ₹ Cr.)

Particulars	From SCBs, RRBs, UCBs, STCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies(HFCs)	From ARCs
Aggregate principal outstanding of loans acquired	-	-
Aggregate consideration paid	-	-
Weighted average residual tenor of loans acquired	-	-

**v. Distribution of the Security Receipts held as on 31<sup>st</sup> March, 2022**

(Amount in ₹ Cr.)

Sr. No.	Recovery Rating assigned by Credit Rating Agency	31.03.2022	31.03.2021
1	RR1	234.37	209.24
2	RR2	76.54	61.51
3	NR2	1.27	2.08
4	RR3	21.89	21.89
5	Rating yet to be Assigned	11.65	48.71
	<b>Total</b>	<b>345.72</b>	<b>343.42</b>

**f) Fraud Accounts are as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Number of frauds reported	1	2
Amount involved in fraud	0.05	50.04
Amount of provision made for such frauds	0.00*	43.40
Amount of Unamortized provision debited from 'other reserves' as at the end of the year (₹ lakhs)	0.00	0.00

\*Provision for amount involved in fraud is not created as same has been recovered.

**g) Disclosure under Resolution Framework for COVID-19-related Stress as on 31.03.2022 is as follows:**

**Disclosure on accounts restructured under Prudential Framework, vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 for the half year ended 31<sup>st</sup> March 2022.**

(Amount in ₹ Cr.)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans	1.45	-	-	0.01	1.44
Corporate persons	59.84	-	-	0.49	62.32
Of which MSMEs	18.69	-	-	0.15	19.15
Others	41.15	-	-	0.33	43.17
<b>Total</b>	<b>61.29</b>	<b>-</b>	<b>-</b>	<b>0.49</b>	<b>63.76</b>

**Disclosure on accounts restructured under Prudential Framework, vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 for the half year ended 30<sup>th</sup> September, 2021.**

(Amount in ₹ Cr.)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans	1.42	-	-	-	1.45
Corporate persons	61.44	2.99	-	1.24	59.84
Of which MSMEs	22.29	2.99	-	1.18	18.69
Others	39.15	-	-	0.06	41.15
<b>Total</b>	<b>62.86</b>	<b>2.99</b>	<b>-</b>	<b>1.24</b>	<b>61.29</b>

**Disclosure on accounts restructured under Prudential Framework, vide circular ref. RBI/2021-22/31 DOR.STR.REC.12/21.04.048/2021-22 dated 5<sup>th</sup> May, 2021 for the half year ended 31<sup>st</sup> March 2022.**

(Amount in ₹ Cr.)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans	15.62	-	-	0.06	15.20
Corporate persons	120.02	-	-	0.17	117.60
Of which MSMEs	120.02	-	-	0.17	117.60
Others	-	-	-	-	-
<b>Total</b>	<b>135.65</b>	<b>-</b>	<b>-</b>	<b>0.24</b>	<b>132.80</b>

**Disclosure on accounts restructured under Prudential Framework, vide circular ref. RBI/2021-22/31 DOR.STR.REC.12/21.04.048/2021-22 dated 5<sup>th</sup> May, 2021 for the half year ended 30<sup>th</sup> September, 2021.**

(Amount in ₹ Cr.)

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous year (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans	15.66	-	-	0.14	15.62
Corporate persons	118.79	-	-	4.86	120.02
Of which MSMEs	118.79	-	-	4.86	120.02
Others	-	-	-	-	-
<b>Total</b>	<b>134.46</b>	<b>-</b>	<b>-</b>	<b>5.00</b>	<b>135.65</b>

**Disclosures with respect to Resolution Framework – 2.0 related to stress of Individuals and Small Businesses as per circular ref. RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated 5<sup>th</sup> May, 2021**

(Amount in ₹ Cr.)

Sr. No.	Particulars	Individual Borrowers		Small Business
		Personal Loans	Business Loans	
(A)	Number of requests received for invoking resolution process under Part A	40	-	5
(B)	Number of accounts where resolution plan has been implemented under this window	48	-	26
(C)	Exposure to accounts mentioned at (B) before implementation of the plan	15.62	-	118.25
(D)	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
(E)	Additional funding sanctioned, if any, including between invocation of the plan and implementation	-	-	-
(F)	Increase in provisions on account of the implementation of the resolution plan	1.52	-	11.76

**5) Exposures**

**a) Exposure to real estate sector is as follows:**

(Amount in ₹ Cr.)

Category	31.03.2022	31.03.2021
i) Direct exposure		
a) Residential Mortgages –	1,213.51	1,251.05
b) Commercial Real Estate –	893.80	1,051.79
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	-	-
ii. Commercial Real Estate	-	-
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
<b>Total Exposure to Real Estate Sector</b>	<b>2,107.31</b>	<b>2,302.83</b>



**b) Exposure to capital market is as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.32	0.32
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	-	-
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	33.82	40.32
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
vi) Loans sanctioned to Corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii) Bridge loans to companies against expected equity flows / issues;	-	-
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	-	-
ix) Financing to stockbrokers for margin trading;	-	-
x) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
<b>Total exposure to capital market</b>	<b>34.14</b>	<b>40.64</b>

**c) Risk category-wise country exposure is as follows:**

(Amount in ₹ Cr.)

Risk Category	Exposure (net) as at (31.03.2022)	Provision held as at (31.03.2022)	Exposure (net) as at (31.03.2021)	Provision held as at (31.03.2021)
Insignificant	-	-	-	-
Low	98.81	-	46.42	-
Moderately Low	-	-	-	-
Moderate	1.36	-	5.85	-
Moderately High	-	-	-	-
High	1.53	-	-	-
Very High	-	-	-	-
<b>Total</b>	<b>101.69</b>	<b>-</b>	<b>52.27</b>	<b>-</b>

**d) Unsecured Advances are as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Total unsecured advances of the bank	23.77	27.98
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

**e) Unhedged foreign currency exposure**

Foreign Exchange Policy of the Bank covers the provisions related to monitoring and review of unhedged foreign currency exposure and related norms.

**6) Concentration of Deposits, Advances, Exposures and NPAs**

**a) Concentration of Deposits are as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Total deposits of the twenty largest depositors	1,196.99	1,040.97
Percentage of deposits of twenty largest depositors to total deposits of the bank	6.53%	6.01%

**b) Concentration of Advances are as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Total advances to the twenty largest borrowers	2,697.14	2,589.93
Percentage of advances to twenty largest borrowers to total advances of the bank	20.18%	21.01%

**c) Concentration of Exposures are as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Total exposure to the twenty largest borrowers/customers	2,697.14	2,589.93
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	15.99%	16.53%

**d) Concentration of NPAs are as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Total Exposure to the top twenty NPA accounts	420.11	406.53
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	84.85%	83.33%

**7) Derivatives**

The Bank has not entered into any transactions in derivatives during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

**8) Disclosure of complaints**
**a) Summary information on complaints received by bank from customers and from offices of Ombudsman are as follows:**

Sr. No.	Particulars	31.03.2022	31.03.2021
<b>Complaints received by the bank from its customers</b>			
1.	Number of complaints pending at beginning of the year	-	-
2.	Number of complaints received during the year	217	47
3.	Number of complaints disposed during the year	210	47
3.1	Of which, number of complaints rejected by the bank	-	-
4.	Number of complaints pending at the end of the year	7	-
<b>Maintainable complaints received by the bank from Office of Ombudsman</b>			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	33	36
5.1	Of 5, number of complaints resolved in favor of the bank by Office of Ombudsman	33	36
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	-	-
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

**b) Top five grounds of complaints received by the bank from customers are as follows:**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1.	2.	3.	4.	5.	6.
<b>31.03.2022</b>					
Account opening/ difficulty in operation of accounts	-	19	90%	-	-
ATM/Debit Cards	-	28	600%	1	1
Internet/Mobile/Electronic Banking	-	20	33%	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	18	350%	1	1
Loans and advances	-	36	620%	1	1
Others	-	96	967%	4	4
<b>Total</b>	-	<b>217</b>	<b>362%</b>	<b>7</b>	<b>7</b>
<b>31.03.2021</b>					
Account opening/ difficulty in operation of accounts	-	10	250%	-	-
ATM/Debit Cards	-	4	-33%	-	-
Internet/Mobile/Electronic Banking	-	15	150%	-	-
Levy of charges without prior notice/ excessive charges/ foreclosure charges	-	4	0%	-	-
Loans and advances	-	5	67%	-	-
Others	-	9	956%	-	-
<b>Total</b>	-	<b>47</b>	<b>88%</b>	-	-

**9) Disclosure of penalties imposed by RBI**

- RBI has imposed penalty of ₹ 0.38 Cr. (Previous Year ₹ Nil) during the year ended 31<sup>st</sup> March 2022 in respect of inspection held for financial year 2019-20 for delay in reporting frauds to RBI and non-payment of interest in current accounts of deceased individual depositors / sole proprietorship concerns. The same has been remitted during financial year 2021-22.
- No penalty has been levied on the Bank for bouncing of SGL Forms.

**10) Disclosures on Remuneration**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Annual Remuneration of Material Risk takers	7.35	4.92

**11) Other Disclosures**
**a) Business ratios are as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
i) Interest Income as a percentage to Working Funds	7.36%	8.14%
ii) Non-interest income as a percentage to Working Funds	0.93%	0.77%
iii) Cost of Deposits	4.85%	5.69%
iv) Net Interest Margin	3.17%	3.04%
v) Operating Profit as a percentage to Working Funds	1.48%	1.41%
vi) Return on Assets	0.76%	0.82%
vii) Business (deposits plus advances) per employee (₹ in Cr.)	12.90	11.75
viii) Profit per employee (₹ in Cr.)	0.06	0.06

**b) Bancassurance business is as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
From Selling Life Insurance Policies	4.76	4.70
From Selling Non-Life Insurance Policies	0.32	0.35
From Selling Health Insurance Policies	0.80	0.77
<b>Total</b>	<b>5.88</b>	<b>5.82</b>

**c) Marketing and distribution is as follows:**

(Amount in ₹ Cr.)

Particulars	31.03.2022	31.03.2021
Income under PMJJBY scheme	0.05	0.06
Income under PMSBY scheme	-	0.01
Commission on sale of Mutual Fund	0.43	0.35
<b>Total</b>	<b>0.48</b>	<b>0.42</b>

**d) Disclosures regarding Priority Sector Lending Certificates (PSLCs):**

 The Bank has purchased the following PSLCs during the year ended 31<sup>st</sup> March, 2022:

(Amount in ₹ Cr.)

Sr. No.	Category	31.03.2022	31.03.2021
1.	PSLC General	500.00	-

 The Bank did not sell any PSLCs during the year ended 31<sup>st</sup> March, 2022 and 31<sup>st</sup> March, 2021.

**e) Provisions and contingencies are as follows:**

(Amount in ₹ Cr.)

Provisions debited to Profit and Loss Account	31.03.2022	31.03.2021
i) Provisions for NPI	-	-
ii) Provision towards NPA	30.41	27.62
iii) Provision made towards Income tax		
- Current Tax	50.00	42.81
- Deferred Tax	(2.32)	8.84
iv) Other Provisions and Contingencies (with details)		
a) Gratuity	5.06	5.91
b) Contingent provision against Standard Assets	10.13	1.17
c) Leave Encashment	17.69	19.32
d) Provision for Depreciation on Investment	-	1.19
e) BDDR (ARC) (Net)	11.65	10.63

**f) Payment of DICGC Insurance Premium is as follows:**

(Amount in ₹ Cr.)

Sr. No.	Particulars	31.03.2022	31.03.2021
1.	Payment of DICGC Insurance Premium	20.78	19.91
2.	Arrears in payment of DICGC premium	-	-

**g) Disclosure of facilities granted to directors and their relatives:**

Bank has not granted any fund or non-fund based facilities to directors, their relatives, companies or firms in which they are interested during financial year 2020-21 & financial year 2021-22.

**h) Factoring business**

Bank does not carry factoring business.

**i) CAPITAL CHARGE ON MARKET RISK :**

Market Risk in Trading Book-Standardized Modified Duration Approach.

**Qualitative Disclosures:**
Strategies and Processes:

- Investment Policy which includes Market Risk Management is in line with the RBI regulations vide circular UBD.BPD.(PCB). Cir. No. 42 /09.11.600/2009-10 dated February 8, 2010 and business requirements.
- The overall objective of market risk management is to enhance profitability by improving the Bank's competitive advantage and reducing loss from all types of market risk loss events.

Scope and Nature of Risk Reporting/Measurement Systems:

- The Bank has regulatory/internal limits for various instruments in place.
- Various exposure limits for market risk management such as Overnight limit, VaR limit, Daylight limit, Aggregate Gap limit, Investment limit etc. are in place.
- The portfolio covered by Standardized Modified Duration Approach for computation of Capital Charge for Market Risk includes investment portfolio held under HFT and AFS and Forex Open positions as per RBI regulations vide circular UBD.BPD.(PCB). Cir. No. 42 /09.11.600/2009-10 dated February 8, 2010 on "Prudential Guidelines on Capital Charge for Market Risks"

**Quantitative Disclosures:**

(Amount in ₹ Cr.)

Particulars	Amount of Capital required 31.03.2022	Amount of Capital required 31.03.2021
Interest Rate Risk	0.00	0.00
Equity Position Risk	0.30	0.24
Foreign Exchange Risk	1.80	1.80

- Consequent to the outbreak of COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government. But regional post COVID-19 restrictions continued to be implemented in areas with significant numbers of COVID-19 cases. India had experienced "second wave" of the COVID-19 pandemic in April – May 2021 for the following the discovery mutant variant, leading to re-imposition of regional lockdowns. These were gradually lifted as the Second wave subsided. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has lead to significant volatility in global and Indian financial markets and of significant decrease in global and local economic activities.

India is emerging from the COVID-19 pandemic. The extent to which any new wave of COVID-19 will impact the Bank's operation and financial result will depend on on-going as well as future developments, including, among other things, any new information concerning the severity of the COVID-19 pandemic, and any action to contain its spread or mitigate its impact whether Government – mandated or elected by the Bank.

- Bank has exercised Call option on Long-term (Subordinated) Deposits (LTDs) – Series 5 and have made payment to the Long-term (Subordinated) deposit holders to the tune of ₹ 100 Cr. during the year.
- Bank had acquired Bangalore Central Co-operative Bank Ltd (BCCB) in financial year 2006-07; vide merger order dated February 15, 2007 from the Registrar of Central Co-operative Societies in Karnataka, Bangalore. The paid up share capital of BCCB of ₹ 3.62 Cr. as on 31<sup>st</sup> March, 2007; was kept intact and carried forward in the books of Bank at book value. As per the terms of Merger, it was decided to repay those shareholders of the erstwhile Bangalore Central Co-operative Bank Ltd., claiming refund of Share Capital, the full value of shares held by them, provided the shareholders are able to provide the required documentary proof and that they have no liability or dues owing to the acquired Bank (The bank). The other shareholders had to conform to a minimum shareholding as per the Merger Order/ Byelaws of the Bank. A period of more than 14 years has elapsed since the merger. Henceforth, Bank does not anticipate any major claim from the erstwhile BCCB shareholders. During the year, Bank has transferred ₹ 0.39 Cr. from Paid up Capital of Acquired bank BCCB to Statutory Reserve.
- RBI vide its Email dated 11<sup>th</sup> March 2022 and Central Registrar of Co-operative Societies, New Delhi vide letter ref F.No. R-11017/74/2012- L&M dated 30<sup>th</sup> March 2022 have provided approval to Bank to raise funds by issuance of Long-term (Subordinated) Deposits (LTDs) - Series 9 of ₹ 100 Cr. with interest @ 7.75% p.a., payable quarterly for a period of 10 years.
- RBI vide its Letter ref एच.के.का.विसेस /12.01.072/S3378/2021-22 dated 18<sup>th</sup> February, 2022 and Central Registrar of Co-operative Societies, New Delhi vide its letter ref F.No. R-11017/74/2012- L&M dated 24<sup>th</sup> March, 2022 have provided approval to Bank to raise funds by issuance of Perpetual Non-Cumulative Preference Shares (PNCPs) - Series III of ₹ 50 Cr. at a dividend rate of 9.50% p.a.
- Figures given in brackets pertain to earlier year, unless otherwise specified.
- Previous year's figures have been re-grouped/re-arranged wherever necessary to conform to the presentation of the accounts of the current year.

AS PER OUR REPORT OF EVEN DATE  
FOR **M/s MUKUND M. CHITALE & CO.**  
CHARTERED ACCOUNTANTS  
(F.R. No.106655W)

**NILESH RS. JOSHI**  
MEMBERSHIP NO. 114749  
PARTNER  
STATUTORY AUDITORS

FOR **P G BHAGWAT LLP**  
CHARTERED ACCOUNTANTS  
(F.R. No.101118W/W100682)

**NACHIKET DEO**  
MEMBERSHIP NO. 117695  
PARTNER  
STATUTORY AUDITORS

**PLACE : MUMBAI**  
**DATE : JULY 25, 2022**

**DILIP J. PENDSE**  
CHIEF FINANCIAL OFFICER

**ASHISH SINGHAL**  
MANAGING DIRECTOR

**MAITREYI S. SANADI**  
DIRECTOR

**UDAYKUMAR P. GURKAR**  
VICE-CHAIRMAN

**DURGESH S. CHANDAVARKAR**  
CHAIRMAN



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

		(₹ in lakhs)			
Sr. No.	Particulars	F.Y. 2021-22		F.Y. 2020-21	
		Amount	Amount	Amount	Amount
	<b>Cash flows from Operating Activities</b>				
I	Net Profit Before Tax		19,454		20,186
II	<b>Add: Adjustments for</b>				
	Depreciation on Fixed Assets	4,019		4,059	
	Depreciation on Securities	3,740		595	
	Interest Paid on Borrowing	3,467		4,278	
	Premium on Securities Amortised	649		590	
	(Profit) / Loss on Sale of Assets	(28)		62	
	Gratuity Payable to Staff	506		591	
	Provision for Bad & Doubtful Debts	3,041		2,762	
	BDDR (ARC) (Net)	1,165		-	
	Contingent Provision Against Standard Assets	1,013		117	
	Provision for Leave Encashment	1,769		1,932	
	Provision for Depreciation on Investment	-		119	
	Provision Towards Other Doubtful Assets	42		4	
	Excess Investment Depreciation Reserve Written back	(714)	18,667	-	15,110
III	Profit on sale of ARC, Nominal Mem. Fees, Charities		50		455
IV	<b>Adjustments for</b>				
	(Increase) / Decrease in Investment	(47,901)		26,586	
	(Increase) / Decrease in Interest Receivable on Investment	(804)		1,030	
	(Increase) / Decrease in Other Assets	161		(1,064)	
	(Increase) / Decrease in Advances	(1,04,637)		(75,100)	
	(Increase) / Decrease in Interest Receivable on Advances	(490)		(490)	
	Increase / (Decrease) in Deposits	98,413		83,072	
	Increase / (Decrease) in Other liability	(16,154)		11,348	
	Increase / (Decrease) in Interest Payable	(901)		(254)	
	Increase / (Decrease) in Overdue Interest Reserve	(1,024)		906	
	(Increase) / Decrease in Branch Adjustment	3,819	(69,518)	(327)	45,706
V	<b>Cash flow from Operating Activities Before Tax (I+II+III+IV)</b>		(31,347)		81,458
	Income Tax Paid		(5,955)		(4,391)
	<b>Net Cash from Operating Activities After Tax (A)</b>		(37,302)		77,066
	<b>Cash flows from Investing Activities</b>				
	Purchase of Fixed Assets	(3,055)		(2,028)	
	<b>Net Cash from Investing Activities (B)</b>		(3,055)		(2,028)
	<b>Cash flows from Financing Activities</b>				
	Proceeds from issuance of Equity Share Capital	(156)		144	
	Proceeds from issuance of PNCPS Capital	-		639	
	Repayment of Borrowing	(10,000)		(34,100)	
	Interest Paid on Borrowing	(3,467)		(4,278)	
	Dividend Paid	(1,295)		-	
	<b>Net Cash used in Financing Activities (C)</b>		(14,918)		(37,595)
	<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A + B + C)</b>		(55,275)		37,443

		(₹ in lakhs)			
Sr. No.	Particulars	F.Y. 2021-22		F.Y. 2020-21	
		Amount	Amount	Amount	Amount
	<b>Cash &amp; Cash Equivalents at the beginning of the year</b>		2,30,433		1,92,990
	<b>Cash &amp; Cash Equivalents at the end of the year</b>		1,75,158		2,30,433
	<b>Notes:</b>				
	<b>Cash &amp; Cash Equivalents:</b>				
	Cash		98,370		79,718
	Money at Call & Short Notice		65,240		1,47,016
	Balance with Other Banks (excluding Term Deposits maturing beyond 3 months)		11,549		3,699
			1,75,158		2,30,433

Cash Flow Statement is prepared by using Indirect Method as mentioned in AS 3.

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VICE-CHAIRMAN

**DURGESH S. CHANDAVARKAR**  
CHAIRMAN

## APPENDIX

### OUR BORROWERS

(₹ in Crores)

ADVANCES	No. of A/cs	Amount	%
Upto ₹ 1,00,000	7,589	39.92	0.30
₹ 1,00,000 - ₹ 1,00,00,000	25,836	2,812.74	21.05
ABOVE ₹ 1,00,00,000	1,712	10,511.69	78.65
<b>TOTAL</b>	<b>35,137</b>	<b>13,364.35</b>	<b>100.00</b>

### SECTORAL DEPLOYMENT OF FUNDS

(₹ in Crores)

SECTOR	No. of A/cs	Amount	%
Agriculture and Allied Activities	67	620.60	4.64
Micro Small & Medium Enterprises	2,700	4,789.87	35.84
Large Enterprises	1,696	4,385.64	32.82
Export Credit	22	42.21	0.32
Education	5,860	211.90	1.59
Housing	12,115	1,358.01	10.16
Social Infrastructure	0	0.00	0.00
Renewable energy	3	7.33	0.05
Other Sectors	12,674	1,948.79	14.58
<b>TOTAL</b>	<b>35,137</b>	<b>13,364.35</b>	<b>100.00</b>

### PRIORITY SECTOR LENDING

(₹ in Crores)

SECTOR	No. of A/cs	Amount	%
Agriculture and Allied Activities	59	254.34	4.45
Micro Small & Medium Enterprise	2,700	4,789.87	83.88
Export Credit	22	42.21	0.74
Education	5,738	119.70	2.10
Housing	8,281	496.38	8.69
Social Infrastructure	0	0.00	0.00
Renewable energy	3	7.33	0.13
Other Priority Sector	166	0.59	0.01
<b>TOTAL</b>	<b>16,969</b>	<b>5,710.42</b>	<b>100.00</b>

### STATEMENT SHOWING PARTICULARS OF LOANS & ADVANCES TO THE DIRECTORS & THEIR RELATIVES (₹ in Crores)

Particulars	Amount of O/s. at the beginning of the Co-op year i.e. 01.04.2020	Amount of Loans sanctioned during the Co-op year	Amount of O/s. at the end of the Co-op year i.e. 31.03.2021	% to Total Loans & Advances
Directors	NIL	NIL	NIL	NIL
Relatives of Directors	NIL	NIL	NIL	NIL
Companies / Firms in which Directors are interested	NIL	NIL	NIL	NIL

### PROGRESS AT A GLANCE

(₹ in Crores)

Particulars	2015	2016	2017	2018	2019	2020	2021	2022
Capital & Reserves	1,185.57	1,230.33	1,415.42	1,514.96	1,590.40	1,698.20	1,795.95	1,970.15
Deposits	12,467.75	13,678.84	14,517.57	15,108.72	16,263.51	16,500.84	17,331.55	18,315.68
Advances	7,954.36	8,854.77	9,273.04	10,320.2	11,500.28	11,607.97	12,327.98	13,364.35
Total Business	20,422.11	22,533.61	23,790.61	25,428.92	27,763.79	28,108.81	29,659.53	31,680.02
Investments	3,333.55	4,064.30	4,566.38	4,278.28	4,605.93	4,692.36	4,237.86	4,582.18
Total Income	1,378.53	1,530.74	1,585.09	1,522.57	1,575.42	1,672.10	1,628.16	1,607.68
Total Expenditure & Provisions	1,263.49	1,411.07	1,460.08	1,390.56	1,435.41	1,530.09	1,477.95	1,460.82
Net Profit	115.04	119.66	125.01	132.01	140.01	142.01	150.21	146.86
Working Funds	13,780.69	15,320.72	16,193.24	17,004.23	18,539.15	20,672.31	19,783.50	20,813.53
No. of Branches	176	193	198	198	198	198	198	198
No. of Employees	2,342	2,561	2,530	2,535	2,562	2,448	2,401	2,329
No. of Shareholders	1,71,874	1,72,583	1,73,407	1,74,255	1,75,564	1,76,939	1,78,811	1,80,425
No. of PNCPS Series I holders	790	902	930	929	929	929	928	928
No. of PNCPS Series II holders	0	0	0	0	0	170	467	467
Dividend (%)	12.00%	12.00%	12.00%	12.00%	12.00%	NIL	12.00%	12.00%
Audit Classification	A	A	A	A	A	A	A	A

### MEMBERS WELFARE ASSOCIATION

The financials of the Members Welfare Association are posted on the Bank's website.

## ANNUAL AWARDS - 2020-21

Sr No.	Category	Mumbai	Other than Mumbai
1	Late Shamrao Vithal Kaikini Award for Outstanding Performance	<b>Ms. Dimple Lijoy</b> Manager, Sanpada Branch	<b>Mr. Vijayanand Gali</b> Manager in MM-III, Hyderabad Branch
2	Late Rao Bahadur S.S. Talmaki Award for Outstanding Performance	<b>Mr. Sandeep E. Sarode</b> Manager, Finance Department and Member of Core Finacle Team	<b>Mr. Vikas S. Raibagkar</b> Manager, Nanded Branch
3	SVC Bank's Award for Best Branch	<b>Kalyan (West) Branch</b>	<b>Aurangabad Branch</b>
4	Chairman's Award for Best Manager	<b>Mr. Yogesh J. Wagle</b> Manager, Corporate Banking - Mumbai	<b>Mr. Suraj S. Shet</b> Manager, Salem Branch
5	Vice Chairman's Award for Best Manager	<b>Mr. Mrugesh N. Thakkar</b> Manager, Dombivli West Branch	<b>Mr. Ashwin E. Salins</b> Manager in MM-III, Sahakar Nagar Branch
6	Chairman's Award for Best Officer	<b>Mr. Tushar S. Cardoz</b> Assistant Manager, Cuffe Parade Branch <b>Mr. Soumyadeep A. Sarkar</b> Assistant Manager, Integrated Risk Management Cell <b>Mr. Mayur A. Vetoskar</b> Assistant Manager, Information Technology Department	<b>Ms. Aditi B. Taggarsa</b> Assistant Manager, Dharwad Branch
7	Vice Chairman's Award for Best Officer	<b>Ms. Manasvi M. Tirlotkar</b> Officer, CCP Department <b>Ms. Smruti S. Parkar</b> Officer, Dadar East Branch <b>Ms. Dipti C. Kalbhor</b> Customer Service Officer, Information Technology Department	<b>Mr. Tushar P. Kavishwar</b> Officer, CIDCO Branch <b>Ms. Prema S. Ubhayakar</b> Officer, Hessarghatta Branch
8	Chairman's Award for Best Clerk	<b>Mr. Rohan A. Parmar</b> Clerk, Borivali East Branch <b>Mr. Anil A. Hegde</b> Clerk, Versova Branch	<b>Mr. Akshay V. Kulkarni</b> Customer Service Representative, Pune – Law College Road Branch <b>Ms. Divya S.</b> Clerk, Yeshwanthpur Branch <b>Mr. Sunil S. Kumbhar</b> Clerk, Shahupuri Branch
9	Vice Chairman's Award for Best Clerk	<b>Ms. Clarissa D. Pereira</b> Clerk, Vile Parle East Branch	<b>Mr. Sanket S. Pawar</b> Customer Service Representative, Satara Branch <b>Ms. Varsha A. Heblekar</b> Clerk, Koramangala Branch
10	Chairman's Award for Best Office Assistant	<b>Mr. Chintan P. Takale</b> Office Assistant, Matunga Branch <b>Mr. Akshay R. Kurate</b> Office Assistant, Corporate Banking - Mumbai	<b>Mr. Kushal S. Nabar</b> Office Assistant, Indore Branch <b>Mr. Satyavan A. Panchal</b> Office Assistant, Wanowrie Branch
11	Vice Chairman's Award for Best Office Assistant	<b>Mr. Dinesh S. Kadam</b> Office Assistant, Sleater Road Branch <b>Mr. Umesh A. Jadhav</b> Office Assistant, Dombivli West Branch	<b>Mr. Yogesh A. Patil</b> Office Assistant, Dhule Branch <b>Mr. Ketan A. Valodara</b> Office Assistant, Satellite Road – Ahmedabad Branch
12	Late Shri Rajiv Bailoor Award for Best Clerk	<b>Ms. Sonali A. Kulkarni</b> Clerk, Pimple Saudagar Branch	
13	Late Shri. Rajiv Bailoor Award for Best Office Assistant	<b>Mr. Rakesh B. Mhatre</b> Office Assistant, Nerul Branch	

### Amendments to the Bye-laws

The details of proposed amendments are as follows:

SR. NO.	CLAUSE NO. AND HEADING	EXISTING CLAUSE AS PER BYE-LAWS	PROPOSED AMENDMENTS: ADDITION / DELETION / MODIFICATION	TEXT INCORPORATED AFTER AMENDMENT	REASON / JUSTIFICATION FOR AMENDMENTS
1	3. DEFINITIONS	(x) "Chief Executive Officer" means a Chief Executive Officer of the Bank or Managing Director, appointed under section 51 of The Multi State Co-operative Societies Act, 2002	<b>Addition in sub clause : and as per approval from Reserve Bank of India</b>	(x) "Chief Executive Officer" means a Chief Executive Officer of the Bank or Managing Director, appointed under section 51 of The Multi State Co-operative Societies Act, 2002, and as per approval from Reserve Bank of India	As per RBI circular its is mandatory to get the approval of Reserve Bank of India prior to the appointment of the Managing Director.
2	3. DEFINITIONS		<b>New definition to be added:</b>	(xx) (a) "General Meeting" means the meeting of the General Body of the Bank and includes special general meeting	The definition has been included in line with section 3(m) of The Multi State Co-operative Societies Act, 2002.
3	3. DEFINITIONS		<b>New definition to be added:</b>	(xxxv) Member of Board of Management of the Bank means members appointed by the Board of Directors as per the RBI guidelines dated 31 <sup>st</sup> December, 2019 vide circular number RBI/2019-20/128 DoR (PCB).BPD.Cir.No.8/12.05.002/2019-20 and any amendments thereto from time to time as may be prescribed by Reserve Bank of India.	The Bank is required to constitute a BoM as per the RBI circular dated 31 <sup>st</sup> December 2019.
4	3. DEFINITIONS		<b>New definition to be added:</b>	(xxxvi) "Regulatory Authorities" will include the Central Registrar of Co-operative Societies appointed under The Multi-State Co-operative Societies Act, 2002, the Reserve Bank of India and such other authorities under the extant laws from time to time.	New definition added as the term has been used several times but the same was not defined
5	4. OBJECTS AND FUNCTIONS	(i) Borrowing, raising or receiving money from Regular members, non-members, societies, companies, trusts, associations, banks or any other financial institutions;	<b>Addition in sub clause : Nominal Members</b>	(i) Borrowing, raising or receiving money from Regular Members, Nominal Members, non-members, societies, companies, trusts, associations, banks or any other financial institutions;	Nominal and Regular members have been separately mentioned in the Bye-Laws.
6	4. OBJECTS AND FUNCTIONS	(xiv) To take or otherwise acquire and hold Shares in any other society with limited liability;	<b>Addition in sub clause : except to such extent and subject to such other conditions as the Regulatory Authorities may specify in this behalf</b>	(Xiv) To take or otherwise acquire and hold Shares in any other society with limited liability; except to such extent and subject to such other conditions as the Regulatory Authorities may specify in this behalf	As per Para No. 1 of The Master Circular issued by RBI on Investments by Primary (Urban) Co-operative Banks dated 1 <sup>st</sup> April, 2022
7	4. OBJECTS AND FUNCTIONS	(xxi) To carry on or engage in any other form of business which the Central or the State Government may specify as a form of business in which it is lawful for a banking institution to engage;	<b>Addition in sub clause : or the Regulatory Authorities</b>	(xxi) To carry on or engage in any other form of business which the Central or the State Government or the Regulatory Authorities may specify as a form of business in which it is lawful for a banking institution to engage	To include the Regulatory Authorities as defined in the Bye-laws along with Central or State Government
8	4. OBJECTS AND FUNCTIONS	(xxx) To take over a non-performing asset and sell/dispose it off, without handing it over to a asset reconstruction company or securitisation company or at its option, hand over the non-performing asset to an asset reconstruction company or securitisation company	<b>Addition in sub clause : or any other regulated entity as stipulated by the Regulatory Authorities.</b>	(xxx) To take over a non-performing asset and sell/dispose it off, without handing it over to a asset reconstruction company or securitisation company or at its option, hand over the non-performing asset to an asset reconstruction company or securitisation company, or any other regulated entity as stipulated by the Regulatory Authorities.	This change is made to be in line with RBI Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, dated 24 <sup>th</sup> September 2021, vide circular number RBI/ DOR/2021-22/86 DOR.STR. REC.51/21.04.048/2021-22



SR. NO.	CLAUSE NO. AND HEADING	EXISTING CLAUSE AS PER BYE-LAWS	PROPOSED AMENDMENTS: ADDITION / DELETION/ MODIFICATION	TEXT INCORPORATED AFTER AMENDMENT	REASON / JUSTIFICATION FOR AMENDMENTS
9	<b>6. SHARE CAPITAL:</b>	Authorized Share Capital of the Bank shall be Rs.1000,00,00,000 ( Rs. One Thousand crores) divided into 20,00,00,000 (Twenty crores) Equity Shares of Rs.25/- each and 50,00,00,000 (Fifty crores) Preference Shares of Rs. 10/- each, and may be increased or reduced with the previous sanction of the General Body, subject to the approval of the Regulatory Authorities, provided that in any year when the Share capital is reduced, refunds of such capital excluding Preference Shares, shall not in aggregate exceed 1/10 <sup>th</sup> of the total paid-up Share capital as it stood on the last day of the co-operative year immediately preceding	<b>Modification in clause : change in face value from Rs 25 to Rs.10</b>	Authorized Share Capital of the Bank shall be Rs.1000,00,00,000 (Rs. One Thousand crores) divided into 50,00,00,000 (Fifty crores) Equity Shares of Rs.10/- each and 50,00,00,000 (Fifty crores) Preference Shares of Rs. 10/- each, and may be increased or reduced with the previous sanction of the General Body, subject to the approval of the Regulatory Authorities, provided that in any year when the Share capital is reduced, refunds of such capital excluding Preference Shares, shall not in aggregate exceed 1/10 <sup>th</sup> of the total paid-up Share capital as it stood on the last day of the co-operative year immediately preceding.	To simplify the share holding pattern and to bring it in alignment with Banking Industry
10	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(i), (ii) and from (iv) to (xxiii)	<b>Modifications in sub clause:</b>  1) "member" to be replaced with Regular Member 2) "membership" to be replaced with "Regular membership" 3) Shares to be replaced with Equity Shares	Modifications in sub clause:  1) "member" to be replaced with Regular Member 2) "membership" to be replaced with "Regular membership" 3) Shares to be replaced with Equity Shares	The conditions of membership are being enumerated separately for better clarity to differentiate between Regular and Nominal Members.
11	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(i) An application for membership accompanied by a payment of Rs. 500/- (or such other amount as decided by the Board from time to time) as admission fee, shall be in writing in the prescribed form and signed by the applicant. Every applicant shall make a declaration that he abides by the Bye-laws and Rules of the Bank and a statement whether he is a member of any co-operative society dispensing credit.	<b>Addition in sub clause : /e-Signed</b>	(i) An application for Regular membership accompanied by a payment of Rs. 500/- (or such other amount as decided by the Board from time to time) as admission fee, shall be in writing in the prescribed form and signed / e-Signed by the applicant. Every applicant shall make a declaration that he abides by the Bye-laws and Rules of the Bank and a statement whether he is a member of any co-operative society dispensing credit.	To facilitate ease of operations .
12	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(ii) An applicant, to become member shall subscribe to at least fifty shares by individual and at least one hundred Shares by non-individual and the full value of the shares shall have to be paid, along with the application form.	<b>Modification: change in face value and number of share to be held</b>	(ii) An applicant, to become Regular member shall subscribe to at least one hundred and twenty five Equity Shares of Rs. 10 each by individual and at least two hundred and fifty Equity Shares of Rs.10 each by non-individual and the full value of the Equity shares shall have to be paid, along with the application form.	To simplify the share holding pattern and to bring it in alignment with Banking Industry
13	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(iii) The application shall be considered by the appropriate Committee of the Board and ratified at the next Board Meeting or as soon thereafter as may be possible	<b>Addition in sub clause : or by the person authorized by the Board</b>	(iii) The application shall be considered by the appropriate Committee or by the person authorized by the Board and ratified at the next Board Meeting or as soon thereafter as may be possible	To facilitate ease of operations based on the authorisation of the Board.

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14	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(vi) The Board of Directors have the discretion to determine the minimum number of Shares that would be required to be held by a member from time to time and as permitted by Regulatory Authorities.  Notwithstanding anything contained in any other Bye-law, a member (individual borrower) who holds less than 50 Shares and a member (non-individual borrower) who holds less than 100 Shares shall subscribe to the requisite number of additional Shares of the Bank within the time specified by the Bank so as to hold a minimum of 50 shares by individual borrower and 100 Shares by non-individual borrower.	<b>Modification: change in face value and number of share to be held</b>	(vi) The Board of Directors have the discretion to determine the minimum number of Equity Shares that would be required to be held by a Regular member from time to time and as permitted by Regulatory Authorities.  Notwithstanding anything contained in any other Bye-law, a Regular member (individual borrower) who holds less than 125 Equity Shares of Rs.10 each and a Regular member (non-individual borrower) who holds less than 250 Equity Shares of Rs.10 each shall subscribe to the requisite number of additional Equity Shares of the Bank within the time specified by the Bank so as to hold a minimum of 125 Equity shares by individual borrower and 250 Equity Shares by non-individual borrower.	To simplify the share holding pattern and to bring it in alignment with Banking Industry
15	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(vii) Every application for admission as a member shall be disposed of within a period of four months from the date of receipt of the application and the decision on such application shall be communicated to the applicant within fifteen days from the date of such decision.  Provided that, if the application is not disposed of within the period aforesaid, or the decision is not communicated within a period of fifteen days of expiry of the aforesaid period of four months, then the Board of Directors shall be deemed to have made a decision, on the date of expiry of such period, refusing admission to the applicant.	<b>Addition in sub clause : or by the person authorized by the Board</b>	(vii) Every application for admission as a Regular member shall be disposed off within a period of four months from the date of receipt of the application and the decision on such application shall be communicated to the applicant within fifteen days from the date of such decision.  Provided that, if the application is not disposed off within the period aforesaid, or the decision is not communicated within a period of fifteen days of expiry of the aforesaid period of four months, then the Board of Directors or by the person authorized by the Board shall be deemed to have made a decision, on the date of expiry of such period, refusing admission to the applicant.	To facilitate ease of operations based on the authorisation of the Board.
16	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(xvii) No person shall be eligible for admission as a member of a Multi-State Co-operative Society, if he:-  c) has been sentenced for any offence, other than offence of a political character or an offence not involving moral turpitude and dishonesty and a period of five years has not elapsed from the date of expiry of the sentence.  Notwithstanding anything contained in the Act and Rules of these Bye-laws, if a member becomes or has already become subject to any disqualification specified in this Bye-law, he shall be deemed to have ceased to be a member of the society from the date when the disqualification was incurred.	<b>Modifications in sub clause:</b>  1) "Multi- State Co-operative Society and Society to be replaced with "the Bank"	(xvii) No person shall be eligible for admission as a Regular member of the Bank, if he:-  c) has been sentenced for any offence, other than offence of a political character or an offence not involving moral turpitude and dishonesty and a period of five years has not elapsed from the date of expiry of the sentence.  Notwithstanding anything contained in the Act and Rules of these Bye-laws, if a Regular member becomes or has already become subject to any disqualification specified in this Bye-law, he shall be deemed to have ceased to be a Regular member of the Bank from the date when the disqualification was incurred.	To provide further clarity to the clause.

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17	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(xix) No person shall be eligible for being the member of the Bank if:- a) His business is in conflict or competitive with the business of Bank or	<b>Addition in sub clause: Unless specifically approved by the Board, Modification: No existing Regular Member shall continue to be eligible for being the Bank if :</b>	(xix) No existing Regular Member shall be eligible for being the Regular member of the Bank if: a) His business is in conflict or competitive with the business of Bank, unless specifically approved by the Board or	Bank would like to have the discretion to evaluate any members whose business may be in conflict with the Bank.
18	<b>13 CONDITIONS FOR REGULAR MEMBERSHIP</b>	(xx) A member, who has been allotted shares, may apply for additional shares subject to maximum limit prescribed by the Board of Directors and subject to the proviso of Bye-law no. 49. The application for additional shares shall be in the prescribed form and duly signed, accompanied by the value of Equity shares applied for and the fee of Rs 500/- (or such higher amount as may be decided by the Board from time to time). The application shall be considered by the Board at its next following meeting or as soon thereafter as may be practicable.	<b>Deletion of word : higher and removal of ( )</b>	(xx) A Regular member, who has been allotted Equity shares, may apply for additional Equity shares subject to maximum limit prescribed by the Board of Directors and subject to the proviso of Bye-law no. 49. The application for additional Equity shares shall be in the prescribed form and duly signed, accompanied by the value of Equity shares applied for and the fee of Rs 500/- or such amount as may be decided by the Board from time to time. The application shall be considered by the Board at its next following meeting or as soon thereafter as may be practicable.	The requirement to charge a higher amount has been deleted in the interest of the members.
19	<b>14 RESIGNATION / WITHDRAWAL OF REGULAR MEMBERSHIP:</b>	A Regular member may, by an application in writing, resign from his Regular membership at any time by giving 3 months notice to the Chief Executive or such other Committee appointed by the Board, of his intention to resign and/or withdraw, subject to the sanction of the Board and provided that he has no liability with the Bank either as a borrower or as surety or otherwise.	<b>Modification in sub clause : Word chief executive to be replaced with Chief Executive Officer Addition in sub clause : or to such other person as appointed by the Board</b>	A Regular member may, by an application in writing, resign from his Regular membership at any time by giving 3 months notice to the Chief Executive Officer or such other Committee appointed by the Board, or to such other person as may be appointed by the Board, of his intention to resign and/or withdraw, subject to the sanction of the Board and provided that he has no liability with the Bank either as a borrower or as surety or otherwise.	Word "Officer" is added to reflect the designation of "Chief Executive Officer". To improve the turn around time for processing applications.
20	<b>16 EXPULSION OF REGULAR MEMBERSHIP:</b>	(i) , (i) (c) , (ii) to (iv)	<b>Modifications in sub clause: 1) "member" to be replaced with "Regular Member" 2) Shares to be replaced with Equity Shares</b>	Changes to be done in mentioned clauses	The conditions of expulsion of membership are being enumerated separately for better clarity to differentiate between Regular and Nominal Members
21	<b>17. JOINT SHARE HOLDING:</b>	(i) , (ii) , (iii) and (vi)	<b>Modifications in sub clause: 1) "Shares" to be replaced with "Equity Shares" 2) members to be replaced with Regular Members</b>	Changes to be done in mentioned clauses	The conditions of Joint Share Holding are being enumerated separately for better clarity to differentiate between Regular and Nominal Members
22	<b>19. SHARE CERTIFICATE:</b>	(i) Every Regular member who has been allotted a Equity share or Equity shares shall be entitled to receive from the Bank a Share Certificate. Such Certificate shall be issued under the seal of the Bank and shall be signed by any Director/s authorised in this behalf and shall specify:	<b>Redrafting of the clause</b>	(i) Every Regular member who has been allotted a Equity share or Equity shares shall be entitled to receive from the Bank a Share Certificate . Such Certificate shall be issued under the seal/hologram of the Bank or any such means as may be approved by the Board and shall be signed (Including affixed signature) by any Director/s authorised in this behalf and shall specify:	For the convenience of the members

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23	<b>22. (2) LIABILITY OF A PAST MEMBER AND ESTATE OF DECEASED MEMBER:</b>	(i) (a), (i) (b) & (ii)	<b>Modifications in sub clause: 1) "member" to be replaced with "Regular Member" 2) "membership" to be replaced with "Regular membership"</b>	Changes to be done in mentioned clauses	The conditions of liability of a past member and deceased members are being enumerated separately for better clarity to differentiate between Regular and Nominal Members
24	<b>23. TRANSFER AND SURRENDER OF EQUITY SHARES:</b>	(i) to (x)	<b>Modifications in sub clause: 1) members to be replaced with Regular Member 2) "Shares" to be replaced with "Equity Shares"</b>	Changes to be done in mentioned clauses	The conditions of transfer and surrender of equity shares are being enumerated separately for better clarity to differentiate between Regular and Nominal Members
25	<b>24. NOMINATION:</b>	(i) and (iii)	<b>Modification in sub clause: 1) "member" to be replaced with "Regular Member" and "membership" to be replaced with "Regular Membership"</b>	Changes to be done in mentioned clauses	The conditions of Nomination are being enumerated separately for better clarity to differentiate between Regular and Nominal Members
26	<b>25. DEATH OF A REGULAR MEMBER</b>	(i) to (iv) and (vi) & (vii)	<b>Modifications in sub clause: 1) "member" to be replaced with "Regular Member" 2)"Shares" to be replaced with "Equity Shares" and 3 ) membership to be replaced with "Regular Membership</b>	Changes to be done in mentioned clauses	The conditions of death of a member are being enumerated separately for better clarity to differentiate between Regular and Nominal Members
27	<b>28 POWERS AND FUNCTIONS OF THE GENERAL BODY:</b>	(xii) List of employees who are relatives of members of the Board or of the Chief Executive;	<b>Modification in sub clause :Word chief executive to be replaced with Chief Executive Officer</b>	(xii) List of employees who are relatives of members of the Board or of the Chief Executive Officer	Word "Officer" is added to reflect the designation of "Chief Executive Officer".
28	<b>31.NOTICE OF GENERAL BODY AND SPECIAL GENERAL BODY MEETING:</b>		<b>New sub clause to be added</b>	e) by any other digital mode	for the convenience of the Regular members
29	<b>35. MINUTES OF A GENERAL MEETING:</b>	Minutes of the proceedings of the General Meetings shall be entered in a minute's book for the purpose within thirty days of the conclusion of every such meeting concerned and shall be signed by the Chairman and Chief Executive of the meeting. The minutes so signed, shall be an evidence of the correct proceedings of that meetings.	<b>Modification in sub clause :Word chief executive to be replaced with Chief Executive Officer</b>	Minutes of the proceedings of the General Meetings shall be entered in a minute's book for the purpose within thirty days of the conclusion of every such meeting concerned and shall be signed by the Chairman and Chief Executive Officer of the meeting. The minutes so signed, shall be an evidence of the correct proceedings of that meetings.	Word "Officer" is added to reflect the designation of "Chief Executive Officer".
30	<b>38 DISQUALIFICATION FOR BEING A MEMBER OF THE BOARD, (1) (d)</b>	(d) holds any office or place of profit under the Bank:  Provided that the Chief Executive or such full-time employee of the Bank as may be notified by the Central Government from time to time or a person elected by the employees of Bank to represent them on the Board of such Bank shall be eligible for being chosen as, or for being a member of such Board;	<b>Modification in sub clause :Word chief executive to be replaced with Chief Executive Officer</b>	(d) holds any office or place of profit under the Bank:  Provided that the Chief Executive Officer or such full-time employee of the Bank as may be notified by the Central Government from time to time or a person elected by the employees of Bank to represent them on the Board of such Bank shall be eligible for being chosen as, or for being a member of such Board;	Word "Officer" is added to reflect the designation of "Chief Executive Officer".

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31	<b>39A POWER AND FUNCTIONS OF THE BOARD OF MANAGEMENT (BOM)</b>	(iv) Recommending proposals for investment of bank's funds as per the board approved policy;	<b>Addition in sub clause : / Rendering expert advice on all</b>	(iv) Recommending / Rendering expert advice on all proposals for investment of bank's funds as per the board approved policy;	As per the circular issued by RBI on 31 <sup>st</sup> December,2019 in respect of appointment of Board of Management.
32	<b>43A: PAYMENTS TO BOARD OF MANAGEMENT (BOM)</b>	Members of BoM may be paid allowance / sitting fees for their services with the approval of BoD.	<b>Addition in sub clause : or any other amount</b>	Members of BoM may be paid allowance / sitting fees or any other amount for their services with the approval of BoD.	As per the circular issued by RBI on 31 <sup>st</sup> December,2019 in respect of appointment of Board of Management.
33	<b>44. MEETINGS OF THE BOARD:</b>	(iii) Not less than two days notice shall be given to the members of the Board	<b>Addition in sub clause: or as may be required given the nature of the matter .</b>	(iii) Not less than two days notice shall be given to the members of the Board , or as may be required given the nature of the matter .	To give discretion to the Chairman of the Board of Directors to call for an urgent Board meeting to discuss any critical issues.
34	<b>48. MINUTES OF MEETINGS OF THE BOARD AND THE COMMITTEES:</b>	The minutes of the Board meeting, the Committee or Sub-Committee meetings shall be recorded in the minute book within 30 days signed by the Chairman of the meeting and the Chief Executive Officer of the Bank. The minutes so signed shall be an evidence of the correct proceedings of that meeting.	<b>Addition in sub clause : These records may also be kept in the electronic form with proper authorization and logs to evidence approval by the Chairman and the Chief Executive Officer of the Bank.</b>	The minutes of the Board meeting, the Committee or Sub-Committee meetings shall be recorded in the minute book within 30 days signed by the Chairman of the meeting and the Chief Executive Officer of the Bank. The minutes so signed shall be an evidence of the correct proceedings of that meeting. These records may also be kept in the electronic form with proper authorization and logs to evidence approval by the Chairman and the Chief Executive Officer of the Bank.	In order to automate the process for record keeping purpose.
35	<b>50. LOANS AND ADVANCES:</b>		<b>Addition of sub clause (i) ( e )</b>	(e) Grant loan to any other entity as may be permitted by the Regulatory Authorities or approved by the Board within the area of operation of the Bank.	The said amendment will help the Bank to garner additional Business
36	<b>50. LOANS AND ADVANCES:</b>	(viii) The Board may grant a loan or a cash credit to a non-member or permit him to draw his current account on the security of his own Fixed and/or Cumulative Deposits with the Bank , on such terms and conditions as it may be deemed fit.	<b>Addition in sub clause: or a low value loan (Loan less than Rs. 25,000 or tenor less than 180 days) or any other product</b>	(viii) The Board may grant a loan or a cash credit to a non-member or permit him to draw his current account on the security of his own Fixed and/or Cumulative Deposits with the Bank or a low value loan (Loan less than Rs. 25,000 or tenor less than 180 days) or any other product, on such terms and conditions as it may be deemed fit.	The said amendment will help the Bank to garner additional Business.
37	<b>50. LOANS AND ADVANCES:</b>	(xv) To avail the services of banking through business correspondents within the prescribed norms of Reserve Bank of India from time to time.	<b>Addition in sub clause :or any other entity / person</b>	(xv) To avail the services of banking through business correspondents or any other entity / person within the prescribed norms of Reserve Bank of India from time to time.	In line with RBI guidelines for Managing Risk in Outsourcing of Financial Services by Co-operative Banks, bearing ref.no. RBI/2021-22/64 DOR.ORG. REC.27/21.04.158/2021-22 dated 28 <sup>th</sup> June 2021.

SR. NO.	CLAUSE NO. AND HEADING	EXISTING CLAUSE AS PER BYE-LAWS	PROPOSED AMENDMENTS: ADDITION / DELETION/ MODIFICATION	TEXT INCORPORATED AFTER AMENDMENT	REASON / JUSTIFICATION FOR AMENDMENTS
38	<b>55. DIVIDEND</b>	(v) Any dividend remaining unclaimed for 3 years after having being declared shall be forfeited and shall be carried forward to the Reserve Fund. Unpaid dividend shall be payable on application by the person entitled to it on satisfactory proof of claim provided the same has not been forfeited.	<b>Redrafting of the clause</b>	(v) Any dividend remaining unclaimed for 3 years after having being declared shall be transferred to the Reserve Fund. And such unpaid dividend shall be payable on application by the person entitled to it on satisfactory proof of claim submitted to the Bank.	For the benefit of the members who were unable to claim the dividends for more then three years.
39	<b>59. AUDIT</b>	(i) The Accounts of the Bank shall be audited by an Auditor who shall be appointed by the General Body at every Annual General Meeting of the Bank, from a panel of auditors approved by the Central Registrar or from a panel of auditors prepared by the Bank.	<b>Additions in sub clause: "Joint Auditors" and "in line with the guidelines issued by Regulatory Authorities "</b>	(i) The Accounts of the Bank shall be audited by an Auditor/ Joint Auditors who shall be appointed by the General Body at every Annual General Meeting of the Bank, from a panel of auditors approved by the Central Registrar or from a panel of auditors prepared by the Bank in line with the guidelines issued by Regulatory Authorities	To comply with RBI circular dated 27 <sup>th</sup> April 2021 bearing ref no: DoS.CO.ARG/ SEC.01/08.91.001/2021-22 on Guidelines for appointment of Statutory Central Auditors / Statutory Auditors of commercial Banks, UCBs and NBFCs.
40	<b>59. AUDIT</b>	(ii) The Auditors shall examine the periodical returns and verify the same with the accounts relating thereto and shall either sign the same to be correct duly vouched and in accordance with law, or report to the Bank in what respect he finds them incorrect, un-vouched and in accordance with law, or report to the Bank in what respect he finds them incorrect, un-vouched or not in accordance with the law, and perform such other functions required as per the. The Multi State Co-operative Societies Act, 2002.	<b>Additions in sub clause: "Joint Auditors"</b>	(ii) The Auditors / Joint Auditors shall examine the periodical returns and verify the same with the accounts relating thereto and shall either sign the same to be correct duly vouched and in accordance with law, or report to the Bank in what respect he finds them incorrect, un-vouched and in accordance with law, or report to the Bank in what respect he finds them incorrect, un-vouched or not in accordance with the law, and perform such other functions required as per The Multi State Co-operative Societies Act, 2002	To comply with RBI circular dated 27 <sup>th</sup> April 2021 bearing ref no: DoS.CO.ARG/ SEC.01/08.91.001/2021-22 on Guidelines for appointment of Statutory Central Auditors / Statutory Auditors of commercial Banks, UCBs and NBFCs.
41	<b>59. AUDIT</b>	(iii) The Auditors as per the provisions of the Act shall hold office from the conclusion of the Annual General Meeting in which he is appointed until the conclusion of the next Annual General Meeting	<b>Addition to sub clause: Words "and as per the directions received from the Regulatory Authorities from time to time" Additions in sub clause: "Joint Auditors"</b>	(iii) The Auditors / Joint Auditors shall hold office from the conclusion of the Annual General Body Meeting in which he is appointed until the conclusion of the next Annual General Meeting and as per the directions received from the Regulatory Authorities from time to time	To comply with RBI circular dated 27 <sup>th</sup> April 2021 bearing ref no: DoS.CO.ARG/ SEC.01/08.91.001/2021-22 on Guidelines for appointment of Statutory Central Auditors / Statutory Auditors of commercial Banks, UCBs and NBFCs.
42	<b>59. AUDIT</b>	(iv) The Bank shall within seven days of the appointment, give intimation thereof to the auditors/ so appointed.	<b>Additions in sub clause: "Joint Auditors"</b>	(iv) The Bank shall within seven days of the appointment, give intimation thereof to the Auditors/ Joint Auditors so appointed.	To comply with RBI circular dated 27 <sup>th</sup> April 2021 bearing ref no: DoS.CO.ARG/ SEC.01/08.91.001/2021-22 on Guidelines for appointment of Statutory Central Auditors / Statutory Auditors of commercial Banks, UCBs and NBFCs.



SR. NO.	CLAUSE NO. AND HEADING	EXISTING CLAUSE AS PER BYE-LAWS	PROPOSED AMENDMENTS: ADDITION / DELETION/ MODIFICATION	TEXT INCORPORATED AFTER AMENDMENT	REASON / JUSTIFICATION FOR AMENDMENTS
43	<b>59. AUDIT</b>	(v) Every auditor appointed under the provisions of the Act shall within thirty days of the receipt from the Bank of the intimation of his appointment, inform the Central Registrar and the Bank in writing that he has accepted or refused to accept the appointment.	<b>Additions in sub clause: "Joint Auditors"</b>	(v) Every Auditors/ Joint Auditors appointed shall within thirty days of the receipt from the Bank of the intimation of his appointment, inform the Regulatory Authorities and the Bank in writing that he has accepted or refused to accept the appointment.	To comply with RBI circular dated 27 <sup>th</sup> April 2021 bearing ref no: DoS.CO.ARG/ SEC.01/08.91.001/2021-22 on Guidelines for appointment of Statutory Central Auditors / Statutory Auditors of commercial Banks, UCBs and NBFCs.
44	<b>59. AUDIT</b>	(vi) The remuneration of an auditor appointed under the provision of the Act , shall be fixed by the Board or by the Central Registrar as the case may be and approved in the General Meeting.	<b>Additions in sub clause: "Joint Auditors"</b>	(vi) The remuneration of an Auditors/ Joint Auditors appointed under the provision of the Act , shall be fixed by the Board or by the Central Registrar as the case may be and approved in the General Meeting.	To comply with RBI circular dated 27 <sup>th</sup> April 2021 bearing ref no: DoS.CO.ARG/ SEC.01/08.91.001/2021-22 on Guidelines for appointment of Statutory Central Auditors / Statutory Auditors of commercial Banks, UCBs and NBFCs.
45	<b>68. MISCELLANEOUS</b>	(i) Where the Bye-laws provide that a written notice should be given to a person, such notice shall be taken to be properly given or served upon such person if it is delivered at or dispatched by post to the address last notified to the Bank.	<b>Addition to sub clause: Words "or if it is delivered through any other electronic medium."</b>	(i) Where the Bye-laws provide that a written notice should be given to a person, such notice shall be taken to be properly given or served upon such person if it is delivered at or dispatched by post to the address last notified to the Bank or if it is delivered through any other electronic medium.	Serving a document or notice on website, email or any other electronic medium is accepted by Indian courts as valid service. This practice will be convenient to its Regular Members who are more accessible on electronic medium.
46	<b>68. MISCELLANEOUS</b>	(ii) The matters which have not been provided in these Bye-laws shall be decided in accordance with the provisions of the Multi-State Co-operative Societies Act, 2002 and the Rules framed thereunder.	<b>Addition to sub clause: Words "or any other acts as applicable, and the Rules framed thereunder"</b>	(ii) The matters which have not been provided in these Bye-laws shall be decided in accordance with the provisions of the Multi-State Co-operative Societies Act, 2002 or any other acts as applicable, and the Rules framed thereunder.	To realign with latest developments.

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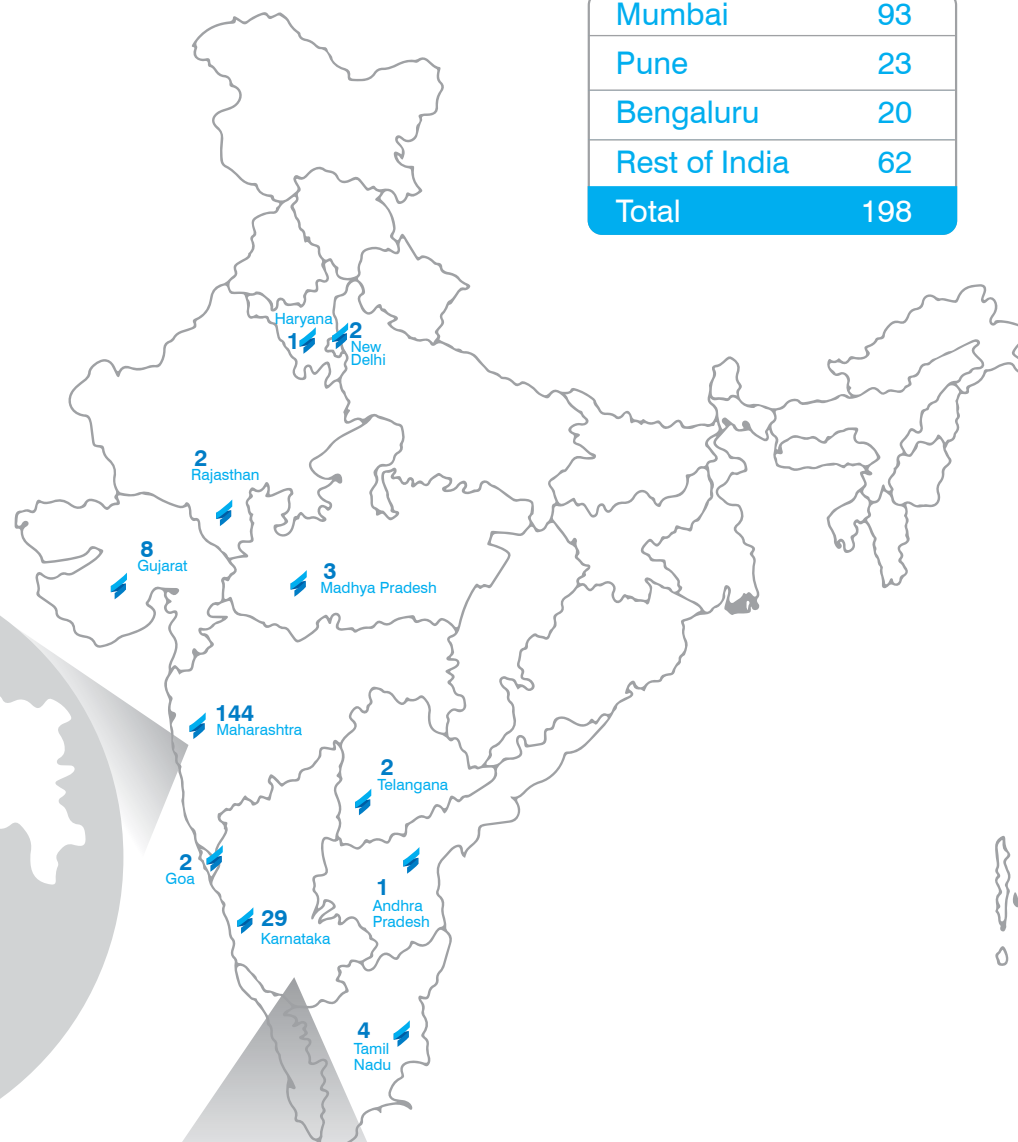
## Notes

## Notes

## Our Presence

### Our Dense Network of Branches:

Mumbai	93
Pune	23
Bengaluru	20
Rest of India	62
<b>Total</b>	<b>198</b>



• 28 Rest of Maharashtra  
• 93 Mumbai  
• Pune 23

• 9 Rest of Karnataka

• 20 Bengaluru

Scan QR Code to View Branch locations



Map Not to scale

## An Illustrious Past. Towards A Bright Future

**1906**

Registered as Co-operative Credit Society

**1926**

Registered as Shamrao Vithal Co-operative Bank

**1984**

New Registered Office at Cuffe Parade

**1988**

Attained Scheduled Bank Status

**2002**

New Registered Office at Vakola

**2005-06**

Total Business crossed Rs 5,000 Cr.

**2008-09**

International Banking Division Established  
50 Branches  
3 States

**2010-11**

Total Business crossed Rs 10,000 Cr.  
105 Branches  
7 States

**2014-15**

Total Business crossed Rs 20,000 Cr.  
176 Branches  
10 States

**2016**

Shamrao Vithal Co-operative Bank rebranded as SVC Co-operative Bank Ltd.

**2017-18**

Total Business crossed Rs 25,000 Cr.  
198 Branches  
11 States

**2021-22**

Total Business crossed Rs. 31,000 Cr.



# Building a Better Tomorrow, Today.

Thriving upon your trust, for 116 years and counting,  
We owe our every step forward, to your words, they're empowering.  
Goals in our sight, we are eager to be your pride,  
The future is ours, for in it, we keep believing.  
*Hum Se Hai Possible.*



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