

# Independent Auditor's Report

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

## REPORT ON FINANCIAL STATEMENTS

### Opinion

1. We have audited the accompanying Financial Statements of Saraswat Co-operative Bank Ltd ("the Bank"), which comprises of Balance Sheet as at March 31, 2021 and Profit and Loss Account and the Cash Flow Statement for the year ended on March 31, 2021 and a summary of significant accounting policies and other explanatory information.
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, the Multi State Co-operative Societies Act, 2002 and the Rules made thereunder, the guidelines issued by the Reserve Bank of India (RBI) and the Central Registrar of Co-operative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at March 31, 2021 and its profit and its Cash Flows for the financial 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. 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 Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Banking Regulations Act, 1949 and the rules made thereunder and under the provisions of the Multi State Co-operative Societies Act, 2002 and the rules made thereunder 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.

### Emphasis of Matter:

4. We draw attention to Note No. 18 of the Management Notes on Accounts, which states that the extent of impact on account of the COVID pandemic on the Bank's operations and asset quality depends on future developments, which are uncertain. In the opinion of Bank's Management, the Bank's results in future are neither expected to be materially adverse nor would there be any significant impact on the going concern assumption. Our opinion is not modified in respect of this matter.

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

5. The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Report of Board of Directors including other explanatory information, but does not include the financial statements and our auditor's report thereon. The report of the Board of Directors is expected to be made available to us after the date of this auditor's report.

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 during the course of our audit or otherwise appears to be materially misstated.

When we read the Report of Board of Directors including other explanatory information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the members in the Annual General Meeting.

## Management's Responsibility for the Financial Statements

6. The Bank's Board of Directors is responsible for 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 the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, provisions of Banking Regulation Act, 1949 and the Rules made thereunder, provisions of Multi State Co-operative Societies Act, 2002 and the Rules made thereunder and circulars and guidelines issued by RBI from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Acts for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 a 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.

The Board of Directors is also responsible for overseeing Bank's Financial Reporting progress.

## Auditors' Responsibility 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of 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

8. 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.
9. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, we report that:
  - a. 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;
  - b. 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;
  - c. The transactions of the Bank which came to our notice have been within the powers of the Bank;
  - d. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, agree with the books of account and the returns;
  - e. 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;
  - f. 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 realisation of money due to the Bank.
10. As per the information and explanations given to us and based on our examination of the books of account and other record, we report as under on the matters specified in clause (a) to (f) of Rule 27(3) of the Multi State Co-operative Societies Rules, 2002:-
  - a. We have not come across any transactions which appear to be contrary to the provisions of the Multi-State Co-operative Societies Act, 2002, the rules or the bye-laws of the Bank.
  - b. We have not come across any material or significant transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India.
  - c. Money belonging to the Bank which appears to be bad or doubtful of recovery as on 31<sup>st</sup> March, 2021 was ₹1,102.64 crore (i.e. ₹1,075.79 crore in respect of advances classified as NPA as Doubtful and Loss Assets as per prudential norms issued by RBI & ₹26.85 crore in respect of other assets) for which adequate provision has been made as per extant RBI guidelines.
  - d. The Bank has not given loans to the members of the Board of Directors.
  - e. We have not observed any violation of guidelines, conditions etc., issued by the Reserve Bank of India.
  - f. The Central Registrar of Co-operative Societies in this regard has not specified any matters to the Bank.

For: G. D. Apte & Co.,  
Chartered Accountants  
Firm Registration No 100 515W  
**sd/-**  
**(C. M. Dixit)**  
Partner  
Membership No. 017532  
UDIN: 21017532AAAAAB5681

Place: Mumbai  
Date: April 23<sup>rd</sup>, 2021

# Balance Sheet

As at March 31, 2021

(Amount in ₹)

Capital and Liabilities	Schedule	Current Year 31.03.2021	Previous Year 31.03.2020
(1) Capital	1	3,04,81,63,030	2,85,98,99,510
(2) Reserve Fund & Other Reserves	2	43,06,58,34,640	39,51,48,62,042
(3) Principal / Subsidiary State Partnership Fund Account		0	0
(4) Deposits & Other Accounts	3	4,08,00,61,43,568	3,80,83,49,30,053
(5) Borrowings	4	11,17,15,75,000	17,06,49,25,000
(6) Bills For Collection Being Bills Receivable as per Contra		31,71,16,81,817	38,09,73,93,290
(7) Securities Receivable as per Contra			
i. Repo		0	0
ii. Reverse Repo		19,70,00,02,860	24,50,00,25,897
(8) Branch Adjustments		0	0
(9) Overdue Interest Reserve on Loan and Advances ( As per Contra)		1,12,99,75,180	1,07,61,43,028
(10) Interest Payable		54,90,22,461	62,59,79,461
(11) Other Liabilities	5	16,10,36,62,136	12,17,57,38,821
(12) Profit & Loss	6	2,71,42,42,076	2,51,97,02,102
<b>Total</b>		<b>5,37,20,03,02,768</b>	<b>5,19,26,95,99,204</b>
<b>Contingent Liabilities :</b>	13	<b>73,12,00,58,788</b>	<b>78,31,26,35,067</b>

As per our report of even date  
For **G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration No. 100515W

sd/-

**(C. M. Dixit)**

Partner

Membership No. 017532

UDIN: 21017532AAAAAB5681

Mumbai : April 23<sup>rd</sup>, 2021

(Amount in ₹)

Property and Assets	Schedule	Current Year 31.03.2021	Previous Year 31.03.2020
(1) Cash	7	18,53,54,42,588	15,36,96,37,050
(2) Balances with other Banks	8	16,22,10,00,804	5,22,90,22,247
(3) Money at Call and Short Notice		22,57,40,43,938	27,68,23,72,873
(4) Investments	9	1,40,20,70,71,038	1,31,29,03,35,422
(5) Investments out of Principal/ Subsidiary State Partnership Fund Account		0	0
(6) Advances	10	2,62,41,70,04,773	2,53,38,64,01,349
(7) Interest Receivable			
i. on Investments		2,24,13,69,079	1,68,52,41,497
ii. on Loans & Advances(As per Contra)		1,12,99,75,180	1,07,61,43,028
(8) Bills Receivable Being Bills for Collection as per Contra		31,71,16,81,817	38,09,73,93,290
(9) Securities Receivable as per Contra			
i. Repo		0	0
ii. Reverse Repo		19,70,00,02,860	24,50,00,25,897
(10) Branch Adjustments		75,08,65,965	37,33,75,359
(11) Fixed Assets	11	8,71,92,70,702	8,84,22,80,795
(12) Other Assets	12	12,91,55,34,391	11,71,10,05,134
(13) Non-Banking Assets Acquired in Satisfaction of Claims		0	0
(14) Computer Software		<b>7,70,39,633</b>	<b>2,63,65,263</b>
<b>Total</b>		<b>5,37,20,03,02,768</b>	<b>5,19,26,95,99,204</b>

sd/-  
**S. M. Sandhane**  
Managing Director

sd/-  
**S. N. Sawaikar**  
Director

sd/-  
**K. V. Rangnekar**  
Director

sd/-  
**S. K. Sakhalkar**  
Vice-Chairman

sd/-  
**G. E. Thakur**  
Chairman

Mumbai : April 23<sup>rd</sup>, 2021

# Profit and Loss Account

For the year ended March 31, 2021

(Amount in ₹)

Expenditure	Current Year 31.03.2021	Previous Year 31.03.2020
1) Interest on Deposits, Borrowings, etc.	21,94,77,13,862	23,07,72,28,009
2) Salaries and Allowances, Provident Fund	3,59,02,41,401	3,68,87,80,493
3) Directors' and local committee members' fees and allowances	62,47,500	59,10,000
4) Rent, Taxes, Insurance, Lighting, etc.	1,25,42,39,039	1,24,45,53,013
5) Law Charges	1,52,90,358	1,03,95,212
6) Postage, Telegram and Telephone charges	6,91,50,373	7,93,90,771
7) Auditor's fees	6,29,34,792	5,33,30,781
8) Depreciation on and repair to property	31,04,62,538	25,75,51,213
9) Stationery, printing and advertisement, etc.	10,73,30,761	19,43,91,859
10) Loss from sale of or dealing with non-banking assets	0	0
11) Other Expenditure :		
i) Repairs and Maintenance of assets	16,66,37,350	17,57,51,712
ii) Banker's Indemnity Insurance	1,07,50,861	44,79,848
iii) Premium paid to DICGC	45,11,79,826	36,04,22,753
iv) Premium paid to ECGC	1,22,12,931	1,61,64,688
v) Cheque Processing Charges	75,49,051	1,21,09,305
vi) Leased Line Expenditure	6,95,72,761	6,70,50,388
vii) Travelling and Conveyance	2,64,52,515	2,99,04,196
viii) Security Service Charges	36,86,36,368	35,58,79,446
ix) Amortisation of Investments	25,22,12,508	16,39,34,002
x) Professional Fees	11,48,02,324	9,37,19,452
xi) Bank Charges	5,00,69,009	20,80,92,868
xii) Digital Banking Expenses	31,26,23,710	33,72,35,334
xiii) Car Expenses	1,18,66,168	1,24,95,181
xiv) Housekeeping Charges	4,19,05,029	3,27,19,028
xv) Sundries	57,73,28,288	42,40,13,066
	<b>2,47,37,98,699</b>	<b>2,29,39,71,267</b>
12) Provisions :		
i) Provision for Depreciation on Investments	24,72,92,000	21,18,62,583
ii) Bad And Doubtful Debts Reserve - (incl. Other Assets)	1,92,53,00,263	2,41,90,18,049
iii) Reserve for Restructured Assets- Covid	75,22,17,560	0
iv) Contingent Provision Against Standard Assets	3,92,00,000	0
v) Provision towards a/c under Covid Relief	1,69,00,000	1,55,44,642
	<b>2,98,09,09,823</b>	<b>2,64,64,25,274</b>
13) Income-Tax Expenses :		
i) Current Tax	1,30,50,00,000	1,40,30,00,000
ii) Deferred Tax	43,47,00,000	(7,98,39,149)
iii) Short /(Excess) Provision for Tax of earlier years (Net)	0	9,78,44,194
	<b>1,73,97,00,000</b>	<b>1,42,10,05,045</b>
14) Net Profit carried to Balance Sheet	2,70,24,47,574	2,50,79,47,682
<b>Total</b>	<b>37,26,04,66,720</b>	<b>37,48,08,80,619</b>

As per our report of even date  
For **G. D. Apte & Co.**  
Chartered Accountants  
Firm Registration No. 100515W

sd/-

**(C. M. Dixit)**

Partner

Membership No. 017532

UDIN: 21017532AAAAAB5681

Mumbai : April 23<sup>rd</sup>, 2021

(Amount in ₹)		
Income	Current Year 31.03.2021	Previous Year 31.03.2020
1) Interest & Discount	30,76,58,94,859	32,32,56,51,194
2) Commission, exchange and brokerage	1,25,17,44,159	1,12,43,42,620
3) Profit on Sale of Securities (Net)	3,56,82,74,591	2,26,87,21,470
4) Other Receipts		
i) Processing Fees	37,08,72,527	44,43,80,531
ii) Service Charges	62,43,26,309	67,69,70,497
iii) Recovery of Expenses	1,24,27,834	1,55,31,191
iv) Profit on Sale of Assets (Net)	1,95,56,512	20,15,249
v) Digital Banking Income	26,11,43,375	38,80,26,055
vi) Miscellaneous Income	18,73,44,281	9,73,49,098
vii) Dividend	2,93,896	9,33,685
	<b>1,47,59,64,734</b>	<b>1,62,52,06,306</b>
5) Excess Provision of earlier years written back	32,36,726	58,16,355
6) Bad Debts earlier written off, now recovered	5,28,32,009	7,26,70,174
7) Excess Contingent provision against standard assets written back	0	3,33,00,000
8) Excess Provision for Restructured Assets reversed	11,00,75,000	2,51,72,500
9) Provision towards a/c under Covid Relief written back	3,24,44,642	0
<b>Total</b>	<b>37,26,04,66,720</b>	<b>37,48,08,80,619</b>

sd/-  
**S. M. Sandhane**  
Managing Director

sd/-  
**S. N. Sawaikar**  
Director

sd/-  
**K. V. Rangnekar**  
Director

sd/-  
**S. K. Sakhalkar**  
Vice-Chairman

sd/-  
**G. E. Thakar**  
Chairman

Mumbai : April 23<sup>rd</sup>, 2021



# Schedules forming part of Accounts For the year ended March 31, 2021

## SCHEDULE 1 – CAPITAL

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
<b>i) Authorised Capital :</b>		
100,00,00,000 Shares of ₹ 10/- each (Previous year 100,00,00,000 shares )	10,00,00,00,000	10,00,00,00,000
<b>Subscribed Capital :</b>		
25,03,71,803 Shares of ₹10/- each (Previous year 23,15,45,451 shares of ₹ 10/- each)	2,50,37,18,030	2,31,54,54,510
<b>Amount Called up :</b>		
25,03,71,803 Shares of ₹10/- each (Previous year 23,15,45,451 shares of ₹ 10/- each)	2,50,37,18,030	2,31,54,54,510
<b>Of the above held by :</b>		
a) Individuals	2,50,37,18,030	2,31,54,54,510
b) Co-operative institutions	0	0
c) State Government	0	0
<b>ii) Preference Share Capital</b>		
5,44,44,500 Preference Shares of ₹ 10/- each (Previous year 5,44,44,500 Preference Shares of ₹ 10/- each)	54,44,45,000	54,44,45,000
<b>Total</b>	<b>3,04,81,63,030</b>	<b>2,85,98,99,510</b>

## SCHEDULE 2 – RESERVE FUND & OTHER RESERVES

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
i) Statutory Reserve	9,12,59,52,795	8,43,08,73,368
ii) Building Fund	2,52,90,93,933	2,52,90,93,933
iii) Dividend Equalisation Fund	0	0
iv) Special Bad Debts Reserve	0	0
v) Bad & Doubtful Debts Reserve	9,25,41,17,899	8,59,57,48,439
vi) Investment Fluctuation Reserve	3,00,35,00,710	2,30,35,00,710
vii) Other Funds and Reserve:		
a) Restructured Assets Reserve	12,48,50,000	23,49,25,000
b) Contingency Reserve	3,25,81,28,450	3,00,73,33,650
c) Contingent provision against Standard Assets	1,05,02,00,000	1,01,10,00,000
d) Members' Welfare Fund	13,23,50,000	12,73,50,000
e) Provision for Public Charitable & Co-operative Purpose	14,69,20,879	13,40,38,504
f) Provision for Staff Welfare	1,67,05,723	1,63,98,992



	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
g) Net Open Foreign Currency Position Reserve	2,00,00,000	2,00,00,000
h) General Reserve	4,33,75,40,077	4,02,67,74,115
i) Revaluation Reserve	6,06,37,06,762	6,25,90,22,837
j) Special Reserve u/s 36(1)(viii) of I. Tax Act, 1961	1,88,28,00,000	1,68,28,00,000
k) Reserve for Excess Provision on Sale of Financial Assets	3,67,99,852	3,67,99,852
l) Reserve for COVID Relief Account	0	1,55,44,642
m) Provision for Restructuring other loans	62,38,78,861	0
n) Provision for Restructuring MSME (Covid Framework)	12,83,38,699	0
o) Contingent Provision against Depreciation in Investments	1,33,09,50,000	1,08,36,58,000
<b>Total</b>	<b>43,06,58,34,640</b>	<b>39,51,48,62,042</b>

### SCHEDULE 3 – DEPOSITS & OTHER ACCOUNTS

	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
<b>i) Fixed Deposits :</b>		
a) Individuals & Others	2,15,79,68,70,287	2,06,15,73,11,829
b) Central Co-op. Banks	50,00,000	50,00,000
c) Other Societies	67,22,66,25,317	67,43,31,86,937
<b>(i)</b>	<b>2,83,02,84,95,604</b>	<b>2,73,59,54,98,766</b>
<b>ii) Savings Bank Deposits :</b>		
a) Individuals & Others	92,04,12,37,809	79,51,76,12,934
b) Central Co-op. Banks	0	0
c) Other Societies	5,78,24,06,914	5,61,58,30,424
<b>(ii)</b>	<b>97,82,36,44,723</b>	<b>85,13,34,43,358</b>
<b>iii) Current Deposits :</b>		
a) Individuals & Others	25,90,25,41,986	20,74,80,65,914
b) Central Co-op. Banks	1,85,59,151	2,00,12,428
c) Other Societies	1,23,29,02,104	1,33,79,09,587
<b>(iii)</b>	<b>27,15,40,03,241</b>	<b>22,10,59,87,929</b>
<b>Total (i+ii+iii)</b>	<b>4,08,00,61,43,568</b>	<b>3,80,83,49,30,053</b>

**SCHEDULE 4 – BORROWINGS**

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
<b>i) From the Reserve Bank of India / State / Central Co-op Bank</b>		
<b>a) Short-Term Loans, Cash Credits and Overdrafts</b>	0	0
of which secured against -		
A) Government and Other Approved Securities		
B) Other Tangible Securities		
<b>b) Medium-Term Loans</b>	0	0
of which secured against -		
A) Government and other approved securities		
B) Other Tangible securities		
<b>c) Long-Term Loans</b>	0	0
of which secured against -		
A) Government and other approved securities		
B) Other Tangible securities		
<b>ii) From the State Bank of India</b>	0	0
<b>iii) From the State Government</b>	0	0
<b>iv) Loans from other sources (source and securities to be specified)</b>		
a) RBI Repo (LAF)	0	4,69,00,00,000
b) Repo Borrowings	0	0
c) Repo Borrowing under TREPS (TRIPARTY)	0	0
d) Foreign Currency Borrowing from Banks	1,09,66,50,000	0
e) Long Term (Subordinated) Deposits	10,07,49,25,000	12,37,49,25,000
<b>Total</b>	<b>11,17,15,75,000</b>	<b>17,06,49,25,000</b>

**SCHEDULE 5 – OTHER LIABILITIES**

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
i) Bills Payable	1,98,73,02,799	45,28,23,082
ii) Unclaimed Dividend	9,38,87,796	16,47,50,270
iii) Suspense	36,96,61,663	40,43,55,715
iv) Provision for Staff Pension	42,95,48,425	42,42,01,675
v) Rebate on Bills Discounted	2,38,43,907	2,05,53,300
vi) Credit balance in Bank Account	32,36,77,044	37,45,85,933
vii) Provision for Leave Encashment	0	2,96,56,039
viii) Provision for Taxation	6,91,08,56,259	5,60,58,56,259
ix) Other items	5,96,48,84,243	4,69,89,56,548
<b>Total</b>	<b>16,10,36,62,136</b>	<b>12,17,57,38,821</b>

**SCHEDULE 6 – PROFIT & LOSS**

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
<b>Profit as per last Balance Sheet</b>	<b>(a) 2,51,97,02,102</b>	<b>2,92,27,07,920</b>
Less : Appropriations of profit for the year 2019-20		
Reserve Fund	62,69,87,000	72,82,13,000
Dividend	0	33,70,31,300
Dividend on Preference Shares	0	5,71,66,800
Public Charitable & Co-operative Purpose	2,50,79,500	2,91,28,600
Provision for Staff Welfare	10,00,000	10,00,000
Members' Welfare Fund	50,00,000	1,00,00,000
Ex-gratia to Employees	31,00,00,000	36,30,00,000
Education fund	2,50,79,500	2,91,28,600
Contingency Reserve	25,07,94,800	29,12,85,200
Investment Fluctuation Reserve	70,00,00,000	22,00,00,000
Special Reserve	20,00,00,000	22,00,00,000
General Reserve	36,39,66,800	62,50,00,000
	<b>(b) 2,50,79,07,600</b>	<b>2,91,09,53,500</b>
	<b>(a)-(b) 1,17,94,502</b>	<b>1,17,54,420</b>
Add : Profit for the year as per Profit & Loss Account	<b>2,70,24,47,574</b>	<b>2,50,79,47,682</b>
	<b>Total 2,71,42,42,076</b>	<b>2,51,97,02,102</b>

**SCHEDULE 7 – CASH**

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
i) Cash in hand	2,45,33,32,666	2,90,68,83,863
ii) Cash with Reserve Bank of India	16,00,80,91,647	12,44,88,09,934
iii) Cash with State Bank of India	6,43,637	25,55,027
iv) Cash with State Co-operative Banks	49,120	50,064
v) Cash with Central Co-operative Banks	7,33,25,518	1,13,38,162
	<b>Total 18,53,54,42,588</b>	<b>15,36,96,37,050</b>

**SCHEDULE 8 – BALANCE WITH OTHER BANKS**

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
i) Current Deposits (Including ₹1334.81 crore with Banks in Foreign Countries [P.Y. ₹ 331.47 crore])	15,56,23,52,328	4,77,26,24,684
ii) Savings Bank Deposits	0	0
iii) Fixed Deposits (including ₹15.60 crore pledged for securing funded/non-funded facilities and treasury operations [P.Y. ₹ 20.09 crore])	65,86,48,476	45,63,97,563
	<b>Total 16,22,10,00,804</b>	<b>5,22,90,22,247</b>

**SCHEDULE 9 – INVESTMENTS**

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
<b>i) a) In Central and State Government Securities (at book value)</b>	<b>1,04,61,23,81,813</b>	<b>82,39,68,34,421</b>
Face Value - ₹ 10311.04 crore (P.Y. ₹ 8139.49 crore)		
Market Value - ₹10229.96 crore (P.Y. ₹ 8301.91 crore)		
(including ₹ 1717.04 crore pledged for Treasury operations (P.Y. ₹ 3003.13 crore))		
<b>b) Reserve Fund Investments</b>		
In Central / State Govt. Securities	9,12,59,53,159	8,43,08,74,857
Face Value - ₹ 903.43 crore (P.Y. ₹ 834.63 crore)		
Market Value - ₹ 937.76 crore (P.Y. ₹ 861.22 crore)		
<b>c) Members' Welfare Fund Investments</b>		
In Central / State Govt. Securities	13,23,50,040	12,73,50,170
Face Value - ₹13.27 crore (P.Y. ₹ 12.77 crore)		
Market Value - ₹13.93 crore (P.Y. ₹ 13.28 crore)		
ii) Other trustee Securities	0	0
iii) Shares in Co-operative Institutions (Other than item (5) below)	22,58,518	22,58,518
iv) Bonds Issued by Public Sector Units	3,27,78,23,000	54,78,23,000
<b>v) Other Investments:</b>		
Bonds Issued by Public Sector Banks	1,10,00,00,000	31,00,00,000
Bonds Issued by Other Institutions	2,59,98,51,251	1,35,00,00,000
Bonds of All India Financial Institutions	7,21,09,35,200	8,69,34,50,650
Shares of Limited Company	31,04,307	31,04,306
Units of Mutual Funds	0	1,00,00,000
Certificate of Deposit	10,09,11,93,750	27,32,67,31,500
Commercial Paper	0	0
Security Receipts	2,05,12,20,000	2,09,19,08,000
<b>Total</b>	<b>1,40,20,70,71,038</b>	<b>1,31,29,03,35,422</b>

**SCHEDULE 10 – ADVANCES**

(Amount in ₹)

	Current Year 31.03.2021	Previous Year 31.03.2020
<b>I) Short-Term Loans, Cash Credit, Overdrafts &amp; Bills Discounted</b>		
Of which secured against :		
a) Government & Other approved Securities	53,36,95,545	50,16,03,969
b) Other Tangible Securities	1,04,78,93,85,829	1,03,46,51,15,244
c) Personal Advances	2,05,69,27,276	2,00,88,39,522
<b>(I)</b>	<b>1,07,38,00,08,650</b>	<b>1,05,97,55,58,735</b>

	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
Of the Advances, amount due from individuals	1,05,35,20,54,368	1,04,41,08,12,826
Of the Advances, amount Overdue	6,73,23,66,195	7,06,47,51,177
Considered Bad & Doubtful of recovery (Fully Provided for)	3,62,68,95,332	3,11,06,90,509
<b>II) Medium-Term Advances</b>		
Of which secured against :		
a) Government & Other approved Securities	2,68,49,745	4,21,09,626
b) Other Tangible Securities	17,10,58,24,408	24,66,15,56,829
c) Personal Advances	1,12,70,79,461	43,47,54,686
<b>(II)</b>	<b>18,25,97,53,614</b>	<b>25,13,84,21,141</b>
Of the Advances, amount due from individuals	18,25,44,05,149	25,13,02,17,057
Of the Advances, amount Overdue	2,44,77,31,291	4,09,17,61,807
Considered Bad & Doubtful of recovery (Fully Provided for)	1,41,05,25,508	2,10,79,46,531
<b>III) Long-Term Advances</b>		
Of which secured against :		
a) Government & Other approved Securities	5,13,60,875	5,22,83,660
b) Other Tangible Securities	1,36,64,70,84,176	1,22,17,11,97,301
c) Personal Advances	7,87,97,458	4,89,40,512
<b>(III)</b>	<b>1,36,77,72,42,509</b>	<b>1,22,27,24,21,473</b>
Of the Advances, amount due from individuals	1,36,33,46,25,096	1,21,82,82,46,740
Of the Advances, amount Overdue	1,91,08,26,219	2,34,16,56,300
Considered Bad & Doubtful of recovery (Fully Provided for)	2,04,51,31,283	1,34,52,20,423
<b>Total (I+II+III)</b>	<b>2,62,41,70,04,773</b>	<b>2,53,38,64,01,349</b>

## SCHEDULE 11 – FIXED ASSETS

	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
<b>I PREMISES LESS DEPRECIATION</b>		
<b>i) Leasehold Land</b>		
Cost as on 1.04.2020	1,75,61,880	1,75,61,880
<b>(a)</b>	<b>1,75,61,880</b>	<b>1,75,61,880</b>
<b>Less : Amortisation</b>		
Amortisation upto last year	(47,04,355)	(44,97,687)
Amortisation for current year	(2,06,665)	(2,06,668)
<b>(b)</b>	<b>(49,11,020)</b>	<b>(47,04,355)</b>
<b>Total (a-b)</b>	<b>1,26,50,860</b>	<b>1,28,57,525</b>

	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
<b>ii) Premises (including freehold land)</b>		
Cost as on 1.04.2020	10,05,36,56,456	9,88,52,56,453
Add : Additions during the year	0	16,84,00,003
Less : Sales/Adjustment during the year	(269,54,707)	0
<b>(a)</b>	<b>10,02,67,01,749</b>	<b>10,05,36,56,456</b>
<b>Less : Depreciation</b>		
Depreciation upto last year	(2,06,79,36,884)	(1,82,16,07,207)
Depreciation for current year	(5,58,37,818)	(5,61,82,901)
Depreciation on Revalued Amount	(18,99,94,736)	(19,01,46,776)
Depreciation on sales	63,79,480	0
<b>(b)</b>	<b>(2,30,73,89,958)</b>	<b>(2,06,79,36,884)</b>
<b>Total (a-b)</b>	<b>7,71,93,11,791</b>	<b>7,98,57,19,572</b>
<b>iii) Leasehold Improvement</b>		
Book value as on 1.04.2020	2,09,18,802	2,88,72,821
Add : Additions during the year	0	0
	2,09,18,802	2,88,72,821
Less : Amortisation for current year	(63,07,361)	(79,54,019)
<b>Total</b>	<b>1,46,11,441</b>	<b>2,09,18,802</b>
<b>II FURNITURE &amp; FIXTURE LESS DEPRECIATION</b>		
Book value as on 1.04.2020	10,82,95,764	11,09,80,269
Add : Additions during the year	1,98,45,498	3,95,52,738
	12,81,41,262	15,05,33,007
Less : Sales/Adjustment (Net)	(4,79,434)	(7,97,515)
	12,76,61,828	14,97,35,492
Less : Depreciation for current year	(3,61,91,051)	(4,14,39,728)
<b>Total</b>	<b>9,14,70,777</b>	<b>10,82,95,764</b>
<b>III OTHER ASSETS</b>		
<b>i) Plant &amp; Machinery</b>		
Book value as on 1.04.2020	9,62,42,270	8,39,20,449
Add : Additions during the year	3,80,55,918	4,89,76,389
	13,42,98,188	13,28,96,838
Less : Sales/Adjustment (Net)	(12,97,629)	(10,19,059)
	13,30,00,559	13,18,77,779
Less : Depreciation for current year	(3,66,64,395)	(3,56,35,509)
<b>Total</b>	<b>9,63,36,164</b>	<b>9,62,42,270</b>
<b>ii) Computers</b>		
Cost as on 1.04.2020	62,95,96,948	46,14,64,151
Add : Additions during the year	14,18,88,463	20,64,22,423
Less : Sold during the year	(2,32,78,968)	(3,82,89,626)
<b>(a)</b>	<b>74,82,06,443</b>	<b>62,95,96,948</b>
Less : Depreciation upto last year	(40,39,38,936)	(36,31,35,984)
Depreciation for current year	(13,56,76,457)	(7,89,51,860)
Depreciation on sales	2,32,56,527	3,81,48,908
<b>(b)</b>	<b>(51,63,58,866)</b>	<b>(40,39,38,936)</b>
<b>Total (a-b)</b>	<b>23,18,47,577</b>	<b>22,56,58,012</b>

	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
<b>iii) Motor Cars</b>		
Cost as on 1.04.2020	10,82,96,560	10,20,04,020
Add : Additions during the year	13,32,906	1,38,82,427
Less : Sold during the year	(48,15,093)	(75,89,887)
<b>(a)</b>	<b>10,48,14,373</b>	<b>10,82,96,560</b>
Less : Depreciation upto last year	(7,27,70,001)	(6,58,88,942)
Depreciation for current year	(1,06,78,271)	(1,35,57,462)
Depreciation on sales	42,16,420	66,76,403
<b>(b)</b>	<b>(7,92,31,852)</b>	<b>(7,27,70,001)</b>
<b>Total (a-b)</b>	<b>2,55,82,521</b>	<b>3,55,26,559</b>
<b>IV CAPITAL WORK-IN-PROGRESS (PREMISES)</b>	<b>46,39,162</b>	<b>46,39,162</b>
<b>V CAPITAL WORK-IN-PROGRESS (SOFTWARE)</b>	<b>52,28,20,409</b>	<b>35,24,23,129</b>
<b>Grand Total (I to V)</b>	<b>8,71,92,70,702</b>	<b>8,84,22,80,795</b>

**SCHEDULE 12 – OTHER ASSETS**

	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
i) Deposit for Services	32,76,93,168	31,39,04,218
ii) Rent Receivable	4,35,181	4,18,591
iii) Rent on Lockers in Arrears	51,42,180	60,06,451
iv) Stamps on Hand	22,86,752	23,82,330
v) Prepaid Expenses	8,01,33,816	7,03,87,925
vi) Deferred Tax Asset	1,89,66,41,672	2,33,13,41,672
vii) Income Tax paid	6,97,91,94,608	5,93,51,66,293
viii) Margin on Guarantee Fund (CCIL)	72,18,80,000	81,57,85,000
ix) Other dues	2,90,21,27,014	2,23,56,12,654
<b>Total</b>	<b>12,91,55,34,391</b>	<b>11,71,10,05,134</b>

**SCHEDULE 13 – CONTINGENT LIABILITIES**

	(Amount in ₹)	
	Current Year 31.03.2021	Previous Year 31.03.2020
i) Letters of Credit	9,31,59,13,021	9,85,87,34,492
ii) Guarantees	6,14,72,30,607	6,67,20,16,830
iii) Forward Sale/Purchase Contracts	56,31,36,29,905	60,59,49,93,274
iv) Unclaimed Liabilities under DEAF Scheme	1,34,32,85,255	1,18,68,90,471
<b>Total</b>	<b>73,12,00,58,788</b>	<b>78,31,26,35,067</b>



# Notes forming part of the Balance Sheet

As at March 31, 2021 and Profit and Loss Account for the year ended March 31, 2021.

## I. OVERVIEW:

### 1) Background:

Saraswat Co-operative Bank Ltd was incorporated in 1918 and provides a complete suite of corporate and retail banking products.

### 2) 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 and the Multi State Co-operative Societies Act, 2002, 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.

### 3) Use of estimates:

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

## II. SIGNIFICANT ACCOUNTING POLICIES:

### 1) Accounting Convention:

The financial statements are drawn up in accordance with the historical cost convention

(as modified by revaluation of premises) and on "Going Concern" basis.

### 2) Foreign currency transactions:

2.1 Transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities at the Balance Sheet date are translated at rates notified by Foreign Exchange Dealers' Association of India (FEDAI). All profits/losses resulting from year-end revaluations are recognised in the Profit and Loss account.

2.2 Outstanding forward exchange contracts and spot exchange contracts are revalued at year end 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.

2.3 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.

2.4 The Bank has no foreign branches.

### 3) Investments:

#### 3.1 Categorization of investments:

In accordance with guidelines issued by RBI, the Bank classifies its investment portfolio into the following three categories:

- i) 'Held to Maturity' - Securities acquired by the Bank with the intention to hold till maturity.
- ii) 'Held for Trading' - Securities acquired by the Bank with the intention to trade.

- iii) 'Available for Sale' – Securities which do not fall within the above two categories are classified as 'Available for Sale'.

### 3.2 Classification of Investments:

For the purpose of disclosure in the Balance Sheet, Investments are classified as required under the Banking Regulation Act, 1949 and RBI guidelines as follows:-

Government Securities, Other Trustee Securities, Shares in co-operative institutions, Shares of limited companies, PSU Bonds, Bonds of All India Financial Institutions, Security Receipts and other Investments.

### 3.3 Valuation of Investments:

- (i) **'Held to Maturity'** – These investments are carried at their acquisition cost less amortization. Any premium on acquisition is amortised over the period remaining to maturity.
- (ii) **'Held for Trading'** – The individual scrip in the HFT category is marked to market at monthly intervals. The net resultant depreciation in each classification (as mentioned in Para 3.2 above) is recognized in the Profit and Loss Account. Net appreciation, if any, is ignored.
- (iii) **'Available for Sale'** – The individual scrip in the AFS category is marked to market at the year end or at more frequent intervals. The net resultant depreciation in each classification (as mentioned in Para 3.2 above) is recognized in the Profit and Loss Account. Net appreciation, if any, is ignored.
- (iv) Market value of Government Securities (excluding Treasury Bills) is determined based on the price list published by RBI or the

prices periodically declared by FBIL for valuation at year-end. In case of unquoted Government Securities, market price or fair value is determined as per the rates published by FBIL.

- (v) Market value of other approved securities is determined based on the yield curve and spreads provided by FBIL.
- (vi) Equity shares are valued at cost or the closing quotes on a recognised stock exchange, whichever is lower.
- (vii) Treasury Bills are valued at carrying cost, net of discount amortised over the period to maturity.
- (viii) Certificate of Deposits and Commercial Papers are valued at carrying cost.
- (ix) Units of Mutual Funds are valued at the lower of cost and net asset value provided by the respective Mutual Fund.
- (x) Security Receipts - These are valued at Net Asset Value as provided by the Asset Reconstruction Company.
- (xi) Broken period interest on debt instruments is treated as a revenue item. Brokerage, commission, etc. pertaining to investments paid at the time of acquisition are charged to revenue.
- (xii) Non performing investments are identified and classified as per applicable RBI guidelines.

### 3.4 Accounting for Repo / Reverse Repo transactions (including transactions under the liquidity Adjustment Facility (LAF) with the RBI)

The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized Borrowing and Lending transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and

such movement of securities is reflected using the Repo/ Reverse Repo accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenue are accounted as interest expenditure/income, as the case may be. Balance in Repo account is classified under schedule 4 (Borrowings) and balance in Reverse Repo account is classified under Money at Call & Short Notice.

#### 4) Provisioning for Advances and Overdue Interest Reserve:

4.1 The classification of advances into Standard, Sub-standard, Doubtful and Loss assets as well as provision on non-performing advances has been arrived at in accordance with the guidelines issued by RBI from time to time. In addition to this, a general provision on standard assets is made @0.40% of the outstanding amount on a portfolio basis except in case of direct advances to Agricultural and SME sector @ 0.25%, advances to Commercial Real Estate @ 1% and Commercial Real Estate- Residential House Sector @ 0.75%.

In respect of restructured advances, including advances restructured under the COVID Regulatory package, adequate provisioning has been made in accordance with the RBI guidelines issued from time to time.

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

#### 5) Revenue Recognition (AS 9):

5.1 Items of income and expenditure are accounted for on accrual basis.

5.2 Income from non-performing assets is recognised to the extent realised, as per

the directives issued by RBI.

5.3 Interest on Government Securities, debentures and other fixed income securities is recognised on accrual basis. Income on discounted instruments is recognised over the tenor of the instrument on a straight-line basis.

5.4 Dividend income is accounted on receipt basis.

5.5 Exchange and brokerage are recognised on realisation.

5.6 Income from distribution of insurance products is recognised on the basis of business booked.

#### 6) Property, Plant and Equipment (AS 10):

6.1 Leasehold Land, Computers and Motor Cars are stated at cost less amortisation/ depreciation. Furniture & Fixtures, Plant & Machinery and Leasehold improvement are stated at written down value after providing depreciation/amortization.

Premises (including Freehold Land): These are stated at the revalued amounts less depreciation.

The Bank has framed its own policy for the revaluation of immovable properties, which is duly approved by its Board of Directors. Revaluations are carried out by obtaining expert valuation reports by using applicable methods of valuations.

Cost includes incidental expenses incurred on acquisition of assets.

6.2 (i) Plant & Machinery, Furniture & Fixtures and Motor Cars are depreciated on written down value method @30% p.a.

(ii) Premises (excluding Freehold Land) are depreciated on straight line method @ 2.5% p.a.

- (iii) Lease improvement costs are amortised over the period of lease.
  - (iv) Leasehold Land is amortised over the period of lease.
  - (v) Computers are depreciated on straight line method @ 33.33% as directed by RBI.
  - (vi) Depreciation on revalued portion of Premises is adjusted against Revaluation Reserve.
- 6.3 Depreciation on fixed assets purchased during the year is charged for the entire year if 180 days or more have elapsed since its purchase; otherwise it is charged at 50% of the normal rate. No depreciation is charged on fixed assets sold during the year.
- 6.4 The additions to the Fixed Assets are net of GST Input Tax Credit to the extent it is availed by the Bank.

## 7) Deposit for Services:

The Deposit for Services like Telephone, Electricity, etc. paid to the concerned authorities is written off as expenditure in the year in which the relevant service connection is installed.

## 8) Employee Benefits (AS 15):

### 8.1 Gratuity:

The Bank provides for gratuity to all employees. The benefit vests upon completion of five years of service and is in the form of lump sum payment to employees on resignation, retirement, death while in employment or on termination of employment, an amount equivalent to 15 days salary plus eligible allowances payable for each completed year of service, as per the Payment of Gratuity Act, 1972. The Bank makes contributions to funds administered by trustees and managed by the LIC of India.

The defined gratuity benefit plans are valued by an independent actuary as at the Balance Sheet date, using the projected unit credit method as per the requirement of AS-15 "Employee Benefits", to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognized in the Statement of Profit and Loss.

### 8.2. Provident fund:

In accordance with law, all the employees of the Bank are entitled to receive benefits under the provident fund. Every employee contributes an amount, on a monthly basis, at a determined rate. The Bank contributes an equal amount. This amount is transferred to PF account managed by the Employees' PF Trust.

In the case merged banks i.e. erstwhile Maratha Mandir Co-op. Bank Ltd., erstwhile Mandvi Co-op. Bank Ltd., erstwhile South Indian Co-op. Bank Ltd., erstwhile Nashik Peoples Co-op. Bank Ltd., erstwhile Annasaheb Karale Janata Sahakari Bank Ltd., erstwhile Murgharajendra Sahakari Bank Ltd., and erstwhile Kolhapur Maratha Co-op. Bank Ltd, PF contribution of employees of these merged banks and the employer's contribution is transferred to RPF, Bandra, Mumbai.

The Bank's contribution to Provident Fund is accounted for on the basis of contribution to the scheme.

### 8.3 Leave Encashment:

In respect of leave encashment liability, the Bank has obtained Insurance Policies with four different insurance companies.

The shortfall, if any between projected benefit obligation and the fair value of plan assets as on 31<sup>st</sup> March is provided for and recognized as expense in the Profit and Loss Account. The liability of leave encashment is provided on the basis of actuarial valuation as at the Balance Sheet date and considered as defined benefit scheme. The actuarial valuation is carried out as per projected unit credit method.

#### **8.4 Pension and LTC**

The liability towards Staff Pension and unavailed LTC is provided on the basis of actuarial valuation as at the Balance Sheet date and considered as defined benefit scheme. The actuarial valuation is carried out as per projected unit credit method.

#### **9) Segment Reporting (AS 17):**

In accordance with the guidelines issued by RBI, Bank has adopted Segment Reporting as under:

9.1 SBU Treasury includes all investment portfolio, profit/loss on sale of investments, profit/loss on foreign exchange transactions, equities and money market operations. The expenses of this segment primarily 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.

9.2 Other Banking Operations include all other operations not covered under Treasury operations.

#### **10) Related Party Disclosures (AS 18):**

There are no related parties which require a disclosure under AS 18 other than the Key Management Personnel. Since Mrs. S. M. Sandhane, the Managing Director of the

Bank is a single party under the category Key Management Personnel, no further details need to be disclosed in terms of RBI circular dated 29<sup>th</sup> March, 2003.

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

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

#### **12) Earnings per Share (AS 20):**

Basic earning per share is calculated by dividing the net profit or loss for the year by the weighted average number of shares (excluding preference shares) outstanding during the year calculated on monthly basis.

#### **13) Income-Tax (AS 22):**

13.1 Current income tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the applicable provisions under the Income Tax Act, 1961.

13.2 Deferred Tax assets and liabilities are recognized, subject to consideration of prudence, on timing difference, representing the difference between taxable income and accounting income that originated in one period and is capable of reversal in one or more subsequent periods. Deferred Tax Assets and Liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized and re-assessed at each reporting date, based upon the Management's judgement as to whether realization is considered as reasonably certain.

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

Intangible assets consist of Computer Software acquired / self created. The same

is amortized equally over the period of three years as per RBI guidelines.

**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.

Since the Bank has ascertained that there is no material impairment of any of its assets, no provision on account of impairment of assets is required to be made.

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

A provision is recognised 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.

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

Contingent Assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Contingent Liabilities are disclosed when there is 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 any present obligation arising from past event which is not recognized since it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of such obligation cannot be made.



### III. NOTES TO ACCOUNTS:

- 1) The Share Capital includes 771023 shares of ₹ 10/- each in respect of the persons who have not subscribed to additional shares to make their shareholding minimum of 50 shares as required under Bye-law No.6C and as a result, they are not entitled to their membership rights.
- 2) In terms of RBI directives, following additional disclosures are made:

		(₹ in crore)	
Sr. No.	Particulars	31.03.2021	31.03.2020
1.	Capital to Risk Weighted Asset Ratio	14.26%	14.75%
2.	Movement in CRAR		
	(i) Total Capital Funds	3,706.53	3,643.24
	(ii) Risk Weighted Assets	25,997.20	24,696.35
3.	Investments :		
	(i) Book Value	14,020.71	13,129.03
	(ii) Face Value	14,187.09	13,365.56
	(iii) Market Value	13,707.92	13,115.96
4.	Advances against :		
	(i) Real Estate	814.04	849.84
	(ii) Construction Business	80.64	87.40
	(iii) Housing	5,275.09	4,596.39
5.	Advances against shares & debentures	25.16	29.24
6.	Advances to directors, their relatives, companies/firms in which they are interested:		
	(i) Fund based	NIL	NIL
	(ii) Non-Fund based	NIL	NIL
7.	Average cost of deposits	5.37%	6.04%
8.	NPAs		
	(i) Gross NPAs	1,200.58	1,249.80
	(ii) Net NPAs	263.36	382.30
9.	Movement in NPAs		
	(i) Gross NPAs		
	Opening Balance	1,249.80	1,193.57
	Add : Additions during the year	308.93	499.97
	Less : Reduction / write off / upgradation during the year	358.15	443.74
	Closing Balance.	1,200.58	1,249.80
	(ii) Net NPAs		
	Opening Balance	382.30	451.89
	Add : Additions during the year	119.87	263.37
	Less : Reduction during the year	238.81	332.96
	Closing Balance	263.36	382.30



(₹ in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
10.	Profitability :		
	(i) Interest income as a percentage of working funds (%)	6.46	7.24
	(ii) Non-interest income as a percentage of working funds (%)	1.33	1.14
	(iii) Operating profit as a percentage of working funds (%)	1.53	1.46
	(iv) Return on average Assets (%)	0.58	0.58
	(v) Business (Deposits + Advances) per employee (₹ in crore)	15.80	14.94
	(vi) Operating profit per employee (₹ in crore)	0.17	0.15
11.	Provisions made towards :		
	(i) NPAs	189.07	236.60
	(ii) Depreciation on investments	24.73	19.94
	(iii) Standard Assets	3.92	(3.33)
	(iv) Provision towards a/c under Covid Relief	(1.55)	1.55
	(v) Provision towards MSME & COVID related stress restructuring	75.23	0.00
12.	Movement in Provisions :		
	(i) Towards NPAs		
	Opening Balance	834.20	741.68
	Add : Additions during the year	189.07	236.60
	Less : Reduction during the year	124.71	144.08
	Closing Balance	898.56	834.20
	(ii) Towards Depreciation on investments		
	Opening Balance	108.37	88.43
	Add : Additions during the year	26.29	19.94
	Less : Reduction during the year	1.56	0.00
	Closing Balance	133.10	108.37
	(iii) Towards Standard Assets		
	Opening Balance	101.10	104.43
	Add : Additions during the year	3.92	0.00
	Less : Reduction during the year	0.00	3.33
	Closing Balance	105.02	101.10
	(iv) Towards COVID Relief Accounts:		
	Opening Balance	1.55	0.00
	Add : Additions during the year	1.69	1.55
	Less : Reduction during the year	3.24	0.00
	Closing Balance	0.00	1.55
	(v) Towards MSME and COVID related Stress Restructured Accounts:		
	Opening Balance	0.00	0.00
	Add : Additions for MSME Restructuring during the year	12.84	0.00
	Add : Additions for COVID related restructuring during the year	62.39	0.00
	Less : Reduction during the year	0.00	0.00
	Closing Balance	75.23	0.00

(₹ in crore)

Sr. No.	Particulars	31.03.2021	31.03.2020
13.	(i) Foreign currency assets	2,444.12	1,512.00
	(ii) Foreign currency liabilities	291.62	185.50
14.	(i) Payment of DICGC Insurance Premium	45.12	36.04
	(ii) Arrears in payment of DICGC premium	NIL	NIL
15.	Penalty imposed by RBI	NIL	0.30*
16.	Cost of premises		
	Original Cost	241.62	243.71
	Add :- Revaluation	761.05	761.66
	Closing Balance of premises	1,002.67	1,005.37
	Closing Balance of Revaluation Reserve	606.37	625.90

\*vide RBI letter dated 28.05.2020

**3) In connection with Repo/Reverse Repo transactions:**

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 <sup>st</sup> March 2021
<b>Security sold under Repo</b>				
i) Government Securities	0.00	1,958.68	546.32	0.00
	(0.00)	(1,263.26)	(537.66)	(0.00)
ii) Corporate Debt Securities	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
<b>Securities purchased under Reverse Repo</b>				
i) Government Securities	0.00	1,698.46	48.64	0.00
	(0.00)	(1,139.61)	(137.76)	(0.00)
ii) Corporate Debt Securities	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
<b>Securities sold under RBI Repos (LAF)</b>				
i) Government Securities	0.00	492.00	229.27	0.00
	(0.00)	(469.00)	(47.25)	(469.00)
ii) Corporate Debt Securities	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)
<b>Securities purchased under RBI Reverse Repos (LAF)</b>				
i) Government Securities	625.00	4960.00	2588.14	1970.00
	(0.00)	(2,670.00)	(434.33)	(2,450.00)
ii) Corporate Debt Securities	0.00	0.00	0.00	0.00
	(0.00)	(0.00)	(0.00)	(0.00)

**Note:** i) Figures in brackets represent previous year's figures.

**4) Non - SLR Investments:****4.1 Issuer composition of Non-SLR investments:**

(₹ in crore)

Sr. No.	Particulars	Amount	Extent of "Below Investment Grade" Securities	Extent of "Unrated" Securities	Extent of "Unlisted" Securities
1.	PSUs	327.78 (54.78)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2.	FIs	721.09 (869.35)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
3.	Public Sector Banks	110.00 (31.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
4.	Mutual Fund	0.00 (1.00)	0.00 (0.00)	N.A. (N.A)	N.A. (N.A)
5.	Others	465.65 (344.73)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6.	Provision held towards depreciation	133.10 (108.37)	XXX (XXX)	XXX (XXX)	XXX (XXX)
	<b>Total</b>	<b>1,624.52</b> <b>(1,300.86)</b>	<b>0.00</b> <b>(0.00)</b>	<b>0.00</b> <b>(0.00)</b>	<b>0.00</b> <b>(0.00)</b>

**Note:** Figures in brackets represent previous year's figures.**4.2 Non-performing Non-SLR investments:**

(₹ in crore)

Particulars	Amount 31.03.2021	Amount 31.03.2020
Opening Balance	0.00	0.00
Additions during the year	0.00	0.00
Reductions during the year	0.00	0.00
Closing Balance	0.00	0.00
<b>Total provisions held</b>	<b>0.00</b>	<b>0.00</b>

**5) Details of Advances Restructured as on 31<sup>st</sup> March, 2021 are given below:**

(₹ in crore)

Sr. No,	Particulars	Housing Loans	SME Debt Restructuring	CDR	Others	
<b>I</b>	<b>Standard Advances Restructured</b>	Numbers of Borrowers	0	12	0	3
			(0)	(13)	(0)	(5)
		Amount Outstanding	0.00	165.84	0.00	153.21
			(0.00)	(164.04)	(0.00)	(219.93)
	Sacrifice (Diminution in the Fair Value)	0.00	6.28	0.00	2.65	
		(0.00)	(7.17)	(0.00)	(5.45)	
<b>II</b>	<b>Sub Standard Advances Restructured</b>	Numbers of Borrowers	0	1	0	0
			(0)	(0)	(0)	(0)
		Amount Outstanding	0.00	4.33	0.00	0.00
			(0.00)	(0.00)	(0.00)	(0.00)
	Sacrifice (Diminution in the Fair Value)	0.00	0.07	0.00	0.00	
		(0.00)	(0.00)	(0.00)	(0.00)	
<b>III</b>	<b>Doubtful Advances Restructured</b>	Numbers of Borrowers	0	5	2	9
			(0)	(6)	(2)	(8)
		Amount Outstanding	0.00	40.51	40	186.77
			(0.00)	(44.20)	(71.07)	(128.30)
	Sacrifice (Diminution in the Fair Value)	0.00	1.59	0	1.91	
		(0.00)	(2.16)	0	(8.71)	
<b>Total</b>	<b>Numbers of Borrowers</b>	<b>0</b>	<b>18</b>	<b>2</b>	<b>12</b>	
		<b>(0)</b>	<b>(19)</b>	<b>(2)</b>	<b>(13)</b>	
		<b>0.00</b>	<b>210.68</b>	<b>40</b>	<b>339.98</b>	
		<b>(0.00)</b>	<b>(208.24)</b>	<b>(71.07)</b>	<b>(348.23)</b>	
<b>Sacrifice (Diminution in the Fair Value)</b>	<b>0.00</b>	<b>7.94</b>	<b>0.00</b>	<b>4.56</b>		
	<b>(0.00)</b>	<b>(9.33)</b>	<b>(0.00)</b>	<b>(14.16)</b>		

**Note:** Figures in brackets represent previous year's figures

Amount and number of borrower accounts in respect of which applications for restructuring are under process, but the restructuring packages have not yet been approved/implemented, is ₹ 17.34 crore and 1 respectively as on 31.03.2021. (Previous year – ₹ 76.45 crore, 2 respectively)

**6) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies (AS 5):**

Prior Period Items: During the year, there were no material prior period income / expenditure items.

Change in accounting policy: There is no change in the Significant Accounting Policies adopted during the year ended 31<sup>st</sup> March, 2021 as compared to those followed in the previous financial year 2019-20.

## 7) Employee Benefits- AS 15:

### A. Defined Contribution Plan

#### 7.1 Bank's contribution to Provident Fund – ₹ 26.99 crore

(Previous year- ₹ 26.30 crore)

### B. Defined Benefit Plan

#### 7.2 Assumptions:

Sr. No.	Particulars	Gratuity (Funded)		Pension (Unfunded)	
		31.03.21	31.03.20	31.03.21	31.03.20
I	Discount rate	6.82%	6.84%	6.91%	6.81%
II	Expected return on Plan Assets	6.82%	6.84%	N.A.	N.A.
III	Salary Escalation rate	4.00%	4.00%	4.00%	4.00%
IV	Attrition Rate	3.00%	3.00%	3.00%	3.00%
V	Mortality Table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

#### 7.3 Table showing change in the Present Value of Projected Benefit Obligation:

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31.03.21	31.03.20	31.03.21	31.03.20
Present value of obligation at the beginning of the period	146.12	130.36	42.42	36.33
Interest cost	9.99	10.15	2.89	2.82
Current service cost	7.06	5.98	0.66	0.53
(Benefits paid directly by the Employer)	(0.26)	(0.15)	(2.69)	(2.48)
(Benefits paid from the Fund)	(19.41)	(18.15)	-	-
Actuarial (Gains)/Losses on Obligations-Due to Change in Demographic Assumptions	-	2.71	-	(0.02)
Actuarial (Gains)/Losses on Obligations-Due to Change in Financial Assumptions	(0.80)	8.06	(0.42)	3.94
Actuarial (Gains)/Loss on obligations-Due to Experience	2.24	7.16	0.09	1.30
Present value of benefit obligation at the end of the period	144.94	146.12	42.95	42.42

**7.4 Table showing Change in Fair Value of Plan Assets:**

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31.03.21	31.03.20	31.03.21	31.03.20
Fair value of plan assets at the beginning of the period	135.69	134.76	--	--
Expected return on Plan Assets	9.28	10.50	--	--
Contributions by the Employer	18.57	9.72	--	--
Benefits paid from the Fund	(19.41)	(18.15)	--	--
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.11)	(1.14)	--	--
Fair value of plan assets at the end of the period	144.02	135.69	--	--

The plan assets are invested in the insurer managed fund which generally makes investment in secured securities. Hence, the expected rate of return considered is yield on the government securities which match the average term of the obligation.

**7.5 Amount recognized in Balance Sheet:**

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31.03.21	31.03.20	31.03.21	31.03.20
(Present value of obligation at the end of the period)	(144.94)	(146.12)	(42.95)	(42.42)
Fair value of plan assets at the end of the period	144.02	135.69	-	-
Funded Status (Surplus/ (Deficit))	(0.92)	(10.43)	(42.95)	(42.42)
Net (Liability)/Asset Recognised in the Balance Sheet	(0.92)	(10.43)	(42.95)	(42.42)

**7.6 Expenses recognized in the Statement of Profit or Loss:**

(₹ in crore)

Particulars	Gratuity (Funded)		Pension (Unfunded)	
	31.03.21	31.03.20	31.03.21	31.03.20
Current service cost	7.05	5.98	0.66	0.53
Net Interest cost	0.71	(0.34)	2.89	2.83
Actuarial (Gains)/Loss	1.55	19.06	(0.33)	5.21
Expenses recognised in Statement of Profit or Loss	9.31	24.70	3.22	8.57

**7.7 Investments under Plan Assets are as follows:**

(₹ in crore)

Category of Assets	Gratuity (Funded)		Pension (Unfunded)	
	31.03.21	31.03.20	31.03.21	31.03.20
Insurer Managed Funds	142.99	135.17	-	-
Other	1.03	0.52	-	-
<b>Total</b>	<b>144.02</b>	<b>135.69</b>	<b>-</b>	<b>-</b>

### 7.8 Actual Return on Plan Assets and Expected contribution for next year

(₹ in crore)

Particulars	2021	2020
Expected return on plan assets	9.28	10.50
Actuarial Gains/(Losses) on Plan Assets- due to experience	(0.11)	(1.14)
<b>Actual Return on Plan Assets</b>	<b>9.17</b>	<b>9.36</b>
<b>Expected Contribution for next year</b>	<b>8.39</b>	<b>17.49</b>

### 7.9 Amounts of Gratuity and Pension for the current year and previous four years are as follows:

#### i. Gratuity

(₹ in crore)

Particulars	2021	2020	2019	2018	2017
(Present Value of Benefit Obligation at the end of the Period)	(144.93)	(146.12)	(130.36)	(131.96)	(124.77)
Fair Value of Plan Assets at the end of the Period	144.02	135.69	134.76	129.26	125.23
Funded Status (Surplus/ (Deficit))	(0.92)	(10.43)	4.40	(2.70)	0.46
Actuarial (Gains)/Losses on Obligations - Due to Experience	2.24	7.16	(1.35)	12.37	(4.03)
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	(0.11)	(1.14)	(0.35)	0.44	(0.47)

#### ii. Pension

(₹ in crore)

Particulars	2021	2020	2019	2018	2017
(Present Value of Benefit Obligation at the end of the Period)	(42.95)	(42.42)	(36.33)	(36.00)	(36.34)
Fair Value of Plan Assets at the end of the Period	-	-	-	-	-
Funded Status (Surplus/ (Deficit))	(42.95)	(42.42)	(36.33)	(36.00)	(36.34)
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.09	1.30	(0.50)	(0.87)	1.26
Actuarial Gains/(Losses) on Plan Assets - Due to Experience	-	-	-	-	-



**C. Other Long-Term Employee Benefits**
**7.10 Compensated absences**

The actuarial liability of compensated absences of accumulated privileged and sick leaves of the employees of the Bank is given below:

(₹ in crore)		
Particulars	2021	2020
Privileged leave	91.97	81.95
Sick leave (vested)	18.68	20.33
Sick leave(non-vested)	2.97	--
<b>Total actuarial liability</b>	<b>113.62</b>	<b>102.28</b>
<b>Assumptions</b>		
Discount rate		
Privileged leave	6.82%	6.84%
Sick leave (vested)	6.85%	6.83%
Sick leave (Non-vested)	6.82%	--
Salary escalation rate		
Privileged leave	4.00%	4.00%
Sick leave (vested)	0.00%	0.00%
Sick leave (Non-vested)	4.00%	--

**8) Primary Segment Reporting (by Business Segments) AS 17:**

(₹ in crore)			
Particulars	SBU Treasury	Other Banking Business	31st March 2021 (31st March 2020)
Segment Revenue	1,341.71 (1,121.24)	2,370.08 (2,621.00)	3,711.79 (3,742.24)
Segment Cost (incl. allocated provisions)	969.45 (894.43)	2,298.13 (2,454.92)	3,267.58 (3,349.35)
Operating Profit (after allocated provisions)	372.26 (226.81)	71.95 (166.08)	444.21 (392.89)
Profit before Tax			444.21 (392.89)
Income Tax			173.97 (142.10)
Net Profit			270.24 (250.79)
<b>Other Information</b>			
Segment Assets	21,530.62 (20,397.37)	31,301.83 (30,702.94)	52,832.45 (51,100.31)
Unallocated Assets			887.58 (826.65)
Total Assets			53,720.03 (51,926.96)
Segment Liabilities	2,305.23 (3,314.13)	47,095.80 (44,660.57)	49,401.03 (47,974.70)
Unallocated Liabilities			691.09 (560.58)
<b>Total Liabilities</b>			<b>50,092.12</b> <b>(48,535.28)</b>

**Note:**

- (i) These segments have been reported considering the nature of products or services, different risks and returns attributable to them, organization structure and internal management information system.
- (ii) Types of products & services in each business segment:
- a) Strategic Business Unit (SBU) Treasury: Dealing operations in forex, money market & fixed income products.
  - b) Other Banking Operations: Corporate & Retail Banking & Allied services.
- (iii) Secondary Segment information: Bank caters mainly to the needs of Indian customers; hence separate information regarding secondary segment i.e. Geographical Segment is not given.
- (iv) Total Liabilities exclude Capital and Reserves other than those specifically identifiable with a segment.
- (v) Figures in brackets represent previous year's figures.

**9) Operating Lease comprises leasing of office premises (AS 19):**

(₹ in crore)

Particulars	31.03.2021	31.03.2020
<b>Future lease rental payable as at the end of the year:</b>		
- Not later than one year	49.39	47.81
- Later than one year and not later than five years	129.17	100.34
- Later than five years	23.35	17.10
Total of minimum lease payments realisation in the Profit and Loss account for the year.	65.01	62.66
Total of future minimum sub-lease payment expected to be received under non-cancellable sub-lease	NIL	NIL
Sub-lease payments realisation in the Profit and Loss account for the year	NIL	NIL

**10) Major components of Deferred Tax (AS 22):**

(₹ in crore)

Particulars	31.03.2021	31.03.2020
<b>Deferred Tax Asset</b>		
1 Sec.43B	1.87	3.25
2 Provision for BDDR (incl. Other Assets)	233.52	300.88
3 Amortisation of HTM Securities	0.48	0.91
4 Provision for Restructured Assets	3.14	8.21
5 Provision for Restructuring other loans and MSME (Covid Framework)	18.93	0.00
6 Other	1.67	1.48
<b>Sub-Total (A)</b>	<b>259.61</b>	<b>314.73</b>
<b>Deferred Tax Liability</b>		
1 Difference in WDV of fixed assets	7.70	10.03
2 Special Reserve u/s 36(1) (viii)	46.61	57.72
3 Others	15.64	13.85
<b>Sub-Total (B)</b>	<b>69.95</b>	<b>81.60</b>
<b>Net Deferred Tax Asset (A)-(B)</b>	<b>189.66</b>	<b>233.13</b>

**Note:** Deferred Tax Asset has been recognised to the extent Management is reasonably certain of its realization.

11) The Bank has decided to exercise the option of lower tax rate available under section 115BAD of the Income Tax Act, 1961 as introduced by the Finance Act 2020 w.e.f. Assessment Year beginning on 1<sup>st</sup> April, 2021. Accordingly, the Bank has recognized provision for tax and remeasured its deferred tax assets (DTA) at 31<sup>st</sup> March, 2021 based on the tax rate prescribed in the said section. This has led to a partial reversal of the DTA, the impact of which is a one-time charge which is included in the tax expense of the Bank.

**12) Details of Computer Software –other than internally generated (AS 26):**

- a. Amortisation rates used @33.33% p.a. on straight line method. (However, if useful life of software is shorter, then proportionate rates are used).

Particulars	(₹ in crore)	
	31.03.2021	31.03.2020
Opening Balance (at cost) as on April 1	38.24	35.42
Add : Additions during the year	7.95	2.82
<b>Sub-Total (A)</b>	<b>46.19</b>	<b>38.24</b>
Less : Amortisation made :		
Opening Balance of Amortisation	35.60	33.24
Add : Amortisation during the year	2.89	2.36
<b>Sub-Total (B)</b>	<b>38.49</b>	<b>35.60</b>
<b>Net carrying amount as on March 31 (A)-(B)</b>	<b>7.70</b>	<b>2.64</b>

- b. Amount of commitments (net of advance) for the acquisition of computer software – ₹23.11 crore (Previous year- ₹ 21.56 crore).

13) The information in respect of their registration under Micro, Small, Medium Enterprises Development, Act 2006 is not received from suppliers / service providers by the Bank. Hence, information relating to the cases of delays if any, in payments to such enterprises or of interest payments due to such delays could not be given.

14) The Bank has taken Group Mediclaim Policy covering its Directors. The Bank has paid premium of ₹ 1,85,190/- on this account. (previous year ₹ 1,78,435/-)

**15) Market Risk in Trading Book as on 31.03.2021:**

**a) Qualitative Disclosures**

Market Risk is the risk that the value of investments may undergo change over a given time period, simply because of economic changes or other events that impact the financial markets. In other words, Market Risk is calculated for both, adverse movement in the price of an individual security owing to factors related to the individual issuer as well as interest rate risk in the portfolio.

**Methodology:** The Bank follows the Standardized Duration Approach for calculation of Market Risk. The Bank manages the Market Risk in the books on an ongoing basis and ensures that the capital requirement for Market Risk is being maintained on a continuous basis i.e. at the close of each business day.

The capital charge is applied to the market value of securities in the Bank's trading book. Market Value is determined as per the extant RBI guidelines on valuation of investments.

Minimum Capital Requirement is worked out separately for

1. 'Specific Risk' charge – for individual issuer related factors.
2. 'General Market Risk' – for interest rate risk in the portfolio.

**Scope:** The portfolios covered under the said approach include:

1. Securities included under the Held for Trading (HFT) category
2. Securities included under the Available for Sale (AFS) category
3. Open Foreign Exchange Position Limits

**Infrastructure/ MIS & Reporting:** The Investment Policy as approved by the Board of Directors provides detailed guidelines for all operational procedures, settlements, valuations and risk controls pertaining to the investments.

A separate Mid-Office is also in place which acts as an intermediary, monitoring compliance of regulatory guidelines and of the Banks' Investment Policy and undertakes reporting to higher management.

**Parameters for risk measurement:** Risk Management and reporting is based on parameters such as Modified Duration, Net Open Position Limits, Gap Limits, and Value- at- Risk (VaR).

**b) Quantitative Disclosure:**

(₹ in crore)		
Particulars	31.03.2021	31.03.2020
The Capital requirements for:		
Interest Rate Risk	189.83	151.90
Equity Position Risk	0.05	0.06
Foreign Exchange Risk	3.29	3.29

**16) Details of financial assets sold during the year to SC/RC for Asset Reconstruction:**

(₹ in crore)		
Particulars	31.03.2021	31.03.2020
a. No. of accounts	0	0
b. Aggregate value (net of provisions) of accounts sold to SC/RC	0.00	0.00
c. Aggregate consideration	0.00	0.00
d. Additional consideration realised in respect of accounts transferred in earlier years	0.00	0.00
e. Aggregate gain/loss over net book value	0.00	0.00

**17) Disclosure with respect to 'The Depositor Education and Awareness Fund Scheme, 2014' (DEAF) as per RBI Circular dated 27/05/2014:**

(₹ in crore)		
Particulars	31.03.2021	31.03.2020
Opening balance of amounts transferred to DEAF	118.69	92.83
Add :- Amounts transferred to DEAF during the period	17.20	27.60
Less :- Amount reimbursed by DEAF towards claims for the year	1.35	1.35
Less :- Amount yet to be settled by DEAF till 31.03.2021	0.21	0.39
Closing balance of amounts transferred to DEAF	<b>134.33</b>	<b>118.69</b>

- 18)** The SARS-CoV2 virus responsible for Covid-19 pandemic continues to spread across the globe thus impacting India. This has resulted in an adverse impact and volatility in global and Indian markets and disruption in economic activity. Implementation of lockdown and extension of the same has resulted in disruptions of business and common life. The current second wave of Covid-19 pandemic, where the number of new cases has increased significantly in India, has resulted in re-imposition of localized/regional lockdowns in various parts of the country. The extent of impact on account of the pandemic, including the current second wave witnessed in the country, on the Bank's operations and asset quality depends on future developments, which are uncertain.

By creation of additional provisioning buffer, the Bank is gearing itself on all fronts to meet these challenges imposed by the pandemic including the likelihood of a rise in the customer defaults and an increase in provisioning requirements. Despite these events and conditions, the Bank's results in future are neither expected to be materially adverse nor would there be any significant impact on the going concern assumption.

- 19)** In accordance with the RBI Circulars dated March 27, 2020, April 17, 2020 and May 23, 2020 on 'COVID-19 Regulatory Package -Asset Classification and Provisioning', the details pertaining to loan accounts to which a moratorium on instalments and interest, as applicable, due between March 1, 2020 and August 31, 2020 was extended. The disclosures as required by RBI Circular dated April 17, 2020 are given below:

Sr. No.	Particular	Amount (₹ in crore)
1	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	958.76
2	Respective amounts where asset classification benefits is extended	31.43
3	Provisions made during the Q4, FY2019-20	1.55
4	Provisions made during the Q1, FY2020-21	1.69
5	Provisions adjusted during the respective accounting periods against slippages	-
6	Residual provisions written back as on March 31, 2021	3.24

- 20)** In accordance with guidelines issued by RBI vide Circular no. RBI/2018-1/100, DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, the disclosure of the MSME accounts restructured under these guidelines is as follows:

No. of accounts restructured	Amount (₹ in crore)
90	259.29

**21) Disclosure with respect to 'Resolution of Stressed Assets' as per RBI Circular No. DOR.No.BP. BC/4/21.04.048/2020-21 dated August, 6 2020 :**

(₹ in crore)

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of resolution plan
Personal loans	178	41.90	-	0.04	4.94
Corporate persons*	10	496.04	-	19.69	50.50
Of Which MSMEs	-	-	-	-	-
Others	118	53.43	-	1.95	6.95
<b>Total</b>	<b>306</b>	<b>591.37</b>	<b>-</b>	<b>21.68</b>	<b>62.39</b>

\*As defined in section 3(7) of Insolvency & Bankruptcy Code, 2016

**22)** In accordance with the instructions in RBI circular No. DOR.STR.REC.4/21.04.048 /2021-22 dated April 7, 2021, the Bank is required to refund/ adjust 'interest on interest' to all the borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium has been fully or partially availed, or not availed. As required by the RBI notification, the methodology for calculation of such 'interest on interest' has recently been circulated by the Indian Banks' Association (IBA). The Bank is in the process of implementing this methodology. As at March 31, 2021, estimating the liability towards interest relief, the Bank has made an adhoc provision of ₹ 15 crore, estimating the liability towards interest relief, by way of charge to its Profit and Loss account, pending refund/ adjustment of the same to the individual borrower accounts. In the opinion of the management, there will not be any material variation from the estimated amount.

**23) Earnings per Share (EPS)**

(₹ in crore)

Particulars	31.03.2021	31.03.2020
Net Profit after Taxation	270.24	250.79
Weighted average No. of Shares	23.89	22.09
EPS (in actuals)	11.31	11.35

**24) Commission income from Bank assurance business:**

(₹ in crore)

Sr. No.	Nature of Income	2020-21	2019-20
1.	From selling Life Insurance Policies	17.82	11.21
2.	From selling Non-Life Insurance Policies	4.81	4.49
3.	From selling Mutual Fund Products	1.12	0.85
4.	From Pradhanmantri Insurance Schemes	0.03	0.04
	<b>Total</b>	<b>23.78</b>	<b>16.59</b>

- 25) Detail of Priority Sector Lending Certificates (PSLC) purchased by the Bank as per RBI circular FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated 7<sup>th</sup> April, 2016, are set out below:

(₹ in crore)

Sr No.	Category	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	PSLC-Small & Marginal Farmers	NIL	1,250.00
2	PSLC-General	2,452.75	650.00
3	PSLC-Micro Enterprises	NIL	400.00
<b>Total</b>		<b>2,452.75</b>	<b>2,300.00</b>

Details of PSLCs sold by the Bank are set out below:

Sr No.	Category	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
1	PSLC-General	0	0

- 26) Claims against Bank not acknowledged as debts:

This includes liability on account of income tax, service tax and other legal cases filed against the Bank. The Bank is a party to various legal proceedings in the normal course of business and has preferred appeals with the appropriate appellate authorities. These are categorized as follows:

Contingent liabilities – Income tax, service tax and other legal cases where generally there are no legal precedents.

- i) Income Tax Act ₹ 46.37 crore, (previous year ₹ 46.37 crore),
- ii) Service Tax ₹ 10.23 crore (previous year ₹ 10.72 crore)
- iii) Other legal cases ₹ 5.84 crore (previous year ₹ 5.59 crore).

- 27) The Reserve Bank of India, vide its circular dated April 17, 2020 had restrained banks from making dividend payouts from profits pertaining to the financial year ended March 31, 2020 until further instructions, with a view that banks must conserve capital in an environment of heightened uncertainty caused by COVID-19. Consequently, the Bank had not proposed any dividend for the year ended March 31, 2020 on the equity as well as the perpetual non-cumulative preference shares (PNCPS). Subsequently, RBI vide its circular dated 4<sup>th</sup> December 2020 decided that banks shall not make any dividend payment on equity shares from the profits pertaining to the financial year ended March 31, 2020.

Considering the above and also in view of specific communication by RBI permitting the payment of dividend on PNCPS out of profits of financial year 2019-20 in compliance with their guidelines, the Bank has drawn an amount of ₹ 5.72 crore from General Reserve for distribution of dividend for the year 2019-20 to the perpetual non-cumulative preference shareholders and is in the process of completion of formalities for the distribution of said dividend.



**28)** Previous year's figures are regrouped or rearranged, wherever necessary, to conform to the layout of the accounts of the current year.

As per our report of even date

For **G. D. Apte & Co.**

Chartered Accountants

Firm Registration No. 100515W

**sd/-**

**(C. M. Dixit)**

Partner

Membership No. 017532

UDIN:21017532AAAAAB5681

Place: Mumbai

Date: April 23<sup>rd</sup>, 2021

**sd/-**

**S. M. Sandhane**

Managing Director

**sd/-**

**S. K. Sakhalkar**

Vice- Chairman

**sd/-**

**S. N. Sawaikar**

Director

**sd/-**

**G. E. Thakur**

Chairman

**sd/-**

**K. V. Rangnekar**

Director

# Cash Flow Statement for the year ended 31<sup>st</sup> March, 2021 (₹ in crore)

	Current Year 31.03.2021	Previous Year 31.03.2020
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit as per P/L account	270.24	250.79
<b>Add: Adjustments for</b>		
Depreciation on Assets	31.05	25.76
Fixed assets written off	0.03	0.03
Amortisation of Investment	25.22	16.39
Depreciation of Investment	24.73	21.19
Provision for BDDR (incl Other Assets)	192.53	241.90
Reserve for Restructured Assets- Covid	75.22	0.00
Contingent provision against Standard Assets	3.92	0.00
Provision towards a/c under Covid Relief	1.69	1.55
Provision for Tax	130.50	150.08
Deferred tax	43.47	(7.98)
<b>Less:</b>	798.60	699.71
Profit on Sale of Assets	1.95	0.20
Profit on Sale of Securities	356.83	226.87
Excess Provision for Restructured Assets reversed	11.01	2.52
Provision towards a/c under Covid Relief written back	3.24	0.00
Excess Contingent provision against standard assets written back	0.00	3.33
	425.57	466.79
<b>Adjustments for</b>		
Decrease/(Increase) in Investments	(580.29)	(1,679.69)
Decrease/(Increase) in Advances	(903.06)	458.85
Decrease/(Increase) in Other Assets	(155.54)	(19.84)
Increase/(Decrease) in Funds	(126.89)	(139.15)
Increase/(Decrease) in Deposits	2,717.12	2,068.62
Increase/(Decrease) in Other Liabilities	228.17	(106.27)
<b>Net Cash generated from Operating Activities before Tax</b>	1,605.08	1,049.31
Income Tax paid (Net)	(101.74)	(144.65)
<b>Net Cash generated from Operating Activities after Tax (A)</b>	<b>1,503.34</b>	<b>904.66</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Property, plant & Equipment	(45.11)	(69.63)
Sale Proceeds of Property, Plant & Equipment	4.09	0.46
<b>Net Cash generated from Investing Activities (B)</b>	<b>(41.02)</b>	<b>(69.17)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of Share Capital	26.67	30.56
Refund of Share Capital	(7.84)	(8.54)
Proceeds from Borrowing	3,438.89	29,381.69
Repayment of Borrowing	(4,028.23)	(29,896.51)
Dividend Paid	(7.09)	(38.34)
<b>Net Cash generated from Financing Activities (C)</b>	<b>(577.60)</b>	<b>(531.14)</b>
<b>Net increase in Cash &amp; Cash equivalents (A+B+C)</b>	<b>884.72</b>	<b>304.35</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>4,782.46</b>	<b>4,478.11</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>5,667.18</b>	<b>4,782.46</b>
<b>Cash &amp; Cash Equivalents</b>		
	<b>Current Year 31.03.2021</b>	<b>Previous Year 31.03.2020</b>
Cash	1,853.54	1,536.96
Balance with other banks (excluding Term Deposits maturing beyond 3 months)	1,556.24	477.26
Money at Call & Short Notice	2,257.40	2,768.24
	<b>5,667.18</b>	<b>4,782.46</b>

1 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.

2 Cash flow Statement is prepared by using indirect method as mentioned in AS 3.

As per our report of even date

For **G. D. Apte & Co.**

Chartered Accountants

Firm Registration No. 100515W

sd/-  
**(C. M. Dixit)**

Partner

Membership No.017532

UDIN: 21017532AAAAAB5681

Mumbai : April 23<sup>rd</sup>, 2021

sd/-  
**S. M. Sandhane**  
Managing Director

sd/-  
**S. N. Sawaikar**  
Director

sd/-  
**K. V. Rangnekar**  
Director

sd/-  
**S. K. Sakhalkar**  
Vice-Chairman

sd/-  
**G. E. Thakur**  
Chairman

# Involvement of the Small Man

## OUR MEMBERS

No. of Shares Held	No. of Members	Percentage
50-51	52,395	22.08
52-250	38,073	16.05
251-1500	70,193	29.58
1501-2500	76,601	32.29
<b>Total</b>	<b>2,37,262</b>	<b>100.00</b>

## OUR DEPOSITORS

	No. of Accounts	Percentage
Upto ₹ 1000	8,64,121	24.62
₹ 1001 to ₹ 5000	5,31,984	15.16
₹ 5001 to ₹ 10000	2,43,963	6.95
₹ 10001 to ₹ 20000	2,68,492	7.65
₹ 20001 to ₹ 30000	1,86,360	5.31
Above ₹ 30000	14,14,354	40.31
<b>Total</b>	<b>35,09,274</b>	<b>100.00</b>

## OUR BORROWERS

	No. of Accounts	Percentage
Upto ₹ 5000	13,561	9.96
₹ 5001 to ₹ 10000	2,580	1.89
₹ 10001 to ₹ 25000	7,239	5.31
Above ₹ 25000	1,12,821	82.84
<b>Total</b>	<b>1,36,201</b>	<b>100.00</b>

## ADVANCES TO PRIORITY SECTOR

	No. of Accounts	(₹ in crore)
Small Scale Industries	2,193	3,776.50
Small Businessmen & Traders	10,466	4,590.36
Other Priority Sector	48,343	6,045.17
<b>Total</b>	<b>61,002</b>	<b>14,412.03</b>