

54th
ANNUAL REPORT
2020-2021



BOARD OF DIRECTORS 2020-2021

RANJIT BHANU (upto 15.12.2020)
Chairman

HIREN BHANU
Vice Chairman

DIRECTORS

ANTHONY QUADROS
FREDERICK D'SA
MARCUS DABRE
RAMESH VEKARIA
KEDAR JAGIRDAR
AMAN CHADHA
KURUSH PAGHDIWALLA
CLIFFORD MARTIS
MILAN KOTHARY

CHIEF EXECUTIVE OFFICER ABHIMANYU BHOAN

SOLICITORS M/S. BINA RAO & CO.

LEGAL ADVISORS SHRIDHAR POOJARY ADARSH RAMANUJAN
VATSAL J. SHAH

STATUTORY AUDITORS M/S. SHINDE NAYAK & ASSOCIATES

INTERNAL AUDITORS M/S. S. I. MOGUL & CO. M/S. GANDHI & ASSOCIATES LLP
M/S. SANJAY RANE & ASSOCIATES M/S. ANJARIA & ASSOCIATES
SR MANAGEMENT CONSULTANCY PRIVATE LIMITED M/S. NILESH DESHMUKH & ASSOCIATES

INSURERS CHOLAMANDALAM MS GENERAL INSURANCE COMPANY LIMITED

BANKERS ICICI BANK LTD. UNION BANK
HDFC BANK LTD. INDUSIND BANK LTD.
IDBI BANK LTD. IDFC BANK LTD.



NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty Fourth Annual General Body Meeting of the Members of the New India Co-operative Bank Limited will be held on Tuesday, 28th September, 2021 at 09:30 a.m. at J. K. Banquets Pvt. Ltd., 1 B – 1, Industry Manor, Ground Floor, A. M. Marg, Prabhadevi, Mumbai 400 025 to transact the following business:

1. To consider and approve the Annual Accounts which consists of the Profit and Loss Account, the Balance Sheet, the Report of the Board of Directors and the Report of the Statutory Auditors for the year ended March 31, 2021.
2. Appropriation of net profit for the year ended March 31, 2021.
3. To appoint Statutory Auditors for the year 2021-22 and to authorize the Board of Directors to fix their remuneration.

By Order of the
Board of Directors

ABHIMANYU BHOAN
CHIEF EXECUTIVE OFFICER

Place : Mumbai.
Dated: September 13, 2021

Note: In terms of Bank's Bye law No. 29(c), the notice along with Annual Report consisting of Profit and Loss Account, Balance Sheet, Report of the Board of Directors and Statutory Auditor's Report for the year ended March 31, 2021 is displayed on the notice board kept at administrative office of the Bank & its branches and website : www.newindiabank.in. Annual Report shall not be distributed at the Annual General Meeting in view of high cost of paper and printing. Only a member who has the minimum subscribed shares and has availed the minimum level of Bank's services as per Bye – law no. 20 up to 13.09.2021 is qualified to attend the Annual General Meeting and exercise his / her right to vote.

If there is no quorum at the scheduled time, the Meeting shall stand adjourned and would be held after half an hour on the same day and the agenda of the Meeting shall be transacted at the same venue irrespective of quorum, in terms of Bye law No. 30.

For any information in connection with the financial accounts, the members are requested to send an email addressed to the Chief Executive Officer on memberservices@newindiabank.in on or before September 23, 2021.

TO SERVE YOU BETTER:

- 1) Shareholders are hereby requested to kindly intimate the change in address, if any, to the Share Department for updating Bank's records. They are also requested to provide their e-mail address and cell numbers.
- 2) Shareholders are requested to avail of nomination facility by submitting prescribed Nomination Form, as required under Section 36 of the Multi State Co-operative Societies Act, 2002 and Bye law No. 18.

UNCLAIMED DIVIDENDS

Notice is hereby given that dividend for the year ended March 31, 2018 (51st Dividend) if not drawn on or before 30th September, 2021 will be forfeited by the Bank and credited to Reserve Funds in terms of Bye law No. 54.

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Dear Members,

Your Directors are pleased to present the Fifty Fourth Annual Report on the business of the Bank together with the Audited Financial Statements of Accounts for the year ended March 31, 2021.

Economic Outlook

GLOBAL :

The world has witnessed slow economic growth in the financial year 2020 – 2021 as compared to the previous financial year owing to the health crisis and economic challenges caused by COVID-19 pandemic which has demanded exceptional efforts on every front. People across the world have faced unprecedented personal and professional challenges during the ongoing pandemic. This obviously had an effect on the economy and as such, the global growth witnessed contraction to 3.30% against positive growth of 2.80% in previous financial year. Contraction of economic activity has been severe. However, worse has been avoided through monetary and fiscal measures extended by regulators / authorities across the world by introducing range of measures to revive the economy and help move forward. Central Banks have supported through keeping abundant liquidity in system to keep interest rates at its lowest level and have offered varied options to wide range of borrowers from time to time to enable them to tide over the Covid-19 situation in repaying credit limits. Governments have offered support to households and firms through a number of measures like transfer of funds, wage subsidies, interest subvention, tax concessions and other safety nets such as

unemployment insurance and nutrition assistance. All these measures by the Central Banks and Governments, enabled increased momentum of economic activity in second half of financial year. However, momentum has started moderating subsequently with the resurgence of infections in several parts of the world, especially from the delta variant of the virus. Countries that are ahead in vaccination and have been able to provide or maintain policy stimulus are expected to rebound strongly. Growth in other economies is expected to remain subdued and vulnerable to new waves of infections.

Overall trade volume in the financial year under review contracted by 8.50% against a mere 0.90% growth in previous financial year as much anticipated boost to economic activity from vaccination rollouts is being somewhat held back by new mutations of COVID – 19, second and third waves of infections across countries and unequal access to vaccines in general. Crude oil prices jumped sharply on account of production cuts by the Organisation of Petroleum Exporting Countries (OPEC) plus and anticipation of stronger demand. Non-oil commodity prices have raised substantially across the board, putting upward pressure on inflation in commodity importing countries.

Global financial markets calmed to some extent after a turbulent period in March 2020. Equity markets recovered sharply in some advanced and emerging market economies to its all-time high on an expectation of strong economic revival post COVID – 19 pandemic. Government bond yields remained range-bound, although somewhat elevated in some EMEs due to country-specific factors.

While inflation is expected to remain subdued in advanced economies and most of the emerging market economies on account of negative output gap, the large fiscal and monetary stimulus and elevated commodity prices have raised inflation concerns over longer term in advanced economies and in the nearest term in case of emerging market economies.

DOMESTIC:

The Indian economy, owing to outbreak of COVID-19, contracted to 7.30% in financial year 2020 – 2021. It contracted by 24.40% in first quarter and improved by 1.60% in the last quarter of financial year 2020 -2021. The positive growth in last quarter is mainly on account of slew of measures introduced by the Government and the Reserve Bank of India to revive the economy.

The receding of second wave and the acceleration of the vaccination programme raised hopes of a gradual return to a more normal environment as the year progressed and most parameters of economic activity started returning to / returned to pre – Covid levels.

High frequency indicators like e-way bills, toll collections, electricity generation, air traffic, railway freight traffic, port cargo, steel consumption, cement production, import of capital goods, passenger vehicle sales, two wheeler sales point to strong growth in June / July 2021, reflecting adoption of COVID related protocols and impact of easing of containment. The manufacturing purchasing managers' index (PMI) contracted to 48.1 in June 2021 rebounded to 55.30 in July 2021. Service PMI remained in contraction zone due to COVID-19 related restrictions. However, there is an improvement from 41.20

in June 2021 to 45.40 in July 2021. Initial quarterly results of non-financial corporates for first quarter of financial year 2021 – 2022 shows healthy growth in sales, wage growth and profitability. The outlook for the agriculture sector remains bright owing to expectation of above normal monsoon and adequate reservoir levels.

The outlook for growth is strong as the Reserve Bank of India has estimated the GDP growth at 9.50% for the financial year 2021 – 2022 and Real GDP growth for the financial year 2022 – 2023 at 17.20% as going forward agricultural production, rural demand and urban demand is expected to grow with an accelerated pace of vaccination, buoyant exports, expected pick up in government expenditure, including capital expenditure and the recent economic package announced by the Government will provide support to demand from rural and urban areas.

Major Macro Economic indicators which reflect the overall economic scenario are as under:

1. India has reported GDP growth at -7.30% for the financial year 2020 – 2021 as against 4.20% for the financial year 2019 – 2020.
2. India's fiscal deficit in the year ended March 2021 stood at 9.30% of gross domestic product as against the government's revised target of 9.50%.
3. The inflation measured by Consumer Price Index (CPI) as on 31 st March, 2021 stood at 5.52% against 5.91% as on 31st March, 2020. The inflation measured by Wholesale Price Index (WPI) as on 31st March, 2021 stood at 7.39% as against 1% as on 31 st March, 2020.
4. The credit off take growth was 5.60% in financial year 2020 – 2021 as against 6.1% in the financial year 2019 – 2020.
5. The aggregate deposits growth accelerated to 12.30% for the financial year 2020 -2021 as against 9.50% for the financial year 2019 – 2020.
6. The equity market witnessed a sharp jump from around 30000 level as on 31 st March, 2020 to around 50000 as on 31st March, 2021.
7. The overall trade deficit, taking merchandise and services together, for the financial year 2020 -2021 is on a lower side at 12.74 USD billion as compared to the deficit of 77.76 USD billion for the financial year 2019 – 2020. This is mainly due to contraction in export by 6.66% on Y O Y basis and contraction in import by 16.53% on Y O Y basis.
8. The Nikkei India Manufacturing Purchasing Managers' Index (PMI) rose from 51.80 in March 2020 to 55.40 in March 2021. It was 27.4 in April 2020 due to adverse impact of COVID-19 on economy and has gradually improved to 55.40 in March 2021 in line with gradual relaxation in lockdowns from time to time and vaccination drive across the world.
9. India's Industrial Production growth accelerated to 22.40% in March 2021 against contraction to 16.70% in March 2020, the steepest decline since the record began in 1994 owing to adverse impact of outbreak of COVID-19 on overall economy.
10. Average CPI on year on year basis was 4.88% for the financial year 2020 -2021 as against 4.76% for the financial year 2019 – 2020. It was within the Reserve Bank of

India's medium term target of having consumer price index (CPI) inflation at 4% within a band of +/-2 per cent, while supporting growth.

LIQUIDITY / INTEREST RATE SCENARIO

The Reserve Bank of India, through its conventional and non-conventional market operations, has maintained ample surplus liquidity in system since onset of the pandemic to ensure easing of financial conditions in support of domestic demand. The RBI has infused liquidity by announcing reduction in CRR by 100 basis in its Bi Monthly Monetary Policy review in March 2020 from 4% to 3% for a period of one year and through other various liquidity adjustment instruments like Repo, Term Repo, Variable Interest Rate Repo, Open Market Purchase operations, long term foreign exchange buy / sell swaps of US dollar, introduction of Targeted Long Term Repo Operations, G-sec acquisition programme (G-SAP), Variable Rate Reverse Repo etc. Owing to availability of ample liquidity, interest rates remained lower throughout the financial year 2020 – 2021. It is expected to remain at lower level as RBI is expected to continue its accommodative monetary policy stance to achieve economic revival / growth at projected level, on a sustainable basis.

REFORMS IN FINANCIAL & BANKING SECTOR

The Reserve Bank of India and Government of India, in their endeavour towards improving operational efficiency, technology up-gradation, maintaining liquidity & interest rate at comfortable level and bringing more transparency in financial market, introduced series of reforms. Notable among these were as under:

1. Passed the Banking Regulation Amendment Bill 2020.
2. Issued revised guidelines to make the doorstep banking services for senior citizens and differently abled persons effective.
3. Affordable Housing has been included in Harmonised Master List (HML) of infrastructure sub sectors to give boost to affordable housing sector.
4. The guidelines issued to Banks in February 2020 on deferment of date of Commencement of Commercial Operations for projects in commercial real estate (CRE) has been extended to NBFCs as well, to support realty sector.
5. Issued Fair Practices Code to Asset Reconstruction Companies to ensure transparency and fairness in their operations.
6. Extended a period for furnishing financial returns for the financial year ended on March 31, 2021 by a further period of three months for all Co-operative Banks.
7. Advised all Co-operative Banks having total assets of Rs.2000 Crore and above to implement system based asset classification effective from June 30th, 2021.
8. Restrictions have been imposed on all scheduled Commercial Banks with respect to opening of current account for customers who have availed credit facilities from the Banking system.
9. Increased the Loan to Value Ratio (LTV) for loans against pledge of Gold ornaments and jewellery for non-agricultural purpose from 75% to 90% for a period upto 31st March, 2021.

10. Resolution Frame Work for COVID-19 related stress announced in February 2020 for other advances have been extended to MSMEs also on certain terms and conditions to mitigate the impact of COVID-19 on MSME sector.
11. Introduced positive cheque payment system for cheque truncation system.
12. Issued revised guidelines on Resolution Framework for COVID-19 related stress – financial parameters on the basis of recommendation by an expert committee.
13. Revised the format of Long Form Audit Report (LFAR) to be submitted by the Statutory Auditors of the Bank.
14. Announced rationalisation of Risk Weights for individual housing loans.
15. Issued guidelines to Co-operative Banks on Interest Subvention Scheme for MSMEs.
16. Issued guidelines on Co – Lending by Banks and NBFCs to Priority Sector to encourage / improve lending to priority sector.
17. Real Time Gross Settlement (RTGS) system made available on 24*7 basis, effective from December 14, 2020.
18. Issued guidelines on strengthening of Grievance Redressal Mechanism in Banks.
19. Issued guidelines on Risk Based Internal Audit (RBIA) Framework.
20. Introduced Legal Entity Identifier (LEI) system for all payment transactions of value of Rs.50.00 Crore and above undertaken by entities (Non individuals) using the Reserve Bank run Centralised payment Systems Viz. Real Time Gross Settlement System (RTGS) and National Electronic Funds Transfer (NEFT).
21. Extended Cheque Truncation system across all bank branches in the country.
22. Issued detailed guidelines on appointment of Statutory Central Auditors / Statutory Auditors of Banks and NBFCs including HFCs.
23. Issued revised guidelines / framework authorising scheduled private sector banks as agency banks of RBI for conduct of government business.
24. Issued guidelines for managing risk in outsourcing of financial services by Co-operative Banks.
25. Announced new definition for Micro, Small and Medium Enterprises.

1. *Performance of the Bank*

PROFITABILITY

A comparative position of the profitability of Bank for the two financial years is presented below:

	<u>2019-2020</u>	<u>2020-2021</u>
		<i>(Rs. in lakh)</i>
A. Total Income.....	29,178.76	23,195.64
B. Total Expenditure.....	25,429.18	21,833.59

C. Provisions / Reserves / Contingency		
Other Than Provision For Income Tax	3,232.31	1,976.87
D. Total Expenditure Excluding Provision for Taxation.....	28,661.49	23,810.46
E. Provision for Taxation	0.00	0.00
F. Net Profit / (Loss).....	517.27	(614.82)

2. *Appropriation of net profit*

According to section 63 of the Multi State Co-operative Societies Act, 2002, the Board of Directors are required to recommend the appropriation of net profit of each financial year. However, as the Bank has incurred net loss, there would be no appropriation for the financial year 2020-2021.

3. *Dividend*

As the Bank has incurred net loss, there is no dividend to be declared for the financial year 2020-2021.

4. *Membership*

As on March 31, 2021 the number of regular members of the bank was 7,259 and nominal members was 2,516.

5. *Members' Welfare Fund*

Your Board of Directors are pleased to inform that the corpus of Members' Welfare fund is sufficient and some of the members have availed benefit under various schemes of the Members' Welfare Fund.

6. *Owned Funds*

The paid up share capital & Reserves of the Bank as on March 31, 2021 stood at Rs.22.59 Crore and Rs. 236.41 Crore respectively.

7. *CRR & SLR Balances*

As on March 31, 2021, the Bank was required to maintain CRR at 3.50% of its NDTL by way of balance in the current account with the Reserve Bank of India and SLR at 18.00% by way of investment in Government and other approved securities as stipulated by the Reserve Bank of India. With a view to comply with these statutory requirements the Bank has held balance in current account with Reserve Bank of India and invested in Government & other approved securities at the desired levels.

8. *Asset & Liability Management*

I LIABILITIES

The Working Capital of the Bank was at Rs.3137.59 Crore as on March 31, 2021 as against Rs.2972.19 Crore as on March 31, 2020.

The main components of the working capital besides Owned Funds were as under:

i. DEPOSITS

The deposits of the Bank as on March 31, 2021 were Rs.2471.19 Crore as against Rs.2367.15 Crore as on March 31, 2020. Net increase is Rs. 104.04Crore i.e. 4.39%.

The composition is as under:

Type Of Deposit	<i>(Rs. in crore)</i>			
	31.03.2020	%	31.03.2021	%
Savings	653.69	27.61	708.12	28.65
Current	102.36	4.33	109.84	4.44
Term	1611.10	68.06	1653.23	66.91
Total	2367.15	100.00	2471.19	100.00

ii BORROWINGS

Your Bank resorted to borrowings during the financial year 2020 – 2021 with a view to avail benefit from money market operations by the Treasury Department.

II ASSETS**i ADVANCES**

Bank's Advances portfolio increased to Rs.1416.60Crore as on March 31, 2021 from Rs.1274.57 Crore as on March 31, 2020. Net increase is Rs.142.03 Crore i.e.11.14%.

ii INVESTMENTS

As on March 31, 2021, the investments of the Bank stood at Rs.1197.78Crore as against Rs.1224.30 Crore as on March 31, 2020.

Your Bank's Investment Policy is continuously reviewed and fine-tuned in accordance with the guidelines issued by the Reserve Bank of India.

9. Capital Adequacy

The C R A R of the Bank as on March 31, 2021 was at 10.86% against minimum requirement of 9% as stipulated by the R.B.I.

10. Audit & Inspection

The Bank has formed an internal inspection & audit team for doing audit of Branches and Know Your Customer (KYC) operations on an ongoing / concurrent basis and has appointed external audit firms as Auditors for better control on the working of the Bank and to check, verify and certify branch Profit and Loss A/c & Balance Sheet and NPA position from one central location.

The Bank has appointed separate external audit firms for auditing following activities:

1. Treasury Operations. (Concurrent Audit as per RBI guidelines)
2. Income Tax matters
3. Demat Activities. (As per SEBI guidelines)

4. GST Matters
5. Forex Operations (As per RBI guidelines)
6. Depositor and Education Awareness Fund (“DEAF”) (As per RBI guidelines)

The Systems Audit of all Information Technology related activities at Data Centre, Disaster Recovery site and branches were conducted by an external Systems Audit Firm i.e. Price water house Coopers Services LLP.

At the Annual General Meeting held on November 21, 2020, M/s Shinde Nayak & Associates, Chartered Accountant Firm was appointed as Statutory Auditor of the Bank for the Financial Year 2020-2021. The Statutory Auditor has completed their audit assignment and submitted their report for the financial year 2020-2021.

Reserve Bank of India has conducted inspection of the Bank as per Section 35 of the Banking Regulation Act, 1949 (AACS) with reference to financial position as on March 31, 2020. Compliance report on the Inspection findings has been submitted to the Reserve Bank of India in time.

The inspecting officials have offered some suggestions during the course of Inspection to enable the Bank to improve Bank’s working. The Bank is thankful to them for their valuable suggestions.

11. *Payment Of Premium To DICGC*

The Bank has been regular in payment of premium to the Deposit Insurance and Credit Guarantee Corporation (DICGC) and the deposits of up to Rs.5.00 lakh are fully insured by DICGC.

12. *Human Resources Development*

Human resources are the most valuable resource and key factors behind the success of any organisation. The Bank is fully aware of the growing needs of continuous training and educating the staff. In addition to “in-house” training programmes, the Bank has deputed/nominated staff regularly to various seminars, workshops and training programmes arranged by RBI Training College, CCIL, IIBF, etc.

13. *Third Party Products Distribution*

The Bank is into distribution of Mutual Funds products of 13 MF Companies, Life Insurance products of Max Life Insurance, ICICI Prudential Life Insurance and Non-life Insurance Products of Cholamandalam MS General Insurance Company Limited & ICICI Lombard General Insurance Co. Ltd. The Bank earns income from distribution of these products and the same is expected to grow further.

14. *Business Development - New Initiatives*

In its endeavour of financial inclusion and credit offering to lower-income groups, the Bank increased its presence in the retail market through a dedicated sales team for open market sourcing of retail loans. The team’s objective is to increase our presence in the segments like affordable housing, vehicle finance, gold loans and other small-ticket loans.

The Bank introduced housing loan products targeting the affordable housing segment. The Bank also tied up with a business sourcing agent to increase its reach in the affordable housing market.

15. *Technology initiatives*

Recent pandemic has enforced social distancing that has led organizations to leverage technology and transform its business models to encourage use of alternate channels for customer service. Accordingly, NICB introduced Video KYC (VKYC) platform for its customers, which is fully integrated, zero-contact, completely digital, and paperless platform for customer on-boarding.

The Bank started full transactional mobile banking service for its customers during FY 2020-21, adding one more feather to its digital transformation journey and giving customers an option to make the best use of digital channels during challenging times.

16. *Foreign Exchange Transactions*

The Reserve Bank of India has granted Authorised Dealer Category II licence to the Bank. The Bank has extended services to its customers in respect of Purchase / Sale of Foreign currency, Travellers Cheques, Travel Cards, Inward / Outward remittances as well as Trade Finance facilities.

17. *Obituary*

The Board of Directors and Management express their profound grief at the sad demise of Shri Ranjit Bhanu, founder member & Chairman of the Bank and offer deep condolences to his family. The Board gratefully recalls his contribution in development of the Bank.

18. *Acknowledgements*

1. I take this opportunity to acknowledge the dedicated and timely support extended by my colleagues on the Board.
2. The Board of Directors would like to place on record and express their sincere appreciation to Bank's valued shareholders, constituents, patrons, stakeholders and well-wishers for their generous and most welcomed goodwill, co-operation and patronage extended to the Bank throughout the year and their confidence in the Board and the management team.
3. The Board of Directors are also grateful to the Officials of the Reserve Bank of India, Central Registrar of Co-operative Societies, New Delhi and the Commissioner for Co-operation, Registrar of Co-operative Societies, Maharashtra and Gujarat state and Clearing Corporation of India Ltd. for their valuable guidance, support and co-operation.
4. The Bank is also grateful to the Indian Banks' Association, National Federation of Urban Co-operative Banks & Credit Societies Ltd. (NAFCUB), Solicitors, Legal Advisors, Internal Auditors, Treasury Auditors and the Statutory Auditor.



5. The Board of Directors would also like to express their appreciation to all members of the staff and Executives for their valued contribution and dedicated services.

For and on behalf of
Board of Directors

Place : Mumbai
Date : September 13, 2021

HIREN BHANU,
CHAIRMAN

INDEPENDENT AUDITOR'S REPORT

To,

The Shareholders of New India Co-operative Bank Ltd.

Report on the Financial Statements

1. We have audited the accompanying financial statements of **NEW INDIA CO-OPERATIVE BANK LTD.** ("the Bank") as at 31st March 2021, which comprises of the Balance Sheet as at 31st March 2021, the Profit and Loss Account, and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information. The returns of Head office and its department and 10 branches audited by us and the returns of other branches audited by internal audit department of the respective branches are consolidated in these financial statements.

Management's Responsibility for the Financial Statement

2. Management is responsible with respect to 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 the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India and the guidelines issued by the Central Registrar of Co-operative Societies, the Multi-State Co-operative Societies Act, 2002, the Multi-State Co-operative Societies Rules, 2002 from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Acts for safeguarding of 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.

Auditor's Responsibility for the Audit of the Financial Statements.

3. Our objectives are to obtain reasonable assurance about whether the Standalone 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

As part of an audit in accordance with SAs, 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.
- 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.

Other Matter

4. In view of the Government imposed lockdown and travel restrictions as a result of continuous spreading of COVID-19 across India, we were unable to physically visit some branches and certain aspects of the year-end statutory audit have been carried out based

on remote access of certain data which has been represented, for our audit purposes, as correct, complete, reliable and directly generated by the accounting system of the bank without any manual modifications.

Under the aforesaid circumstances, our audit has duly considered the advisory on "Specific Considerations while conducting Distance Audit / Remote Audit / Online Audit of Bank under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have also relied on alternative audit procedures as per the SAs to obtain reasonable assurance whether the Financial Statements, as a whole, are free from material misstatement, whether due to fraud or error.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the Notes thereon give the information required by the Banking Regulation Act, 1949, the Multi State Co-operative Societies Act, 2002 and the Multi State Co-operative Societies Rules, 2002 and guidelines issued by Reserve Bank of India 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:
- In the case of the Balance Sheet, of state of affairs of the Bank as at 31st March 2021.
 - In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal & Regulatory Requirements

6. 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.
7. 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;
 - The transactions of the Bank which came to our notice have been within the powers of the Bank;
 - The Balance Sheet and the Profit and Loss Account 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 subject to notes to accounts;
 - 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.
8. As per the information and explanations given to us and based on our examination of the books of account and other records, we have come across the following material instances which need to be reported under Rule 27(3) of the Multi State Co-operative Societies Rules, 2002:
- During the course of our audit, we have not come across 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.
 - During the course of our audit, we have not come across transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India.
 - Money belonging to the Bank which appears to be bad or doubtful of recovery as on 31-03-2021 was Rs.2842.88 lakhs (i.e. Rs.2837.23 lakhs & Rs.5.65 lakhs in respect of advances classified as NPA as Doubtful and Loss assets respectively) for which adequate provision has been made as per extant RBI guidelines.
 - As per information no credit facilities have been given 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.
 - To the best of our knowledge, no other matters have been specified by the Central Registrar, which require reporting under this Rule.

M/S. Shinde Nayak & Associates

Chartered Accountants

Firm Reg. No.119906W

(CA L.V. Nayak)

Partner

M. No.104221

UDIN :21104221AAAAGA1340

Place : Mumbai
Dated : September 13, 2021

Balance Sheet as at March 31, 2021

As at 31.03.2020		CAPITAL & LIABILITIES		As at 31.03.2021	
Rs.	P.			Rs.	P.
		1. CAPITAL			
1,50,00,00,000.00		i) Authorised Capital			
		15,00,00,000 Shares of 10 each		1,50,00,00,000.00	
263,794,830.00		ii) Subscribed and Paid-up Capital			
		2,25,86,677 (Previous Year 2,63,79,483) Shares of ₹ 10 each		22,58,667,70.00	
		a) Individuals	Rs. 1,64,451,470.00		
		(Previous Year Rs.19,59,34,980.00)			
		b) Co-operative Institutions	Rs. 0.00		
		c) State Govt.	Rs. 0.00		
		Note: Out of the amount of Share Capital,			
		Shares of Rs. 6,14,15,300 (Previous Year Rs. 6,78,59,850.00)			
		are held by Firms, Companies, Institutions & Associations.			
		2. RESERVE & SURPLUS			
699,258,400.43		i) Statutory Reserve	712,351,892.81		
59,015,577.04		ii) Bad & Doubtful Debt Reserve	194,137,159.30		
66,800,000.00		iii) Contingent Provision against Standard Asset	66,800,000.00		
50,000,000.00		iv) Building Fund	50,000,000.00		
14,783,700.11		v) General Reserve	16,412,756.56		
3,156,191.07		vi) Staff Welfare Reserve	2,109,332.37		
70,000,000.00		vii) Investment Fluctuation Reserve	70,000,000.00		
207,000.00		viii) Charity Fund	207,000.00		
185,877,546.00		ix) Contingency Reserve	191,077,546.00		
4,475,284.00		x) Members Welfare Fund	4,465,284.00		
1,025,451,630.40		xi) Revaluation Reserves	999,815,339.64		
5,403,000.00		xii) Provision for Restructured Advances	6,748,000.00		
3,500,000.00		xiii) Special General Provision	0.00		
6,003,800.00		xiv) Bad & Doubtful Debt Reserve (Investment)	44,003,800.00		
0.00		xv) Capital Reserve	6,000,000.00		
2,193,932,129.05				2,364,128,110.68	
		3. PRINCIPAL/SUBSIDIARY/STATE PARTNERSHIP FUND ACCOUNT			0.00
0.00					
		4. DEPOSITS & OTHER ACCOUNTS			
15,438,614,244.19		i) Fixed Deposits			
		a) Individuals	Rs.12,012,213,652.25		
		b) Other Societies	Rs. 2,080,077,060.38		
		c) Matured Term Deposits	Rs. 704,981,170.22	14,797,271,882.85	
6,536,919,064.67		ii) Savings Bank Deposits			
		a) Individuals	Rs. 6,509,059,927.67		
		b) Other Societies	Rs. 572,081,482.35	7,081,141,410.02	
2,457,726,959.05		CARRIED FORWARD		2,589,994,880.68	



Balance Sheet as at March 31, 2021

As at 31.03.2020		PROPERTY & ASSETS		As at 31.03.2021	
Rs.	P.			Rs.	P.
		1. CASH			
		In hand with Reserve Bank of India, State Bank of India and Associates, State Co-operative Banks & District Central Co-operative Banks			
1,921,938,762.79				2,614,854,909.93	
		2. BALANCE WITH OTHER BANKS			
43,289,728.34		i) Current Deposit		17,689,733.79	
1,163,500,000.00		ii) Fixed Deposits (including Rs. 62,04,00,000.00 earmarked for Statutory Reserve, Rs. 9,60,00,000.00 [Previous Year Rs.47,95,00,000.00] [Previous Year Rs. 13,60,00,000.00] pledged for Securing non-funded facilities)		807,200,000.00	
1,206,789,728.34				824,889,733.79	
		3. MONEY AT CALL & SHORT NOTICE			
0.00				0.00	
		4. INVESTMENTS			
9,649,029,666.33		i) In Central & State Government Securities (At Book Value)		9,97,74,46,965.00	
		Face Value Rs. 9,98,73,70,000.00 (Previous Year Rs.9,38,25,00,000.00)			
		Market Value Rs. 9,96,62,7,696.30 (Previous Year Rs.9,63,42,20,610.00)			
0.00		ii) Other Approved Securities		0.00	
61,750.00		iii) Shares of Co-operative Institutions		61,750.00	
0.00		iv) Bonds of PSU		0.00	
1,430,378,000.00		v) Other Investments		1,193,148,000.00	
11,079,469,416.33		PSU & Other Bonds / Mutual Funds / Commercial Paper		11,170,656,715.00	
		Face Value Rs. 1,193,148,000.00 (Previous Year Rs.1,40,86,38,000.00)			
		Market/Net Asset Value Rs. 1,195,725,789.49 (Previous Year Rs.1,44,41,05,193.30)			
		Including G-Sec. of face value of Rs. 4,73,50,00,000.00 (Previous Year Rs.3,98,50,00,000.00) pledged for RTGS, NDS Order Matching, CBLO Segment & Default Fund Securities.			
		NIL (Previous Year Rs. NIL) earmarked for Statutory Reserve			
		5. INVESTMENTS OUT OF THE PRINCIPAL/SUBSIDIARY/ STATE/PARTNERSHIP FUND			
0.00				0.00	
14,208,197,907.46		CARRIED FORWARD		14,610,401,358.72	

Balance Sheet as at March 31, 2021

As at 31.03.2020		CAPITAL & LIABILITIES		As at 31.03.2021	
Rs.	P.			Rs.	P.
2,457,726,959.05		BROUGHT FORWARD			2,589,994,880.68
1,023,582,673.71		iii) Current Deposits			
		a) Individuals	Rs. 1,085,940,682.34		
		b) Other Societies	Rs. 12,467,629.02	1,098,408,311.36	
326,802,898.75		iv) Recurring Deposits			
		a) Individuals	Rs. 250,295,711.00		
		b) Other societies	Rs. 45,431,873.00	295,727,584.00	
345,567,101.75		v) Short Term Deposits		1,439,263,288.75	
23,671,485,983.07					24,711,812,476.98
		5. BORROWINGS			
		i) From Reserve Bank of India/ State/ Central Govt.		0.00	
0.00		ii) From State Bank of India /State Govt.		0.00	
328,184,315.00		iii) Long Term Subordinated Deposits - Series I		395,247,815.00	
0.00		iv) From others		0.00	
		A) Short Term Loans of which secured against:			
3,019,856,338.93		a) Govt. and other approved securities		3,448,436,672.63	
0.00		b) Other Tangible securities		0.00	
		B) Long Term Loans of which secured against:			
0.00		a) Govt. and other approved securities		0.00	
0.00		b) Other Tangible securities		0.00	
3,348,040,653.93					3,843,684,487.63
		6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE (as per Contra)			
27,934,758.52		i) Bills for Collection		29,734,001.74	
		ii) Acceptances, Endorsements & other obligations As per Contra Sundry Inward Bills for Collection		0.00	
					29,734,001.74
0.00		7. BRANCH ADJUSTMENTS			0.00
44,161,553.79		8. OVERDUE INTEREST RESERVE			97,659,314.21
26,135,634.82		9. INTEREST PAYABLE			20,059,989.10
		10. OTHER LIABILITIES			
0.00		i) Deferred Tax Liability		0.00	
16,347,309.58		ii) Pay Orders		29,801,288.31	
5,164,075.00		iii) Provision for Audit Fees		2,779,500.00	
4,935,833.00		iv) Unclaimed Dividends		3,095,876.00	
140,360,149.37		v) Sundries		174,633,822.63	
166,807,366.95					210,310,486.94
29,742,292,910.13		CARRIED FORWARD			31,503,255,637.28



Balance Sheet as at March 31, 2021

As at 31.03.2020		PROPERTY & ASSETS		As at 31.03.2021	
Rs.	P.			Rs.	P.
14,208,197,907.46		BROUGHT FORWARD		14,610,401,358.72	
3,704,240,978.34		6. ADVANCES			
		i) Short Term Loans			
		Cash Credits, Overdrafts and Bills Discounted,			
		Of which secured against:			
		a) Govt. & Other Trustee Securities	Rs. 32,647,350.14		
		b) Other Tangible Securities	Rs. 3,507,281,419.51		
		c) Personal Sureties with or without collateral Securities	Rs. 0.00	3,539,928,769.65	
		Of the advances, amount due from individuals	Rs. 172,828,743.43		
		Of the advances, amount overdue	Rs. 1,015,853,070.00		
		Considered Bad & Doubtful of recovery (fully provided for)	Rs. 739,570.31		
3,336,296,062.73		ii) Medium Term Loans			
		Of which secured against:			
		a) Govt. & Other Trustee Securities	Rs. 966,397.57		
		b) Other Tangible Securities	Rs. 3,303,391,521.10		
		c) Personal Sureties with or without collateral Securities	Rs. 294,801,152.66	3,599,159,071.33	
		Of the advances, amount due from individuals	Rs. 979,305,801.21		
		Of the advances, amount overdue	Rs. 221,434,850.32		
		Considered Bad & Doubtful of recovery (fully provided for)	Rs. 0.00		
5,705,158,752.07		iii) Long Term Loans:			
		Of which secured against:			
		a) Govt. & Other Trustee Securities	Rs. 0.00		
		b) Other Tangible Securities	Rs. 7,021,827,282.24		
		c) Personal Sureties with or without collateral Securities	Rs. 5,071,162.00	7,026,898,444.24	
		Of the advances, amount due from individuals	Rs. 3,441,796,171.64		
		Of the advances, amount overdue	Rs. 303,235,872.83		
		Considered Bad & Doubtful of recovery (fully provided for)	Rs. 7,743,378.71		
12,745,695,793.14				14,165,986,285.22	
146,421,854.24		7. INTEREST RECEIVABLE			
175,634,344.37		i) On Loans & Advances		83,791,312.53	
322,056,198.61		ii) On Investments		115,640,524.57	
		Of which amount overdue	Rs. 0.00		199,431,837.10
		Considered Bad & doubtful of recovery (fully provided for)	Rs. 0.00		
44,161,553.79		8. INTEREST RECEIVABLE ON NON PERFORMING ASSETS			
		Of which amount overdue	Rs. 85,632,268.21		85,632,268.21
		Considered Bad & Doubtful of recovery (fully provided for)	Rs. 85,632,268.21		
27,320,111,453.00		CARRIED FORWARD		29,061,451,749.25	

Balance Sheet as at March 31, 2021

As at 31.03.2020		CAPITAL & LIABILITIES		As at 31.03.2021		
Rs.	P.		Rs.	P.	Rs.	P.
29,742,292,910.13		BROUGHT FORWARD			31,503,255,637.28	
		11. PROFIT & LOSS ACCOUNT				
80,120,212.93		Balance as per last Balance Sheet	51,727,091.45			
		Less: Appropriations made:				
20,050,000.00		i) Statutory Reserve	13,000,000.00			
802,000.00		ii) Education Fund of National Co-operative Union of India (NCUI)	518,000.00			
25,000,000.00		iii) Dividend	0.00			
8,015,000.00		iv) Contingency Reserve	5,200,000.00			
0.00		v) Bad & Doubtful Debt Reserve	27,000,000.00			
26,131,181.00		vi) Investment Fluctuation Reserve	0.00			
122,031.93		vii) General Reserve	9,091.45			
0.00		viii) Capital Reserve	6,000,000.00			
51,727,091.45		Add: i) As per Profit & Loss Appropriation Account	0.00			
51,727,091.45						
		CONTINGENT LIABILITIES:				
		Bank Liabilities for				
		(i) Guarantee issued on behalf of customers (Previous Year Rs.15,08,34,291.55)	147,942,484.58			
		(ii) Letter of Credit issued on behalf of customers (Previous Year Rs.1,87,02,949.73)	19,403,163.12			
		(iii) Other : Items for which the Bank is contingently liable : Amount transferred to the Depositor Education and Awareness Fund (DEAF) (Previous Year Rs.16,64,94,391.16)	185,840,576.16			
		(iv) Disputed Income-tax (Previous Year Rs.0.00)	49,427.00			
29,794,020,001.58		TOTAL			31,503,255,637.28	

Mumbai: September 13, 2021

AS PER OUR REPORT OF EVEN DATE
FOR M/S. SHINDE NAYAK & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 119906W
UDIN :21104221AAAAGA1340

CA L.V. NAYAK (PARTNER)
STATUTORY AUDITOR
MEMBERSHIP NO. 104221



Balance Sheet as at March 31, 2021

As at 31.03.2020		PROPERTY & ASSETS				As at 31.03.2021	
Rs.	P.		Rs.	P.	Rs.	P.	
27,320,111,453.00		BROUGHT FORWARD				29,061,451,749.25	
		9. BILLS RECEIVABLE BEING BILLS FOR COLLECTION (as per contra)					
27,934,758.52		i) Bills Receivable	29,734,001.74				
0.00		ii) Acceptances, endorsements & other obligations		0.00		29,734,001.74	
27,934,758.52		Inward Bills for collection					
0.00							
		10. BRANCH ADJUSTMENT					
		11. PREMISES					
		Balance as per last Balance Sheet	Rs.1,332,324,418.22				
		(Including Revaluation Reserves of	Rs.1,02,54,51,630.40)				
		Add: Additions during the year	Rs. 10,215,529.03				
		Add: Revaluation during the year	Rs. 0.00	1,342,539,947.25			
		Less: Deductions	Rs. 0.00				
		Less: Depreciation	Rs. 7,908,759.33				
1,332,324,418.22		Less: Depreciation on Revalued Premises	Rs. 25,636,290.76	33,545,050.09		1,308,994,897.16	
		12. CAPITAL EXPENDITURE ON RENTED/OWNED PREMISES					
		Balance as per last Balance Sheet	Rs. 164,634,286.50				
		Add: Additions during the year	Rs. 19,860,900.89	184,495,187.39			
		Less : Assets Written Off	Rs. 0.00				
		Less : Deductions	Rs. 0.00				
164,634,286.50		Less : Depreciation	Rs. 8,728,236.85	8,728,236.85		175,766,950.54	
		13. FURNITURE & FIXTURE					
		Balance as per last Balance Sheet	Rs. 384,472,582.54				
		Add: Additions during the year	Rs. 74,334,880.93	458,807,463.47			
		Less : Assets Written Off	Rs. 0.00				
		Less : Deductions	Rs. 3,958,910.28				
384,472,582.54		Less : Depreciation	Rs. 60,611,006.20	64,569,916.48		394,237,546.99	
		14. VEHICLES					
		Balance as per last Balance Sheet	Rs. 19,482,227.85				
		Add: Additions during the year	Rs. 0.00	19,482,227.85			
		Less : Assets Written Off	Rs. 0.00				
		Less : Deductions	Rs. 9,058,182.00				
19,482,227.85		Less : Depreciation	Rs. 2,654,008.13	11,712,190.13		7,770,037.72	
1,900,913,515.11						1,886,769,432.41	
0.00						0.00	
		15. DEFERRED REVENUE EXPENDITURE TO THE EXTENT NOT WRITTEN OFF					
		16. OTHER ASSETS					
1,410,667.00		i) Deposit for Electricity & Other Services	1,413,657.00				
37,994,116.00		ii) Deposit with Landlord	39,041,616.00				
29,062,188.00		iii) Prepaid Expenses	21,733,321.14				
62,928.00		iv) Clearing House Receivable	62,928.00				
212,961,194.75		v) Cash Collateral Deposit with CCIL/CBLO	108,483,194.75				
54,413,229.20		vi) Income Tax	8,103,106.59				
120,042,471.18		vii) Deferred Tax Asset	169,404,776.56				
89,113,480.82		viii) Sundries	115,576,019.14				
545,060,274.95						463,818,619.18	
		17. PROFIT & LOSS ACCOUNT					
0.00		Loss as per Profit & Loss Appropriation Account				61,481,834.70	
29,794,020,001.58		TOTAL				31,503,255,637.28	

ABHIMANYU BHOAN
CHIEF EXECUTIVE OFFICER

HIREN BHANU
CHAIRMAN

DIRECTORS: FREDERICK D'SA
MARCUS DABRE
KEDAR JAGIRDAR
KURUSH PAGHDIWALLA
RAMESH VEKARIA

AMAN CHADHA
CLIFFORD MARTIS
ANTHONY QUADROS
MILAN KOTHARY

Profit & Loss Account for the year ended on March 31, 2021

YEAR ENDED		EXPENDITURE	YEAR ENDED	
As at 31.03.2020			As at 31.03.2021	
Rs.	P.		Rs.	P.
1,777,039,205.40		To Interest on Deposits & Borrowings		1,384,707,584.17
219,410,150.52		To Salaries, Allowances, P.F. Gratuity, Bonus		168,727,907.07
2,209,500.00		To Directors Meeting Fees & Allowances		225,000.00
179,853,959.83		To Rent, Taxes, Insurance and Lighting		169,943,870.97
2,601,228.80		To Law Charges		2,403,559.00
16,432,114.65		To Postage, Telegram & Telephone Charges		17,236,398.55
11,461,576.50		To Auditor Fees		11,375,095.00
8,000,115.90		To Printing and Stationery		4,334,877.89
3,030,771.93		To Advertisement		1,562,573.64
72,996,835.75		To Depreciation on Property		79,902,010.51
54,218,512.34		To Repairs to Furniture, Fittings, etc.		49,152,304.57
11,148,615.02		To Loss on Sale of Assets		3,569,282.77
140,886,435.01		To Other Expenditure		206,824,717.51
6,900.00		To Assets written off		1,100.00
26,727,344.00		To Amortisation of Premium on Investments		10,073,973.00
1,987,500.00		To Loss on Redemption of Investment		2,065,000.00
273,804,649.27		Profit before Exceptional, Extraordinary Items, Income-tax and Provisions & Contingency		96,614,703.08
		Exceptional Items:		
0.00		To Transfer to Investment Fluctuation Reserve		0.00
273,804,649.27		Profit after Exceptional items, but before Extraordinary Items, Income-tax and Provisions & Contingency		96,614,703.08
		Extraordinary Items		
0.00		To Loss on Sale of Assets to Asset Reconstruction Company (ARC)		9,771,843.16
273,804,649.27		Profit before Income-tax and Provisions & Contingency		86,842,859.92
		To Provision for Tax:		
0.00		Current Income-tax	0.00	
(116,060,525.18)		Deferred Tax	(49,362,305.38)	
0.00		Income-tax of earlier years/[Excess provision for Income-tax of earlier years written back]	-	0.00
(116,060,525.18)				(49,362,305.38)
389,865,174.45		Profit before Provisions & Contingency		136,205,165.30
335,838,083.00		To Provision and Contingency	57,687,000.00	0.00
		Further deductions in terms of Section 62(2) of Multi-State Co-operative Societies Act, 2002	0.00	
0.00		To Provision for Bad & Doubtful Debts Reserve	140,000,000.00	
2,300,000.00		To Contingent Provision against Standard Assets	0.00	197,687,000.00
338,138,083.00				
51,727,091.45		Net Profit after Tax		0.00
2,801,815,414.92		TOTAL		2,270,201,792.43
		Profit & Loss Appropriation Account for the year ended on March 31, 2021		
0.00		To Net Loss after Tax		61,481,834.70
51,727,091.45		To Balance Profit Carried to Balance Sheet		0.00
51,727,091.45		TOTAL		61,481,834.70

Mumbai: September 13, 2021

AS PER OUR REPORT OF EVEN DATE
FOR M/S. SHINDE NAYAK & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 119906W
UDIN :21104221AAAAGA1340

CA L.V. NAYAK (PARTNER)
STATUTORY AUDITOR
MEMBERSHIP NO. 104221

NEW INDIA CO-OPERATIVE BANK LIMITED FINANCIAL YEAR ENDED ON MARCH 31, 2021

I. Notes forming part of Balance Sheet as at 31st March, 2021 and Profit and Loss Account for the year ended 31st March, 2021.

1. Overview:

- New India Co-operative Bank was incorporated on 06.12.1967 and has completed its 54 years of providing wide range of banking services including commercial 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, The Multi State Co-operative Societies Act, 2002, circulars and guidelines issued by the Reserve Bank of India from time to time, the Accounting Standards issued by the Institute of Chartered Accountants of India and current practices prevailing within banking industry of India.

3. Use of Estimates:

- The preparation of 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, revenue and expenses and disclosure of contingent liabilities at the date of financial statement and the result of operation during the reporting period end. Although these estimates are based upon management's best knowledge of current events and action, actual result could differ from these estimates.

II. SIGNIFICANT ACCOUNTING POLICIES: -

1. Accounting Convention:

- The Bank has drawn up its accounts in conformity with the provisions of Multi-State Cooperative Societies Act, 2002 and rules framed thereunder and the Banking Regulation Act, 1949 as applicable to Co-operative Banks.
- Financial statements are prepared in accordance with historical cost convention and going concern concept and in accordance with generally accepted accounting practices and conform to statutory provisions of practices prevailing in India except as otherwise stated in the Accounting Standards issued by the ICAI.

2. Investments:

- The entire Investment Portfolio of the bank (including SLR and Non SLR securities) is classified into (i) Held to Maturity (ii) Held for Trading (iii) Available for Sale Categories as per RBI Guidelines.
- The investments are disclosed in the balance sheet into (i) Central & State Government Securities (ii) Other approved securities (iii) Shares of Co-operative Institutions, and (iv) Other Investments.
- Investments are valued as per the directives issued by the Reserve Bank of India from time to time and in line with the methodology suggested by Financial Benchmark India Ltd. (FBIL).
- Investment classified under Held to Maturity is carried at acquisition cost and any premium paid on acquisition of such securities is amortised over the balance period of maturity of the investment.
- Investments held under "Held for Trading" & "Available for Sale" are marked to market and net depreciation, if any, under each category is provided in the profit and loss account. Net appreciation in each category is ignored.
- Reclassification of investments in either category is carried based on RBI guidelines issued in that respect. Security in such reclassification is recorded, lower of acquisition cost/book value/market value as on date of transfer. Depreciation, if any, on such transfer is fully provided in the profit and loss account.
- In respect of non-performing investments (Where interest/principal is in arrears), income is not recognized and require provision is made without adjusting it against appreciation in other performing investments.
- Investment in Security Receipts(SRs) are valued at Net Asset value as provided by the Asset Reconstruction Company and any depreciation thereon is recognized in the Profit & Loss Account and book value to that extent is reduced. Appreciation, if any, in the rating of the SRs over the previous valuation is ignored.
- Broken Period Interest paid at the time of acquisition of securities is recognized as Revenue Expense.
- Profit on sale of investment under HTM category has been appropriated to Capital Reserve Account.

3. Advances

- All the advances are classified into four categories i.e. (i) Standard Assets, (ii) Sub-standard Assets, (iii) Doubtful Assets and (iv) Loss Assets as per the prudential norms on Income Recognition and Assets Classification issued by the RBI.
- The provision for all the above categories is made in accordance with the prudential norm.
- The Bank also makes provision for diminution in fair value of Restructured Advances as per norms issued by RBI.
- The overdue interest in respect of Non Performing advances is accounted separately under "Overdue Interest Reserve" as per RBI directives.

4. Fixed Assets and Depreciation:

- Fixed Assets are stated at cost less accumulated depreciation. Cost comprises of purchase price, borrowing cost if any, and cost incurred for bringing the assets to its working condition for intended use.

- The stamp duty and registration fees incurred on lease premises are expensed out in the Profit and Loss Account in year in which it is paid.
- **Depreciation**
 - a) Depreciation is charged on written down value method on fixed assets, other than computers.
 - b) Depreciation on computers is charged on straight line method at 33.33% as per the guidelines issued by RBI.
 - c) Depreciation is provided on revalued value of the assets which are revalued.
 - d) Depreciation on additions to assets is provided for the full year if the assets are purchased on or before 30th September, at 100% of normal rates and for half year if the assets are purchased after 30th September, at 50% of normal rate.
 - e) Depreciation is charged on fixed assets, other than computers, at the following rates considered appropriate by the management of the Bank:

Sr. No.	Category of Assets	Type of Assets	Rate of Depreciation
i)	Premises	Ownership Premises	2.50% on written down value method
ii)	Capital Expenditure on Rented Premises	Capital Expenditure on Rented Premises	5.00% on written down value method
iii)	Furniture & Fixture	Wooden/Metal made Furniture & Fixture	5.00% on written down value method
iv)	Furniture & Fixture	Electrical & Electronic products	7.50% on written down value method
v)	Vehicles	Vehicles	15% on written down value method

- f) Depreciation on fixed asset sold during the year is charged up to the month prior to the month in which the fixed asset is sold.
- Revalued premises are carried at revalued amounts less depreciation accumulated thereon. Surplus arising out of revaluation is carried to Premises and is accounted under Revaluation Reserve.
- As per AS 10 (revised 2016) 'Property, Plant and Equipment' issued by ICAI and as made applicable to non-corporate entities from 1-4-2017, depreciation on original cost as well as additional revalued amount should be debited to the Profit & Loss Account and an amount equivalent to the depreciation on such additional revalued amount of fixed asset should be transferred from Revaluation Reserve to revenue reserve. Whereas, the Bank has charged depreciation on the revalued amount of premises to Revaluation Reserve.

5. Revenue Recognition (AS-9):

- Income & Expenditure are recognized on accrual basis except as stated below;
 - a) Income from non-performing assets is recognized on cash basis on realisation as per directives issued by RBI.
 - b) Income from locker rent, interest on income tax refunds, dividend income, commission, incidental charges, service charges, are accounted on cash basis.
 - c) Interest on income-tax refund is determined based on the order of the concerned authorities and is recognised on receipt of the relevant refund order.

6. Employee Benefits (AS-15):

a. Provident Fund:

The retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to Profit & Loss Account for the year in when the contributions are due.

b. Gratuity:

Retirement Benefit in the form of Gratuity is a Defined Benefit Plan. Liability towards gratuity is assessed on the basis of actuarial valuation by an Independent Actuary as at the balance sheet date. The gratuity liability of the Bank is funded through Group Gratuity Scheme with HDFC Standard Life Insurance Company Limited, premium for which is paid annually. Gratuity is provided for on the basis of actuarial valuation done by an Independent Actuary as at the year end, using the Projected Unit Credit Method in accordance with AS -15 on Employee Benefits as issued by ICAI. Actuarial gain or loss is recognized in the Profit & Loss Account. The shortfall, if any, between the present value of the benefit obligation and the fair value of plan assets as on 31 March is paid / provided for and recognized as expense in the profit and loss account.

c. Leave Encashment:

Provision for encashment of accumulated leave payable on retirement or otherwise is made on actuarial valuation done by an Independent Actuary as at the year end using Projected Unit Credit Method, in accordance with the guidelines issued under AS -15 on Employee Benefits as issued by ICAI. The leave encashment liability of the Bank is funded through group conventional plan with HDFC Standard Life Insurance Company Limited.

7. Segment Reporting (AS-17):

The Business Segments is considered as primary reporting format and the Bank does not have any geographical segment. In accordance with the guidelines issued by RBI, Bank has adopted following Business Segments:

- a) Treasury includes all Investment Portfolio, Profit/Loss on sale of investments (Bonds and Government Securities) money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external / internal

sources and depreciation/ amortisation of premium on Held to Maturity investments. Bank has Internal Parameters in place which are reviewed at half yearly intervals to calculate the internal fund transfer pricing.

- b) Other Banking operations include funded Trade Finance transactions and all other operations not covered under Treasury Operations. It primarily comprises of Loans and Advances to wholesale and retail customers and other Banking services to such customers. The revenue consists of interest earned on loans and advances, fee income on various services and foreign exchange products to customers. Funded Trade Finance transactions are classified under Other Banking operations.

8. Operating Leases (AS-19):

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as Operating Leases. Operating Lease payments are recognised as an expense in the Profit and Loss Account during the year as per the lease agreement.

9. Earning Per Share (EPS) (AS-20):

Basic & Diluted earning per share are calculated by dividing the Net Profit for the period by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares are calculated on monthly basis.

10. Income Tax (AS-22):

- a) Income Tax expense comprises of Current Tax and Deferred Tax. Current Tax is measured on the basis of estimated taxable income for the year in accordance with the provisions of the Income Tax Act, 1961 and Rules framed thereunder.
- b) Deferred Tax is recognised on account of timing differences between the book profits and the taxable profits. The tax effect of timing differences between the book profits and taxable profits measured using the tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date are reflected through Deferred Tax Asset (DTA)/Deferred Tax Liability (DTL). DTA is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such DTA can be realised
- c) Deferred Tax Assets are reassessed at each reporting date, based upon management's judgement as to whether the realization is reasonably certain.

11. Impairment Of Assets (AS-28):

At each Balance Sheet date, the Bank reviews the carrying amounts of its assets to determine whether there is any indication that those assets suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. The recoverable amount is the higher of an asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to its present value using a discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The reversal of impairment loss is recognised immediately as income in the Profit & Loss Account.

12. Provisions, Contingent Liabilities And Contingent Assets (AS-29):

- a) The bank recognizes provision when it has a present obligation as a result of past event, and 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. The provisions are reviewed at each Balance Sheet and adjusted to reflect the current best estimates.
- b) Contingent assets are not recognized in financial statements.
- c) Contingent liabilities of the bank are in respect of the guarantees, acceptances and letters of credit with customers under approved limits and the liability thereon is dependent upon terms of contractual obligations, development and rising of demand by the concerned parties. These amounts are partly collateralized by margin/guarantees/secured charges. A disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within control of the bank or any present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation cannot be made.

13. Foreign Currency Transactions

- a. All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.
- b. Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. The resultant gain or loss is accounted during the year.

14. Accounting Of Goods & Service Tax

Goods and Service Tax (GST) has been implemented with effect from 1st July, 2017. Accordingly, GST collected is accounted in GST Payable Account and GST paid to vendor is accounted in Input credit Receivable Account. Out of the GST in Input credit Receivable Account, eligible Input tax credit (ITC) is availed as set off. In case, eligible ITC remains unutilized, the same carried forward and set-off subsequently. The ITC on expenses which is not allowable to be set-off as per GST Law, is expensed out.

In case of fixed assets, eligible ITC of GST paid to vendor is utilized against the amount of GST collected from the customers and the disallowed portion of ITC is added back to the value of respective assets.

Items of Income and expenses on which GST is applicable, are accounted for net of GST.

III. NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

1. Employee Benefits

1.1 Salaires and Allowances include amount of Rs.93,51,287.00(Previous year Rs.94,00,390.00) contributed by the Bank on account of contribution towards Provident Fund.

1.2 Disclosure pursuant to Accounting Standard 15 (revised 2005) "Employee Benefits" - Grauity:

Sr. No.	Particulars	Year ended on March 31, 2020	Year ended on March 31, 2021
1.2.1	Change in benefit obligation		
	Liability at the beginning of the year	5,57,16,830.00	3,14,94,149.00
	Interest cost	44,35,060.00	21,47,901.00
	Current Service Cost	27,34,751.00	22,70,156.00
	Past service cost vested benefit	0.00	0.00
	Liability transfer in		
	Benefit paid	-3,45,02,416.00	-45,75,577.00
	Actuarial (gain)/loss on obligation	31,09,924.00	25,20,435.00
	Liability at the end of the current period	3,14,94,149.00	3,38,57,064.00
1.2.2	Fair Value of Plan Assets		
	Fair Value Plan Assets at the beginning of the year	5,04,69,286.00	2,83,56,347.00
	Expected return on plan assets	40,17,355.00	19,33,903.00
	Contributions	1,00,00,000.00	50,00,000.00
	Transfer from other company	0.00	0.00
	Transfer to other company	0.00	0.00
	Benefit paid	3,45,02,416.00	45,75,577.00
	Actuarial gain/(loss) on plan assets	-16,27,878.00	15,69,266.00
	Fair Value of Plan Asset at the end of the year	2,83,56,347.00	3,22,83,939.00
	Total Actuarial Gain/Loss to be recognized	0.00	0.00
1.2.3	Actual return on plan assets		
	Expected return on plan assets	40,17,355.00	19,33,903.00
	Actuarial gain/(loss) on plan assets	-16,27,878.00	15,69,266.00
	Actual return on plan assets	23,89,477.00	35,03,169.00
1.2.4	Amount recognized in the balance sheet		
	Liability at the end of the year	-3,14,94,149.00	-3,38,57,064.00
	Fair value of plan assets at the end of the year	2,83,56,347.00	3,22,83,939.00
	Funded Status (Surplus/Deficit)	-31,37,802.00	-15,73,125.00
	Amount recognized in the balance sheet	-31,37,802.00	-15,73,125.00
1.2.5	Expenses recognized in the income statement		
	Current Service Cost	27,34,751.00	22,70,156.00
	Interest Cost	44,35,060.00	21,47,901.00
	Expected return on plan assets	-40,17,355.00	-19,33,903.00
	Actuarial (gain)/ loss	47,37,802.00	9,51,169.00
	Past Service Cost-Vested benefit recognized during the year	0.00	0.00
	Expenses recognized in Profit & Loss Account	78,90,258.00	34,35,323.00
1.2.6	Balance Sheet Reconciliation		
	Opening net liability	52,47,544.00	31,37,802.00
	Expenses as above	78,90,258.00	34,35,323.00
	Transfer from other company	0.00	0.00
	Transfer to other company	0.00	0.00
	Employers contribution	1,00,00,000.00	-50,00,000.00
	Amount recognized in the balance sheet	31,37,802.00	15,73,125.00
1.2.7	Actuarial Assumptions		
	Discount Rate previous	7.96%	6.82%
	Rate of return on plan assets previous	7.96%	6.82%
	Salary Escalation previous	4.00%	4.00%
	Attrition Rate Previous Year	2.00%	2.00%
	Discount Rate Current	6.82%	7.14%
	Rate of Return on Plan Assets current	7.96%	6.82%
	Salary escalation current	4.00%	4.00%
	Attrition Rate Current	2.00%	2.00%

Sr. No.	Particulars	Year ended on March 31, 2020	Year ended on March 31, 2021
1.2.8	Category of Assets		
	Government of India Assets	-	-
	State Government Securities	-	-
	Special Deposit Scheme	-	-
	Debt Instruments	-	-
	Corporate Bonds	-	-
	Cash and Cash Equivalents	-	-
	Insurer Managed Funds	2,83,56,347.00	3,22,83,939.00
	Asset-Backed Securities	-	-
	Structured Debt	-	-
	Other	-	-
1.2.9	Number of Employees	279	282
1.3	Disclosure pursuant to Accounting Standard 15 (revised 2005) "Employee Benefits"- Leave Encashment.		
Sr. No.	Particulars	Year ended on March 31, 2020	Year ended on March 31, 2021
1.3.1	Change in benefit obligation		
	Liability at the beginning of the current period	1,06,01,842.00	62,53,827.00
	Interest cost	8,43,907.00	4,26,511.00
	Current Service Cost	11,72,303.00	15,70,837.00
	Liability transferred in	-	-
	(Liability transferred out)	-	-
	Benefit paid	-1,01,32,301.00	-23,53,948.00
	Actuarial (gain)/loss on obligation	37,68,076.00	17,74,683.00
	Liability at the end of the current period	62,53,827.00	76,71,910.00
1.3.2	Fair Value of Plan Assets		
	Fair Value Plan Assets at the beginning of the year	28,16,982.00	27,73,945.00
	Expected return on plan assets	2,24,232.00	1,89,183.00
	Contributions	1,00,00,000.00	50,00,000.00
	Transfer from other company	-	-
	Transfer to other company	-	-
	Benefit paid	-1,01,32,301.00	-23,53,948.00
	Actuarial gain/(loss) on plan assets	-1,34,968.00	67,773.00
	Fair Value of Plan Assets at the end of the year	27,73,945.00	56,76,953.00
1.3.3	Actual return on plan assets		
	Expected return on plan assets	2,24,232.00	1,89,183.00
	Actuarial gain/(loss) on plan assets	-1,34,968.00	67,773.00
	Actual return on plan assets	89,264.00	2,56,956.00
1.3.4	Amount recognized in the balance sheet		
	Fair value of plan assets at the end of the period	27,73,945.00	56,76,953.00
	Liability at the end of the period	-62,53,827.00	76,71,910.00
	Difference	-34,79,882.00	19,94,957.00
	Net Amount recognized in the balance sheet	-34,79,882.00	19,94,957.00
1.3.5	Expenses recognized in the income statement		
	Current Service Cost	11,72,303.00	15,70,837.00
	Interest Cost	8,43,907.00	4,26,511.00
	Expected return on plan assets	-2,24,232.00	1,89,183.00
	Actuarial (gain)/ loss	39,03,044.00	17,06,910.00
	Expenses recognized in Profit & Loss Account	56,95,022.00	35,15,075.00
1.3.6	Balance Sheet Reconciliation		
	Opening net liability	77,84,860.00	34,79,882.00
	Expenses as above	56,95,022.00	35,15,075.00
	Net transfer in	-	-

Sr. No.	Particulars	Year ended on March 31, 2020	Year ended on March 31, 2021
	Net transfer out	-	-
	Employers contribution	-1,00,00,000.00	-50,00,000.00
	Amount recognized in the balance sheet	34,79,882.00	19,94,957.00
1.3.7	Assumptions		
	Discount Rate Previous	7.96%	6.82%
	Rate of return on plan assets previous	7.96%	6.82%
	Salary escalation previous	4.00%	4.00%
	Attrition Rate previous	2.00%	2.00%
	Discount Rate current	6.82%	6.27%
	Rate of return on plan asset current	6.82%	6.27%
	Salary escalation current	4.00%	4.00%
	Attrition Rate current	2.00%	8.00%
1.3.8	Category of Assets		
	Government of India Assets	-	-
	State Government Securities	-	-
	Special Deposit Scheme	-	-
	Debt Instruments	-	-
	Corporate Bonds	-	-
	Cash and Cash Equivalents	-	-
	Insurer Managed Funds	27,73,945.00	56,76,953.00
	Asset-Backed Securities	-	-
	Structured Debt	-	-
	Other	-	-
1.3.9	Number of Employees	275	287

2. Related Party Disclosures

There are no related parties requiring disclosure under Accounting Standard 18 'Related Party Disclosures' issued by the ICAI, other than Key Management Personnel i.e. Abhimanyu S. Bhoan, Chief Executive Officer of the bank. However, in terms of RBI Circular dated March 29, 2003, there being a single party coming under the aforesaid category, no further details need to be disclosed. The above referred related party is as certified by the management of the Bank and relied upon by the auditor.

3. Disclosure under AS-17 on "Segment Reporting":

- 3.1 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.
- 3.2 Business segments are classified as under:
- 3.3 Treasury: Dealing operations in Money Market instruments, trading/investing in bonds/Government Securities.
- 3.4 Other Banking Operations: Lending/financing and other banking services.
- 3.5 The above segments are reported based on the nature of products/services and their attributable risks/returns, overall organisational structure and internal management reporting system of the Bank.
- 3.6 Segment revenues, results, assets and liabilities include the respective amounts identifiable to each of the segments and amount appropriated/allocated on a reasonable basis.

Particulars	Year ended on March 31, 2020			Year ended on March 31, 2021		
	Treasury	Other Banking Operations	(Rs. in Lakhs) Total	Treasury	Other Banking Operations	(Rs. in Lakhs) Total
Revenue	1,20,99.17	1,59,18.98	2,80,18.15	68,78.20	1,52,09.00	2,20,87.20
Segment Cost	1,12,40.87	1,74,20.62	2,86,61.49	52,73.67	1,79,21.97	2,31,95.64
Result	8,58.30	(1,501.63)	(6,43.34)	16,04.53	(27,12.97)	(11,08.44)
Profit before Tax			(6,43.34)			11,08.44
Less: Provision for Tax/ (benefit)			11,60.61			(4,93.62)
Net Profit			5,17.27			(6,14.82)
Other Information:						
Segment Assets	12,63,24.66	16,99,00.89	29,62,25.55	12,15,65.84	19,10,76.82	31,26,42.66
Unallocated Assets			17,14.65			23,89.90
Total Assets	12,63,24.66	16,99,00.89	29,79,40.20	12,15,65.84	19,10,76.82	31,50,32.56

Particulars	Year ended on March 31, 2020		(Rs. in Lakhs) Total	Year ended on March 31, 2021		(Rs. in Lakhs) Total
	Treasury	Other Banking Operations		Treasury	Other Banking Operations	
Segment Liabilities	3,43,74.28	24,03,71.81	27,47,46.08	3,95,16.00	25,32,96.88	29,28,12.88
Unallocated Liabilities			2,31,94.12			2,22,19.67
Total Liabilities	3,43,74.28	24,03,71.81	29,79,40.20	3,95,16.00	25,32,96.88	31,50,32.56

4. Operating Leases (AS-19)

4.1 The Bank has taken a number of premises on operating lease. The details of maturity profile of future operating lease payments as per Accounting Standard 19 'Leases' issued by the ICAI are given below:

Particulars	Year ended on March 31, 2020 (Rs. in Lakhs)	Year ended on March 31, 2021 (Rs. in Lakhs)
Future lease rentals payable as at the end of the year:		
Not later than one year	1,195.99	957.91
Later than one year but not later than five years	3,770.97	2,575.17
Later than five years	1,143.67	289.50
Total of minimum lease payments recognised in the Profit and Loss Account for the year	1,176.19	1,109.21

5. Earnings Per Share (EPS) (AS-20):

Particulars	2019-20	2020-21
Net profit/(Loss) after income tax	517.27	(614.82)
(*) Weighted average number of shares	248.51	244.57
Nominal Value of Shares (Rs.)	10	10
EPS – Basic & Diluted (Rs.)	2.08	(2.51)

(*) Monthly Weighted average number of shares

6. Deferred Tax Assets / Liabilities (AS-22)

Disclosure on major components of DTA/ DTL are as under

Particulars	As at March 31, 2020	As at March 31, 2021
Deferred Tax Assets:		
Expenses allowable only on payment basis	(23,16,306.77)	12,46,687.85
Provision for Loans & Advances	31,10,708.20	5,12,73,751.20
Provision for Investments	20,97,727.72	1,53,74,927.72
Unabsorbed Losses	18,74,77,085.02	18,35,14,747.93
	(a) 19,50,01,827.71	25,14,10,114.70
Deferred Tax Liability:		
Provision for Staff Gratuity	–	–
Depreciation on Fixed Assets	7,49,59,356.32	8,20,05,338.14
	(b) 7,49,59,356.32	8,20,05,338.14
Deferred Tax Assets/(Liability) [net]	(a)-(b) 12,00,42,471.18	16,94,04,776.56

Deferred tax asset recognised to the extent the management is reasonably certain of its realization.

7. Financial assets sold during the year to Securitisation Company (SC) / Reconstruction Company (RC).

Sr. No.	Particulars	F.Y. 2019-20	F.Y. 2020-21
1	No. of Accounts	--	4
2	Aggregate Value (net of provision) of accounts sold to SC/RC	--	20,99,71,843.16
3	Aggregate Consideration	--	20,02,00,000.00
4	Additional consideration realised in respect of accounts transferred in earlier year	--	--
5	Aggregate gain/(loss) over net book value	--	(97,71,843.16)

8. Management Fees paid to Assets Reconstruction Company

The Bank has paid Rs.3,64,06,000 as one-time management fees in the financial year 2018-2019. The Bank has decided to amortize the said expenditure over a period of five years. Accordingly, the Bank has charged Rs.72,81,200 to the Profit & Loss Account in financial year 2020-2021 (Previous year – Rs.72,81,200) and has deferred Rs.1,45,62,400, which has been included in Prepaid Expenses.

9. Priority Sector Lending Certificate ("PSLC")

The Bank has purchased the following PSLCs during the year

Sr. No.	Category	F.Y. 2019-20 (Rs. in Lakhs)	F.Y. 2020-21 (Rs. in Lakhs)
1.	PSLC – Micro Enterprises	1,10,00.00	--
2.	PSLC – Agriculture	1,30,00.00	--
3.	PSLC – General	50,00.00	--
4.	PSLC – Small and Marginal Farmers	1,00,00.00	--
	Total	3,90,00.00	--

The Bank has sold following PSLCs during the year

Sr. No.	Category	F.Y. 2019-20 (Rs. in Lakhs)	F.Y. 2020-21 (Rs. in Lakhs)
1.	PSLC – Micro Enterprises	10,00.00	--
2.	PSLC – Agriculture	--	--
3.	PSLC – General	--	--
4.	PSLC – Small and Marginal Farmers	1,00,00.00	--
	Total	1,10,00.00	--

10. The Depositor Education and Awareness Fund Scheme, 2014

10.1 As per RBI Circular no. RBI/2013-14/DBOD No. DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014 on The Depositor Education Fund Scheme, 2014, every bank shall determine the credit balances in any account or any deposit in the bank remaining unclaimed or inoperative for ten years or more and transfer these amounts to the Depositor Education and Awareness Fund ("DEAF").

10.2 In accordance with the above referred RBI circular, the Bank has transferred the following amounts to DEAF:

Particulars	Year ended on March 31, 2020	Year ended on March 31, 2021
Opening balance of amounts transferred to DEAF	15,19,61,184.96	16,64,94,391.16
Add: Amounts transferred to DEAF during the year	2,46,60,549.48	2,12,69,978.59
Less: Amounts reimbursed by DEAF towards claims	1,01,27,343.28	19,23,793.59
Closing balance of amounts transferred to DEAF	16,64,94,391.16	18,58,40,576.16

11. In accordance with instructions contained in RBI circular dated March 27, 2020 & May 23, 2020 the bank has extended the moratorium to all borrowers of all segments. As per RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated 17th April 2020, the bank has written back Special General provision of Rs.35 lakhs to Profit & Loss Account which was provided in last year in respect of Loan where the assets classification benefit is extended & loans are slipped into NPA as on 31st March, 2021, provision has been made under Bad & Doubtful Debt Reserve by debiting to Profit & Loss Account as on 31st March, 2021.

12. Resolution of Stress Assets

As per information provided by the bank., During the year 2020-21, there is no resolution framework implemented for any borrower for COVID-19 related stress. Hence, disclosure is not required in accordance of RBI circular dated DOR. No. BP.BC/3/21.04.048/2020-21 dated 6th August, 2020.

13. Refund / adjustment of 'interest on interest'

To ease the financial stress caused by COVID-19 disruptions on borrowers and relax the repayment pressures, Hon'ble Supreme Court, vide order dated March 23, 2021, directed that there shall not be any charge of interest on interest / compound interest / penal interest for the period during the moratorium from March 1, 2020 to August 31, 2020 and such interest shall be refunded to the concerned borrowers by giving credit / adjusted in the next instalment of the loan amount. As the Bank has charged simple interest on the loans during moratorium period from 01.03.2020 to 31.08.2020, no provision is required on 31.03.2021.

14. Long Term Deposits Borrowings

In accordance with RBI circular No.RBI/2016-17/7 DCBR.BPD.Cir No.21/09.18.201/2016-17, the bank has raised Rs.6,70,63,500 during the year by way of Long Term Subordinated Deposits-Series I which are callable after 5 years from the date of issue. The said amount is included in the Tier II capital of the bank for Capital Adequacy purpose as per RBI guideline.

15. Contingent Liabilities

For the Assessment Year – 2013-14, The Bank is in the receipt of an order u/s 201(1) and 201(1A) with respect to Sec.195 of the Income Tax Act, 1961 dated 31st March 2021, wherein Dy. Commissioner of Income Tax (International Taxation), Mumbai has treated the Bank as assessee in default in respect of tax not deducted at source on amounts paid to Visa and Mastercard. Demand raised u/s 156 of the Act for this matter is of Rs.49,427/-. Time prescribed for filing of CIT Appeal in this case is not expired as on the date of audit.

16. Statement of Cash Flow for the year ended 31st March 2021

Particulars	Year ended on March 31, 2020 (Rs. in Lakhs)	Year ended on March 31, 2021 (Rs. in Lakhs)
Cash Flow from operating activities		
Net Profit after Income tax	5,17.27	(6,14.82)
Adjustments for:		
Provision for Tax	(11,60.61)	(4,93.62)
Depreciation on fixed assets	7,29.97	7,99.02
Amortisation of premium on held to maturity investments	2,67.27	1,00.74
(Profit)/loss on sale of fixed assets [net]	1,10.27	34.47
Provision for Standard/Non-performing assets/Restructure advances/ Special General	1,12.03	15,80.55
Provision / charge for Diminution in value of investments	14,07.55	5,63.42
Assets written off	0.07	0.01
Profit/loss on sale/redemption of investments	(13,88.73)	(17,52.01)
Excess Bad & Doubtful Debts Reserve written back	(2,00.00)	(35.00)
	(1,22.18)	7,97.58
Adjustments for:		
(Increase)/Decrease in investments	4,53,07.66	7,39.40
(Increase)/Decrease in advances	51,93.19	(1,44,99.14)
Increase/(Decrease) in deposits	(2,77,26.42)	1,04,03.26
(Increase)/Decrease in other assets	(9,73.04)	26,07.28
Increase/(Decrease) in Other Liabilities, Provisions and Reserves	(6,56.01)	1,41.25
Direct taxes paid (net of refunds)	(1,29.72)	(75.00)
Net cash flow from operating activities (a)	2,14,10.75	5,00.17
Cash flows used in investing activities		
Purchase of fixed assets	(15,03.00)	(10,44.11)
Proceeds from sale of fixed assets	23.74	95.69
Net cash used in investing activities (b)	(14,79.26)	(9,48.42)
Cash flows from financing activities		
Increase/(Decrease) in Borrowings	(2,49,76.22)	49,56.44
Issue/Reduction in Share Capital	187.35	(3,79.28)
Dividend paid during the year	(250.57)	(18.40)
Net cash generated from financing activities (c)	(2,50,39.44)	45,58.76
Net increase/(decrease) in Cash and Cash Equivalents (a) + (b) + (c)	51,07.95	31,10.16
Cash and Cash Equivalents as at April 1st	3,63,95.23	3,12,87.28
Cash and Cash Equivalents as at March 31st	3,12,87.28	3,43,97.45

Previous year figures are re-grouped, re-arranged or modified wherever necessary to conform to the presentation of the current year.

IV. DISCLOSURES AS PER RBI CIRCULAR DATED OCTOBER 30, 2002

Sr. Particulars No.	March 31, 2020 Rs. in Lakhs	March 31, 2021 Rs. in Lakhs
1 Capital to Risk Asset Ratio ("CRAR")	12.48%	10.86%
2 Movement of CRAR		
Capital Funds	2,01,07.20	1,86,59.23
Risk Weight	16,10,72.72	17,17,87.40
3 Investments		
Face Value	10,79,12.00	11,18,05.80
Book Value	11,07,94.69	11,17,06.57
Market Value	11,07,83.87	11,15,64.15
4 Advances		
4.1 Housing	1,44,60.20	1,43,34.04



Sr. No.	Particulars	March 31, 2020 Rs. in Lakhs	March 31, 2021 Rs. in Lakhs
4.2	Construction business	87,10.58	72,89.63
4.3	Real Estate	1,85,52.79	67,90.43
5	Advances against shares and debentures	17.75	1.76
6	Advance to Directors, their relatives, companies/firms in which they are interested (as certified by the management of the Bank and relied upon by the auditor):		
	Fund based	-	-
	Non-Fund based (Guarantees, L/C, etc.)	-	-
7	Cost of Deposits	6.32%	5.63%
8	NPAs		
8.1	Gross NPA	31,84.22	1,31,65.89
8.2	Net NPA	25,94.07	1,11,57.04
9	Movement in NPA		
	Opening Balance	43,81.78	31,84.22
	Add : Additions during the year	25,05.91	1,28,29.11
		68,87.69	1,60,13.33
	Less : Closed/Recovered/Written off/Transferred	47,56.63	28,47.44
	Closing Balance	31,84.22	1,31,65.89
10	Profitability		
10.1	Interest Income as a percentage of working funds	7.32%	6.16%
10.2	Non-interest income as a percentage of working funds	1.06%	1.08%
10.3	Operating profit as a percentage of working funds	0.24%	0.28%
10.4	Return on Assets	0.16%	--
10.5	Business (Deposits + Advances) per employee	1,338.47	1,284.90
10.6	Profit per employee	1.81	--
11.1	Provisions made towards NPA	Nil	14,00.00
11.2	Depreciation in Investment	27,32.75	1,83.42
11.3	Provision for Standard Assets	23.00	0.00
12	Movement in Provisions		
12.1	Towards NPA		
	Opening Balance	20,42.61	5,90.16
	Add: Additions during the year	-	16,70.00
		20,42.61	22,60.16
	Less: Closed/Recovered/Written off/transferred during the year	14,52.45	3,18.79
	Closing Balance	5,90.16	19,41.37
12.2	Towards Investment Depreciation Reserve		
	Opening Balance	7,52.66	1,90.86
	Add : Additions during the year	0.00	1,83.42
		7,52.66	3,74.28
	Less: Closed/Recovered/Written-off/ transferred during the year	5,61.81	0.00
	Closing Balance	1,90.86	3,74.28
12.3	Towards Investment Fluctuation Reserve		
	Opening Balance	17,38.69	7,00.00
	Add: Additions during the year	2,61.31	0.00
		20,00.00	7,00.00
	Less: Closed/Recovered/Written off/transferred during the year	13,00.00	0.00
	Closing Balance	7,00.00	7,00.00
12.4	Towards Standard Assets		
	Opening Balance	6,45.00	6,68.00
	Add: Additions during the year	23.00	0.00
		6,68.00	6,68.00
	Less: Closed/Recovered/Written off/transferred during the year	-	-
	Closing Balance	6,68.00	6,68.00
13	Foreign Currency Assets and Liabilities:		
	Assets	-	-
	Liabilities	-	-
14	DICGC Premium paid	2,87.30	1,75.87

15. a. Composition of Non SLR Investments:

Sr. No.	Issuer	Amount (Rs. in Lakhs)		Extent Of Below Investment Grade Securities		Extent of Unrated Unlisted Securities	
		As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021
		i.	PSU	-	-	-	-
ii.	FI	-	-	-	-	-	-
iii.	Public Sector Bank	-	-	-	-	-	-
iv.	Mutual Funds	-	-	-	-	-	-
v.	Others*	1,43,04.40	1,19,32.10	-	-	-	-
vi.	Provision held towards depreciation Total	190.86	374.28	-	-	-	-
		1,41,13.54	1,15,57.82	-	-	-	-

* includes shares with Co-op institutions, PSU/Corporate bonds and Security Receipts with ARC. Book value of SRs on 31.03.2020 with ARC arrived after netting of depreciation on the same.

b. Non-Performing Non SLR Investments:

Particulars	Rs. in Lakhs	
	Year ended on March 31, 2020	Year ended on March 31, 2021
Opening Balance	Nil	600.38
Addition during the year	Nil	300.00
Reduction during the year	Nil	Nil
Closing balance	600.38	900.38
Total Provisions held	60.04	440.04

16. Bancassurance Business

Sr. No.	Nature of Income	Rs. in Lakhs	
		Year ended on March 31, 2020	Year ended on March 31, 2021
a.	For selling Life Insurance Policies	50.76	43.94
b.	For selling Non Life Insurance Policies	4.23	3.94
c.	For selling Mutual Fund Products	5.89	4.05
d.	Others (Specify)	-	-

17. Particulars of Accounts Restructured (Rs. in Lakhs)

Particulars		Housing Loan		Small and Medium Enterprise ("SME") Debt Restructuring		Others	
		March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021
		Standard Advances restructured	No. of Borrowers	-	-	-	-
	Amount outstanding	-	-	-	-	3,91.91	26,10.11
	Sacrifice (diminution in fair value)	-	-	-	-	7.03	13.45
Sub Standard Advances restructured	No. of Borrowers	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-
	Sacrifice (diminution in fair value)	-	-	-	-	-	-
Doubtful Advances restructured	No. of Borrowers	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-
	Sacrifice (diminution in fair value)	-	-	-	-	-	-
Total	No. of Borrowers	-	-	-	-	-	-
	Amount outstanding	-	-	-	-	-	-
	Sacrifice (diminution in fair value)	-	-	-	-	-	-

18. No penalty has been imposed by RBI on the Bank during the financial year 2020-2021.

Previous year figures are re-grouped, re-arranged or modified wherever necessary to conform to the presentation of the current year.



ANNEXURE - A

Name of the Bank	: New India Co-operative Bank Ltd.
Administrative Office Address	: Mahesh Residency, Tandice Building, M.G. Road, Dahanukar Wadi, Kandivali West, Mumbai 400 067.
Date of Registration	: BOM/BNK/106 dated 21st November 1967
Date & No. of RBI License	: ACD.MH.4-P dated 6th December 1967
Jurisdiction	: The area of operation of the Bank is entire Union of India.

		(Rs. in Lakhs)
ITEM		As on 31st March, 2021
No. of Branches		30
SHAREHOLDERS	Regular	7,259
	Nominal	2,516
Paid-up Share Capital		Rs. 2,258.67
Total Reserve Funds		Rs. 23,641.28
DEPOSITS	Savings	Rs. 70,811.41
	Current	Rs. 10,984.08
	Fixed / Short Term	Rs. 1,65,322.63
ADVANCES	Secured	Rs. 1,38,661.14
	Unsecured	Rs. 2,998.72
	Total % of Priority Sector	29.99 %
	Total % of Weaker Sections	0.61 %
BORROWINGS	D.C.C. / APEX	NIL
	M.S.C.	NIL
	Others	NIL
INVESTMENTS	D.C.C. / APEX	NIL
	M.S.C.	NIL
	Others	1,19,778.57
Overdue %		10.87 %
Profit/Loss for the year		Rs. (614.82)
Total Staff		293
Working Capital		Rs. 3,13,758.62

Branches

Maharashtra State

Mumbai

Andheri (E)	: Kalpita Enclave, Andheri - Sahar Road, Andheri (E), Mumbai – 400 069.
Andheri (W)	: Crystal Plaza, New Link Road, Andheri (W), Mumbai – 400 058.
Bandra	: Kohli House, 32nd Road, TPS III, Bandra (W), Mumbai – 400 050.
Borivali	: Kalpana Apts., Punjabi Lane, Borivali (W), Mumbai – 400 092.
Chembur	: Akshay Apts., 10th Road, Chembur, Mumbai – 400 071.
Ghatkopar	: V.C.Gurukul High School, Derasar Lane, Ghatkopar (E), Mumbai – 400 077.
Girgaum	: Nikko House, V. P. Road, Opp. Congress House, Mumbai – 400 004
Goregaon	: Hirnen Shopping Centre, M.G. Road, Goregaon (W), Mumbai – 400 062.
Kandivali (W)	: Shivam CHS Ltd., Near Charkop Village, Kandivali (W), Mumbai – 400 067.
Mahavir Nagar	: Gangotri Yamnotri Bldg., Mahavir Nagar, Kandivali (W), Mumbai- 400 067.
Malad (E)	: Temple View - I, Raheja Township, Malad (E), Mumbai – 400 097.
Malad (W)	: 37, Jimmit Apts., Marve Road , Malad (W), Mumbai – 400 064.
Mulund (E)	: Gurujyot, Mahatma Phule Road, Mulund (E), Mumbai – 400 081.
Mulund (W)	: Golden Willows, Vasant Garden, Off. LBS Road, Mulund (W), Mumbai - 400 080.
Nariman Point	: 3, Ground Floor, Tulsiani Chambers, Nariman Point, Mumbai - 400 021.
Santacruz	: Adarsh Apts., Golibar Road, Santacruz (E), Mumbai – 400 055.
Santacruz – Arun Society	: Santacruz Arun CHS Ltd., 6th Road, Santacruz (E), Mumbai – 400 055.
Versova	: Amit Nagar, Yari Road, Versova , Mumbai – 400 061.

Thane & Palghar Dist.

Majiwade	: Amrapali Arcade, Vasant Vihar, 2nd Pokharan Road, Majiwade, Thane (W) 400 610.
Panchpakhadi	: Shreeji Ville, Almeida Road, Panchpakhadi , Thane (W) – 400 601.
Mira Road -Shanti Nagar	: B-42/43, Sector – 1, Shantinagar, Mira Road (E), Dist. Thane – 401 107.
Mira Road -Poonam Garden	: Unique Heights, Poonam Garden, Mira Road (E), Dist. Thane – 401 107.
Mira Road – Shanti Park	: G-4, Poonam Residency, Shanti Park, Mira Road (E), Dist. Thane – 401 107.
Vasai	: Sarojini Apts., Par Naka, Vasai (W), Dist. Palghar - 401 201.
Virar	: Bayabai Shopping Centre, Agashi Road, Virar (W), Dist. Palghar - 401 303.

Navi Mumbai

Nerul	: Riddhi Siddhi Bldg., Sector – 20, Station Road, Nerul (W), Navi Mumbai - 400 706.
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Pune

Bibwewadi	: Gagan Samruddhi, Bibwewadi-Kondhwa Road, Market Yard, Pune – 411 037.
Wakad	: Shop nos. 1 to 4, Navdeep, Hissa No.1, Wakad, Taluka Mulshi, Pune – 411 057.

Gujarat State

Surat

Ring Road	: Annapurna Market, Kamela Darwaja, Ring Road, Surat – 395 003.
Varachha Road	: Ground Floor, CTC Tower, Varachha Main Road, Surat – 395 006.