

2019



NO BANKING DISTANCE WITH US

Annual Report

VISION

Helping customers achieve economic success and financial security thereby building vibrant and prosperous communities, sustained by values of integrity and good governance.

MISSION

To be a financially strong and vibrant Bank.

To work to improve the quality of life to the communities we serve.

To earn the respect of employees and customers.

To conduct our operations with integrity and transparency.

To demonstrate character that always recognizes that the financial well being of the customers is the reason we are here.

To promote the spirit of co-operation and build long term shareholder value.

BANK'S CENTENARY FUNCTION: 08TH MAY, 2019





Mr. Donald L. Creado
CHAIRMAN
from 06-12-2019



Mr. Anthony D'Souza
CHAIRMAN
upto 05-12-2019



Mr. Frederick F. Castelino
VICE-CHAIRMAN
from 06-12-2019



Mrs. Priscilla W. Buthello
DIRECTOR



Mr. Malcolm D. Correa
DIRECTOR



Dr. Frederick J. de Souza
DIRECTOR



Mr. Edwin J. Gonsalves
DIRECTOR



Mr. Leslie J. H. Lobo
DIRECTOR



Mr. Joseph M. B. Mascarenhas
DIRECTOR



Mr. Leslie Mascarenhas
DIRECTOR



Mr. James S. Pereira
DIRECTOR



Mr. Roger C. B. Pereira
DIRECTOR



Adv. Royston Pereira
DIRECTOR



Adv. Arvind Pinto
DIRECTOR



Mr. Christopher A. Mendoza
MANAGING DIRECTOR & C.E.O.

DATE/OFFICIAL ADVICE OF REGISTRATION

Regn. No.2905 May 08, 1920 with the Registrar of Co-operative Societies as the erstwhile Bombay Catholic Urban Co-operative Credit Society.

CONVERSION INTO CO-OPERATIVE BANK

Order No. BOM/URB/BOMBAY CATHOLIC R-WARD of 84 dated October 20, 1984 by the Registrar of Co-operative Societies, Bombay.

RBI BANKING LICENCE

MH 1016 P dated December 27, 1989.

SCHEDULED BANK STATUS

October 26, 1996

MULTI-STATE CO-OPERATIVE BANK

Regn. No.MSCS/CR/75/98 dated January 20, 1998 by the Central Registrar of Co-operative Societies, New Delhi.

BOARD OF DIRECTORS

CHAIRMAN

Mr. Donald L. Creado

VICE CHAIRMAN

Mr. Frederick F. Castelino

DIRECTORS

Mr. Anthony D'Souza
Adv. Arvind Pinto
Mr. Edwin J. Gonsalves
Dr. Frederick J. de Souza
Mr. James S. Pereira
Mr. Joseph M. B. Mascarenhas
Mr. Leslie J. H. Lobo
Mr. Leslie Mascarenhas
Mr. Malcolm D. Correa
Mrs. Priscilla W. Buthello
Mr. Roger C. B. Pereira
Adv. Royston Pereira

MANAGING DIRECTOR & CEO

Mr. Christopher A. Mendoza

EXECUTIVE MANAGEMENT TEAM

Deputy General Manager - Credit

Mr. Harishchandra Amin

Deputy General Manager

Ms. Shoba Saldanha

Assistant General Managers

Mr. Errol D'souza
Ms. Fatima Jacinto
Ms. Francisca Quinny

Ms. Premila D'souza
Ms. Suzan Cardoso
Mr. Vincent D'Cunha

STATUTORY AUDITOR

M/s. Borkar & Muzumdar, Chartered Accountants

LEGAL ADVISORS

M/s. Kanga & Co.

M/s. Manilal Kher Ambalal & Co.

M/s. PRS Legal

Advocates Solicitors & Notary

Advocates & Solicitors

Advocates & Legal Consultants

REGISTERED OFFICE / CENTRAL ADMINISTRATIVE OFFICE

CITIZENCREDIT Centre, CTS No.236, Marve Road, Orlem, Malad (West), Mumbai 400 064.

Telephone Nos: 26401126, 26442829 / 30 / 31 / 32, 26455108, 26456018

Toll Free Number No. 1800 123 0209

WEBSITE

www.citizencreditbank.com

EMAIL

ccb1@citizencreditbank.com

NOTICE TO MEMBERS

NOTICE is hereby given that the **TWENTY THIRD ANNUAL GENERAL MEETING** of the members of **CITIZENCREDIT CO-OPERATIVE BANK LTD.**, a Multi-State Co-operative Bank under the Multi-State Co-operative Societies Act, 2002, will be held on Wednesday, December 30, 2020 at 4.00 pm, subject to Police and Local Authority permission, at St. Andrew's Auditorium, St. Dominic's Road, Bandra (W), Mumbai 400 050, to transact the business as follows:

AGENDA

1. To record the Minutes of the Annual General Meeting of the Bank held on September 28, 2019 which are circulated herewith.
2. To record the Minutes of the Special General Meeting of the Bank held on January 14, 2020 which are circulated herewith.
3. To consider the Board of Directors' Report for the year ended March 31, 2020 on the performance of the Bank and future prospects.
4. To consider and adopt the Audited Statements of Accounts including the Balance Sheet as at March 31, 2020 and the Profit & Loss Account for the year ended March 31, 2020 and the Statutory Auditor's Report.
5. To approve the Appropriation of Net Profit, and the reversal of proposed Dividend for F.Y. 2019-20, as per RBI directives.
6. (a) To ratify the Bank's action for appointment of Auditor, M/s. Mukund M. Chitale & Co - Chartered Accountants, for certification of the Bank's claim for ex-gratia payment for difference between Compound Interest and Simple Interest for six months (01-03-2020 to 31-08-2020), to borrowers for specified Loan Accounts.
 (b) To ratify the Bank's action of payment of Rs. 11,23,000/- to the Education Fund for the F.Y. 2019-20 against the amount of Rs. 11,00,000/- approved at the last A.G.M.
7. To appoint Statutory Auditors for the financial year 2020-21.
8. To approve transfer of an amount of Rs. 100 Lakh from Centenary Fund to Bad and Doubtful Debts Reserve.
9. To approve transfer of an amount, held in excess, of Rs. 500 Lakh from Investment Fluctuation Reserve to Bad and Doubtful Debts Reserve.
10. To consider any other subject of which proper notice has been given.

By Order
Christopher Mendoza
 Managing Director &
 Chief Executive Officer

DATE: DECEMBER 14, 2020

In the absence of a quorum at the time fixed for the Meeting, it shall stand adjourned for half an hour. Thereafter, at the Adjourned Meeting, the members present shall constitute the quorum.

IMPORTANT NOTES

1. Minutes of the Annual General Body Meeting held on September 28, 2019 & Special General Meeting held on January 14, 2020 are enclosed.
2. Members are requested to intimate any change of address, contact details, name of nominee, etc., to enable the Bank to keep its records up-to-date.
3. The Register of Members shall be closed 30 days before the Annual General Body Meeting.
4. Members desirous of raising any queries relating to the Annual Report, Balance Sheet and Profit & Loss Account at the Annual General Body Meeting must send the same to the Registered & Central Administrative Office, Malad at least 10 days prior to the Annual General Body Meeting.
5. The Bank's Identity Card is a requisite for attendance at all official meetings. Identity Cards are issued to members at the Registered & Central Administrative Office on production of one stamp size photograph (3 cm x 2 cm). However, a member not possessing the Identity Card should bring the envelope containing the Annual Report to the Annual General Body Meeting.
6. All unclaimed dividends from the F.Y. 2017-18 & 2018-19 may be claimed on submission of Form V available at all branches of the Bank. Dividend amounts for the F.Y. 2015-16 lying unclaimed as on March 31, 2020 have been transferred to the Statutory Reserve Fund as per Bye-law 46(iv).
7. Members are requested to update their KYC details, if not already done, with any of the Branches of the Bank. In terms of RBI Directive No. DBR.AML.BC No.81/14.01.001/2015-16 dated February 25, 2016 updated on July 08, 2016, all Urban Co-operative Banks are instructed to freeze the accounts, if not KYC compliant.
8. Members having shareholding of less than one hundred shares are requested to apply for the additional shares, to ensure compliance with Bye-law No. 6.
9. Members to avail Minimum Level of Services of the Bank, in terms of Bye-Law No. 2 (xxiii) :
 "To maintain any active deposit or loan account or value added services and maintain the same as per basic conditions required by the Bank"
10. Members are advised to follow COVID-19 protocol at the meeting venue.

DIRECTORS REPORT

DEAR MEMBERS,

The Board of Directors is pleased to present the Twenty Third (23rd) Annual Report of the Bank as a Multi-State Co-operative Bank, along with the audited accounts for the financial year ended March 31, 2020.

1. THE GLOBAL ECONOMIC SCENE

Global growth during the year 2019 recorded its weakest pace. The headwinds of the financial crisis caused by the Lehman Bros. collapse in 2008, continued to shake up the World Economy bringing about rising trade barriers & drastically affecting business sentiment & activity. The worsening of the macro-economic stress resulted in tightening of financial markets, geo-political tensions & social unrest. All long range spending on Global purchase of machinery, equipments, etc., came to a standstill added by the confrontational stance among the Western advanced Economies & China.

All these developments only aggravated the structural & cyclical slowdown causing country-specific weaknesses & financial stress, especially among the emerging market economies of Brazil, Russia, Mexico & India.

As household demand for durable goods began to dry up, particularly visible in the automobile industry, due to stricter regulatory norms, new emission standards & increasing shift towards ride-sharing, sluggish sale of vehicles lead to shut down of ancillary/component industries dependent on the automobile sector in several countries, including India.

Faced with sluggish demand for durable goods, firms scaled down industrial production affecting Global trade. However, the Central banks of USA & European countries as well as the emerging market economies, including India, responded aggressively to the weakening industrial activity by cutting interest rates, restarting asset purchases & providing supportive financial terms that averted a deeper slowdown. Purchase of non-durable goods and services were encouraged for job creation in a tight labour market and gradually rising wages, so as to encourage consumer confidence and household spending.

However, Global growth due to the COVID-19 pandemic in 2019 got a Tsunami hit in 2020 causing unprecedented despair & substantial risks with possibility of even more all round severe outcomes of Economic stress & strain into the future.

IMF's World Economic Outlook for June, 2020 projected global output in FY 2020 to contract by 4.9 per cent with output of advanced countries contracting more than emerging markets and developing economies. Lockdowns across the globe saw major indices of manufacturing and services across countries declining to record lows on the back of supply-side disruptions. Global energy prices plunged, US unemployment rates surged, Euro zone consumer confidence and UK retail spending fell, signalling onset of a demand crisis as well. This demand shock weighed heavily on commodity exporter countries as their currencies depreciated relatively more sharply. Global financial markets dramatically sold-off equity and debt in March 2020 which led to crashing of benchmark equity indices and tightening of bond yields.

2. INDIAN ECONOMIC SCENE

India real GDP growth is estimated to decelerate to 4.18 per cent in FY 2019-20 from 6.12 per cent in FY 2018-19, the slowest since 2009-10 due to slower consumption and drastic fall in exports as compared to

imports. Indian economy had begun to regain momentum with clear signs of uptick in consumption and investment towards the end of the third quarter of FY2019-20, only to be halted by COVID-19 that made government enforce country-wide lockdown in late March 2020. Domestic economic activity has been severely impacted by the lockdown which extended over the last QTR F.Y. 2020 three months. High frequency indicators point to a collapse in demand beginning March 2020 across both urban and rural segments, precipitous declines in investment activity and private consumption and sizeable contraction in service sectors. The only silver lining was provided by agriculture with summer sowing of rice, pulses and oilseeds' progressing well with total area sown under the current kharif season was up by 43.50 per cent so far, and the rabi harvest promising to be a bumper as reflected in record procurement.

The fiscal deficit for FY2020 is estimated at 3.80 per cent of GDP against the budgeted figure of 3.30 per cent estimated initially, as the Centre's tax revenue collections trailed budget estimates and contributed to the fiscal deficit turning out to be higher in the revised estimates.

India's CAD narrowed to 0.2 per cent of GDP for the third quarter of FY2019-20 from 2.7 per cent in the same period a year ago on the back of lower trade deficit and rise in net service receipts. The narrowing is also perceptible in April-December period with CAD declining from 2.6 percent of GDP in 2018-19 to 1.0 percent in 2019-20.

India's forex reserves at US\$ 475.56 billion as on March, 2020 increased compared US\$ 412.9 billion as on March, 2019 on account of RBI's forex operations, necessitated by capital inflows. The exchange rate (Indian rupee vis-à-vis the US dollar) has been highly volatile during FY2019-20 due to the US-China trade war, weaker global growth, Coronavirus outbreak, and major central banks back to the easy money approach to boost economy. The rupee depreciated 9.41 per cent or 651 paise from 69.15 per dollar to 75.66 per dollar. Of this, 428 paise or 5.99 per cent depreciation has come in the last quarter of FY2020 as coronavirus outbreak rattled the financial markets globally.

Headline CPI inflation increased during the year averaging 4.80 per cent in FY 2020 as against 3.40 per cent in FY 2019 on the back of sharp rise in food inflation especially vegetables and pulses. However, fall in fuel prices from July 2019 to December 2019 and sustained decline in other headline items aided in CPI moderation during FY2020.

The 10-year gilt benchmark traded in the wide range of 5.98 per cent to 7.49 per cent during the FY 2020 before closing at 6.14 per cent as on March 2020. Bonds rallied sharply upto August 2019 with the 10 year benchmark touching a low of 6.29 per cent on rate cut expectation by RBI and the US Fed, easing of concerns over fiscal slippage as measures announced by the Finance minister for providing stimulus to the economy did not include any additional expenditure by the Government. However, bonds yields bounced back sharply in September 2019 due to geo-political tensions as drones attacked oil refining facilities in Saudi Arabia leading to volatility in oil prices. Thereafter, bonds yields remained elevated due to rise in US treasury yields and crude oil prices amid stronger US economic data, US-China trade deal settlement and later due to political turmoil in the middle-east post killing of Iranian General in a US drone attack and retaliation by Iran on US military bases in Iraq. However, the year-end saw yields softening and touching the lows as bonds rallied on surprise and heavy rate cuts by the US Fed and RBI besides RBI infusing durable liquidity

by way of Long Term REPO Operations owing to mounting concerns over economic implications from COVID-19 pandemic.

3. INDIAN BANKING SCENARIO

The important developments impacting the Banking Sector during the Financial Year 2019-20 are:

- Bank credit rose 6.10 per cent to ₹ 103.72 lakh Crore, while deposits grew by 7.9 per cent to ₹ 135.71 lakh Crore during the same period.
- Government announced infusion of ₹ 70,000 Crore into public sector banks by way of recapitalization bonds to enable release of ₹ 5 lakh Crore liquidity in the market.
- Ten public sector banks were merged into four banks. Under the scheme of amalgamation, Indian Bank (lead bank) merged with Allahabad Bank; Punjab National Bank (lead bank) merged with Oriental Bank of Commerce and United Bank; Union Bank of India (lead bank) merged with Andhra Bank and Corporation Bank; Canara Bank (lead bank) merged with Syndicate Bank. With the above consolidation, the number of public sector banks stands at twelve.
- RBI vide its circular RBI/2019-20/53 dated September 04, 2019 made it mandatory for banks to link all new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises from October 01, 2019 to be benchmarked to one of the following: Reserve Bank of India policy repo rate; Government of India 3-Months / 6-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (FBIL); Any other benchmark market interest rate published by the FBIL. Banks further are free to offer such external benchmark linked loans to other types of borrowers as well.
- The DICGC raised the limit of insurance cover for depositors in banks to ₹ 5 lakh per depositor with effect from February 4, 2020 from the earlier level of ₹ 1 lakh with the approval of Government of India, with a view to providing a greater measure of protection to depositors in banks.

4. MONETARY POLICY STANCE

RBI continued with its neutral stance in its first Monetary Policy in April 2019 while reducing the Repo rate by 25 bps to 6.00 per cent from 6.25 per cent to support growth and maintain medium-term CPI inflation target of 4 per cent within a band of +/- 2 per cent. Thereafter, RBI changed its stance to accommodative from neutral and reduced the Repo rate by 85 bps from 6.00 per cent to 5.15 per cent from June 2019 to February 2020 to support/revive growth while ensuring CPI inflation remains within its mandated target.

The Government of India in March 2020 in response to the coronavirus (COVID19) pandemic enforced lockdown of the entire economy keeping only essential services open bringing the entire economy to a halt. The macroeconomic impact of the pandemic was turning out to be more severe than initially anticipated, and various sectors of the economy experiencing acute stress. The impact of the shock was compounded by the interaction of supply disruptions and demand compression.

Beyond destruction of economic and financial activity, livelihood and health were also severely affected. RBI felt necessary to ease financial conditions further to facilitate flow of funds at affordable rates and revive the animal spirits. With inflation outlook benign as lockdown-related supply disruptions were mended, the policy space to address growth concerns was frontloaded to support the economy, even while maintaining headroom to back up the revival of activity when it takes hold.

Thus, RBI announced unprecedented and unconventional monetary stimulus responding to the severity of the pandemic and the huge impact it potentially could inflict on the Indian economy. RBI reduced the Repo rate by 75 bps from 5.15 per cent to 4.40 per cent. RBI also reduced the Cash Reserve Ratio from 4.00 per cent to 3.00 per cent upto March 26, 2021 and the minimum daily maintenance of the Cash Reserve Ratio from 90 per cent of the requirement to 80 percent upto June 26, 2020 besides widening the corridor between Repo and Reserve repo from 25 bps to 65 bps.

RBI infused massive liquidity through Long Term Repo Operations (LTROs) to the tune of ₹ 1,25,127.00 Crore at the then Repo rate (5.15 per cent) for 1 and 3 years tenures and Targeted Long Term Repo Operations to the tune of ₹ 1,00,050.00 Crore for 3 years tenures at a floating interest rate linked to the Repo rate.

To infuse durable liquidity and to switch the shorter duration securities with longer duration securities, RBI conducted open market operations (OMO) purchases to the tune of ₹ 1,33,735 Crore and open market operations (OMO) sales to the tune of ₹ 28,491 Crore during FY 2019-20.

5. URBAN CO-OPERATIVE BANKING SECTOR

Ever since the Madhavpura Merchant Co-operative Bank crisis in 2001, the Co-operative Banking sector has been under the scanner of the RBI. The Punjab & Maharashtra Co-operative Bank Ltd, the 5th largest multi-state UCB has been placed under all inclusive directions of the RBI since September 2019, in the interests of depositor protection, which has been modified from time to time. Further, reviewing the bank's liquidity position, its ability to pay the depositors and with a view to mitigating the difficulties of the depositors during the prevailing COVID-19 situation, RBI decided to further enhance the limit for withdrawal to ₹1,00,000/- (Rupees One Lakh only) per depositor, inclusive of the amounts allowed earlier. With the above relaxation, more than 84% of the depositors of the bank will be able to withdraw their entire account balance.

As the banking and finance regulator in India, the RBI continues to play a key role in strengthening the co-operative banking sector by fortifying the regulatory and supervisory frame-work. In this context, the Department of Regulation- Co-operative Banks, which is in charge of prudential regulations of co-operative banks, took several initiatives in 2019-20 in pursuance of the agenda set in the beginning of the year.

Guidelines for voluntary transition of UCBs into SFBs have been issued on September 27, 2018.

However only 1 UCB received in-principle approval in January 2020.

The RBI issued guidelines for establishment of an Umbrella Organization (UO) for UCBs, and formulation of policy framework for promoting consolidation in UCB sector (Utkarsh). The National Federation of Urban Cooperative Banks and Credit Societies Ltd.(NAFCUB) is setting up the UO for UCBs for which regulatory approval was accorded in June 2019.

Under the extant legal framework, the Board of Directors (BoD) of UCBs perform both executive and supervisory roles, with the responsibility to oversee the functioning of the UCBs as a cooperative society, as well as a Bank.

UCBs with deposits of ₹ 100 crore and above have been advised to constitute Board of Management (BoM) and voluntarily for other UCBs, to protect interest of the depositors. To ensure good governance practices and protect interests of depositors in UCBs, RBI decided that BoM will consist of members with special knowledge and practical banking experience, to facilitate professional management and focused attention for banking related activities. In such banks even RBI approval will be necessary for appointment of the CEO.

In December 2019, RBI in order to bring transparency and ensure early detection of stress in large exposures (loans and advances) the entire financial institution, including UCBs with assets of ₹ 500 crore and above were brought under Credit Repository of Information on Large Credits (CRILC).

The exposure limits for single borrower/party and group of borrowers/parties of UCBs were reduced from the existing 15 per cent and 40 per cent of the capital funds to 15 per cent and 25 per cent of the tier-I capital, respectively, on March 13, 2020. Moreover, 50 per cent of the loan portfolio of UCBs should comprise loans up to ₹ 25 lakh or 0.2 per cent of Tier I capital, whichever is higher, subject to a maximum of ₹ 1 crore per borrower/party. The target for lending to priority sector was increased from the existing 40 per cent to 75 per cent of adjusted net bank credit (ANBC) or credit equivalent amount of off-balance sheet exposure (CEOBSE), whichever is higher, in order to further strengthen the role of UCBs in financial inclusion.

Further, UCBs will be required to contribute to RBIRF (rural infra funds) at NABARD & SIDBI, for priority sector shortfall.

With a view to improving quality of Management and Governance in Co-operative banks and to ensure more effective regulation thereof, RBI and Govt. of India decided to bring about amendments to the Banking Regulation Act 1949, (AACS) and an ordinance to this effect, to the changes was promulgated in June 2020.

6. PERFORMANCE OF THE BANK

The Bank consolidated its operations considering slow-down in the economy in 2019-20.

The Bank's Total Deposits stood at ₹3167.91 Crore & Advances at ₹1487.56 Crore as on March 31, 2020. The Total Deposits and Advances dropped by ₹98.84 Crore (3.03%) & ₹58.58 Crore (3.79%) respectively over the previous year.

The Bank has shown an improved performance for the FY 2019-20 compared to the previous year.

The key performance highlights for the FY 2019-20 are as follows:

- The Net Profit of the Bank has increased from ₹ 11.23 Crore to ₹ 14.76 Crore (31.43%)
- The Gross NPA% of the Bank has reduced from 4.99% to 4.62%
- The Net NPA% of the Bank has reduced from 1.65% to 0.87%
- Provision Coverage Ratio has improved from 67.97% to 81.47%, as a prudential measure.
- The CRAR has been strengthened from 19.64% to 22.42%

The latter half of the financial year in 2019-20 saw the collapse of the PMC Bank which led to a crisis of confidence especially in the Co-operative Banking sector.

However, our Bank was relatively unaffected which can be attributed to the confidence imposed by all the stakeholders of the Bank.

While the growth registered overall has been satisfactory, the profitability has been impacted on account of provisioning relating to COVID relief provisions in lines with RBI's directives and NPI provisions made for IL&FS commercial paper.

The challenge before the Bank for the ensuing year continues in the context of increasing its CD Ratio and improving profitability by deploying funds in a sustainable manner that mitigates risk at the same time, especially given the present scenario of the pandemic and its after effects on the economy

The Bank will cautiously build its Advances Portfolio focusing on good retail and small business, given the revised RBI exposure guidelines in this context and further to mitigate the risk arising from exposure to large Corporate advances.

New products with competitive rates are introduced to cater to market demands.

All policies are reviewed/ revised every year. Accordingly, the Credit policy, Recovery/restructuring and Write-off policy, Investment policy, Operations and Planning policy, Information Technology policy, Human Resource policy, Risk and Compliance policy, KYC and PML policy, Cyber Security policy, Customer Liability policy were reviewed and updated based on the latest RBI circulars. New policies have been implemented as per regulatory guidelines from time to time.

7. CAPITAL

7.1 Capital Adequacy

The capital to Risk Weighted Assets of the Bank (CRAR) stood at 22.42% as against the minimum prescribed 9% specified by RBI and 12% for Financially Sound and Well Managed Banks. The Bank continued to exercise due diligence, and has also built up an adequate Capital buffer to meet any risks arising out of market forces or Regulatory requirements in its Risk Weighted Assets.

The total Capital Assets have increased by 4.59% over the previous year. The ratio of Tier I to Tier II stood at 2.94, way above the prescribed level of 1.5.

7.2 Share Capital

Particulars	No. of Members	Amount (₹)	No. of Shares
Share Capital As On 31.03.2020	13,413	151,004,350	15,100,435
Additional Shares Issued to (Existing Members)	80	283,650	28,365
Additional Shares Issued (Existing Borrower Members)	25	12,500	1,250

8. ASSET QUALITY

8.1 Asset Growth & Risk Profile

The total assets have increased by 5.24% and the Risk Weighted Assets decreased by 5.50% owing to the decrease in the advances portfolio. There has been accretion to the Net Owned Funds and increase in the Capital to Risk Weighted Assets (CRAR) of the bank from 19.64% to 22.42% as on March 31, 2020. It may however be noted that the Bank is maintaining the CRAR in excess of the prescribed minimum requirement of the RBI @9% and further 12% for the FSWM Banks, as a capital buffer for risk mitigation.

Comparative Snapshot of the Banks Financial performance during the last two Financial Years 2018-19 and 2019-20:

(₹ in Crore)

Performance Highlights	March 31, 2020	March 31, 2019	% Change
No. of Branches	46	46	0.00%
Membership (Regular)	13,413	14,166	(5.32%)
Paid up Share Capital	15.10	15.17	(0.47%)
Reserve Fund & Other Reserves	386.40	369.64	4.53%
Working Capital	3,827.14	3,741.50	2.29%
Business Mix	4,655.48	4,812.89	(3.27%)
Gross NPAs	68.70	77.11	(10.91%)
Gross NPA Ratio	4.62%	4.99%	(7.41%)
Net NPAs	12.52	24.66	(49.23%)
Net NPA Ratio	0.87%	1.65%	(47.27%)
Provision Coverage Ratio	81.47%	67.97%	19.86%
Return on Assets	0.39%	0.31%	25.81%

Business Growth

(₹ in Crore)

Particulars	31-Mar-20	31-Mar-19	% change
Deposit (i+ii = A)	3,167.91	3,266.75	(3.03%)
(i) Low Cost Deposits (a+b)	1,176.23	1,158.10	1.57%
(a) Current	79.68	88.30	(9.76%)
(b) Savings	1,096.55	1,069.80	2.50%
(ii) Term Deposits	1,991.68	2,108.65	(5.55%)
Advances (B)	1,487.56	1,546.14	(3.79%)
Total Business Turnover (A+B)	4,655.48	4,812.89	(3.27%)
Investments	1,165.23	1,286.24	(9.41%)

Operating Results

(₹ in Crore)

Particulars	31-Mar-20	31-Mar-19	% change
Interest Income	282.38	283.64	(0.45%)
Interest Expenses	187.41	185.97	0.77%
Net Interest Income	94.97	97.67	(2.77%)
Non-Interest Income	22.98	40.15	(42.77%)
Total Operating Income	117.94	137.82	(14.42%)
Operating Expenses	82.23	100.83	(18.45%)
Operating Profit	35.72	36.99	(3.42%)
Provisions	11.71	18.08	(35.24%)
Profit before Tax	24.01	18.91	27.00%
Income Tax/ Deferred Tax	9.25	7.58	22.03%
Prior Period Expenses	-	0.10	(100.00%)
Net Profit after tax	14.76	11.23	31.43%
Audit Classification	A	A	
Total Staff	502	521	

8.2 Loans & Advances

The Economy, during the financial Year 2019-20, witnessed complete paralysis accentuated by the Covid 19 pandemic towards the last quarter of the financial year. Many countries, including India, put into place a lockdown affecting all economic activities to contain spread of the highly infectious virus. It is feared that the global economy could slip into a prolonged recession.

The credit offtake across the Banking System accordingly witnessed a sharp decline in Credit growth from 10.72% in FY 2018-19 to 3.64% in FY 2019-20 primarily due to the general slowdown of the economy. The nation-wide lockdown further adversely impacted the business environment and activities with firms shifting focus from growth to survival during an uncertain future.

Impact of the economic slowdown was also witnessed on the Bank's credit portfolio as Borrowers refrained from availing of fresh credit due to uncertainty which was expected to prevail into the foreseeable future. The Lockdown further severely impacted the ability of our Bank to convert sanctions into disbursements since borrowers refrained from undertaking any fresh liabilities for business purpose/expansion.

The Bank's credit portfolio reduced from ₹1546.14 Crore as of 31.03.2019 to ₹1487.56 Crore as of 31.03.2020, mainly due to unforseen prepayments and inability to make disbursements of sanctioned loans during latter part of FY 2019-20.

Notwithstanding contraction in the overall loan/advances portfolio, the Bank's focus on 'Retail Loan Expansion' and concentration on Priority Sector lending, resulted in growth in both sectors improving outreach to new borrowers. Retail Credit grew by 15.62% from ₹ 460.81 Crore as of 31.03.2019 to ₹ 532.80 Crore as of 31.03.2020.

While the quantum of the credit portfolio reduced by 3.80%, the Bank's steadfast focus on maintaining a healthy Credit portfolio continued during the financial year. The Bank's Gross NPAs reduced from ₹ 77.11 Crore as of 31.03.2019 to ₹ 68.70 Crore as of 31.03.2020. The RBI also, as a relief measure listed as part of the Regulatory Package Covid-19,

permitted all Banks to maintain asset classification in respect of all accounts classified as standard assets as on February 29, 2020, even if overdue, to ensure continuity of viability of borrowers business activities. These benefits were also made available to the bank's borrowers which are reflected in the Bank's Financial Disclosures (Page No. 38) detailed in this Report.

The Bank's two pronged approach of a robust and risk-based assessment process and ongoing monitoring of the credit portfolio has ensured maintenance of the quality of the Bank's loan assets. The Bank's recently introduced Comprehensive Credit Rating Model, further aids the overall assessment process. A strong recovery strategy and teamwork ensures timely action to avoid slippages. The Bank's 'Risk Management' Department is independently assessing all credit proposals above a predefined limit, specifically analysing proposals on prescribed risk parameters which aids the overall credit appraisal process.

It may be noted that the Bank continued to adopt a framework whereby Retail and Corporate/MSME Credit Portfolio were segregated to ensure that these verticals concentrated on their respective niche portfolios to focus on customer needs and design products and parameters to address these needs. It will be observed that timely processing, assessment, sanctions and disbursements are the evident benefits of the said segregation.

The Bank has also continued its participation in consortium/ multiple banking arrangements during the financial year and maintained its banking relations with other commercial / urban co-operative banks. It may be noted that the interest earned on advantage during 2019-20 has witnessed a marginal decline from ₹ 139.40 Crore as of March 31, 2019 to ₹ 139.08 Crore as of March 31, 2020. During the Financial year 2019-20 the Bank reduced its minimum threshold limit for existing borrowers, (from an aggregate credit exceeding ₹ 5 Crore to an aggregate credit exceeding ₹ 1 Crore), to be eligible for concessional Rate of Interest as per the Board approved parameterised framework. Similarly the limits for New Borrowers and Take over accounts was reduced from aggregate credit exceeding ₹ 10 Crore to aggregate credit exceeding ₹ 5 Crore.

The Bank has segmented the Credit portfolio into Corporate, SME and Retail loans as follows:

- Corporate Credit comprise of all credit facilities availed by Borrowers which aggregate ₹ 5 Crore and above.
- SME Credit are pertaining to all types of Business loans availed by Borrowers which is less than ₹ 5 Crore and generally small ticket loans to retail / small businesses.
- Retail Credit consist of all types of personal loans such as Housing, Education, Gold, Mortgage, Vehicle, Consumer / Personal, Reverse Mortgage.

The statistics of loans sanctioned, disbursed and recoveries during the year are as follows:

(₹ in Crore)

	2019-20	2018-19	% change
Sanctions	659.07	714.37	(7.74%)
Disbursement	412.76	413.53	(0.18%)
% of sanctions to disbursals	63%	58%	(8.62%)
Recovery	223.12	177.98	(25.36%)

8.3 Non-Performing Assets (NPAs), Legal Action and Write-offs

8.3.1 Non-Performing Assets (NPAs)

While the overall asset quality across the Banking sector showed an improvement in the financial year 2018-19, the economic slowdown during Financial Year 2019-20 resulted in increased stress on the businesses.

Our Bank's approach to ensure consistent monitoring of the Bank's Credit Portfolio assists in early identification of stressed borrowers and businesses thus enabling timely corrective action. Further, a dedicated team ensures that prompt and efficient recovery action is initiated in case of slippages thus safeguarding the interest of the Bank. This framework of consistent monitoring and timely recovery action has ensured that the quality of the bank's credit portfolio has been improving over the last few years. However the Bank faced hurdles in disposing off the Mortgaged Securities under the Bank's possession due to the subdued real estate market and delays in the legal matters in process.

In view of the above, our Bank witnessed an improvement in the overall quality of the Credit Portfolio with Gross and Net NPAs improving from 4.99% and 1.65% in 2018-19 to 4.62% and 0.87% in 2019-20. Further the Bank has adequate provision held for loans classified as NPAs and for any possible value erosion in the loan exposure, investment and other assets of the Bank. The Provision Coverage Ratio of the Bank at a high of 81.47% provides strong cushion and is in consonance with the guidelines of the RBI.

(₹ in Crore)

GROSS NPAs		
As on March 31, 2019	77.11	
Additions during the year	13.31	
Reduction during the year	21.72	
As on March 31, 2020		68.70
PROVISIONS		
As on March 31, 2019	52.42	
Additions during the year	3.55	
Reduction during the year	-	
As on March 31, 2020		55.97
NET NPAs		
As on March 31, 2019	24.66	1.65%
As on March 31, 2020	12.52	0.87%

8.3.2 Restructuring of Accounts:

The Bank has not restructured any loans during the Financial Year 2019-20.

8.3.3 Legal Action against persistent Defaulting Borrowers:

The Bank has made efficient use of the provisions of SARFAESI Act, Arbitration, Debt Recovery Tribunal, etc. for speedy recovery of defaulted loans. The Bank has also adopted the 'Willful Defaulters Policy' and action deemed necessary against the defaulting borrowers is being taken thereunder.

The Bank has intensified and accelerated the legal proceedings against Defaulters with several / multiple actions initiated under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) and under the Recovery of Debts due to Banks and Financial Institutions Act, (RDB&FI Act 1993). In addition the Bank also defends cases which have been filed against the Bank in recovery matters in various courts and also initiates E-auction of the properties as a recovery tool under the SARFAESI Act.

Statistics of legal actions initiated by and against the Bank for recovery of the dues during the period are as under:

Recovery Cases filed by the Bank	No of group accounts	Principal Amount involved (₹ in Crore)
RDB&FI Act, 1993	17	39.09
SARFAESI Act, 2002 (includes overlapping of accounts due to multiple actions initiated)	10	22.19
Under Arbitration	2	0.11
Recovery cases against the Bank	No. of cases	
RDB&FI Act, 1993	5	24.59

Every legal proceeding is time consuming affair and is beyond the control of the Bank. This results in delay in completing the process and in timely recovery.

The Bank's Recovery efforts have specifically focused on recovery of the bank's dues by way of sale of mortgaged properties/assets or initiating action against borrowers and guarantors through legal process. During 2019-20, the Bank was successful in obtaining 11 orders in its favour under the SARFAESI Act, 2002, RDDB&FI Act and Arbitration Act which have been executed / under execution / stay / further legal process. The Bank is confident that these efforts will bring good results. The Bank was successful in selling 7 properties during the financial year that were held as securities and sale proceeds of which were adjusted against default out standings. The Bank has been successful in recovering total ₹ 22.11 Crore consisting of ₹ 18.62 Crore through the legal process and sale of assets and ₹ 3.49 Crore through effective follow up with the Borrowers.

8.3.4 Write-Offs:

The Bank has not written off any loans during the Financial Year 2019-20.

8.3.5 Disclosure on Overdue Investment:

A liquidity crisis at IL&FS and its group companies, a systemically important financial institution affected asset quality in the books of many financial market participants. The Bank's exposure of ₹ 25 Crore (FV) to IL&FS Financial Services Limited in Commercial Paper (Maturity Date: January 22, 2019) is overdue and remains unpaid. The Bank's appeal to the NCLAT in the matter, is pending.

Position as on March 31, 2020

(₹ in Crore) Amount outstanding (1)	Of (1), total amount of exposures which are NPAs as per IRAC norms and not classified as NPA. (2)	Provisions required to be made as per IRAC norms. (₹ in Crore) (3)	Provisions actually held (₹ in Crore) (4)
23.04	-	2.30	5.76

9 Investments

The Bank adopts a prudent Risk based Investment Policy duly approved by the Board. The Bank has maintained the mandated minimum balance of the prescribed Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as stipulated by RBI during the financial year 2019-20. The Bank has also maintained all other investments, including Non-SLR investments, within the prescribed norms of the RBI.

The Investment portfolio of the Bank (excluding Inter-bank and Lending) as on March 31, 2020 was ₹ 1,141.54 Crore at cost with a face value of ₹ 1,140.00 Crore and market value of ₹ 1,123.75 Crore respectively. In 2019-20 the Bank realized net profit of ₹ 10.79 Crore on sale of investments as against ₹ 5.88 Crore in 2018-19

The Bank shifted ₹ 130.00 Crore (Face Value) of Central Government Securities and ₹ 15.00 Crore (Face Value) of State Development Loans from the HTM category to the AFS category during FY2019-20. The Bank had not shifted any securities between the categories during the FY 2018-19.

The Bank has an investment of ₹ 25.00 Crore (Face Value) in IL&FS. On account of Liquidity crises at IL&FS and its group companies, the group was downgraded from Top rating 'AAA' to 'D' default by rating companies, resulting in an imminent downgrade in the Bank's investment to a NPI. The Bank has made an appeal to NCLAT, which has been accepted. Due to its importance to the stability of the entire financial sector, the Government of India took over the management of the Company's Board and the resolution of the issue is under process. The Bank reversed the interest on the investment amounting to ₹ 1.96 Crore in FY 2018-19 and has made a provision of ₹ 5.76 Crore (25 per cent) as against required provision of ₹ 2.30 Crore (10 per cent), as on March 31, 2020.

10. MANAGEMENT

10.1 Mid-Term Election

In terms of Bank's bye-laws no. 38(i) & 39A(ii), the Bank has conducted the mid-term elections for the post of the Chairman / Vice-Chairman of the Board of Directors was held on December 6, 2019, wherein Mr. Donald Creado was elected Chairman of the Board unanimously, while Mr. Frederick Castolino was elected as the Vice-Chairman by majority (votes) and were elected for the remaining tenure of the Board.

10.2 Board of Management

In terms of RBI Circular no. 2019-20/128 dtd. December 31, 2019, the UCB's (including our Bank) shall constitute a BoM by making suitable amendments in their bye-laws, in addition to the Board of Directors (BoD), which shall be constituted by the BoD within a period of one year from the date of the Circular i.e. by December 31, 2020. The Bank is in the process for constitution of the same.

10.2.1 Executive Committee

The functions of the Committee are to approve expenditure, consider loans and advances proposals for sanction / decline / renewal or review, which are beyond the delegated authority of the Executive Management Head Office Committee. The Executive Committee provides direction and guidance on monitoring and supervision of the advances portfolio, considers application forms of membership and approves / confirms investment of the Bank's funds. The Committee also oversees implementation of technology in the Bank and reviews the investment portfolio and strategies of the Bank. The Committee comprises the Chairman, Vice Chairman, two Directors and Managing Director & Chief Executive Officer. The Committee held twenty six meetings (26) during the year 2019-20.

10.2.2 Planning, Business Development, Communications and Marketing Committee

The Committee oversees the business development policies of the Bank and sets goals and objectives for the Business Plan for the financial year and monitors progress thereof. The Committee monitors and supervises the monthly performance vis-à-vis targets set on the business performance. The Committee also looks into branch premises relocation. The Committee comprises the Chairman, five Directors

and Managing Director & Chief Executive Officer. The Committee held thirteen (13) meetings during the year 2019-20.

10.2.3 Audit Committee

The Committee provides direction and updates policy initiatives to the audit function of the Bank. It monitors the quality of statutory/regulatory, internal, and other requisite audits/inspections. The internal control mechanism/ system; overall status of the advances portfolio and examining technical and other relevant aspects with regards to acquisition of premises are also examined. The Committee oversees and monitors stressed assets; NPA status of credit facilities and handles all matters relating to the Bank's Malad Project and acquisition of new premises for expanding branch network. The Committee comprises of Vice Chairman, four Directors and Managing Director & Chief Executive Officer. This Committee held fifteen (15) meetings during the year 2019-2020.

10.2.4 Fraud Monitoring Special Committee

As per the directives given in the RBI Circular, the Committee monitors and reviews all frauds involving amounts of ₹ 1 Crore and above with the objective of identifying systemic lacunae, if any, that facilitated perpetuation of the fraud and action taken to rectify deficiencies and possible methods to mitigate frauds. The process of investigation and recovery position is also monitored by the Committee. A fraud classification and reporting policy of the Bank has been drawn up in terms of RBI guidelines. The Committee comprises the of the Vice Chairman and five Directors, (two of them being members of the Audit Committee), and Managing Director & Chief Executive Officer. This Committee held six (6) meetings during the year 2019-2020.

10.2.5 Personnel and Human Resources Management Committee

The Committee oversees the Human Resources Administration and Development of the Bank and sets goals and objectives for Manpower Planning Recruitment, Career Progression & Human Resources Management, Development and Training requirements. The Committee comprises the Chairman, six Directors and Managing Director & Chief Executive Officer. The Committee held eleven (11) meetings during the year 2019-20.

10.3 Human Resources, Industrial Relations and Training

10.3.1 Human Resources

As on March 31, 2020 the staff strength of the Bank stood at 502. The productivity per staff member was ₹ 9.27 Crore and profitability per staff ₹ 2.94 lakhs.

During the Financial Year 2019-20, the Bank has developed and implemented policies, modelled on the best banking practices and standards in the management / development of the employees. Implementation of the policies through proper communication, discussion, dialogue, guidance, proper procedures and processes through circular instructions, Training Workshops, to inculcate a professional work culture for the employees of the Bank.

During the Financial Year 2019-20, the policies that were revised and implemented were Allowances and Benefits Policy, Release from Service Policy, Staff Accountability Policy, Staff Housing Loan Policy, Prevention & Procedure to prevent sexual harassment at workplace, Leave Policy, Recruitment and Promotion Policy, Learning & Development Policy and Conditions of Work Policy.

The Bank continues to focus on priority issues of H.R. Development like manpower planning, recruitment, performance management, training and development and good staff relations to ensure effective utilization and maximum development of the human resources.

As part of the Centenary year celebrations the Bank carried out engagement activities for employees to encourage bonding and development of the competitive and winsome spirit.

Recruitment has been done on needs basis. The Bank had initiated Summer Internship for two months (May and June 2019) when eight interns were engaged in the Treasury, Risk & Compliance, Accounts and Operations, encouraging them to provide outsider views of Bank's work culture, while gaining exposure for themselves.

10.3.2 Staff Industrial Relations

The Bank believes in the ideology of empowerment and motivates the staff in improving the work culture. The Bank has cordial and healthy Industrial Relations with the Union and Management Staff through their representatives. The Board of Directors places on record its sincere appreciation for the dedicated efforts and proactive approach of all the employees of the Bank.

10.3.3 The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 -

The Bank has a policy in place against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 has been the basis of the formation of the Internal Complaints Committee (ICC). During the year, no cases were reported.

10.3.4 Staff Training

The Learning Centre of the Bank conducts regular training programmes with both Internal and External expert faculty. Suitable Induction and Orientation training programmes are conducted for newly recruited employees. The number of employees that attended internal and external trainings during the year were 277 and 96 respectively.

The employees at various levels have attended functional / skill based and self development training programmes conducted in house or by external institutions like RBI-CAB, VAMNICOM, IIBF, NIBM, BCC, NAFICUB, among others.

The Bank, in coordination with RBI-CAB, for the first time, conducted an in-house custom-made Training programme for Branch Heads and Managerial staff. The programme was conducted mainly by RBI-CAB faculty and covered Banking Law and Practice in Credit Management and Operations.

In the pursuit of developing Managerial skills, the Bank co-sponsored two candidates for the Post Graduate Diploma in Co-operative Bank Management conducted by VAMNICOM, who have successfully completed the course.

11. EARNINGS

11.1 Profit

The Bank has maintained the operating profit at par with earlier years. Net profit for the year ended March 31, 2020 amounted to ₹ 14.76 Crore after making all the necessary and adequate provisions as required.

The Net profit available for appropriations is as follows:

(Amount in ₹)

Particulars	31.03.2020
Net profit for the year	147,605,588
Depreciation on Revaluation Reserve	12,685,480
Profit brought forward from the previous year	572,498
Net profit available for appropriations	160,863,566

11.2 Appropriations

As per the MSCS Act, 2002, the Co-operative Banks are mandatorily required to transfer certain percentage of its Profit to Statutory Reserves, Special Contingency Reserve and to Co-operative Education Fund. Balance if any can be transferred to Other Reserves, Dividend Distribution and may be for Ex-Gratia and the Board of Directors has rights to transfer as they find fit.

This year the Board of Directors recommends the following appropriations.

(Amount in ₹)

Particulars	31.03.2020
Statutory Reserve Fund	36,902,000
Contingency Fund	14,761,000
Co-operative Education Fund	1,477,000
Bad & Doubtful Debts Reserve	92,500,000
Total	145,640,000
Dividend (pro-rata)	15,200,000
Carry over	23,566
Total	160,863,566

11.3 Dividend

As per RBI Circular No. 2020-21/75 dated December 4, 2020 the RBI has reiterated instructions of earlier Circular No. 2019-20/218 dated April 17, 2020. In view of the ongoing stress and heightened uncertainty on account of COVID-19, it is imperative that Banks' continue to conserve capital to support the economy and absorb losses. In order to further strengthen the Banks' balance sheets, while at the same time support lending to the real economy, it has been decided Banks shall not make any fresh payment on equity shares from the profits pertaining to the financial year ended March 31, 2020.

In view of the above guidelines the Bank seeks to amend the appropriation of ₹ 15,200,000 made towards dividend, now towards Bad & Doubtful Debts Reserve. Approval of the General Body is solicited.

The Bank has not declared any dividend for the financial year 2019-20.

12. LIQUIDITY

12.1 Asset Liability Management (ALCO)

Asset Liability Management Committee (ALCO) which comprises senior executives and headed by the Managing Director & CEO is a decision making unit responsible for balance sheet planning, for Liability and Asset Management for optimal results from a risk-return perspective, including the strategic management of interest rate and liquidity risks.

The core objective of the ALCO is to strike a right balance between attaining profitability and ensuring appropriate management of the liquidity risk and interest rate risk in the banking business. Liquidity risk of the Bank is assessed through gap analysis for any maturity mismatch based on residual maturity in different time buckets and the management of the same is done within the prudential limits fixed for the purpose.

Further, ALCO reviews Interest Rate Sensitivity statement on an ongoing basis to assess interest rate risk and take remedial action to mitigate any adverse impact on Net Interest Margin.

13. SYSTEMS AND CONTROLS

13.1 Risk Management

The Bank has set up an Independent Risk Management Department to ensure that inherent risks (credit, market and operational) are identified, quantified and appropriately managed. A detailed and comprehensive Risk Management Policy as well as a Compliance Policy has been put in place, which is reviewed and updated from, time to time, in line with the emerging developments in the Banking space. Every new product & service is vetted by the Risk & Compliance Department to ensure that it is compliant with the prescribed regulatory requirements.

The Bank has implemented a comprehensive risk rating/ scoring system that serves as an indicator of diverse risk factors on the counterparty facilitating Risk Based Pricing and consistent credit decisions.

In order to maintain adequate liquidity, the Bank has in place an ALM Policy to oversee funding strategies, liquidity planning under alternative scenarios, prudential limits, and liquidity reporting / reviewing. These are being monitored by the Asset Liability Committee (ALCO).

It may be further noted that a strong MIS and regular monitoring forms the basis of timely identification of stress in the Bank's operations, specifically relating to the Treasury and Credit portfolios, thus enabling prompt and appropriate corrective action.

In addition to the Information security, the Bank has a Cyber security Policy put in place to ensure adequate cyber-security and to manage risks in real time, protection of stored/in-transit information (personal and sensitive) of customer, reporting of cyber-security-incident to supervisory authorities and other agencies.

13.2 Audit & Inspection

The Audit & Inspection Department of the Bank is instrumental in conducting inspection across branches and departments on an annual basis. All branches are covered under concurrent audit by external empanelled auditors on monthly / bi-monthly basis. The audit process is evaluated every year to ensure that all new RBI guidelines and statutory/regulatory requirements as also technological enhancements taking place in the Banking Industry are incorporated in the audit and inspection policy and processes. A risk based Audit policy is in place and is reviewed / updated every year.

RBI conducted the Inspection of the Bank under Section 35 of the Banking Regulation Act, (AACS) 1949 with respect to the financial year ended March 31, 2019 in September 2019. The Bank has submitted its compliance to the Inspection report to RBI on time.

The RBI has also conducted inspection and the report is awaited

Statutory Audit of the Bank for the year 2019-2020 was undertaken by M/s Borkar & Muzumdar, Chartered Accountants who were

appointed by the Members at the last Annual General Meeting held on September 28, 2019. The Statutory Auditors have awarded the Bank 'A' Class audit rating to the Bank.

The Bank's Demat operations were inspected by NSDL in May 2019 and there were no adverse observations.

Concurrent Audit is an attempt to shorten the interval between a transaction and its examination by an independent person. Chartered Accountants M/s Chaturvedi & Kotecha, M/s Niranjan S. Karmarkar & Associates, M/s Ramanand & Associates, M/s Shinde & Associates, M/s Simethy & Gramopadhye, M/s D.G.Thakarakar & Associates, M/s R.Devendra Kumar & Associates, M/s Sabadra & Associates, M/s Vasan & Co, M/s Jayesh Desale & Co and M/s R.A.Moraes & Associates carried out the Concurrent Audit of the branches and departments for the FY 2019-2020.

Special Audit for the Financial Year 2019-20 was conducted of Information Systems, Structured Financial Messaging Systems (SFMS), ATM and Electronic Channel of the Bank by M/s Niranjan S. Karmarkar & Associates, Chartered Accountants. The Bank has also on the rolls a CISA qualified Chief Information Security Officer.

As M/s Borkar & Muzumdar, Chartered Accountants have completed a tenure of three years as Statutory Auditors of the Bank, a change in the Bank's Statutory Auditor is proposed for Financial Year 2020-21. The Board of Directors recommends M/s. Mukund M. Chitale & Co, Chartered Accountants be appointed as Statutory Auditors of the Bank for the Financial Year 2020-21.

M/s. Mukund M. Chitale & Co is a reputed firm of Chartered Accountants, established on May 28th, 1973 with over 45 years of experience in Audit, taxation and financial consultancy services. M/s. Mukund M. Chitale & Co were Statutory Auditors earlier from F.Y. 2013-14 to 2016-17. Approval of the General Body is solicited.

13.3 Compliance

The Bank continues to place great emphasis on compliance with the various directives issued by the RBI and other Statutory Authorities/Regulators. The dedicated department, guided by the Board approved Compliance Policy, ensures compliance with various guidelines, directives and communications, received from RBI, Central/State Registrars, IBA and other regulatory authorities, within the prescribed deadlines.

The Compliance function also ensures the observance of statutory provisions contained in various legislations especially the Banking Regulation Act, Reserve Bank of India Act, Multi-State Co-op Societies Act, 2002. It also ensures compliance with guidelines specified by The Banking Codes and Standards Board of India and Indian Banks Association.

13.3.1 FATCA & CRS Compliance

Governments and Financial Institutions all over the world have taken up initiatives to combat tax evasion and stashing of unaccounted money overseas. Towards this end, countries have entered into agreements with each other for automatic exchange of information pertaining to such unaccounted resources.

In 2010, USA enacted a law known as "Foreign Account Tax Compliance Act" (FATCA) with the objective of tackling tax evasion through obtaining information in respect of offshore financial accounts maintained by USA residents and citizens. India and USA have signed an Inter-Governmental Agreement (IGA) on July 09, 2015 for reporting under FATCA.

India has also joined the Multilateral Competent Authority Agreement (MCAA) on June 3, 2015 for reporting to countries other than the USA under the Common Reporting Standards (CRS). In accordance with the above Agreements, Financial Institutions are required to identify Reportable accounts by carrying out due diligence procedures. RBI has made it mandatory for banks and financial institutions to seek supplementary KYC and self certification forms from investors in this regard. The Bank is registered as a Reporting Financial institution with the US Internal Revenue service (IRS), obtained the GIIN number and filed the requisite compliances. The Bank ensures that the necessary annual reporting under FATCA and CRS is made prior to the deadline of May 31, each year.

13.3.2 Banking Codes and Standards

The Bank is a member of the Banking Codes and Standards Board of India (BCSBI) as a voluntary commitment to ensure consistently superior standards of banking services and protection to our customers. The Bank is among only 18 Scheduled Urban Cooperative Banks to have taken up the voluntary membership indicative of the Bank's commitment to provide its customers with the highest level of service and the best Banking practices in vogue. The 'Code of Bank's Commitment to Customers' and the 'Code of Bank's Commitment to Micro & Small Enterprises' are available at all the branches and is also posted on the Bank's website. Staff are being duly sensitized through training to ensure compliance of the codes in letter and in spirit.

13.3.3 Revision in Prudential Exposure norms and Priority Sector Lending Target:

The RBI, in March 2020, issued revised guidelines on prudential exposure limits of UCBs for a Single borrower/party and a Group of connected borrowers/parties to 15 per cent and 25 per cent respectively, of their tier I capital. This was a marked reduction from the earlier maximum exposure limits of 15 per cent and 40 per cent of total Tier I and Tier II capital funds to a Single borrower and a Group of borrowers exposures respectively. These revised limits would be applicable for all types of fresh credit exposures taken by the Bank. Further all existing exposures of the Bank that are currently above these revised limits would need to be brought within the specified limits by March 31, 2023.

Further as per RBI's guidelines, the Bank shall have at least 50 per cent of its aggregate loans and advances comprising loans of not more than ₹ 25 lakh or 0.2% of tier I capital, whichever is higher, subject to a maximum of ₹ 1 Crore, per borrower/party, to be complied by the Bank by March 31, 2024.

The RBI also revised overall Priority Sector Lending Targets applicable to UCBs from the existing 40 per cent to 75 per cent of adjusted net bank credit (ANBC) or credit equivalent amount of off-balance sheet exposure (CEOBSE), whichever is higher. The revised overall PSL target is to be achieved by March 31, 2024 in four phases - 45 per cent by March 31, 2021; 50 per cent by March 31, 2022; 60 per cent by March 31, 2023; and 75 per cent by March 31, 2024.

13.4 Technology Absorption, Adaptation and Innovation

The financial sector has made rapid progress in adoption of technology. Technology has brought a complete change in the functioning of banks and delivery of banking services. There has been a sea change in the banking landscape – from brick and mortar banking to click banking.

Banks are investing heavily in digital banking technology, where customers use mobile, internet and other digital platforms for banking services.

Technology has created more transparency in transactions. The scope of frauds in banks is being minimized through the use of passwords, two factor authentication in mobile banking and also through Card Block Facility which have been made available on our Mobile app.

Technology also leads to competition among the banks which eventually leads to better services to the public. Adoption of technology directly impacts a bank's ability to attract new customers.

To facilitate customers, our Bank has already introduced the latest tech facilities like Rupay Debit Card ATMs, RTGS/NEFT 24*7, CTS, E tax payments, POS and E-Commerce payments, IMPS, mobile banking, bills payment, etc. With the introduction of mobile banking, our customers can access their accounts from anywhere and at anytime. Our tie-up with a correspondent for BBPS has enabled our customers and general public to pay utility bills at our branches.

With an aim to enhance our tech products and services, we will be implementing UPI and NEFT/RTGS on our mobile app, to enable our customers to avail of all online services like wallets, payment for services etc.

The Board has always promoted implementation of latest technology, which facilitates cashless economy, irrespective of huge investments, considering the need of the hour and the competition in the Banking industry. The investment in technology is viable only if utilization by customers is high, since technology based transaction cost is low as compared to manual transactions. We constantly promote our tech products and services to our customers.

Bank has its Data Centre at SIFY which is certified for SSAE-16, ISO27001, ISO 9001:2008 and CMMI Level V indicating a high level of physical and logistical security for critical information Technology (IT) / Information Security (IS) systems. To enhance security from cyber threats, our Bank has implemented a robust cyber security / resilience framework as directed by the RBI.

13.5 KYC, AML and CFT

The Bank has a KYC policy in place which is updated in line with the guidelines issued by the RBI from time to time. The Bank has a centralized Account Opening Unit that ensures that all accounts opened are KYC Compliant and has frozen all active accounts which are non-KYC Compliant.

The Bank undertakes customer risk assessment for new accounts and has a system of periodic review of risk categorization, which is carried out on a half yearly basis. The Bank undertakes periodic KYC after a period of 10 years, 8 years and 2 years for high, medium and low risk customers respectively.

The Bank has a mechanism in place to identify & monitor accounts & transactions suspected of money laundering or terrorism financing. The Bank, further, carries out ongoing due diligence of customers to ensure that the transactions are consistent with the customer's risk profile.

As part of the Customer Acceptance Policy, the Bank undertakes the process of name screening for new and existing accounts to ensure that no account is opened or held by persons with known criminal background or banned entities such as terrorist individuals or terrorist organizations.

The Bank ensures that all the requisite statutory reports to FIU-India (Financial Intelligence Unit) are in accordance with relevant laws and are furnished within prescribed time limit.

13.6 CERSAI

The Bank continues its association with CERSAI (Central Registry of Securitization Asset Reconstruction and Security Interest of India) for the purpose of registering charges in relation to mortgage of immovable property and hypothecation of movable assets and intangibles created in favour of the Bank.

13.7 Reporting of Large Exposures to Central Repository of Information on Large Credits (CRILC) by UCBs

The RBI, in December 2019, has made it mandatory for all UCBs, with total assets of ₹ 500 Crore and above as of March 31 of the previous financial year, to report credit information, including classification of any account as Special Mention Account (SMA), on all borrowers having aggregate exposures of ₹ 5 Crore and above with them on quarterly basis effective from December 31, 2019 to the CRILC maintained by the RBI. It may be noted that the Reserve Bank has created a Central Repository of Information on Large Credits (CRILC) with multiple objectives, which, among others, include strengthening offsite supervision and early recognition of financial distress. Our Bank is regularly reporting the information on large credit exposures to CRILC, on quarterly basis as prescribed by RBI.

13.8 Membership of Credit Information Companies

The Bank has, in compliance with RBI instruction /2014-15/435-DCBR.BPD. (PCB/RCB).Cir no.13/16.74.000/2014-15 dated January 29, 2015, obtained membership of all four Credit Information Companies (CICs) viz. Credit Information Bureau India Ltd (CIBIL), Equifax Credit Information Services P Ltd, Experian Credit Information Company of India Ltd and CRIF High Mark Credit Information Services.

Obtention and assessment of CIC reports forms an important part of the overall assessment process, which add to the effectiveness of establishing the credit worthiness of a potential borrower.

13.9 Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up gradation of the Small Scale Industries

The Bank continues its tie up with Small Industries Development Bank of India (SIDBI) which is the Nodal Agency for the Credit Linked Capital Subsidy Scheme (CLCSS).

The said scheme is being operated by the Ministry of Small Scale Industries (SSI) since September 2005 and aims at facilitating technology up gradation for SSIs (in selected sub sectors/products approved under the scheme) by providing upfront capital subsidy to the said units, on the institutional finance (credit) availed by them for modernization of their production equipment (plant and machinery) and techniques.

13.10 Credit Linked Subsidy Scheme for EWS, LIG, MIG-I and MIG-II under Pradhan Mantri Awas Yojana- Housing for All

The Prime Minister of India has envisioned Housing for All by 2022 when the Nation completes 75 years of its Independence. In order to achieve this objective, Central Government has launched a comprehensive mission "Housing for All by 2022". National Housing Bank (NHB) has been identified as a Central Nodal Agency (CNAs) to channelize this subsidy to the lending institutions and for monitoring the progress of Affordable Housing for weaker sections through credit linked subsidy scheme (CLSS).

Credit linked subsidy is provided on home loans taken by eligible urban poor for acquisition, construction of house under following groups:-

- Economically Weaker section (EWS)-(Annual Household Income upto ₹ 3.00 lakhs)
- Low Income Group (LIG)-(Annual Household Income above ₹ 3.00 to ₹ 6.00 lakhs)
- Middle Income Group-I (MIG-I)- (Annual Household Income above ₹ 6.00 to ₹ 12.00 lakhs)
- Middle Income Group-II (MIG-II)-(Annual Household Income above ₹ 12.00 to ₹ 18.00 lakhs)

The Bank has tied up with NHB for providing the credit linked subsidy scheme to enable Affordable Housing to all eligible borrowers.

14. VALUE ADDED SERVICES

14.1 Foreign Exchange Business under AD Category-II

As Authorised Dealer II, the Foreign Exchange services offered at fifteen of our branches have achieved a total turnover of ₹ 83.37 Crore during the year. The dedicated foreign exchange counters of the Bank are located at Hill Road, Vakola, Colaba, Borivali, Malad, Dadar, Kalina, Byculla, Sahar, Mira Road, Panaji, Fatima Nagar, Camp, Mapuca, Margao branches.

The Bank has a tie up with Thomas Cook (I) Limited to issue foreign currency travel currency cards.

14.2 Depository Services – NSDL

The Bank continues to offer Demat Services to its clients as a Depository Participant of the National Securities Depository Ltd. (NSDL) since October 1999. As of March 31, 2020 the portfolio covered 7572 Demat accounts. SPEED-e was introduced to our clients in April 2012.

SPEED-e is a secured Internet website set-up by NSDL for clients to submit delivery instructions to their Depository Participants. SPEED-e enables the Demat holders, registered for this facility to directly execute their Delivery Instructions (DI's) electronically online on the NSDL website without submitting Delivery Instruction Slips physically to the branch.

14.3 Bancassurance

The Bank also continues to undertake Life Insurance business as a Corporate Agent with Max Life Insurance Company Ltd since January, 2007 and HDFC Life Insurance Co. Ltd. since October 2017. For the financial year, 539 policies were issued against a written down premium of approx. ₹ 3.10 Crore.

The Bank has also undertaken General Insurance business since March 2011 with United India Insurance Co. Ltd. and since June 2017 with Bajaj Allianz General Insurance Co. Ltd. For the Financial year, 2499 policies were issued against a written down premium of approx. ₹ 0.83 Crore.

14.4 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

Pradhan Mantri Suraksha Bima Yojana (PMSBY) for the Bank's Saving Account Holders

In May 2015, the Bank has successfully introduced the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) Scheme through Life Insurance Corporation of India Ltd. and Pradhan Mantri Suraksha Bima Yojana

(PMSBY) through United India Insurance Co. Ltd. These are meant for the Bank's Savings Account Holders who fit the eligibility criteria fixed under these Schemes. For the financial year, under the Pradhan Mantri Suraksha Bima Yojana (PMSBY) there have been 3062 enrollments and under the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) Scheme there has been 1707 enrollments.

14.5 Mutual Fund Distribution Services

The Bank is registered with The Association of Mutual Funds in India (AMFI) under registration number ARN-120472 for distribution of Mutual Funds. This is purely a referral service introduced for convenience of Bank's members and customers w.e.f May 2017.

The Bank has tied up with five (5) well known Asset Management Companies (AMCs) i.e M/s ICICI Prudential Asset Management Company Limited, M/s. HDFC Asset Management Company Ltd, M/s SBI Funds Management Private Ltd, M/s Aditya Birla Sun Life Asset Management Company Limited and M/s. DSP Mutual Fund for distribution of Mutual Fund Services.

14.6 Advisory Services

The Bank in association with M/s. NSDL e-Governance Infrastructure Limited and M/s. Warmond Trustees and Executors Pvt Ltd offers specialized services such as Personalized Will, Executorships and Trust Services. The specialized services are available through computerized platform namely EzeWill System for the benefit of our members and customers.

The customers may visit the Bank's website www.citizencreditbank.com -> Explore Products -> Services -> EzeWill. This will direct the customer to EzeWill website <https://www.ezeWill.com/citizencreditbank.html> for availing of these services.

15. BRANCH NETWORK

Presently the Bank has 46 Branches as on March 31, 2020 spread over the States of Maharashtra, Goa & Union Territory of Dadra & Nagar Haveli and Daman & Diu.

During the Financial Year 2019-20, Branches were shifted to new alternate premises, namely Wadala & Kalina Branches.

16. MALAD PROPERTY DEVELOPMENT

The Project for construction of Bank's own administrative building was undertaken and is nearing completion after complying with all development regulations as modified from time to time. The Bank had obtained part OC upto 4th Floor of the project named as Citizencredit Centre-Malad. Some Administrative departments were shifted from CAO Helena Apartments, Bandra to Citizencredit Centre-Malad in 2017 and a few more in October 2019.

17. SEMINARS

17.1 Awards for Academic Excellence

Annually the Bank recognizes members / members' children for achieving meritorious ranking in their respective academic examinations ranging from SSC to Post-Graduation and other specialized Professional Courses, including Post- Graduates, PhDs. This year 141 meritorious students were presented Awards for Academic Excellence.

Initiatives and actions that continue to be taken to provide Education, Training and Information in terms of Co-operative Principle No 5 of the

Schedule No. 1 of the MSCS Act, 2002.

The Bank's Annual Excellence awards were held on January 02nd, 2020 at St. Andrew Auditorium at which a total of 141 students were presented Awards. The guest speaker, Mr. Glen Saldanha (MD & CEO of Glenmark Pharmaceuticals Co) interacted with the students and their parents present, offering his insight on the development of entrepreneurial skills, based on personal key learnings garnered from his work life journey.

Mr. Saldanha covered the major attributes that would assist the students to achieve their goals in the chosen academic / professional fields.

The Bank continues to provide students with financial assistance through attractive student loan schemes for various courses both in India and Abroad, helping them to pursue their academic goals and make a mark in their chosen field.

The total number of students recognized for Academic Excellence over the years stands at 5607.

17.2 Centenary Celebrations

"The CITIZENCREDIT Co-operative Bank Ltd entered its centenary year, as an Urban Co-operative Credit Society on 8th May 2019.

The Bank celebrated this momentous occasion with an Eucharistic Celebration at the St Andrew Auditorium at 5.00 pm, followed by a get-together on the St Andrew School grounds, which was attended by the Bank's valued Shareholders and Customers, at which the past and present Chairman, and MD/CEO's, were felicitated acknowledging contribution to the Bank.

A portrait of the Founding Father of the Bank, the late Mr. F.A.C. Rebello was unveiled and his contribution was acknowledged with gratitude in the presence of his family members.

A light entertainment program was put up by the staff of the Bank followed by fellowship and Dinner.

All Shareholders, Stakeholders, including customers and staff who attended the function appreciated and enjoyed the Celebration.

17.3 Customer Meetings

In keeping with the Bank's Centenary Celebrations, Five (5) Customer meets were hosted by the Bank in the Months of November 2019 to February 2020 across various locations in Mumbai, Pune and Goa, and were well attended by members, along with existing and prospective customers.

The purpose of these meets helped re-connect, through feed-back, ideas and deliberation with customers/members on the Bank becoming a better institution by focusing on innovative products and high service standards to meet the growth aspirations of its stake-holders.

All the meets were very interactive with customers/members appreciating the Bank for its services.

17.4 Investor Awareness programmes

The Bank along with NSDL organized eight (8) Investor Awareness programmes across various branches in the month of February 2020. The programme was divided into two sessions, the first was on Demat and the second on Mutual funds. Customers were given guidance and information on the importance of investing, opening Demat accounts, role of NSDL, SIP and Lump-sum investments, taxation etc. The sessions were very interactive with customers showing keen interest and helped them understand changing market and business conditions and included an advisory on how to diversify one's portfolio.

All the meets were well attended and appreciated.

18. ACKNOWLEDGEMENTS

The Board of Directors place on record its sincere appreciation for the support which the Board and the Bank has received from all our members and other stake holders and thanks them wholeheartedly for the confidence and the trust reposed in the Board and the Bank over the years.

The Board of Directors place on record, with a deep sense of gratitude, the valuable guidance support and advice received from the Reserve Bank of India especially the Urban Banks Dept, Central Registrar of Co-operative Societies, Government of India, New Delhi, Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State, Pune. The Board is also grateful to the Registrar of Co-operative Societies of the State of Goa and Statutory / Concurrent and other Auditors for their encouragement, support and services rendered.

The Board of Directors records its appreciation to all the employees for their loyalty, dedication and whole hearted involvement in achieving the goals and mission of the Bank especially in providing excellent and courteous service to its customers.

The Board of Directors places on record its appreciation to the Management for its unfailing commitment, dedication and hardwork in providing much needed leadership and direction to the Bank through excellent team work.

The Board of Directors also expresses gratitude to the Employees Union for the co-operation extended to the Bank.

The Board wishes to assure all the members that the Bank will continue to strive towards attaining even better results and excellence through continued professional commitment to achieve and exceed the ambitious organisation goals that have been set for the Bank.

Donald Creado
Chairman

Date: December 14, 2020

AGENDA NO : 6(a)**EX-GRATIA SCHEME OF GOVERNMENT OF INDIA**

The Department of Financial Services, Ministry of Finance, Government of India vide Notification No. F. No. 2/12/2020-BOA.I dated October 23, 2020 addressed to all Banks and Financial Institutions including UCBs have conveyed approval of the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts for the period from 1.3.2020 to 31.8.2020 in view of COVID-19 pandemic, by the Government of India. As per the notification, benefits under the scheme would be routed through lending institutions.

In terms of these guidelines, the lending institutions have to lodge their claim for reimbursement of the ex-gratia paid to Bank's eligible borrowers, to the Nodal Bank - State Bank of India latest by 15.12.2020. The claim to be pre-audited by the Statutory Auditor of the lending institutions and a certificate in this regard to be attached to the claim submitted to SBI.

On account of the above time bound requirement for pre-auditing the Bank's claim, the Bank has appointed M/s Mukund M. Chitale & Co - Chartered Accountants (Statutory Auditors to be appointed at the AGM) after obtaining approval from RBI and the Bank's Board. Hence, we seek ratification of the Bank's action for appointment of Auditor, Mukund M. Chitale & Co - Chartered Accountants, for certification of the Bank's claim for ex-gratia payment for difference between Compound Interest and Simple Interest for six month (01-03-2020 to 31-08-2020), to borrowers for specified Loan Accounts.

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
CITIZENCREDIT Co-Op. Bank Ltd.
Mumbai.

Report on the Financial Statements

Opinion

- We have audited the accompanying financial statements of **CITIZENCREDIT Co-operative. Bank Ltd. (hereinafter referred to as 'the Bank')** as at 31st March 2020, which comprise the Balance Sheet as at 31st March 2020, and the Profit and Loss Account, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The returns of Head Office and its departments audited by us and returns of all 46 branches certified by the Concurrent Auditors/Internal Auditors are consolidated in these financial statements. Of the total no of branches, 46 were under monthly/bimonthly Concurrent Audit. As informed by the management, the Bank has not received any specific guidelines from the Central Registrar of Cooperative Societies with respect to selection of branches to be covered under audit. During the course of our audit we performed select relevant procedures at 19 branches and Head office. Key operations of the Bank are automated, with the key applications largely integrated to the core banking systems and hence it does not require its branches to submit any financial returns. Accordingly, our audit is carried out centrally at Central Administrative Office, based on the necessary records and data required for the purposes of the audit being made available to us and further the matter of percentages of advances, deposits, interest income and of interest expenses is not applicable to the Bank.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Notes, give the information required thereon by the Banking Regulation Act, 1949 as well as Multi State Co-operative Societies Act, 2002 and rules made thereunder, in the manner so required, for the urban co-operative banks, 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 2020**;
- In the case of the **Profit and Loss Account**, of the profit 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.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provision of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- We draw attention to the Note No. 3 and 4 of Schedule 17, forming part of Financial Statements which describe the extent to which the high uncertainty caused by the COVID-19 pandemic will have an impact on the Bank's future financial performance.

Our opinion on the financial results for the current year is not modified in respect of the above matters.

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

- The Bank's Board of Directors 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 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. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Board of directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

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 financial statements, as a whole, are free from material misstatement, whether due to fraud or error.

Report on Other Legal & Regulatory Requirements

- The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949 and the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002.
- As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, we report that:
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found to be satisfactory;
- In our opinion, proper books of accounts 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 the agreement with the books of account and the returns;
- The reports on the accounts of the branches/offices audited by the branch auditors have been forwarded to us and have been properly dealt with by us in preparing this Report;

- The accounting standards adopted by the Bank are consistent with those laid down by accounting principles generally accepted in India so far as applicable to Banks;
- In our opinion and according to information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realization of money due to the bank.
- As required by the Rule 27 (3) of the Multi-State Co-operative Societies Rules, 2002, we report on the matters specified in clauses (a) to (f) of the said Rule to the extent applicable to the Bank.
- During the course of our audit, we have generally not come across transactions which appear to be contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.
- During the course of our audit, we have not come across material and significant transactions which appear to be contrary to the guidelines issued by RBI. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding transactions contrary to the guidelines issued by the said Bank are not called for.
- Following monies due to the Bank appear to be doubtful of recovery against which a provision of ₹5,275.53 lakh is made in the accounts. Advances categorized as doubtful and loss assets as per Prudential Norms are considered as doubtful of recovery: -

Category	Outstanding on 31.03.2020 (₹ In Lakh)
Doubtful Assets	6,222.20
Loss Assets	83.14

- As per the information provided to us and to the best of our knowledge, following credit facilities have been sanctioned by the Bank to the members of the Board or their relatives:

Fund and Non- fund Based amount outstanding (₹ In Lakh)	Security Value if any (₹ In Lakh)	Overdues if any (₹ In Lakh)
NIL	NIL	NIL

- We have generally not come across any violations of guidelines, instructions etc. issued by the RBI. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding violations of guidelines issued by the said Bank are not called for.
- To the best of our knowledge, no other matters have been specified by the Central Registrar, which require reporting under this Rule.

Place: Mumbai
Date: 3rd September, 2020

For Borkar & Muzumdar
Chartered Accountants
FRN 101569W

Supriya D. Bhat
Partner
Membership No. 048592
UDIN: 20048592AAAACB7162

CERTIFICATE

We have audited balance sheet of Citizencredit Co-operative Bank Ltd: Mumbai as on 31st March 2020 and the Profit and Loss Account annexed thereto for the year then ended and we report that audit class "A" has been given to the Bank for the year 2019-20, as per norms prescribed for audit classification of Urban Co-operative Banks by Registrar of Co-Operative Societies, Maharashtra State.

Place : Mumbai
Date : September 3 ,2020

For Borkar & Muzumdar
Chartered Accountants
FRN 101569 W

(Supriya D. Bhat)
Partner
Membership No. 048592
UDIN:20048592AAAACB7162

BALANCE SHEET AS AT MARCH 31, 2020

As at 31.03.2019 (Amount in ₹)	SR. NO	CAPITAL AND LIABILITIES	Sch. No.	As at 31.03.2020 (Amount in ₹)
151,717,000	1	SHARE CAPITAL	1	151,004,350
3,696,381,158	2	RESERVE FUND AND OTHER RESERVES	2	3,863,957,941
-	3	PRINCIPAL/ SUBSIDIARY STATE		
		PARTNERSHIP FUND ACCOUNT		
32,667,490,088	4	DEPOSITS AND OTHER ACCOUNTS	3	31,679,128,521
-	5	BORROWINGS	4	1,519,989,726
1,255,105	6	BILLS FOR COLLECTION BEING BILLS		111,960
		RECEIVABLE (As per Contra)		
1,948,874,820	7	SECURITIES PURCHASED UNDER TREPS		3,079,077,049
		RBI-REVERSE REPO / REVERSE REPO		
234,684,112	8	OVERDUE INTEREST RESERVE (Contra)		343,516,972
266,468,578	9	INTEREST PAYABLE		288,237,743
496,925,743	10	OTHER LIABILITIES	5	577,775,820
2,433	11	BRANCH ADJUSTMENTS (NET)		145,222
135,995,436	12	PROFIT AND LOSS ACCOUNT	6	171,675,566
39,599,794,474		GRAND TOTAL		41,674,620,870
896,356,097		CONTINGENT LIABILITIES :	17	2,408,002,399
		Refer to Schedule 17(28)		

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 - 18

AS PER OUR REPORT OF EVEN DATE

For Borkar & Muzumdar

Chartered Accountants

FRN 101569 W

Supriya D. Bhat

Partner

M. No.048592

Date: September 03, 2020

Place: Mumbai

BALANCE SHEET AS AT MARCH 31, 2020

As at 31.03.2019 (Amount in ₹)	SR. NO	PROPERTY AND ASSETS	Sch. No.	As at 31.03.2020 (Amount in ₹)
1,568,053,726	1	CASH, BALANCES WITH RBI, SBI, STATE CO-OPERATIVE BANK AND CENTRAL CO-OPERATIVE BANK	7	972,923,323
3,993,300,361	2	BALANCES WITH OTHER BANKS	8	5,914,369,540
-	3	INVESTMENT OUT OF THE PRINCIPAL		-
		SUBSIDIARY STATE PARTNERSHIP FUNDS		
-	4	MONEY AT CALL AND SHORT NOTICE		-
1,948,874,820	5	LENDING UNDER RBI-REVERSE REPO/ REVERSE REPO	9	3,079,077,049
12,862,350,915	6	INVESTMENTS	10	11,652,298,000
15,461,405,214	7	ADVANCES	11	14,875,636,606
	8	INTEREST RECEIVABLE		
332,168,006		a) ON INVESTMENTS		389,303,161
39,639		b) ON ADVANCES		-
234,684,112		c) ON NON PERFORMING ASSETS (CONTRA)		343,516,972
1,255,105	9	BILLS RECEIVABLE BEING BILLS		111,960
		FOR COLLECTION (As per Contra)		
1,948,874,820	10	SECURITIES PURCHASED UNDER TREPS/ RBI-REVERSE REPO / REVERSE REPO		3,079,077,049
794,598,977	11	FIXED ASSETS	12	757,929,787
396,555,779	12	OTHER ASSETS	13	537,741,423
57,633,000	13	DEFERRED TAX ASSET (NET)		72,636,000
				-
39,599,794,474		GRAND TOTAL		41,674,620,870

FOR AND ON BEHALF OF BOARD OF DIRECTORS
OF CITIZENCREDIT CO-OPERATIVE BANK LIMITED

Christopher Mendoza
Managing Director & Chief Executive Officer

Donald Creado
Chairman

Frederick Castelino
Vice Chairman

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2020

PREVIOUS YEAR (Amount in ₹)	Sr. No.	EXPENDITURE	Sch. No.	CURRENT YEAR (Amount in ₹)
	1	INTEREST ON DEPOSITS AND BORROWINGS		
1,854,430,467		a) On Deposits		1,859,603,526
5,326,028		b) On Borrowings (Repo/ Call/ CBLO/ TREPS)		14,510,107
460,478,271	2	Salaries, Allowances, PF, Gratuity etc.		464,411,819
1,805,868	3	Directors Sitting Fees, Allowances and Other Exp		1,683,902
111,321,210	4	Rent, Rate, Taxes, Insurance and Lighting		121,471,700
5,770,970	5	Legal and Professional Charges		8,198,897
4,857,440	6	Audit Fees		5,007,937
21,313,428	7	Postage, Telegram and Telephone		20,710,813
46,799,544	8	Depreciation		48,105,801
5,515,294	9	Staff Welfare		4,813,521
8,004,607	10	Printing and Stationery		7,440,304
3,971,568	11	Advertisement		9,471,364
30,511,941	12	Repairs and Maintenance		35,683,501
3,837,163	13	Travelling and Conveyance		3,389,054
3,024,658	14	Bank Charges		2,460,628
27,628,202	15	Security Charges		30,196,750
9,767,076	16	Software Expenses		7,139,204
17,889,182	17	Sundry Expenses	14	20,575,793
116,471,542	18	Bad Debts written off		-
702,850	19	Loss on Sale of Assets		283,636
128,662,500	20	Loss on Sale of Investments		31,222,742
994,494	21	Prior Period Expenses		-
	22	Provisions for and Amortisations of		
2,678,230		a) Earned Leave		8,408,680
15,680,367		b) Gratuity		7,072,579
4,422,122		c) Leave Travel Allowance		1,710,750
10,750,957		d) Amortisation of Premium on Investments		19,419,746
227,900		e) Premium on Securities W/O on Redemption		136,990
11,200,000		f) Standard Assets		1,500,000
-		g) Standard Assets - COVID		15,452,000
136,806,542		h) Bad and Doubtful Debts		63,099,000
-		i) Fraud Provisions		251,700
3,050,850,421				2,813,432,444
188,068,254		PROFIT BEFORE TAX		240,102,588
3,238,918,675		TOTAL		3,053,535,032
		TAX EXPENSES		
76,491,000		Income Tax		107,500,000
112,303,254		NET PROFIT AFTER TAX		147,605,588

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 - 18

AS PER OUR REPORT OF EVEN DATE

For Borkar & Muzumdar

Chartered Accountants

FRN 101569 W

Supriya D. Bhat

Partner

M. No.048592

Date: September 03, 2020

Place: Mumbai

PREVIOUS YEAR (Amount in ₹)	Sr. No.	INCOME	Sch. No.	CURRENT YEAR (Amount in ₹)
	1	INTEREST AND DISCOUNT		
1,394,021,804		a) On Advances		1,390,802,278
924,761,384		b) On Investments		867,086,736
125,177,283		c) On Certificate of Deposits		51,735,699
252,438,325		d) On Fixed Deposits		440,755,854
140,026,611		e) On Rev.Repo/Call/CBLO/ TREPS Lending		73,394,198
63,040,555	2	Commission and Exchange		58,843,737
10,042,900	3	Bancassurance Commission		8,474,215
3,545,197	4	Locker Rent		4,160,927
19,261,387	5	Franking Discount and Commission		17,719,154
1,490,915	6	Sundry Income	15	1,334,371
187,482,345	7	Profit on Sale of Investments		139,169,573
144,392	8	Profit on Sale of Assets		58,290
116,471,542	9	Provision for Bad & Doubtful Debts written back		-
1,014,035	10	Provision for Re-structured Advances		-
3,238,918,675				3,053,535,032
3,238,918,675		TOTAL		3,053,535,032
188,068,254		PROFIT BEFORE TAX		240,102,588
726,000		Deferred Tax		15,003,000
				255,105,588
112,303,254		Balance carried to Balance Sheet		147,605,588

Christopher Mendoza
Managing Director & Chief Executive Officer

Frederick Castelino
Vice Chairman

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)		PARTICULARS		As at 31.03.2020 (Amount in ₹)
		SCHEDULE - 1		
		SHARE CAPITAL		
	A)	Authorised Capital		
500,000,000		50,000,000 (P.Y. ₹ 50,000,000) Shares of ₹ 10/- each		500,000,000
	B)	Issued, Subscribed and Paid-up :		
		15,100,435 (P.Y. ₹ 15,171,700) Shares of ₹ 10/- each		
150,259,130	a)	Individuals :	149,457,730	
1,457,870	b)	Others :	1,546,620	151,004,350
151,717,000				151,004,350
		SCHEDULE - 2		
		RESERVE FUND AND OTHER RESERVES		
730,197,727	a)	Statutory Reserve Fund	759,208,989	
243,809,000	b)	Special Contingency Fund	255,009,000	
716,434,288	c)	Building Fund	716,434,288	
438,312,475	d)	General Reserve	438,312,475	
10,000,000	e)	Centenary Fund	10,000,000	
524,159,452	f)	Provision for Bad and Doubtful Debts	559,654,764	
-	g)	Provision for Bad and Doubtful Debts (NPI)	57,603,688	
-	h)	Standard Asset Provisions (COVID)	15,452,000	
8,131,066	i)	Provision for Restructured Advances	8,131,066	
61,513,953	j)	Contingent Provisions against Standard assets	63,013,953	
454,623,670	k)	Investment Fluctuation Reserve	484,623,670	
414,994,528	l)	Revaluation Reserves	402,309,048	
94,205,000	m)	Special Reserve-Long Term Finance U/s 36(1)(viii) of Income Tax Act, 1961	94,205,000	3,863,957,941
3,696,381,158				3,863,957,941
		SCHEDULE - 3		
		DEPOSITS AND OTHER ACCOUNTS		
	(i)	TERM DEPOSITS		19,901,443,092
19,864,104,369	a)	From Individuals and Others	18,501,734,886	
1,215,191,321	b)	From Other Societies	1,399,708,206	
	(ii)	SAVINGS BANK DEPOSITS		10,965,546,298
10,345,692,996	a)	From Individuals and Others	10,464,232,076	
352,351,518	b)	From Other Societies	501,314,222	
	(iii)	CURRENT DEPOSITS		796,791,895
882,044,698	a)	From Individuals and Others	785,510,708	
935,167	b)	From Other Societies	11,281,187	
	(iv)	MATURED DEPOSITS		15,347,236
7,170,019	a)	From Individuals and Others	15,347,236	
-	b)	From Other Societies	-	
32,667,490,088				31,679,128,521

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)		PARTICULARS		As at 31.03.2020 (Amount in ₹)
		SCHEDULE - 4		
		BORROWINGS		
-	(i)	REPO - RBI LAF	770,000,000	
-	(ii)	Borrowing under TREPS	749,989,726	
				1,519,989,726
		SCHEDULE - 5		
		OTHER LIABILITIES		
47,060,294	a)	Pay orders Issued	24,626,875	
2,173,494	b)	Unclaimed Dividends	2,353,028	
2,644,631	c)	Deposit on Capital Linked Subsidy Scheme from SIDBI	1,500,000	
2,116,710	d)	Audit Fees Payable	2,155,500	
291,165,000	e)	Provision for Tax	398,665,000	
58,178,576	f)	Leave Encashment	61,983,299	
14,670,977	g)	Gratuity	6,071,065	
6,056,206	h)	Leave Travel Allowance	1,710,750	
2,867,246	i)	Rent on Lockers Received in Advance	2,092,724	
7,053,200	j)	Key Deposit	8,715,200	
20,639,304	k)	Outstanding expenses	14,545,052	
23,210,802	l)	TDS Payable	17,231,438	
491,628	m)	Sundry Deposit - NPA Recoveries	2,191,628	
4,320,231	n)	Cheques under Clearing for Franking	10,073,071	
2,216,810	o)	Sundry deposits-Retention	2,794,824	
325,495	p)	Sundry deposits-Earnest money	225,495	
85,433	q)	Sundry deposits-Excess cash	121,632	
304,397	r)	Sundry deposits-Others	114,217	
-	s)	Provision for Frauds (Electronic Channels)	251,700	
11,345,309	t)	Miscellaneous other liabilities	20,353,322	577,775,820
496,925,743				577,775,820
		SCHEDULE - 6		
		PROFIT AND LOSS ACCOUNT		
204,253,447		Profit as per last Balance Sheet		135,995,436
		Less: Appropriation for 2018-19		
45,200,000	a)	Statutory Reserve Fund @ 25% of Profit	28,100,000	
18,100,000	b)	Contingency Fund @10%	11,200,000	
1,800,000	c)	Education Fund @ 1%	1,123,000	
24,246,745	d)	Dividend @16%	24,187,938	
75,000,000	e)	Investment Fluctuation Reserve	30,000,000	
10,000,000	f)	Centenary Fund	-	
18,900,000	g)	General Reserve	-	
-	h)	Bad and Doubtful Debts Reserve	30,000,000	124,610,938
11,006,702				11,384,498
12,685,480		Add: Depreciation on Revaluation Reserve		12,685,480
112,303,254		Add: Net Profit for the year as per Profit and Loss A/c.		147,605,588
135,995,436				171,675,566

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)		PARTICULARS		As at 31.03.2020 (Amount in ₹)
		SCHEDULE - 7		
		CASH, BALANCES WITH RBI, SBI, STATE CO-OPERATIVE BANK AND CENTRAL CO-OPERATIVE BANK		
98,291,268	I.	Cash In Hand		116,362,412
	II.	Reserve Bank of India		
1,469,664,777	a)	In Current Accounts	856,473,615	
-	b)	In Other Accounts	-	856,473,615
	III.	Balances with State Bank of India and Subsidiaries		
42,157	a)	In Current Accounts	43,366	
-	b)	In Other Accounts	-	43,366
	IV.	Balances with State and Central Co-operative Banks		
		In Current Accounts		
36,663	i)	State Co-operative Banks	24,968	
18,861	ii)	Dist. Central Co-op. Banks	18,962	43,930
1,568,053,726				972,923,323
		SCHEDULE - 8		
		BALANCES WITH OTHER BANKS		
	a)	Current Deposits with		
1,073,796	i)	Nationalised Banks	1,138,345	
30,148,351	ii)	Other Banks	58,994,541	60,132,886
	b)	Fixed Deposits with		
189,200,000	i)	Nationalised Banks	274,091,240	
3,772,878,214	ii)	Other Banks	5,580,145,414	5,854,236,654
3,993,300,361				5,914,369,540
		SCHEDULE - 9		
		LENDING UNDER TREPS/ RBI REVERSE REPO / REVERSE REPO		
450,000,000	(i)	Reverse Repo under RBI LAF	2,580,000,000	
1,498,874,820	(ii)	TREPS	499,077,049	3,079,077,049
1,948,874,820				3,079,077,049
		SCHEDULE - 10		
		INVESTMENTS		
10,048,063,315	(i)	In Central & State Government Securities		10,491,368,000
		Face Value ₹ 1,045,000,000 (P.Y. ₹ 10,211,100,000)		
		Market Value ₹ 10,537,328,000 (P.Y. ₹ 10,049,673,315)		
2,000	(ii)	Shares in Co-operative Institutions		2,000
		Face Value ₹ 2,000 (P.Y. ₹ 2,000)		
		Market Value ₹ 2,000 (P.Y. ₹ 2,000)		

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)		PARTICULARS		As at 31.03.2020 (Amount in ₹)
500,125,000	(iii)	P.S.U. Bonds & Bonds of all India Financial Institutions		-
		Face Value - Nil (P.Y. ₹ 500,000,000)		
		Market Value - Nil (P.Y. ₹ 500,819,250)		
1,392,521,100	(iv)	Certificate of Deposit		236,933,000
		Face Value ₹ 250,000,000 (P.Y. ₹ 1,450,000,000)		
		Market Value ₹ 236,933,000 (P.Y. ₹ 1,392,521,100)		
921,639,500	(v)	Others		923,995,000
		Face Value ₹ 950,000,000 (P.Y. ₹ 1,000,000,000)		
		Market Value ₹ 930,593,300 (P.Y. ₹ 921,639,500)		-
12,862,350,915				11,652,298,000
		SCHEDULE - 11		
		ADVANCES		
	1)	Short Term Loan, Cash Credit, Overdraft		
		and Bill Discounted of which secured against:		
-		a) Term Lending CBLO	-	
577,361		b) Government & Other approved securities	-	
7,132,159,572		c) Other Tangible Securities	5,599,147,489	
620,930		d) Personal Sureties	103,445	
7,133,357,863				5,599,250,934
		i) Amount overdue ₹ 7,576,030 (P.Y. ₹ 751,061,224)		
		ii) Amount considered as Bad & Doubtful of recovery		
		provided as per RBI norms		
		₹ 236,391,889 (P.Y. ₹ 253,554,280)		
	2)	Medium Term Loan of which Secured against:		
392,064		a) Government & Other approved Securities	2,252,893	
638,023,341		b) Other Tangible Securities	215,251,183	
69,659,494		c) Personal Sureties	27,482,884	
708,074,899				244,986,960
		i) Amount overdue ₹ 53,513,753 (P.Y. ₹ 46,016,375)		
		ii) Amount considered as Bad & Doubtful of recovery		
		provided as per RBI norms		
		₹ 69,323,381 (P.Y. ₹ 65,440,819)		

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)	PARTICULARS		As at 31.03.2020 (Amount in ₹)
	3) Long Term Loans of which Secured against:		
-	a) Government & Other approved Securities	375,851	
7,619,498,820	b) Other Tangible Securities	9,027,421,246	
473,632	c) Personal Sureties	3,601,615	
7,619,972,452			9,031,398,712
	i) Amount overdue ₹ 345,029,208 (P.Y. ₹ 291,889,436)		
	ii) Amount considered as Bad & Doubtful of recovery provided as per RBI norms ₹ 381,266,400 (P.Y. ₹ 452,137,759)		
15,461,405,214			14,875,636,606
	SCHEDULE - 12		
	FIXED ASSETS		
	I) FREEHOLD LAND		
	Gross Block		
150,920,800	At Original / Revalued Cost	150,920,800	
-	Add: Revalued during the year	-	
-	Less: Deductions	-	
150,920,800	Total		150,920,800
	II) PREMISES		
	Gross Block		
743,878,992	At Original / Revalued Cost	746,213,935	
2,334,943	Add: Additions during the year	51,606,587	
-	Add: Revalued during the year	-	
-	Less: Deductions	-	
746,213,935	Total (A)	797,820,522	
	Accumulated Depreciation		
315,793,086	Opening Balance	340,284,182	
24,491,096	Add: Depreciation for the year **	26,049,618	
-	Less: Deductions	-	
340,284,182	Total Accumulated Depreciation (B)	366,333,800	
405,929,753	Net Block (C) [(A) - (B)]		431,486,722
	** (includes ₹ 12,685,480 (P.Y. ₹ 12,685,480) on account of Revaluation adjusted to Revaluation Reserve)		

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)	PARTICULARS		As at 31.03.2020 (Amount in ₹)
	III) FURNITURE AND FIXTURES		
	Gross Block		
125,949,408	At Original Cost	135,763,068	
11,974,431	Add: Additions during the year	19,573,665	
2,160,771	Less: Deductions	1,437,881	
135,763,068	Total (A)	153,898,852	
	Accumulated Depreciation		
51,332,613	Opening Balance	58,585,955	
8,652,524	Add: Depreciation for the year	8,856,486	
1,399,182	Less: Deductions	1,112,812	
58,585,955	Total Accumulated Depreciation (B)	66,329,629	
77,177,113	Net Block (C) [(A) – (B)]		87,569,223
	IV) COMPUTERS		
	Gross Block		
168,732,050	At Original Cost	182,194,469	
17,583,721	Add: Additions during the year	1,080,509	
4,121,302	Less: Deductions	8,152,921	
182,194,469	Total (A)	175,122,057	
	Accumulated Depreciation		
150,766,679	Opening Balance	159,875,367	
13,213,317	Add: Depreciation for the year	12,806,688	
4,104,629	Less: Deductions	8,152,829	
159,875,367	Total Accumulated Depreciation (B)	164,529,226	
22,319,102	Net Block (C) [(A) – (B)]		10,592,831
	V) VEHICLES		
	Gross Block		
5,151,685	At Original Cost	5,226,455	
74,770	Add: Additions during the year	74,590	
-	Less: Deductions	-	
5,226,455	Total (A)	5,301,045	
	Accumulated Depreciation		
2,238,386	Opening Balance	2,680,992	
442,606	Add: Depreciation for the year	393,009	
-	Less: Deductions	-	
2,680,992	Total Accumulated Depreciation (B)	3,074,001	
2,545,463	Net Block (C) [(A) – (B)]		2,227,044
135,706,746	VI) CAPITAL WORK IN PROGRESS		75,133,167
794,598,977	TOTAL (I+II+III+IV+V+VI)		757,929,787

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)		PARTICULARS		As at 31.03.2020 (Amount in ₹)
		SCHEDULE - 13		
		OTHER ASSETS		
374,414	a)	Sundry Debtors	598,146	
510	b)	Stamps in Hand	850	
6,015	c)	Pan Coupon Stock	3,007	
16,184,952	d)	Deposits for premises	17,939,952	
14,925,334	e)	Deposits for services	14,926,190	
2,363,513	f)	Stock of Stationery	1,887,618	
1,302,243	g)	Commission Receivable	585,032	
314,966,876	h)	Income Tax	414,835,417	
5,638,018	i)	Advance for Expenses	8,872,112	
21,699,487	j)	Stamp Imprest/ Advance Account	32,995,059	
6,258,193	k)	Prepaid Expenses	4,382,152	
189,604	l)	Amount Claimed From RBI DEAF	118,548	
5,504,464	m)	Non Banking Asset acquired in satisfaction of claim	5,504,464	
7,142,156	n)	Miscellaneous other assets	35,092,876	
396,555,779				537,741,423
		SCHEDULE - 14		
		SUNDRY EXPENSES		
12,125	i)	Brokerage	186,292	
1,947,766	ii)	CCIL Transaction Charges	2,674,318	
1,386,870	iii)	Electronic Channel Division Expenses	1,370,912	
6,376,922	iv)	ATM Transaction Paid	6,001,187	
818,795	v)	SMS Alert expenses	912,682	
246,289	vi)	Rupay Transaction Paid	290,563	
107,103	vii)	IMPS Fees Paid	183,162	
9,517	viii)	Cersai-CKYC-CPD Expenses	10,461	
-	ix)	Hosting and Managed Services	329,822	
1,700,818	x)	Membership & Subscription	1,924,454	
752,017	xi)	Recruitment Expenses	303,596	
309,525	xii)	AGM Expenditure	476,526	
453,723	xiii)	Members Welfare Expenses	530,100	
1,468,490	xiv)	Business Development Expenses	960,963	
2,299,222	xv)	Other Expenses	4,420,755	
17,889,182				20,575,793

SCHEDULES TO BALANCE SHEET 31st MARCH 2020

As at 31.03.2019 (Amount in ₹)		PARTICULARS		As at 31.03.2020 (Amount in ₹)
		SCHEDULE - 15		
		SUNDRY INCOME		
256,789	i)	Salary in lieu of notice period	93,506	
46,731	ii)	Miscellaneous Receipts	106,328	
79,830	iii)	Interest on Utility Deposit	33,515	
1,105,159	iv)	Mutual Fund Commission	1,095,992	
-	v)	Recoveries in Written Off Accounts	500	
2,406	vi)	Discount on Pan Card Services	4,530	
1,490,915				1,334,371

Schedule No. 16:-

NOTES FORMING PART OF THE ACCOUNTS:

Background:

CITIZENCREDIT Co-operative Bank Ltd was incorporated on May 8, 1920 as a primary Co-operative Credit Society. The society was licensed to undertake Banking business by the Reserve Bank of India vide its Licence No. MH 1016 P dated December 27, 1989. The Bank is registered under the Multi-State Co-operative Societies Act by the Central Registrar vide their order dated January 20, 1998. The area of operation of the Bank extends to the entire state of Maharashtra, Goa, Karnataka and Union Territories of Daman and New Delhi. The Bank has a network of 46 branches.

SIGNIFICANT ACCOUNTING POLICIES: -

1. ACCOUNTING CONVENTION:

The accompanying Financial statements have been prepared and presented under the historical cost convention as a going concern on accrual basis of accounting, unless otherwise stated, and comply with the Generally Accepted Accounting Principles, statutory requirements prescribed under the Banking Regulation Act, 1949 – as applicable to Co-operative Societies (AACS) and the Multi State Co-operative Societies Act, 2002, circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time, the applicable Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and the current practices prevailing amongst the Co-operative Banks in India.

The Accounting policies adopted in the current year are consistent with those of previous year except otherwise stated.

2. USE OF ESTIMATES:

The presentation 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, revenues and expenses, and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimated. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognised prospectively in the current and future periods.

3. INVESTMENTS :

For presentation in the Balance Sheet, investments are classified under the following heads as required under RBI guidelines – Government securities, Other approved securities, Shares in Co-operative Institutions/Financial Corporations, Bonds of Public Sector undertaking, Certificate of Deposits and other Investments.

3.1 Classification

Investments other than shares in Co-operative Banks, Societies and Mutual Funds are classified into three categories viz; 'Held To Maturity' (HTM), 'Available for Sale' (AFS) and 'Held For Trading' (HFT) in accordance with the guidelines issued by the RBI on "Classification and Valuation of Investments by Primary (Urban) Co-operative Banks (Primary UCBs)."

3.2 Valuation and Accounting of Investments

- Investments under HTM category are valued at acquisition cost unless it is more than the face value in which case the premium (if any) paid on the investments under this category is amortised over the period remaining to maturity as per RBI guidelines and policy adopted by the Bank. Discount on securities held under HTM category is not accounted and such securities are held at acquisition cost till maturity.

- b) Investments under AFS and HFT categories are valued scrip-wise at lower of Book Value and Market Value and depreciation/ appreciation is aggregated for each classification. Net depreciation, if any, is provided for, while net appreciation, if any, is ignored. Net Depreciation for the year under these categories is charged to the Profit and Loss Account.
- c) Treasury Bills, Commercial Paper and Certificate of Deposits under all categories/classifications are valued at carrying cost.
- d) Shares of Co-operative Institutions and Financial Corporations are valued at cost unless there is a diminution in the value thereof in which case the diminution is fully provided for.
- e) Market Value of Debt Securities is determined in terms of Yield to Maturity (YTM) method indicated by Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- f) Broken period interest, Brokerage, Commission paid, if any, in respect of investments purchased is treated as an item of expenditure under the Profit and Loss account.
- g) Repo / Reverse repo transactions, if any, are accounted for as collateralized lending and collateralized borrowing transactions in accordance with RBI guidelines and correspondingly the expense and income thereon are treated as interest and recognized in the Profit and Loss Account.
- h) In respect of Repo transactions under LAF with RBI, amount borrowed from RBI is credited to investment account and reversed on maturity of transaction. Cost thereon is accounted for as interest expenses. In respect of Reverse Repo transactions under LAF with RBI, amount lent to RBI is debited to investment account and reversed on maturity of transaction. Revenue thereon is accounted for as interest income.

3.3 Transfer between categories :

Reclassification of investments from one category to another is done in accordance with RBI guidelines and any such transfer is accounted for at the acquisition cost/book value/market value, whichever is lower, as at the date of transfer. Depreciation, if any, on such transfer is fully provided for.

4. ADVANCES:

- a) The classification of advances into Standard, Sub Standard, Doubtful and Loss assets as well as provisioning on Standard Advances, Restructured Advances and Non Performing Advances is arrived at in accordance with the Income Recognition, Assets Classification and Provisioning Norms prescribed by the RBI for Primary UCBs. Certain advances have been kept outstanding at nominal amounts to continue the charge on securities in respect of other standard facilities enjoyed by them with the Bank. Accordingly, these advances are classified as Standard Assets.
- b) Any lending under the Collateralised Borrowing and Lending Obligations (CBLO) & Triparty Repo Segments (TREPS) facility which is repayable beyond 15 days is classified under Advances (Short Term) Secured against Government and Other Approved Securities. Other CBLO/ TREPS lending repayable within 15 days is classified under "Money at Call and Short Notice".
- c) The Bank also makes provision for diminution in fair value of Restructured Advances as per norms issued by RBI.
- d) In addition to provisioning on Non- Performing Advances, general provisions are made on the following categories of standard assets as per RBI guidelines as under:

Category	Provisions (%)
Direct Advances to agricultural and SME sectors	0.25
Commercial and Real Estate Loans	1.00
Commercial & Real Estate Loans- residential housing	0.75
Other Standard Advances	0.40

5. FIXED ASSETS AND DEPRECIATION:

- a) Fixed Assets, other than those that have been revalued, are carried at historical cost less depreciation accumulated thereon in accordance with AS 10. Cost includes incidental stamp duty, taxes, registration charges and civil work in case of ownership premises and in case of other fixed assets, amounts incurred to put the asset in a working condition.
- b) In the absence of any provisions in the related Co-operative Laws recommending rates of depreciation to be followed, the Bank has adopted the rates of depreciation on Written Down Value method as laid down in the Income Tax Rules, 1961 for all assets (except computers) owned by the Bank. Depreciation on computers and software has been charged @ 33 1/3 percent on Straight Line Method (SLM) in accordance with Reserve Bank of India guidelines.

Assets		% of Depreciation
Freehold premises	Written Down Value	10%
Furniture, Fixtures & Electric Fittings	Written Down Value	10%
Vehicles	Written Down Value	15%
Computer Hardware & Software	Straight Line	33 1/3 %

- c) The depreciation on fixed assets acquired prior to October 3rd, is provided for the whole year otherwise the same are depreciated at 50% of the normal rates. No depreciation is charged on fixed asset sold/ disposed off during the year.
- d) Gains or losses arising from de-recognition of fixed asset are measured as difference between the net proceeds on disposal and carrying amount of the assets and are recognized in the Profit and Loss account when the asset is derecognized.
- e) No depreciation is provided on Freehold Land.
- f) Capital work-in-progress includes cost of fixed assets that are not ready for their intended use. As on March 31, 2020, the Bank has one project in hand viz- proposed Malad Building where the Bank has commenced construction of its own five storied premises at Orlem-Malad. As on March 31, 2020, the building structure from ground floor upto 4th floor is capitalized and the same is being used for branch operations and by all the departments which have now shifted from the previous Administrative Office located at Bandra West.
- g) The premises and freehold land of the Bank were last revalued as on March 31, 2010 by professionally qualified independent valuers empanelled by the Bank in accordance with the policy formulated by the Bank based on RBI guidelines. The surplus arising on revaluation of Freehold Land amounting to ₹ 963.28 lakh is credited to Revaluation Reserve. The surplus arising on revaluation of Freehold Premises amounting to ₹ 3179.10 lakh is credited to Revaluation Reserve and is being used to adjust depreciation on revaluation over the remaining useful life of the premises. Total Revaluation Reserve stands at ₹ 4023.09 lakh as on March 31, 2020.
- h) Fixed Assets which have been fully depreciated but are still in use, are carried in the books at Re.1/- each.
- i) Assets individually costing less than ₹ 5,000/- are depreciated at 100% and are carried in books of accounts as Re.1/- each.
- j) Since F.Y. 2017-18, depreciation on the revalued portion of assets is being included in Depreciation expenses and the same amount is being directly reversed from Revaluation Reserve through the Profit and Loss Appropriation Account (hitherto routed through the Profit and loss account). The same is in conformity with revised AS-10 issued by the ICAI and applicable to Non-Corporate Assesseees from April 1, 2017.

6. RESERVE FUND AND OTHER RESERVES:

- I) As per the requirement of Multi-State Co-op. Soc. Act. 2002,
 - a) The Statutory Reserve Fund has been bifurcated into 2 Categories viz. :
 - i) Statutory Reserve Fund (comprising 25% of Net Profit of each year transferred)
 - ii) Contingency Reserve Fund (comprising 10% of Net Profit of each year transferred)
 - b) Co-operative Education Fund maintained by National Co-operative Union of India (comprising 1% of Net Profit of each year transferred).
- II) Entrance fees and Nominal membership fees received from the members on admission during the year and dividends remaining unclaimed for over 3 years are credited to Statutory Reserve.
- III) Surplus arising on account of revaluing of fixed assets over their book value is transferred to Revaluation Reserve.

7. REVENUE RECOGNITION:

- a) As per RBI directives, in respect of accounts classified as Standard, interest and other income is recognized on accrual basis; income from Non-Performing Asset is recognized on realisation. In case of advances classified as NPA, the recoveries in the account are first appropriated towards interest and then towards principal, except in the case of suit filed accounts. Overdue interest in respect of advances classified as Non-Performing Assets, is disclosed separately under Overdue Interest Reserve.
- b) Interest income from investment is recognized on a time proportion basis considering the face value of investment and the rate applicable. Discount on T-Bills and other discounted instruments is recognized on straight line basis over the period of maturity. Trading profits/ losses on securities are recognised on a trade – date basis.
- c) The commission & exchange, Demat charges and other service charges levied by the Bank are accounted on receipt basis.
- d) Income from investments is accounted for on accrual basis except dividend on shares of Corporates and, if any, which is accounted for on cash basis.
- e) Commission on sale of Insurance Products and Mutual fund products by the Bank is recognised as and when due.
- f) Interest on overdue and unclaimed deposits is provided at prevailing Savings Bank Deposit Rate as per RBI instruction.
- g) Legal expenses incurred on suit filed cases are accounted for in the Profit and Loss account as per RBI guidelines. Such amount when recovered is treated as income.

8. Expenses:

All Expenses are accrued for the period for which they are incurred.

9. RECOVERY FROM NPAs:

Recovery from Non-Performing Advances is appropriated as under:-

- a) In cases of normal recovery other than loss accounts, first towards other charges, penal interest, interest and principal in that order.
- b) In cases of recovery through sale of security:
 - In case of Sub-standard Assets, first towards other charges, penal interest, interest and principal
 - In case of Doubtful Assets and loss accounts, where the recovery suit is filed recovery should be first appropriated towards principal if sale proceeds of securities sold and to be sold are less than dues receivable.

10. FOREIGN EXCHANGE TRANSACTIONS:

Transactions denominated in foreign currency are accounted for at the rates prevailing on the date of the transaction. Foreign currency assets and liabilities are valued as on the balance sheet date at the rates notified by Foreign Exchange Dealers Association of India (FEDAI). The profit / loss due to revaluation are recognised in the Profit and Loss account.

11. EMPLOYEE BENEFITS:

a) Gratuity

Retirement Benefit in the form of Gratuity is a Defined Benefit Plan. The Bank has a Gratuity Trust for its Employee under the Group Gratuity cum Life Assurance Scheme managed by Life Insurance Corporation of India (LIC). 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 Benefit as issued by ICAI.

b) Leave Encashment

The employees of the Bank are entitled to compensated absence as per the leave rules. The Bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation under AS-15 on Employee Benefits as issued by ICAI and this cost is recognised in the Profit & Loss Account.

c) Provident Fund contribution

Retirement Benefit in the form of Provident Fund is a Defined Contribution Plan and contributions made to the Commissioner of Provident Fund (EPFO) at rates prescribed in the Employees Provident Fund and Misc. Provisions Act, 1952 are accounted for on accrual basis.

12. SEGMENT REPORTING:

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 and foreign exchange transactions. The expenses of this segment consist of interest expenses on funds borrowed from external / internal sources and depreciation/ amortization of premium on Held to Maturity investments.
- b) Other banking operations include 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.

13. OPERATING LEASES:

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 recognized as an expense in the Profit and Loss Account during the year as per lease agreement.

14. EARNING PER SHARE (EPS):

Basic Earning per share is calculated by dividing the Net Profit or Loss for the period by the weighted average number of shares outstanding during the year. The weighted average numbers of shares are calculated on monthly basis.

15. INCOME TAX:

- a) Income Tax expense comprises of Current Tax and Deferred Tax. Current Tax is provided for and Deferred Tax is accounted for in accordance with the applicable provisions of the Income Tax Act, 1961 and Rules framed there under.
- b) Provision for Current Tax is made on the basis of estimated taxable income for the year arrived at as per the provision of Income Tax Law and applicable Income Computation and Disclosure Standards (ICDS) issued by Central Board of Direct Tax (CBDT).
- c) 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.
- d) The Bank follows the policy of netting off of the provisions against the tax paid under the head 'Advance Tax, Self-Assessment Tax' on the receipt of refund or scrutiny assessment order u/s 143(1) and required effect of excess / short provisions for tax has been given in Profit & Loss account.

16. Accounting of Goods and Service Tax:

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

In case of fixed asset, eligible input tax credit of GST paid to the vendor is utilised against the amount of GST collected from the customers and disallowed portion of Input Tax credit is expensed out.

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

17. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES :

The Bank makes provisions when it has a present obligation as a result of past event/s, where it is probable that an outflow of resources embodying economic benefit to settle the obligation will be required and a reliable estimate can be made of such an obligation.

Contingent assets are not recognized in the Financial Statements.

Contingent liabilities of the Bank in respect of guarantees, acceptances, and letters of credit with customers under approved limits and the liability thereon is dependent upon terms of contractual obligations, devolvement and raising of demand by the concerned parties. These amounts are partly collateralised by margins/guarantees/secured charges. A disclosure of Contingent Liability is made when there is a possible obligation, arising from past event/s, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or any present obligation that arises from past event/s 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.

18. IMPAIRMENT OF ASSETS:

The carried amount of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An asset is impaired when the carried amount of the assets exceeds the recoverable amount. An impairment loss is charged to the Profit & Loss Account in the year in which the asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

Schedule No. 17:-

NOTES FORMING PARTS OF THE ACCOUNTS:

1. Appropriation of Profits:-

The Bank has proposed the following appropriations of profits for the year ended March 31, 2020 which are subject to shareholder's approval in the Annual General Meeting.

Particulars	Amount (₹ in Lakh)
Net Profit for F.Y. 2019-20	1476.06
Add: Depreciation on Revaluation Reserve	126.85
Add: Opening Balance in Profit and Loss Account	5.73
Total Profit available for appropriation	1608.64
Appropriations :-	
Statutory Reserve Fund @25% of Net Profit	369.02
Contingency Reserve Fund @10% of Net Profit	147.61
Education Fund @1% of Net Profit	14.77
Bad & Doubtful Debts Reserve	925.00
Proposed Dividend @ 10% p.a. (pro-rata)	152.00
Balance carried forward	0.24
Total	1608.64

*Pursuant to the introduction of AS 22 on "Accounting for Taxes on Income" by the Institute of Chartered Accountants of India, the transitional impact of Deferred Tax Asset (Net) of ₹ 108.12 Lakh as on March 31, 2006 was accounted through the opening balance in the Profit & Loss Appropriation Account. Since then such amount has not been utilised for the purpose of appropriation and hence not considered in the opening balance of Profit & Loss Account reflecting above.

In addition to the appropriations for the FY 2019-20 as above, we propose to seek the approval of the General Body for the following;

- Transfer of ₹ 500 Lakh from Investment Fluctuation Reserve (IFR) to Bad and Doubtful Debts Reserve (BDDR)
- Transfer of ₹ 100 Lakh from Centenary Fund to Bad and Doubtful Debts Reserve (BDDR)

The above transfers are proposed in order to strengthen the BDDR in view of the severe stress in the economy. Since the IFR and Centenary Fund are created out of appropriations approved by the General Body, the transfers are also being put to the General Body for approval.

- There has been no amount written off by the Bank during the FY 19-20 (P.Y. 1164.72 Lakh) towards bad debts which is identified by the Management as irrecoverable.
- Pursuant to RBI circular no. DOR.No.BP.BC.63/21.04.048/2019-20 dated 17/04/2020, the Bank has extended moratorium to all borrowers across the advances portfolio on payment of all term loan installments falling due between March 1, 2020 and August 31, 2020 and accordingly upgraded 19 loan accounts amounting to ₹ 1545.17 Lakh (after reversal of OIR). Provision @10% has been made in books as on March 31, 2020 in accordance to the said circular amounting to ₹ 154.52 Lakh. Interest accrual of ₹ 42.69 Lakh has been recognized as income for the FY 2019-20. Further, the extent to which the COVID-19 pandemic will impact the Bank's provision on assets will depend on the future developments, which are highly uncertain, including, among the other things, any new information concerning the severity of the COVID-19 Pandemic.
- Bank has conducted analysis of impact of COVID-19 scenario on the balance sheet, asset quality, liquidity, profitability and capital adequacy and concluded from such analysis that the Bank has the necessary capital and liquidity to meet all exigencies. The surplus SLR and high CRAR will be more than adequate to meet all statutory requirements without any need to raise further capital. Further, the CD ratio being low at present, the Bank has adequate deployable funds to meet the credit requirements of different sectors of the economy.

5. The Bank has an investment in Infrastructure Leasing & Financial Services Limited (IL&FS), having Face Value of ₹ 2500 Lakh and Book Value of ₹ 2304.15 Lakh. On account of a liquidity crisis at IL&FS and its group companies, the group was downgraded from Top rating 'AAA' to 'D' default by rating companies, resulting in an imminent downgrade of the Banks investment of the Firm to NPI in April-2019. The Bank has made a provision of ₹ 576.04 Lakh which is 25% of the NPI value as on 31st March, 2020.

6. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital assets as at March 31, 2020 (Net of CWIP) are amounting to ₹ 13.72 Lakh towards capital expenditure to be incurred in 2020-21.

7. Term Deposits with the other Banks and Institutions:

(₹ In Lakh)

Particulars	31.03.2020	31.03.2019
State & Dist. Central Co-op, SBI & it's	1903.72	2753.17
Subsidiaries and Nationalized Banks		
Other Banks & Institutions	38030.26	56391.4
Total	39933.98	59144.57

Out of above mentioned fixed deposits, bank has pledged fixed deposits of ₹ 2500 Lakh, with AU Small Finance Bank Ltd against overdraft facility of ₹ 2000 Lakh and outstanding balance as on 31.03.2020 in Overdraft Facility is NIL.

8. Prior Period Expenses:

There are no expenses identified as prior period expense during the year 2019-20. (P.Y. ₹ 9.94 Lakh).

9. As per the RBI guidelines, Banks may shift investments to/from HTM category with the approval of the Board of Directors once in a year. Such shifting will normally be allowed at the beginning of the accounting year. The Bank has shifted Securities from HTM category to AFS category on April 24, 2019 vide Board approval dated March 30, 2019 having book value of ₹ 14455.57 Lakh in FY 2019-20. There was no depreciation on shifting of the securities. (P.Y.: The Bank had not shifted any securities from HTM category to AFS category and vice versa.)
10. Income from sale of securities comprised of ₹ 1079.47 Lakh (P.Y. ₹ 588.20 Lakh) on sale of securities under AFS category.

11. Old Unclaimed Pay Orders and Sundry Deposits transferred to DEAF Liability Account:

Amounts outstanding in Pay Orders and Sundry Liability Account, which are unclaimed for 10 years amounting to ₹ 3.06 Lakh (P.Y. 5.06 Lakh) have been transferred during the year to RBI.

12. Commission and Exchange Income include Income from Forex Business ₹ 65.56 Lakh (P.Y. ₹ 66.12 Lakh).
13. The Bank has earned an Income of ₹ 10.96 Lakh (P.Y. 11.05 Lakh) on account of Corporate Agency of Mutual Fund business with Birla Sun life Asset Management Co. Ltd. & DSP Blackrock, ICICI Prudential, SBI and HDFC. The same is disclosed under Sundry Income in the Profit and Loss Account.
14. The Details of fees/remuneration received with respect to bancassurance business undertaken by the Bank is disclosed in the table given below:

(₹ In Lakh)

Sr. No.	Nature of Income	31.03.2020	31.03.2019
1.	For selling life insurance policies	73.31	87.57
2.	For selling non-life insurance policies	3.83	4.92
3.	For selling PMJBY policies	0.70	0.76
4.	For selling Bajaj policies	6.90	7.18
	TOTAL	84.74	100.43

15. The Foreign Currency balance held by the Bank amounted to ₹ 2.71 Lakh (P.Y. ₹ 3.18 Lakh) as on March 31, 2020. Foreign currency in hand has been valued at the rate prevailing on that date. Any profit / loss has accordingly been taken into account and there was no depreciation in the foreign exchange assets held by the Bank in terms of AS-11 on "Accounting for Effects of Changes in Foreign Currency" issued by the Institute of Chartered Accountants of India.

16. The Union Agreement renewed on 01.01.2018 for the period 01.01.2016 to 31.12.2019 has expired. No provision is presently proposed.

17. Disclosure under AS - 15 "Employee Benefits" Provident Fund:

Salaries and Allowances include an amount of ₹ 337.24 Lakh (P. Y. 316.44 Lakh) contributed by Bank on account of contribution towards Provident Fund. Actuarial assessment of Gratuity Fund & Leave Encashment.

Sr. No.	Particulars	Leave Encashment		Gratuity (Funded)	
		Current Year	Previous Year	Current Year	Previous Year
1	Discount rate	7.50% p.a.	7.75% p.a.	7.50% p.a.	7.75% p.a.
2	Expected Return on plan assets in (₹ in Lakh)	N.A.	N.A.	74.09	63.47
3	Salary escalation rate	4.00% p.a.	4.75% p.a.	4.00% p.a.	4.75% p.a.
4	Reconciliation of opening and closing balance of the present value of the defined benefit obligation				
I	Present value of obligation as at beginning of the year	581.79	591.12	1150.03	991.84
II	Interest cost	45.08	45.81	89.13	76.87
III	Current service cost	46.07	(55.50)	77.09	69.47
IV	Liability transfer in	NIL	NIL	NIL	NIL
V	Benefits paid	(46.04)	(36.11)	(86.15)	(62.08)
VI	Actuarial (gains)/ loss on obligations.	(7.07)	36.47	(21.41)	73.93
VII	Present value of obligation as at the year end	619.83	581.79	1208.69	1150.03
5	Reconciliation of opening & closing balance of fair value of fair plan assets.				
I	Fair value of plan assets as at the beginning of the year	NIL	NIL	1003.32	912.75
II	Expected return on plan assets.	NIL	NIL	74.09	63.47
III	Contributions.	NIL	NIL	146.71	89.18
IV	Transfer from other entities.	NIL	NIL	NIL	NIL
V	Benefits paid	NIL	NIL	(86.15)	(62.08)
VI	Actuarial gain/ (loss) on plan assets.	NIL	NIL	NIL	NIL
VII	Fair value of plan assets as at the year end	NIL	NIL	1137.97	1003.32
6	Amount recognized in Balance Sheet.				
I	Present value of obligations as at the year end	619.83	581.79	1208.69	1150.03
II	Fair value of plan assets as at the year end	NIL	NIL	1147.98	1003.32
III	(Assets) / liability as at the end of the year	619.83	581.79	60.71	146.71
7	Expenses recognized in Profit & Loss Account.				
I	Current service cost	46.07	55.50	77.09	69.47
II	Interest cost	45.08	45.81	89.13	76.87
III	Expected Return on planned Assets	NIL	NIL	74.09	63.47
IV	Net actuarial gain/ (loss).	7.07	36.47	21.41	NIL
8	Expenses recognized in Profit & Loss Account.	84.08	26.78	70.72	156.80

18. Disclosure under AS - 17 on “Segment Reporting”:

Information about Primary Business Segments:

(₹ in Lakh)

Particulars	Treasury	Other Banking Operations	Total 31.03.2020 (31.03.2019)
Revenue	15,721.42 (16,298.89)	14,813.93 (16,080.19)	30,535.35 (32,379.05)
Segment Cost	11,178.03 (12,187.08)	15,981.35 (16,603.61)	27,159.38 (28,790.69)
Result	4,543.39 (4,111.78)	(1,167.42) (523.42)	3,375.97 (3,588.36)
Less :Extraordinary Items			- (9.94)
Net Result	4,543.39 (4,111.78)	(1,167.42) (523.42)	3,375.97 (3,578.41)
Less :Unallocated Provisions and Contingencies			974.95 (1697.73)
Profit Before Tax			2401.03 (1,880.68)
Income Tax/ Deferred Tax Asset			924.97 (757.65)
Net Profit			1476.06 (1123.03)
Other Information			
Segment Assets	2,49,105.30 (2,05,751.92)	1,62,742.54 (1,67,201.65)	4,11,847.77 (3,72,953.57)
Unallocated Assets			4,896.98 (3,751.45)
Total Assets			4,16,744.76 (3,76,705.02)
Segment Liabilities	50,836.90 (4,546.24)	3,24,901.06 (3,33,952.44)	3,75,737.96 (3,38,498.68)
Unallocated Liabilities			3,986.65 (2,911.65)
Capital Employed			37,020.14 (35,294.70)
Total Liabilities			4,16,744.76 (3,76,705.02)

Notes: -

The Bank is engaged into two main business segments, (described in Policy Note 12).

The above segments are based on the currently identified segments taking into account the nature of services provided, the risks and returns, overall organisation structure of the Bank and the internal financial reporting system.

Segment revenue, results, assets and liabilities include the respective amounts directly identifiable to each of the segments and also amounts apportioned/allocated on a reasonable basis.

19. Disclosure under AS - 18 on “Related Party Transactions”:

The Bank is a co-operative society under the Multi State Co-operative Societies Act, 2002 and there are no Related Parties requiring a disclosure under Accounting Standard 18 issued by The Institute of Chartered Accountants of India (ICAI) other than of the Key Management Personnel.

There being only one Managing Director Mr. Christopher Anselm Mendoza from 01.04.2019 -31.03.2020, in terms of RBI circular dated March 29, 2003. He is a single party coming under the category, no further details thereon are required to be disclosed.

20. Disclosure under AS - 19 “Leases”:

The Bank has entered into cancellable operating leases for the branch premises except for the initial lock in period. The disclosures under AS 19 on ‘Leases’ issued by ICAI are as follows:

- 1) Lease payments of ₹ 412.22 Lakh (P.Y ₹ 390.31 Lakh) have been recognised during the year in the Profit and Loss Account.
- 2) The lease agreements entered into pertain to use of premises at the branches. The lease agreements do not have any undue restrictive or onerous clauses other than those normally prevalent in similar agreements regarding use of assets, lease escalations, renewals and a restriction on sub-leases.

21. Operating lease comprises leasing of Office Premises (AS 19):

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Future lease rental payable as at the end of the year :		
-Not later than one year	420.25	383.88
-Later than one year and not later than five years	561.75	670.61
-Later than five years	-	8.36
Total of minimum lease payments recognised in the Profit and Loss account for the year.	412.22	390.31

22. Depositor Education and Awareness Fund (DEAF) (Schedule XII)- Contingent Liability

As required under RBI circular DBOD no. DEAF.Cell.BC.101/30.01.002/2013-14 dated March 21, 2014, the Bank has transferred so far following funds to DEAF with RBI. The movement of the DEA Funds is as follows:

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Opening Balance of amounts transferred to DEAF	645.64	595.69
Add : Amounts transferred to DEAF during the year	58.72	72.77
Less : Amounts reimbursed by DEAF towards claims*	18.90	22.82
Closing Balance of amounts transferred to DEAF	685.46	645.64

*does not include an amount of ₹ 1.19 Lakh (P.Y. ₹ 1.90 Lakh) that has already been paid by the Bank to the eligible depositors, claim for which has been lodged with the RBI and reimbursement of which is expected. This amount is shown as receivable under Other Assets- Schedule 12.

23. EARNINGS PER SHARE (EPS)

(₹ in Lakh)

Particulars	2019-20	2018-19
Net Profit/(loss) after income tax	1476.06	1123.03
Weighted average numbers of shares	151.00	152.14
Nominal Value of Shares (₹)	10	10
EPS (₹)	9.78	7.40

24. Accounting for Taxes on Income:

Disclosures on major components of DTA/DTL (net) are as under:

(₹ in Lakh)

Particulars	Balance as on 01.04.2019	During the year	Balance as on 31.03.2020
Deferred Tax Liability			
Special Reserve u/s 36(i)(viii) of the Income Tax Act, 1961	(329.20)	-	(329.20)
TOTAL DTL	(329.20)	-	(329.20)
Deferred Tax Asset			
Depreciation	17.14	9.98	27.12
Provision for earned leave	203.28	13.30	216.58
Provision u/s 36(1)(vii)(a) of the Income Tax Act, 1961	685.11	120.77	805.88
Provision for Leave Travel Allowance	-	5.98	5.98
TOTAL DTA	905.53	150.03	1055.56
Total (DTA - DTL)	576.33	150.03	726.36

25. Intangible Assets:

Details of Computer Software Expenses (Intangible Asset) disclosed under Schedule 11 – Fixed Assets, are as under:

(₹ in Lakh)

Particulars	2019-20	2018-19
Carrying Amount at the Beginning of the Year	45.63	55.97
(+) Additions during the Year	0.13	29.35
(-) Amortisation during the Year	27.21	39.69
Carrying Amount at the End of the Year	18.55	45.63

26. Impairment of Assets:

There is no indication of any material impairment of any asset in the opinion of the Bank and as such no provision under AS-28 “Impairment of Assets” is required.

27. The Bank has not undertaken any transaction in respect of Interest Rate Future (As per RBI Circular UBD (PCB) BPD CIR NO. 17/13.01.000/2009-10 dated October 28, 2009).

28. Contingent Liabilities:

Guarantees are disclosed at face value and are fully secured and hence no evaluation of the risks involved is undertaken.

Foreign Letters of Credit are disclosed at rupee equivalent rates prevailing at the time of opening the LCs and are fully secured, hence no evaluation of the risks involved is undertaken.

No provision other than those made, have been considered necessary by the management in respect of disputed tax liabilities in view of the opinion obtained / judgment's in favour of the Bank.

Contingent Liabilities on account of Bank Guarantees, Letters of Credit and other claims are as follows:

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
(i) Guarantees issued on behalf of constituents	4486.93	4738.22
(ii) Letters of Credit opened on behalf of constituents	2079.24	1951.21
(iii) Advance Under Collection Account - AUCA	1628.49	1628.49
(iv) Unclaimed Deposits transferred to DEAF*	685.46	645.64
(v) Securities recoverable under RBI LAF-Repo	7700.00	-
(vi) Securities delivered to RBI under TREPS Repo	7499.90	-
Total	24080.02	8963.56

* DEAF (Depositor Education and Awareness Fund Scheme) : As per RBI circular No RBI /2013-14 /614 DBOD.No.DEAF Cell. BC.114/30.01.002/2013-14

29. Pending cases relating to Service Tax:

The Service Tax Department has issued the following periodical Show Cause Notices (SCNs) for wrong availment of Cenvat Credit on DICGC Premium.

(₹ in Lakh)

Sr. No.	Period of claim	Demand
1st SCN	01.04.14 - 30.06.15	20.87
2nd SCN	01.07.15 - 31.03.16	8.75
3rd SCN	01.04.16 - 30.06.17	31.09
	TOTAL	60.71

The Bank has paid ₹ 29.62 Lakh under protest and ₹ 3.11 Lakh as pre-deposit for service tax appeals with CESTAT. Of the amount of ₹ 31.09 Lakh, ₹ 9.60 Lakh has been utilised and ₹ 21.49 Lakh has been availed but not utilised.

At present the Bank has filed an appeal against 3rd SCN with the CESTAT. The matter has been referred to a larger bench of CESTAT. Final decision is awaited.

30. Pending Cases relating to Income Tax:

(₹ In Lakh)

Year	Pending Issue	Outstanding Demands
F.Y. 2016-17 A.Y. 2017-18	IT Demand U/s 156	1669.14

During the year Bank received Notice of Demand u/s 156 ITBA/AST/S/156/2019-20/1023485181(1) for the AY 17-18 for an amount of ₹ 1669.14 Lakh dated 30.12.2019. The Bank has filed an appeal with Commissioner of Income Tax (Appeals) and has paid 20% of the demand amount aggregating to ₹ 333 Lakh as Pre-deposit. The Bank, based on legal opinion, is confident of its appeal being accepted.

In addition to the above matter, the following refund cases of the previous years are as follows;

(₹ In Lakh)

Year	Pending Issue	Refund Amounts
F.Y. 2007-08 A.Y. 2008-09	FBT Refund	0.46
F.Y. 2008-09 A.Y. 2009-10	FBT Refund	1.33
F.Y. 2009-10 A.Y. 2010-11	Difference in refund received	(48.56)
F.Y. 2010-11 A.Y. 2011-12	Difference in refund received	2.24
F.Y. 2014-15 A.Y. 2015-16	On 20/11/2016 order under Sec 143(1) passed adjusting refund against demand for AY 2010-11.	63.75
	TOTAL	19.22

31. Information Under MSME (Development) Act, 2006:

Suppliers/ service providers covered under Micro, Small, Medium Enterprises Development Act, 2006, have not furnished the information regarding filing of necessary memorandum with the appropriate authority. Therefore, information relating to cases of delays in payments to such enterprise or of interest payment due to such delays in such payment, could not be given.

32. Priority Sector Lending Certificates:

As per RBI Circular RBI/2019-20/70 FIDD.CO.Plan.BC.No.08/04.09.01/2019-20 dated July 29, 2019 both seller and buyer shall report the amount of PSLCs (category-wise) sold and purchased during the year in the 'Disclosures to the Balance sheet.

Amount of PSLCs (category-wise) purchased/sold during the year:

(₹ in Lakh)

PSLC Category	Purchased Amount	Sold amount
PSLC-Small & Marginal farmers (SFMF)	Nil	Nil
PSLC-Agriculture	Nil	Nil
PSLC-General	5500.00	Nil
PSLC-Micro Enterprises	1500.00	Nil
Total	7000.00	Nil

33. Non-Banking Asset:

Non-Banking Asset acquired in satisfaction of the claim reflected in 'Other Assets' are as follows:

- A property acquired through auction process during the course of recovery proceeding of one of the borrowers amounting to ₹ 2,52,03,501/. The bank holds title of this property and is in process of selling the same. The present value of the property as it appears in the Balance sheet is ₹ 54,92,501 as on 31st March, 2020.
 - The bank holds 11963 shares valued at ₹ 1 per share of M/s Ventura Fabrications Pvt. Ltd. (VFPL). It appears that the shares of VFPL were taken over by the ex-officers on behalf of the bank in 2003. The First Information Report (FIR) with regard to the same against the erstwhile officers of the bank has been registered at Bandra Police Station, Mumbai. The matter is presently being investigated by Economic Offences Wing, (EoW) Mumbai.
34. Previous year figures are re-grouped, re-arranged or modified wherever necessary to conform to the presentation of the current year.

Schedule No. 18:-

Disclosures as per RBI Guidelines: –

		(₹ in Lakh)	
Sr. No.	Particulars	31.03.2020	31.03.2019
1)	Capital to Risk Asset Ratio (CRAR)	22.42%	19.64%
	A. Tier I Ratio	16.73%	14.91%
	B. Tier II Ratio	5.69%	4.73%
	Increase / (Decrease) in CRAR	2.77%	(0.60%)
2)	Movement of CRAR		
	A. Tier I Capital	25066.37	24376.40
	B. Tier II Capital	8529.87	7744.67
	Total	33596.24	32121.07
	C. Risk Weighted Assets	149859.18	163508.00
3)	Values of Investments are as under :		
	Face Value	116500.00	131611.00
	Book Value	116522.98	128623.51
	Market Value	114744.00	128647.00
4)	Advances against :		
	a. Housing	41241.20	36575.19
	b. Construction business	2461.21	8251.44
	c. Other real estates	2697.91	3579.20
	d. Shares & debentures	138.38	130.73
5)	Advances of ₹ 148756.37 Lakh (P. Y. ₹ 154614.05 Lakh) shown in the Balance Sheet includes advances to directors, their relatives, companies/firms in which they are interested:		
	a. Fund Based	Nil	Nil
	b. Non Fund Based	Nil	Nil
6)	Average cost of deposits	5.81%	5.91%
7)	NPAs		
	a. Gross NPAs	6869.82	7711.33
	b. Gross NPA %	4.62%	4.99%
	c. Net NPAs	1252.27	2465.74
	d. Net NPA %	0.87%	1.65%
8)	Movement in NPAs (Gross)		
	Opening Balance	7711.33	8478.01
	Additions during the year	1330.55	5287.06
	Less : Closed / Recovered	2172.06	6053.74
	Closing Balance	6869.82	7711.33
9)	Profitability		
	A. Interest income as a percentage of working funds	7.54%	7.76%
	B. Non-interest income as a percentage of working funds	0.61%	1.10%
	C. Operating profit as a percentage of working funds	0.85%	0.92%
	D. Return on Assets (Net Profit / Average of working funds)	0.39%	0.31%
	E. Business (Deposits + Advances - NPA) per employee	9.14	9.09
	F. Profit per employee (₹ in Lakh)	2.94	2.16

(₹ in Lakh)

Sr. No.	Particulars	31.03.2020	31.03.2019
10)	Provision for NPAs		
	a. Provisions on NPAs required to be made	4732.99	4607.08
	b. Provisions on Non-Performing Advances actually made	5596.55	5241.59
	c. Provisions on Non-Performing Investments required	230.41	Nil
	d. Provisions on Non-Performing Investments made	576.04	Nil
11)	Provisions made towards Standard Assets	630.14	615.14
12)	Provisions made towards depreciation in investments during the year	Nil	Nil
13)	Movement in Provisions		
	A. Towards Bad & Doubtful Debts		
	Opening Balance	5241.59	5038.40
	(+) Additions during the year	354.95	1367.91
	(-) Written back during the year	-	1164.72
	Closing Balance	5596.55	5241.59
	B. Towards standard assets		
	Opening Balance	615.14	503.00
	(+) Additions during the year	15.00	112.14
	(+) Additions for COVID relief accounts	154.52	-
	Closing Balance	784.66	615.14
14)	a. Movements in Investment Fluctuation Reserve		
	Opening Balance	4546.24	3796.24
	(+) Appropriated during the year	300.00	750.00
	Closing Balance	4846.24	4546.24
	b. % of Investment Fluctuation Reserve to (AFS + HFT) Portfolio	11.79%	7.38%
	c. Movements in Investment Depreciation Reserve		
	Opening Balance	-	-
	Provisions made during the year	-	-
	(-) Transferred during the year	-	-
	Closing Balance	-	-
15)	Movement in Overdue Interest Reserve		
	Opening Balance	2346.59	3818.00
	(+) Additions during the year	2848.69	2138.57
	(-) Reversal during the year	1760.11	3609.98
	Closing Balance	3435.17	2346.59
16)	Foreign Exchange Assets		
	Amount held in foreign currency	2.71	3.18
17)	Payment towards insurance premium to the DICGC, including arrears, if any	328.60	313.96
18)	Penalty imposed by RBI	NIL	NIL
19)	Movement in DEAF Account		
	Opening balance of amounts transferred to DEAF	645.64	595.69
	Add: Amounts transferred to DEAF during the year	58.72	72.77
	Less: Amounts reimbursed by DEAF towards claims	18.90	22.82

(₹ in Lakh)

Sr. No.	Particulars	31.03.2020	31.03.2019
	Closing balance of amounts transferred to DEAF	685.46	645.64
20)	Non Performing Non SLR investments		
	Opening balance	-	-
	Additions during the year since 1st April	2304.15	-
	Reductions during the above period	-	-
	Closing Balance	2304.15	-
	Total Provision held	576.04	-

Disclosure regarding Non SLR Investments in Bonds as on 31.03.2020

(i) Issuer Composition of Non SLR Investment :-

(₹ in Lakh)

No	Issuer	Amount 31.03.2020 (31.03.2019)	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
a.	PSU's	998.07 (2501.25)	NIL	NIL	NIL
b.	FI's	4741.89 (11716.40)	NIL	NIL	NIL
c.	Public Sector Banks	2369.33 (7424.00)	NIL	NIL	NIL
d.	Others	3500.02 (6501)	NIL	NIL	NIL
e.	Provisions held towards Depreciation	NIL	NIL	NIL	NIL
	Total	11609.30 (28142.65)	NIL	NIL	NIL

(ii) Repo Transactions :-

(₹ in Lakh)

	Securities sold / purchased under repo/ reverse repo	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31, 2020
A	Securities sold under repo				
	(i) Government Securities	-	15352.98	2255.55	7700.00
	(ii) Corporate debt securities	-	-	-	-
B	Securities purchased under reverse repo				
	(i) Government Securities	-	41200.00	9591.15	25800.00
	(ii) Corporate debt securities	-	-	-	-

35. Restructured Loans:

The details of loans restructured during the year 2019-20 as per RBI guidelines are as follows:

(₹ In Lakh)

Sr. No.	Particulars		Housing Loan	SME Debt Restructuring	Others
1.	Standard Advances Restructured	No. of Borrowers	-	-	-
		Amount Outstanding	-	-	-
		Diminution in the fair value	-	-	-
2.	Sub-Standard Advances Restructured	No. of Borrowers	-	-	-
		Amount Outstanding	-	-	-
		Diminution in the fair value	-	-	-
3.	Doubtful Advances Restructured	No. of Borrowers	-	-	-
		Amount Outstanding	-	-	-
		Diminution in the fair value	-	-	-
	Total	No. of Borrowers	-	-	-
		Amount Outstanding	-	-	-
		Sacrifice (Diminution in the fair value)	-	-	-

36. No penalty has been charged by the RBI for the current financial year.

AS PER OUR REPORT OF EVEN DATE

For Borkar & Muzumdar

Chartered Accountants

FRN 101569 W

FOR AND ON BEHALF OF BOARD OF DIRECTORS
OF CITIZENCREDIT CO-OPERATIVE BANK LIMITED

Christopher Mendoza

Managing Director & Chief Executive Officer

Donald Creado

Chairman

Frederick Castelino

Vice Chairman

Supriya D. Bhat

Partner

M. No.048592

Date: September 03, 2020

Place: Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Particulars		PREVIOUS YEAR 2018-19		CURRENT YEAR 2019-20	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net Profit before Tax & Extraordinary Items		112,303,254		147,605,588
	Adjustments for :				
	Depreciation on Fixed assets	46,799,544		48,105,801	
	Income Tax	76,491,000		107,500,000	
	Deferred Tax	(726,000)		(15,003,000)	
	Provision for bad debts	136,806,542		63,099,000	
	Provision for bad debts written off	(116,471,542)		-	
	Provisions for re-structured accounts reversed	(1,014,035)		-	
	Provision for standard asset	11,200,000		16,952,000	
	Loss on sale of Fixed Asset	702,850		283,636	
	Profit on sale of Asset	(144,392)		(58,290)	
	Amortisation of premium on securities	10,750,958		19,419,746	
	Premium on Securities W/O on Redemption	227,900	164,622,825	136,990	240,435,883
	Operating profit before working capital changes		276,926,079		388,041,471
	Adjustments for :				
	(Increase) / Decrease in Advances	(1,923,316,160)		585,768,608	
	(Increase) / Decrease in Interest Receivable	212,422,964		(165,928,376)	
	(Increase) / Decrease in Other Assets	49,342,271		(38,636,451)	
	(Decrease) / Increase in Deposits	1,974,710,971		(988,361,567)	
	(Decrease) / Increase in Overdue Interest Reserve	(147,141,012)		108,832,860	
	(Decrease) / Increase in Interest Payable	25,001,162		21,769,165	
	(Decrease) / Increase in Other Liabilities	1,080,231		(26,649,923)	
	(Decrease) / Increase in BRANCH ADJUSTMENTS (NET)	2,433		-	
	(Decrease) / Increase in BRANCH ADJUSTMENTS (NET)	54,280	192,157,140	142,789	(503,062,895)
	Cash generated from operations		469,083,219		(115,021,424)
	Direct Taxes paid		(96,146,127)		(102,549,193)
	Net cash generated from operating activities		372,937,092		(217,570,617)
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	(Increase) / Decrease in Investments		(175,249,771)		1,210,052,915
	(Decrease) / Increase in Borrowings		-		1,519,989,726
	Purchase/ sale of Fixed Assets		(34,119,075)		(11,661,958)
	Amortisation of premium on securities		(10,750,958)		(19,419,746)
	Premium on Securities W/O on Redemption		(227,900)		(136,990)
	Net Cash (used in)/ generated from Investment activities		(220,347,704)		2,698,823,947

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

Particulars		PREVIOUS YEAR 2018-19		CURRENT YEAR 2019-20	
		Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
C.	CASH FLOW FROM FINANCING ACTIVITIES :				
	Proceeds from issue / (redemption) of shares		(437,660)		(712,650)
	Entrance fees received		448,440		347,530
	Unclaimed Dividend Transferred to Reserves		600,693		563,732
	Education Fund paid		(1,800,000)		(1,123,000)
	General reserve		(1,500)		-
	Dividend paid		(24,246,745)		(24,187,938)
	Net Cash used in financing activities		(25,436,772)		(25,112,326)
	Net (decrease)/increase in cash and cash equivalents		127,152,616		2,456,141,004
	Add: Opening balance of cash and cash equivalents		7,383,076,291		7,510,228,908
	Closing balance of cash and cash equivalents		7,510,228,907		9,966,369,912

(i)	Cash and cash equivalents comprise of:				
	Cash on Hand		1,568,053,726		972,923,323
	Balances with Banks		3,993,300,361		5,914,369,540
	Lending under Reverse Repo		1,948,874,820		3,079,077,049
	Total		7,510,228,907		9,966,369,912

(ii) As per Accounting Standard (AS-3) (revised 1997) the following terms are used in this Statement with the meanings specified:

- Cash** comprises cash on hand and demand deposits with banks.
- Cash equivalents** are short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.
- Cash flows** are inflows and outflows of cash and cash equivalents.
- Operating activities** are the principal revenue-producing activities of the enterprise and other activities that are not investing or financing activities.
- Investing activities** are the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- Financing activities** are activities that result in changes in the size and composition of the owners' capital and borrowings of the Bank.

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 - 18

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF BOARD OF DIRECTORS
OF CITIZENCREDIT CO-OPERATIVE BANK LIMITED

For Borkar & Muzumdar

Chartered Accountants

FRN 101569 W

Christopher Mendoza
Managing Director & Chief Executive Officer

Donald Creado
Chairman

Frederick Castelino
Vice Chairman

Supriya D. Bhat

Partner

M. No.048592

Date: September 03, 2020

Place: Mumbai

Registered Office & Central Administrative Office:

CITIZEN CREDIT CENTRE, C.T.S. No. 236, Marve Road, Orlem, Malad (W), Mumbai – 400 064

Tel: 26401126, 26442829/30/31/32, 26455108, 26456018; Fax: 26403128, 26430131

Toll Free No. 1800 123 0209

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Amboli	Creado Co-op. Hsg. Soc., Caesar Road, Amboli, Andheri (W), Mumbai – 400 058	26771280 / 26771523
2	Bandra (Mt. Carmel)	Sunbeam Co-op. Hsg. Soc., 64, Mount Carmel Road, Bandra (W), Mumbai – 400 050	26408717 / 26428293 / 26443765 / 26446012
3	Bandra (Hill Road)	Salsette Catholic Co-operative Housing Society Limited, Plot no. 29, Hill Road, Bandra (W), Mumbai – 400 050	26437089 / 26401764
4	Bandra (Turner Road)	Shop no.5/6, Darvesh Royale, Perry Road, Bandra (W), Mumbai – 400 050	26430709 / 26430802
5	Borivali	Rosario Apts. I. C. Colony Road, Borivali (W), Mumbai – 400 103	28931145 / 28937776 / 28940873
6	Byculla	St. Mary's Extension, Nesbit Road, Mazgaon, Mumbai – 400 010	23719862 / 23726815
7	Chembur	Eric House, Near Ambedkar Garden, Central Avenue, Chembur, Mumbai – 400 071	25218157
8	Colaba	Sind Chambers Co-op. Hsg. Soc. Ltd., S. B. Singh Road, Colaba, Mumbai – 400 005	22047753 / 22850783 /
9	Dadar	Dr. Antonio Da Silva School Annexe, S. K. Bole Road, Dadar, Mumbai – 400 028	24374948 / 24380988
10	Dhobitalao	St. Xavier's High School, 289, L. T. Marg, Mumbai-400 001.	22610112 / 22610132
11	Dahisar	Shop No. 4 & 5, Madhu Kunj, Bhausaheb Parab Road, Kanderpada, Dahisar (W), Mumbai-400068	28900761
12	Four Bungalows	Shop No.3, Rameshwar Darshan CHSL, N. Dutta Marg, Four Bungalows, Andheri (W) Mumbai – 400 053	26374415 / 26374416
13	Gorai	Church Road, Gorai, Borivali P. O. Mumbai – 400 091	28452650
14	Goregaon	Shop No.5, Shreeniketan Building, Flower House CHSL, Pandurangwadi, Goregaon (E), Mumbai – 400 063	29275801 / 29275802
15	Kalina	1st Floor, Office No. 2, Gokul Harmony CHS, Sunder Nagar, Road No. 1, Near Kalina Market, Santacruz (E), Mumbai 400098	26660052
16	Kurla	Sai Dham Co-op. Hsg. Soc. Ltd., Premier Road, Kurla (W), Mumbai – 400 070	25041370 / 25041913
17	Madh	St. Bonaventure School, Madh Island, Malad West, Mumbai 400 061	28889975
18	Mahakali	Shop No. 2, Ambika Apartments CHSL, Mahakali Caves Road, Andheri (East) 400 093,	28303141 / 28303142
19	Mahim	Shop No. 1/3, Mahim Garden View CHSL, Plot No. 482, M. M. Chotani Road, Mahim (W), Mumbai – 400 016	24474480
20	Malad	CITIZEN CREDIT CENTRE, Ground Floor, Orlem- CTS, No. 236, Malad (West), Mumbai- 400 064	28074643 / 28622159

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
21	Manori	Manori Church Compound, Manori, P. O. Kharodi, Mumbai – 400 095	2845 2741 / 2845 2128
22	Marol	St. John the Evangelist High School, Marol, Andheri (E), Mumbai – 400 059	28215286 / 28261232
23	Mulund	Sai Dham Complex CHS, P. K. Extension, Mulund (W), Mumbai – 400 080	25641710 / 25641729
24	Sahar	Our Lady of Good Health High School, Sahar, Andheri (E), Mumbai – 400 099	26829285 / 26817448
25	Santacruz	154, Fida Mansion, S. V. Road, Santacruz (W), Mumbai – 400 052	26047470 / 26047976
26	Vakola	S. Nabibux House, P. J. Nehru Road, Vakola Bridge, Santacruz (E), Mumbai – 400 055	26685077 / 26685078
27	Vikhroli	St. Joseph's High School, Station Road, Vikhroli (W), Mumbai – 400 079	25779750
28	Wadala	209/3 Himai Nivas, Ground floor, Opposite Wadala Railway Station, Next to Indian Bank, Wadala West, Mumbai 400 031	24104551 / 24104552

Thane

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Bhayander	Shop No.6, Ground Floor, Vineet Apartment CHSL, Chattrapati Shivaji Road, Bhayander (W), Dist Thane, Pin- 401101	28170131 / 28170132
2	Mira Road	Geeta Arcade, Station Road, Opp. Holy Cross School, Mira Road (E), Dist – Thane, Pin – 401 107	28118323
3	Thane	Shop no. 2 & 3, Angel's Paradise, Near Dagadi Shala, Veer Savarkar Marg, Thane (W), Pin- 401 602	25425447

Palghar

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Boisar	Harshgeet, Ground floor, Bhimnagar, Boisar Tarapur Road, Boisar (W), Palghar - 401 501	(02525) 270922/33
2	Naigaon	Citizencredit Bank Building, Citizen Housing Society, Naigaon (E), Dist – Palghar, Pin – 401 202	(0250) 2200715 / 2200716 / 8080815646
3	Virar	Sugandhi Heights, Ground Floor, Village Bolinj, Kharodi Naka, Virar (W), Palghar - 401 303.	(0250) 2551954 / 2551955 / 7822866541
4	Vasai	Ground Floor, Richmond Town, Phase-II Bldg.No.3 CHSL, Vasai (W), Dist- Palghar. Pin 401 202	(0250) 2382922 / 8080640930

Navi Mumbai

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Vashi	Shop No. 7, Building F-1/7, Sector – 5, Opp. Sacred Heart Church, Vashi, Navi Mumbai – 400 703	27825113

Raigad

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	New Panvel	Shop No. 3 & 4, Neel Kunj, Plot No 1 & 2, Sector No.4, New Panvel (E), 410206.	27450145 / 27450146

Pune

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Fatima Nagar	Shop 11, Ground Floor, Building 'C', CTP Tain Square, Fatima Nagar, Pune 411040	(020) 26860327 / 26860328
2	Camp	Shop no. 15, Kumar Corner, Convent Street, Camp, Pune - 411001	(020) 26331122 / 26352233

Nashik

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Nashik	Shop No.5, 'Bosco Centre' Gr. Flr, Thatte Nagar, Near Prasad Circle, Gangapur Road, Nashik - 422 005	(0253) 2313380 / 2313381

Union Territory of Daman

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Nani Daman	Shop No.8-152, Shop No. 5& 6, Ground Floor, Damania Heights, Kavi Khabardar Road, Nani Daman - 396 210	(0260) 2250152

Goa

Sr. No.	Name of the Branch	Address of the Branch	Telephone No.
1	Margao	Shop No. 6, Ground Floor, Building A-1, Sapana Barrier CHSL, St. Joaquim Rd, Borda, Margao, Goa- 403 602	(0832) 2700096
2	Mapusa	Shop No. G-1, Ground Floor, Block D-1, Boshan Homes, Near Navtara Hotel, Mapusa, Goa - 403 507	(0832) 2254078 / 2254079
3	Panaji	H. No. E - 320, Rua de Ourem, Panaji, Goa - 403 001	(0832) 2432995 / 2432996
4	Porvorim	Plot No. 158, Survey No. 125/2, Alto - Porvorim, Penha -de- Franca, Bardez, Goa - 403 521	(0832) 2412371 / 2412372
5	Vasco -da- Gama	Shop no. 1 & 16, Sapana Terraces CHSL, Swatantra Path, Vasco - da- Gama, Goa - 403 802	(0832) 2501870 / 2501871

FULL FLEDGED MONEY CHANGING CENTRES

Bandra (Hill Road): Tel: 2645 6059 / 2645 7593 (Forex Department)

Borivali: Tel: 2893 1145/7776, 2894 0873

Byculla: Tel: 2371 9862, 2372 6815

Colaba: Tel: 2204 7753, 2285 0783

Dadar: Tel: 2432 0792, 2437 4948, 2438 0988

Kalina: Tel: 2666 0052

Malad: Tel: 2807 4643, 2862 2159

Mira Road: Tel: 2811 8323

Goa-Margao: Tel: (0832) 2700096

Goa-Mapusa: Tel: (0832) 2254078/2254079

Goa-Panaji: Tel: (0832) 2432995 / 2432996

Pune-Camp: Tel: (020)26331122/52233

Pune-Fatima Nagar: Tel: (020) 26860327/328

Sahar: Tel: 2682 9285

Vakola: Tel. 2668 6187

STAMP FRANKING SERVICES

Borivali: Tel: 2893 1145/7776, 2894 0873

Margao: Tel: (0832) 270 0096

Panaji: Tel: (0832) 2432995

Porvorim: Tel: (0832) 241 2371 / 72

Vasco: Tel: (0832) 250 1870 / 71

Mapusa: Tel: (0832) 2254078/2254079

e-SBTR - FRANKING SERVICES

All Branches located in Mumbai.

BANCASSURANCE

Malad: CITIZENCREDIT CENTRE, 4th Floor, C.T.S. No. 236, Marve Road, Orlem, Malad (West), Mumbai- 400 064.

Tel: 26401126, 26442829/30/31/32, 26455108, 26456018

SERVICE BRANCH

St. Xavier's High School, L. T. Marg, Mumbai 400001

Tel: 2265 8969 / 70, 2267 1635, 2270 5553

FINANCIAL HIGHLIGHTS

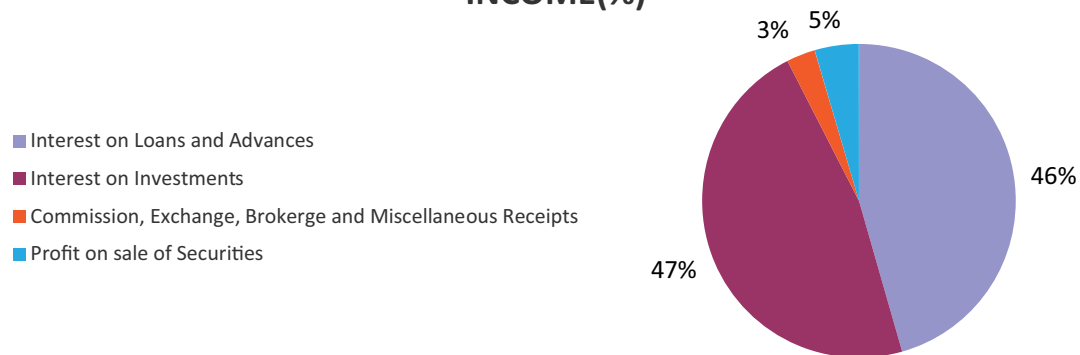
(₹ in Lakh)

Year ended :	31.03.06	31.03.07	31.03.08	31.03.09	31.03.10	31.03.11	31.03.12	31.03.13	31.03.14	31.03.15	31.03.16	31.03.17	31.03.18	31.03.19	31.03.20
Total Assets	88,997	92,175	114,335	132,409	178,632	196,657	224,672	243,949	257,320	281,370	312,112	361,221	372,939	395,998	416,746
Issued Capital	1,305	1,470	1,462	1,463	1,488	1,498	1,501	1,500	1,501	1,509	1,520	1,525	1,522	1,517	1,510
Shareholders Fund	8,402	10,034	11,073	12,863	19,173	20,582	22,381	24,597	27,826	30,270	33,106	35,124	36,625	36,964	38,640
Total Deposits	74,264	77,120	92,589	104,339	143,227	159,441	182,404	204,310	215,986	233,944	262,162	292,402	306,928	326,675	316,791
Current	3,932	4,724	7,471	5,500	5,396	8,188	7,397	5,627	5,642	6,257	6,861	7,588	7,526	8,830	7,968
Savings	33,319	36,129	39,416	41,212	50,018	57,836	59,409	64,452	70,671	75,296	82,481	98,282	102,270	106,980	109,655
Fixed	37,013	36,267	45,702	57,627	87,812	93,418	115,598	134,231	139,673	152,391	172,820	186,532	197,132	210,865	199,168
Total Advances	27,418	32,838	47,715	60,694	70,076	79,512	100,028	101,893	104,513	120,966	132,137	148,646	135,381	154,614	148,756
Investments	24,113	24,696	31,128	41,459	61,072	60,393	65,071	76,143	80,503	76,803	98,146	84,399	126,871	128,624	116,523
Provision for Taxes	6	476	586	908	496	772	894	1,085	1,409	1,142	1,119	1,211	1,056	758	925
Net Profit before appropriation	1,275	1,044	1,148	2,048	1,280	1,672	1,911	2,068	2,088	2,210	2,021	2,199	1,806	1,123	1,476

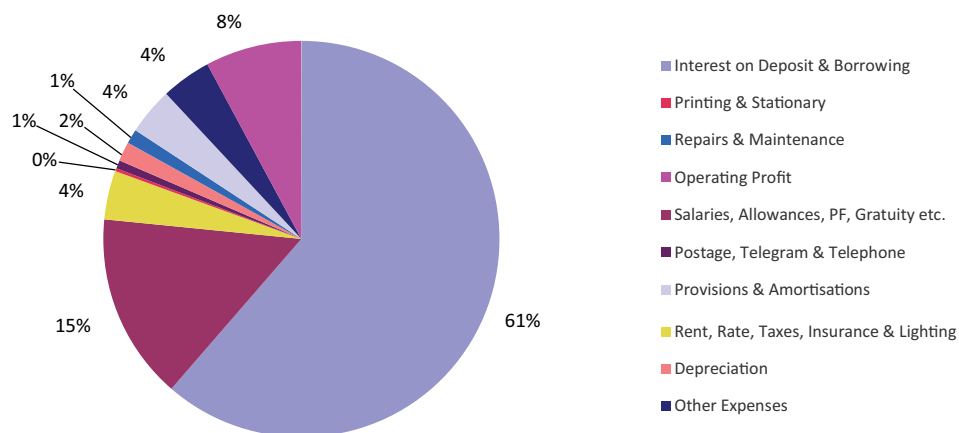
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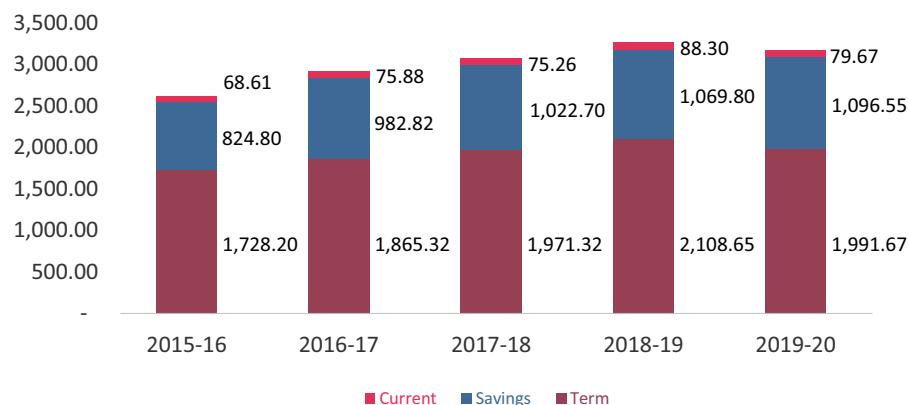
INCOME(%)



EXPENDITURE(%)



DEPOSITS (Rs. In Crores)



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