

**SCHEDULE – I****Significant Accounting policies and Notes to the Accounts forming part of the Financial Statements for the year ended 31st MARCH, 2022****I. Overview :****1. Background**

Bharat Co-operative Bank (Mumbai) Limited, was registered in 1977 and provides a wide range of corporate and retail banking products.

2. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated and comply with generally accepted accounting principles in India. The Bank has prepared these financial statements as stipulated under the Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions 2021, to comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, applicable statutory provisions under the Banking Regulation Act, 1949 (as applicable to Cooperative Societies) & Multi State Co-operative Societies Act, 2002, Multi State Co-operative Societies Rules, 2002, circulars and guidelines issued by the Reserve Bank of India ("RBI") from time to time and current practices prevalent in the co-operative banking sector in India.

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

3. Use of Estimates

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

II. Significant Accounting Policies :**1. Accounting Convention :**

The accompanying financial statements have been prepared in accordance with the historical cost convention and on "going concern" basis.

2. Investments and Valuation thereof :

2.1 Categorization

In accordance with the Reserve Bank of India guidelines, the Bank classifies its investment portfolio into the following three categories:

- i) Held to Maturity – Securities acquired by the bank with the intention to hold till maturity.
- ii) Held for Trading – Securities acquired by the bank with the intention to trade.
- iii) Available for sale – Securities not classified either as “Held to Maturity” or as “Held for Trading”.

2.2 Classification of Investments

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

- (i) Government Securities (ii) Other approved securities (iii) Shares in Co-operative institutions
- (iv) Shares of Limited Companies (v) PSU Bonds (vi) Security Receipts and
- (vii) Other Investments.

2.3 Valuation

Valuation of investments held in above categories has been done as follows:

- i) **Held to Maturity** : Investments under this category are carried at their acquisition cost less amortization. Premium, if any, paid on acquisition is amortized over the balance period to maturity. Book value of securities is reduced to the extent of amount amortized during the relevant accounting period.
- ii) **Held for Trading** : The Individual scrip in the HFT category is marked to market at monthly intervals. The net resultant depreciation in each classification (as per para 2.2 above) is recognized in the Profit and Loss Account. Net appreciation, if any, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marked to market.
- iii) **Available for Sale** : The individual scrip in the AFS category is marked to market at the year end. The net resultant depreciation in each classification (as per para 2.2 above) is recognized in the Profit and Loss Account. Net appreciation, if any, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marked to market.
- iv) Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. Transfer of securities from HTM category to AFS category is carried out at acquisition price/book value. After transfer, these securities are immediately revalued and the resultant depreciation, if any, is provided.



- v) Market value of government securities (excluding treasury bills) is determined on the basis of the quotes published by RBI or the prices periodically declared by FBIL for valuation at the year end. In case of unquoted government securities, market price or fair value is determined on the basis of rates published by FBIL.
 - vi) Market value of other approved securities is determined on the basis of the yield curve and spreads provided by FBIL.
 - vii) Equity shares are valued at cost or at the closing quotes on a recognized stock exchange, whichever is lower.
 - viii) Treasury bills are valued at carrying cost, net of discount amortised over the period to maturity.
 - ix) Certificate of Deposits and Commercial Paper are valued at carrying cost.
 - x) Units of Mutual Funds are valued at the lower of cost and net asset value provided by the respective Mutual Funds.
 - xi) Investments in Security Receipts (SRs) issued by Asset Reconstruction Companies (ARCs) are classified as non-SLR securities and are valued at cost till the expiry of 6 months from the date of acquisition thereof. Thereafter these are valued on the basis of NAV declared by the ARCs from time to time and any depreciation thereon is recognized in the Profit and Loss account. Appreciation if any in the rating of the SRs over the original face value is ignored. Provisioning for SRs is subject to the guidelines issued by Reserve Bank of India vide circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/ 21.04.048/2021-22 dated 24.09.2021 regarding transfer of loan exposures.
 - xii) Broken period interest on debt instruments is treated as a revenue item. Brokerage, Commission, etc. paid at the time of acquisition, is charged to revenue.
 - xiii) Non performing investments are identified and classified as per applicable RBI Guidelines.
- 2.4.** Profit in respect of investments sold from “HTM” category is included in Profit on sale of investments and a necessary amount is transferred to Investment Fluctuation Reserve by way of appropriation.
- 2.5.** Bank follows the settlement date method of accounting for Government of India and State Government securities in accordance with RBI guidelines.
- 2.6. Accounting for Repo/Reverse Repo transactions (including transactions under the liquidity adjustment facility (LAF) with the RBI)**
- The securities sold and purchased under Repo/Reverse Repo are accounted as Collateralized Borrowing and Lending transactions. However, securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and contra entries.

The above entries are reversed on the date of maturity. Costs and revenue are accounted as interest expenditure / income, as the case may be. Balance in Repo account is classified under Borrowings and balance in Reverse Repo account is classified under Money at Call and Short notice. The accounting and disclosure of LAF is in accordance with the norms stipulated by RBI vide its Circular No. FMRD.DIRD. 10/14.03.002/2015-16 dated 19th May, 2016 and FMOD.MAOG.No.116/01.01.001/2016-17 dated 10th November, 2016.

3. **Provisioning for Advances and Overdue Interest Reserve :**

- 3.1** The classification of advances into Standard, Sub-Standard, Doubtful Assets and Loss Assets as well as provision on non performing advances has been arrived at in accordance with the guidelines issued by the Reserve Bank of India from time to time. In addition to this, in accordance with RBI guidelines, a general provision on standard assets is made @ 0.40% of the outstanding amount except in case of direct advances to Agricultural and SME sector @ 0.25%, Advances to Commercial Real Estate @ 1.00%, Commercial Real Estate-Residential House Sector @ 0.75%.
- 3.2** Advances against security of Bank's own Fixed Deposits, National Savings Certificates, Life Insurance Corporation Policies, Indira Vikas Patra, Kisan Vikas Patra are not considered as Non-Performing Assets in accordance with the guidelines issued by the Reserve Bank of India.
- 3.3** In arriving at the provisioning, for determining the value of securities, the value as per the latest valuation reports, wherever available, of the assets mortgaged is considered. In case of stock the value as per last stock statement submitted by the borrowers is taken into consideration and in case of fixed assets, the depreciated value of the assets is generally considered.
- 3.4** Overdue interest in respect of non-performing advances is provided for separately under "Overdue Interest Reserve" and is not recognized in the Profit and Loss Account until received as per the directives issued by RBI.
- 3.5** Restructured / Rescheduled accounts :
In case of restructured /rescheduled accounts provision is made for the sacrifice against erosion / diminution in fair value of restructured loans, in accordance with general framework of restructuring of advances issued by RBI. The erosion in fair value of the advances is computed as difference between fair value of the loan before and after restructuring. In respect of accounts restructured pursuant to the impact of COVID-19, provisions have been made as stipulated under the extant RBI guidelines on the subject.
- 3.6** Amounts recovered against debts written off in earlier years are recognized in Profit & Loss account.
- 3.7** In case of financial assets sold to the Assets Reconstruction Company (ARC) / Securitization Company(SC), if the sale is at a price below the net book value (NBV), the shortfall is debited to the profit and loss account. If the sale is for a value higher than the NBV, the excess provision is not reversed but utilized for meeting any shortfall on account of sale of other financial assets to ARC.



The sale of financial assets to ARC is recognized in the books of the Bank at lower of either redemption value of the Security Receipts issued by the Trust created by ARC for such sale or the net value of such financial assets. The Security Receipts are classified as Non-SLR Investment in the books of the Bank and accordingly the valuation, classification and other norms prescribed by RBI in respect of Non-SLR Securities are applicable.

4. Cash and Cash Equivalents (for purposes of Cash Flow Statement) :

Cash and cash equivalents comprises cash on hand, balances with other banks (excluding term deposits), money at call and short notice and highly liquid time deposits that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

5. Cash Flow Statement (AS-3) :

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Bank are segregated based on the available information.

6. Revenue Recognition (AS-9) :

- 6.1 Items of Income and Expenditure are accounted for on an accrual basis, except as otherwise stated.
- 6.2 Income on Non-Performing Assets is recognized to the extent realized, as per the guidelines issued by the Reserve Bank of India.
- 6.3 Interest on Government securities, debentures and other fixed income securities is recognized on accrual basis. Interest on securities which is due and not received for a period of more than 90 days is recognized on realization basis as per Reserve Bank of India guidelines.
- 6.4 Income (other than interest) on investments in “Held to Maturity” (HTM) category acquired at a discount to the face value in case of interest bearing securities is recognized only at the time of sale/redemption.
- 6.5 Expenses arising out of claims in respect of employee matters under dispute / negotiation is accounted during the year of final settlement / determination.
- 6.6 Recoveries in suit-filed accounts, accounts under securitization & arbitration are appropriated first towards principal and thereafter towards recorded interest and other dues.
- 6.7 Commission, exchange and brokerage is recognized on realization, except for guarantee commission which is recognized on a straight-line basis over the period of the guarantee.

6.8 Dividend income is accounted on receipts basis.

6.9 Income from distribution of insurance products is recognized on the basis of business booked.

7. Property, Plant and Equipment (AS-10) :

7.1 The bank follows the cost model for determining the gross carrying amount of Premises and for other assets.

7.2 Property, Plant and Equipment (PPE), are carried at cost less accumulated depreciation and impairment if any. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the asset and are net of GST Input Tax Credit to the extent it is availed by the Bank.

7.3 Deprecation is charged on PPE on a straight line method at the rates considered appropriate and based on the estimate of the remaining useful lives of such assets by the management. The rates charged are as given below:

Nature of Asset	Rate of Depreciation
Premises (including strong room)	5%
Furniture & Fixtures	10%
Furniture & Fixtures (Aluminum panels / Steel Furniture etc.)	15%
Office Equipment's / Civil Work @ Leased Premises	20%
Computers and Computer Software (Intangible Assets)	33.33%
Vehicles	20%

7.4 Premises, Vehicles and Computer Software are stated at historical cost less accumulated depreciation. Furniture & Fixtures and Computers are stated at their written down values.

7.5 Depreciation on assets, purchased during the year, is provided for the entire year if 180 days or more have elapsed since its purchase, otherwise it is provided at 50% of the normal rate. No depreciation is charged on assets sold during the year.

7.6 Fixed Assets at employees residence are depreciated at the rates as prescribed in Para 7.3

7.7 Fixed assets which have been fully depreciated but are still in use, are carried in the books at a notional value of ₹1/-.

**8. Employee Benefits (AS-15) :****8.1 Defined Contribution Scheme**

Retirement benefits in the form of provident fund, is a defined contribution scheme. The bank's contribution to the Provident Fund Scheme is recognized as an expense in the Profit and Loss Account on the basis of contribution to the scheme.

8.2 Defined Benefit Scheme-Gratuity

Liability towards gratuity is assessed on the basis of actuarial valuation as at the balance sheet date and is considered as a defined benefit scheme. The valuation is carried out by an independent actuary, as at the balance sheet date, using the projected unit credit method to determine the present value of the defined benefit obligation and the related service costs. Under this method, the determination is based on actuarial calculations, which include assumptions about demographics, early retirement, salary increases and interest rates. Actuarial gain or loss is recognized in the profit / loss account.

The Bank makes an annual contribution to the Employee's Group Gratuity Assurance Scheme, administered by the Life Insurance Corporation of India ('LIC') and HDFC Standard Life Insurance Company Limited a funded defined benefit plan for qualifying employees for amounts as notified by the said actuary. The scheme provides for lump sum payment to vested employees on resignation, at retirement, death while in employment or on termination of employment based on completed year of service or partly thereof in excess of six months. Vesting occurs on completion of five years of service. Present value of plan assets represents the balance available with the LIC & HDFC as at the end of the period. Defined benefit asset is recognized subject to the consideration of prudence and materiality.

8.3 Short Term Employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

8.4 Leave Encashment

Liability towards compensated absences is assessed on the basis of actuarial valuation as at the balance sheet date and is considered as a defined benefit scheme. The valuation is carried out by an independent actuary, as at the balance sheet date, using the projected unit credit method to determine the present value of the defined benefit obligation. The Bank makes contributions to funds administered by trustees and managed by insurance companies for amounts as notified by the said actuary.

9. Borrowing Costs (AS-16) :

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on Borrowing Costs, are capitalized as part of the cost of the asset upto the date when the asset is ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred. No borrowing cost has been incurred during the year requiring capitalization.

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

In accordance with the guidelines issued by the Reserve Bank of India the bank has adopted Segment reporting as under.

Income and expenses in relation to the segments are categorized based on the items that are individually identifiable to the segments. Deposits, interest paid / payable on deposits, Borrowings and interest paid/payable on borrowings are allocated in the ratio of average investments to average advances in the segments Treasury, Corporate / Wholesale banking, retail banking and other banking operations respectively.

Unallocated expenses include general corporate income and expense items which are not allocated and specifically identified to any business segment. Assets and liabilities that cannot be allocated to specifically identifiable segments are grouped under unallocated assets and liabilities.

The Bank operates in the following segments:

10.1 **Treasury**

The treasury segment primarily includes the investment portfolio, profit / loss on sale of investments, profit / loss on foreign exchange transactions and money market operations. Expenses of this segment consists of interest expenses on funds borrowed from external sources as well as internal sources, relevant administrative expenses and depreciation / amortization of premium on Held to Maturity category investments.

10.2 **Corporate / Wholesale Banking**

This segment includes all advances to individuals, trusts, partnership firms, companies and statutory bodies which are not included under "Retail Banking".

10.3 **Retail Banking**

This includes exposures which fulfil the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Master Directions on Basel III. Capital Regulations (modified from time to time) and include individual housing loans.

10.4 **Other banking operations**

Includes all other operations not covered under Treasury Operations, Corporate / Wholesale & Retail operations.

10.5 **Geographic Segment**

Since the Bank does not have any earnings emanating outside India, the Bank is considered to operate in only the domestic segment.

**11. Related Party Disclosures (AS-18) :**

There are no related parties requiring disclosure under Accounting Standard 18 other than the Key Management Personnel i.e. Mr. Vidyanand S. Karkera, Managing Director & Chief Executive Officer of the Bank.

12. Operating Leases (AS-19) :

Lease rental obligations for assets taken on operating lease are recognized in the Profit and Loss Account over the lease term. Initial direct costs are charged to the profit and loss account.

13. Earnings per share (AS-20) :

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

14. Income Tax (AS-22) :

14.1 Income Tax expense comprises of current tax and deferred tax.

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

14.3 Deferred tax is recognized, subject to consideration of prudence, in respect of the tax effects of timing differences between accounting income and taxable income for the period in respect of items of income and expenses that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the enacted or substantially enacted tax rates at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

15. Discontinuing Operations (AS-24) :

Principles of recognition and measurement as set out in the Accounting standards are considered for the purpose of deciding as to when and how to recognize and measure the changes in assets and liabilities and the revenue, expenses, gains, losses and cash flows relating to a discontinuing operation. There were no discontinuing operations as defined in the standard which need to be separately disclosed.

16. Intangible Assets (AS-26) :

Intangible assets consist of Computer Software acquired / self-created. The same is amortized equally over the period of three years, as per RBI guidelines.

17. Impairment of Assets (AS-28) :

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

18. Deposits for Services :

Security deposits for Telephone services are written off equally over a period of 20 years.

19. Foreign Currency Transactions :

19.1 Transactions denominated in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Monetary foreign currency assets and liabilities are translated at the balance sheet date at rates notified by Foreign Exchange Dealers Association of India (FEDAI). All profits / losses resulting from year-end revaluations are recognized in the profit and loss account.

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

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

19.4 The bank has no foreign branches.

20. Accounting of Goods and Services Tax :

GST Collected is accounted in GST payable account and GST paid to vendor which is not allowable to be set off as per GST Law is expensed off.

In case, eligible Input Tax Credit remains unutilized, the same is carried forward and set off subsequently. In case of fixed assets, 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 added back to the value of the asset i.e. the same is capitalised. Income and Expenses on which GST is applicable are recognised for net of GST.

21. Provisions, Contingent Liabilities and Contingent Assets (AS-29) :

A provision is recognized when the Bank has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.



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

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

Contingent liabilities are disclosed when there is a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or any present obligation arising from past event which is not recognized since it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of such obligation cannot be made.

III. Notes to the Accounts

1) Employee Benefits (AS-15) :

- a. Defined contribution Plans viz. Provident fund and other similar funds. The amount recognized as expense towards contributions to provident fund is ₹ 7.84 Crore (previous year ₹ 7.58 Crore).
- b. Defined Benefit Plans.

Gratuity:

The following table sets out the status of funded gratuity plan for the year ended March 31, 2022 as required under AS 15 :

(₹ in Crore)

	Gratuity (Funded)	
	Current Year	Previous Year
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	57.00	54.30
Current service Cost	2.69	2.69
Interest Cost	3.96	3.76
Actuarial (Gain) / Loss	(0.89)	(1.76)
Benefits Paid	(4.25)	(1.99)
Closing Defined Benefit Obligation	58.51	57.00
Change in the Fair Value of Assets		
Opening in Fair Value of Assets	57.00	54.30
Expected Return on Plan Assets	3.96	3.76
Actuarial Gain / (Loss)	0.27	(0.70)
Contribution by Employer	1.53	1.63
Benefits Paid	(4.25)	(1.99)
Closing Fair Value of Plan Assets	58.51	57.00
Net Asset / (Liability) recognized in the Balance Sheet	-	-

Expenses for the year	Current Year	Previous Year
Current Service Cost	2.69	2.69
Interest on Defined Benefit Obligation	-	-
Expected Return on Plan Assets	-	-
Net Actuarial (Gain) / Loss	(1.16)	(1.06)
Total Included in Employment Expenses	1.53	1.63
Actual Return on Plan Assets	4.22	3.06
Category of Assets	Insurer Managed Funds	Insurer Managed Funds

The Assumptions used in accounting for the gratuity are set out below:

	Current Year	Previous Year
Discount Rate	7.13%	6.94%
Attrition Rate	3.00%	3.00%
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate
Salary Escalation Rate	4.00%	4.00%
Retirement Age	58 – 60 years	58 – 60 years
Expected Rate of return on plan assets (*)	7.13%	6.94%

*Expected rate of return on plan assets is based on expectation of the average long term rate of return expected to prevail over the estimated term of the obligation. The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotions and other relevant factors.

Assets allocation: Since the investments are held in the form of deposit with LIC / HDFC, these are not volatile and the market value of assets is the cost value of assets and has been accordingly considered for the above disclosures.



2) Segment Reporting-Information about Business and Geographical segments: (AS-17)

Business segments as on 31.03.2022

(₹ in Crore)

Business Segments	Treasury		Corporate/Wholesale Banking		Retail Banking		Other Banking Business		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	306.12	301.46	283.99	372.43	472.57	628.72	12.30	12.71	1,074.98	1,315.32
Result	44.75	31.44	(34.00)	(0.03)	3.26	(0.06)	6.68	7.59	20.69	38.94
Unallocated Expenses									-	-
Operating Profit									20.69	38.94
Income Taxes									(16.80)	6.14
Extraordinary Profit/Loss									-	-
Net Profit									37.49	32.80
Other Information :										
Segment Assets	4,531.97	4,424.41	3,231.49	3,075.14	4,768.58	5,190.77	824.29	822.24	13,356.33	13,512.56
Unallocated Assets									214.19	238.02
Total Assets									13,570.52	13,750.58
Segment Liabilities	127.59	69.71	5,186.62	4,823.97	7,654.73	8,143.68	488.90	553.00	13,457.84	13,590.36
Unallocated Liabilities									112.68	160.22
Total Liabilities									13,570.52	13,750.58

Notes :

- a) The Bank reports its operations in the following segments:
 - i) **Treasury** : The treasury segment primarily consists of net interest earnings from the Bank's investment portfolio, money market borrowing and lending, gains or losses on investment operations and on account of foreign exchange and derivative contracts.
 - ii) **Corporate / Wholesale Banking** : This segment includes all advances to individuals, trusts, partnership firms, companies and statutory bodies which are not included under "Retail Banking". Revenue of wholesale banking segment consist of interest earned in respect of advances to customers included in this segment & other income in proportionate to advances under retail & whole banking. Expenses of this segment primarily consist of interest expense on deposits, infrastructure and premises expenses including staff personnel costs and other overhead cost in proportion to advances under wholesale banking & retail banking.
 - iii) **Retail Banking** : This includes exposures which fulfill the four criteria of orientation, product, granularity and low value of individual exposures for retail exposures laid down in Master Directions on Basel III Capital Regulations (modified from time to time) and include individual housing loans. Revenue of retail banking segment consist of interest earned in respect of advances to customers included in this segment & other income in proportionate to advances under retail & whole banking.

Expenses of this segment primarily consist of interest expense on deposits, infrastructure and premises expenses including staff personnel costs and other overhead cost in proportion to advances under wholesale & retail banking.

- iv) **Other banking operations** : Includes all other operations not covered under Treasury, Corporate / Wholesale & Retail Operations.

Revenues of the banking segment consist of locker rent, commission & brokerage income. Expenses of this segment primarily comprise, other direct overheads and allocated expenses.

- v) **Unallocated** : All items which are reckoned at an enterprise level are classified under this segment. This includes debt classified as Tier I or Tier II capital and other unallocable assets and liabilities such as deferred tax, tax provision, etc.
- b) The business operations are concentrated in India hence information about secondary segment i.e. geographical segment is not given.
- c) Segment liabilities exclude Capital and Reserves other than those specifically identifiable with a segment.
- d) In determining segment results, the funds transfer price mechanism followed by the Bank has been used.
- e) Treasury result is net of transfer from IFR.

3) Operating lease comprises of leasing of office premises. Disclosures as per AS-19 is as under.

(₹ in Crore)

Particulars	Current Year	Previous Year
Future lease rental payable as at the end of the year :		
- Not later than one year	17.35	16.97
- Later than one year and not later than five years	42.15	48.84
- Later than five years	42.94	62.63
Total minimum lease payments recognized in the profit and loss account for the year	19.83	18.86
Total of future minimum sub-lease payment expected to be received under non-cancelable sub-lease	-	-
Sub-lease payments recognized in the profit and loss account for the year	-	-

4) The major components of Deferred Tax Assets / (Liabilities) is as under (AS-22) :

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
1	On account of timing difference towards provision	67.01	63.98
2	On account of timing difference between book and Income Tax depreciation	(2.91)	(3.71)
3	On account of timing difference other than depreciation & provision	12.73	(6.15)
4	Special Reserve u/s 36(i)(viii)	(0.50)	(0.70)
	Net deferred tax Assets / (Liabilities)	76.33	53.42

**5) Intangible Assets - details of Computer Software-Other than internally generated. (AS-26)****a) Amortization rates used at 33.33% p.a. on straight line method. (₹ in Crore)**

Particulars	Current Year	Previous Year
Opening balance (at cost) as on 1 st April, 2021	25.16	24.20
Add : Additions during the year	0.94	0.96
Sub Total (A)	26.10	25.16
Less : Amortisation		
Opening Balance	23.29	21.89
Add : Sales/Adjustment during the year	-	0.00
Add : Amortisation during the year on SLM basis @33.33%	1.49	1.40
Sub Total (B)	24.78	23.29
Net Carrying amount as on 31st March, 2022 (A-B)	1.32	1.87

b) Amount of commitments (net of advance) for the acquisition of computer software ₹ Nil (Previous year ₹ Nil)

6) Investments:

- i) As per RBI guidelines, the excess of acquisition cost over face value of securities held under the category “Held to Maturity” is amortised over the residual life of securities. The amount amortized during the year is ₹ 7.59 Crore (previous year ₹ 8.85 Crore)
- ii) In terms of RBI guidelines the bank has transferred a portion of Government securities kept in “Available for Sale” category to “Held to Maturity” category and from “Held to Maturity” to “Available for Sale”. The resultant depreciation is ₹ 2.25 Crore (Previous year ₹ 10.06 Crore) are charged to the Profit & Loss account.

7) Contingent Liabilities :

- i) Claims against the Bank not acknowledged as debts.
- a) The income tax authorities have raised a demand of ₹ 1.22 Crore (Previous year ₹ 0.95 Crore) for various assessment years which is contested by the Bank in appeal and against which the bank has deposited / paid ₹ 0.70 Crore (Previous year ₹ 0.70 Crore). No provision is considered necessary in respect of these demands as, in the Bank’s view, duly supported by counsel’s opinion and / or judicial pronouncements the demands made are not sustainable.
- b) Maintenance charges in respect of one of the bank’s premises ₹ 0.32 Crore (Previous year ₹ 0.32 Crore), which matter is under dispute.
- c) The MCGM has raised demands, retrospectively from 1st April, 2010, on account of Property taxes based on capital values in respect of some of the bank’s premises. The Bank has objected to the levy and mode of calculation. The issue of chargeability and basis of calculation being under dispute and not finalized the final liability, if any, is not ascertainable and not provided for.

- d) The Service tax department has raised a demand of ₹ 2.41 Crore for the period 2012-17, which is contested by the bank in appeal and against which the bank has deposited / paid ₹ 0.18 Crore. No provision for the same is considered necessary as in the opinion of the bank, duly supported by counsel's opinion and / or judicial pronouncements the demand made is not sustainable.
- ii) On account of outstanding forward exchange contracts, Letters of Credit and guarantee's given on behalf of constituents- As per disclosure in balance sheet.

8) Earnings per Share (EPS) : (₹ in Crore)

Particulars	Current Year	Previous Year
Net Profit after taxation	37.49	32.80
Weighted average no of shares	25.87	27.94
EPS (in actual - ₹)	1.45	1.17

- 9) Net Profit or Loss for the period, prior period items and Changes in Accounting Policies – (AS- 5):**
 Prior Period Items: There are no material prior period item's, except as disclosed elsewhere, included in Profit and Loss account required to be disclosed as per Accounting Standard 5 read with the Reserve Bank of India guidelines. Therefore these have been charged/ accounted for/to their respective head of accounts.
 Changes in Accounting Policy: There is no change in the Significant Accounting Policies adopted during the year ended March 31, 2022 as compared to those followed in the previous financial year.
- 10) The bank is Co-operative society under the Multi-State Co-Operative Societies Act, 2002 and there are no related parties requiring disclosure under Accounting Standard 18 i.e. Related Party Disclosures issued by the Institute of Chartered Accountants of India other than the Key Management Personnel i.e. Mr. Vidyanand S. Karkera- Managing Director & Chief Executive Officer (MD & CEO) of the Bank. He being a single party coming under this category, no further details need to be disclosed.**
- 11) Impairment of Assets (AS-28):** No material impairment of Assets has been identified by the Bank and as such no provision is required.
- 12) No disclosure is made for Accounting for Amalgamation (AS-14) and Consolidation of Financial Statement (AS-21) as the same is not applicable to the bank.**
- 13) Suppliers / Service Providers covered under the Micro, Small and Medium Enterprises Development Act, 2006 have not furnished the information regarding filing of necessary memorandum with the appropriate authority In view of the same, information relating to cases of delays in payments to Micro, Small and Medium enterprises or of interest payments due to delays in such payments cannot be given.**
- 14) The Bank has decided to exercise the option of lower tax rate available under section 115BAD of the Income Tax Act, 1961 as introduced by the Finance Act 2020. Accordingly, the Bank has recognized provision for tax and re-measured its deferred tax assets (DTA) at 31st March, 2022 based on the tax rate prescribed in the said section. This has led to a partial reversal of the DTA, the impact of which is a one-time charge which is included in the tax expense of the Bank.**



- 15) One time COVID Incentive paid to bank's staff during the year is grouped under Salaries and Allowances, Provident Fund Contribution, Gratuity and bonus etc. in the statement of profit & loss account for the year.
- 16) The bank had proposed dividend @ 6% and appropriated the same out of profit for the year 2020-21 as approved in the Annual General Meeting dated 30.09.2021 subject to the permission of the Reserve Bank of India. The dividend payable is accounted for under the Other Liabilities. The Reserve Bank of India vide communication received on 1st May, 2022 has permitted payment of dividend @ 5%, hence excess provision held of ₹ 2,75,84,751.00 has been transferred to the Profit & Loss A/c.
- 17) Share Capital includes 1,16,37,249 shares of ₹ 10/- each in respect of the persons who have not subscribed to additional shares to make their shareholding minimum of 500 shares as required under Bye-law No. 16(d), and as a result, they are not entitled to their membership rights.

18) Provision for Taxes :

The breakup of provision for Taxes appearing in the Profit & Loss Account is as under:

(₹ in Crore)

	Current Year	Previous Year
Current Income Tax	5.67	-
Deferred Tax	(22.90)	6.14
Tax paid for earlier years	0.43	-
	(16.80)	6.14

- 19) **In terms of guidelines issued by the Reserve Bank of India in Master Direction on Financial Statements - Presentation and Disclosures Circular No: RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 the following additional disclosures are made :**

1) **Regulatory Capital**

a) **Composition of Regulatory Capital**

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Paid up share capital and reserves (net of deductions, if any)	796.15	816.06
ii	Other Tier 1 capital		
iii	Tier 1 capital (i+ii)	796.15	816.06
iv	Tier 2 capital	244.65	211.13
v	Total capital (Tier 1 + Tier 2)	1040.80	1027.19
vi	Total Risk Weighted Assets (RWAs)	7368.19	7695.50
vii	Paid-up share capital and reserves as percentage of RWAs	10.81	10.60
viii	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	10.81	10.60
ix	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	3.32	2.75
x	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.13	13.35
xi	Amount of Tier 2 capital raised during the year, of which Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, Long Term Deposits.).		

(₹ in Crore)

	Current Year	Previous Year
Amount of Tier 2 capital raised during the year of which:	82.20	NIL
a) Perpetual Cumulative Preference Shares		
b) Redeemable Non-Cumulative Preference Shares		
c) Long Term Deposits.....	82.20	NIL

b) Draw down from Reserves

Suitable disclosures mentioning the amount and the rationale for withdrawal shall be made regarding any draw down from reserves.

(₹ in Crore)

Sr. No.	Name of Reserve	Amount Withdrawn during F.Y.2021-22	Rationale for Withdrawal
	NIL		

2) Asset Liability Management

a) Maturity pattern of certain items of assets and liabilities

As on 31.03.2022

(₹ in Crore)

	Day1	2 to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 Months and to 3 months	Over 3 Months and upto 6 Months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	349.28	156.14	65.26	172.08	225.02	255.55	678.23	1,450.98	4,555.36	1,701.98	1,739.21	11,349.09
Advances	359.17	31.56	27.34	113.03	96.28	120.96	465.89	1,299.77	1,260.66	1,003.23	1,950.58	6,728.47
Investments	-	58.71	467.27	56.07	289.71	254.41	266.07	492.51	509.05	819.45	1,770.79	4,984.04
Borrowings	-	-	-	-	-	-	-	-	-	164.34	122.39	286.73
Foreign Currency Assets	5.57	25.56	15.46	28.53	50.17	41.62	16.75	0.76	6.43	0.60	-	191.45
Foreign Currency Liabilities	-	8.33	0.04	0.32	0.36	0.29	0.56	0.51	0.62	-	-	11.03

As on 31.03.2021

(₹ in Crore)

	Day1	2 to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 Months and to 3 months	Over 3 Months and upto 6 Months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	302.18	88.87	74.01	141.67	193.96	262.08	689.74	1,476.65	4,592.46	1,925.22	1,927.14	11,673.98
Advances	351.48	6.66	5.21	11.16	155.55	118.38	261.82	1,277.99	1,420.71	1,634.39	1,851.67	7,095.02
Investments	58.16	188.00	74.61	97.28	369.73	104.43	221.38	743.83	689.17	551.14	1,753.95	4,851.68
Borrowings	-	-	-	-	-	-	-	-	-	164.34	40.19	204.53
Foreign Currency Assets	17.69	13.47	11.66	18.06	43.67	31.27	33.77	8.05	4.38	0.77	-	182.79
Foreign Currency Liabilities	-	0.75	0.08	0.09	0.16	0.44	0.24	14.99	0.09	0.54	-	17.38



3) Investments

a) Composition of Investment Portfolio as at 31-03-2022

(₹ in Crore)

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments In India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	2487.80	-	0.25	-	-	-	2488.05	-	-	-	-	2488.05
Less: Provision for non-Performing investments(NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	2487.80	-	0.25	-	-	-	2488.05	-	-	-	-	2488.05
Available for Sale												
Gross	-	-	-	-	-	679.11	679.11	-	-	-	-	679.11
Less: Provision for depreciation and NPI	-	-	-	-	-	14.89	14.89	-	-	-	-	14.89
Net	-	-	-	-	-	664.22	664.22	-	-	-	-	664.22
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	2487.80	-	0.25	-	-	679.11	3167.16	-	-	-	-	3167.16
Less: Provision for non-Performing investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	14.89	14.89	-	-	-	-	14.89
Net	2487.80	-	0.25	-	-	664.22	3152.27	-	-	-	-	3152.27

Composition of Investment Portfolio as at 31-03-2021

(₹ in Crore)

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments In India	Government Securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity												
Gross	2466.76	-	0.25	-	-	-	2467.01	-	-	-	-	2467.01
Less: Provision for non-Performing investments(NPI)	-	-	-	-	-	-	-	-	-	-	-	-
Net	2466.76	-	0.25	-	-	-	2467.01	-	-	-	-	2467.01
Available for Sale												
Gross	98.59	-	-	-	-	632.94	731.53	-	-	-	-	731.53
Less: Provision for depreciation and NPI	2.61	-	-	-	-	-	2.61	-	-	-	-	2.61
Net	95.98	-	-	-	-	632.94	728.92	-	-	-	-	728.92
Held for Trading												
Gross	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-	-	-	-	-	-	-
Less: Provision for non-Performing investments	2565.35	-	0.25	-	-	632.94	3198.54	-	-	-	-	3198.54
Less: Provision for depreciation and NPI	2.61	-	-	-	-	-	2.61	-	-	-	-	2.61
Net	2562.74	-	0.25	-	-	632.94	3195.93	-	-	-	-	3195.93

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Movement of provisions held towards depreciation on investments		
a	Opening balance	2.61	8.52
b	Add : Provisions made during the year	-	-
c	Less: Write off / write back of excess provisions during the year	2.61	5.91
d	Closing balance	-	2.61
ii	Movement of Investment Fluctuation Reserve		
a	Opening balance	40.51	40.51
b	Add : Amount transferred during the year	-	-
c	Less: Drawdown	-	-
d	Closing balance	40.51	40.51
iii	Closing balance in IFR as a percentage of closing balance of Investments in AFS and HFT/Current category	100.00%	41.09%



c) **Non-SLR investment portfolio**

i) **Non-performing Non-SLR investments**

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
a	Opening balance	Nil	Nil
b	Additions during the year since 1 st April	Nil	Nil
c	Reductions during the above period	Nil	Nil
d	Closing balance	Nil	Nil
e	Total provisions held	Nil	Nil

ii) **Issuer composition of non-SLR investments**

(₹ in Crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
a	PSUs										
b	FIs										
c	Banks										
d	Private Corporates										
e	Subsidiaries / Joint Ventures										
f	Others	679.36	633.19							679.36	633.19
g	Provision held towards depreciation	(14.89)								(14.89)	-
	Total*	664.47	633.19							664.47	633.19

d) **Repo transactions (in face value terms)**

(₹ in Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31 2022
i) Securities sold under repo				
a) Government securities	14.05	14.05	14.05	0.00
b) Corporate debt securities				
c) Any other securities				
ii) Securities purchased under reverse repo				
a) Government securities	0.84	349.07	47.16	314.00
b) Corporate debt securities				
c) Any other securities				

4) Asset Quality

a) Classification of advances and provisions held 31.03.2022

(₹ in Crore)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	6591.78	316.60	341.25	19.26	677.11	7268.89
Add : Additions during the year					310.00	
Less: Reductions during the year*					376.22	
Closing balance	6288.85	114.18	465.40	31.30	610.89	6899.74
*Reductions in Gross NPAs due to:						
i) Upgradation					267.75	
ii) Recoveries (excluding recoveries from upgraded accounts)					20.06	
iii) Technical/Prudential Write-offs					-	
iv) Write-offs other than those under (iii)above					88.41	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	27.95	31.66	107.22	19.26	158.14	186.09
Add : Fresh provisions made during the year					81.54	
Less: Excess provision reversed/Write-off loans					13.84	
Closing balance of provisions held	26.75	11.42	183.12	31.30	225.84	252.59
Net NPAs						
Opening Balance					518.97	518.97
Add : Fresh additions during the year					228.46	
Less: Reductions during the year					362.39	
Closing Balance					385.04	385.04
Floating Provisions						
Opening Balance						-
Add : Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing Balance						-
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical/Prudential written –off accounts						27.71
Add : Technical/Prudential write-offs during the year						0.01
Less : Recoveries made from previously technical/prudential written off accounts during the year						0.01
Closing Balance						27.71



Classification of advances and provisions held 31.03.2021

(₹ in Crore)

	Standard		Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	7270.26	343.23	181.94	57.97	583.14	7853.40
Add : Additions during the year					709.80	
Less: Reductions during the year*					615.83	
Closing balance	6591.78	316.60	341.25	19.26	677.11	7268.89
*Reductions in Gross NPAs due to:						
i) Upgradation					61.01	
ii) Recoveries (excluding recoveries from upgraded accounts)					24.57	
iii) Technical/Prudential Write-offs					-	
iv) Write-offs other than those under (iii)above					530.25	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	30.95	34.32	133.05	57.97	225.34	256.29
Add : Fresh provisions made during the year					115.54	
Less: Excess provision reversed/Write-off loans					182.74	
Closing balance of provisions held	27.95	31.66	107.22	19.26	158.14	186.09
Net NPAs						
Opening Balance					357.81	357.81
Add : Fresh additions during the year					594.25	
Less: Reductions during the year					433.09	
Closing Balance					518.97	518.97
Floating Provisions						
Opening Balance						-
Add : Additional provisions made during the year						-
Less: Amount drawn down during the year						-
Closing Balance						-
Technical write-offs and the recoveries made thereon						
Opening Balance of Technical/Prudential written –off accounts						27.72
Add : Technical/Prudential write-offs during the year						-
Less : Recoveries made from previously technical/prudential written off accounts during the year						0.01
Closing Balance						27.71

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	8.85	9.32
Net NPA to Net Advances	5.77	7.30
Provision coverage ratio	36.97	23.36

b) Sector-wise Advances and Gross NPAs

(₹ in Crore)

Sr. No.	Sector*	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in That sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in That sector
i	Priority Sector						
a	Agriculture and allied activities	140.82	23.59	0.34	110.70	24.30	0.33
b	Advances to industries sector eligible as priority sector lending	2025.12	97.24	1.42	1892.93	84.11	1.16
c	Services	2085.64	88.63	1.28	1660.07	59.29	0.82
d	Personal loans	5.12	0.14	0.00	4.20	0.14	0.00
	Sub-total (i)	4256.70	209.60	3.04	3667.90	167.84	2.31
ii	Non-priority Sector						
a	Agriculture and allied activities						
b	Industry	1172.07	124.28	1.80	1311.50	127.35	1.75
c	Services	1465.56	276.81	4.01	2286.08	381.83	5.26
d	Personal loans	5.41	0.20	0.00	3.41	0.09	0.00
	Sub-total(ii)	2643.04	401.29	5.81	3600.99	509.27	7.01
	Total (i+ ii)	6899.74	610.89	8.85	7268.89	677.11	9.32

Details of Sub-Sectors where the outstanding advances exceeds 10 percent of the outstanding total advances of that Industry

(₹ in Crore)

Industry / Sector	Current Year			Previous Year		
	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in That sector
Hotel / Hospitality / Resorts	968.08	75.18	7.77	972.11	86.47	8.90
House-Purchase N Construction	1362.98	99.79	7.32	1395.67	105.34	7.55



c) **Details of accounts subjected to restructuring**

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard	Number of borrowers	-	-	6	5	32	25	2	3	40	33
	Gross Amount (₹ Crore)	-	-	66.16	38.15	487.57	461.40	0.12	0.16	553.85	499.72
	Provision held (₹ Crore)	-	-	4.26	0.84	32.37	30.15	0.00	0.00	36.63	31.00
Sub-Standard	Number of borrowers	-	-	-	1	1	2	1	-	2	3
	Gross Amount (₹ Crore)	-	-	-	4.23	7.61	8.69	0.02	-	7.63	12.91
	Provision held (₹ Crore)	-	-	-	0.51	0.92	0.75	-	-	0.92	1.25
Doubtful	Number of borrowers	-	-	2	1	3	1	-	-	5	2
	Gross Amount (₹ Crore)	-	-	12.61	6.51	13.81	3.50	-	-	26.42	10.00
	Provision held (₹ Crore)	-	-	0.51	-	0.95	0.20	-	-	1.46	0.20
Total	Number of borrowers	-	-	8	7	36	28	3	3	47	38
	Gross Amount (₹ Crore)	-	-	78.77	48.88	508.99	473.59	0.14	0.16	587.90	522.63
	Provision held (₹ Crore)	-	-	4.76	1.35	34.24	31.10	0.00	0.00	39.00	32.45

d) **Disclosure of transfer of loan exposures**

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

(₹ in Crore)

Sr. No.	Particulars	To ARC		To permitted transferees		To other transferees (please specify)	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	No. of Accounts	26	318	-	-	-	-
2	Aggregate principal outstanding of loans transferred	88.41	530.52	-	-	-	-
3	Weighted average residual tenor of the loans transferred	-	-	-	-	-	-
4	Net book value of loans transferred (at the time of transfer)	74.58	347.51	-	-	-	-
5	Aggregate consideration	68.00	340.00	-	-	-	-
6	Additional consideration realized in respect of accounts transferred in earlier years	-	-	-	-	-	-
7	Aggregate gain / (loss) over net book value	(6.58)	(7.51)	-	-	-	-

- ii) During the year bank has not acquired any stressed loans from banks / financial institutions & ARC's.
- iii) **SR's held across the various categories of recovery ratings assigned by the credit rating agencies:**

(₹ in Crore)

Sr. No.	Categories of Recovery Ratings assigned to SR's	Current Year	Previous Year
1	R Two (R2)	26.60	27.94
2	Double R One (RR1)	490.10	605.00
3	Double R Two (RR2)	147.52	-

- iv) **Investment in Security Receipts**

(₹ in Crore)

Particulars	SRs issued within past 5 years		SRs issued more than 5 years ago but within past 8 years		SRs issued more than 8 years ago	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
a) Book value of SRs where NPAs sold by the bank are the underlying	664.22	632.94	-	-	-	-
Provision held against (a)	14.89	-	-	-	-	-
b) Book Value of SRs where NPAs sold by other banks / financial institutions / non-banking financial companies are the underlying	-	-	-	-	-	-
Provision held against (b)	-	-	-	-	-	-
Total (a)+(b)	664.22	632.94	-	-	-	-

Bank has made Provisioning for SRs in respect of Security Receipts issued during the F.Y. 2021-22 prospectively i.e. after the date of circular issued by Reserve Bank of India vide circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/ 21.04.048/2021-22 dated 24.09.2021 regarding transfer of loan exposures. Had the bank created a provision for all Security Receipts outstanding an additional provision of ₹ 280.43 Crore would be required.

- e) **Fraud Accounts**

Banks shall make disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

(₹ in Crore)

	Current Year	Previous Year
Number of frauds reported	54	24
Amount involved in fraud (₹ Crore)	29.31	16.92
Amount involved in Non fund based fraud (₹ Crore)	27.80	-
Amount of provision made for such frauds (₹ Crore)*	31.01	17.65
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ Crore)	-	-

Note-* Including Bad & Doubtful Debts Reserve for fraud accounts marked as NPA.



f) **Disclosure under Resolution Framework for COVID-19-related Stress**

l) Details of resolution plan implemented under the Resolution Framework for COVID-19 related stress as per RBI circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 are given below:

For the half year ended on 30th September, 2021

(₹ in Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan–Position as at the end of the previous half-year(A)	Of(A), Aggregate debt that slipped into NPA during the half-year	Of(A) Amount written off during the half-year	Of(A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan–Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	10.21
Others	0.41	-	-	0.06	0.35
Total	0.41	-	-	0.06	10.56

For the half year ended on 31st March, 2022

(₹ in Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan–Position as at the end of the previous half-year(A)	Of(A), Aggregate debt that slipped into NPA during the half-year	Of(A) Amount written off during the half-year	Of(A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan–Position as at the end of this half-year
Personal Loans	-	-	-	-	-
Corporate persons*	-	-	-	-	-
Of which MSMEs	10.21	-	-	0.30	9.91
Others	0.35	-	-	0.09	0.26
Total	10.56	-	-	0.39	10.17

*As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

Amount and number of borrowers accounts in respect of which application for restructuring are under process, but the restructuring packages have not been implemented/approved are ₹ Nil and No borrower accounts respectively as on 31st March, 2022. (Previous Year: ₹ 9.07 Crore, 1 respectively.)

ii) Details of resolution plan implemented under the Resolution Framework for Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs) as per RBI circular DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 and circular DOR.No.BP.BC/4/21.04.048/2020-21 dated August 6, 2020 (collectively as MSME restructuring circulars) are given below:

No of Accounts Restructured	Amount (₹ in Crore)
25	19.80
(4)	(9.28)

*Provision required as per RBI guidelines as on 31.03.2022 is ₹ 3.30 Crore (Previous Year: ₹ 0.46 Crore) is held by bank.

NOTES TO THE ACCOUNTS

- iii) Details of resolution plan implemented under the Resolution Framework-2.0 for Resolution of COVID-19 related stress of Individuals and small business as per RBI circular DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 are given below:

(₹ in Crore)

Sr. No.	Description	Individual Borrowers		Small Business
		Personal Loans	Business Loans	
A	Number of requests received for invoking resolution process under Part A	12	2	6
B	Number of accounts where resolution plan has been implemented under this window	30	17	32
C	Exposure to accounts mentioned at (B) before implementation of the plan	3.80	3.19	18.41
D	Of (C), aggregate amount of debt that was converted into other securities	-	-	-
E	Additional funding sanctioned, if any, including between invocation of the plan and implementation	0.41	0.34	2.02
F	Increase in provisions on account of the implementation of the resolution plan	0.41	0.35	1.74

5) Exposure

a) Exposure to Real Estate sector

(₹ in Crore)

Category	Current Year	Previous Year
i) Direct exposure		
a) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	1293.74	1337.38
b) Commercial Real Estate - Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	133.25	128.35
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures -		
i) Residential	-	-
ii) Commercial Real Estate		
ii) Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	1426.99	1465.73

b) Exposure to Capital Market: Nil (Previous Year: Nil)



c) Risk Category-wise country exposure

(₹ in Crore)

Risk Category	Exposure (Net) as at 31.03.2022	Provision held as at 31.03.2022	Exposure (Net) as at 31.03.2021	Provision held as at 31.03.2021
Insignificant	24.35	-	16.63	-
Low	62.75	-	126.21	-
Moderately Low	6.96	-	8.94	-
Moderate	7.08	-	8.76	-
Moderately High	12.94	-	8.83	-
High	3.83	-	3.16	-
Very High	1.36	-	0.11	-
Total	119.27	-	172.64	-

d) Unsecured advances

(₹ in Crore)

Particulars	Current Year	Previous Year
Total unsecured advances of the bank	11.31	8.35
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

6) Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(₹ in Crore)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	549.36	631.91
Percentage of deposits of twenty largest depositors to total deposits of the bank	4.84	5.41

b) Concentration of advances*

(₹ in Crore)

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	1266.16	1177.12
Percentage of advances to twenty largest borrowers to total advances of the bank	18.35	16.19

c) Concentration of exposures *

(₹ in Crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers / customers	1843.22	1740.99
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers / customers	25.06	22.03

*Exposures are computed as per applicable RBI regulation.

d) **Concentration of NPAs**

(₹ in Crore)

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	187.63	208.57
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	30.71	30.80

7) **Transfers to Depositor Education and Awareness Fund (DEA Fund)**

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Opening balance of amounts transferred to DEA Fund	25.46	20.48
ii	Add: Amounts transferred to DEA Fund during the year	4.01	5.21
iii	Less: Amounts reimbursed by DEA Fund towards claims	(0.58)	(0.23)
iv	Closing balance of amounts transferred to DEA Fund	28.89	25.46

8) **Disclosure of complaints**

a) **Summary information on complaints received by the bank from customers and from the Offices of Ombudsman (OBOs)**

Sr. No.	Particulars	Previous Year	Current Year
	Complaints received by the bank from its customers		
1	Number of complaints pending at beginning of the year	10	8
2	Number of complaints received during the year	634	645
3	Number of complaints disposed during the year	636	641
3.1	Of which, number of complaints rejected by the bank	-	-
4	Number of complaints pending at the end of the year	8	12
	Maintainable complaints received by the bank from Office of Ombudsman		
5	Number of maintainable complaints received by the bank from Office of Ombudsman	30	46
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	30	46
5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by Office of Ombudsman	-	-
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	-	-
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-
<p>Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.</p>			



b) Top five ground of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2021-2022					
Internet/Mobile/Electronic	-	179	3	1	-
ATM/Debit Card	1	173	-2	1	1
Others	-	100	-10	3	-
Loans & Advances	7	91	82	4	-
Account opening facilities	-	54	-39	3	-
Other Grounds (Levy of charges, Staff behaviour, Cheques, Bank Guarantee, Adherence to working hours)	-	48	37	-	-
Total	8	645	-	12	1
2020-21					
ATM/Debit cards	6	176	-12	1	-
Internet/mobile/electronic banking	2	173	140	-	-
Others	1	111	429	-	-
Account opening/difficulty in operations of accounts	-	89	123	-	-
Loans and Advances	1	50	52	7	4
Others Grounds (Cheques/DDs/Bills, Levy of charges, Staff Behaviour, Adherence to working hours, Bank Guarantee, Non adherence to Fair Practice Code)	-	35	-30	-	-
Total	10	634	-	8	4

9) Disclosure of penalties imposed by RBI :

During the financial year the bank has not been subjected to any penalty for contravention or non-compliance with any requirement of the Banking Regulation Act, 1949 or any rules or conditions specified by the Reserve Bank of India in accordance with said Act. (P.Y. ₹ 0.60 Crore)

10) Other Disclosures

a) Business ratios

Sr. No.	Particulars	Current Year	Previous Year
i	Interest Income as a percentage to Working Funds	7.24%	7.50%
ii	Non-interest income as a percentage to Working Funds	0.66%	0.68%
iii	Cost of Deposits	5.51%	6.43%
iv	Net Interest Margin	2.63%	2.16%
v	Operating Profit as a percentage to Working Funds	0.94%	0.91%
vi	Return on Assets	0.28%	0.24%
vii	Business (deposits plus advances) per employee (in ₹ Crore)	13.10	13.51
viii	Profit per employee (in ₹ Crore)	0.03	0.02

b) Payment of DICGC Insurance Premium

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
i	Payment of DICGC Insurance Premium	16.31	16.15
ii	Arrears in payment of DICGC Premium	NIL	NIL

c) Disclosure of facilities granted to directors and their relatives

Sr. No.	Name of Director	Name of Borrower	Relationship	Date of Sanction	Sanctioned Amount (₹ in Crore)	Nature of Security	Total Outstanding (₹ in Crore)	Assets Classification
	NIL				NIL			

d) Provisions and contingencies

(₹ in Crore)

Provision debited to Profit and Loss Account	Current Year	Previous Year
i) Provisions for NPI	NIL	NIL
ii) Provision towards NPA	77.00	58.00
iii) Provision made towards Income tax	5.67	-
iv) Other Provisions and Contingencies (with details)		
a) Provision for Fraud	NIL	0.50
b) Dividend Equalisation fund	0.10	0.10
c) Provision for Standstill Assets	NIL	8.72
d) Provision for Investment in Security Receipts	13.64	NIL
e) Contingent Provision against depreciation in Investment / SR	1.25	NIL
f) Provision for Restructured Assets	12.49	15.57

e) Bancassurance business

Details of Commission / brokerage earned by the Bank from Insurance business are as follows:

(₹ in Crore)

Sr. No.	Particulars	Current Year	Previous Year
a	For selling Life Insurance Policies	1.64	1.28
b	For selling Non-Life Insurance Policies	0.41	0.48
c	For selling Mutual Fund Products	NIL	NIL
d	Others (Specify)	0.07	0.07

f) Marketing & Distribution

(₹ in Crore)

Particulars	Current Year	Previous Year
Income from Fees and Remuneration Received from Marketing and Distribution function	0.02	0.02

20) **Market risk in trading book**a. **Qualitative Disclosures:**

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

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

The capital charge is applied to the market value of securities in the Banks trading book. Market value is determined as per the external RBI guidelines on valuation investments.

Minimum Capital Requirement is worked out separately for 'General Market Risk' –for interest rate risk in the portfolio.

Scope: The portfolios covered under the said approach include,

- Securities included under the Available for Sale (AFS) category.
- Open Foreign Exchange Position Limits.

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

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

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

b. **Quantitative Disclosure:**

(₹ in Crore)

	Current Year	Previous Year
Capital requirement for :		
Interest rate risk	-	4.26
Equity position risk	-	-
Foreign exchange risk	1.37	2.98

21) Previous year's figures have been regrouped / rearranged wherever necessary to conform to those of the current year.

For **BHARAT CO-OPERATIVE BANK (MUMBAI) LIMITED**

Sd/-
(U. SHIVAJI POOJARY)
Chairman

Sd/-
(ROHINI J. SALIAN)
Vice-Chairperson

Sd/-
(VIDYANAND S. KARKERA)
Managing Director & CEO

Directors

Shri Vasudeva R. Kotian
Shri Jaya A. Kotian
Shri Gangadhar J. Poojary
Shri L. V. Amin
Shri Premnath P. Kotian
Shri Raja V. Salian

Shri Jyoti K. Suvarna
Shri K. B. Poojary
Shri Suryakant J. Suvarna
Shri Purushotham S. Kotian
Smt. Sharada S. Karkera

Shri Bhaskar M. Salian
Adv. Somnath B. Amin
Shri Narayan T. Poojari
Shri Mohandas A. Poojary
Shri Anbalagan C. Harijan

Mumbai,
Dated : 28th May, 2022