

INDEPENDENT AUDITOR'S REPORT

(As required u/s 31 of Banking Regulation Act, 1949 as applicable to Co-operative Societies and section 73(4) of Multi State Co-operative Societies Act, 2002 and Rule 27 of Multi State Co-operative Societies Rules)

To,
The Members,
The Bhuj Mercantile Co-op. Bank Ltd., Ahmedabad - 380006

Report on Financial Statements

We have audited the accompanying financial statements of **The Bhuj Mercantile Co-op Bank Ltd. - Ahmedabad 380006**, as at 31st March 2022 which comprises the Balance Sheet, Profit & Loss Account and the Cashflow Statement for the year ended 31st March 2022, and Notes to Financial Statements including a summary of significant accounting policies and other explanatory information. The returns of **8 (Eight)** branches audited by us are incorporated in these financial statements.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph below, comments and remarks given in the Audit Memo (Gujarat) Part I and Part 2 and Annexure A to D and our separate report, the financial statements together with the Notes thereon give the information required by the B.R. Act, 1949 (as applicable to Co-operative Societies), The MSCS Act 2002, Guidelines issued by RBI, National Bank for Agricultural and Rural Development (as applicable) and The Central RCS, in the manner so required and subject to our separate note, 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 2022**, and
- In the case of Profit & 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 of Qualified Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ("RBI") and under the provisions of the Multi State Co-operative Societies Act, 2002 and the rules made thereunder from time to time 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.

- Balance outstanding in respect of Customer Insurance Claim of Rs. 2,25,000/- are subject to confirmation and reconciliation.
- The bank has calculated depreciation on one of its branch premises in excess of Rs. 1,39,719/- as compared to the rates specified and method described thereby profit is understated by Rs. 1,39,719/-.

Emphasis of Matter:

We draw attention to Note No. 6 of the Management Notes to Accounts, which states that the extent of impact on account of the COVID pandemic on the Bank's operations and asset quality depends on future developments, which are uncertain. In the opinion of Bank's management, the Bank's results in future are neither expected to be materially adverse nor there be any significant impact on the going concern assumption.

Our opinion is not modified in respect of this matter.

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

The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Report of Board of Directors including other explanatory information, but does

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not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Report of Board of Directors including other explanatory information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the members in the Annual General Meeting.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of these financial statement that give a true and fair view of the financial position financial performance and cash flows of the Bank in accordance with banking regulation Act, 1949 (as applicable to cooperatives societies), the guidelines issued by Reserve Bank of India and the guidelines issued by the Central Registrar of cooperative Societies, New Delhi, under the Multi-State Co-operative Societies Act, 2002 and generally accepted accounting principles in India so far as applicable to the Bank. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the bank or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances.
- 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 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.

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Report on Other Legal and Regulatory Requirements:

The Balance Sheet and the Profit and Loss Account have been drawn up in Forms A and B respectively of the Third Schedule to the Banking Regulation Act, 1949 and the Multi State Co-operative Societies Act, 2002.


As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, and subject to limitations as laid down in paragraph of Management's Responsibility for the Financial Statement and Auditor's Responsibilities we report that:-

1. 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.
2. In our opinion, proper books of account as required by the Multi-State Co-operative Societies Act, Rule 27 of the Multi State Co-Operative Societies Rules 2002 and Bye Laws of the Bank 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 and offices of the Bank and all the branches have been visited by us.
3. To the best of our knowledge and belief and according to the information and explanations given to us, there is no material impropriety and irregularities in the expenditure or in the realization of monies due to the Bank.
4. To the best of our information and explanations given to us, the transactions of the Bank, which have come to our notice have been within the power of the Bank and are generally in compliance with RBI guidelines, as applicable to Multi-State Co-Operative Banks.
5. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the books of account maintained by the Bank.
6. The reports on the accounts of the branches, audited by us have been properly dealt with by us in preparing this Report.
7. 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.
8. Certain items of income / expenditure have been accounted for on cash basis as stated in Significant Accounting Policies (A) 2, which is not in accordance with Accounting Standard (AS -9) on "Revenue Recognition" issued by The Institute of Chartered Accountants of India. It is not possible to ascertain their financial impact on the profit of the bank.

As per the information and explanations given to us and based on our examination of the books of account and other record, we report as under on the matters specified in clause (a) to (f) of Rule 27(3) of the Multi State Co-operative Societies Rules, 2002

- a. We have not come across any transactions which appear to be contrary to the provisions of the Multi-State Co-operative Societies Act, 2002, the rules or the bye-laws of the Bank.
- b. We have not come across any material or significant transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India and National Bank for Agriculture and Rural Development.
- c. Money belonging to the Bank which appears to be bad or doubtful of recovery as on 31st March, 2022 was 6.23 crores for which adequate provision has been made as per extant RBI guidelines.
- d. The bank has not given loans to the members of the Board of Directors, except as disclosed.
- e. We have not observed any violation of guidelines, conditions etc. issued by the Reserve Bank of India.
- f. The Central Registrar of Co-operative Societies in this regard has not specified any matters to the bank.

For I H Desai & Co.
Chartered Accountants
Firm Reg. No: 102309W
UDIN: 22164027ALYDYS3840


Nikit A. Desai, Partner
M. No: 164027
Ahmedabad Date: 30/06/2022

The Bhuj Mercantile Co-Operative Bank Ltd.
Balance Sheet as at 31st March 2022

The Bhuj Mercantile Co-Operative Bank Ltd.
Balance Sheet as at 31st March 2022

31.03.2021	Capital & Liabilities	31.03.2022	31.03.2021	Property and Assets	31.03.2022
	1 CAPITAL			CASH AND BALANCE IN CURRENT AC	
250,000,000.00	1 Authorised Capital	200,00,00,00,000	55181925.00	(a) Cash on Hand	69,810,153.00
	2 Subscribed Share Capital		65304265.85	(b) Balance In Current Account with Reserve Bank of India	100,000.00
74,554,000.00	745540 Shares each of Rs.100/-	76,632,700.00		State Bank of India	30,702,245.26
74,554,000.00	Amount called up and paid up	76,632,700.00		State Co Op Bank	349,898.37
	(a) Individual (766327 Shares)			Central Co Op Bank	19,443.03
	(b) Co op Institution	76,632,700.00		Other Notified Banks	71,926,068.36
	(c) State Government			BALANCE WITH OTHER BANKS	180,697,003.14
546,721,459.78	2 RESERVE FUND & OTHER RESERVES	593,651,086.59	220135144.47	1 Current Deposits	119,457,003.14
	Statutory Reserve Fund	348,662,342.31		Savings Bank Deposits	
	Building Fund	110,950,371.45		Fixed Deposits	61,240,000.00
	Bad Debt Reserve Fund	50,085,071.07	0.00	MONEY AT CALL AND SHORT NOTICE	
	Dividend Equalisation	5,578,433.91	809587530.00	INVESTMENTS	
	Contingent Res. On Standard Assets	9,059,000.00		(i) In Central & State Govt. Securities (at book value)	1,105,702,710.80
	Investment Depreciation Reserve	37,502,312.00		(ii) Other Trustee Securities	
	NPA Floating Provision	2,835,862.00		(iii) Share in Co op. Institution	5,050.00
	ESDB Fund (R.U/S.36(1) (7A))	17,879,662.35		(iv) Other Investments:	
	Staff Welfare Funds A/C	158,868.36		(a) PSU Bonds:	
	Charity Fund	799,406.29		(b) Others	
	Public Purpose Fund	660,721.43		INVESTMENTS OUT OF THE PRINCIPAL	
	Share Holder Benefit Fund	8518500.00		/SUBSIDIARY STATE PARTNERSHIP FUND	
	Investment Fluctuation Reserve	1159536.42		In the Shares of:	
	3 PRINCIPAL/SUBSIDIARY STATE/			(i) Central Co-op. Banks	
	Partnership Fund Account			(ii) Primary Agricultural Credit Societies	
	For Share Capital of:			(iii) Other Societies	
	i Central Co. Op Bank			ADVANCES	
	ii Primary Agricultural Credit Society			Short Term Loans, Cash Credit, Overdrafts & Bills Discounted	971,601,996.09
	iii Other Societies			Medium Term Loans	1,294,525,059.06
	4 DEPOSITS & OTHER ACCOUNTS			Long Term Loans	
	Fixed Deposits:			INTEREST RECEIVABLE	
2,378,152,915.91	Individuals	2,348,406,834.76	18057290.34	On Fixed Deposits	1,704,088.00
	Central Co Op Banks			On Govt Securities	11,208,990.71
	Other Societies			On Atmasambhar Loan	24,500.00
	Total C/F	3,637,300,724.08	3,044,016,255.33	E-Stamp Receivable	5,196.60
2,999,426,375.69				Total C/F	3,708,382,433.64



The Bhuj Mercantile Co-Operative Bank Ltd.
Balance Sheet as at 31st March 2022

The Bhuj Mercantile Co-Operative Bank Ltd.
Balance Sheet as at 31st March 2022

31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2022
2,999,428,375.69	3,637,300,724.08	3,044,016,255.33	3,637,300,724.08	3,044,016,255.33	3,637,300,724.08	3,708,382,403.64
Capital & Liabilities		Property and Assets				
Total B/F		Total B/F				
Savings Bank Deposits		CONTRA ITEMS				
Individuals		(A) - Bills for Receivable				
Central Co Op Banks		being Bills Collection as per contra entry				
Other Societies		(B) - INTEREST RECEIVABLE ON NPA AC				
Current Deposits		BRANCH ADJUSTMENT				
Individuals		7 PREMISES LESS DEPRECIATION				
Central Co Op Banks		8 FURNITURE AND FIXTURES LESS DEPRECIATION				
Other Societies		9 OTHER FIXED ASSETS LESS DEPRECIATION				
Money at call and Short Notices		10 OTHER ASSETS:				
BORROWINGS		A. Telephone Deposit				
1 From the Reserve Bank of India		B. Rental Premises Deposit				
The Nationalized Bank / Central Co-op Bank		C. Prepaid Expenses				
Short Term Loans, Cash Credit & Overdraft		D. Others				
Of which secured against		NON BANKING ASSETS				
Govt. & Other approved securities		PROFIT & LOSS A/c (DEBIT BALANCE)				
Other Tangible Securities						
Medium Term Loans Of which secured against						
Govt. & Other approved securities						
Other Tangible Securities						
Long Term Loans						
Of which secured against						
Govt. & Other approved securities						
Other Tangible Securities						
FROM STATE BANK OF INDIA						
Short Term Loans, Cash Credit & Overdraft						
Of which secured against						
Govt. & Other approved securities						
Other Tangible Securities						
Medium Term Loans						
Of which secured against						
Govt. & Other approved securities						
Other Tangible Securities						
Total C/F		Total C/F				
2,999,428,375.69	3,637,300,724.08	3,174,497,688.86	3,637,300,724.08	3,174,497,688.86	3,637,300,724.08	3,879,079,799.13



The Bhuj Mercantile Co-Operative Bank Ltd.
Balance Sheet as at 31st March 2022

The Bhuj Mercantile Co-Operative Bank Ltd.
Balance Sheet as at 31st March 2022

	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.03.2021	31.03.2022
	2,999,428,375.69	3,637,300,724.08	3,174,497,688.86	3,174,497,688.86	Total B/F	3,879,079,799.13
					Property and Assets	
(c)			Nil			
			Nil			
			Nil			
			Nil			
			Nil			
III						
(a)						
(b)						
(c)						
IV						
6	63,628,708.82	102,643,194.06				
			5,819,322.00			
			96,823,872.06			
7						
B	920,897.00	913,452.00				
9	65,137,679.99	70,270,818.99				
	3,129,115,661.50	3,811,128,189.13			Total C/F	3,879,079,799.13



The Bhuj Mercantile Co-Operative Bank Ltd. Balance Sheet as at 31st March 2022		The Bhuj Mercantile Co-Operative Bank Ltd. Balance Sheet as at 31st March 2022	
31.03.2021	Capital & Liabilities	31.03.2022	Property and Assets
3,129,115,661.50	Total B/F	3,811,128,189.13	Total B/F
19,577,608.59	10 OTHER LIABILITIES	43,146,489.51	
	1. Unpaid Dividend	7,040,034.00	
	2. Unclaimed RTGS & NEFT	55,654.00	
	3. Sundries	13,646,051.00	
	4. Share Application Money	0.00	
	5. TDS A/C	2,881,187.00	
	6. Customer Insurance Claim Payable	225,000.00	
	7. Expenses Payable	1,259,250.00	
	8. L.R. staff saving and Insurance	4,079.00	
	9. Provisions	5,195,279.00	
	10. Professional Tax Payable	15,130.00	
	11. Rgpay/ Econ/ POS Settlement	773,895.73	
	12. Pay Slip Account	11,250,929.78	
25,804,410.77	11 PROFIT & LOSS A/C	24,805,120.49	
	12 CONTINGENT LIABILITIES		
	(I) Outstanding Liabilities for Guarantees Issues		
	Current Year : Rs. 11,03,000/-		
	Previous Year : Rs. 0.00		
	(II) Others-Depositors Education & Awareness		
	(DEAF) Previous Year : Rs. 5,08,61,127.46		
	+ Amounts ref. to DEAF : 89,94,755.05		
	- Amounts reimbursed towards Claim:		
	6,21,331.60		
	(DEAF) Current Year : Rs. 5,92,34,550.91		
3,174,497,688.86	Total Rs.	3,879,079,799.13	Total Rs.
			3,879,079,799.13

Subject to Accounting Policies and Notes forming part of the accounts
Subject to Our Report of even date.

For, The Bhuj Mercantile Co-Operative Bank Ltd.

Jayesh M. Mehta
Chairman

Dharmesh Mehta
Vice-Chairman

Rajesh Shah
Director



Nikit A. Desai (Partner)
M. No: 164027
DATE: 30/06/2022

PLACE: AHMEDABAD
UDIN: 3214027ALYDYS3840

J.J. SHAH
CEO

The Bhuj Mercantile Co-Operative Bank Ltd.
Profit & Loss Account for the year ending 31st March 2022

31.03.2021	Expenditure	31.03.2022	31.03.2021	Income	31.03.2022
127,575,786.67	1 Interest On Deposit & Borrowing	162,481,312.14	239,291,526.18	Interest & Discount	281,479,276.35
30,428,189.00	2 Salaries & Allowances & Provident Fund (including Bonus)	32,885,968.32	284,055.43	Commission, Exchange & Brokerage	377,484.87
-	Directors Fees & local committee members' fees & allowances	-	653,495.00	Rent on Safe Deposit Lockers	1,246,350.00
7,816,276.70	3 Rent, Taxes, Insurance, Lighting etc.	7,047,452.18	-	Income from Non Banking Assets and Profit from Sales or Dealing with such assets	-
7,816,276.70	Legal Expenses	467,675.00	5,783.34	Profit from sale of Fixed Assets	-
2,316,909.99	4 Postage, Telegrams & Telephone Charge	1,996,651.38	26,628,595.92	Profit on sale of GOVT. Security	80,940.00
980,395.00	Auditor's Fees & expenses	899,272.00	1,096,790.00	Income Tax Refund Provision	-
5,850,432.85	Depreciation/Written off items	4,874,562.00	2,831,951.41	3 Other Income	13,141,541.15
2,693,763.59	5 Repairs and maintenance	1,168,273.40	-		
1,978,133.55	6 Stationery/Printing & Advertisements etc.	1,865,086.76	-		
2,612,206.00	DICGC Insurance Premium	3,119,367.72	-		
1,644,153.78	GST Expenses	1,604,009.77	-		
7,024,246.88	7 Other Expenditure	5,248,554.17	-		
43,269.00	Amortisation of premium on Investment	43,270.00	-		
26,831,358.00	Income Tax Expenses	18,297,719.00	-		
14,269,625.50	Depreciation on Investments	23,050,418.04	-		
12,746,632.00	Provision for BDDR	6,470,880.00	-		
25,804,418.77	Profit for the year carried to the Balance Sheet	24,805,120.49	-		
270,792,197.28	TOTAL	296,325,592.37	270,792,197.28	TOTAL	296,325,592.37

Subject to Accounting Policies and Notes forming part of the accounts
Subject to Our Report of even date.

For I H Desai & Co (FRN NO : 102309W)
CHARTERED ACCOUNTANTS

I H Desai
Nikit A. Desai (Partner)
M. No: 164027
DATE : 30/06/2022

PLACE : AHMEDABAD
UDIN: 216027ALY053840

For, The Bhuj Mercantile Co-Operative Bank Ltd.

Jayesh M. Mehta
Jayesh M. Mehta
Chairman

R. G. Shah
Rajesh Shah
Director

Dharmesh Mehta
Dharmesh Mehta
Vice-Chairman

R. G. Shah
R. G. Shah
CEO

The Bhuj Mercantile Co-Operative Bank Ltd.
Cash Flow Statement For the Year Ended 31st March 2022

(Amount in Rs.)

SN	PARTICULARS	AS ON 31.03.2022		AS ON 31.03.2021	
(A)	CASH FROM OPERATING ACTIVITIES:				
	Net Profit as per Profit and Loss Account (after Tax)		₹ 24,805,120.49		₹ 25,804,418.77
	<u>Adjustment for:</u>				
	Depreciation for the year	₹ 4,674,562.00		₹ 5,850,432.85	
	Amortisation of premium on Investment (Govt. Securities)	₹ 43,270.00		₹ 43,269.00	
	Investment Fluctuation Reserve	₹ 4,270.00			
	Tax Expense				
	i) Income Tax	₹ 18,297,719.00		₹ 25,734,568.00	
	ii) Deferred Tax	₹ -208,394.00			
	Provisions				
	i) Provision for Land & Building	₹ 1,000,860.00		₹ 1,000,860.00	
	ii) Provision for Investment Fluctuation Reserve	₹ 23,050,418.00		₹ 802,401.42	
	iii) Provision for Bad & Doubtful Debt	₹ 6,470,880.00		₹ 12,746,632.00	
	iv) Provision Reversed during the year	₹ -		₹ -	
	v) Provision on Investment AFS	₹ -		₹ 14,269,625.50	
	vi) Provision of Covid-19	₹ -		₹ 764,445.00	
	(Profit)/Loss on sale of Fixed Assets & Investments				
	i) Profit on Sale of Investment	₹ -		₹ -29,169,728.99	
	ii) Profit on Sale of Fixed Assets	₹ -		₹ -5,783.34	
	iii) Income on Investment	₹ -85,827.00		₹ -33,691,514.22	
	(Income)/Expense to be Considered under Other Activities				
	ii) Dividend Received	₹ -	₹ 53,447,758.00	₹ -	₹ -1,654,792.78
	Profit Before Changes in Working Capital		₹ 78,252,878.49		₹ 24,149,625.99
	Operating Cash Flow from Working Capital Changes				
	<u>Adjustment for: Increase/(Decrease)</u>				
	In Deposits	₹ 583,721,817.00		₹ 795,405,484.59	
	In Other Liabilities	₹ 24,225,409.23		₹ 9,203,176.06	
	In Advances	₹ -300,376,956.00		₹ -481,528,611.50	
	In Other Assets	₹ 7,225,658.00	₹ 314,795,928.23	₹ -17,601,652.38	₹ 305,478,396.77
	Income Tax paid During the Year		₹ -17,470,000.00		₹ -19,796,510.00
	Net Cash generated from/(used in) Operating Activities (A)		₹ 375,578,806.72		₹ 309,831,512.76
(B)	CASH FROM INVESTING ACTIVITIES:				
	Purchase of Investments	₹ -		₹ -2,096,620,274.00	
	Proceeds from Sale of Investments	₹ -		₹ 1,694,120,789.65	
	Purchase of Fixed Assets	₹ -8,194,628.00		₹ -15,524,063.00	
	Proceeds from Sale Fixed Assets	₹ -		₹ 1,429,317.00	
	Income from Investment	₹ 85,827.00		₹ 33,691,514.22	
	Net Increase in Investments	₹ -296,120,230.00	₹ -304,229,031.00	₹ -	₹ -382,902,716.13
	Net Cash generated from/(used in) Investing Activities (B)		₹ -304,229,031.00		₹ -382,902,716.13
(C)	CASH FROM FINANCING ACTIVITIES:				
	Proceeds from issue of Share Capital	₹ 2,078,700.00		₹ 24,703,800.00	
	Utilisation of Reserves & Funds	₹ -445,000.00	₹ 1,633,700.00	₹ -920,319.18	₹ 27,783,480.81
	Net Cash generated from/(used in) Investing Activities (C)		₹ 1,633,700.00		₹ 23,783,480.81

The Bhuj Mercantile Co-Operative Bank Ltd.
Cash Flow Statement For the Year Ended 31st March 2022

SN	PARTICULARS	(Amount in Rs.)	
		AS ON 31.03.2022	AS ON 31.03.2021
	Opening Balance of Cash & Cash Equivalents (Note No.1)	₹ 340,621,335.32	389,909,056.87
	Closing Balance of Cash & Cash Equivalents (Note No.2)	₹ 413,604,811.04	340,621,335.32
	Note: 1 Opening Balance of Cash & Cash Equivalent		
	Cash in Hand	₹ 55,181,925.00	88,964,110.00
	Cash with Reserve Bank of India, State Bank of India, State Co-operative Bank and Central Co-operative Bank	₹ 65,304,265.85	77,650,237.63
	Balance with Other Bank		
	(i) Current Deposit	₹ 112,495,144.47	61,554,709.24
	(ii) Fixed Deposit	₹ 107,640,000.00	₹ 161,740,000.00
		₹ 340,621,335.32	389,909,056.87
	Note: 2 Closing Balance of Cash & Cash Equivalent		
	Cash in Hand	₹ 69,810,153.00	55,181,925.00
	Cash with Reserve Bank of India, State Bank of India, State Co-operative Bank and Central Co-operative Bank	₹ 103,097,655.04	65,304,265.85
	Balance with Other Bank		
	(i) Current Deposit	₹ 119,457,003.00	112,495,144.47
	(ii) Fixed Deposit	₹ 61,240,000.00	107,640,000.00
	(iii) Call Deposit	₹ 60,000,000.00	0.00
		₹ 413,604,811.04	340,621,335.32

For I H Desai & Co (FRN NO : 102309W)
CHARTERED ACCOUNTANTS

For, The Bhuj Mercantile Co-Operative Bank Ltd.

Ana
Nikit A. Desai (Partner)
M. No: 164027
PLACE : AHMEDABAD
UDIN: 216V037ALYDYS3840

Jayesh M. Mehta
Jayesh M. Mehta
Chairman

Dharmesh Mehta
Dharmesh Mehta
Vice-Chairman

R. C. Shah
Rajesh Shah
Director

J. J. Shah
J. J. SHAH
CEO



**SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PARTS OF FINANCIAL STATEMENTS FOR
THE YEAR ENDED ON 31ST MARCH 2022**

Background:

The bank has been converted to Multi State Co-operative Bank under Multi State Co-operative Societies Act, 2002, with effect from 23/03/2022.

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and complied with the Generally Accepted Accounting Principles (GAAP) in India, Statutory requirements prescribed under the Banking Regulations Act, 1949, and the Multi State Co-operative Societies Act, 2002, Circulars and Guidelines issued by The Reserve Bank of India from time to time, Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and current practices prevailing within the Banking Industries in India.

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Accounting Conventions:** The accompanying financial statements have been prepared on historical cost convention on Going Concern basis and conform to the statutory provisions and practices prevailing in India, unless otherwise stated.
2. **Revenue Recognition (Accounting Standard – 9):** All revenues are accounted for on accrual basis. However, considering the nature of transactions, smallness of amounts, uncertainties involved and consistent practice, locker rent, Commission, Brokerage and Exchange, Dividend on Shares, Profit or loss on Sale of investments/Fixed Assets and Interest and other income on Non-Performing Assets are recognized on Receipt basis.
3. **Expenditure:** All Expenses except as stated under are accounted for on accrual basis.
 - a. Postage, Electricity, Telephone, Insurance, Local Authorities dues and Professional Fees other than Audit Fees,
 - b. Annual Maintenance Contract Charges,
 - c. Legal and Sundry Expenses incurred in suit file account
4. **Employee Benefits: (Accounting Standard – 15)**
 - a. Short Term Employee benefits like Salaries paid, annual leave and sick leave, bonus and non-monetary benefits are accrued in the year in which the services are rendered by the employee.
 - b. Provident Fund: on actual basis.
 - c. Gratuity liability is defined benefit obligation and administered through trust funded with LIC and accounted on the basis of valuation determined by Life Insurance Corporation of India by paying premium under Group Gratuity Scheme.
5. **Advances**
 - a) In terms of guidelines issued by the RBI, advances to borrowers are classified into "Performing" or "Non-Performing" assets based on recovery of principal / interest. Non-Performing Assets (NPAs) are further classified as Sub-Standard, Doubtful and Loss Assets.
 - b) Advances are stated at gross value while provision for performing & Non-Performing Assets required to be made as per R.B.I. guidelines are shown under the head Reserve & Other Funds and Standard Assets Reserve fund in accordance with requirement of the applicable statute for disclosure.
 - c) Additional Provisions carried in accounts over and above requirements under the prudential norms prescribed by the Reserve Bank of India, which can be considered as earmarked reserve is as follows:
 1. Bad & Doubtful Debts Provision u/s 36(1)(viii) of the Act
 2. Bad & Doubtful Debts Reserve
 - d) The overdue interest in respect of advances is provided separately under Overdue Interest Reserve as per the directive issued by the Reserve Bank of India.
6. **Property, Plant & Equipment : (Accounting Standard – 10)**

Property, Plant & Equipment are stated at their historical cost less depreciation. Cost includes incidental expenses incurred on Acquisition of Assets.

- a. Depreciation is provided on Written Down Value Method, at rates specified as per Income Tax Act, 1961 and rates are as under:

Sr. No.	Fixed Assets	Rate of Depreciation
1	Building	10%
2	Furniture & Fixtures	10%
3	Plant & Machinery	15%
4	Computer, UPS and software	40%
5	Vehicles	15%

- b. Depreciation on Property, Plant & Equipment purchased after 30th September is provided at 50% of the above rates.

7. **Impairment of Assets:** A substantial portion of the bank's assets comprise of 'financial assets' to which Accounting standard 28 "Impairment of assets" is not applicable. In respect of assets to which Standard applies, in the opinion of the management, there are no indications, internal or external, which could have the effect of impairing the value of the assets to any material extent as at 31st March, 2021 requiring recognition in terms of the said standard

8. **Accounting for Investments (Accounting Standard - 13):**

1. **SLR Investment:** -

- a. Investment is classified in accordance with Reserve Bank of India Guidelines in three categories as follows: -

1. Held to maturity comprising of Investments acquired with the intention to hold them till maturity.
2. Held for trading comprising of investments acquired with the intention to trade.
3. Available for sale comprising of investments, which are not classified in above two categories.

- b. Investments are categorized as under:

1. State & Central Government Securities
2. Approved Trustee Securities
3. Shares of Co-operative Banks
4. Other Investments.
5. Treasury Bills

- c. Investment in Government Treasury bills are further classified as under:

1. Available for sale

- d. Classification & Valuation of Investments: (i) Held to Maturity (Rs. In Lakh)

Sr. No.	Particulars	Face Value	Book Value
1	06.19% GOVT. Stock 2034	2000.00	2004.75

(ii) Available For Sale (Rs. In Lakh)

Sr. No.	Particulars	Face Value	Book Value	Market Value
1	06.22% GOVT. Stock 2035	3000.00	2922.60	2784.00
2	06.19% GOVT. Stock 2034	1000.00	995.80	928.00
3	06.55% ANDHRA PRADESH SDL 2033	500.00	500.3	471.45
4	06.49% MAHARASHTRA SDL 2031	500.00	501.2	481.25
5	06.44% GUJARAT SDL 2029 08 Jul	187.00	187.04	180.68
6	06.55% RAJASTHAN SDL 2030	289.50	289.96	279.69
7	06.55% TAMIL NADU SDL 2030	202.10	202.28	195.27
8	05.74% GOVT. Stock 2026	1000.00	993.8	985.60
9	6.67% GOVT. Stock 2050	1500.00	1480.2	1392.00
10	364 DTB 22122022 Treasury Bill	500.00	479.68	-
11	182 DTB 07042022 Treasury Bill	500.00	499.63	-

- e. Provision for diminution in value of Investments (AFS) is not required as the bank already has excess provision.

- f. Premium Paid on Govt. Securities Investment (HTM) is amortized over a period of Maturity of Investment.

II. **Non SLR Investments: -**

(i) Bank Fixed Deposit & Mutual Fund Investments.		(Amount in Rs.)
Sr. No.	Particulars	Face Value
1	G.S.C. Bank - Shares	5,000.00
2	K.D.C.C. Bank Shares	50.00
Total		5,050.00

9. **Events Occurring After the Balance Sheet Date:** Material adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Non adjusting events (that are indicative of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the reports of the Board of Directors.
10. **Provision:** Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources even though the amount cannot be determined with certainty and represents only a best estimate in the light of available information. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.
11. **Taxation:**
- Current Tax - Current year tax is determined as the amount of tax payable in respect of taxable income for the year.
 - Deferred Tax - Deferred Tax Liability is recognized on timing difference between the accounting income and tax income that originate in one period and are capable of reversal in one or more subsequent periods.
12. **Use Of Estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates
13. **Cash and cash Equivalents:** Cash and cash equivalents include cash on hand and balances with Reserve Bank of India and Balances with other private banks.
14. **Segment Reporting:** The entire operation of the bank is one composite banking business. In view of the management of Bank, Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountant of India is not applicable to bank

B. NOTES TO ACCOUNTS:

- The Bank has achieved the overall exposure of advances to Priority Sector as per RBI guidelines. The Priority advances are 66.71% of total advances as against requirement of 50% as per RBI guidelines.
- Bank is maintaining minimum CRAR of 9% on a continuous basis.
- Compliance with Accounting Standards:
 - The Bank is primarily engaged in banking activity as defined by RBI. As interest income (including interest earned on Government security) accounts for more than 80% of banks total revenue, separate business segment reporting as per AS-17 is not considered necessary. The bank has made necessary provision for deferred tax liability in compliance with accounting standard 22 of the ICAI.
 - The necessary provision for gratuity and leave encashment with respect to retirement benefit is not required as per accounting standard- 15 of ICAI as the Bank has tied up with L.I.C. of India for such liability. Further, premium paid to L.I.C. of India during the year is debited to Profit and Loss A/c
 - The Bank is a Co-operative Bank under the Multi-State Co-operative Society Act, 2002 and there are no related party requiring disclosure under the AS-18 issued by the ICAI, other than one Key Management Personnel, viz. Mr. J J Shah, CEO of the Bank. However, having regard to the



RBI circular No.DBOD.BP.BC.89/21.04.018/2002-03 dated March 29, 2003, he being single party coming under the category, no further details thereon are required to be disclosed.

d. **Contingent Liabilities: (AS - 29):**

Particulars	31.03.2022	31.03.2021
Bank Guarantees	11,03,000/-	Nil
Letter of Credit	Nil	Nil

4. **Movement of CRAR.**

Particulars	31.03.2022	31.03.2021
Movement of CRAR	27.50	30.40

5. **Advances:**

- Advances against real estate, construction business and housing are Rs. 5.94 Crores i.e. 1.91% of the total Assets of previous year which is within prescribed limit of 15% as per RBI directives
- Advances against Shares & Debentures are Rs. Nil
- The Bank has created Interest Reserve Account for interest accrued in respect of Non-Performing Asset by debiting Interest Receivable Account and crediting Overdue Interest Reserve Account amounting to Rs. 968.23 Lakh.
- Classification of Assets and movements of NPA:

Total Loans & Advances Rs. 21761.27 Lakhs (Rs. in Lakh.)

Sr. No.	Classification of Advances	Advances Rs.	Provision Required	Provision Made
1	Standard	21137.93	84.55	90.59
2	Sub Standard	40.99	4.10	
3	Doubtful	351.86	153.47	706.01
4	Loss	230.48	230.48	
5	Gross NPA (2+3+4)	623.33	388.05	706.01
6	Total (1+5)	21761.27	472.60	796.60

Provision required for NPA as on 31.03.2022 is Rs. 472.60 lakh as per RBI guidelines. As against this, the bank has made provision of Rs. 796.60 lakh. Thus the aggregate provision for NPA is far in excess of the total NPA.

- The Covid-19 pandemic continues to spread across the globe thus impacting India. This has resulted in an adverse impact and volatility in global and Indian Markets and disruption in economic activities. The extent of impact on account of the pandemic, including the current second wave witnessed in the country, on the Bank's operations and asset quality depends on future developments, which are uncertain.
- The RBI has not imposed any Penalty on Bank in the F.Y. 2021-2022.
- The Bank has not restructured any Advance Accounts during the F.Y. 2021-22.
- During the year transaction in foreign currency is Nil.
- Figures are rounded off to the nearest rupees.
- Previous year figures are regrouped and rearranged wherever necessary to make them comparable.

For I H Desai & Co (FRN NO : 102309W)
CHARTERED ACCOUNTANTS

Signature

Nikit A. Desai (Partner)
M. No: 164027
DATE: 30/06/2022



PLACE: AHMEDABAD
UDIN: 22164027ALYDYS3840

Disclosure of Financial Statements- Note to Accounts as per RBI Circular No.DOR.ACC.REC.No.45/ 21.04.018/2021-22, Dated Aug. 30, 2021.

1. Regulatory Capital

a) Composition of Regulatory Capital

(Rs. In Crores)

Sr. No	Particulars	Current Year	Previous Year
1	Common Equity Tier 1 capital (CET 1)* / Paid up share capital and reserves@ (net of deductions, if any)	42.53	41.68
2	Additional Tier 1 capital*/ Other Tier 1 capital@	11.72	11.74
3	Tier 1 capital (i + ii)	54.25	53.42
4	Tier 2 capital	2.58	2.29
5	Total capital (Tier 1+Tier 2)	56.83	55.71
6	Total Risk Weighted Assets (RWAs)	206.64	183.24
7	CET 1 Ratio (CET 1 as a percentage of RWAs)* / Paid-up share capital and reserves as percentage of RWAs@	0.21	0.23
8	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	0.26	0.29
9	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.01	0.01
10	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	0.28	0.30
11	Amount of paid-up equity capital raised during the year	0.21	2.47
12	Leverage Ratio*	N.A.	N.A.
13	Percentage of the shareholding of a) Government of India b) State Government (specify name)\$ c) Sponsor Bank\$	N.A.	N.A.
14	Amount of non-equity Tier 1 capital raised during the year, of which Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	N.A.	N.A.
15	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, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	N.A.	N.A.

2. Asset liability management:

a) Maturity pattern of certain items of assets and liabilities

Rs. In Crores

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 months and to 3 months	Over 3 months and up to 6 Month)	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits*	10.67	2.20	4.60	9.16	13.78	14.87	38.47	66.87	113.19	2.48	0.48	296.70
Advances	7.43	0.36	0.07	2.56	0.18	13.09	1.08	41.95	50.13	17.11		



Investments	0	5	0	0	0	0	5	0	10	91.78	111.78
Borrowings	0	0	0	0	0	0	0	0	0	0	0
Foreign Currency assets	0	0	0	0	0	0	0	0	0	0	0
Foreign Currency liabilities	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0

3. Investment:

Composition of Investment Portfolio As at 31-3-2022

Rs. In Crores

	Investment in India							Investment outside India
	Govt Securities	Other Approved Securities	Shares	Debentures and Bond	Subsidiaries and/or Joint ventures	Others	Total Investment in India	
Held to Maturity								Nil
Gross	20.05	0.00	0.00	0.00	0.00	0.00	20.05	
Less: Provision for non performing investment (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Net	20.05	0.00	0.00	0.00	0.00	0.00	20.05	
Available for Sale								
Gross	90.52	0.00	0.00	0.00	0.00	0.00	90.52	
Less: Provision for depreciation and NPI	3.75	0.00	0.00	0.00	0.00	0.00	3.75	
Net	86.77	0.00	0.00	0.00	0.00	0.00	86.77	
Held for Trading								
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Investment	110.57	0.00	0.00	0.00	0.00	0.00	110.57	
Less: Provision for non performing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	



investment (NPI)							
Less: Provision for depreciation and NPI	3.75	0.00	0.00	0.00	0.00	0.00	3.75
Net	106.82	0.00	0.00	0.00	0.00	0.00	106.82

Investment As at 31-3-2021

Rs. In Crores

	Investment in India							Investment outside India
	Govt Securities	Other Approved Securities	Shares	Debentures and Bond	Subsidiaries and/or Joint ventures	Others	Total Investment in India	
Held to Maturity								
Gross	20.05	0.00	0.00	0.00	0.00	0.00	20.05	
Less: Provision for non performing investment (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Net	20.05	0.00	0.00	0.00	0.00	0.00	20.05	
Available for Sale								
Gross	60.86	0.00	0.00	0.00	0.00	0.00	60.86	
Less: Provision for depreciation and NPI	1.45	0.00	0.00	0.00	0.00	0.00	1.45	Nil
Net	59.41	0.00	0.00	0.00	0.00	0.00	59.41	
Held for Trading								
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Investment	80.91	0.00	0.00	0.00	0.00	0.00	80.91	
Less: Provision for non	0.00	0.00	0.00	0.00	0.00	0.00	0.00	



performing investment (NPI)							
Less: Provision for depreciation and NPI	1.45	0.00	0.00	0.00	0.00	0.00	1.45
Net	79.46	0.00	0.00	0.00	0.00	0.00	79.46

B) Movement of Provisions for depreciation and Investment Fluctuation Reserve (IFR) Rs. In Crores

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investment (IDR)		
a) Opening Balance	1.4452	0.0182
b) Add: Provisions made during the year	2.305	1.427
c) Less: Write off/write back of excess provisions of previous year	0	0
d) Closing Balance	3.7502	1.4452
ii) Movement of Investment Fluctuation (IFR)		
a) Opening Balance	0.1155	0.0353
b) Add: Provisions made during the year	0.0004	0.0802
c) Less: Write off/write back of excess provisions of previous year	0	0
d) Closing Balance	0.1159	0.1155
iii) Closing balance in IFR as percentage of closing balance of investments in AFS and HFT/ Current category	0.13%	0.19%

c) Sale and transfers to/from HTM category : NIL

D) Non SLR Investment Portfolio

i) Non-performing Non-SLR investments (Rs. In Crores)

Sr No	Particulars	Current Year	Previous Year
a)	Opening Balance	0	0
b)	Addition during the year since 1 st April	0	0
c)	Reduction during the above period	0	0
d)	Closing Balance	0	0
e)	Total Provision held	0	0

ii) Issuer composition of Non-SLR investment

Sr No	Issuer	Amount	Extent of Private Placement	Extent of 'Below investment grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
1	2	3	4	5	6	7



		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
a)	PSUs	0	0	0	0	0	0	0	0	0	0
b)	FIs	0	0	0	0	0	0	0	0	0	0
c)	Banks	6.12	10.76	0	0	0	0	0	0	0	0
d)	Private Corporate	0	0	0	0	0	0	0	0	0	0
e)	Subsidiaries/Joint ventures	0	0	0	0	0	0	0	0	0	0
f)	Others	6	0	0	0	0	0	0	0	0	0
g)	Provision held towards depreciation	0	0	0	0	0	0	0	0	0	0
	Total	12.12	10.76	0	0	0	0	0	0	0	0

Total shall match the total of Non-SLR investments held by the bank

4. Assets Quality

(Rs. In Crores)

a) Classification of advances and provisions held

Particulars	Standard		Non-performing			Total
	Total Standard Advances	Sub Standard	Doubtful	Loss	Total/Gross NPAs	
Gross standard advances and NPAs						
Opening Balance	181.85	2.15	0.99	2.58	5.72	187.57
Add: Additions during the year	29.53	2.81	2.71	0.00	5.52	35.05
Less: Reduction during the year*	0.00	4.55	0.18	0.28	5.01	5.01
Closing balance	211.38	0.41	3.52	2.30	6.23	217.61
Reductions in gross NPAs due to:						
i) Upgradation	0.00	4.32	0.00	0.00	0.00	
ii) Recoveries (Excluding recoveries from upgraded accounts)	0.00	0.23	0.18	0.28	0.69	0.00
iii) Technical/Prudential Write-off	0.00	0.00	0.00	0.00	0.00	0.00
iv) Write-offs other than those under (iii) above	0.00	0.00	0.00	0.00	0.00	0.00
Provisions (excluding Floating Provisions)						
Opening balance of provision held	0.81	0.22	0.30	4.98	5.20	6.01
Add: Fresh provisions made during the year						
Less: Excess provision reversed/write-off loan Net NPAs						
Closing balance of provision held	0.90	0.04	1.53	5.50	6.78	7.68
Net NPAs						
Opening Balance					0.52	
Add: Fresh additions during the year						
Less: Reduction during the year						
Closing Balance					-0.55	



Floating Provisions						
Opening Balance	0.28					
Add: Additional provision made during the year	0.00					
Less: Amount draw down during the year	0.00					
Closing Balance of Floating Provisions	0.28					
	0.00					
Technical write-offs and recoveries made thereon	0.00	0.00	0.00	0.00	0.00	0.00
Opening balance of Technical/prudential written-off accounts	0.00	0.00	0.00	0.00	0.00	0.00
Add : Technical/Prudential write-offs during the year	0.00	0.00	0.00	0.00	0.00	0.00
Less: Recoveries made from previously technical/prudential written off accounts during the year	0.00	0.00	0.00	0.00	0.00	0.00
Closing balance	0.00	0.00	0.00	0.00	0.00	0.00

Ratios

Ratios	Current Year	Previous Year
Gross NPA to Gross Advances	2.86%	3.05%
Net NPA to Net Advances	-0.26%	0.29%
Provision coverage ratio	123%	105%

b) Sector-wise Advances and Gross NPAs

(Rs. In Crore)

Sr No	Sector	Current Year			Previous Year		
		Outstanding total Advances	Gross NPAs	% of Gross NPAs to total Advances in that sector	Outstanding total Advances	Gross NPAs	% of Gross NPAs to total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	0.02	0.02	100.00%	0.02	0.02	100.00%
b)	Advances to industries sector eligible as priority sector lending	110.7	4.61	4.16%	87.74	3.91	4.46%
c)	Services	8.52	0.35	4.11%	3.88	0.58	14.95%
d)	Personal loans	5.88	0.16	2.72%	5.61	0.14	2.50%
	Subtotal (i)	125.12	5.14	4.11%	97.25	4.65	4.78%
ii)	Non-priority Sector						
a)	Agriculture and allied activities	0	0		0	0	
b)	Industry	3.97	0.61	15.37%	1.95	0.64	32.82%
c)	Services	0	0		0	0	
d)	Personal loans	88.52	0.48	0.54%	88.37	0.42	0.48%
	Subtotal (ii)	92.49	1.09	1.18%	90.32	1.06	1.17%
	Total (i+ii)	217.61	6.23	2.86%	187.57	5.71	3.04%



*Banks shall also disclose in the format above, sub-sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it shall disclose details of its outstanding advances to mining separately in the format above under the 'Industry' sector

c) Particulars of resolution plan and restructuring

ii) Details of accounts subjected to restructuring

		Agriculture and allied activities		Corporate (excluding MSME)		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										
	Gross Amt										
	Provision held										
Sub-standard	Number of Borrowers			NIL							
	Gross Amt										
	Provision held										
Doubtful	Number of Borrowers										
	Gross Amt										
	Provision held										
Total	Number of Borrowers										
	Gross Amt										
	Provision held										

d) Disclosure of transfer of loan exposure

(Rs. In Crores)

Details of stressed loans transferred or acquired during the year (to be made separately for loans classified as NPA and SMA)			
	To ARCs	To permitted transferees	To other transferees (Please Specify)
No of accounts			
Aggregate principal outstanding of loans transferred	NIL	NIL	NIL
Weighted average residual tenor of loan transferred			
Net book value of loan transferred (at the time of transfer)			
Aggregate consideration			



Additional consideration realized in respect of accounts transferred in earlier years			
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e) Fraud accounts

	Current Year	Previous Year
Number of frauds reported		
Amount involved in fraud (Rs in Crores)	NIL	NIL
Amount of provision made for such frauds		
Amount of unamortized provision debited from 'other reserve' as at the end of the year		

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

Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan Position as at the end of 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	NIL	NIL	NIL	NIL	NIL
Corporate persons					
Of which MSMEs					
Others					
Total					

5. Exposures

a) Exposure to Real estate Sector

(Rs in Crores)

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.	5.94	5.00
a) 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;	0	0
b) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	0	0
ii. Commercial Real Estate	0	0
i) Indirect Exposure	0	0
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		



Total Exposure to Real Estate Sector	5.94	5.00
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b) Exposure to capital market (Rs. Crores)

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

c) Unsecured Advances

Particulars	Current Year	Previous Year
Total unsecured advances of the bank	2.71	5.17
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0	0
Estimated value of such intangible securities	0	0

6. Concentration of Deposits, Advances, exposures and NPAs

a) Concentration of deposits

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	26.33	20.46
Percentage of deposits of twenty largest depositors to total deposits of the bank	8.68%	8.38%

b) Concentration of advances

Particulars	Current Year	Previous Year
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Total advances to the twenty largest borrowers	69.57	50.95
Percentage of advances to twenty largest borrowers to total advances of the bank	31.97%	27.16%

c) Concentration of exposures

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	2.64	2.49
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	368%	324%

d) Concentration of NPAs

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	4.46	4.62
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	71.54%	80.82%

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

(Rs. In Crore)

Sr No	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	5.09	3.76
ii)	Add: Amounts transferred to DEA Fund during the year	0.90	1.39
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.06	0.06
iv)	Closing balance of amounts transferred to DEA Fund	5.93	5.09

8. Disclosure of complaints

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

Sr No	Particulars	Current Year	Previous Year
1	Number of complaints pending at beginning of the year	NIL	NIL
2	Number of complaints received during the year		
3	Number of complaints disposed during the year		
3.1	Of which, number of complaints rejected by the bank		
4	Number of complaints pending at the end of the year		
	Maintainable complaints received by the bank from Office of Ombudsman		
5	Number of maintainable complaints received by the bank from Office of Ombudsman		
5.1	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman		
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)		

a) Top five grounds 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
Current Year					
Ground 1	NIL	NIL	NIL	NIL	NIL
Ground 2	NIL	NIL	NIL	NIL	NIL
Ground 3	NIL	NIL	NIL	NIL	NIL
Ground 4	NIL	NIL	NIL	NIL	NIL
Ground 5	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Previous Year					
Ground 1	NIL	NIL	NIL	NIL	NIL
Ground	NIL	NIL	NIL	NIL	NIL
Ground	NIL	NIL	NIL	NIL	NIL
Ground	NIL	NIL	NIL	NIL	NIL
Ground	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	NIL	NIL	NIL	NIL	NIL
1.ATM/Debit Cards	5. Mis-selling/Para-banking	9. Levy of charges without prior notice/ excessive charges/ foreclosure charges	13. Bank Guarantees/ Letter of Credit and documentary credits		
2. Credit Cards	6. Recovery Agents/ Direct Sales Agents	10. Cheques/ drafts/ bills	14. Staff behavior		
3. Internet/Mobile/ Electronic Banking	7. Pension and facilities for senior citizens/ differently abled	11. Non-observance of Fair Practices Code	15. Facilities for customers visiting the branch/ adherence to prescribed working hours by the branch, etc.		
4. Account opening/ difficulty in operation of accounts	8. Loans and advances	12. Exchange of coins, issuance/ acceptance of small denomination notes and coins	16. Others		

9. Disclosure of penalties imposed by the Reserve Bank of India: NIL

10. Others

a) Business Ratios

	Current Year	Previous Year
Interest Income as % to Working Funds	7.98%	8.62%
Non-interest Income as % to Working Funds	1.03%	1.14%



Average cost of deposits	5.35%	5.22%
Net Interest Margin	2.09%	2.64%
Operating Profit as % to Working Funds	3.37%	4.02%
Return on Assets	0.70%	0.93%
Business per employee	6.77	5.53
Profit per employee	3.22%	3.31%
Revaluation of Fixed Assets		
Book Value	NIL	NIL
Revalued		
Revaluation Reserve		
Non-banking Assets	1	1
No of Branches	8	8
No of Staff Members	77	78

b) Banc Assurance Business

The details of fees/brokerage earned in respect of insurance broking.	Current Year	Previous Year
	NIL	NIL

c) Disclosures regarding Priority Sector Lending Certificates (PSLCs) The amount of PSLCs (category-wise) sold and purchased during the year shall be disclosed: NIL

d) Provisions and contingencies

Provisions and contingencies	Current Year (Rs in Cr)	Previous Year (Rs in Cr)
i) Provisions for NPI	0.00	0.00
ii) Provision towards NPA	7.97	6.30
iii) Provision made towards Income tax	0.05	0.00
iv) Other Provisions and Contingencies	0.47	0.37

e) Payment of DICGC Insurance Premium

Particulars	Current Year (Rs in Cr)	Previous Year (Rs in Cr)
Payment of DICGC Insurance Premium	0.22 paid on 13/05/2022	0.17 paid on 03/05/2021
Arrears in payment of DICGC premium	0	0

g) Disclosure of facilities granted to directors and their relatives

Bank shall disclose any fund or non-fund (guarantees, letters of credit, etc.) facilities extended to directors, their relatives, companies or firms in which they are interested. (Rs. In Crores)

Name of Director/their relatives/Firms	Funded/Non-funded	Limit sanctioned	Outstanding
MAHESH V SORATHIA	OD Against FD	0.15	0.13



CERTIFICATE

To,
The Senior Supervisory Manager(SSM),
Department of Supervision(DOS),
Reserve Bank of India(RBI)

Date: 30-06-2022

1. We have verified compliance with SLR requirements under Section 24 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) by the bank and also verified CRR/SLR returns filed by the bank for the FY 2021-2022 of following dates.

Amount in Rs. (Lakhs)

Sr .No	Date	NDTL	CRR		SLR	
			Required	Maintained	Required	Maintained
1	09/04/2021	22828.57	799	932.09	4109.13	7616.37
2	22/04/2021	22850.25	799.76	1089.34	4113.05	9091.32
3	15/05/2021	23328.48	816.5	976.92	4199.13	9279.3
4	31/05/2021	23514.13	940.57	1308.6	4252.54	9942.63
5	10/06/2021	23643.51	945.74	1043.73	4255.85	9672.59
6	01/07/2021	23801.99	952.08	1250.56	4284.36	11355.36
7	03/07/2021	24215.78	968.63	1161.45	4358.84	11249.69
8	31/08/2021	25497.84	1019.91	1445.02	4589.61	11479.86
9	20/09/2021	25323.98	1012.93	1335.01	4558.19	12379.31
10	04/10/2021	25362.03	1014.48	1162.78	4565.17	12221.42
11	25/11/2021	25281.99	1011.28	1118.64	4550.76	12162.42
12	08/12/2021	25768.41	1030.79	1345.12	4638.31	11875.93
13	01/01/2022	26169.86	1046.79	2413.21	4710.57	12914.74
14	11/02/2022	27308.15	1092.33	1267.02	4915.47	11716.90
15	02/03/2022	27412.92	1096.52	1627.99	4934.33	10905.88

2. We have verified the accuracy in computation of net DTL and corresponding SLR, as per the instructions contained in RBI circular DCBPR.BPD(PCB) MC. No. 5/12.03.000/2015-16, dated July 01,2015.

3. We have verified the calculation of CRAR as on 31.03.2022 and it is found correct.

4. We have verified the income recognition, asset classification and provisions made by the bank. We certify that the income recognition, asset classification and provisions made by the bank are as per the guidelines of Reserve Bank of India issued from time to time.

5. We have verified the investment made by the bank during the year under audit and also certify that bank had complied with the guidelines of Master Circular dated 06/07/2018 Prudential norms on classification, Valuation and Operations of Investment Portfolio.



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6. We have verified the compliance with the exposure to single and group borrowers and Large Exposure as contained in circular dated 13/03/2020 and other instructions issued from time to time. We certify that bank had complied with all the guidelines as well as instructions.

7. We have verified that the adherence to the instructions by the bank on the System based asset classification as per Circular dated 12/08/2020 of RBI is not applicable as the bank does not fall within the criteria as required in terms of the circular DoS. CO / CSITE / BC. 4083 / 31.01.052 /2019-20 dated December 31, 2019 on Comprehensive Cyber Security Framework for UCBs.

8. We have verified the compliance by the Bank to the instructions on 'COVID-19 - Regulatory Package', as per guidelines of RBI from time to time. We certify that the bank had adhered to these instructions.

9. We have verified that the calculation of interest rate is done as per the instructions contained in Master Direction on " Management of Advances" issued vide DCBR,BPD.(PCB) MC No.14/13.05.000/2015-16 dated July 01, 2015 (as updated from time to time). We certify that the bank had adhered to these instructions.

10. We have verified the computation of assessable deposits and premium by the bank in terms of circular number DICGC.IOD.No./ 4413/05.60.999/2017-18 dated June 02, 2017. We certify that the bank had adhered to these guidelines of RBI. We have verified the correctness of interest payable calculation of bank and bank has included interest while calculating DICGC premium. The bank has also included the amounts held with deposit suspense and Credit balances in CC/OD accounts, which we have also verified.

11. We have verified loans correctness of classification under Priority Sector across various categories as per their eligibility detailed in RBI's guidelines from time to time. We certify that bank has adhered to these guidelines on Priority Sector Lending - Targets and Classification.

12. We have verified that there is no interest subvention claims under Interest Subvention Scheme for MSMEs as per extant circular No. DOR(PCB).BPD.Cir No. 3/13.05.001/2020-21 dated Oct 07, 2020(as updated from time to time).

13. We have verified the reconciliation status of General Ledger as well as Profit and Loss Statement and We certify that wherever required the provisions have been made in the balance sheets of the bank.

14. There is no any outstanding liability which has not been brought into the books as per the information and explanation provided to us and upto the best of our knowledge. As per our opinion and as per the information and explanation provided to us there is no contingent liability which may develop into an outside liability.



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15. There are no long pending outstanding amounts for more than three years against items under "Other Assets" in the bank's balance sheet except the following:

- (i) ICICI Bank Cheque Fraud Account – Rs. 14,60,000/-
- (ii) SBI Anjar Cheque Fraud Account- Rs. 1,76,950/-

Also, there are no items of intangible nature under the head Other Assets.

16. We certify that there is no matter suspected to be a fraud or fraudulent activity in any transaction of the bank as per the information and explanations provided to us.

17. We certify that the bank has made adequate provisions for new NPA accounts as identified by the IO during inspections of the bank for the period 01-04-2018 to 31-03-2021.

18. We certify that there is no pending observations of the previous year's Statutory Audit Report except the following:

Balance in Customer Insurance Payable remains outstanding since long.

19. The bank has well defined cyber policy and is well prepared on the applicable Cyber Security controls based on inputs like the self-assessment made by the bank, the IS Audit report and VAPT report in financial year under audit.

Place: Ahmedabad
Date: 30/06/2022
UDIN: 22164027ALYEPE5790



For, I H Desai & Co.
Chartered Accountants
FRN: 102309W

Nikit A. Desai
(Partner)
MRN: 164027

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