

31st

ANNUAL REPORT

2019 - 2020

30 YEARS OF
SERVING
SOCIETY
DELIVERING
EXCELLENCE



Vardhaman Bank

वर्धमान बँक वर्धमान बैंक

VARDHAMAN (MAHILA) CO-OP URBAN BANK LTD.



Head Office : #8-2-351/N/1, Nishanth House, 3rd Floor,
Road No. 2, Banjara Hills, Hyderabad - 34. Telangana



Tel : +91 40 4666 4777



www.vardhamanbank.com

BOARD OF DIRECTORS



Sri Shantilal Daga
Honorary Chairman
(Non-Executive)



Smt. Nirmala Daga
Sr. Vice Chairperson



Smt. Rajkumari Chordia
Vice-Chairperson



Smt. Chayya Golechha
Director



Smt. Dr. Asha Khivsara
Director



Smt. Chhaya Lohade
Director



Smt. Vidya Jain
Director



Smt. Nirmala Barmecha
Director



Smt. Pushpa Sancheti
Director



Smt. Sangeeta Jain
Director



**Sri Shantilal Khimji
Shah**
Director



CA P.P. Singhvi
Director



CA Tushar Savla
Director



Sri Jugraj Jain
Director



**CA Mahender Kumar
Jain Golecha**
Prof. Director



**Sri Madan Chand
Jain Lunawat**
Prof. Director



Sri Vinay Kumar Verma
C.E.O

వర్ధమాన్ బ్యాంక్



वर्धमान बैंक

VARDHAMAN (MAHILA) CO-OPERATIVE URBAN BANK LTD.

(REGD. NO. T.A. 1341)

Head Office : 3rd Floor, Nishant House, 8-2-351/N/1, Road No. 2,
Banjara Hills, Hyderabad-500 034. (TS) **Tel. 46664777, Fax : 46664740**
E-mail : ho@vardhamanbank.com Website : www.vardhamanbank.com

BRANCHES / EXTENSION COUNTER

BRANCHES / IFSC Code	ADDRESS / PHONE NUMBERS
1. EDENBAGH HDFC0CVB222	3-5-141/E/7, Geetanjali Complex, Edenbagh, Ramkote, Hyderabad- 500 001. Ph: 24757409, 24750747 E-mail : edenbagh@vardhamanbank.com
2. RANIGUNJ HDFC0CVB003	# 4-3-180/1 Futnani Chambers, First Floor, Mahankali Street, Ranigunj, Secunderabad – 500 003. Ph: 27712435, 23449462 E-mail : ranigunj@vardhamanbak.com
3. FEELKHANA HDFC0CVB004	15-8-437, 2nd Floor, Solanki Nivas, Feelkhana, Begum Bazar, Hyderabad. Ph.23449463,24733381 E-mail : mahaboobgunj@vardhamanbank.com
4. AMEERPET HDFC0CVB005	# 7-1-113/13, Ground Floor, Tarun Towers, Near Aditya Enclave, Ameerpet, Hyderabad- 500 016. Ph: 23440222, 23737513 E-mail : ameerpet@vardhamanbank.com
5. BALANAGAR HDFC0CVB007	6-3-93, 1st Floor, Balanagar X Road, Balanagar, Hyderabad – 500 042. Ph: 23773097, 23776466 E-mail : balanagar@vardhamanbank.com
6. LOTHUKUNTA HDFC0CVB006	Plot No. 7 & 7A, Mysari Chambers, Saraswathi Colony, Lothukunta, Hyderabad - 500 015 Ph: 27867304, 27864255 E-mail : lothukunta@vardhamanbank.com
7. DILSUKHNAGAR HDFC0CVB009	Door No: 3-116, First Floor, Hanuman Nagar Colony, Chaitanyapuri, Dilsukhnagar, Hyderabad – 500 060. Ph: 24050425, 24050455 E-mail : dilsukhnagar@vardhamanbank.com
8. EXTENSION COUNTER HDFC0CVB008	Mahavir Hospital Premises, A.C.Guards, Hyderabad – 500 004 Ph: 23371865 E-mail : ext.counter@vardhamanbank.com
9. BANJARA HILLS HDFC0CVB010	3rd Floor, Nishant House, 8-2-351/N/1, Rd No. 2, Banjara Hills, Hyderabad -500 034. Ph: 46664777 E-mail : banhill@vardhamanbank.com

We welcome correspondence through e-mail

NOTICE OF 31ST ANNUAL GENERAL BODY MEETING

Notice is hereby given that the 31st Annual General Body Meeting of shareholders of the Bank will be held on Friday, 25th September 2020, at 4.00 p.m. at Kutchhi Bhavan 3-5-141/2/A/1, Ramkote, Hyderabad 500 001 to transact the following business.

1. To consider and adopt the 31st Annual Report together with the Audited statement of accounts and Auditor's Report for the year 2019-20.
2. To consider and appropriate Net Profit of the Bank for the year ended 31.03.2020.
3. i. To ratify the excess expenditure incurred over the budgeted during the financial year 2019-20.
ii. To approve the revised Budget of Income & Expenditure of the bank for the Financial Year 2020-21.
4. To note and ratify the admission & retirement of members and receipt & refund of share capital during the period 01.01.2020 to 31.07.2020.
5. To note and confirm the Investments made / withdrawn by the Bank during the period 01.01.2020 to 31.07.2020.
6. To note and ratify the write off of bad debts.
7. To review measures taken for recovery of overdue loans / bad debts.
8. To authorize the Board to appoint Statutory Auditors for Financial Year 2020-21 and fix their remuneration.
9. To consider and amend clause No.22 of byelaws of the Bank.
10. Any other matter with the permission of the Chair.

All shareholders are requested to attend the Annual General Body meeting on the appointed date, time & place. The members can also join through Video conference (VC) / Other Audio Visual Means (OAVM). The Government guidelines prevailing on the date due to COVID-19 pandemic will be applicable for physical attendance.

Place : Hyderabad

Date: 05.09.2020

By Order of the Board of Directors

Sd/-

Chief Executive Officer

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- NOTE :
1. Members are requested to bring along with them their share certificates/Identity Cards for admission.
 2. Members are requested to submit their phone, email & account details to update the data in Bank records.
 3. No customer meet is organized due to COVID-19 pandemic.
 4. The financial results will be available on Banks website www.vardhamanbank.com
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FOR INFORMATION OF MEMBERS

1. Shareholders are requested to:
 - a) Verify their name and address on the Annual Report sent to them. Changes, if any, may kindly be intimated to the Shares Department of the Bank for updating records.
 - b) Avail Nomination facility by submitting the nomination form, if not already availed.
 - c) Record member's standing instructions with the Shares Department for credit of dividend to Current/Savings Bank account with the Bank.
2. In case of deceased shareholders, legal heirs/nominees are requested to submit the share certificates along with relevant certificates of heirship / death certificate etc., to the Shares Department for settlement.
3. Attention of the members is invited to Bye-Law No.45 (iv) by which dividend remaining undrawn for more than 3 years are liable to be forfeited and credited to Reserve Fund Account. Members who have not received the dividend for the previous years are requested to contact Bank's Share Dept.
4. All eligible depositors are requested to submit 15G and 15H along with copy of PAN Card if they have not already done so.
5. All members are requested to open account with the Bank to receive any dividend payout by the Bank. Please note that dividend will be credited to Bank account directly.

Dear Members,

The Directors take great pleasure in welcoming you to the Annual General Meeting and presenting the **31st Annual Report** of the Bank together with the audited Balance Sheet, Profit & Loss Account, Receipt and Payment Account, Accounting Policies, Notes and Disclosures for the financial year ended 31st March, 2020. It is a matter of pride that your bank has completed 30 years of glorious service and looking towards a promising future.

The Bank, with your continued support and patronage, has scaled new heights during the year under review.

FINANCIAL INDICATORS

(₹ in lakhs)

Particulars	31.03.2020	31.03.2019	Variance	
			Amount	%
Share Capital	2539.26	1630.51	908.75	55.73
Profit before tax	1015.90	831.05	184.85	22.24
Net Profit for the year	753.90	560.06	193.84	34.61
Deposits	41743.42	38674.92	3068.50	7.93
Advances	29425.83	25583.78	3842.05	15.02
Working Capital	46286.95	41952.64	4334.31	10.33
CRAR (%)	19.62	14.72	RBI stipulation : 9% (Minimum)	
CD Ratio (%)	70.49	66.15		

Performance Highlights

- ★ The Aggregate business has increased to ₹ 712 crores in 2019-20 as against ₹ 642 crores in 2018-19, an increase of 11%.
- ★ The Bank's Deposits for the year 2019-20 increased to ₹ 417 Crores from ₹ 387 Crores of 2018-19, an increase of 8%.
- ★ Advances for the year 2019-20 increased to ₹ 294 crores from ₹ 256 Crores of 2018-19, an increase of 15%.
- ★ Profit before Tax for the year 2019-20 increased to ₹ 10.16 Crores from ₹ 8.31 Crores of 2018-19, an increase of 22%.
- ★ The Bank's Owned Funds for the year 2019-20 increased to ₹ 54.73crores from ₹ 39.84 crores, an increase of 37%.
- ★ The Bank contributed to the exchequer ₹ 2.52 Crores by way of Income Tax.

Business Goals for the year 2020-21

The Bank is projecting to achieve target at:

- a) Aggregate Business Level of Rs.750 Crores (DepositRs.440 Crores + Advances Rs.310 Crores) with a thrust to improve CASA Deposits.
- b) Profit before tax of Rs. 10.50 Crores with focused attention on improvement of CD Ratio to above 70% by mobilizing quality advances.
- c) To keep Gross NPAs below 2% through intensive recovery measures.

Dividend

Considering the satisfactory performance of the Bank, the Directors are pleased to recommend a dividend of 18% for the FY 2019-20 for approval of the members.

The Country is going through difficult time due to uncertainty caused by COVID-19, the Reserve Bank of India (RBI), vide Circular No. RBI/2019-20/218 DOR.BP.BC.No.64/21.02.067/2019-20 dated 17.04.2020, has advised all Banks not to make any dividend payouts from the profit pertaining to financial year ended March 31, 2020 until further instructions. This restriction shall be reassessed by Reserve Bank of India based on the financial results of Banks for the period ending September 30, 2020.

The Directors are hopeful that the restriction shall be lifted based on the performance of bank for the period ending 30.09.2020.

Appropriation

Profits earned by the Bank during the year along-with the undistributed profit of previous year have been proposed to be apportioned as under:

Particulars	31.03.2020
Statutory Reserve	184.03
General Reserve	50.00
Co-operative Education Fund	1.50
Common Good Fund	7.36
Dividend (proposed) @18%- (subject to approval from RBI)	322.50
Total	565.39

After meeting the requirement for the statutory provisions and reserves as detailed above and making provision for the proposed dividend, the balance of undistributed profit carried forward is ₹ 522.52 lakhs.

Reserves

The position of Reserves as on 31-03-2020 is as under:

Particulars	(₹ in crores) As on 31.03.2020
Statutory Reserve Fund	9.62
General Reserve	7.33
Investment Fluctuation Reserve	0.53
Other Reserves*	1.15
Undistributed Profit, before dividend	10.70
Total	29.33

* This includes a Special Reserve of ₹ 7.77 lakhs created u/s 36 (I) (viii) of Income Tax Act, 1961. The amount parked under this head shall not be withdrawn as required under the statute and directions.

Deposits

The friendly and personalized customer service at branches have helped the Bank to increase its level of Deposits over the years. Segment wise break-up of deposits is as under:

	31.03.20		31.03.19	
Current Accounts	4%	1753.66	7%	2701.41
Savings Accounts	11%	4372.38	11%	4208.78
Term Deposits	85%	35617.38	82%	31764.73
TOTAL	100%	41743.42	100%	38674.92

Board of Directors

The Board consists of 14 elected members. The Board appreciated the services of co-opted directors Sri. Mahender Kumar Jain Golecha and Sri. Madan Chand Jain Lunawat rendered during the last year as Professional Director of the Bank and upon their consent, the Board has approved the extension of their tenure by one year i.e, up to December 2020 and to continue till any further changes is notified.

Insurance with DICGC

As per government guidelines the bank has insured the Deposits with Deposit Insurance & Credit Guarantee Corporation (DICGC) with enhanced limit of ₹5.00 lacs per depositor. The increased limit of Deposit insurance will further improve the confidence of our valued customers.

Funds management and Investments

Bank has complied fully with RBI guidelines on maintenance of CRR and SLR. The year end figures are given below:
(Amt. in lakhs)

	CRR		SLR	
	Percentage	Amount	Percentage	Amount
Required	3.00%	1083.99	18.25%	6593.66
Maintained	5.07%	1833.11	21.79%	7872.93

The surplus funds available to the Bank after lending in call money and maintaining CRR and SLR have been invested in Govt. Securities, Commercial Paper and in Fixed Deposits with reputed banks and Tax Free Bonds of Public Sector Undertakings. Bank has been a net lender in call money market during the year under review.

The breakup of the Investment portfolio as on 31st March, 2020 as under:

(Amt. in lakhs)

Category of Investment	31.03.2020	31.03.2019
Govt. Securities - SLR	7123.71	7038.77
Non-SLR Securities	1228.83	2715.81
Deposits with Banks	2377.55	2870.00

Non-Performing Advances

Bank is strictly following the guidelines of RBI relating to Income Recognition and Asset Classification and has made provision for Bad and Doubtful Debts amounting to ₹ 1.92 Crores. Bank has an Adhoc provision of ₹ 0.88 Crores over & above the regulatory provisions for NPA. The Net NPA position stood at ₹ 2.16 crores. The Bank has also made a provision towards Standard Assets as per RBI guidelines and the aggregate provision at the close of the year stands at ₹ 1.42 Crores.

Actions taken by the bank for recovery are at various stages in Courts, DRT, Co-operative dept etc. SARFAESI action has been initiated, where ever applicable. The recovery proceedings are delayed because of extraordinary situation caused by COVID-19 pandemic. The legal matters are handled by experienced Advocates and every effort is made for expeditious disposal of the cases.

Human Resources

Recruiting, training and retaining staff to meet the demands of modern technology and knowledge-based banking is proving to be challenge to all the banks. Your bank understands the importance of training in developing the skills of the staff and keeping them motivated. Staff have been deputed to several training programme conducted by the Federation and Reserve Bank of India. Two in house training programs were conducted covering all employees of the Bank by engaging outside Training Agency with experienced faculty.

Inspection & Audit

The Reserve Bank of India will be conducting yearly Inspections instead of earlier practice of biannual. A well-established audit system is in place to monitor the statutory, regulatory and internal compliances. External firms of Chartered Accountants have been appointed by the bank for Internal / concurrent audit of branches and Head Office. All branches of the Bank and Head office are covered under audit. In addition to this the Bank is developing internal inspection system for spot rectification of any deficiency.

Audit Rating

Over the past years, the Bank is consistently rated 'A' Grade by the Statutory Auditors. It has retained the same rating of 'A' grade for the year 2019-20.

Corporate Governance

Your bank has adhered to the highest standards of Corporate Governance and practices in letter and spirit. It has underlying principles of fairness, accountability and transparency. The Board of Directors is committed to values and ethical conduct of business maintaining transparency, disclosures and legal compliances and protecting interest of the stake holders.

As prescribed, various Committees have been formed to take considered decisions in conducting the affairs of the Bank. Details of the Committee meetings are furnished below :

	Nos.
(i) Board Meetings	- 14
(ii) Loan Committee	- 12
(iii) Staff Committee	- 05
(iv) Audit Committee	- 03
(v) Investment Committee	- 07
(vi) ALM Committee	- 04
(vii) Fraud Monitoring Committee	- 01
(viii) Strategic Planning Committee	- 01

Various policies like Staff Policy, Loan Policy, Investment Policy, ALM Policy, Staff Accountability Policy on NPA, IS Audit Policy, KYC Policy, Whistle Blower's Policy, ATM Policy and a Policy on prevention of sexual harassment at work-places etc have been framed with the approval of the Board of Directors, are in place.

General Body meetings

Two meetings of General Body of the bank had been held on 3rd August'2019 and 20th February'2020 as per provisions of the Telangana Co-Op Societies Act. Necessary action has been taken to comply with the decision taken by the General Body.

Customer Service

It is our constant endeavor to combine technology with personal initiatives to provide the best service to our customers. Our staff is committed to excellence in customer service. We are committed to redress the grievances of Customers, if any, immediately.

The following initiatives have been taken by the Bank during the year to improve customer service:

- The review of Interest rates on deposits was undertaken and decided to keep the interest rates unchanged during the period under review.
- Ameerpet and Ranigunj branches have been shifted to spacious premises with excellent ambience and infrastructure for improved customer comfort.
- Three ATMs were installed to provide 24X7 cash withdrawal facility to our customers.

Expansion Plans

We are happy to inform you that The Registrar of Cooperative societies, Telangana have approved the amendment in our byelaws for expanding the area of operation to the State of Telangana. An application for amendment in byelaws for Constitution of Board of Management have been made to RCS for approval.

Once the Board of Management is approved and constituted, the Bank will apply to RBI for license to open at least two Branches in next one Year. The Bank has plans to expand and open Branches in other major cities of the State.

Augmentation of Capital

We are thankful to The Registrar of Cooperative Societies, Telangana for approving the amendment in bye-laws of the Bank to increase its Authorised Capital from ₹25.00 crore to ₹50.00 crores and also increase the maximum number of shares per member from 10000 to 20000, as approved in the AGM held on 03.08.2019.

There was overwhelming response to the shares issued by the Bank and ₹9.09 crores of fresh amount was raised during the year. The Net Worth of the Bank stood at ₹ 54.01 crores as on 31.03.2020. We are thankful to our members for their confidence and support.

Board of Management

Reserve Bank of India has issued final guidelines for constitution of Board of Management in UCBs. Accordingly, amendment of bye-laws were approved for constitution of Board of management in the AGM held on 20.02.2020. The approval from RCS is awaited and the Bank will constitute Board of Management on receipt of approval from RCS.

Appointment of Statutory Auditors

M/s. Sharad & Associates, Chartered Accountants, were appointed as Statutory Auditors for the year 2019-20. The Statutory Auditors for 2020-21 are to be appointed by the General Body Meeting.

Technology

Bank's Information Technology Department has been constantly endeavoring to keep pace with the demands of the time. Various initiatives/ support from this department have lead to the introduction of new products/services for the benefit of the customers.

Three new ATMs at Edenbagh Branch, Extension Counter (Mahavir Hospital Premises) and at Ameerpet Branch were installed during the year. The Bank has taken steps to implement cyber security in terms of RBI guidelines. Major investments are planned for technology upgradation in the Bank.

Corporate Social Responsibility

The bank is always in forefront to meet its Social Responsibilities. It has spent ₹ 15.30 lakhs in various charitable activities of different Institutions. It has also donated ₹5 lac each to PMCAEs and CM's Relief fund of Telangana state as a support to the Government in its struggle with COVID-19 pandemic.

Acknowledgement

We express our profound gratitude to Reserve Bank of India, Cooperative Department, Government of Telangana, other Statutory Authorities, Internal, Concurrent and Statutory Auditors, Valuer, Advocates, Solicitors, Service Providers, well-wishers and Members of the Bank.

Our sincere thanks to our valued customers for their support.

The Directors also express their sincere appreciation to all the executives and staff members of the Bank for their service and commitment towards Bank's growth. With the support and patronage of one and all, your Bank looks forward to scale new heights and achieve greater glory.

Place : Hyderabad
Date : 05.09.2020

By order of the Board of Directors
Sd/-
Chairman

INDEPENDENT AUDITOR'S REPORT

To,
The Members
Vardhaman (Mahila) Co-operative Urban Bank Limited,
Hyderabad

Report on Financial Statements

We have audited the accompanying Financial Statements of Vardhaman (Mahila) Co-operative Urban Bank Limited which comprise the Balance Sheet as at 31st March 2020, Profit and Loss Account, the Receipts & payments Account for the year then ended, and a summary of significant accounting policies and other explanatory notes and information. The returns of 8 branches and an Extension Counter audited by us are incorporated in these financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the Notes thereon give the information required by the Banking Regulation Act, 1949 (as applicable to co- operative societies), the Telangana Cooperative Societies Act, 1964, the Telangana Cooperative Societies Rules, 1964 and guidelines issued by Reserve Bank of India and Registrar of Cooperative societies, Telangana in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of state of affairs of the Bank as at 31st March 2020;
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Receipts and Payments Statement, of the receipts and payments for the year ended on that date.

Other Matter

Bank management has carried out and we have analysed, an impact assessment of COVID-19 on its continuity and size of operations, value of assets, realization of loans and probable delinquencies, liabilities directly emanating from such an impact and in their opinion thus arrived at , the impact would be minimal and temporary and would also be dependent on opening of repayment window post moratorium granted by RBI in the month of September, 2020.

Our opinion is not modified with respect to above matter.

Management's Responsibility for the Financial Statements:

The Bank's Board of Directors and those charged with governance in accordance with Section 55A of the Telangana Co-operative Societies Act, 1964 is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and receipts and payments of the Bank in accordance with the Banking Regulation Act 1949 (as applicable to co-operative societies), the guidelines issued by the Reserve Bank of India and the Registrar of Cooperative Societies, Telangana, the Telangana Co-operative Societies Act, 1964, and the Telangana Co-operative Societies Rules, 1964, (as applicable) and generally accepted accounting principles in India so far as applicable to the Bank. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the above stated Acts for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

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 provisions of the Telangana Co-operative Societies Act, 1964 and the Telangana Co-operative Societies Rules 1964.

We report that :

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found to be satisfactory;
- b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/offices;
- c) The transactions of the Bank which have come to our notice are within the powers of the Bank;
- d) The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns;
- e) The accounting standards adopted by the Bank are consistent with those laid down by accounting principles generally accepted in India so far as applicable to banks.

We further report that for the year under audit, the Bank has been awarded "A" classification.

For SHARAD & ASSOCIATES

Chartered Accountants
Firm Regn. No.: 06377S

Sharad Sinha

Partner

M.No. 202692

UDIN : 20202692AAAACH4691

Place: Hyderabad

Date: September 5th, 2020

BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	Schedule	As at 31-03-2020 ₹	As at 31-03-2019 ₹
CAPITAL & LIABILITIES			
Capital	1	253,926,700	163,051,410
Reserve fund & Other Reserves	2	186,344,110	161,841,780
Deposits	3	4,174,342,809	3,867,492,150
Borrowings	4	-	-
Other Liabilities & Provisions	5	121,150,394	152,824,880
Profit and Loss	6	107,014,681	73,543,256
TOTAL		4,842,778,694	4,418,753,476
ASSETS			
Cash and Balances with RBI	7	183,315,156	165,284,687
Balance with Other Banks and Money at Call and Short Notice	8	792,936,931	577,825,684
Investments	9	835,254,247	975,457,761
Advances	10	2,942,583,352	2,558,378,231
Fixed Assets	11	17,838,329	14,713,357
Other Assets	12	70,850,679	127,093,756
TOTAL		4,842,778,694	4,418,753,476

Contingent Liabilities 13 28,454,463 37,608,263

Significant Accounting Policies and Notes on Accounts 19 - -

The schedules referred to above form an integral part of the accounts.

As per our report attached

For and on behalf of Board of Directors

For SHARAD & ASSOCIATES

Chartered Accountants
(ICAI FRN No. 06377S)

Sd/-
(SHARAD SINHA)
Partner
M No.202692

sd/-
Smt. Nirmala Daga
Sr. Vice Chairperson

sd/-
Smt. Rajkumari Chordia
Vice Chairperson

sd/-
Vinay Kumar Verma
Chief Executive Officer

Place : Hyderabad
Date : 05-09-2020

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

PARTICULARS	Schedule	For the year 2019-20 ₹	For the year 2018-19 ₹
INCOME:			
Interest Earned	14	443,121,612	337,156,172
Other Income	15	34,028,713	28,900,792
Total		477,150,325	366,056,964
EXPENDITURE :			
Interest Expended	16	299,206,363	216,930,195
Payment to & Provision for Employees Cost		26,727,996	24,236,377
Other Operating Expenses	17	36,758,454	32,124,220
Total		362,692,813	273,290,792
OPERATING PROFIT		114,457,512	92,766,172
Provisions & Contingencies	18	12,867,442	9,660,980
PROFIT BEFORE INCOME TAX		101,590,070	83,105,192
Taxes on Income:			
Current Tax		25,200,000	29,300,000
Deferred Tax Liabilities (Assets)		999,813	(2,200,495)
NET PROFIT FOR THE YEAR		75,390,257	56,005,687

Significant Accounting Policies and Notes on Accounts -19

The schedules referred to above form an integral part of the accounts.

As per our report attached

For SHARAD & ASSOCIATES

Chartered Accountants
(ICAI FRN No. 063775)

Sd/-
(SHARAD SINHA)
Partner
M No.202692

For and on behalf of Board of Directors

sd/-
Smt. Nirmala Daga
Sr. Vice Chairperson

sd/-
Smt. Rajkumari Chordia
Vice Chairperson

sd/-
Vinay Kumar Verma
Chief Executive Officer

Place : Hyderabad
Date : 05-09-2020

RECEIPTS AND PAYMENTS
FOR THE YEAR 2019-20

(Amount in ₹)



PARTICULARS	RECEIPTS	PAYMENTS
Share Capital	92350950	1475660
Reserve Fund & Other Reserves	32555339	3154063
Education Fund & Common good fund	693917	758821
Deposit and Other accounts	17839676395	17532825736
Borrowings	0	0
Contingencies on loans for collection contra	33478435	0
Overdue Interest Reserve	23049058	53108327
Interest Payable	30605379	16721985
Other Liabilities	37470777380	37461267277
Undistributed Profits	17612133	59530964
Contingent liability for Bank guarantee issued	6634025	16556474
Contingent liability unclaimed deposit with RBI DEAF	803475	34827
Interest & Discounts	443123207	1596
Commission exc. Brokerage	772252	0
Other receipts	33256461	0
Cash On hand	6278285594	6300994740
Cash with other banks	38144729679	38134406627
Investments	1263168842	1073720950
Money at short call/Notice	79307002487	79577002487
Advances	6497592131	6881797253
Interest Receivable	104941725	68041374
Loans for collection contra	0	33478435
Branch adjustments	38515170659	38515090885
Furniture & fittings	4389162	7738454
Other assets	13706555937	13716911426
Customer Liability under Guarantee	16556474	6634025
Unclaimed deposit with RBI DEAF	34827	803475
Interest on deposit/borrowings	4712497	303918860
Income Tax	0	25200000
Establishment	0	26727996
Directors sitting fees	0	303650
Rent Rates & taxes insurance	0	12534732
Postage & Telegrams & Telephone	0	520545
Law Charges	0	982400
Auditors Fees	0	130000
Depreciation & Repairs	0	4425227
Printing & Stationery, Adv	0	1434672
Other expenditure	0	16657313
Premium on Investments amortised	0	769728
Provision & contingencies	10763091	23630533
Total	239879291514	239879291514

 Place : Hyderabad
 Date : 05-09-2020

In terms of our report attached

For SHARAD & ASSOCIATES

 Chartered Accountants
 (ICAI FRN No. 063775)

Sd/-

(SHARAD SINHA)

Partner

M No.202692

For and on behalf of Board of Directors

sd/-

 Smt. Nirmala Daga
 Sr. Vice Chairperson

sd/-

 Smt. Rajkumari Chordia
 Vice Chairperson

sd/-

 Vinay Kumar Verma
 Chief Executive Officer

SCHEDULES FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2020

(Amount in ₹)

	As at 31-03-2020	As at 31-03-2019
SCHEDULE - 1		
CAPITAL		
(i) Authorised Capital		
2,00,00,000 'A' class shares of ₹ 25/- each	500,000,000	250,000,000
4,00,000 'B' class shares of ₹ 5/- each	2,000,000	2,000,000
TOTAL	502,000,000	252,000,000
(ii) Subscribed Capital		
(Held by Individuals and Others)		
65,22,056 (previous year's 39,17,358) A class shares of ₹25/- each	163,051,410	97,933,950
0 (previous year's 1127) 'B' class shares of ₹ 5/- each	(5,635)	5,635
Add: Acceptance of share capital during the year 37,39,838 (Pr Yr 26,37,696)	93,495,950	65,942,400
Less: Refund of share capital during the year 104601 (Pr. Yr 33,223)	(2,615,025)	(830,575)
Total	253,926,700	163,051,410
SCHEDULE - 2		
RESERVES AND SURPLUS		
(i) Statutory Reserve		
Opening Balance:	81,849,481	71,554,730
Additions during the year	13,597,914	9,367,666
Transfer from Unclaimed Dividend	803,326	927,085
Total	96,250,721	81,849,481
(ii) General Reserve		
Opening Balance:	68,249,029	63,242,219
Additions during the year	5,004,044	5,006,810
Total	73,253,073	68,249,029
(iii) Investment Fluctuation Reserve		
Opening Balance:	4,262,000	3,762,000
Additions during the year	1,000,000	500,000
Total	5,262,000	4,262,000
(iv) Depreciation Reserve for Investments		
Opening Balance:	1,390,100	1,390,100
Additions during the year	3,384,950	-
Total	4,775,050	1,390,100
(v) Common Good Fund		
Opening Balance:	272,883	278,176
Additions during the year	543,917	374,707
(deductions during the Year)	(530,000)	(380,000)
Total	286,800	272,883
(vi) Education Fund		
Opening Balance:	1,559,832	1,551,682
Additions during the year	150,000	150,000
(deductions during the Year)	(228,821)	(141,850)
Total	1,481,011	1,559,832

(Amount in ₹)

	As at 31-03-2020	As at 31-03-2019
(vii) Special Reserve U/s 36 (i) (viii) of I.T ACT		
Opening Balance:	4,258,455	3,218,990
Additions during the year	777,000	1,039,465
Total	5,035,455	4,258,455
Total	186,344,110	161,841,780
SCHEDULE : 3		
DEPOSITS:		
(i) Fixed Deposits	3,561,738,270	3,176,472,915
(ii) Savings Bank Deposits	437,238,331	420,878,233
(iii) Current Deposits	160,210,392	256,786,549
(iv) Credit Balances in CC/OD a/cs	15,155,816	13,354,453
Total	4,174,342,809	3,867,492,150
SCHEDULE : 4		
BORROWINGS :		
(i) From Reserve Bank of India, State/Central Co-operative Bank : State Co-op Bank	Nil	Nil
(ii) From Other Banks	-	-
(iii) From Other institutions and agencies	-	-
Total	Nil	Nil
SCHEDULE : 5		
OTHER LIABILITIES & PROVISIONS		
(a) Inter-office adjustments(net)	3,189,280	3,109,506
(b) Interest accrued on Deposits	27,923,337	14,039,943
(c) Unclaimed Dividends	4,447,495	4,494,083
Less Transfer to Statutory Reserve	(803,326)	(927,085)
Sub total	3,644,169	3,566,998
(d) Others (Details enclosed)	86,393,608	132,108,433
Total	121,150,394	152,824,880
Details of "Others" under Other Liabilities & Provisions		
i) Overdue interest reserve (contra)	7,936,686	37,995,955
ii) Bankers cheque/pay order	3,678,697	1,891,722
iii) Demand Drafts Payable	8,378,521	8,386,330
iv) Outstanding Liabilities	1,432,781	1,149,248
v) Sundry creditors	335,942	337,908
vi) Clearing	-	-
vii) Sale Officer	286,000	130,000
viii) Unclaimed Deposits	2,678,482	2,658,668
ix) TDS payable	8,875,036	44,999
x) Provision for Gratuity	9,744,269	8,385,815
xi) Provision for Income Tax (net of taxes)	-	3,824,543
xii) Provision for Bad & Doubtful debts	19,227,262	49,633,240
xiii) Provision for leave encashment	234,057	191,403
xiv) Provision for other Contingencies	5,000,000	3,500,000
xv) Provision for Standard Assets	14,186,655	10,978,040
xvi) Provision for depreciation on investments	-	263,000
xvii) CGST Payable	2,261,958	1,368,844
xviii) SGST Payable	2,098,904	1,368,718

(Amount in ₹)

	As at 31-03-2020	As at 31-03-2019
xviii) Sundry Creditors PO's Refund	28,489	-
xix) BBPS Funded	9,869	-
Total	86,393,608	132,108,433
SCHEDULE : 6		
PROFIT AND LOSS		
Profit brought forward of previous year	73,543,256	51,593,971
Less: Appropriations of the previous year	(40,141,832)	(32,442,373)
Balance profit of previous year	33,401,424	19,151,598
Add: Profit for the year	75,390,257	56,005,687
Less: Income Tax of earlier years	-	(74,564)
Less: Appropriations towards Investment Fluctuation Reserve	(1,000,000)	(500,000)
Appropriations towards Statutory Reserve	-	-
Appropriation towards special reserve U/s. 36 (i) (viii) of IT Act	(777,000)	(1,039,465)
Deferred tax of earlier years		
Total	107,014,681	73,543,256
SCHEDULE: 7		
CASH AND BALANCES WITH RBI		
i) In hand	55,794,692	33,085,547
ii) Balance with Reserve Bank, State Bank of India, and State Co-Operative Bank	127,520,464	132,199,140
iii) Cheque in Transit	-	-
Total	183,315,156	165,284,687
SCHEDULE: 8		
Balance with Other Banks and Money at Call and Short Notice:		
I. Balances with Banks		
(i) In Current Accounts	25,181,309	30,825,684
(ii) In Deposit Accounts	237,755,622	287,000,000
II. Money at Call & Short Notice		
(i) With Banks	-	-
(ii) With Other Institutions	530,000,000	260,000,000
Total	792,936,931	577,825,684
SCHEDULE: 9		
INVESTMENTS		
Govt. Securities	712,370,747	703,876,811
Treasury Bills	-	-
Mutual Funds	-	209,999,600
Commercial Paper	47,750,500	48,608,350
Investment in Bonds	75,133,000	12,973,000
Total	835,254,247	975,457,761
SCHEDULE : 10		
ADVANCES: (Ref: Schedule -19 Note No: B (v))		
I.		
i. Bills purchased and discounted	7,310,478	2,054,970
ii. Cash Credits, Overdrafts and Loans payable on demand	2,862,924,467	2,470,884,312
iii. Term Loans	72,348,407	85,438,949
Total	2,942,583,352	2,558,378,231

(Amount in ₹)

	As at 31-03-2020	As at 31-03-2019
II.		
i. Secured by tangible assets	2,940,205,353	2,522,521,797
ii. Unsecured	2,377,999	35,856,434
Total	2,942,583,352	2,558,378,231
III		
i. Priority sector	1,854,548,000	1,314,733,000
ii. Public sector		
iii. Banks		
iv. Others	1,088,035,352	1,243,645,231
Total	2,942,583,352	2,558,378,231
IV		
Sub-Classification		
Short Terms Loans- Cash Credit, Overdraft, Bills Discounted & other ST Loans	2,359,755,050	2,158,759,540
Medium Term Loans	91,648,078	86,522,741
Long Term Loans	482,988,538	269,272,730
Protested Accounts	8,191,686	43,823,220
Total	2,942,583,352	2,558,378,231
SCHEDULE: 11		
OTHER FIXED ASSETS (INCLUDING FURNITURE & FIXTURES)		
At Cost on 31st March of the preceeding year	33,560,583	31,112,372
Additions during the year	6,592,554	6,047,367
	40,153,137	37,159,739
Deduction during the year	(3,243,262)	(3,599,156)
	36,909,875	33,560,583
Depreciation to date	(19,071,546)	(18,847,226)
Total	17,838,329	14,713,357
SCHEDULE: 12		
OTHER ASSETS:		
(i) Interest receivable		
On Investments	22,517,410	29,358,493
On Non Performing advances (contra)	7,936,686	37,995,955
ii) Stationary and Stamps	623,454	847,129
iii) Income Tax refund receivable	11,060,965	11,060,965
iv) Deferred Tax Asset	7,171,621	8,171,434
v) Others (Details enclosed)	21,540,543	39,659,780
Total	70,850,679	127,093,756
Details of "Others" under Other Assets:		
i) Staff advances	662,225	604,250
ii) Prepaid expenses	316,450	287,374
iii) Telephone Deposit	155,995	155,995
iv) Rental Deposit	5,020,976	4,634,708
v) Electricity Deposit	133,422	133,422
vi) Other Receivables	0	24,590
vii) BBPS Payable Account	0	0
viii) Clearing	61,331	29,985,000

	As at 31-03-2020	As at 31-03-2019
ix) Cheque clearing adjustment account	2,485,625	0
x) Sundry Debtors	1,490,477	1,483,460
xi) Provision for Income Tax (net of taxes)	7,059,832	0
xii) CGST Receivable	1,145,663	645,488
xiii) SGST Receivable	1,338,173	837,975
xiv) IGST	1,670,374	867,518
Total	21,540,543	39,659,780
SCHEDULE: 13		
Cotinent Liability		
i) Guarantees given on behalf of Constituents	21,710,280	31,632,729
ii) Income Tax Demands	-	-
iii) Amount Transferred to DEAF	6,505,441	5,736,792
iv) Invoked Bank Guarantee	-	-
v) Other items for which the bank is contingently liable	238,742	238,742
Total	28,454,463	37,608,263
SCHEDULE: 14		
INTEREST EARNED		
Interest on Loans	341,920,128	250,034,022
Interest on Investments & Fixed Deposits	82,852,208	78,246,436
Interest on Call Money lending	18,349,276	8,875,714
Total	443,121,612	337,156,172
SCHEDULE: 15		
OTHER INCOME		
Commission, Exchange and Brokerage	772,252	1,879,268
Incidental Charges	498,981	427,884
Income on Lockers	951,806	840,154
Profit on sale of Mutual Funds	8,892,933	16,084,522
Miscellaneous Income	11,151,247	9,643,748
Excess Provision written back	59,210	7,132
Profit on sale of Investments	11,702,284	18,084
Total	34,028,713	28,900,792
SCHEDULE: 16		
INTEREST ON DEPOSITS, BORROWINGS ETC:		
Interest on Deposits	299,190,762	216,924,514
Interest on Borrowings	15,601	5,681
Total	299,206,363	216,930,195
SCHEDULE: 17		
OTHER OPERATING EXPENSES		
Rent, Taxes, Insurance and Lighting etc	14,324,403	11,674,938
Law Charges	982,400	416,521
Postage, Telegrams & Telephone Charges	520,545	584,346
Auditors fees	130,000	130,000
Depreciation on Fixed Assets	2,616,884	2,269,724
Repairs & Maintenance	1,808,343	1,287,291
Stationery, Printing, & advertisement etc	1,434,672	1,340,588
Premium on Investments Amortised	769,728	740,881

(Amount in ₹)

	As at 31-03-2020	As at 31-03-2019
Interest on income tax	514,557	201,143
Directors and Local Committee members fees	303,650	291,600
Ineligible Credit on GST	2,236,180	1,538,990
Other Expenditure	11,117,092	11,648,198
Total	36,758,454	32,124,220
SCHEDULE: 18		
PROVISIONS AND CONTINGENCIES:		
Provision for Gratuity	1,358,454	1,443,069
Provision for Leave Encashment	234,057	191,403
Provision for Bonus / Exgratia	371,909	380,678
Provision for other contingencies	1,500,000	1,500,000
Provision for Standard Assets	3,208,615	3,384,702
Provision for Depreciation on Investments	3,121,950	-
Provision for Bad & Doubtful debts	3,072,457	2,761,128
Total	12,867,442	9,660,980

SCHEDULE : 19

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. ACCOUNTING POLICIES:

1. General:

The Financial Statements are prepared on historical cost convention and on accrual basis of accounting, unless otherwise stated, by following going concern assumption and conform in all material aspects to the statutory provisions, regulatory guidelines and Generally Accepted Accounting Principles in India. The financial statements comply with the applicable mandatory accounting standards issued by the Institute of Chartered Accountants of India. The accounting policies are consistently applied, except for the changes disclosed, if any, in the financial statements with those used in the previous year.

2. Investments:

The Investments, other than Term Deposits with Banks/Institutions, are classified in accordance with Reserve Bank of India guidelines under three categories i.e., "Held to Maturity", "Available for Sale" and "Held for Trading" which is decided at the time of acquisition in accordance with the Reserve Bank of India (RBI) guidelines on Classification and Valuation of Investments for all Primary (Urban) Co-Op Banks.

Transfer of scrips, if any, from one category to another, is done at the lowest of acquisition cost/book value/market value on the date of transfer. Depreciation, if any, on such transfer is provided in accordance with guidelines issued by Reserve Bank of India from time to time.

Investments are disclosed in the Balance Sheet (schedule-9) under (i) Government Securities, (ii) Other Approved Securities (iii) Shares, (iv) PSU Bonds and (v) Others for the purpose of aggregation in the values. The net depreciation in any category is provided and net appreciation in any category is ignored. Valuation of investments is done in accordance with the guidelines issued by Reserve Bank of India.

The Statutory Reserve fund is invested in Government and trustee securities or other approved securities or in fixed deposits with the District Co-Operative Central Bank or the State Co-operative Bank or Banks as permitted by law.

(i) Held to Maturity:

Securities acquired with an intention to hold them up to maturity are categorised in this category. Investments under this category are carried at acquisition cost net of amortization. The premium paid, if any, on the investment under this category is amortised over the period remaining to maturity of the particular assets. Profit on Sale /Redemption of Investments, is first credited to the profit and loss account and thereafter transferred to Investment Fluctuation Reserve as an appropriation from the Profit and Loss Account in accordance with the RBI guidelines. Loss on sale/redemption of investments is taken to the Profit and Loss account.

(ii) Held for Trading :

Securities acquired with an intention to trade by taking advantage of the short-term price/interest rate movements are classified under this category subject to holding of such securities not beyond 90 days. The individual scrips under this category are marked to market. The book value of individual securities would not undergo any change after marking to market.

(iii) Available for Sale:

Securities which do not fall within the above two categories are classified under AFS category. All quoted securities, in AFS category and HFT category, are valued at market rates/quotes declared by FBIL. Unquoted securities are valued as per norms laid down by Reserve Bank of India. Net appreciation in each category, if any, based on the valuation, is ignored and net depreciation, if any, is fully provided for.

Income recognition and provisioning is done as per the Reserve Bank of India guidelines in respect of securities.

3. Advances:

Advances are classified as performing and non performing assets and provisions are made in accordance with the prudential norms prescribed by the Reserve Bank of India. All advances have been classified under the following categories.

- i) Standard Assets
- ii) Sub-Standard Assets
- iii) Doubtful Assets
- iv) Loss Assets

The provision required to be made on the above categorized advances are provided as follows :

- a) In respect of standard assets –
 - Direct Agriculture /SME 0.25 %
 - Commercial real estate 1%
 - CRE – Residential Housing 0.75 %
 - All others 0.40% of outstanding.

The provisions on Standard Assets are reflected in Schedule 5 of the Balance Sheet under the head “Other Liabilities and Provisions” and are not considered for arriving at Net NPAs.

- b) In respect of sub standard assets – 10% of the outstanding.
- c) Doubtful assets Secured portion — 20% up to one year, 30% above one year to 3 years and 100% above 3 years and 100% on the unsecured portion of the outstanding.
- d) 100% on Loss Assets.

4. Income and Expenditure:

Income/Expenditure is accounted on accrual basis except that:

- a. Interest income on Non Performing Advances and Non-performing Investment is accounted as per prudential norms laid down by the Reserve Bank of India.
- b. Commission, Exchange, rent on lockers etc., are accounted on realization.
- c. Adequate provision is made in respect of interest payable on matured term deposits.
- d. Interest on Government securities and other fixed income securities is recognized on accrual basis.
- e. Income on discounted instruments is accounted on effective interest method over the tenure of the instrument.
- f. Income from distribution of general insurance products is recognized on realisation on the basis of business booked.
- g. All expenses are accounted on accrual basis.

5. Employee Benefits:

The Bank has provided for its employees benefits as per AS 15, as under:

- i) Retirement benefits in the form of Provident Fund are charged to Profit and Loss account for the year when the contribution to the fund is due.
- ii) Gratuity and Leave Encashment liability are non contributory defined benefit obligation and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii) Bonus is provided to eligible staff members as per Bonus act.

6. Fixed Assets:

Premises and Fixed assets are accounted on historical cost basis. Depreciation is provided on written down value method on all the assets, except on computers where straight line method is adopted. Rates of Depreciation on all types of fixed assets are as under:

Furniture	10.00%
Electrical	15.00%
Computers	33.33%

Depreciation is calculated on proportionate basis for the fixed assets purchased/disposed off during the year. The Bank has not revalued any Fixed Assets during the period under review.

7. Net Profit for the year:

The Net Profit disclosed in the Profit and Loss Account is after :

1. Provision on advances in accordance with the Reserve Bank of India guidelines.
2. Provision for depreciation on investments as per Reserve Bank of India guidelines.
3. Provision for depreciation on fixed assets.
4. Provision for taxation
5. Provision on Standard Assets
6. Other usual and necessary provisions and adjustments.

8. Special Reserve:

Revenue and other Reserves include Special Reserve created under section 36(i) (viii) of the Income Tax Act, 1961. The Board of Directors of the Bank have passed a resolution approving creation of the Reserve, confirming that it has no intention to make withdrawal from the Special Reserve.

9. Provision for taxation:

Provision for tax is made for both Current and Deferred Taxes.

Current Income Tax:

Current Income Tax is determined on the profits for the year in accordance with the provisions of Income Tax Act, 1961, and the rules framed there under.

Deferred Tax:

- i) Deferred tax asset and liability arising on account of timing differences and which are capable of reversal in subsequent periods are recognised using the tax rates and laws that have been enacted or substantively enacted as of Balance Sheet date.
- ii) Deferred tax asset is recognised when the virtual certainty that sufficient future taxable income will be available against which such deferred tax asset will be realised.

B. Notes on Accounts :

(i) INVESTMENTS:

- (a) The Bank as on 31-03-2020 holds ₹ 3620.91 lakhs (previous year ₹4561.76 lakhs) under Investments in Held to Maturity category, comprising investment acquired with the intention to hold these securities till maturity. The balance of premium for the remaining period of maturity as at year ended 31-03-2020 is ₹10.11 lakhs (Previous year ₹6.66 lakhs), which shall be amortized on yearly basis.
- (b) The Bank as on 31-03-2020 holds ₹4731.63 lakhs (previous year ₹5192.81lakhs) under Investments in Available for Sale category. In respect of "Available for Sale" category, there is appreciation of ₹ 31.09 lakhs net of NPI provision for investment made in CP (previous year Appreciation of ₹ 46.51 lacs) over and above the purchase price.

(c) Categorisation of Investments :

(In Rupees)

Category	Held to Maturity	Available for Sale	Held for Trading	Total Rs.
Government Securities	36,20,90,749	35,02,80,000	0	71,23,70,747
Other Approved Securities	0	0	0	0
Shares	0	0	0	0
PSU Bonds	0	7,51,33,000	0	7,51,33,000
Others – (i) Mutual Funds	0	0	0	0
(ii) Commercial Paper	0	4,77,50,500	0	4,77,50,500
Total	36,20,90,749	47,31,63,500	0	83,52,54,247

- (ii) **Unclaimed Dividend:** Unclaimed dividends amounting to ₹8.03 lakhs (previous year ₹9.27 lakhs) over three years have been transferred to Statutory Reserve as per the provision of Bank's Bye-Laws No.45 (iv).
- (iii) During the financial year 2019-20, restructured accounts in terms of the restructuring packages are NIL (Previous Year- NIL).
- (iv) As per RBI Guidelines, the amount transferred to DEAF is to be reflected under Contingent Liabilities – Others. The position is as under:

(Amount ₹ in Lakhs)

Particulars	Current Year	Previous Year
Opening Balance of amounts transferred to DEAF	57.37	38.90
Add : amounts transferred to DEAF during the year	8.03	18.92
Less: Amounts reimbursed by DEAF towards claims	0.35	0.45
Closing Balance of amounts transferred to DEAF	65.05	57.37

(v) Advances:

Additional information in respect of Advances as required Under Schedule 3 applicable to Co-operative Banks is as under :

(In Rupees)

Particulars	Short Term Loans	Medium Term Loans	Long Term Loans
1. Secured by:			
Government & Approved Securities			
Other Tangible Securities	2359755050	90874598	489575705
	(2162476325)	(85815048)	(274230424)
Unsecured	2377999	0	0
	(35856434)	((0)	(0)
Total	2362133049	90874598	489575705
	(2198332759)	(85815048)	(274230424)
2. Due From:			
Individuals (including others, other than Co-Op. Institutions)	2362133049	90874598	489575705
	(2198332759)	(85815048)	(274230424)
Co-Operative Institutions	0	0	0
	(0)	(0)	(0)
Total	2362133049	90874598	489575705
	(2198332759)	(85815048)	(274230424)
3. Amounts Overdue (including NPAs)	174727704	8307285	75130776
	(47633240)	(0)	(0)
4.Bad and Doubtful Debts (NPAs as per RBI Norms)	40846199		
	(47633240)	(0)	(0)

(vi) **BORROWINGS:** Fixed Deposits worth ₹ 8.78Crore (previous year ₹ 8.70 crore) are pledged with other banks as security for availing temporary overdrafts/and as margin for Bank Guarantees issued on behalf of our customers.

(vii) Penalty imposed by RBI: No penalty is was imposed by RBI during the period under review.

(viii) **ACCOUNTING STANDARDS :** In compliance with the guidelines issued by the Reserve Bank of India regarding requirements of the various Accounting Standards issued by the Institute of Chartered Accountants of India, following information is furnished:

a) Accounting Standard - 5 : Statement of Profit and Loss for the period, prior period items:

There is no material prior period item included in Profit and Loss account which is required to be disclosed as per the Accounting Standard issued by the Institute of Chartered Accountants of India read with guidelines issued by RBI.

b) Accounting Standard - 9 : Revenue Recognition:

As mentioned in Accounting Policy-4 of Schedule -19 certain items are accounted on cash basis on account of statutory/regulatory requirements and materiality.

c) Accounting Standard – 15 : Employee Benefits:

(i) The assumptions and other disclosures relating to the Actuarial Valuation of Gratuity are as under:

(In Rupees)

Valuation Results

The valuation results for the defined benefit gratuity plan as at 31/03/2020 are produced in the tables below :

6.1 Changes in the Present Value of Obligation		Para 120 (c) of AS 15		
Particulars	Gratuity (Non funded)		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Defined Benefit Obligation at the beginning	8385815	6942746	191403	180385
Current Service Cost	563853	486544	--	-
Interest Cost	641934	555420	--	-
Prior Service Cost – Vested benefit			--	-
Prior Service Cost – Non Vested benefit			--	-
Curtailments			--	-
Benefits Paid directly by the Company			-785716	-692949
Benefits Paid from Fund				
Net transfer in/(out) (including the effect of any business combinations /divestitures)				
Actuarial Loss / (Gain) on Obligation	152667	401105	828370	703967
Defined Benefit Obligation at the end	9744269	8385815	234057	191403

6.2 Changes in the Fair Value of Plan Assets Para 120 (e) of AS 15

Particulars	Gratuity (Non funded)		Leave Encashment	
	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Fair Value of Plan Assets at the beginning	-	-	-	-
Adjustment to Opening Balance	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Employer Contributions	-	-	785716	692949
Employee's Contributions	-	-	-	-
Benefits Paid	-	-	785716	-692949
Net transfer in/(out) (including effect of any business combinations / divestitures)	-	-	-	-
Actuarial Gain / (Loss) on the Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end	-	-	-	-

6.3 Fair Value of Plan Assets

Particulars	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Fair Value of Plan Assets at the beginning	-	-	-	-
Adjustment to Opening Balance	-	-	-	-
Actual Return on Plan Assets	-	-	-	-
Employer Contributions	-	-	785716	692949
Employees Contributions	-	-	-	-
Benefits Paid	-	-	785716	-692949
Net transfer in / (out) (including the effect of any business combinations / divestitures)	-	-	-	-
Fair Value of Plan Assets at the end	-	-	-	-
Excess of Actual over estimated return on Plan Assets	-	-	-	-

6.4 Expenses Recognized in the Profit and Loss Account

Particulars	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Current Service cost	563853	486544	234057	191403
Interest Cost on Obligation	641934	555420	--	-
Past Service Cost	-	-	--	-
Expected Return on Plan Assets	-	-	--	-
Amortization of Prior Service Cost	-	-	--	-
Net Actuarial (Gain) / Loss to be recognized	152667	401105	594313	512564
Transfer In / Out	-	-	--	-
Curtailment (Gain) / Loss recognized	-	-	--	-
Settlement (Gain) / Loss recognized	-	-	--	-
Expense recognized in Profit and Loss Account	1358454	1443069	828370	703967

6.5 Amount for the Current Period

Particulars	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Fair Value of Plan Assets at the beginning	-	-	-	-
Actuarial Loss/(Gain) for the current period–Obligation	152667	401105	594313	512564
Actuarial Loss / (Gain) for the current period - Plan Assets		-	--	-
Total Actuarial Loss / (Gain) for the current period	152667	401105	594313	512564
Actuarial Loss/(Gain) loss recognized in the current period	152667	401105	594313	512564

6.6 Movement in the Liability recognized in the Balance Sheet

Particulars	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019	Financial Year Ending 31/03/2020	Financial Year Ending 31/03/2019
Present Value of Obligations as at the beginning	8685815	6942746	191403	180385
Expenses Recognized in P & L Statement	1358454	1443069	828370	703967
Benefits Paid			-785716	-692949
Actual Return on Plan Assets			--	-
Acquisition Adjustment			--	-
Present Value of Obligations as at the end	9744269	8385815	234507	191403
Assumptions				
Discount Rate	6.55%	7.66%	6.55%	7.66%
Rate of increase in compensation	15%	15%	15%	15%
Rate of return (expected) on plan assets	-	-	--	-
Attrition Rate	12%	12%	12%	12%

d) Accounting Standard 17 – Segment Reporting:

The entire operations of the Bank are one composite Banking Business, carried on in areas of operation permitted by Reserve Bank of India, not subject to different risk and rewards. Consequently, Bank has not recognized any Business segments or Geographical segments.

e) Accounting Standard 18 – Related Party Disclosures:

Details are shown as per RBI guidelines - Refer Note No. xi (d)

f) Accounting Standard 22— Accounting for Taxes on Income- Deferred Tax :

(amount in lacs)

Timing Difference	31.03.2020		31.03.2019	
	DTL	DTA	DTL	DTA
Depreciation on Fixed Assets	3.71		1.68	
Special Reserve Created u/s 36(1)(viii) of IT Act	12.67		14.87	
Provision for Standard Assets		35.71		38.36
Provision for Other Liabilities		12.58		12.23
Provision for Staff benefits		25.11		29.97
Premium on Investments amortised		14.69		17.70
TOTAL	16.38	88.09	16.55	98.26

g) Accounting Standard 28- Impairment of assets:

Assessment is made at each Balance sheet date whether there is any indication that a Fixed Asset is impaired. If any such indication exists, an estimate of the recoverable amount is made and impairment loss, if any, is provided for.

h) Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets:

Past events leading to possible and present obligations is treated as contingent liability. Provision is recognised in the case of present obligation where the realisable estimate can be made and where there are probable outflow of resources embodying foregoing of economic benefits to settle the obligations. Contingent assets are neither disclosed nor recognised.

(IX) SUMMARIZED POSITION OF THE BANK'S INVESTMENT :

(Rs. in Crores)

S. No.	Types Of Securities	As at 31.3.2020			As at 31.3.2019		
		Face Value	Book Value	Market Value	Face Value	Book Value	Market Value
1.	Government Securities						
	HTM	36.10	36.21	37.56	45.55	45.61	45.97
	AFS	35.00	35.03	35.81	24.40	24.77	25.23
	HFT	0.00	0.00	0.00	0.00	0.00	0.00
2.	Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00
3.	Commercial Paper	5.00	4.78	4.78	5.00	4.86	4.86
4.	Mutual Funds	0.00	0.00	0.00	21.00	21.00	21.00
5.	PSU- Bonds	7.51	7.51	7.51	1.30	1.30	1.30
	Total Investments	83.61	83.53	85.66	92.25	97.54	98.36
	DEPOSITS WITH BANKS	23.77	23.77	24.61	28.70	28.70	30.27
	Total		107.30			126.24	

(x) DISCLOSURE AS PER RBI GUIDELINES:

(Rs. in Crores)

S. No.	Particulars	31.03.2020	31.03.2019
a)	Capital Risk Assets Ratio and movement in CRAR Capital Adequacy Ratio	19.62%	14.72%
b)	Advances against Shares and Debentures	0.00	0.00
c)	Advances against Real Estates, Construction business & Housing Real Estate Construction Business Housing	17.71 24.96 2.18	14.87 15.06 1.19
d)	Loans and Advances to Directors, their relatives, Companies / Firms in which they are interested Fund based Non-fund based	NIL NIL	Nil Nil
e)	Average Cost of Deposits	7.45%	7.01%
f)	Non-performing advances % of gross NPA to Total Advances % of net NPA to Total Advances	1.39% 0.74%	1.86% 0.00%
g)	Movement in Non Performing Advances Opening Gross NPA Additions (Fresh NPA) Less: Recoveries Less: Write offs Closing Gross NPA Net NPA	4.76 3.26 0.59 3.35 4.08 2.16	4.45 0.38 0.07 - 4.76 0.00
h)	Profitability Interest income to working fund Non-interest income to working fund Operating profit to working fund Return on assets Business (Deposit + Advances) per employee Profit per employee	9.57% 0.53% 2.43% 1.56% 11.12 0.12	8.39% 0.30% 2.20% 1.28% 9.73 0.08
i)	Provision made during the year towards Non Performing Assets Depreciation on Investments Provision for Standard Assets Provision for Income Tax & Deferred Tax Provisions for Others	0.70 0.31 0.32 2.70 0.15	0.28 - 0.34 2.93 0.35
j)	Movement in provisions for Non Performing Advances Opening Provision Additions Deletion Closing Provision	4.96 1.37 4.41 1.92	4.68 1.13 0.85 4.96
k)	DICGC premium paid	0.40	0.30

I) Issuer composition of Non-SLR Securities 31.03.2020

(Rs. In Crores)

S. No.	Issuer	Amount	Extent of 'below investment grade' securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
1	PSUs	7.51	Nil	Nil	Nil
2	FIs				
3	Nationalized Banks				
4	Others	4.78	Nil	Nil	Nil
5	Provision held towards depreciation				
	Total	12.29	Nil	Nil	Nil

Non Performing NON – SLR Securities.

Particulars	Amount (₹ in Crores)
Opening Balance	Nil
Additions during the year	4.78
Reduction during the above Period	--
Closing Balance	4.78
Total Provision Held	0.48

- (xi) Appropriation of profits will be made after the approval of the General Body.
- (xii) With regard to appropriation to "Establishment and Contingency Fund" as required U/s 31A (23) (f) read with Rule 36B, bank is maintaining appropriate records wherein amounts as per the above mentioned requirements of Telangana Co-operative Societies Act, 1964 are being credited and monthly expenditure incurred and monitored accordingly.
- (xiii) Previous year figures have been regrouped/rearranged wherever necessary.

For SHARAD & ASSOCIATES

Chartered Accountants
(ICAI FRN No. 06377S)

Sd/-
(SHARAD SINHA)
Partner
M No.202692

For and on behalf of Board of Directors

sd/-
Smt. Nirmala Daga
Sr. Vice Chairperson

sd/-
Smt. Rajkumari Chordia
Vice Chairperson

sd/-
Vinay Kumar Verma
Chief Executive Officer

Place : Hyderabad
Date : 05-09-2020

APPROPRIATION OF PROFIT FOR THE YEAR 2019-2020

Vide subject no. 2 of the Agenda

PARTICULARS	AMOUNT		AMOUNT	
	Rs.	Ps.	Rs.	Ps.
Opening Balance in Profit and Loss Account			33401424.00	
Profit for the year 2019-2020 before tax	101590070.00		101590070.00	
			134991494.00	
Less: Income tax paid/provided	25200000.00			
Deferred Tax Liability	999813.00			
Special reserve u/s.36(1) (viii) of IT Act	777000.00			
Appropriation towards IFR (Investment Fluctuation Reserve)	1000000.00			
			27976813.00	
Balance of Profits available for Appropriation			107014681.00	
a. Appropriation as per Co-operative Societies Act				
1. Cooperative Education Fund	150000.00			
2. Common Good Fund	736133.00			
			886133.00	
			106128548.00	
1. 25% of Profit transferred to Statutory Reserve	18403314.00			
2. Amount transferred to General Reserve	5000000.00			
Balance available in Undistributed Profits			82725234.00	
3. Dividend 2019-2020 @18% - Proposed -				
Subject to Approval from Reserve Bank of India.	32250000.00			
			32250000.00	
BALANCE			50475234.00	

PROGRESS AT A GLANCE

(₹ In Lacs)

Year	Share Capital	No. of Members	Deposits	Advances	Working Capital	Net Profit	Dividend %
1990-91	12.78	2219	199.35	101.10	215.18	0.24	
1992-93	22.71	2762	502.03	383.72	556.85	15.80	15
1994-95	30.51	3029	915.56	633.92	1047.98	20.37	20
1996-97	54.98	3570	2154.51	1070.75	2283.89	42.73	25
1998-99	83.98	4226	3751.08	1838.98	3987.91	50.19	28
2000-01	95.64	4483	5602.59	2958.46	5995.59	85.08	26
2001-02	99.63	4551	5534.89	3262.12	6067.54	90.42	
2002-03	103.73	5068	5151.56	3063.05	5787.83	90.62	10
2003-04	100.78	5473	5436.45	2480.69	5754.05	60.06	10
2004-05	103.89	6098	5432.48	2813.17	5702.13	49.35	15
2005-06	109.07	6561	6204.49	2568.19	6548.86	52.82	16
2006-07	161.82	7175	6630.22	2906.42	7644.14	81.73	17
2007-08	186.91	7591	7222.62	3097.91	8401.91	143.39	17
2008-09	201.77	8012	8918.21	3532.59	10248.21	181.27	20
2009-10	240.06	8486	11521.31	4079.52	12375.36	181.14	20
2010-11	245.79	9224	12616.62	4891.90	13791.19	180.83	20
2011-12	320.52	9715	14418.88	6966.36	15743.49	177.81	20
2012-13	381.41	10442	15871.47	7834.78	17356.67	212.29	20
2013-14	438.36	9283	17318.68	8573.62	18884.82	229.63	20 Special 5
2014-15	464.15	7162	18961.54	10593.30	20671.86	257.39	20
2015-16	502.93	7701	22046.67	11945.83	23914.02	229.00	20
2016-17	983.13	8188	28221.49	12939.81	30447.66	329.12	20
2017-18	979.40	8167	30008.99	16020.81	32441.32	390.57	18
2018-19	1630.51	8721	38674.92	25583.78	41952.64	560.06	18
2019-20	2539.27	9834	41743.43	29425.83	46286.96	753.90	

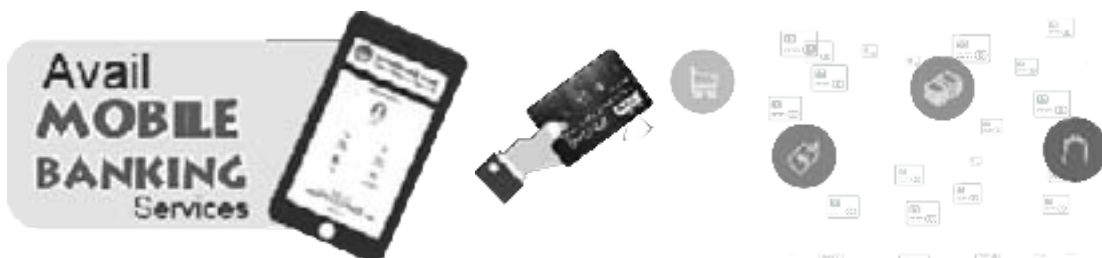
STATEMENT SHOWING REVISED BUDGET FOR THE YEAR 2020-21

EXPENDITURE (AMOUNT IN LAKHS)					INCOME (AMOUNT IN LAKHS)				
Head of Account	Budget 2019-20	Actuals 2019-20	**Budget For 2020-21	Revised Budget For 2020-21	Head of Account	Budget 2019-20	Actuals 2019-20	*Budget For 2020-21	Revised Budget For 2020-21
Interest on Deposits / & Borrowings	2730	2992	4200	3250	Interest on Investments	1080	1012	1315	1050
Establishment Charges	308	267	300	325	Profit on Sale of Mutual				
AGM Expenses	1	1	2	1	Fund / Govt. Securities	180	206	280	215
Electricity Charges	18	18	18	20	Interest on Loans	3282	3419	4550	3800
Postage	1	1	1	1	Lockers Rent	10	9	11	12
Rent, Rates & Taxes	94	83	83	95	Commission	23	7	12	8
Conveyance	19	10	10	12	Miscellaneous Receipts	135	118	125	125
Advertisement	8	5	6	6					
Printing & Stationery	9	9	8	10					
Audit Fees	2	1	3	1					
Misc. Expenses & Other Expenditure	225	165	220	200					
Insurance	55	42	68	52					
Depreciation on Fixed Assets	38	26	25	28					
Telephone	6	4	5	5					
Directors sitting fee	3	3	4	4					
Provision for Doubtful Debts / Govt. Securities	115	129	140	150					
Profit before tax	1078	1015	1200	1050					
Total	4710	4771	6293	5210	Total	4710	4771	6293	5210
Deferred Tax	20	-10	20	20					
Income Tax	377	252	419	264					
Profit after Tax	721	753	801	806					

Note : *Approved in General Body Meeting Dated : 20/02/2020.

SERVICES

- ✓ Mobile Banking Services and deployment of BBPS services.
- ✓ Three ATM's at Edenbagh, Ameerpet & Mahavir hospital Ext. Counter.
- ✓ Free RTGS / NEFT Transfers.
- ✓ Internet Banking (View facility), SMS Alerts.
- ✓ Any Branch Banking.
- ✓ Lockers Facility in all Branches.
- ✓ EMV Chip Based Rupay Debit Cards.
- ✓ Short Term Gold Loans at attractive Rate of Interest.
- ✓ Personalized Cheque Books.
- ✓ Online Payment of Income Tax and GST and Insurance of PMSBY and PMJJBY
- ✓ Attractive Rate of Interest on Loans and Advances.



INTEREST RATES ON TERM DEPOSITS

Period	For General	For Senior Citizens
7 days to 14 days	4.00%	4.00%
15 days to 29 days	4.50%	4.50%
30 days to 90 days	6.25%	6.75%
91 days to 180 days	6.50%	7.00%
181 days to 1 year	7.50%	8.00%
Above 1 year to 3 years	7.75%	8.25%
Above 3 years	7.50%	8.00%
450 days (compounding quarterly)	7.75%	8.25%
900 days (Vardhaman Smart Deposit Scheme)	8.50%	9.00%
Interest will be paid on maturity along with principal.	(Simple)	(Simple)
RECURRING DEPOSIT		
Above 1 year to 3 years	7.75%	8.25%
Above 3 years	7.50%	8.00%

Rate of interest are subject to change from time to time.

FACILITY	Amount In Lakhs	Rate of Interest
Term Loan & Mortgage Loan	Eligible Amount	14.00%
Secured Overdraft	Eligible Amount	14.00%
Cash Credit	Eligible Amount	14.00%
Personal Loans (Without Security)	Up to 2.00	15.00%
MISCELLANEOUS LOANS		
Vehicle Loans	Up to 5.00	13.00%
	Above 5.00	14.00%
Housing Loans	Eligible Amount	14.00%
Loan Against NSC / KVP / LIC	Eligible Amount	11.00%
Consumer Durable Loan	Up to 5.00	14.00%
Revolving Vehicle Loans	Eligible Amount	13.00%
Loan / Limit to Real Estate	Eligible Amount	14.50%
D L / OD Limit Against Deposit	To Self (Deposit Rate+)	+ 1.50%
D L / OD Limit Against Deposit	Third party (Deposit Rate+)	+ 2.00%
D L against Gold / Jewellery	Eligible Amount	13.00%
S O D against Gold / Jewellery	Eligible Amount	13.00%

Inauguration of Branches



Inauguration of New Premises of **Ameerpet Branch** by **Shri Shantilal Daga**, Chairman



Inauguration of New Premises of **Ranigunj Branch** by **Shri Shantilal Daga**, Chairman