

**THE AHMEDABAD MERCANTILE CO-OP. BANK LTD.**  
**HEAD OFFICE: "AMCO HOUSE"**  
**NR. STADIUM CIRCLE, NAVRANGPURA,**  
**AHMEDABAD-380 009.**

**NOTICE OF THE 55<sup>th</sup> ANNUAL GENERAL MEETING**

Dear Member,

Notice is hereby given that the 55th Annual General Meeting of shareholders of our Bank will be held on **Monday, 9<sup>th</sup> November, 2020**, at **04.00 p.m.** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with acts applied and circular from Central Registrar of Co-operative Societies, New Delhi, to transact the following business.

**AGENDA**

1. To approve minutes of the Special General Meeting held on 27<sup>th</sup> February, 2020.
2. To approve the Annual Report of the Bank for the year 2019-20, Audited Accounts, Balance sheet and Profit & Loss Account for the year ended 31.03.2020.
3. To declare the dividend (subject to RBI approval) and to approve appropriation of the Profit for the year 2019-20 as recommended by the Board of Directors.
4. To write-off Bad-debt accounts as recommended by the Board of Directors.
5. To appoint Statutory Auditor of the Bank for the year 2020-21 as recommended by the Board of Directors and to fix their remuneration.
6. To approve the resolution of Board of Directors for extension of the present Chief Executive Officer and send it to the Reserve Bank of India for approval.
7. To take up any other matter with the permission of the Chair and decide thereupon.

Ahmedabad  
Date: 29.09.2020

Chandrakant B. Jajal  
(Chief Executive)

**IMPORTANT NOTES:**

1. Link for Notice of the AGM and Annual Report 2019-20 will be sent through electronic mode to members on their registered mobile numbers and on email addresses with the Bank.
2. Notice and Annual Report 2019-20 will also be available and accessible from any of our Branch or Bank's website: [www.amcobank.com](http://www.amcobank.com)
3. Members are requested to take note about chronology of virtual AGM will be followed as under:
  - (a) Dt.09.11.2020, Annual General Meeting (as above) will be held
  - (b) Dt.09 & 10.11.2020, Members to post their question / query by e-mail on [share@amco-bank.com](mailto:share@amco-bank.com)
  - (c) Dt.11.11.2020, the Bank will post reply on bank's website: [www.amcobank.com](http://www.amcobank.com) to the question / query posted by the members by 05.00p.m.
  - (d) Dt.12 & 13.11.2020 voting by members on website of NSDL's e-voting or Bank's website [www.amcobank.com](http://www.amcobank.com) by 05.00p.m. on 13.11.2020
4. Members, who have not registered their Mobile number or email address, may register to the share department by 05.00p.m. Dt.31.10.2020 and can join in the AGM electronically.
5. E-voting facility is also provided to vote for proceeding of the AGM. In case of any queries with respect to e-voting, you may refer to FAQs for share holders available on website [www.amcobank.com](http://www.amcobank.com) or contact to the Share Department, Ahmedabad.
6. Please see guidance / procedure to join the AGM electronically from our website: [www.amcobank.com](http://www.amcobank.com)
7. Any member desirous of seeking any information about the Balance sheet and Profit & Loss Account should give a written request to the Secretary of the Bank at Head Office at least seven days before the date of the meeting so that the necessary information could be provided in the meeting.
8. In case, meeting is held up for want of quorum, the meeting will be held on the same day after half an hour.



# ધી અમદાવાદ મર્કેન્ટાઇલ કો-ઓપ.બેંક લિ.

## FAQs

## (મલ્ટી સ્ટેટ- શિઝ્યુલ બેંક)

બેંકની ૫૫ મી વાર્ષિક સાધારણ સભા વિડીયો કોન્ફરન્સીંગ (વીસી) / અન્ય ઓડિયો વિઝ્યુઅલ માધ્યમો (ઓએવીએમ) દ્વારા તા.૦૯.૧૧.૨૦૨૦ ના રોજ સાંજે ૦૪:૦૦ વાગે યોજનાર છે. સભાસદો માટે સભામાં જોડાવવા માટેની **માર્ગદર્શિકા** નીચે દર્શાવેલ છે.

**બેંકનો NSDL EVEN No. 114671**

### **ક્રમાંક ૧ : વાર્ષિક સાધારણ સભામાં જોડાવવા માટે વેબસાઇટની માહિતી બાબત.**

તા.૦૯.૧૧.૨૦૨૦ ના રોજ વિડીયો કોન્ફરન્સીંગ (વીસી) દ્વારા ૫૫ મી વાર્ષિક સાધારણ સભામાં જોડાવવા માટે NSDL ની વેબસાઇટ [www.evoting.nsdl.com](http://www.evoting.nsdl.com) અથવા બેંકની વેબસાઇટ [www.amcobank.com](http://www.amcobank.com) પર shareholder Login પર ક્લિક કરી જોડાઈ શકાશે. અહીં સભાસદે Shareholder / member login પર ક્લિક કરવાનું રહેશે.

### **ક્રમાંક ૨ : User ID અને Password / OTP બાબત.**

e-AGM માં જોડાવવા માટે User ID અને Password / OTP ની જરૂર રહેશે.

#### **User ID**

NSDL દ્વારા આપવામાં આવેલ બેંકનો EVEN No. **114671** છે. આથી સભાસદનો User ID. **114671** અને ત્યારબાદ સભાસદનો મેમ્બરશીપ નંબર ૫ આંકડાનો ટાઇપ કરવાનો રહેશે. (દા.ત.(૧) જો સભાસદ મેમ્બરશીપ નંબર ૧૫૦ હોય તો તે સભાસદનો User ID. **11467100150** રહેશે. (૨) જો સભાસદનો મેમ્બરશીપ નંબર ૨૧૧૧૨ હોય તો સભાસદનો User ID **114671** 21112 રહેશે.) આથી દરેક સભાસદનો User ID કુલ ૧૧ આંકડાનો રહેશે.

#### **Password**

(એ) જે સભાસદના મોબાઇલ નંબર બેંક પાસે નોંધાયેલ છે, તેઓ OTP દ્વારા Login કરી શકશે.

(બ) જે સભાસદના ઈ-મેઇલ આઈ.ડી. બેંક પાસે નોંધાયેલ છે, તે સભાસદને ઈ-મેઇલ દ્વારા Password / OTP મોકલવામાં આવશે.

(ક) જે સભાસદના મોબાઇલ નંબર અને ઈ-મેઇલ આઈ.ડી.બેંક પાસે નોંધાયેલ નથી, તે સભાસદ તેમના Password બેંકની નજીકની શાખા અથવા હેડ ઓફિસ ખાતે શેર ડિપાર્ટમેન્ટમાં રૂબરૂ મળી સભાસદ નંબરની જાણ કરી કોઈપણ ઓળખપત્ર બતાવીને મેળવી શકશે.

(ડ) Password પહેલીવાર Login સમયે બદલવાનો રહેશે.

**નોંધ :** સાધારણ સભા તા.૦૯.૧૧.૨૦૨૦ ને શુક્રવાર ના રોજ સાંજે ૦૪-૦૦ કલાકે છે, તો સભાસદ બપોરે ૦૩-૩૦ કલાકથી ઉપરોક્ત કાર્યવાહી દ્વારા જોડાઈ શકશે.

### **ક્રમાંક ૩ : વાર્ષિક સાધારણ સભાની કાર્યસૂચિને લગતા પ્રશ્નો બાબત.**

તા.૦૯.૧૧.૨૦૨૦ ના રોજ અને તા.૧૦.૧૧.૨૦૨૦ ના રોજ સભાસદો વાર્ષિક સાધારણ સભાની કાર્યસૂચિને લગતા તેમના પ્રશ્નો ઈ-મેઇલ આઈડી [share@amco-bank.com](mailto:share@amco-bank.com) પર ઈ-મેઇલ કરી જણાવી શકશે. આ પ્રશ્નોના ઉત્તર બેંક દ્વારા તા.૧૧.૧૧.૨૦૨૦ ના રોજ બેંકની વેબસાઇટ [www.amcobank.com](http://www.amcobank.com) પર પ્રસિધ્ધ કરવામાં આવશે.

### **ક્રમાંક ૪ : સભાસદનો વોટ દાખલ કરવા બાબત.**

સભાસદ એજન્ડા નોટીસમાં દર્શાવેલ કાર્યસૂચિ મુજબ વોટ તા.૧૨.૧૧.૨૦૨૦ થી તા.૧૩.૧૧.૨૦૨૦ ના રોજ સાંજે ૦૫:૦૦ વાગ્યા સુધી [www.evoting.nsdl.com](http://www.evoting.nsdl.com) ની વેબસાઇટ અથવા બેંકની વેબસાઇટ [www.amcobank.com](http://www.amcobank.com) પર shareholder Login પર ક્લિક કરી આપી શકશે. આ પ્રક્રિયામાં User ID અને Password ક્રમાંક (૨) મુજબ રહેશે. ત્યારબાદ બેંકનો EVEN No. **114671** સીલેક્ટ કરવું. ઈ-વોટીંગ માટે કાર્યસૂચિને મંજૂર કરવા Assent અથવા નામંજૂર કરવા Dissent સીલેક્ટ કરવાનું રહેશે. ત્યારબાદ Submit પર ક્લિક કરવાનું રહેશે, પછી તેને Confirm બટન પર ક્લિક કરવાથી આપનો વોટ રજીસ્ટર થશે. આપના વોટની પ્રિન્ટ આઉટ તે સમયે મેળવી શકાશે.

### **ક્રમાંક ૫ : વાર્ષિક સાધારણ સભાની કાર્યવાહી ફોન દ્વારા સાંભળવા બાબત.**

જે સભાસદનો મોબાઇલ નંબર અને ઈ-મેઇલ આઈડી બેંકમાં રજીસ્ટર થયા નથી તેવા સભાસદો સાધારણ સભામાં ફોન દ્વારા જોડાવા માંગતા હોય તો તે ટોલ ફ્રી નંબર ૦૨૨-૬૪૮૦૨૦૦૬ પર ફોન કરી ત્યારબાદ મીટીંગ આઈડી ૧૨૬ ૦૨૮ ૯૫૮૫ દાખલ કર્યા બાદ # પ્રેસ કરી જોડાઈ શકશે. આ રીતે જોડાયેલ સભાસદ સાધારણ સભાની કાર્યવાહી ફોન પર સાંભળી શકશે.

#### **ખાસ નોંધ :**

- ઉપરોક્ત વિડીયો કોન્ફરન્સ અંગેની લેટેસ્ટ માહિતી બેંકની વેબસાઇટ [www.amcobank.com](http://www.amcobank.com) પર મેળવી શકાશે.
- સાધારણ સભાની નોટીસ, User ID અને Password, NSDL દ્વારા સભાસદને ઈ-મેઇલ / મોબાઇલ નંબર પર મોકલવામાં આવશે.
- સાધારણ સભામાં જોડાવવા અંગે ટેકનીકલ તકલીફ નિવારવા લેપટોપ, કોમ્પ્યુટર, મોબાઇલ વિગેરે કે જે યોગ્ય સ્પીડવાળા ઈન્ટરનેટથી જોડાયેલ હોય તેનો ઉપયોગ કરવો.
- e-AGM દરમિયાન પોતાના Views / queries રજૂ કરવા Speaker તરીકે જોડાવવા માટેની અરજ સાથે માહિતી (મેમ્બરશીપ નંબર, મેમ્બરનું નામ, મોબાઇલ નંબર અને ઈ-મેઇલ આઈડી) [share@amco-bank.com](mailto:share@amco-bank.com) પર ૭ દિવસ અગાઉ ઈ-મેઇલ કરી જણાવવા વિનંતી છે.
- વધુ માહિતી માટે (૧) NSDL ના ટોલ ફ્રી નંબર ૧૮૦૦૨૨૨૯૯૦ પર સંપર્ક કરવો અથવા [paragi@nsdl.co.in](mailto:paragi@nsdl.co.in) પર ઈ-મેઇલ કરવો. (૨) બેંકની નજીકની શાખા અથવા શેર ડિપાર્ટમેન્ટ, હેડ ઓફિસ ફોન નં.૦૭૯-૨૬૪૨૬૫૮૨/૮૪/૮૮ પર અથવા મો.નંબર ૯૯૭૮૪૪૦૩૮૨ (જતીનભાઈ) પર સંપર્ક કરવો.



(Multi State Scheduled Bank)

# THE AHMEDABAD MERCANTILE CO-OP. BANK LTD.

Co-operative  
to Customer  
Since 1966...



Multi State Scheduled Bank with  
a wide Network of **34 BRANCHES**  
across Ahmedabad, Vadodara, Surat,  
Mumbai and so on...



# 55<sup>th</sup> ANNUAL REPORT

Multi State Scheduled Bank **2019 - 2020**



**: CHAIRMAN :**

Shri Narendra M. Patel

**: VICE CHAIRMAN :**

Shri Himanshubhai T. Patel

**: DIRECTORS :**

Shri Babubhai H. Patel	Shri Sureshbhai S. Shah
Shri Indubhai S. Amin	Shri Amratbhai C. Patel
Shri Harshadbhai N. Doshi	Shri Dineshbhai D. Bhalavat
Shri Sanjivbhai N. Sheth	Shri Sharadbhai P. Shah

■ **Chief Executive :**

Shri Chandrakant B. Jajal

■ **Deputy General Manager :**

Shri Vasudevabhai S. Peswani

■ **Asstt. General Managers :**

Shri Rajeshbhai K. Anjaria  
Shri Ajaybhai M. Gandhi  
Shri Shaileshbhai D. Trivedi  
Shri Ashok R. Shah  
Shri K. K. Balakrishnan  
Shri Murildhar P. Vanvari  
Shri Jsvantlal P. Suthar

■ **Managers :**

Shri Niren H. Multani (CLDS)  
Shri Nitin C. Maniar (IT)  
Shri Jaydeep G. Nagori (Audit)

■ **Secretary & Asstt. Gen. Manager :**

Shri Pinakin R. Shah

■ **Sr. Managers :**

Shri Gautam N. Shah (Recovery & HR, Establishment)  
Shri Sanjay R. Shah (Development)  
Shri Sandip P. Patel (Advances)  
Shri Nikhil M. Patel (IT)



**HEAD OFFICE :**

"AMCO HOUSE", Nr. Stadium Circle,  
Navrangpura, Ahmedabad - 380 009.  
Phone : (079) 26426582/84/88  
Fax : (079) 26564863  
E-mail : [info@amco-bank.com](mailto:info@amco-bank.com)



## THE AHMEDABAD MERCANTILE CO-OP. BANK LTD.

H.O. : "AMCO HOUSE", Nr.Stadium Circle, Navrangpura, Ahmedabad - 380 009.

Dear Member,

Notice is hereby given that the 55th Annual General Meeting of shareholders of our Bank will be held on **Monday, 9<sup>th</sup> November, 2020, at 04.00 p.m.** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in compliance with acts applied and circular from Central Registrar of Co-operative Societies, New Delhi, to transact the following business.

### AGENDA

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2. To approve the Annual Report of the Bank for the year 2019-20, Audited Accounts, Balance sheet and Profit & Loss Account for the year ended 31.03.2020.
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Ahmedabad

Date: 29.09.2020

Chandrakant B. Jajal

(Chief Executive)

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8. In case, meeting is held up for want of quorum, the meeting will be held on the same day after half an hour.



To,  
The Members,  
The Ahmedabad Mercantile Co-Op Bank Ltd.,  
Ahmedabad

**Report on Financial Statements :**

We have audited the accompanying Financial Statements of The Ahmedabad Mercantile Co-Op Bank Limited, Ahmedabad which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, Profit and Loss Account and Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2020 and a summary of significant accounting policies and other explanatory information. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the Information required by the Banking Regulation Act, 1949, the Multi State Co-operative Societies Act, 2002 and the rules made thereunder and the guidelines issued by the Reserve Bank of India (RBI) and the Central Registrar of Co-operative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at 31<sup>st</sup> March, 2020 and true & fair balance of profit and the Cash Flows for the financial year ended on that date.

**Basis of Opinion :**

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the bank in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Banking Regulations Act, 1949 and the rules made thereunder and under the provisions of the Multi State Co-operative Societies Act, 2002 and the rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter :**

We draw attention to the Note 5(VIII) in the financial statements, in respect of accounts overdue but standard as at February 29, 2020 where moratorium benefit has been granted, the staging of those accounts as at March 31, 2020 is based on the days past due status as on February 29, 2020, in accordance with Reserve Bank of India COVID-19 Regulatory Package. Further, the extent to which the COVID-19 pandemic will impact the Bank's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above 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 comprise the information included in the Report of the Board of Directors including other explanatory information, but does 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 Statements :**

The Bank's Board of Director is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, provisions of Banking Regulation Act, 1949 and the rules made thereunder, provision of Multi State Co-operative Societies Act, 2002 and the rules made thereunder and circulars and guidelines issued by RBI from time to time and the accounting standards issued by ICAI. This responsibility also includes maintenance of adequate accounting records in accordance with the provision 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 financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

In preparing the financial statement, 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director are also responsible for overseeing Bank's Financial Reporting progress.

**Auditors' 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 misstatements 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 judgement 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



## INDEPENDENT AUDITOR'S REPORT

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 exist, 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 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 compiled 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.

#### 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, 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 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 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 (B) 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-Sate 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, 2020 was ₹13.63 crore (i.e. ₹11.63 crore in respect of Advances classified as NPA classified as Doubtful and Loss Assets as per prudential norms issued by RBI & ₹ 2.00 crore in respect of investments) for which adequate provision has been made as per extant RBI guidelines.
- d. The bank has not given loans to the family members of the Board of Directors.
- 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, **KANTILAL PATEL & CO.,**  
Chartered Accountants  
Firm Regi. No.104744W

**Jinal A. Patel**  
Partner

Place : Ahmedabad  
Date : 28-07-2020

Membership No. 153599

	<b>CAPITAL AND LIABILITIES</b>	<b>Sch.</b>	<b>As at 31.03.2020 (Amount in ₹)</b>	<b>As at 31.03.2019 (Amount in ₹)</b>
1	Capital	1	9,56,40,700	9,81,85,500
2	Reserve Fund And Other Reserves	2	4,40,93,77,490	4,04,22,60,671
3	Principal / Subsidiary / State Partnership Fund Account	3	---	---
4	Deposits And Other Accounts	4	17,75,92,29,551	16,68,47,15,877
5	Borrowings	5	6,00,00,000	---
6	Bills For Collection Being Bills Receivable (As Per Contra)		11,03,428	1,09,01,442
7	Branch Adjustments		---	59,748
8	<b>Overdue Interest Reserves</b>			
	On Non-Performing Advances		12,84,269	15,93,165
	On Non-Performing Advances (As Per Contra)		30,54,94,604	29,72,77,922
9	Interest Payable		66,63,93,816	64,73,36,088
10	Other Liabilities	6	38,37,43,446	30,06,57,071
11	Profit And Loss	7	29,14,16,146	29,52,33,783
12	Deferred Tax Liabilities (Refer Sch.15(C)(4)(IV))		---	1,47,49,261
	<b>TOTAL</b>		<b>23,97,36,83,450</b>	<b>22,39,29,70,528</b>
	<b>Contingent Liabilities:-</b> (Refer Sch.16 (C)(4)(VI))			
	(A) Outstanding liabilities for guarantees issued		56,14,57,714	39,39,57,972
	(B) Others in respect of letters of credit opened on behalf of Constituents		7,53,09,654	4,69,97,904
	(C) Depositors Education & Awareness Fund		10,01,99,653	7,84,69,351
	(D) Securities Deliverable Under RBI Reverse Repo		25,72,83,511	23,00,00,000
	<b>Notes on accounts form part of accounts</b>	16		

As per our attached Report of even date

For, **KANTILAL PATEL & Co.,**  
Chartered Accountants  
Firm Regi. No. 104744W

**Jinal A. Patel**  
Partner  
Membership No. 153599

Place: **Ahmedabad**  
Date : **28.07.2020**



	PROPERTY AND ASSETS	Sch.	As at 31.03.2020 (Amount in ₹)	As at 31.03.2019 (Amount in ₹)
1	Cash	8	72,35,48,249	80,57,78,217
2	Balances With Other Banks	9	2,22,89,98,946	1,15,02,47,007
3	Money At Call And Short Notice		---	---
4	Investments	10	8,38,11,12,913	8,53,85,41,755
5	RBI Reverse Repo Account-LAF	11	20,00,00,000	23,00,00,000
6	Investment Out Of The Principal / Subsidiary State Partnership Fund	12	---	---
7	Advances	13	11,36,61,43,822	10,67,64,58,222
8	<b>Interest Receivable</b>			
	Overdue Interest on NPA (As per Contra)		30,54,94,604	29,72,77,922
	On Other Assets (Interest Receivable)		31,35,75,891	24,60,28,543
9	Bills Receivable Being Bills For Collection(As per Contra)		11,03,428	1,09,01,442
10	Branch Adjustments		---	---
11	Other Assets	14	28,60,35,914	26,49,57,729
12	Property, Plant & Equipment	15	16,33,68,462	17,27,79,691
13	Deferred Tax Assets (Refer Sch. 15(C)(4)(IV))		43,01,221	---
14	Non Banking Assets Acquired In Satisfaction Of Claims		---	---
	<b>TOTAL</b>		<b>23,97,36,83,450</b>	<b>22,39,29,70,528</b>

**Shri Narendra M. Patel**  
Chairman

**Shri Babubhai H. Patel**  
Director

**Shri Sureshbhai S. Shah**  
Director

**Shri Himanshubhai T. Patel**  
Vice Chairman

**Shri Indubhai S. Amin**  
Director

**Shri Amratbhai C. Patel**  
Director

**Shri Chandrakant B. Jajal**  
Chief Executive

**Shri Harshadbhai N. Doshi**  
Director

**Shri Dineshbhai D. Bhalavat**  
Director

**Shri Sanjivbhai N. Sheth**  
Director

**Shri Sharadbhai P. Shah**  
Director

**Place : Ahmedabad**

**Date : 28-07-2020**

	<b>EXPENDITURE</b>	<b>2019-20 (Amount in ₹ )</b>	<b>2018-19 (Amount in ₹ )</b>
1	Interest on deposits, borrowing, etc.	1,08,27,61,930	96,48,48,081
2	Salaries and allowances and Prov. fund	27,86,56,910	23,66,80,524
3	Directors and local committee members' fees and allowances	3,30,748	4,25,399
4	Rent, taxes, insurance, lighting etc.	3,77,55,540	3,50,53,732
5	Law charges	55,868	9,43,236
6	Postage, Telegrams and telephone Charges	62,34,595	60,42,854
7	Auditor's fees ( Statutory and Concurrent Auditors)	5,41,700	8,14,696
8	Depreciation on Fixed Assets (Refer Sch.15)	1,86,01,823	1,84,14,892
9	Repairs and Maintenance of Assets	71,01,172	70,29,060
10	Stationery and printing Expenses	29,80,539	37,68,771
11	Advertisement Expenses	7,65,442	11,60,108
12	Other expenditure	3,94,75,326	3,75,99,024
13	Loss on Sale of Assets	6,28,541	1,65,660
14	Loss on Sale of Investments	35,50,000	5,29,05,240
15	<b>Provisions &amp; Contingencies :</b>		
	Provision For Bad Debts Reserve	4,70,80,885	3,53,80,326
	Provision For Standard Assets Reserve	52,18,000	1,33,00,000
	Provision For Foreign Exchange Fluctuation	55,692	---
	Provision For Income Tax Disputed Demand	18,79,125	---
	Provision For SMA/Overdue (COVID-19)	4,74,81,694	---
		<b>10,17,15,396</b>	<b>4,86,80,326</b>
16	<b>Income Tax Expenses :</b>		
	Current tax	17,33,00,000	15,21,00,000
	Deferred Tax(Refer Sch.16( C )(4)(IV)) Reverted	(1,90,50,482)	(4,14,266)
		<b>15,42,49,518</b>	<b>15,16,85,734</b>
17	Exceptional Items	---	---
18	Net Profit After Tax and Exceptional Items (Refer Sch. No.7)	29,14,16,146	29,52,33,783
	<b>TOTAL</b>	<b>2,02,68,21,194</b>	<b>1,86,14,51,120</b>

Notes on accounts form part of accounts As per our Report of even date

For, **KANTILAL PATEL & Co.,**  
Chartered Accountants  
Firm Regi. No. 104744W

**Jinal A. Patel**  
Partner  
Membership No. 153599

Place: Ahmedabad

Date : 28-07-2020



	<b>INCOME</b>	<b>2019-20 (Amount in ₹)</b>	<b>2018-19 (Amount in ₹)</b>
1	Interest and Discount	1,09,11,57,424	95,59,35,784
2	Income From Investment	79,68,97,787	75,76,84,429
3	Dividend	4,14,000	4,14,000
4	Commission, Exchange and Brokerage	6,77,96,316	6,07,34,285
5	Rent on Safe Deposit locker	1,29,54,349	1,22,81,935
6	Profit on Sale of Assets	1,44,37,631	16,112
7	Profit on Sale of Investment	1,30,25,148	4,32,77,047
8	Other receipts	2,91,38,539	3,07,72,528
9	Bad & Doubtful Debt Recovered	---	1,35,000
10	MMCB Fixed Deposits Recover	10,00,000	2,00,000
11	Unforeseen Losses Reserve	---	---
	<b>TOTAL</b>	<b>2,02,68,21,194</b>	<b>1,86,14,51,120</b>

**Shri Narendra M. Patel**  
Chairman

**Shri Himanshubhai T. Patel**  
Vice Chairman

**Shri Chandrakant B. Jajal**  
Chief Executive

**Place : Ahmedabad**  
**Date : 28-07-2020**

**Shri Babubhai H. Patel**  
Director

**Shri Indubhai S. Amin**  
Director

**Shri Harshadbhai N. Doshi**  
Director

**Shri Sanjivbhai N. Sheth**  
Director

**Shri Sureshbhai S. Shah**  
Director

**Shri Amratbhai C. Patel**  
Director

**Shri Dineshbhai D. Bhalavat**  
Director

**Shri Sharadbhai P. Shah**  
Director

**Schedule - 1**

(Amount in ₹)

Capital	As on 31.03.2020	As on 31.03.2019
<b>Authorised Share Capital</b>	20,00,00,000	20,00,00,000
(40,00,000 Shares of Rs. 50.00 each)		
<b>Subscribed &amp; Paid up Capital</b>	<b>9,56,40,700</b>	<b>9,81,85,500</b>
(19,12,814 Share of Rs. 50.00 each) 31.03.2020		
(19,63,710 Shares of Rs.50.00 each) 31.03.2019		
<b>Amount Called up</b>	---	---
<b>TOTAL</b>	<b>9,56,40,700</b>	<b>9,81,85,500</b>
<b>Subscribed &amp; Paid up Capital Held by</b>		
Individuals	9,56,40,700	9,81,85,500
Co-operative Institutions	---	---
State Government	---	---

**Schedule - 2**

(Amount in ₹)

Reserve & Surplus	As on 31.03.2020	As on 31.03.2019
Statutory Reserve	2,68,56,37,374	2,48,42,44,951
Bad & Doubtful Debt Reserve	38,92,90,273	34,22,09,388
Special Bad Debts Reserve	43,00,00,000	43,00,00,000
Investment Depreciation Reserve	24,49,74,645	24,49,74,645
Building Fund	5,79,05,670	5,79,05,670
Charity Donation Fund	7,10,286	4,32,286
Co.op.Propaganda Fund	83,95,579	94,69,608
Shareholder's Benefit Fund	6,41,927	6,21,284
Staff Benefit Fund	23,80,394	26,40,266
Standard Assets Reserve Fund	6,39,40,532	5,87,22,532
Contingency Fund	1,50,00,000	1,50,00,000
Unforeseen Losses Reserve	22,88,69,845	19,93,45,845
Investment Fluctuation Reserve	14,00,14,122	11,50,14,122
Special Reserve u/s 36 (1)(viii)	5,42,05,018	4,17,49,943
Fraud Reserve Fund	3,99,30,131	3,99,30,131
SMA/Overdue Reserve(Covid-19)	4,74,81,694	---
<b>TOTAL</b>	<b>4,40,93,77,490</b>	<b>4,04,22,60,671</b>

**Schedule - 3**

(Amount in ₹)

Principal/Subsidiary/State Partnership Fund Account	As on 31.03.2020	As on 31.03.2019
For Share Capital of		
( A ) Central Co-operative Banks	---	---
( B ) Primary Agricultural Credit Societies	---	---
( C ) Other Societies	---	---
<b>TOTAL</b>	<b>---</b>	<b>---</b>

**Schedule - 4**

(Amount in ₹)

Deposits and Other Accounts (In India)	As on 31.03.2020	As on 31.03.2019
( A ) Fixed Deposits ( I ) Individuals & Others	12,21,73,03,880	10,76,12,37,223
(Term Deposits) ( II ) Central Co-op. Banks	---	---
( III ) Other Societies	10,13,52,182	7,17,67,334



<b>Sub Total : (A)</b>		12,31,86,56,062	10,83,30,04,557
( B ) Saving Deposits	( I ) Individuals & Others	3,97,78,70,067	4,15,31,38,516
	( II ) Central Co-op. Banks	---	---
	( III ) Other Societies	1,94,33,846	1,68,03,909
<b>Sub Total : (B)</b>		3,99,73,03,913	4,16,99,42,425
( C ) Current Deposits	( I ) Individuals & Others	1,44,10,59,740	1,67,81,78,710
	( II ) Central Co-op. Banks	---	---
	( III ) Other Societies	22,09,836	35,90,184
( D ) Money at Call and Short Notice		---	---
<b>Sub Total : (C)</b>		1,44,32,69,575	1,68,17,68,894
<b>TOTAL (A+B+C)</b>		<b>17,75,92,29,551</b>	<b>16,68,47,15,877</b>

**Schedule - 5**

(Amount in ₹)

<b>Borrowings</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
<b>( A ) From the Reserve Bank of India / Nationalised Bank / State / Central Co-operative Bank</b>	---	---
(I) Short-term loans, cash credit and overdrafts	---	---
(II) Medium-term loans	---	---
( III ) Long-term loans	---	---
Of which ( A ) secured against,	---	---
(a) Government and other approved securities	6,00,00,000	---
(b) Other tangible securities	---	---
<b>( B ) From the State Bank of India</b>	---	---
(I) Short-term loans, cash credit and overdrafts	---	---
(II) Medium-term loans	---	---
<b>TOTAL</b>	<b>6,00,00,000</b>	---

**Schedule - 6**

(Amount in ₹)

<b>Other Liabilities &amp; Provisions</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
Bills Payable	27,97,856	54,48,507
Demand Draft Payable & Banker Cheque	2,67,91,128	2,09,07,422
Suspense Payable	3,25,435	2,96,435
Sundry Deposits	---	---
Sundry Payable	3,89,54,973	2,12,46,552
Advance Locker Rent	1,83,56,959	1,72,63,792
Interest & Commission Received In Advances, L/C, B/G & Adhesive Stamps	69,20,119	55,84,880
Bonus & Ex-Gratia Payable	2,78,46,793	2,50,83,134
Unpaid Dividend	12,34,369	5,98,388
Other Sundry Liabilities	4,00,48,215	3,27,61,488

Leave Encashment (LIC) payable	1,45,60,000	71,83,000
Provision For Income Tax	17,33,00,000	15,21,00,000
Gratuity Payable	2,58,84,000	73,39,000
Provision For Income Tax Disputed Demand	67,23,599	48,44,474
<b>TOTAL</b>	<b>38,37,43,446</b>	<b>30,06,57,071</b>

**Schedule - 7 (Refer Sch.16(C)(7))**

(Amount in ₹)

	As on 31.03.2020	As on 31.03.2019
<b>Profit as per last Balance Sheet (A)</b>	29,52,33,783	29,55,20,017
Statutory Reserve	20,11,49,370	20,96,08,354
Education Cess	29,52,338	29,55,200
Dividend	1,12,00,000	1,24,00,000
Share holder Benefit	1,00,00,000	1,00,00,000
Unforeseen Losses	2,95,24,000	2,95,50,000
Charity Donation Fund	29,53,000	29,00,000
Jubilee Fund	---	---
Investment Fluctuation Fund	2,50,00,000	1,44,39,265
Special Reserve u/s 36 (1) (viii)	1,24,55,075	1,36,67,198
<b>(B)</b>	29,52,33,783	29,55,20,017
<b>Sub Total (A-B):</b>	---	---
Add: Profit for the year as per Profit & Loss Account	29,14,16,146	29,52,33,783
<b>TOTAL</b>	<b>29,14,16,146</b>	<b>29,52,33,783</b>

**Schedule - 8**

(Amount in ₹)

<b>Cash</b>	As on 31.03.2020	As on 31.03.2019
I) Cash on Hand	10,95,46,287	7,25,30,510
<b>Current Deposit</b>		
I) Balances with Reserve Bank of India	59,06,12,871	67,93,25,205
ii) Balances with State Bank of India & its Subsidiaries	1,89,224	2,04,838
iii) Balance with SCB & DCCB	27,99,867	13,17,664
iv) Balance with Other Co.op. Bank	---	---
<b>Fixed Deposit</b>		
Fixed Deposits with State Bank of India & its Subsidiaries	---	3,20,00,000
Fixed Deposits with SCB & CCB of the District	2,04,00,000	2,04,00,000
<b>TOTAL</b>	<b>72,35,48,249</b>	<b>80,57,78,217</b>

**Schedule - 9**

(Amount in ₹)

<b>Balance With Other Banks</b>	As on 31.03.2020	As on 31.03.2019
Current Deposits with Private & Nationalized Banks	5,75,68,514	6,57,04,708
Fixed Deposits with Private & Nationalized Banks	2,17,14,30,432	1,08,45,42,299
<b>TOTAL</b>	<b>2,22,89,98,946</b>	<b>1,15,02,47,007</b>



<b>Money at Call &amp; Short Notice</b>		
CBLO-Lending	---	---
<b>TOTAL</b>	---	---

**Schedule - 10 (Refer Sc.16(C)(6))**

(Amount in ₹)

<b>Investments</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
Central & State Government Securities	7,71,66,71,413	7,74,41,00,205
Shares in Co-operative institutions	27,60,500	27,60,550
PSU Bonds	39,15,27,000	42,15,27,000
Other Bonds	27,01,54,000	37,01,54,000
<b>TOTAL</b>	<b>8,38,11,12,913</b>	<b>8,53,85,41,755</b>

**Schedule - 11**

(Amount in ₹)

<b>RBI Reverse Repo Account-LAF</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
RBI Reverse Repo Account-LAF	20,00,00,000	23,00,00,000
<b>TOTAL</b>	<b>20,00,00,000</b>	<b>23,00,00,000</b>

**Schedule - 12**

(Amount in ₹)

<b>Investment out of the Principal/ Subsidiary/State Partnership Fund</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
<b>In Shares of</b>		
(I) Central Co-operative Banks	---	---
(ii) Primary Agricultural Credit Societies	---	---
(iii) Other Societies	---	---
<b>TOTAL</b>	<b>---</b>	<b>---</b>

**Schedule - 13**

(Amount in ₹)

<b>Advances</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
<b>( a ) Short Term Loans, CC, OD &amp; Bills Discounted of which secured against,</b>		
( I ) Government and other approved securities	---	---
( II ) Other tangible Securities	6,85,55,72,999	6,66,20,79,570
( III ) Unsecured Advances	1,28,330	1,37,792
<b>Of the advances above</b>		
Amount Due from individuals	1,11,36,81,428	1,25,86,65,705
Total Amount Overdue	9,33,43,535	11,48,27,516
Considered bad and doubtful of recovery (Fully Provided For)	9,32,54,247	11,46,97,119
<b>Sub Total (A)</b>	<b>6,85,57,01,329</b>	<b>6,66,22,17,362</b>
<b>( b ) Medium Term Loans of which secured against,</b>		
( I ) Government and other approved securities	10,05,26,252	8,50,11,647
( II ) Other tangible Securities	1,34,35,61,422	1,41,50,59,520
( III ) Unsecured Advances	2,75,42,613	3,07,00,431
<b>Of the advances above</b>		
Amount Due from individuals	94,99,07,775	86,95,68,068
Total Amount Overdue	1,28,24,535	1,24,56,264
Considered Bad and Doubtful of recovery (Fully Provided For)	1,15,50,021	1,22,18,640
<b>Sub Total (B)</b>	<b>1,47,16,30,287</b>	<b>1,53,07,71,598</b>

( c ) Long Term Loans of which secured against,		
( I ) Government and other approved securities	---	---
( II ) Other tangible Securities	3,03,88,12,206	2,48,34,69,263
( III ) Unsecured Advances	---	---
<b>Of the advances above</b>		
Amount Due from individuals	1,58,17,61,678	1,33,91,06,674
Total Amount Overdue	1,00,98,640	1,12,44,940
Considered Bad and Doubtful of recovery (Fully Provided For)	96,40,401	1,03,00,215
<b>Sub Total (C)</b>	<b>3,03,88,12,206</b>	<b>2,48,34,69,263</b>
<b>Total (A+b+c)</b>	<b>11,36,61,43,822</b>	<b>10,67,64,58,222</b>

**Schedule - 14**

(Amount in ₹)

Other Assets	As on 31.03.2020	As on 31.03.2019
Deposits for Services	85,40,112	79,41,812
Stock in hand	4,59,82,086	6,19,11,321
Sundry Receivable	7,12,910	7,12,910
Prepaid Expenses	19,88,004	5,20,534
Adhesive Stamp Claims	2,22,100	---
Advance Income Tax and TDS Paid	21,50,42,112	18,45,79,913
Other Sundry Assets	1,35,48,589	92,91,239
<b>Total</b>	<b>28,60,35,914</b>	<b>26,49,57,729</b>

**Schedule - 15 (Refer Sch.15(B)(3))**
**PROPERTY, PLANT & EQUIPMENT**

(Amount in ₹)

Sr. No.	DETAILS OF FIXED ASSETS	RATE OF DEPRECIATION	Gross Block (At Cost)						Depreciation						Net Block As on 31-03-2020
			As on 01.04.2019	Addition		Deduction		As on 31.03.2020	As on 01.04.2019	Addition During the Year		Deduction		As on 31.03.2020	
				Purchase	Transfer	Transfer	Sales/ Scrap			Dep. For the Year	Transfer	Transfer	Sales/ Scrap		
1	Premises	5.00%	19,26,71,499	1,48,200	---	---	16,73,737	19,11,45,962	7,99,77,326	55,85,063	---	---	6,06,740	8,49,55,649.09	10,61,90,313
2	Furnitures & Fixtures	10.00%	9,57,03,316	16,74,046	2,27,451	---	11,53,039	9,64,51,775	5,82,40,530	39,29,792	---	---	6,52,510	6,15,17,811.40	3,49,33,964
3	Equipment	15.00%	71,80,960	14,10,551	---	---	2,86,673	83,04,838	44,34,074	6,12,327	---	---	2,30,875	48,15,526.03	34,89,312
4	Electric Fittings	10.00%	1,06,35,210	2,16,797	---	---	1,93,839	1,06,58,168	65,57,648	4,21,183	---	---	1,11,246	68,67,585.00	37,90,583
5	Air Conditioner	15.00%	1,38,56,368	69,330	---	---	---	1,39,25,698	77,12,781	9,31,938	0	0	---	86,44,719.35	52,80,979
6	Vehicles	15.00%	49,12,488	37,77,619	---	---	12,06,044	74,85,063	34,23,053	4,71,877	0	0	9,72,623	29,22,307.08	45,62,756
7	Computer & Peripherals	33.33%	8,50,30,625	26,32,350	---	2,27,451	1,86,41,204	6,90,21,771	7,70,92,813	65,89,641	---	0	1,86,41,204	6,50,41,250.14	39,80,521
8	CWIP		2,27,451	---	---	---	---	---	---	---	0	0	---	---	---
9	Leasehold Improvement	5.00%	---	12,00,039	---	---	---	12,00,039	---	60,002	0	0	---	60,002.00	11,40,037
	<b>TOTAL</b>		<b>41,02,17,917</b>	<b>1,11,28,932</b>	<b>2,27,451</b>	<b>8,88,750</b>	<b>2,31,53,536</b>	<b>39,81,93,314</b>	<b>23,74,38,225</b>	<b>1,86,01,823</b>	<b>0</b>	<b>0</b>	<b>2,12,15,198</b>	<b>23,48,24,850</b>	<b>16,33,68,462</b>

**Schedule - 16**
**Notes Forming Part of Balance Sheet as at 31-03-2020 and Profit & Loss Account for the year ended on that date**
**(A) 1) Background:**

The Ahmedabad Mercantile Co-Op Bank Ltd. was incorporated in the year 1966 and provides a complete suite of corporate and retails banking products including ASBA Services, ATM, SMS Service and Net Banking (View Basis) to the customers with the network of 34 branches (including 2 branches at Mumbai). The Bank had license from Reserve Bank of India (RBI) as 'Authorized Dealer' under category-I (till August 02, 2019) for Foreign Exchange Business. Bank has made application for 'Authorized Dealer' under category-II, for which bank awaits Reserve Bank of India (RBI) approval.

**2) Basis of Preparation:**

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and complied with Generally Accepted Accounting Principles (GAAP) in India, Statutory requirements prescribed under the Banking Regulations Act, 1949, and the Multi-State Co-Op 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.



**3) Use of Estimates:**

The preparation of the financial statements, in conformity with Generally Accepted Accounting Principles (GAAP) in India, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures of contingent liabilities as on the date of financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revision in the accounting estimates are recognized prospectively.

**(B) SIGNIFICANT ACCOUNTING POLICIES:**

**1. ACCOUNTING CONVENTION :**

The accompanying financial statements have been prepared on historical cost convention on going concern basis and conform to statutory provisions and practices prevailing in India, unless otherwise stated.

**2. REVENUE RECOGNITION (AS 9) :-**

The revenues are accounted for on accrual basis except in cases stated below hereinafter:

- a) Interest & other income on Non Performing Assets are recognized on cash (realization) basis.
- b) Interest on Non Performing Investment is accounted on cash (realization) basis.
- c) Safe Deposit Vault Rent is recognized as income on receipt basis while liability is created for locker rent received in advance during the year.
- d) Income from redemption of PSU Bonds & Government Securities is recognized as & when those securities are redeemed & shown as "Profit on sale of Investment" in Profit and Loss Account.
- e) Rent from premises is accounted on cash basis.
- f) Dividend on Investment is accounted on cash basis.

Expenditures are accounted for on accrual basis except in cases described hereinafter:

- a) Interest on overdue deposits is accounted at the time of renewal.
- b) Legal expenses incurred in suit filed accounts have been accounted on cash basis as per RBI directives.
- c) Insurance premium expenses are accounted on cash basis.

**3. Property, Plant & Equipment :**

- a) Property, Plant & Equipment are stated at their historical cost less accumulated depreciation in accordance with Revised AS -10 issued by Institute of Chartered Accountants of India (ICAI). Property, Plant & Equipment includes incidental expenses incurred on acquisition and installation of the assets.
- b) Depreciation on Property, Plant & Equipment (except Computer & UPS) is provided on Written Down Value method at the rates mentioned below :

Sr. No.	Property, Plant & Equipment	Rate of Depreciation
1	Premises	5%
2	Furniture	10%
3	Fixtures (Others)	15%
4	Electric Fittings	10%
5	Vehicles	15%
6	Equipment & Machinery	15%
7	Air Conditioners	15%

- c) Depreciation on Computers (Hardware & Software) & UPS is provided on Straight Line Method over a period of 3 years.
- d) Depreciation on Property, Plant & Equipment purchased during the year is charged for the entire year, if the asset is purchased & retained used for 180 days or more, otherwise it is charged at 50% of the normal rate. No depreciation is charged on fixed assets sold during the year.  
All Property, Plant & Equipment individually costing less than ₹ 5000 are fully depreciated in the year of installation.
- e) Profit or loss on sale of assets is recognized as and when the assets are sold.
- f) Any additions/work done on rented /lease premises are shown as Leasehold Improvement and rate of depreciation is applied as per "Premises".

**4. INVESTMENTS :**

- I. The Bank has classified the investments in accordance with the RBI guidelines applicable to Urban Co. Op. Bank. Accordingly, classification of investments for the purpose of valuation is done under the following category:
  - a) Held To Maturity:
  - b) Held For Trading:
  - c) Available For Sale:
- II. Investments are categorized in accordance with the RBI Guidelines applicable to Urban Co. Op. Banks as under :

- a) State & Central Government Securities
  - b) Approved Trustee Securities
  - c) Shares of Co-operative Banks
  - d) PSU Bonds
  - e) Treasury Bills
  - f) Other Investments
- III. Full provision is made for those investments where there is default in payment of Interest and/or Principal.
- IV. Valuation of Investments
- a) **Held to Maturity:** Investments classified as 'Held to Maturity' are accounted at acquisition cost unless the higher than the face value, in which case the premium is amortized over the period remaining to maturity.
  - b) **Held for Trading and Available for sale:** Investments classified as 'Held for Trading' and 'Available for Sale' are marked to market category wise and the resultant provision for depreciation, if any is recognized. Net appreciation is ignored.
- V. Market value in the case of State Government and other Securities, for which quotes are not available, is determined on the basis of the "Yield to Maturity" Declared by Primary Dealers Association of India (PDAI) jointly with Fixed Income and Money Market Derivatives Association of India (FIMMDA).
- VI. Units of Mutual Fund are valued at the lower of cost or Net Asset Value provided by the respective mutual funds.
- VII. Non-performing investments are identified and classified as per applicable RBI guidelines.
- VIII. Treasury Bills & Certificate of Deposits under all classifications have been valued at carrying cost.
- IX. Accounting for Repo/Reverse Repo transactions (including transactions under the Liquidity Adjustment Facility (LAF) with the RBI)
- a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized Borrowing and Lending transactions. However, securities are transferred as in the case of normal outright sale/purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenue are accounted as interest expenditure/income, as the case may be. Balance in Repo account is classified under schedule 4 (Borrowings) and balance in Reverse Repo account is classified under schedule 11(RBI Reverse Repo Account-LAF)
5. **Foreign Currency Transactions**  
Foreign currency income and expenditure items are translated at the exchange rates prevailing on the date of transactions. Foreign currency monetary items are translated at the exchange rates as on the date of Balance Sheet notified by Foreign Exchange Dealers Association of India (FEDAI). All profits/losses resulting from such revaluation are recognized in the Profit and Loss Account. Contingent Liabilities on account of foreign exchange contracts, guarantees, acceptance, endorsement and other obligations denominated in foreign currencies are disclosed at closing rates of exchange notified by FEDAI.
6. **EMPLOYEES BENEFITS (AS 15) :**
- A. Post-Retirement Benefits
    - I. Defined Contribution Plan :
      - The Bank has Defined Contribution Plans for post-retirement benefits, charged to Profit and loss Account, in form of "Provident Fund /Employees' Pension Fund" administered by the Regional Provident Fund Commissioner.
    - II. Defined Benefit Plan :
      - Funded Plan: The Bank has Defined Benefit Plan for post-retirement benefit in the form of Gratuity and leave encashment for all eligible employees administered through Trust, funded with Life Insurance Corporation of India.
  - B. In terms of Accounting Standard - 15 (Revised), interest cost, current service cost and net actuarial gain / loss is charged to the profit & loss account and net assets/liability is recognized in balance sheet based on actuarial valuation done by an independent actuary as at the year end, using the projected Unit Credit Method.
7. **SEGMENT REPORTING (AS 17) :**  
The Bank's operations are segregated in the following two Business Segments,
- (1) **Treasury Operations:** It includes all investment portfolio, profit/loss on sale of investments, profit/loss on foreign exchange transactions, equities and money market operations. The expenses of this segment comprise of interest expenses on funds borrowed from external sources as well as internal sources and depreciation/amortization of premium on 'Held to Maturity' category investments.
  - (2) **Banking Operations:** It includes all other operations which are not covered under Treasury Operations.  
All Banking operations are within India and as such geographical segment is not identified.
    - **Allocation of Common Cost**  
To the extent the cost can be directly identified, they are allocated to related segment. Other common costs are allocated on a reasonable basis.
    - **Unallocated Items**  
Unallocated items include general banking expenditure items which are not allocated to any business segment.



**8. TAXATION (AS 22) :****I. Current Tax :**

Current Tax is determined as the amount of tax payable in respect of taxable income for the period in accordance with the provisions of the Income Tax Act, 1961.

**II. Deferred Tax :**

Deferred Tax Assets or Deferred Tax Liability is recognized on timing difference being the difference between taxable incomes and accounting income. Deferred Tax Assets or Deferred Tax Liability is measured using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred Tax Assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

**9. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (AS 29) :**

A provision is recognized when the bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

A disclosure of Contingent Liability is made when there is:

- i) A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank; or
- ii) A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When there is a possible or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are not recognized in the financial statements. However, Contingent Assets are assessed continuously.

**10. ADVANCES :**

- a) The classification of advances into Standard, Sub-standard, Doubtful and Loss assets as well as provision on non-performing advances has been arrived at in accordance with the guidelines issued by the RBI from time to time.
- b) Provision on Advances categorized under Sub-standard, Doubtful and Loss Assets is made in accordance with the guidelines issued by the Reserve Bank of India. In addition, a general provision has been made on all standard assets as per RBI circular no. Master Circular UBD. DCBR. BPD. (PCB) MC No. 14/13.05.000/2015-16 dated July 1, 2015. A general provision on standard assets is made @0.40% of the outstanding amount on a portfolio basis except in case of direct advances to Agricultural and SME sector @ 0.25%, advances to Commercial Real Estate @ 1% and Commercial Real Estate – Residential House Sector @ 0.75%.
- c) The overdue interest in respect of non-performing advances is provided separately under "Overdue Interest Reserve" as per the directives issued by the RBI.

**11. EVENTS OCCURRING AFTER 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 balance sheet date) that represents material change and commitment affecting the Financial Position are disclosed in the reports of the Board of Directors, if any.

**12. IMPAIRMENT OF ASSETS :**

A substantial portion of 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 31.03.2020 requiring recognition in terms of the said standard.

**13. CASH AND CASH EQUIVALENT :**

Cash and Cash Equivalent include cash on hand and in ATM, Balances with Reserve Bank of India, State Co-op. Bank, Dist Co-op. Bank and Balances with other Bank in current accounts.

**(C) NOTES ON ACCOUNTS:**

1. The Priority Sector Advances constituted 63.50% of Adjusted Bank Credit as against requirement of 40% as per R.B.I. guidelines. Advances to Weaker Section constituted 29.63% of Priority Sector Advances as against requirement of 25%.
2. Some of the Bank Guarantees given on behalf of constituents other than government have expired during the year but are still shown as contingent liabilities in the Balance sheet as at 31.03.2020. Bank has the practice of marking off Bank Guarantees after following the laid down procedure.
3. Suppliers / Service providers covered under Micro, Small, Medium Enterprises Development Act, 2006, have not furnished the information regarding filing of necessary memorandum with the appropriate authority. Therefore, information relating to cases of delays in payments to such enterprises or of interest payments due to delays in such payments, could not be given.
4. Bank has Investment Depreciation Reserve of ₹ 2449.75 lakhs. During the year, DHFL Bond became non-performing for which

provision was required. As Bank has surplus investment depreciation reserve, hence Bank has not made provision separately for DHFL Bond. Details are as follows.-

(₹ In Lakh)

Sr. No.	Particulars	Book Balue	Provision Made
1	DHFL	201.54	201.54
	<b>TOTAL</b>	<b>201.54</b>	<b>201.54</b>

**5. Compliance with Accounting Standards:**

**I. Employees' Benefits**

In accordance with the Accounting Standard - 15 (Revised) "Employee Benefits" issued by ICAI the obligation of the Bank, on account of employee benefit, based on independent actuarial valuation is accounted for in the books of account.

The Bank has classified the various benefits provided to employees as under:

**A. Defined Contribution Plan:**

Provident Fund / Employees' Pension Fund

During the year, the bank has recognized the following amounts in the Profit & Loss Account

(₹ In Lakh)

Employer's Contribution to Provident Fund / Employees' Pension Fund	169.88
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The above amounts are included in Salaries Allowances & Provident Funds in the Profit & Loss Accounts, which is administered by the Regional Provident Fund Commissioner.

**B. Defined Benefit Plans:**

- (a) Contribution to Gratuity Fund
- (b) Contribution to Leave Encashment Liability.

In accordance with Accounting Standard 15, relevant disclosures are as under:

**(a) Changes in Defined Benefit Obligation :**

(₹ In Lakh)

Particulars	2019-20	2018-19
	Gratuity [Funded Scheme]	Gratuity [Funded Scheme]
Defined Benefit Obligation as at 1 <sup>st</sup> April	1228.14	1215.39
Current Service Cost	85.14	66.68
Interest Cost	89.65	91.15
Past Service Cost	0.00	0.00
Benefit Paid	(130.13)	(141.29)
Actuarial (gain) / loss on Obligations	165.97	(3.79)
Defined Benefit Obligation as at 31 <sup>st</sup> March	1438.77	1228.14

**(b) Changes in the Fair Value of Plan Assets for Gratuity (Funded Scheme) :**

(₹ In Lakh)

Particulars	2019-20	2018-19
	Gratuity [Funded Scheme]	Gratuity [Funded Scheme]
Fair Value of Plan as at 1 <sup>st</sup> April	1154.75	1025.08
Expected Actual Return on plan Assets	83.07	82.89
Actuarial Gains/(Losses)	(1.96)	(5.82)
Contributions	74.20	193.89
Benefit Paid	(130.13)	(141.29)
Fair Value of Plan Assets as at 31 <sup>st</sup> March	1179.93	1154.75

**(c) Amount recognized in the Balance Sheet :**

(₹ In Lakh)

Particulars	2019-20	2018-19
	Gratuity [Funded Scheme]	Gratuity [Funded Scheme]
Defined Benefit Obligation as at 31 <sup>st</sup> March	1438.77	1228.14
Fair Value of Plan Assets as at 31 <sup>st</sup> March	1179.93	1154.75



Liability / (Asset) recognized in the Balance Sheet included in Other Liabilities / (Other Assets)	258.84	73.39
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**(d) Expenses recognized in the Profit & Loss Account :** (₹ In Lakh)

Particulars	2019-20	2018-19
	Gratuity [Funded Scheme]	Gratuity [Funded Scheme]
Current Service Cost	85.14	66.68
Interest Cost	89.65	91.15
Past Service Cost	0.00	0.00
Expected Return on Plan Assets	(83.07)	(82.89)
Net actuarial (gain)/ Loss recognized in the period	167.93	2.03
Total Expenses recognized in the P&L Account included in Salaries & Allowances and Provident Funds.	259.65	76.97

**(e) Category of Plan Assets:**

The Bank's plan Assets in respect of Gratuity & Leave Encashment are funded through the Scheme of the Life Insurance Corporation of India.

**(f) Actuarial Assumptions:**

In accordance with Accounting Standard - 15, actuarial valuation as at year end was performed in respect of the aforesaid Defined Benefit Obligations Plans based on the following assumptions:

(a) Mortality: Indian Assured Lives Mortality (2006-08) Ult.

(b) Assumptions:

Particulars	2019-20	2018-19
	Gratuity [Funded Scheme]	Gratuity [Funded Scheme]
Discount Rate	6.40%	7.30%
Rate of Increase in compensation levels	8.00%	8.00%
Expected rate of return on plan assets	7.30%	7.50%
Expected average remaining working lives of employees (in years)	8.00	8.00

**II. The segment reporting as per AS-17 is given below.**

(₹ In Lakh)

Segment Reporting For the year ended on 31.03.2020						
ITEM	Treasury Operations		Banking Operations		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue	8099.23	8009.61	12168.98	10604.90	20268.21	18614.51
Expenses	6772.01	6383.42	8849.04	7757.75	15621.05	14141.17
<b>Profit/ (Loss)</b>	<b>1327.22</b>	<b>1626.19</b>	<b>3319.94</b>	<b>3333.95</b>	<b>4647.16</b>	<b>4473.34</b>
Unallocated Exp.					1733.00	1521.00
Segment Assets	114241.13	106520.37	122429.72	106942.31	236670.85	213462.68
Segment Liabilities	114241.13	106520.37	120696.72	105421.31	234937.85	211941.68
Unallocated Liability(Net)					1733.00	1521.00

**III. Related Party disclosures as per AS-18:**

1. The Key Management Personnel consisted of the Chief Executive of the Bank.

2. At the commencement of financial year 2019-20, there were eleven borrowers, which fall under the definition of related parties.

The transactions with Related Parties are as under:

(₹ In Lakh)

Sr. No.	Particulars	31.03.2020		31.03.2019	
		Key Management Personnel	Directors / Relatives	Key Management Personnel	Directors / Relatives
1.	Closing balance as at year end (Fund based)	NIL	281.39	NIL	342.46

2.	Closing balance as at year end (Non-Fund based)	NIL	NIL	NIL	NIL
3.	Loans Sanctioned	NIL	632.31	NIL	466.66
4.	Loans un-utilised	NIL	350.92	NIL	124.20
5.	Interest paid on FDR	NIL	16.00	NIL	19.76
6.	Interest received on Advance against FD	NIL	28.16	NIL	24.48
7.	Remuneration & Sitting fees	13.20	3.31	13.20	3.48

- IV. The bank is following Accounting standard 22 "Accounting for Tax on Income". Accordingly net Deferred Tax Assets due to timing difference comes to ₹ 43.01 Lakh (P.Y. ₹ 147.49 Lakh). The bank has reverted provision of Deferred Tax Liability of (₹ 190.50) Lakh during the year (P.Y. Deferred Tax Liability reverted of ₹ 4.14 Lakh). The component of net deferred tax liability is as under:

(₹ In Lakh)

Particulars	Deferred tax liability / (Assets) as on 01-04-19	Current year charge / (Credit) to profit and loss account	Deferred tax Liability / (Assets) as on 31-03-20
Difference between WDV as per book and WDV as per income tax	154.71	(15.05)	139.66
Special Reserve u/s 36(1) (viii) of income tax Act, 1961(*)	43.53	(4.91)	38.62
Special Reserve due to COVID 19	0.00	(119.50)	(119.50)
Gratuity and Leave Encashment	(50.74)	(51.04)	(101.79)
Total :-	147.50	(190.50)	(43.01)

(\*) "Pursuant to Reserve Bank of India's (RBI's) Circular No. UBD. CO. BPD. PCB. Cir. No.67/ 09.50.001/2013-14 Dated May 30, 2014. The Bank has created Deferred Tax Liability on the Special Reserve under Section 36(1) (viii) of the income-tax act, 1961.

# Pursuant to Section 115BAD introduced in Finance Act-2020, effective from April 1, 2020 Co-operative societies have an option to pay income tax at the rate of 22% plus applicable surcharge and cess ("New Tax Rate"), subject to certain conditions Accounting standard 22 "Accounting for Tax on Income" requires deferred tax asset and liabilities to be measured using the enacted (or substantially enacted) tax rate expected to apply to taxable income in the year in which the temporary differences are expected to reverse the bank has made estimates based on budget, regarding income anticipated in forcible future years when those temporary differences are expected to reverse and measured the same at the "New Tax Rate".

- V. A substantial portion of the bank's assets comprises 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 2020 requiring recognition in terms of the said standard.
- VI. **Contingent Liabilities (AS 29):**

- i. Guarantees given on behalf of constituents were ₹ 5614.58 Lakh (P.Y. ₹ 3939.58 Lakh).

(₹ In Lakh)

Particulars	31.03.2020	31.03.2019
Inland	5604.65	3939.58
Foreign	9.93	0.00
<b>Total</b>	<b>5614.58</b>	<b>3939.58</b>

- ii. Outstanding Letters of Credit:

(₹ In Lakh)

Particulars	31.03.2020	31.03.2019
Inland	753.10	467.01
Foreign	0.00	2.97
<b>Total</b>	<b>753.10</b>	<b>469.98</b>

- iii. Transfer to Depositor Education and Awareness Fund (DEAF)  
In terms of RBI Circular No. DBR. No. DEA Fund Cell.6700/30.01.002/2018-19, dated February 12, 2019, the details of DEA Fund is as under:

(₹ In Lakh)

Particulars	31.03.2020	31.03.2019
Opening balance of amounts transferred to DEAF	784.69	681.28
Add: Amounts transferred to DEAF during the year (*)	232.58	118.03



Less: Amounts reimbursed by DEAF towards claims	15.27	14.62
Closing balance of amounts transferred to DEAF	1002.00	784.69

All such unclaimed liabilities (where amount due has been transferred to DEAF) are reflected as "Contingent Liabilities - Others, items for which the Bank is contingently liable" under Schedule of Contingent Liabilities in the Annual Financial Statements.

**VII. Other Matter:-**

- a) Income Tax Authority has issued Assessment order dated 19.12.2016 u/s 143(3) of the Income Tax Act, 1961 for the Assessment year 2014-15. On 28.03.2019, Pr. Commissioner of Income tax had set aside the said order and to was framed de-novo. Therefore, our Bank has withdrawn appeal made in ITAT Ahmedabad w.r.t order of CIT(A) as the assessment order dated 19.12.2016 u/s 143(3) of the Income Tax Act, 1961 for the assessment year 2014-15 as it was set aside by Pr. Commissioner of Income Tax. Further, Bank has fully provided for refund outstanding in books of ₹ 48.44 Lakh corresponding to Assessment year 2014-15. Moreover, for the pending refund of Assessment year 2016-17 our Bank has made further provision of ₹ 18.79 lakh.
- b) "Property, Plant & Equipment" includes Building Premises of Relief Road and Pankornaka Branch. Both of them were purchased with occupancy of some part by tenant. The matter relating to vacating said parts by tenant are pending before court of law. Such premises purchased by bank and not acquired under process of settlement of claims or recovery of advances. Therefore, entire premise considered and grouped as "Property, Plant & Equipment"

**VIII. Note on COVID-19 impact on the business**

1. The Outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities.

The RBI has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020 and in accordance therewith, the Bank has offered a moratorium of three months on the payment of all principal installments and/or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as standard, even if overdue as on February 29, 2020. Further, pursuant to RBI notification dated May 23, 2020 the moratorium is being extended for a further period of three months, falling due between June 1, 2020 and August 31, 2020 in accordance with the Bank's policy approved by its Board. For all such accounts where the moratorium is granted, the asset classification will remain standstill during the moratorium period. (i.e. the number of days past due shall exclude the moratorium period for the purpose of asset classification as per the policy).

2. Provision for SMA/Overdue (Covid-19) is based on provision prescribed in the RBI Circular No. BP.BC.63/21.04.048/2019-20 Dt. 17-Apr-2020. This circular requires, Provisioning in respect of accounts in default but standard. Further, the said provisions Should not be less than 10 per cent of the total outstanding of such accounts, to be Phased over two quarters as under:

- (i) Quarter ended March 31, 2020 – not less than 5 per cent
- (ii) Quarter ending June 30, 2020 – not less than 5 per cent

For the year ending March 2020, Bank has provided a provision for ₹ 474.82 Lakhs on overdue accounts as on February 29, 2020.

**5. In terms of RBI Directives following additional disclosures are made : (₹ In Lakh)**

Sr. No.	Particulars	As on 31-03-2020	As on 31-03-2019
1	Capital to Risk Asset Ratio	28.51%	28.98%
2	Movement of CRAR		
	Total Capital Funds	31137.51	31464.27
	Risk Weighted Assets	119346.11	108577.30
3	Investments:		
	a) Book value of investments	85210.69	87657.81
	b) Face value of investments	85452.32	87843.72
	c) Market value of investments	91539.17	88194.99
4	Advances against		
	a) Housing	11442.90	10137.77
	b) Real estate	8394.93	6769.99
	c) Construction Business	0.00	0.00
	d) Shares & debentures	84.23	78.81
5	Advances to directors, their relatives, companies/firms in which they are interested :-		
	a) Fund-based	281.39	342.46
	b) Non-fund based (Guarantees, L/C, etc.)	0.00	0.00

In terms of RBI Directives following additional disclosures are made :

( ₹ In Lakh)

Sr. No.	Particulars	As on 31-03-2020	As on 31-03-2019
6	Cost of deposits : Average cost of deposits	6.28	6.13
7	Movement in NPAs		
	a) Gross NPAs		
	Opening Balance	1385.29	1483.10
	Add: Additions during the year	233.51	672.83
	Less: Reductions during the year	456.13	770.64
	Closing Balance	1162.67	1385.29
	Gross NPA in % to Gross Advances	1.02%	1.30%
	b) Net NPAs		
	Opening Balance	0.00	0.00
	Add: Additions during the year	0.00	0.00
	Less: Reductions during the year	0.00	0.00
	Closing Balance	0.00	0.00
	Net NPA in % to Gross advances	0.00%	0.00%
8	Profitability :		
	a) Interest income as a percentage of working funds	8.02%	7.72%
	b) Non-interest income as a percentage of working funds	0.61%	0.48%
	c) Operating profit as a percentage of working funds	2.31%	2.25%
	d) Return on Assets	1.23%	1.34%
	e) Business (Deposits + Advances) per employee	924.62	821.66
	f) Operating Profit per employee	17.38	14.90
9	Provisions made towards:		
	a) NPAs	8192.90	7722.09
	b) Depreciation on investments	2449.75	2449.75
10	Movement / Position in Provisions :		
	a) Towards NPAs		
	Opening Balance	7722.09	7755.36
	Add: Additions during the year	470.81	353.80
	Less: Reductions during the year	0.00	387.07
	Closing Balance	8192.90	7722.09
	b) Towards depreciation on investments		
	Opening Balance	2449.75	2449.75
	Add: Additions during the year	0.00	0.00
	Less: Reductions during the year	0.00	0.00
	Closing Balance	2449.75	2449.75
	c) Towards standard assets		
	Opening Balance	587.23	454.23
	Add: Additions during the year	52.18	133.00
	Less: Reductions during the year	0.00	0.00
	Closing Balance	639.41	587.23
11	Foreign currency assets & liabilities :		
	a) Assets	0.00	0.00
	b) Liabilities	0.00	0.00
12	Bank has deposited premium of ₹ 127.44 Lakh for the period 01-04-2020 to 30-09-2020 with DICGC on 13-04-2020.		



6. Classification and valuation of Investments:

The Bank has classified the Investments as per the R.B.I. guidelines as under:

I. SLR INVESTMENTS

(₹ In Lakh)

Sr. No.	Particulars	As on 31-03-2020	As on 31-03-2019
(A)	<b>Central &amp; State Government Securities</b>		
	<b>Permanent Category - HTM</b>		
	Face Value	19821.20	16821.20
	Book Value	19905.25	16926.65
	Market Value (Net)	21127.67	17453.28
(B)	<b>Current Category-AFS, HFT</b>		
	Face Value	58317.10	60339.50
	Book Value	58688.63	60514.35
	Market Value (Net)	62312.47	61574.07
	<b>Total (A) + (B)</b>		
	Face Value	78138.30	77160.70
	Book Value	78593.88	77441.00
	Market Value (Net)	83440.14	79027.35

II. NON-SLR INVESTMENTS

(A) Issuer composition of Non SLR Investments

(₹ In Lakh)

No.	Issuer	Amount	Extent of 'below investment grade' Securities	Extent of 'unrated' securities	Extent of 'unlisted' securities
(1)	(2)	(3)	(4)	(5)	(6)
1	PSUs	3915.27	---	---	---
2	FIs	---	---	---	---
3	Nationalized Banks	---	---	---	---
4	Others	2701.54	---	---	---
5	Provision held towards Investment Depreciation (₹ 2449.75 Lacs)	---	---	---	---
	<b>Total (1+2+3+4)</b>	<b>6616.81</b>	---	---	---

Non-SLR investments have been classified on the basis of "Extent of rated Securities" as per the ratings given by the CRISIL as available from the prospectus at the time of issue and remaining Non-SLR investments are classified as unrated securities.

(B) Non Performing Non-SLR Investments

(₹ In Lakh)

Particulars	F.Y. 2019-20 (Amount)	F.Y. 2018-19 (Amount)
Opening Balance	---	---
Additions during the year since 1 <sup>st</sup> April	201.54	---
Reductions during the above period	---	---
Closing Balance	201.54	---
Total Provisions	201.54	---

Note: Out of the above investment bank has invested ₹ 200 lakhs in DHFL on which interest aggregating to ₹ 18.10 lakhs due since September 2019 was not served, due to which the investment are classified as non-performing investments. As Bank has surplus investment depreciation reserve, hence Bank has not made provision separately for DHFL Bond.

7. Current year Profit of ₹ 2914.16 Lakh (P. Y. ₹ 2952.34 Lakh) is proposed to be appropriated as follows

(Subject to Approval at Annual General Meeting):

(₹ In Lakh)

Particulars	2019-20	2018-19
Statutory Reserve Fund	2050.16	2011.50
Unforeseen Losses Reserve	291.42	295.24
Dividend*	110.83	112.00
Education Fund	29.14	29.52

Share holder Benefit Fund	0.00	100.00
Investment Fluctuation Reserve	250.00	250.00
Charity Donation fund	29.15	29.53
Special Reserve U/s. 36(1) (viii) of Income Tax Act, 1961	153.46	124.55
<b>Total</b>	<b>2914.16</b>	<b>2952.34</b>

\*Note: As per RBI Circular no. DOR.BP.BC.No.64/21.02.067/2019-20 dated 17 April 2020 all banks shall not make any further dividend payouts from the profits pertaining to the financial year ended March 31, 2020 until further instructions

**8. Details of Repo/Reverse Repo Transactions during the year are as under. (₹ In Crore)**

Sr. No.	Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average outstanding during the year *	Outstanding as on March 31,2020
<b>Securities Sold Under REPO</b>					
1	Government Securities	0.00	0.00	0.00	0.00
2	Corporate Debt Securities	0.00	0.00	0.00	0.00
<b>Securities Sold Under Tri-Party REPO</b>					
1	Government Securities	0.00	0.00	0.00	0.00
2	Corporate Debt Securities	0.00	0.00	0.00	0.00
<b>Securities Purchase under Reverse Repo</b>					
1	Government Securities	0.00	41.00	11.44	20.00
2	Corporate Debt Securities	0.00	0.00	0.00	0.00
<b>Securities Purchase under Tri-Party Reverse Repo</b>					
1	Government Securities	0.00	25.00	3.71	0.00
2	Corporate Debt Securities	0.00	0.00	0.00	0.00

9. W.e.f. 1-3-2011 The Vepar Vikas Co-Op Bank Ltd, Vadodara had been merged with the bank. As per one of the terms of the merger scheme, year-end outstanding refundable Paid up Share Capital of ₹ 22.46 Lakh (P.Y. ₹ 22.81 Lakh) of merged bank is to be paid back to the shareholders of that bank and hence it is shown as "Share Capital Refundable (VVCB)" under the head of "Other Liabilities" of the bank.
10. Management confirms that there was no penalty imposed by RBI during the year.
11. Figures are rounded off to the nearest rupee.
12. There are no accounts of advances restructured under SME Debt Restructuring Mechanism and other categories during the year.
13. Previous year's figures are regrouped and rearranged wherever necessary so as to conform to the layout of the accounts of the current year.

Subject to our attached Report and General Remarks of even date

**For, KANTILAL PATEL & Co.,**  
Chartered Accountants  
Firm Regl. No. 104744W

**Shri Narendra M. Patel**  
Chairman

Place:Ahmedabad  
Date:28.07.2020

**Jinal A. Patel**  
Partner  
Membership No. 153599

**Shri Himanshubhai T. Patel**  
Vice Chairman

**Shri Chandrakant B. Jajal**  
Chief Executive

**PROGRESS CHART**

(₹ IN LAKH)

Year	Branches	Share Holders	Share Capital	Reserve Fund	Deposits	Advances	Profit	Working Capital	Dividend %
1966	1	259	1.41	-	5.83	0.31	(Loss)-0.12	7.80	-
1970	2	1094	5.65	1.13	60.67	61.74	0.84	104.50	9
1980	15	3120	43.48	30.85	1044.92	893.76	21.07	1454.69	12
1990	16	4931	98.66	842.17	6067.16	5114.60	151.00	8421.74	12
2000	23	7152	196.06	11203.35	45172.37	20458.62	665.00	63143.72	21
2010	24	16218	872.32	24852.69	55184.16	22963.66	1261.78	87400.91	12
2018	34	16161	1072.24	37300.66	156527.10	87060.51	2955.20	207951.09	12
2019	34	16529	981.86	40422.61	166847.16	106764.58	2952.34	220847.91	12
2020	34	16683	956.41	44093.77	177592.30	113661.44	2914.16	236670.85	12*

Proposed - \* Dividend Sub to approval of RBI



1) CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

		2019-20		2018-19	
		Amount (₹)		Amount (₹)	
1	Cash Flow From Operating Activities : As per A	93,47,05,920		6,71,50,277	
2	Cash Flow From Investing Activities : As per B	46,36,685		(61,46,498)	
3	Cash Flow From Financing Activities : As per C	2,71,79,368		(4,07,54,035)	
	<b>TOTAL CASH FLOW</b>	96,65,21,972	<b>96,65,21,972</b>	2,02,49,744	<b>2,02,49,744</b>
	The above Cash Flow has been reflected in movement of Cash and Cash equivalents as under:				
1	Cash on Hand				
	At the end of the year	10,95,46,287		7,25,30,510	
	At the beginning of the year	7,25,30,510		6,67,92,619	
			3,70,15,777		57,37,891
2	Balance with RBI, other Banks and Money at Call & Short Notice				
	At the end of the year	3,04,30,00,909		2,11,34,94,713	
	At the beginning of the year	2,11,34,94,714		2,09,89,82,860	
			92,95,06,195		1,45,11,853
			<b>96,65,21,972</b>		<b>2,02,49,744</b>

2) WORKING DETAILS FOR CASH FLOW STATEMENT

		2019-20		2018-19	
		Amount (₹)		Amount (₹)	
<b>A</b>	<b>Cash Flow From Operating Activities:</b>				
	Net Profit before tax and extraordinary items as per Profit & Loss Account		54,73,81,060		49,55,99,843
	Adjustment for:				
	Depreciation	1,86,01,823		1,84,14,892	
	(Profit) / loss on Sale of assets	(1,38,09,090)		1,49,548	
	(Profit) / Loss on Sale of Investments	(94,75,148)		96,28,193	
	Excess prov. Of I.T. written back	(65,38,883)		---	
	Advances written off	---		---	
	Rent from Premises	(18,189)		(18,401)	
	Education Fund Paid	29,52,338		29,55,200	
	Leave Encashment Provisions	---		(37,88,000)	
	Premium Amortised On Govt. Securities	24,07,709	(58,79,440)	23,73,209	2,97,14,641
	Net increase in Operating profit before changes in operating assets and liabilities		54,15,01,620		52,53,14,484
	<b>Net increase or decrease in Assets</b>				
	(Increase)/Decrease in Advances	(68,96,85,601)		(1,97,04,06,844)	
	(Increase)/Decrease in Other Assets	93,84,015		(9,94,957)	
	(Increase)/Decrease in Investments	16,44,96,281		67,57,99,426	
	(Increase)/Decrease in Br.Adjustment	---		5,19,838	
	(Increase)/Decrease in Interest Receivable	(6,75,47,348)		2,28,15,892	
			(58,33,52,651)		(1,27,22,66,645)

	2019-20		2018-19	
	Amount (₹)		Amount (₹)	
<b>Net increase or decrease in Liabilities</b>				
Increase/(Decrease) in Deposits	1,07,45,13,674		1,03,20,05,597	
Increase/(Decrease) in Br.Adjustment	(59,748)		59,748	
Increase/(Decrease) in Overdue Interest reserve - OIR (New)	(3,08,896)		(13,930)	
Increase/(Decrease) in Interest payable	1,90,57,728		(4,62,38,556)	
Increase/(Decrease) in Other Liabilities	5,81,28,124	1,15,13,30,882	(1,89,76,821)	96,68,36,038
<b>Net increase in Assets over Liability</b>		<b>56,79,78,231</b>		<b>(30,54,30,607)</b>
<b>Cash generated from Operating Activities</b>		<b>1,10,94,79,851</b>		<b>21,98,83,877</b>
Direct taxes paid (Adv. Tax and TDS for the year)		17,47,73,931		15,27,33,600
<b>Net Cash generated from Operations</b>		<b>93,47,05,920</b>		<b>6,71,50,277</b>
<b>B Cash flow from Investing Activities :</b>				
Addition in Fixed Assets	(1,11,28,932)		(63,64,897)	
Loss / (Profit) on Sale of Fixed Asset	---		1,49,548	
Sale of Fixed Asset	1,57,47,428		50,450	
Rent from Premises	18,189		18,401	
<b>Net Cash from Investing Activities</b>		<b>46,36,685</b>		<b>(61,46,498)</b>
<b>C Cash flow from Financing Activities :</b>				
Proceeds from issue of Share Capital	(25,44,800)		(90,38,400)	
Proceeds from New Borrowing (Net)	6,00,00,000		---	
Increase / (Decrease) in Reserve	(1,98,43,955)		(1,96,05,611)	
Net increase or (decrease) in Borrowing	---		---	
Dividends Paid	(1,04,31,877)		(1,21,10,024)	
<b>Net Cash from Financing Activities</b>		<b>2,71,79,368</b>		<b>(4,07,54,035)</b>

**TO MEMBERS**

- ☞ As per section 15-A of Bye-laws of the Bank a member ceases to be so in the event of his death. In such circumstances the legal heir should return the share of the Bank and get the amount of the same, or legal heir of the deceased share holder should get the shares of the Bank transferred in his name at the earliest, which is legal requirement to get the dividend or the gift.
  - ☞ In case of the change in constitution of the proprietorship or partnership firm it is obligatory to get the shares of the Bank transferred in the name of new firm. It is therefore requested to contact either Share Dept. in the Head Office or Secretary of the Bank for this purpose.
  - ☞ A person having power of attorney on behalf of any share holder (Individual/Firm) for banking purpose shall have to get the same registered with the Share Dept. in the Head Office without which gift will not be given.
  - ☞ Any change in the address of the member on Bank's record should be notified immediately so as to facilitate the correspondence regarding dividend/gift or any other matter.
  - ☞ The borrowers and the guarantors are liable jointly and severally for the borrowing from the Bank. Every guarantor is fully liable for the total outstanding amount of the borrowing. It is misconception to believe that they are liable to their proportionate share only. Members therefore should shoulder the liability as guarantor keeping in view their financial ability.
  - ☞ Dividend on share is payable up to three years from the concerned year. Thereafter the said amount as per Bye-law is being credited to Reserve Fund. It is requested therefore to receive the dividend regularly.
- ADDRESS :** Share Department, Head Office, Ahmedabad. Phone :079- 26426582/84/88



**માનવંતા સભાસદ મિત્રો,**

બેંકની ૫૫ મી વાર્ષિક સાધારણ સભામાં આપ સૌને આવકારતા આનંદ અનુભવું છું. બેંકનાં તા. ૩૧.૦૩.૨૦૨૦ ના પૂર્ણ થયેલ વર્ષમાં બેંકે કુલ નફો રૂ. ૫૪.૭૪ કરોડ (ગત વર્ષ રૂ. ૪૯.૫૬ કરોડ) કરેલ છે. ઈન્કમેટેક્સ તથા નીચે પ્રમાણેના પ્રોવિઝનો બાદ થતાં ચોખ્ખો નફો રૂ. ૨૯.૧૪ કરોડ (ગત વર્ષ રૂ. ૨૯.૫૨ કરોડ) કરેલ છે.

ક્રમ	વિગત	રકમ રૂ.
૧	શકમંદ લેણા અનામત (૮.૫૦%)	૪,૭૦,૮૦,૮૮૫.૦૦
૨	ઈન્કમેટેક્સ પ્રોવિઝન	૧૭,૩૩,૦૦,૦૦૦.૦૦
૩	ડિફર્ડ ટેક્સ પ્રોવિઝન	(-)૧,૯૦,૫૦,૪૮૨.૦૦
૪	સ્ટાન્ડર્ડ એસેટ રીઝર્વ	૫૨,૧૮,૦૦૦.૦૦
૫	ઈન્કમેટેક્સ પ્રોવિઝન ફોર ડિસ્ચ્યુટ ડિમાન્ડ (આકરણી વર્ષ : ૨૦૧૬-૧૭)	૧૮,૭૯,૧૨૫.૦૦
૬	SMA /ઓવરડ્રુ (કોવિડ-૧૯) પ્રોવિઝન	૪,૭૪,૮૧,૬૯૪.૦૦
૭	ફોરેન એક્સચેન્જ ફલક્યુએશન	૫૫,૬૯૨.૦૦
	<b>કુલ.....</b>	<b>૨૫,૫૯,૬૪,૯૧૪.૦૦</b>

ઉપરોક્ત જોગવાઈઓ બાદ ચોખ્ખો નફો રૂ. ૨૯.૧૪ કરોડ રહ્યો છે. બેંકનાં બોર્ડ ઓફ ડિરેક્ટર્સશ્રીએ તેની નીચે પ્રમાણે વહેંચણી કરવા ભલામણ કરી છે, જેને મંજૂર રાખવા ભલામણ કરું છું.

ક્રમ	ચોખ્ખા નફાની વહેંચણી	રકમ રૂ.
૧	સ્ટેચ્યુટરી રિઝર્વ	૨૦,૫૦,૧૬,૩૮૫.૦૦
૨	શિક્ષણ ફંડમાં ફાળો	૨૯,૧૪,૧૬૧.૦૦
૩	ડિવિડન્ડ (12% of F.V.)*	૧,૧૦,૮૩,૦૦૦.૦૦
૪	અનફોરસીન લોસીસ રિઝર્વ	૨,૯૧,૪૧,૬૧૫.૦૦
૫	ચેરીટી-ડોનેશન ફંડ	૨૯,૧૫,૦૦૦.૦૦
૬	ઈન્વેસ્ટમેન્ટ ફલક્યુએશન રિઝર્વ	૨,૫૦,૦૦,૦૦૦.૦૦
૭	સ્પેશીયલ રિઝર્વ u/s-36(i) (viii) Income Tax Act, 1961	૧,૫૩,૪૫,૯૮૫.૦૦
	<b>કુલ.....</b>	<b>૨૯,૧૪,૧૬,૧૪૬.૦૦</b>

\* Dividend Sub to approval of RBI (Under Circular no.DOR. BP. BC. No. 64/ 21.02.067 / 2019-20 date: 17.04.2020)

**■ ડિવિડન્ડ**

આપણી બેંકનાં બોર્ડ ઓફ ડિરેક્ટર્સશ્રીએ વર્ષ ૨૦૧૯-૨૦ માટે ૧૨% ડિવિડન્ડ (RBI ની પૂર્વ મંજૂરી ઉપર મુજબ મેળવવાની શરતે) વહેંચવા ભલામણ કરેલ છે, જેને મંજૂર રાખવા ભલામણ કરું છું.

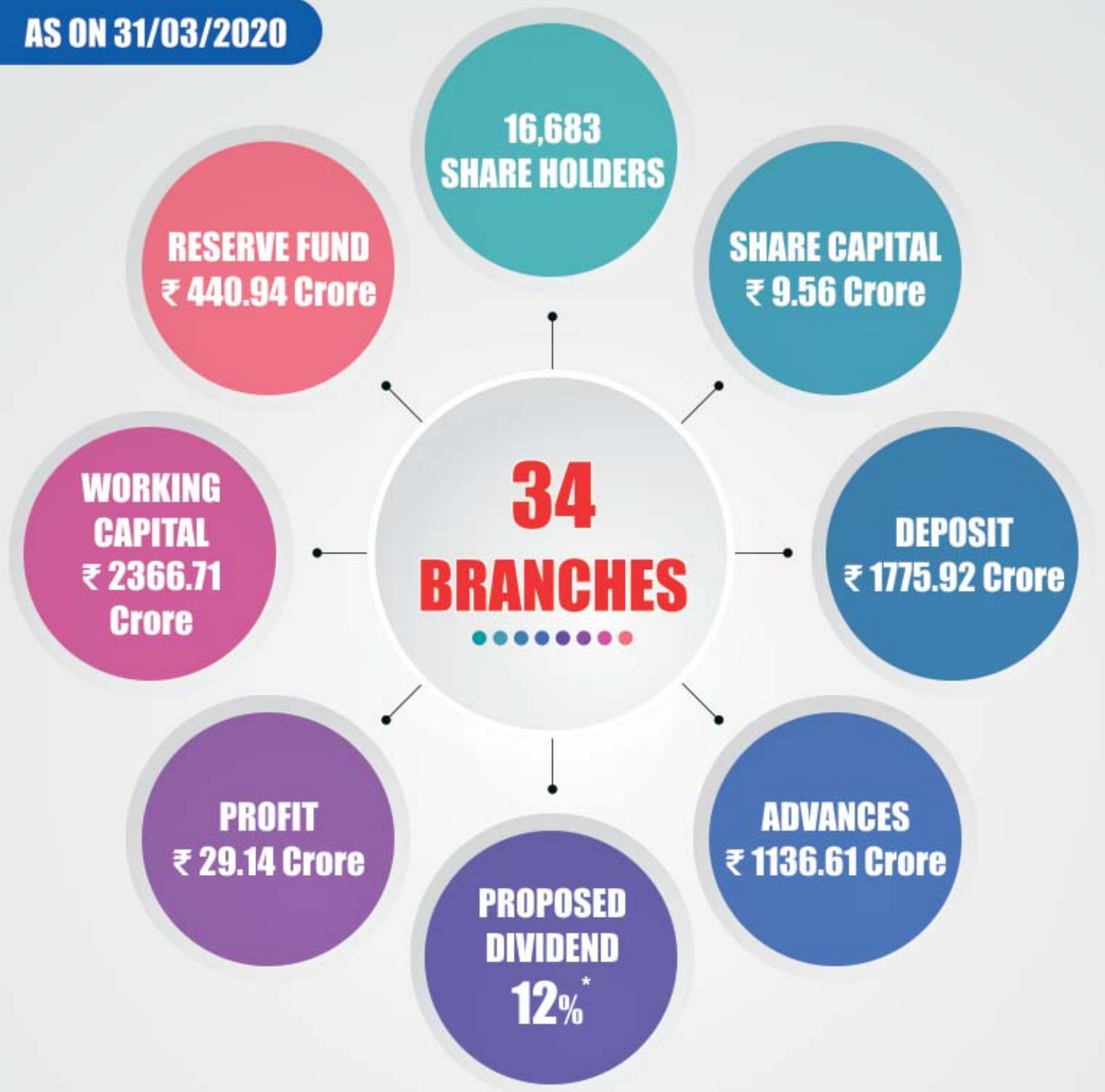
**બોર્ડ ઓફ ડિરેક્ટર્સ વતી,  
(નરેન્દ્ર એમ. પટેલ)  
ચેરમેન**

તારીખ : ૨૯-૦૭-૨૦૨૦

**અગત્યની નોંધ**

બેંકે દરેક સભાસદોને આઈડેન્ટિટી કાર્ડ આપવાનું શરૂ કર્યું છે. જે સભાસદોને આઈકાર્ડ હજુ બાકી હોય તેમણે શેર ડિપાર્ટમેન્ટ, હેડ ઓફિસનો સંપર્ક કરવા વિનંતી છે.

AS ON 31/03/2020



(Multi State Scheduled Bank)

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