



DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors has pleasure in presenting the Forty Fifth Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March, 2021.

GLOBAL SCENARIO

The sudden outbreak of COVID-19 pandemic had triggered the recession leading to an unprecedented turbulence in economies across the world during the year. Global economic activities remained moderate and growth numbers were estimated to contract by 4% in 2020 (as per World Bank Press Release dated 05 Jan, 2021). A number of monetary authorities also announced changes in their monetary policy frameworks to enhance policy flexibility and improve monetary transmission.

As per the International Monetary Fund (IMF) 's forecast for global economic growth in 2021, the global economy is likely to expand in 2021 as vaccine rollouts accelerate and advanced economies spend aggressively to counter the COVID-19 pandemic and related lockdowns. The IMF expects the world economy to grow by 6% this year. Activity in few sectors has picked up and partially adapted to pandemic restrictions. Vaccine rollout, although uneven, is gaining momentum and government stimulus measures are likely to provide a major boost to economic activities. A sustained recovery from the pandemic will depend not only on the size of the stimulus measures, quick rollout of vaccines, but also on the quality and efficacy of these measures to build resilience against future shocks.

INDIAN ECONOMY

The Economic Survey 2021 has forecast India's economy to contract 7.7% in 2020-21, before witnessing a sharp recovery of 10-12% in 2021-22. Economy was impacted majorly after stringent lockdowns and economic disruptions that the country experienced during first and second quarter of F.Y. 2020-21. The subsequent change in lockdown policies and success in reducing infection rates supported an economic turnaround to some extent in the third quarter. The government announced various measures in the Union Budget 2021-22 to boost economic growth. However, when the economy was showing signs of returning to normalcy, recent outbreak of second wave in India has caused a bigger setback.

As per the Indian Economic Development & Growth Report, structural reforms, and policy push, along with a series of steps announced in the Union Budget 2021-22 to achieve broad-based inclusive development are likely to reinforce the economy and put it back on a strong and sustainable growth path in the coming year. As per Economic and Social Survey of Asia and the Pacific 2021, Indian economy is estimated to record an economic growth of 7% in 2021-22. As per IMF Report, the latest forecasts suggest that India is well placed to experience a solid economic recovery in 2021, in contrast to other emerging markets and developing economies, where it's likely to take longer to return to pre-crisis levels.

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The Monetary Policy Committee (MPC) of the Reserve Bank of India has maintained accommodative monetary policy during F.Y. 2020-21. Systemic liquidity in F.Y. 2020-21 has remained surplus as RBI undertook various measures like Open Market Operations, Long Term Repo Operations and Targeted Long Term Repo Operations. The rural demand remained buoyant and record agriculture production for 2020-21 complemented well for its recovery. Urban demand had been gaining strength on the back of normalisation of economic activities. Firms engaged in manufacturing, services and infrastructure were optimistic about a pick-up in demand and expansion in business activity into 2021-22. Consumer confidence, on the other hand, has dipped with the recent surge in COVID infections in some states imparting uncertainty to the outlook. Taking these factors into consideration, the projection of real GDP growth for 2021-22 is retained at 10.5 per cent. (Source: RBI Monetary Policy Report-April 2021).

FINANCIAL PERFORMANCE

The key financial highlights of the Bank for the year ended 31st March, 2021:

| Particulars | Amount (₹ in crore) | |
|------------------------------------|---------------------|------------|
| | 31/03/2020 | 31/03/2021 |
| Year | | |
| Paid up capital | 299.06 | 277.67 |
| Reserves | 953.86 | 884.21 |
| Working Capital | 13,298.61 | 13,330.81 |
| Total Business | 19,382.68 | 18,945.61 |
| Deposits | 11,529.28 | 11,676.72 |
| Advances | 7,853.40 | 7,268.89 |
| Gross Income | 1,298.30 | 1125.06 |
| Net Profit (after tax & provision) | 58.87 | 32.80 |
| CRAR | 13.81% | 13.35% |

- DEPOSITS increased by ₹ 147.44 crore i.e. 1.28%.
- ADVANCES decreased by ₹ 584.51 crore i.e. 7.44%.
- NET PROFIT stood at ₹ 32.80 crore as compared to ₹ 58.87 crore in previous year.
- BUSINESS PER EMPLOYEE stood at ₹ 13.51 crore.

PROFIT

Bank has recorded an operating profit of ₹ 121.83 crore for the year ended 31st March, 2021 as against ₹ 167.11 crore for the previous year. The recorded net profit after tax is ₹ 32.80 crore for the year ended 31st March, 2021 as against ₹ 58.87 crore for the previous year. The COVID-19 pandemic posed a major challenge to the economy and this affected the credit off-take & CD ratio of the Bank. The cut in the repo rate and surplus liquidity in the system during F.Y. 2020-21 led to reduction in the yield on investments. The above-mentioned factors affected the operating profit of the bank.

**APPROPRIATION OF PROFITS**

In accordance with RBI guidelines and the provisions of section 63 of Multi-State Co-operative Societies Act 2002, following appropriation of the Net Profit is recommended to the General Body for approval:

| Reserve Fund & Other Reserves | Amount of Appropriation (₹) | Position as on 31/03/2021 after appropriation (₹) |
|--|--------------------------------|---|
| Statutory Reserve | 8,20,00,000 | 302,23,80,620 |
| Building Fund | | 175,98,00,000 |
| Dividend Equalization Fund | | 2,75,00,000 |
| Bad and Doubtful Debts Reserve | 4,54,00,000 | 162,68,40,679 |
| Bad and Doubtful Debts Reserve (ARC) | | 7,91,64,351 |
| Contingent provision against Standard Assets | | 27,95,00,000 |
| Charity Fund | | 10,00,000 |
| Special Reserve | 3,28,00,000 | 110,46,70,000 |
| Reserve for Standstill Assets | | |
| Special Reserve for Security Receipts | | 24,00,00,000 |
| Investment Fluctuation Reserve | | 40,51,01,059 |
| Contribution to Education Fund of N.C.U.I. | 32,79,520 | 32,79,520 |
| Education Fund | | 10,00,000 |
| Special Reserve for Restructured Assets | | 33,32,00,000 |
| General Reserve (Deferred Tax) | | 9,11,30,000 |
| Net Open Foreign Currency Position Reserve | | 1,00,00,000 |
| Special Reserve u/s.36(1)(viii) | | 2,00,00,000 |
| Members Welfare Fund | | 10,00,000 |
| Dividend to Shareholders | 16,57,00,000* | |
| Balance carried forward to the next year | 1,23,556 | 1,23,556 |
| | 32,93,03,076 | 9,00,56,89,785 |

*(subject to approval from Reserve Bank of India)

DIRECTORS' REPORT

PROVISION FOR INCOME TAX

Provision for tax in the Financial Year 2020-2021 has been computed after considering items allowable/inadmissible as per the Income Tax Act. The estimated tax outflow for the year 2020-21 is NIL. The net provision for taxes after giving effect to the Deferred Tax Liability arising out of the timing differences and provisioning in accordance with the Accounting Standards is ₹ 6.14 crore as detailed hereunder.

| | (₹ in crore) |
|--|--------------|
| Net Tax Liability for the year | - |
| LESS : Tax paid for earlier year | - |
| ADD : Deferred Tax Liability | 6.14 |
| Provision made in Profit & Loss Account | 6.14 |

CAPITAL TO RISK ASSETS

Bank has always maintained a healthy Capital to Risk Assets Ratio (CRAR). The CRAR of the Bank is 13.35% as on 31st March, 2021 which is well above the minimum regulatory requirement of 12% prescribed by Reserve Bank of India, for Banks with license to transact Foreign Exchange Business.

DIVIDEND

Due to the impact of COVID-19 pandemic and its consequences the Bank couldn't propose dividend at higher rate. However Board is pleased to propose a dividend of 6% for the financial year 2020-21 which will be subject to RBI approval.

AWARDS / RECOGNITIONS

In recognition of its performance and initiatives, Bank received an award from "Indian Banks Association (IBA)" for "Best IT Risk Management & Cyber Security Initiatives" (Runner up) in the IBA Technology Awards Function held on 17th March, 2021.

Bank has won two awards "Digital Deposits - Runner Up" and "Digital Services-Runner Up" in Co-operative Banks category from ASSOCHAM- India's largest & leading Chamber of Commerce & Industry.

MEMBERSHIP

The number of members of the Bank as on 31st March, 2021 is as under:

| Type of Membership | As on 31 st March, 2020 | Deletion of members during the year | Admission of new members during the year | As on 31 st March, 2021 |
|--------------------|------------------------------------|-------------------------------------|--|------------------------------------|
| Regular Membership | 1,81,119 | 1,578 | 1,983 | 1,81,524 |
| Nominal Membership | 33,611 | 7 | 932 | 34,536 |



BRANCH NETWORK

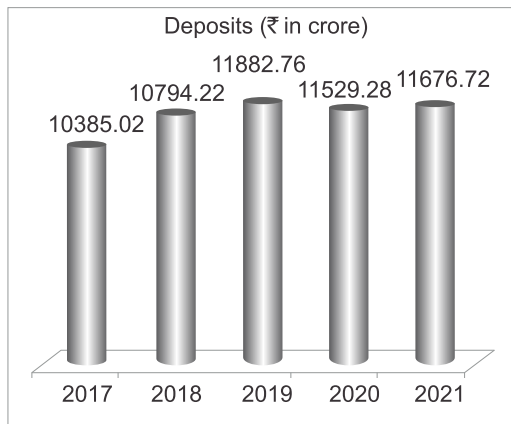
Bank is rendering services through 102 branches, 1 Extension Counter, 103 On-site ATM Centres and 2 Off-Site ATM Centres across the States of Maharashtra, Karnataka & Gujarat.

During the year, bank shifted Shivaji Nagar Branch in Pune & Powai Branch in Mumbai. Bank had negotiated with landlords of branch-premises for rebate on rent and received good response from the landlords.

DEPOSIT INSURANCE

The deposits of customers continue to be insured upto ₹ 5 Lac with the Deposit Insurance & Credit Guarantee Corporation of India (DICGC). Bank is regular & prompt in paying insurance premium to DICGC.

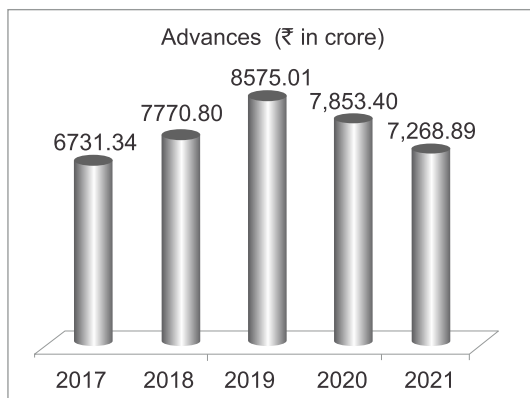
DEPOSIT



Deposits of the Bank were ₹ 11,676.72 crore as on 31.03.2021 compared to ₹ 11,529.28 crore as on 31.03.2020.

During the year Bank continued to focus on mobilising low-cost and retail term deposits to improve its profitability. This approach has helped the Bank to contain the cost of deposits and also widen the customer base.

ADVANCES



Banking industry in large witnessed marginally subdued credit growth during the year under report mainly due to the severe impact of COVID-19 pandemic on almost all the sectors. As key industries, especially the MSMEs, real estate, textile and hospitality related business were almost at standstill during larger part of the financial year, bank could not deploy funds in these sectors. However, bank extended financial support to all such business units by way of additional loans or by restructuring existing loans and grant moratorium period within the guidelines of RBI as an assistance to tide over the liquidity crunch faced by them.

Loans and Advances of Bank were ₹ 7268.89 crore as on 31.03.2021 as compared to ₹ 7853.40 crore as on 31.03.2020 and Credit Deposit(CD) Ratio stood at 56.91%.

DIRECTORS' REPORT

NON-PERFORMING ASSETS

Business across the sectors were impacted severely due to nationwide lockdown.

The Bank outlined various strategies to curtail slippages and improve collections in stressed accounts. The recovery measures were initiated by taking appropriate legal recourse under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI), wherever warranted.

However, Banks were restrained from evicting/dispossessing borrowers from their mortgaged properties till 31.01.2021 by Hon'ble High Court, Bombay by virtue of its judgement dated 09.12.2020.

The downtrend in economy due to the pandemic has adversely affected cash flow of the Borrowers, which resulted in delays and defaults in servicing loans. Further, the Hon'ble Supreme Court of India had adjudged that moratorium shall not be extended beyond August 2020, but restrained banks from classifying any such defaults accounts as NPA till further orders. Hon'ble Supreme Court vide its order dated. 25.03.2021 lifted the said stay/restraint order. Therefore, NPAs had substantially increased in the month of March 2021 across banking industry, including our Bank.

Despite close monitoring and proactive approach/action, the Bank faced major hurdles in enforcing the securities due to delays in legal proceedings and the time taken for resolution / liquidation under the Insolvency and Bankruptcy Code (IBC) for cases under National Company Law Tribunal (NCLT).

Accordingly, within the guidelines concerning the Asset Reconstruction Model regulated by RBI to assign the Debts / NPAs by Banks either to Scs / Fis / NBFC / Banks or Asset Reconstruction Company, Bank has assigned certain NPA accounts to Asset Reconstruction Companies. The Reserve Bank of India has considered assignment of NPAs not merely as part of the business of banking but also something which is conducive to the banking business.

The Gross NPAs of the Bank were ₹ 677.11 crore forming 9.32% of total advances as on 31st March, 2021. Net NPAs of Bank as on 31st March, 2021 were ₹ 518.97 crore which is 7.30% of net advances.

Bank refers disputes relating to recovery of dues in the State of Maharashtra to Justice Shri Rajan Jodharaj Kochar (Retd.), High Court of Bombay, Shri Vasant Narayan Lothey (Patil), Ex-Presiding Officer (Judge), Debt. Recovery Tribunal III, Mumbai & Debt Recovery Tribunal II, Ahmedabad and Mr. Kailaschandra L. Vyas, Advocate & Retd. District Judge; who were appointed as Arbitrators by the Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State.

Disputes relating to recovery of dues in the State of Karnataka are referred to Shri C. N. Badarinath, Additional Registrar of Co-operative Societies (Retd.) and Central Arbitrator & Ex-Member, Karnataka Appellate Tribunal, who was appointed as Arbitrator by the Central Registrar of Co-operative Societies in Karnataka.



Classification of Assets and Provisioning made against Non-Performing Assets as on 31st March, 2021
(₹ in lac)

| Classification of Assets | No. of A/Cs | Amount Outstanding | % of Col.3 to total Loans outstanding | Provision required to be made | | Existing provision at the beginning of the year | Provisioning made during the year under Report | Total provisions as at the end of the year | Remarks |
|---|--------------|--------------------|---------------------------------------|-------------------------------|-----------------|---|--|--|---------|
| | | | | % | Amount | | | | |
| 1. | 2. | 3. | 4. | 5. | | 6. | 7. | 8. | 9. |
| Total loans and Advances | 33527 | 726888.68 | | | | | | | |
| of which : | | | | | | | | | |
| A. Standard Assets | 30417 | 659177.66 | 90.68 | 0.40 to 5 | 2795.00 | 3095.00 | (300.00) | 2795.00 | |
| B. Non-Performing Assets | | | | | | 22533.98 | (6719.57) | 15814.41 | |
| 1. Sub-Standard | 2399 | 31660.45 | 4.36 | 10 | 3166.05 | | | | |
| 2. Doubtful | | | | | | | | | |
| (i) Upto 1 year | | | | | | | | | |
| a) Secured | 386 | 24024.67 | 3.31 | 20 | 4804.93 | | | | |
| b) Unsecured | 61 | 1291.43 | 0.18 | 100 | 1291.43 | | | | |
| (ii) Above 1 year and upto 3 years. | | | | | | | | | |
| a) Secured | 98 | 6281.04 | 0.86 | 30 | 1884.31 | | | | |
| b) Unsecured | 17 | 692.82 | 0.10 | 100 | 692.82 | | | | |
| (iii) Above 3 years | | | | | | | | | |
| a) Secured | 69 | 1828.71 | 0.25 | 100 | 1828.71 | | | | |
| b) Unsecured | 14 | 6.33 | 0.00 | 100 | 6.33 | | | | |
| Total doubtful Assets (i + ii + iii) | 645 | 34125.00 | 4.70 | | 10508.53 | | | | |
| a) Secured | 553 | 32134.42 | 4.42 | | 8517.95 | | | | |
| b) Unsecured | 92 | 1990.58 | 0.28 | | 1990.58 | | | | |
| 3. Loss Assets | 66 | 1925.57 | 0.26 | 100 | 1925.57 | | | | |
| Gross NPA's (B1+B2+B3) | 3110 | 67711.02 | 9.32 | | 15600.15 | 22533.98 | (6719.57) | 15814.41 | |

(₹ in lac)

| Sr. No. | Particulars | 31.03.2021 | 31.03.2020 |
|---------|---|------------|------------|
| 1 | Gross Advances | 726888.68 | 785340.14 |
| 2 | Gross NPAs | 67711.02 | 58314.72 |
| 3 | Gross NPAs as percentage to Gross Advances | 9.32 | 7.43 |
| 4 | Deductions | --- | --- |
| | - Balance in interest suspense account / OIR | --- | --- |
| | - DICGC / ECGC claims received and held pending adjustment | --- | --- |
| | - Part payment on NPA account received and kept in suspense account | --- | --- |
| 5 | Total NPA provisions held, (BDDR, Special BDDR Balance after appropriation) | 15814.41 | 22533.98 |
| 6 | Net advances (1-4-5) | 711074.27 | 762806.16 |
| 7 | Net NPA (2-4-5) | 51896.61 | 35780.74 |
| 8 | Net NPAs as percentage of net advances | 7.30 | 4.69 |

DIRECTORS' REPORT

FOREIGN EXCHANGE BUSINESS

Bank has been providing all FOREX related services as AD-Category-I Bank since 2009. The foreign exchange business of the Bank has shown reasonable growth during all these years. During the F.Y. 2020-21 Bank has earned foreign exchange income of ₹ 31.59 crore as against previous year income of ₹ 38.98 crore. The decrease is mainly due to contraction in International Trade during the COVID-19 pandemic.

To facilitate global trade and remittances the Bank is maintaining Nostro Accounts in 8 currencies viz. USD, EURO, GBP, SGD, AED, JPY, AUD and CAD with International Banks. The Bank has also Correspondent relationship with prime International Banks for smooth trade transactions.

Bank offers wide range of forex products such as Export credit in foreign currency (PCFC/PSCFC), Export LC discounting, issuance of Import Letter of Credits, Inward/Outward remittances, collection of export bills, issuance of foreign bank guarantees, maintaining EEFC / FCNR accounts and hedging services such as booking of forward contract to protect the customer from exchange rate risk.

Bank is also extending the Interest Equalisation Scheme of Government of India on Pre and Post Shipment Rupee Export Credit to all the eligible exporters.

Money Transfer services through "Western Union Money Transfer" is available at all branches of the Bank, wherein Customers/members of the Bank as well as general public can instantly receive money from their relatives & friends from abroad.

TREASURY

Bank has an investment portfolio of ₹ 4218.49 crore as on 31st March, 2021 out of which an amount of ₹ 2565.35 crore has been invested in Government and other approved securities. Bank's total investments in Government and other approved securities as on 31st March, 2021 stood at 21.66% of its applicable Net Demand and Time Liabilities (NDTL).

Bank's Treasury Department manages liquidity, interest rate risk of investment portfolio & complies with the reserve requirement. The Bank has always been regular in statutory and regulatory compliances.

During the Financial Year 2020-21, RBI reduced reverse repo rate by 40 basis points and kept it at 3.35% & Repo Rate at 4%. The cash reserve ratio was reduced by 1% of NDTL as a temporary measure during the financial year to provide comfort to Banks on their liquidity requirements which was gradually restored in two phases during the current financial year. RBI continued with the accommodative stance as long as necessary to revive growth and mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target. The Government's gross borrowing for financial year 2020-21 was raised to ₹ 12.80 Lakh Crore as against the budgeted estimate of ₹ 7.8 Lakh Crore to meet resources to perk up the economy hit by COVID-19 pandemic.



RBI pro-actively conducted various open market operations in order to maintain durable liquidity in the system, orderly market conditions and financial stability. Crude oil prices firmed up modestly as oil producing countries agreed to cut production and prospects for revival in demand improved on expectations of imminent easing of lockdowns. The yield on 10 year benchmark Government Securities (5.85% GS 2030) ended the year at 6.18% as against 6.14% on 31st March, 2020.

Bank is a direct member of the Negotiated Dealing System (NDS) for settlement of Government Securities for Treasury operations and Clearing Corporation of India Ltd., (CCIL) for Tri-party Repo (TREPS). Bank borrows and lends under TREPS as per the guidelines of the RBI and the rules and regulations of the CCIL. The Bank also lends through Reverse Repo window of RBI eKuber for better returns on excess liquidity. Both TREPS and Reverse Repo are used as an effective tool for liquidity and effective management of funds.

BANCASSURANCE

Bank is a Corporate Agent for Bancassurance under the licence issued by IRDAI. During the Financial Year, Bank has tied-up with M/s. Bajaj Allianz General Insurance Co. Ltd., in addition to already existing tie up arrangements with M/s. New India Assurance Co. Ltd. for General Insurance Business.

Under the Life Insurance business, Bank has tied up with Life Insurance Corporation of India Ltd., and HDFC Life Insurance Co. Ltd. The Insurance business is available through all the branches of the Bank.

Bank has earned total commission income of ₹ 1.75 crore during the year from Bancassurance business as against ₹ 2.16 crore in 2019-20.

AUDIT & INSPECTION

Bank has a sound and comprehensive audit mechanism in place which plays a crucial role in maintenance, assessment and effectiveness of Bank's internal control system and procedures. All audit activities are guided by well-defined Audit Policy of the Bank which is reviewed on yearly basis. Bank's audits are being carried out by the external agencies as well as in-house audit team.

RBI INSPECTION

The officials of RBI had carried out inspection of the Bank covering the period upto 31st March, 2020 under Section 35 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies).

STATUTORY AUDIT

M/s. U.G. DEVI & COMPANY, Chartered Accountants, carried out the Statutory Audit of the Bank who were appointed by the Shareholders at the Annual General Meeting held on 22nd December, 2020. The Statutory Auditor has awarded "A" Audit Classification to the Bank.

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INTERNAL AUDIT

For Branches situated in the States of Maharashtra and Gujarat, M/s. ASHWAJITH ASSOCIATES, Chartered Accountants & for branches situated in Karnataka State, M/s. NANJUNDA & CO., Chartered Accountants were appointed as Internal Auditors for the F.Y. 2020-21.

CONCURRENT AUDIT

Branches of the Bank have been categorized as High, Medium and Low Risk based on the risk perception and volume of business. Out of 102 branches of the Bank, 60 Branches are under Concurrent Audit conducted by various Chartered Accountant firms.

INFORMATION TECHNOLOGY & SYSTEM AUDIT

The Bank has conducted Vulnerability Assessment & Penetration Test (VAPT) for its Mobile Banking, Internet Banking & UPI servers in addition to all other critical servers and network devices during the financial year 2020-21. Net banking & Mobile banking Applications are also subjected to regular VAPT audits including Daily automated audits. The Bank has also conducted the Red Team exercise to assess the strength of its existing security capabilities and identify areas of improvement.

RISK MANAGEMENT

Bank has in place a Risk Management Policy to maintain a healthy balance between the risks and returns associated with Bank's activities as well as products and services. The main objective of the policy is to ensure optimum utilisation and cautious deployment of bank's resources with least risk.

Guidelines to control the Operational Risk associated with opening and operations of accounts are covered in the KYC & Anti-Money Laundering (AML) Policy of the Bank. Bank has AML software which assists in identification of Blacklisted / Banned individuals, entities and generates alerts for suspicious transactions and other red flag indicators.

Credit Policy of the Bank covers the risk associated with Credit Portfolio and also provides guidelines for managing and controlling the Credit Risk.

Investment Policy of the Bank covers the Market Risk which also includes the interest rate risks, exchange rate risks and exposure risks.

HUMAN RESOURCE MANAGEMENT

Bank's total employee strength stood at 1402 as on 31.03.2021. It has been Bank's continuous endeavour to improve organizational effectiveness by developing leadership skills, promoting employee empowerment, and maintaining stability as well as sustainability to match rapidly changing business environment.



Bank is always focussed on creating a harmonious work environment where employees are engaged, enthusiastic, attuned towards fulfilling expectations, and requirements of all the stakeholders. During the pandemic, despite risk to life and personal hardships, service delivery by staff members was never hampered.

STAFF TRAINING

Bank continuously works to enhance the competencies of employees through focused and need based trainings. Customized programmes are organized and employees are exposed to different types of learning initiatives to equip themselves to handle different banking scenarios.

Bank imparts qualitative trainings both through in-house experienced team as well as external professional trainers. Bank also deutes employees to various training programmes conducted by prestigious institutes like RBI, NAFCUB, CAB, IIBF, CAFRAL, FEDAI etc.

Some of the training programmes which the employees were exposed to are as below:

- Training programme on assessment of fund & non fund based working capital requirement
- E learning programme on risk management for co-op. banks
- Training programme on retail banking, business performance & branch excellence
- Training on regulatory compliance for branch management
- Training on digital marketing in banking
- Online training programme on legal aspects of banking
- Online training programme on note refund rules
- Cyber security awareness & cybercrime training
- Online training workshop on countering trade based money laundering
- Online training programme on cyber security for UCBs

STAFF RELATIONS

The Board of Directors and Bank Management has high regard for the sincere and dedicated services rendered by all the employees of the Bank. The perseverance and determination of all employees during these turbulent times is acknowledged and appreciated.

The Board of Directors and Bank Management continues to maintain cordial relationship with all the employees, recognized association & union and will continue to undertake employee centric initiatives to boost employee morale and maintain healthy employer- employee relations.

Bank is committed to providing a safe and harmonious work environment to employees. Bank has zero tolerance towards sexual harassment at workplaces and has put in place appropriate mechanism to ensure that women employees are not subjected to any kind of harassment.

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AMENDMENTS TO BYE- LAWS

The Board of Directors had proposed amendment to the following Bye-laws of the Bank, which were unanimously approved at the Annual General Meeting held on Tuesday, 22nd December, 2020:-

- i) Bye-law No.16 (d) concerning Subscription of Shares.
- ii) Bye-law No.29 (c) concerning Notice for the General Meetings and Special General Meetings.
- iii) Bye-law No.34 (xxii, xxvi, xxvii) concerning Powers & Functions of the Board of Directors (BoD).
- iv) Bye-law No.36 (1) (o, p) concerning Disqualifications for being a member of Board.
- v) Bye-law No.37 concerning Filling of vacancies in the Board of Directors.
- vi) Bye-law No.43 concerning Chief Executive Officer.
- vii) Bye-law No.65 i) concerning Board of Management (BoM).
- viii) Bye-law No.66 i), ii), iii), iv) and v) concerning Qualification of Members of BoM.
- ix) Bye-law No.67 a), b), c), d), e), f), g), h), i) and j) concerning Functions of Board of Management.
- x) Bye-law No.68 concerning Meetings of BoM.
- xi) Bye-law No.69 concerning Tenure of BoM.

The Joint Secretary to the Government of India and Central Registrar of Co-operative Societies, New Delhi vide their order bearing No.L-11016/8/1996-L&M (e) dated 27th May, 2021 has approved and registered the proposed amendment to Bye-law Nos.16(d), 34 (xxii, xxvi, xxvii), 43, 65 (i), 66 (i, ii, iii, iv and v), 67 (a, b, c, d, e, f, g, h, i and j), 68 and 69.

However the proposed amendment to Bye-law Nos.29(c), 36(1)(o, p) and 37 were not approved for registration.

The Board of Directors of the Bank propose to amend some of the bye-laws of the Bank taking into account the regulatory guidelines and for other purpose as mentioned against each of the amendments to Bye-laws.

The proposed amendments are reproduced on page 58 for deliberations and members' approval.

RESIGNATION OF DIRECTORS

Mr. K. N. Suvarna, Director of the Bank had tendered his resignation to the position of Director of the Bank for personal reasons. His resignation was accepted by the Board of Directors at the meeting held on 29th April, 2020.

Mr. Jaya C. Suvarna, Chairman of the Bank had tendered his resignation to the position of Chairman of the Bank on health grounds. His resignation was accepted by the Board of Directors at the meeting held on 14th August, 2020. Mr. U. Shivaji Poojary, Director was unanimously elected as Chairman of the Bank w.e.f. 14th August, 2020.

CO-OPTION OF DIRECTOR

In terms of section 41(3) of the Multi-State Co-operative Societies Act, 2002 and Bye-law No.31 (ii) of the Bank, the Board of Directors co-opted one eminent person viz., Mr. Raja V. Salian as Director of the Bank for a period of one year.

**CORPORATE GOVERNANCE**

Executive Committee of the Board and other Committees of the Board constituted during the F.Y. 2018-19 and reconstituted during the F.Y.2019-20 continued upto 28th April, 2020. In consonance with the provisions of Section 53 of the Multi-State Co-operative Societies Act, 2002, the Board of Directors at the meetings held on 29th April, 2020 and 12th November, 2020 has re-constituted the Committees of the Board.

EXECUTIVE COMMITTEE OF THE BOARD

| | |
|---------------------------|----------|
| Shri U. Shivaji Poojary | Chairman |
| Miss Rohini J. Salian | Member |
| Shri Vasudeva R. Kotian | Member |
| Shri Bhaskar M. Salian | Member |
| Shri Jaya A. Kotian | Member |
| Shri Suryakant J. Suvarna | Member |
| Shri Narayan T. Poojari | Member |
| Smt. Sharada S. Karkera | Member |
| Shri Vidyanand S. Karkera | MD & CEO |

LOAN COMMITTEE OF THE BOARD

| | |
|---------------------------|----------|
| Shri Jaya A. Kotian | Chairman |
| Shri U. Shivaji Poojary | Member |
| Adv. Somnath B. Amin | Member |
| Shri Gangadhar J. Poojary | Member |
| Shri Raja V. Salian | Member |
| Shri Vidyanand S. Karkera | MD & CEO |

AUDIT COMMITTEE OF THE BOARD

| | |
|----------------------------|----------|
| Shri U. Shivaji Poojary | Chairman |
| Shri Jyoti K. Suvarna | Member |
| Shri K. B. Poojary | Member |
| Shri L. V. Amin | Member |
| Shri Purushotham S. Kotian | Member |
| Shri Mohandas A. Poojary | Member |
| Shri Premnath P. Kotian | Member |
| Shri Vidyanand S. Karkera | MD & CEO |

DIRECTORS' REPORT

SPECIAL COMMITTEE OF THE BOARD FOR MONITORING FRAUDS

| | |
|----------------------------|----------|
| Shri U. Shivaji Poojary | Chairman |
| Shri Jyoti K. Suvarna | Member |
| Shri Bhaskar M. Salian | Member |
| Shri Purushotham S. Kotian | Member |
| Shri Raja V. Salian | Member |
| Shri Vidyanand S. Karkera | MD & CEO |

All the above Committees of the Board met from time to time to carry out the responsibilities entrusted to them for the qualitative growth of the business of the Bank.

Bank ensures highest level of ethical standards, professional integrity and corporate governance. The Bank practices the cardinal principles of business ethics, accountability, responsibility, transparency and effective supervision, which serve as the basic approach to corporate governance.

As part of good corporate governance, meetings of the Board and its various Committees held during the year are as under:-

| Meetings | No. of meetings held |
|--|----------------------|
| Board Meeting | 20 |
| Executive Committee of the Board | 15 |
| Loan Committee of the Board | 22 |
| Audit Committee of the Board | 15 |
| Special Committee of the Board for monitoring Frauds | 4 |

STAFF EXECUTIVE COMMITTEES

Staff Executive Committees comprising of Senior Executives of the Bank are:-

- Asset Liability Management Committee
- Investment Committee
- Executives' Loan Committee
- Risk Management Committee
- Staff Accountability Committee

**OBITUARY**

The Board of Directors regret to state with a deep sense of sorrow about the sad and sudden demise of Shri Jaya C. Suvarna, Ex-Chairman on 21st October, 2020. Shri Jaya C. Suvarna was associated with the Bank as a Director for the period 1982-83, 1985-86 and continuously for a period of 29 years from 1991-92 till the date of his death. He was the Chairman of the Bank for the period 1991-92 to 1993-94, 2000-2003, 2003-2008, 2013-18 and from 2018 till 14/08/2020.

The Board of Directors places on record its sincere appreciation of the selfless and dedicated services, timely guidance rendered by Shri Jaya C. Suvarna during his tenure as Chairman and Director in Bank's growth.

The Board of Directors regret to state with a deep sense of sorrow about the sad demise of Shri M. B. Kuckian, Ex-Director of the Bank on 9th January, 2021. Shri M. B. Kuckian was associated with the Bank as a Director for the period 1989-90 and continuously for a period of 24 years i.e. from 1994-95 to 2017-18. He was the Chairman of the Bank for the period 1999-2000 and Vice-Chairman of the Bank for the period from 1997-98 to 1998-99.

The Board of Directors places on record its sincere appreciation of the selfless and dedicated services, timely guidance rendered by Shri M. B. Kuckian during his tenure as Chairman and Director in Bank's growth.

ACKNOWLEDGEMENT

The Board of Directors expresses gratitude to The Billawar Association, Mumbai & its members for extending their support from time to time.

The Board of Directors thanks all the Members, Customers, Employees, Service Providers, Well-wishers and institutions for extending their whole-hearted support and co-operation in the growth and development of the Bank.

The Board of Directors also wishes to place on record the assistance, guidance and co-operation extended by the following institutions, banks and other authorities:

1. Reserve Bank of India.
2. Central Registrar of Co-operative Societies, Government of India, New Delhi.
3. Commissioner for Co-operation and Registrar for Co-operative Societies, Maharashtra State, Pune.
4. Registrar of Co-operative Societies, Karnataka State, Bengaluru.
5. Registrar of Co-operative Societies, Gujarat State.
6. Officials of Revenue Department at all level in Maharashtra, Karnataka and Gujarat States.

DIRECTORS' REPORT

7. Statutory Auditors, Internal Auditors, Concurrent Auditors, Information Systems Auditors, Legal Advisors & Valuers.
8. National Federation of Urban Co-operative Banks and Credit Societies Ltd., New Delhi.
9. Maharashtra Urban Co-operative Banks Federation Ltd.
10. Brihanmumbai Nagari Sahakari Banks Association, Mumbai.
11. The Maharashtra State Co-operative Banks' Association Ltd., Mumbai.
12. Indian Banks' Association.
13. Foreign Exchange Dealers Association of India (FEDAI).
14. Print & Electronic Media.
15. All the valued Members, Customers, Shareholders and Well-Wishers of the Bank.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : 28.08.2021

U. SHIVAJI POOJARY
CHAIRMAN