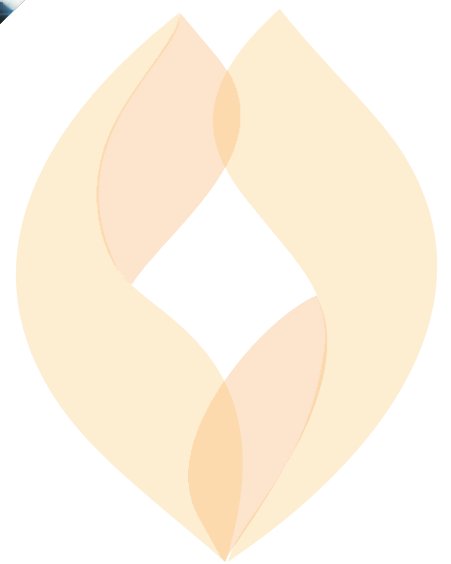




84th ANNUAL REPORT 2022-2023



Progress with Security...
Our Kapol Bank

BOARD OF DIRECTORS

FOUNDER



**Late Rajratna
Shri Khushaldas Kurji Parekh**

CHAIRMAN



Shri Kirti D Shah

VICE CHAIRMAN



Shri Avinash B Parekh

DIRECTORS



Shri Sharadbhai V Parekh



Shri Yogesh B Mehta



Shri Paresh M Parekh



Shri Hemanshu R Mehta



Shri Vijaykumar V Gandhi



Shri Yatin N Mehta



Shri Dharmesh L Rana



Mrs. Meena A Kanakia



Mrs. Meena B Bhuta



Shri Bhimrao M Naik



Shri Sandesh A Sawant



**Mrs Brijdina R Coutinho
Chief Executive Officer**

The Kapol Co-operative Bank Ltd.
Administrative Office,
4 to 7, Ground Floor, Nandanvan,
Ansari Road, Vile Parle (West)
Mumbai – 400 056.

NOTICE OF THE 84TH ANNUAL GENERAL MEETING

The 84th Annual General Meeting of The Kapol Co-operative Bank Limited will be held on Tuesday, 27th June, 2023 at 11.00 a.m. at Shree Gurjar Sutar Vishwakarma Baug, 36/37 Bajaj Road, Vile Parle West, Mumbai – 400 056.

AGENDA

1. To read and confirm the minutes of the 83rd Annual General Meeting.
2. To consider and adopt the Audited Balance Sheet as at 31st March, 2023 and Profit and Loss Account for the year ended 31st March, 2023.
3. To consider the report of Board of Directors for the year 2022-23.
4. To consider the Statutory Audit Report of M/s. Shroff Gonsalves & Dalia for the year ended 31st March, 2023.
5. To consider appointment of Statutory Auditors for the year 2023-24 and authorize the Board to fix their remuneration.
6. Any other matter with the permission of Chair.

BY ORDER OF BOARD
For The Kapol Co-operative Bank Ltd.

Sd/-
BRIJDINA COUTINHO
CHIEF EXECUTIVE OFFICER

Place : Mumbai
Date : 12/06/2023

- Members are requested to submit in writing to the Bank's Administrative Office on or before 19-06-2023 for any question relating to the Directors' Report, Audit Report and the Accounts to be replied at the Annual General Meeting.
- Members are requested to bring the Annual Report with them while attending the Meeting.

Note : Utmost care is taken in publishing of this annual report, but printing error, if any, can be checked and verified from our office. (E.&.O.E)

BOARD OF DIRECTORS

Chairman

Shri Kirti D Shah

Vice Chairman

Shri Avinash B Parekh

Directors

Shri Sharadbhai V Parekh

Shri Yogesh B Mehta

Shri Pares M Parekh

Shri Hemanshu R Mehta

Shri Ashvin P Vora (Directorship till 18/03/2023)

Shri Vijaykumar V Gandhi

Shri Yatin N Mehta

Shri Dharmesh L Rana

Shri Anil S Parekh (Directorship till 18/03/2023)

Mrs. Meena A Kanakia

Mrs. Meena B Bhuta

Shri Bhimrao M Naik

Shri Sandesh A Sawant

Chief Executive Officer

Shri Sandeep Seth

(Resigned w.e.f.23/09/2022)

Mrs Brijdina R Coutinho

(Appointed w.e.f.16/05/2023)

NAME OF THE BANK	: The Kapol Co-op. Bank Ltd.
REGD.OFFICE ADDRESS	: 105, Kapol Bank Building, 1st Floor, 19/21, Picket Cross Road, Kalbadevi, Mumbai – 400 002.
Registration No. &	: 8183/7
Date as Society	: 14.10.1939
Date of Registration	: 17.01.1946 as Bank
Date & No. of RBI Licence	: UBD.MH.474 P 10TH July 1986
Date of Scheduled Status	: 30th January, 1998
Date of Registration & No.	: 09.08.2000
Under Multi-State Co-op.	: MSCS/CR/108/2000
Societies' Act	
Jurisdiction	: Maharashtra State and Ahmedabad and Surat Districts in Gujarat State
No. of Branches	: 15
Membership	
Regular	: 74329
Nominal	: 0
	(Rs. In Lacs)
Paid-up Share Capital	: 1,556.51
Reserve Fund &	
Other Reserves	: 16,982.17
Deposits :	
Savings	: 8,402.35
Current	: 2,341.34
Term	: 6,125.71
Advances	
Secured	: 13512.00
Unsecured	: 371.59
Percentage of	
Priority Sector Advances	: 22.73%
Percentage of	
Weaker Sector Advances	: 26.28%
Investments	: 6,773.68
Audit Classification	: 'D'
Profit for the Year	: (-) 794.35
Total Staff	: 138
Sub-Staff	: 35
Other-Staff	: 103
Working Capital	: 55,501.60

NAMES OF LEGAL ADVISORS			
NO.	NAME	NO.	NAME
1	SHRI RAJENDRA M HARIDAS	6	ADVOCATE SHYAMSUNDER
2	SHRI RAHUL NERLEKAR	7	ADVOCATE AMUL JAWALE
3	ADVOCATE K.M. SANGANI	8	ADVOCATE ANUP KHAITAN
4	ADVOATE SHRAVAN VYAS	9	ADVOCATE JYOTI JALA
5	ADVOCATE NAYNA PATIL		

STATUTORY AUDITORS
M/s. Shroff Gonsalves & Dalia

ATTENDANCE OF BOARD OF DIRECTORS FOR THE PERIOD 01/04/2022 TO 31/03/2023 TOTAL NO. OF BOARD MEETINGS : 13			
Sr. No.	Name	Designation	No.of Attendance
1	Mr. Kirti Dahyalal Shah	Chairman	12
2	Mr. Avinash Bhogilal Parekh	Vice-Chairman	11
3	Shri Sharadbhai V Parekh	Director	7
4	Shri Yogesh B Mehta	Director	7
5	Shri Pares M Parekh	Director	5
6	Shri Hemanshu R Mehta	Director	8
7	Shri Ashvin P Vora	Director	0
8	Shri Vijaykumar V Gandhi	Director	5
9	Shri Yatin N Mehta	Director	12
10	Shri Dharmesh L Rana	Director	12
11	Shri Anil S Parekh	Director	3
12	Mrs. Meena A Kanakia	Director	7
13	Mrs. Meena B Bhuta	Director	5
14	Shri Bhimrao M Naik	Director	4
15	Shri Sandesh A Sawant	Director	4

DIRECTOR'S REPORT

Director's Report 2022-23

Dear Members,

On behalf of the Board of Directors, I extend a warm welcome to all to this 84th Annual General Meeting of the Kapol Co-op. Bank Ltd. We present before you the Audited Statement of Accounts for the Financial Year 2022-23.

Economic Scenario :

Subsequent to the disruption caused by the spread of COVID-19 in the past two financial years, the economy returned to the path of normalization. However, the collapse of few Banks in USA and Europe in the latter part of the year led to apprehension about the stability of the economy in the said countries. The Government of India and the Financial Stability Report of RBI ruled out the possibility of any impact on the banking sector and start-ups in India.

The world economy is yet to recover fully from the after-effects of the COVID Pandemic. The continued Russia-Ukraine war has also contributed to depletion of resources, stagnation of growth and unprecedented hike in inflation across the world including developed nations like the USA and Euro Zone. The distribution of energy, most needed to give impetus to industrial growth, is hampered due to sanctions and geo-political tensions. The crude oil prices, which were already going up before the Ukraine war, went up sharply after the war broke out and continue to affect almost all economies of the world.

The estimates for 2022-23 released by the National Statistical Office (NSO) suggested India's GDP growth will be at 7.0%. At the same time, the RBI had projected country's GDP growth at 7.2% which was later revised to 6.8%. For the next fiscal year i.e. 2023-24, the growth projection by RBI is 6.5%.

GDP growth in 3rd quarter of 2022-23 decelerated to 4.4% as compared to 6.3% of 2nd quarter and 13.2% of the 1st quarter. The fall in GDP was due to contraction in manufacturing, along with weaker private consumption demand and drop in government expenditure. RBI has projected the GDP for 4th quarter at 4.2%. The Government's Budget of R10 lakhs crores on Capital Expenditure for the next fiscal coupled with double digit credit growth may encourage manufacturing and investment activity.

Looking ahead, the inflation trajectory for 2023-24 would be dependent on both domestic and global factors. In case of agricultural output, the Centre expects record food grains production in 2022-23. However, the impact of recent unseasonal rains and hailstorms may affect the food prices.

Indian Banking Sector:

Since May 2020, Repo Rate and Reverse Repo Rate were prevailing at 4.00% and 3.35% respectively. In April 2022 monetary policy, RBI maintained status-quo in terms of policy rates but introduced "Standing Deposit Facility" at 3.75% as replacement to Reverse Repo for parking of surplus funds of the Banks with RBI.

On 4th May, 2022, RBI suddenly hiked Repo Rate by 40bps and Cash Reserve Ratio (CRR) by 5 bps which was unexpected to the market. In F.Y. 2022-23, MPC hiked Repo Rate by 250 bps in 6 tranches continuing their focus on withdrawal of accommodative stance to ensure that inflation remains within the target, while supporting growth.

Liquidity in the banking system of Rs. 7.5 lakhs crores came down to Rs.3.0 lakhs crores during the financial year. The liquidity had even gone into deficit in December 2022. Factors like rise in bank deposits and government spending during January 2023 – March 2023 turned out the liquidity deficit into surplus. The outstanding amount of Rs. 74,648 crores infused by RBI under the Long Term Repo Operations in year 2020 as liquidity support to the banks has matured between February 2023 and April 2023.

After the Repo Rate hike in each Monetary Policy since May 2022. RBI decided to keep the Repo Rate unchanged at 6.50% in its Monetary Policy announced during April 2023. Consequently, the Standing Deposit Facility (SDF) Rate remained unchanged at 6.25% and the Marginal Standing Facility (MSF) / Bank Rate remained at 6.75%. Due to the hike in interest rates by RBI in its successive monetary policy statements, the interest rates in the banking sector were on an upward trajectory during the financial year.

Credit growth of Banks remained at 15% in F.Y. 2022-23 which was the highest since F.Y. 2011-12. However, the deposits expanded by only 9.6% during the same period.

Gross NPAs of scheduled commercial banks fell from 5.9% to 5.0% during the first nine months of F.Y. 2022-23. The average Provisioning Coverage Ratio (PCR) of commercial banks improved from 68.1% to 71.50% in September 2022 on year-on-year basis.

DIRECTOR'S REPORT

NPAs

The Bank's Gross NPA decreased to Rs.133.96 Cr. constituting 96.49% in FY 2022-23 from Rs.137.02 Cr. constituting 95.46% in FY 2021-22 and Net NPA decreased to Rs.3.21 Cr. constituting 39.72% in FY 2022-23 from Rs.3.27 Cr. constituting 33.37% in FY 2021-22. Your Bank is taking every necessary step to reduce NPA of the Bank as well as ensure that minimum slippages of Standard Accounts into NPA. Your Bank recovered Rs.4.21 crs. during FY 2022-23 as against Rs.9.20 crs. in the previous year. However, it may be noted that in the current fiscal i.e. F.Y. 2023-24, the Bank has recovered Rs. 7.24 crs. till the date of this report.

Statutory Audit:

M/s. Shroff Gonsalves & Dalia, Chartered Accountants were appointed as Statutory Auditor of the Bank for the FY 2022-23. The Board is thankful to them for timely completion of audit and offering valuable suggestions.

Performance Highlights :

Rs. In Crores		
Particulars	March 2023	March 2022
Deposits	168.69	187.19
Savings	84.02	91.49
Current	23.41	24.50
Term	61.26	71.20
CASA %	63.68%	61.96%
Advances	138.84	143.54
Share Capital	15.57	15.57
Net Worth	(-) 261.02	(-) 253.61
Operating Profit	(-) 11.32	(-) 8.99
Net Profit / (Loss)	(-) 7.94	(-) 23.49
CRAR	(-) 359.81%	(-) 347.68%
Gross NPAs	133.96	137.02
Net NPAs	3.21	3.27

Settlement of DICGC claims :

DICGC Act 1961 was amended by Deposit Insurance & Credit Guarantee Corporation (Amendment) Act 2021. Government of India has vide Gazette Notification SO.3507(E) dated 27/08/2021 notified September 1, 2021 as the date of coming into effect of the said Amendment Act. As per this Amendment, bank has lodged and DICGC has settled claims of Rs.230.16 crs.

Way Forward :

1. RBI has increased bank rate/ REPO Rate recently and this is expected to increase interest income from investments.
2. Bank continues to be under restrictions u/s 35A of Banking Regulation Act, 1949 imposed by RBI. The Bank has submitted merger proposal with NBFC to RBI which is being followed up by us for early resolution. The bank has submitted action plan to RBI.
3. Bank is also exploring new avenues to increase capital and with the amendments to Multi-State Co-operative Societies Act and Banking Regulation Act in this respect, we expect positive outcome.

Risk Management:

Constitution of Board of Management (BOM):

The bank had in Special General meeting held in December 2019 amended the Byelaws to constitute Board of Management. However looking at the current restricted operations etc, the Bank has so far not constituted Board of Management.

Audit and Inspection:

Bank has put in place various types of audit as per RBI guidelines. Pursuant to inspection report of RBI, the Board has initiated steps to comply with the suggestions, recommendations to bridge the gaps pointed out.

Concurrent Audit:

All Branches, Head office & Demat Cell were covered under the concurrent audit during the year 2022-23.

The Audit department monitors the compliance position of the audit observations and irregularities.

IS Audit:

The Bank had appointed M/s. Yardi Prabhu & Associates LLP for conducting IS Audit of the Bank and accordingly, IS Audit was done in December 2022.

The Bank has submitted IS Audit Report along with Management Response to RBI vide letter dated 10/03/2023. Since capital expenditure is involved in IT revamp, Bank is awaiting RBI approval for CAPEX.

Rectification of short-comings is under process, subject to RBI approval for CAPEX.

Corporate Governance:

Corporate Governance is our priority to ensure and protect stakeholders' interest and benefit. The Management of the Bank recognizes importance of good corporate governance, which is considered of prime importance in achieving organizational efficiency and goals.

The Bank has various committee meetings in the year 2022-23, the details are as follows:

- Board Sub-committees:

The Bank has formed various Sub-Committees for making business decisions and to design business related plans and policies. These sub-committees include Loans and Advances (incl. Recovery & Settlement) Committee, Audit Committee, Premises Committee, Shareholder Committee, Investment & ALM Committee, Shareholder Committee and IT Committee.

- There were 13 meetings of the Board, 12 meetings of Sub-Committees.

Directors :

Shri Ashvin P Vora, Director and Shri Anil S Parekh, Director, were removed by the Board of Directors pursuant to Para 32 of the Bye-Laws of the Bank, on account of continued absence.

Shri Sandeep Seth, Chief Executive Officer, resigned from the Bank w.e.f. 23/09/2022. Bank has appointed Mrs. Brijdina Coutinho, Chief Executive Officer w.e.f. 16/05/2023, brings with her experience of more than 3 years in the Co-operative Banking.

Obituary:

We deeply mourn the death of members of the Bank, customers and staff members who passed away during the financial year 2022-23.

Acknowledgments:

The Board is grateful to the RBI officials and all the Auditors for their valuable guidance during the course of Audit and Inspection. The Board of Directors are also thankful for the valuable support extended by the Union officials, and Staff Members for their support and co-operation. Board is also thankful to all the Depositors and customers.

On behalf of the Board of Directors

Kirti D Shah

Chairman

Date: 12-06-2023

THE KAPOL CO-OP. BANK LTD.
INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31st March 2023

(Under Section 31 of the Banking Regulation Act, 1949 and Section 73(4) of Multi State Co-Operative Societies Act, 2002 and Rule 27 of Multi State Co-Operative Societies Rules).

To,
The Members,
The Kapol Co-op. Bank Ltd.
Report on Financial Statements

Opinion

1. We have audited the accompanying Financial Statements of The Kapol Co-operative Bank Limited, ("the bank") as at **31st March, 2023** which comprise the Balance Sheet as at **31st March, 2023** and the **Profit and Loss Account** and the **Cash Flow Statement** for the year then ended and a summary of significant accounting policies and other explanatory information in which are included returns of Head Office and its departments and 15 branches, which are consolidated in these financial statements. The returns of 15 branches audited by concurrent auditors at the year end and are incorporated in these financial statements. Since all the branches are subjected to concurrent audit, the matter of submission of details of percent of advances /deposits /interest income / interest expense of unaudited branches is not applicable.
2. 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 Cooperative Societies Act, 2002, Multi State Co-operative Societies Rules, 2002 made there under, National Bank for Agricultural and Rural Development and the guidelines issued by the Reserve Bank of India (RBI) and the Central Registrar of Cooperative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the **Balance Sheet**, of the **state of affairs** of the Bank as at **31st March, 2023**;
 - (ii) in the case of the **Profit and Loss Account**, of the **loss** for the year ended on that date; and
 - (iii) in the case of the **Cash Flow Statement**, of the **cash flows** for the year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). 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 ICAI 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 there under and under the provisions of the Multi State Cooperative Societies Act, 2002 and Multi State Co-operative Societies Rules made there under 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 on the Financial Statements.

Material uncertainty related to Going Concern

4. In view of deteriorating financial health of the Bank, continuing operating losses, erosion of networth and full erosion of deposits, concerns were raised by us regarding continuance of "Going Concern" status of the Bank. However, the Bank feels that it continues to remain a "Going Concern" in view of the following:
 - The Bank is permitted to operate the accounts of customers and make permitted payments and also to recover NPA / interest on loans and advances. The amount so recovered is invested in Government Securities. Thus, the Bank is carrying out limited transactions on Deposits / Advances / Investment.
 - The Bank has sufficient liquidity and has not defaulted in maintenance of statutory liquidity requirements like SLR and CRR. At present, the Bank has surplus funds of about Rs.7.33 crores as on 31.03.2023.
 - On recovery front, the Bank has recovered more than Rs.4.10 crores during the year 2022-23 and efforts are on for recovery of other NPA accounts. The Bank expects to recover Rs.50.00 Crores during the year 2023-24.

- Cosmea Financial Holding Pvt. Ltd. has submitted a letter to RBI seeking licence for Small Finance Bank and also to take over Kapol Bank and the proposal is under consideration of RBI.

In view of the above, the Bank has prepared the accounts on “Going Concern” basis. (Refer Note No.5)

The said assumption of going concern is, inter-alia, dependent on Bank’s ability to repay the DICGC liability in 5 yearly instalments, repayment of balance of deposits of Rs.168.69 Crores and acceptance of proposal of Cosmea Financial Holding Pvt. Ltd. by RBI for taking over the Bank. As per the Management of the Bank, the Bank is exploring possibilities of conversion of a large part of the remaining deposits into Equity and the Bank will be able to repay DICGC out of cash and cash equivalents, excess CRR and SLR and sale of mortgaged / owned premises. Further the Bank is hopeful of acceptance of proposal by RBI of Cosmea Financial Holding Pvt. Ltd. of taking over of the Bank.

These conditions along with other matters set forth in the Notes to the Financial Statements indicate that a material uncertainty exists that may cast significant doubt on the Bank’s ability to continue as a going concern. The appropriateness of the assumptions of the going concern is critically depended upon the Bank’s ability to meet its obligation and to revive the business operations of the Bank.

Our opinion on the financial statements is not modified in respect of this matter.

Management’s Responsibility for the Financial Statements

Auditor’s Responsibility

6. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
7. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Bank’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Other Legal and Regulatory Requirements

9. 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, the Multi State Co-operative Societies Rules, 2002.
10. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, we report that:
- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit and have found to be satisfactory;
 - In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/offices;
 - As required by Section 30(3) of the Banking Regulation Act, 1949, we further report that the transactions of the Bank which came to our notice have been within the powers of the Bank.
 - 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 and the returns;
 - The reports on the accounts of the branches/offices audited by the branch auditors have been forwarded to us and have been properly dealt with by us in preparing this Report;
 - 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;
 - In our opinion and according to information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realization of money due to the bank.
11. As required by Rule 27(3) (a) to (f) of the Multi State Co-operative Societies Rules, 2002 we give in the annexure, a schedule on the matters specified in the said Rule.

For Shroff Gonsalves & Dalia
Chartered Accountants
F.R.NO. 112553W

(Rohit Glen Gonsalves)
PARTNER
M NO.: 609405
(Statutory Auditors)

Place : MUMBAI
Date : 09-06-2023
UDIN NO.: 23609405BGUAMD1915

THE KAPOL CO-OP. BANK LTD.,
ANNEXURE TO INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(As referred in Clause 11 of our report of even date as on 31st March, 2023)

As required by the Rule 27(3) of the Multi-State Co-operative Rules, 2002, we report on the matters specified in clauses (a) to (f) of the said Rule to the extent applicable to the Bank.

- a. During the course of our audit, we have generally not come across transactions which appear to be contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.
- b. During the course of our audit, we have not come across material and significant transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding transactions contrary to the guidelines issued by the said Bank are not called for.
- c. The following advances are categorized as doubtful or loss assets as per prudential norms of RBI as on 31.03.2023 and reported in terms of clause (c) of Rule 27(3) of the Multi State Co-operative Societies Rules, 2002:

Category	Amount Outstanding as on 31.03.2023 (Rs. in lakhs)
Doubtful Assets	475.23
Loss Assets	12919.71
Total	13394.94

* A provision of Rs. 13062.04 lakhs has been made against the above advances.

- d. As per the information provided to us and to the best of our knowledge, the following credit facilities have been sanctioned by the Bank to the members of the Board or their relatives:

(Rs. in Crores)			
Particulars	Amount outstanding	Security Value	Overdues, if any
Fund Based	NIL	NIL	NIL
Non Fund Based	NIL	NIL	NIL

- e. During the course of our audit, we have generally not come across any violations of guidelines, conditions etc. issued by the Reserve Bank of India. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding violations of guidelines issued by the said Bank are not called for.
- f. To the best of our knowledge, no other matters have been specified by The Central Registrar of Co-operative Societies, which require reporting under this Rule.

For Shroff Gonsalves & Dalia
Chartered Accountants
F.R.NO. 112553W

(Rohit Glen Gonsalves)
PARTNER
M NO.: 609405
(Statutory Auditors)

Place : MUMBAI
Date : 09-06-2023
UDIN NO.: 23609405BGUAMD1915

AS AT 31ST MARCH,22	CAPITAL AND LIABILITIES	SCH	AS AT 31ST MARCH,23
Rs. Ps.			Rs. Ps.
15,56,51,180.00	1) SHARE CAPITAL	"A"	15,56,51,180.00
1,75,37,22,361.65	2) RESERVE FUND AND OTHER RESERVES	"B"	1,69,82,16,912.47
1,87,18,57,765.34	3) DEPOSITS AND OTHER ACCOUNTS	"C"	1,68,69,40,485.54
2,13,89,16,823.99	4) DICGC BORROWINGS		1,85,51,82,677.21
1,05,000.00	5) BILLS FOR COLLECTION BEING BILLS RECEIVABLE (AS PER CONTRA)		1,05,000.00
(1,383.00)	6) BRANCH ADJUSTMENTS (Net)		6,740.00
2,73,68,55,979.05	7) OVERDUE INTEREST RESERVE		3,23,04,94,789.67
8,20,03,486.45	8) INTEREST PAYABLE ON TERM DEPOSITS		13,41,62,984.21
2,72,82,612.60	9) OTHER LIABILITIES	"D"	1,99,99,613.57
8,76,63,93,826.08			8,78,07,60,382.67
3,89,19,150.00	CONTINGENT LIABILITIES : GUARANTEES ISSUED		3,68,71,150.00
4,66,33,221.67	DEAF ACCOUNT WITH RBI		4,66,33,221.67
	NOTES ON ACCOUNTS	"K"	

NOTES ON ACCOUNTS FORM PART OF ACCOUNTS

PER OUR REPORT OF EVEN DATE

 For SHROFF GONSALVES & DALIA
 CHARTERED ACCOUNTANTS
 FRN:112553W

 SHARAD VRAJLAL PAREKH
 DIRECTOR

 KIRTI DAYALAL SHAH
 CHAIRMAN

 YOGESH BABULAL MEHTA
 DIRECTOR

 (Rohit Glen Gonsalves)
 PARTNER
 M NO.: 609405
 (Statutory Auditors)

 VIJAYKUMAR VITHALDAS GANDHI
 DIRECTOR

 YATIN NATVARLAL MEHTA
 DIRECTOR

 Place : MUMBAI
 Date : 09-06-2023
 UDIN NO.: 23609405BGUAMD1915

 MEENA BHARATKUMAR BHUTA
 DIRECTOR

 BHIMRAO MALLAPA NAIK
 DIRECTOR

BALANCE SHEET AS AT 31ST MARCH, 2023



AS AT 31ST MARCH,22	PROPERTY AND ASSETS	SCH	AS AT 31ST MARCH,23
Rs. Ps.			Rs. Ps.
19,12,37,119.76	1) CASH AND BANK BALANCES		20,14,70,171.24
7,29,70,706.43	2) BALANCES WITH OTHER BANKS		4,37,17,148.02
	3) MONEY AT CALL AND SHORT NOTICE		-
1,12,65,77,716.25	4) INVESTMENTS	"E"	67,33,67,813.00
1,43,54,09,034.70	5) ADVANCES	"F"	1,38,83,59,461.75
	6) INTEREST RECEIVABLE		
1,37,32,379.35	On Investments		93,39,937.35
2,27,86,581.70	On Performing Advances		2,11,57,462.70
2,73,68,55,979.05	On Non-Performing Assets per Contra		3,23,04,94,789.67
1,05,000.00	7) BILLS RECEIVABLE BEING BILLS FOR COLLECTION PER CONTRA		1,05,000.00
21,34,16,054.01	8) FIXED ASSETS (GROSS BLOCK LESS ACC.DEPR.)	"G"	19,77,90,219.66
4,07,14,210.21	9) OTHER ASSETS	"H"	3,12,39,670.78
5,07,73,932.00	10) DEFERRED TAX ASSET		4,24,68,492.00
2,86,18,15,112.62	11) PROFIT AND LOSS ACCOUNT	"I"	2,94,12,50,216.50
8,76,63,93,826.08			8,78,07,60,382.67

Signature to the Accounts including Schedules and Notes on Accounts

FOR THE KAPOL CO OPERATIVE BANK LTD.

AVINASH BHOGILAL PAREKH
VICE-CHAIRMAN

PARESH MOHANLAL PAREKH
DIRECTOR

HEMANSHU RAMNIKLAL MEHTA
DIRECTOR

DHARMESH LAXMIKANT RANA
DIRECTOR

MEENA ASHOK KANAKIA
DIRECTOR

SANDESH ARJUN SAWANT
DIRECTOR

BRIJDINA COUTINHO
CHIEF EXECUTIVE OFFICER

PREVIOUS YEAR Rs. Ps.		EXPENDITURE	SCH	CURRENT YEAR Rs. Ps.	
9,42,51,725.16		1. INTEREST ON DEPOSITS & BORROWINGS	"J"	5,65,26,258.83	
9,02,31,984.83		2. SALARIES, ALLOWANCES, BONUS & EX-GRATIA		8,97,52,986.59	
3,44,66,740.88		3. RENT, TAXES, INSURANCE & LIGHTING		3,01,45,412.31	
39,29,584.00		4. LEGAL & PROFESSIONAL CHARGES		59,01,637.00	
8,80,250.00		5. AUDIT FEES		9,90,500.00	
26,50,009.28		6. POSTAGE, TELEGRAMS & TELEPHONE CHARGES		25,46,116.94	
42,52,960.86		7. DEPRECIATION & REPAIRS to BANK'S ASSETS		44,79,326.38	
32,95,942.08		8. PRINTING, STATIONERY & ADVERTISEMENTS		23,91,199.64	
1,03,35,266.61		9. OTHER EXPENDITURE		1,02,11,672.89	
99,639.04		10. LOSS ON SALE OF ASSET		79,386.28	
17,08,277.52		11. PREMIUM ON INVESTMENT AMORTISED			
14,50,00,000.00		12) PROVISION FOR BAD & DOUBTFUL DEBTS			
39,11,02,380.26				20,30,24,496.86	
		To Net Loss B/D	"K"	8,24,35,103.88	
		NOTES ON ACCOUNTS			

NOTES ON ACCOUNTS FORM PART OF ACCOUNTS

This is the Profit & Loss A/C referred to in our Report of Even Date

For SHROFF GONSALVES & DALIA
 CHARTERED ACCOUNTANTS
 FRN:112553W

(Rohit Glen Gonsalves)
 PARTNER
 M NO.: 609405
 (Statutory Auditors)

Place : MUMBAI
 Date : 09-06-2023
 UDIN NO.: 23609405BGUAMD1915

SHARAD VRAJLAL PAREKH
 DIRECTOR

VIJAYKUMAR VITHALDAS GANDHI
 DIRECTOR

MEENA BHARATKUMAR BHUTA
 DIRECTOR

KIRTI DAYALAL SHAH
 CHAIRMAN

YOGESH BABULAL MEHTA
 DIRECTOR

YATIN NATVARLAL MEHTA
 DIRECTOR

BHIMRAO MALLAPA NAIK
 DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2023



PREVIOUS YEAR Rs. Ps.		INCOME		SCH CURRENT YEAR Rs. Ps.	
13,01,11,619.99		1. INTEREST & DISCOUNT		7,13,72,222.02	
-		2. PROFIT FROM SALE OF INVESTMENTS		-	
1,18,09,559.84		3. COMMISSION, EXCHANGE & BROKERAGE (NET)		54,00,788.26	
-		4. PROFIT ON SALE OF FIXED ASSETS		6,52,575.08	
		5. OTHER RECEIPTS			
18,68,940.73		Misc. Receipts	11,36,362.63		
1,43,457.02		Rent from Pkt. Rd. Bldg.	1,40,075.64		
22,56,032.63		Rent on S.D.V. Lockers	10,40,396.60		
		Dividend on Bank Share	22,776.00		
			<u>23,39,610.87</u>	23,39,610.87	
1,00,00,000.00		6. INVESTMENT WRITTEN OFF IN THE EARLIER YEARS NOW RECOVERED		1,00,00,000.00	
		7. EXCESS PROVISION FOR BAD AND DOUBTFUL DEBTS REVERSED		3,00,00,000.00	
		8. PROVISION FOR STANDARD ASSETS REVERSED		30,00,000.00	
		9. INVESTMENT DEPRECIATION RESERVE		61,29,636.75	
23,49,12,770.05		NET LOSS BEFORE TAX		7,41,29,663.88	
-		Add: Deferred Tax		83,05,440.00	
23,49,12,770.05		NET LOSS AFTER TAX C/D		8,24,35,103.88	
39,11,02,380.26				20,30,24,496.86	
		By Investment Fluctuation Reserve		30,00,000.00	
		By Net Loss Carried to Balance Sheet		7,94,35,103.88	

FOR AND ON BEHALF OF BOARD OF DIRECTORS

FOR THE KAPOL CO OPERATIVE BANK LTD.

AVINASH BHOGILAL PAREKH
VICE-CHAIRMAN

PARESH MOHANLAL PAREKH
DIRECTOR

HEMANSHU RAMNIKLAL MEHTA
DIRECTOR

DHARMESH LAXMIKANT RANA
DIRECTOR

MEENA ASHOK KANAKIA
DIRECTOR

SANDESH ARJUN SAWANT
DIRECTOR

BRIJDINA COUTINHO
CHIEF EXECUTIVE OFFICER

AS AT 31ST MARCH, 2022	PARTICULARS		AS AT 31ST MARCH, 2023
<u>30,00,00,000.00</u>	SCHEDULE-"A" SHARE CAPITAL		<u>30,00,00,000.00</u>
	A) Authorised Capital 30000000 (30000000) Shares of Rs.10/- each		
	B) Issued, Subscribed and Paid-up : 15565118 (15565118) Shares of Rs.10/- each fully paid: held by :		
8,21,87,680.00	Individuals : 82,18,768 (82,18,768)	8,21,87,680.00	
7,34,63,500.00	Others : 73,46,350 (73,46,350)	7,34,63,500.00	
			15,56,51,180.00
15,56,51,180.00			15,56,51,180.00
	SCHEDULE-"B" RESERVE FUND & OTHER FUNDS		
17,61,74,068.65	a) Statutory Reserve Fund	17,61,74,068.65	
2,35,00,000.00	b) Building Fund	2,35,00,000.00	
1,33,74,92,186.06	c) Reserve for Bad & Doubtful Debts	1,30,74,92,186.06	
3,91,761.00	d) Charity Fund	3,91,761.00	
20,48,552.00	e) Contingency Reserve Fund	20,48,552.00	
18,40,23,218.03	f) Revaluation Reserve	17,10,07,788.85	
2,69,030.00	g) Staff Welfare Fund	2,69,030.00	
40,90,000.80	h) Members' Welfare Fund	40,90,000.80	
89,10,734.62	i) General Reserve	89,10,734.62	
74,90,020.00	j) Investment Depreciation Reserve	10,00,000.00	
38,86,617.78	k) Contingent Reserve Fund towards Standard Assets	8,86,617.78	
54,46,172.71	l) Investment Fluctuation Reserve	24,46,172.71	1,69,82,16,912.47
1,75,37,22,361.65			1,69,82,16,912.47
	SCHEDULE-"C" DEPOSIT AND OTHER ACCOUNTS		
	(i) TERM DEPOSITS (including Matured Term Deposits Rs.57,49,09,644.38 Pr. Year Rs.45,03,64,507.70)		
66,65,48,506.18	a) From Individuals & Others	57,00,09,272.88	
4,54,72,209.00	b) From Societies	4,25,61,678.00	61,25,70,950.88
	(ii) SAVINGS BANK DEPOSITS		
88,84,82,132.29	a) From Individuals & Others	81,58,37,054.01	
2,64,00,974.14	b) From Societies	2,43,98,116.21	84,02,35,170.22
	(iii) CURRENT DEPOSITS		
24,19,16,837.21	a) From Individuals & Others	23,11,37,862.89	
30,37,106.52	b) From Societies	29,96,501.55	23,41,34,364.44
1,87,18,57,765.34			1,68,69,40,485.54

SCHEDULES TO BALANCE SHEET



AS AT 31ST MARCH, 2022	PARTICULARS		AS AT 31ST MARCH, 2023
	SCHEDULE-"D"		
	OTHER LIABILITIES		
27,96,536.37	a) Pay orders Issued	24,52,564.37	
16,64,412.16	b) Stale Payorder Issued Payable	16,64,412.16	
2,08,593.30	c) Suspense Account	2,08,593.30	
62,616.34	d) Suspense Payable	62,616.34	
1,29,87,055.12	e) Sundries	1,37,35,785.22	
13,14,171.87	f) Provision for Income Tax	13,14,171.87	
82,49,227.44	g) Other Provisions	5,61,470.31	
			1,99,99,613.57
2,72,82,612.60			1,99,99,613.57
	SCHEDULE-"E"		
	INVESTMENTS		
1,12,61,21,716.25	(i) In Central & State Govt. Securities	67,29,11,813.00	
4,56,000.00	(ii) Shares in Co-operative Institutions	4,56,000.00	
-	(iii) P.S.U. Bonds & Bonds of A.I.F.I.		
			67,33,67,813.00
1,12,65,77,716.25			67,33,67,813.00
	SCHEDULE-"F"		
	ADVANCES		
	1) Short Term Loan, Cash Credit, Overdraft and Bill Discounted of which secured against:		
5,66,255.52	a) Government & Other approved securities	5,50,724.52	
1,03,29,09,950.61	b) Other Tangible Securities	1,00,57,01,575.79	
1,20,37,233.27	c) Personal Sureties	1,08,88,797.58	
1,04,55,13,439.40			1,01,71,41,097.89
	2) Medium Term Loan of which Secured against:		
-	a) Government & Other approved Securities	-	
30,72,07,764.51	b) Other Tangible Securities	30,60,79,764.51	
2,67,12,263.89	c) Personal Sureties	2,63,63,973.39	
33,39,20,028.40			33,24,43,737.90
	3) Long Term Loans of which Secured against:		
5,59,75,566.90	a) Government & Other approved Securities	3,87,74,625.96	
-	b) Other Tangible Securities	-	
-	c) Personal Sureties	-	
5,59,75,566.90			3,87,74,625.96
1,43,54,09,034.70			1,38,83,59,461.75

AS AT 31ST MARCH, 2022	PARTICULARS		AS AT 31ST MARCH, 2023
	SCHEDULE-"G"		
	FIXED ASSETS		
	I) FURNITURE & FIXTURES		
2,91,75,457.08	GROSS BLOCK		
	At Original cost	2,91,75,457.08	
	Add: Additions during the year	-	
	Less: Sales / Write off / Trfd. during the year	9,73,355.44	
	Total		2,82,02,101.64
2,34,90,664.29	ACCUMULATED DEPRECIATION		
	Opening Balance	2,34,90,664.29	
	Add: Depreciation during the year	5,55,183.08	
	Less: Depreciation write back during the year	8,18,151.24	
			2,32,27,696.13
56,84,792.79	NET BLOCK (I)		49,74,405.51
	II) OFFICE EQUIPMENT		
1,72,45,837.15	GROSS BLOCK		
	At Original cost	1,72,45,837.15	
	Add: Additions during the year	-	
	Less: Sales / Write off / Trfd. during the year	2,75,421.77	
	Total		1,69,70,415.38
1,52,20,200.67	ACCUMULATED DEPRECIATION		
	Opening Balance	1,52,20,200.67	
	Add: Depreciation during the year	2,99,786.17	
	Less: Depreciation write back during the year	2,48,360.00	
			1,52,71,626.84
20,25,636.48	NET BLOCK (II)		16,98,788.54
	III) COMPUTER HARDWARE		
3,93,43,997.56	GROSS BLOCK		
	At Original cost	3,93,43,997.56	
	Add: Additions during the year	-	
	Less: Sales / Write off / Trfd. during the year	1,61,064.83	
	Total		3,91,82,932.73
3,93,41,461.16	ACCUMULATED DEPRECIATION		
	Opening Balance	3,93,41,461.16	
	Add: Depreciation during the year	1,625.00	
	Less: Depreciation write back during the year	1,61,055.83	
			3,91,82,030.33
2,536.40	NET BLOCK (III)		902.40
	IV) SAFE DEPOSIT LOCKERS		
40,99,955.57	GROSS BLOCK		
	At Original cost	40,99,955.57	
	Add: Additions during the year	-	
	Less: Sales / Write off / Trfd. during the year	4,55,658.00	
	Total		36,44,297.57

SCHEDULES TO BALANCE SHEET



AS AT 31ST MARCH, 2022	PARTICULARS		AS AT 31ST MARCH, 2023
38,32,905.06	ACCUMULATED DEPRECIATION		
	Opening Balance	38,32,905.06	
	Add: Depreciation during the year	39,733.67	
	Less: Depreciation write back during the year	4,53,498.68	34,19,140.05
2,67,050.51	NET BLOCK (IV)		2,25,157.52
	V) CIVIL WORK		
47,59,005.16	GROSS BLOCK		
	At Original cost	47,59,005.16	
	Add: Additions during the year	-	
	Less: Sales / Write off / Trfd. during the year	-	
	Total		47,59,005.16
35,64,804.16	ACCUMULATED DEPRECIATION		
	Opening Balance	35,64,804.16	
	Add: Depreciation during the year	1,19,420.10	
	Less: Depreciation write back during the year	-	
			36,84,224.26
11,94,201.00	NET BLOCK (V)		10,74,780.90
	VI) MOTOR VEHICLES		
24,28,249.00	GROSS BLOCK		
	At Original cost	24,28,249.00	
	Add: Additions during the year	-	
	Less: Sales / Write off / Trfd. during the year	-	
	Total		24,28,249.00
19,01,857.34	ACCUMULATED DEPRECIATION		
	Opening Balance	19,01,857.34	
	Add: Depreciation during the year	78,958.75	
	Less: Depreciation write back during the year	-	
			19,80,816.09
5,26,391.66	NET BLOCK (VI)		4,47,432.91
	VII) COMPUTER SOFTWARE		
1,33,26,962.63	GROSS BLOCK		
	At Original cost	1,33,26,962.63	
	Add: Additions during the year	-	
	Total		1,33,26,962.63
1,33,26,962.63	ACCUMULATED DEPRECIATION		
	Opening Balance	1,33,26,962.63	
	Less: WDV re-instated	-	
	Add: Depreciation during the year	-	1,33,26,962.63

AS AT 31ST MARCH, 2022	PARTICULARS		AS AT 31ST MARCH, 2023
-	NET BLOCK (VII)		-
17,72,434.60	VIII) DEAD STOCK GROSS BLOCK At Original cost Less : Sales /Write off / Trfd. during the year Total	17,72,434.60 108475.80 <u> </u>	16,63,958.80
14,81,199.66	ACCUMULATED DEPRECIATION Opening Balance Add: Depreciation during the year Less : Sales /Write off / Trfd. during the year	14,81,199.66 25615.81 <u>73398.89</u>	14,33,416.58
2,91,234.94	NET BLOCK (VIII)		2,30,542.22
23,97,64,394.35	IX) PREMISES GROSS BLOCK (Including revaluation reserve of Rs. 16,35,14,527.56) At Original cost Add: Additions during the year Add: Reverse amortisation Less: Sales / Write off / Trfd. during the year Total	23,97,64,394.35 - - <u>-</u>	23,97,64,394.35
3,63,40,184.12	ACCUMULATED DEPRECIATION Opening Balance Add: Depreciation during the year Add : Revaluation Reserve amortisation Less : Adjustment Entry	3,63,40,184.12 12,70,571.39 1,30,15,429.18 <u> </u>	5,06,26,184.69
20,34,24,210.23	NET BLOCK (IX)		18,91,38,209.66
21,34,16,054.01	NET BLOCK TOTAL (I+II+III+IV+V+VI+VII+VIII+IX)		19,77,90,219.66
15,88,752.44 11,77,377.50 1,24,39,242.01 2,40,268.13 5,800.00 2,47,94,154.13 4,68,616.00	SCHEDULE-"H" OTHER ASSETS a) Tax Deducted at Source b) Telephone, Electricity & Other Deposits c) Rent & Other Deposits for Premises d) Stock of Stationery e) Postage Stamps & Stamped Documents on Hand f) Sundries g) Advance Tax	7,72,292.44 11,92,883.24 1,04,17,242.01 1,83,217.65 4,690.00 1,82,00,729.44 <u>4,68,616.00</u>	3,12,39,670.78
4,07,14,210.21			3,12,39,670.78

THE KAPOL CO-OPERATIVE BANK LTD.
SCHEDULES TO PROFIT AND LOSS ACCOUNT



AS AT 31ST MARCH, 2022	PARTICULARS		AS AT 31ST MARCH, 2023
	SCHEDULE-"I"		
	PROFIT AND LOSS ACCOUNT		
2,62,69,02,342.57	Profit as per last Balance Sheet	2,86,18,15,112.62	
23,49,12,770.05	Add: Net Loss for the year as per Profit & Loss A/c.	7,94,35,103.88	
2,86,18,15,112.62			2,94,12,50,216.50

SCHEDULES TO PROFIT AND LOSS ACCOUNT

AS AT 31ST MARCH, 2022	PARTICULARS		AS AT 31ST MARCH, 2023
	SCHEDULE- "J"		
	OTHER EXPENDITURE		
15,73,759.34	i) Miscellaneous Charges	26,36,885.67	
6,13,275.72	ii) Conveyance Charges	8,29,481.00	
524303.58	iii) Cash Van / Motor Car Exps.	4,91,428.38	
25,16,546.00	iv) Security Service Charges	25,47,957.33	
9,32,580.00	v) Customer Meeting Expenses	1,75,825.26	
	a) Printing of Annual Reports 67500.00 (784580.00)		
	b) Meeting Expenses (AGM) 108325.26 (147900.00)		
6,32,375.05	vi) Demat Expenses	7,18,839.97	
1,77,288.72	vii) Water Charges	3,04,511.00	
1,21,104.62	viii) Bank Charges	16,949.08	
49,198.00	ix) Travelling Expenses	2,16,241.00	
2,54,750.00	x) Computer Software Expenses	1,63,400.00	
148.00	xi) Interest on Tax	-	
29,36,337.58	xii) Cenvat Reversal A/c.	21,10,154.20	
-	xiii) Election Expenses	-	
1,500.00	xiv) Locker Rent Other Bank	-	
2,100.00	xv) Loss on settlement of stamp duty	-	
			1,02,11,672.89
1,03,35,266.61			1,02,11,672.89

SCHEDULE – “K”

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2023

I. 1. OVERVIEW

I. 1) OVERVIEW

The Kapol Co-op. Bank Ltd. (Kapol Bank) was incorporated in 1939 and has completed its 84 years of provision of wide range of Banking and Financial Services including commercial Banking and Treasury Operations.

2) BASIS OF PREPARATION

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act 1949, and the Multi State Co-operative Societies Act, 2002, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, the Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') and current practices prevailing within the banking industry of India.

3) USE OF ESTIMATES

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

II. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The financial statements are drawn up keeping in mind the historical costs and going concern concept and in accordance with generally accepted accounting principles and practices prevailing in Co-Operative Banks in India except otherwise stated.

2. Revenue Recognition

Income and expenditure are accounted on accrual basis except as stated below:

- a. Interest on Advances classified as Sub-standard, Doubtful or Loss Assets are recognized on realization. Unrealized interest on non-performing advances are shown under "Overdue Interest Reserve" and correspondingly shown under "Interest Receivable" in the Balance Sheet.
- b. Commission, Exchange and Locker Rent is recognized as income on receipt basis.
- c. Interest on Fixed Income Securities is recognized on accrual basis in case it is serviced regularly.
- d. Broken period interest in respect of investments is treated as an item of revenue in Profit and Loss Account.

3. Investments

- (i) The Bank has classified the investments in accordance with the RBI guidelines applicable to Urban Co-Operative Banks. Accordingly, classification of investments for the purpose of valuation is done under the following categories:
 - i) Held to Maturity (HTM)
 - ii) Held for Trading (HFT)
 - iii) Available for Sale (AFS)
- (ii) Investments under HTM category are valued at face value. Premium, if any, on investments under HTM category is amortized over the residual life of the particular investment.
- (iii) Investments under "HFT" and "AFS" categories have been marked to market on the basis of guidelines issued by Reserve Bank of India. While net depreciation, if any, under each classification has been provided for, net appreciation, if any, has been ignored.
- (iv) For the purpose of valuation, market value in the case of State Govt. and other Securities, for which quotes are not available, is determined on the basis of the "Yield to Maturity" indicated by Primary Dealers Association of India (PDAI) jointly with Fixed Income and Money Market Derivates Association of India (FIMMDA).

4. Advances

- (i) Advances are classified into Standard, Sub-Standard, Doubtful and Loss Assets in accordance with the guidelines issued by the Reserve Bank of India from time to time.
- (ii) 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 on standard assets is made as per RBI guidelines.

5. Property, Plant & Equipment (AS 10):

- (i) Property, Plant and Equipment are stated at historical cost less accumulated depreciation in accordance with AS 10 issued by Institute of Chartered Accountants of India (ICAI). Fixed Assets include incidental expenses incurred on acquisition and installation of the assets.
- (ii) Depreciation is provided on written down value on all the fixed assets except computers and premises. Depreciation on computers is calculated under Straight Line Method @ 33 1/3%.
- (iii) Depreciation on premises is calculated on the basis of rate determined with reference to residual life of each item of premises. Estimated life of premises is considered as 60 years.
- (iv) Fixed Assets are depreciated on written down value basis at the rates and in the manner prescribed by the Management of the Bank as under:

Furniture & Fixtures	10 %
Vehicles	15 %
Office equipment	15 %
Safe Deposit Vault	15 %
Civil Work	10 %

- (v) Depreciation on assets purchased is charged on pro-rata basis to the extent of asset put to use. Depreciation on assets sold is also charged on pro-rata basis till the asset is held in possession of the Bank.
- (vi) Profit/ Loss on sale or disposal of asset is recognized in the year in which such sale or disposal takes place.

6. Staff Retirement Benefits

- (i) Privilege leave is the defined benefit scheme. The Bank has taken policy for its employees under the Employees Group Leave Encashment cum Life Assurance Scheme managed by Life Insurance Corporation of India. In terms of Accounting Standard-15 (Revised), interest cost, current service cost and net actuarial gain/loss is charged to the Profit and 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.
- (ii) Provident fund contributions are made to Government Provident Fund on actual basis.
- (iii) Gratuity payable to staff is provided on the basis of actuarial valuation determined by LIC by way of premium.

7. Taxation:

Tax expense comprises both deferred and current taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.

8. Segment Reporting:

In accordance with the guidelines issued by RBI, Segment Reporting is made as under:

- i) Treasury 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 consist 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.

ii) Other Banking Operations include all other operations not covered under Treasury operations.

9. Provisions, Contingent Liabilities and Contingent Assets:

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 reliable estimates 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:

- 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
- 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 continually.

II. NOTES ON ACCOUNTS:

- Board of Directors which has taken over charge of the Bank from 11.06.2019 was functioning during the F.Y. 2022-23 and was taking all Administrative decision as hitherto.
- Reserve Bank of India (RBI) vide its letter no. DCBR.CO.AID No.D-16/12.22.111/2017-18 dated 25/09/2017 issued directions to the bank under section 35A and allowed the Bank to extend period of its operations till 31.03.2018 initially. In the said communication, under directions from RBI, the customers were permitted to withdraw upto Rs.10,000/- per depositor. Further, the Bank was permitted to adjust term deposits pledged to loan accounts of the Borrowers of the Bank. RBI has also advised Bank to consider requests from customers for hardship payment vide their communication dated DCBS/MRO/BSS-1/5650/12.07 .111 /2016- 17 dated 06/04/2017. The Bank has been considering such proposals received from customers.
- RBI has by various communications dated 20.03.2018, 23.07.2018, 24.01.2019, 29.01.2020, 31.07.2020 and 25.06.2021,29.04.2022,18.10.2022,31.01.2023 and 28.04.2023 has allowed the Bank to extend its period of operations till 31.07.2018, 31.01.2019,31.07.2019,31.01.2021,31.10.2021,31.01.2022,31.10.2022,31.01.2023, 30.04.2023 and 31.07.2023 respectively with other terms & conditions of Directions remaining unchanged.
- The Bank repaid deposits to depositors having total deposits in all accounts upto Rs.5.00 lakhs as per the DICGC guidelines out of the amount received from DICGC during the years 2021-22 and 2022-23. The amount received from DICGC of Rs.230.16 Crores is to be repaid to DICGC in 5 equal yearly installments commencing from December 2022. The Bank has paid an amount of Rs.46.03 Crores during the year 2022-23 to DICGC towards the first installment. The Bank is hopeful of repaying the remaining instalments out of the cash, cash equivalents, sale of mortgaged properties / Bank's own properties and surplus CRR and SLR.sale of mortgaged properties / Bank's own properties and excess CRR and SLR.
- In view of deteriorating financial health of the Bank, continuing operating losses, erosion of network and full erosion of deposits, concerns were raised by the auditors regarding continuance of "Going Concern" status of the Bank. However, the Bank feels that it continues to remain a "Going Concern" in view of the following:
 - The Bank is permitted to operate the accounts of customers and make permitted payments and also to recover NPA / interest on loans and advances. The amount so recovered is invested in Government Securities. Thus, the Bank is carrying out limited transactions on Deposits / Advances / Investment.
 - The Bank has sufficient liquidity and has not defaulted in maintenance of statutory liquidity requirements like SLR and CRR. At present, the Bank has surplus funds of about Rs.7.33 crores as on 31.03.2023.
 - On recovery front, the Bank has recovered more than Rs.4.10 crores during the year 2022-23 and efforts are on for recovery of other NPA accounts. The Bank expects to recover Rs.50.00 Crores during the year 2023-24.
 - Cosmea Financial Holding Pvt. Ltd. has submitted a letter to RBI seeking licence for Small Finance Bank and also to take over Kapol Bank and the proposal is under consideration of RBI.

In view of the above, the Bank has prepared the accounts on "Going Concern" basis.

6) In view of losses as per the books and as per the computation of income, there is no tax liability and hence, no provision for income tax is made in the accounts. Deferred tax arising out of timing difference between Book profit and taxable profit has also not been recognized due to uncertainty about realization of deferred tax asset out of future taxable profits.

7) The Bank has not restructured any loans during the year. As such, disclosure of restructured loans as required by RBI guidelines is not given.

8) Miscellaneous receipts of Rs. 1136362.63 include Demat Service Charges of Rs. 842690.02, Service Charges of Rs.75338.12, interest on income tax refund of Rs.31830.00 and others of Rs. 186504.49.

9) Investments

Bank had lent Call Money of Rs.800.00 Lakhs to Madhavpura Mercantile Co-op. Bank Ltd. in 2001, which was identified as non-performing Investment by the Bank due to non-recovery of the said investment. Recovery of Rs.190.00 Lakhs was made by the Bank subsequently and balance irrecoverable amount of Rs.610.00 Lakhs was fully written off in the year 2011-12. Bank had lodged claim with the said Bank for recovery of the balance amount of Rs.610.00 Lakhs and is able to recover Rs. 100.00 Lakhs in the current financial year. As the amount was fully written off in the books in the earlier year, amount recovered of Rs.100.00 lakhs is credited to the Profit & Loss account under the head "Investment Written Off in earlier years now recovered".

10)AS-5 - Prior Period Adjustment

There are no material prior period expenditure / income requiring disclosure by the Bank during the year.

11)AS-10 - Property, Plant and Equipment:

□ The Bank has disclosed property, plant and equipment at historical cost and depreciation thereon in accordance with AS 10 issued by ICAI.

12)AS -15 – Retirement Benefits

Since present value of obligations is in excess of fair value of plan assets by Rs.287.69 Lakhs, there is no liability on the Bank towards gratuity. The details as required by Accounting Standard 15 (AS 15) (Revised) - issued by ICAI pertaining to Gratuity is as under:

(Rs. in Lakhs)

Sr. No.	Particulars	Gratuity (Funded) 31.03.2022	Gratuity (Funded) 31.03.2023
1	Discount rate	7.00%	7.25%
2	Expected Return on plan assets	7.00%	7.00%
3	Salary escalation rate	8.00%	8.00%
4	Reconciliation of opening and closing balance of the present value of the defined benefit obligation:		
	i. Present value of obligation as at 01.04.2022	495.90	552.95
	ii. Interest cost	34.72	38.71
	iii. Current service cost	19.67	20.65
	Liability transfer in		
	iv. Benefits paid	-0.76	-16.87
	v. Actuarial (gains) / loss on obligations	5.08	(126.20)
	vi. Present value of obligation as at 31-03-2023	554.61	469.225
5	Reconciliation of opening & closing balance of fair value of fair plan assets:		
	i. Fair value of plan assets as at 01-04-2022	674.60	720.82
	ii. Expected return on plan assets	49.53	52.96
	iii. Contributions	NIL	NIL
	iv. Benefits paid	-0.76	-16.87
	v. Actuarial (gain) / loss on plan assets	NIL	NIL
	vi. Fair value of plan assets as at 31-03-2023	723.37	756.91

Sr. No.	Particulars	Gratuity (Funded) 31.03.2022	Gratuity (Funded) 31.03.2023
6	Fair Value of Plan Assets		
	Fair value of plan assets at beginning of year	674.60	720.82
	Actual return on plan assets	49.53	52.96
	Contributions NIL	NIL	
	Benefits Paid	-0.76	-16.87
	Fair value of plan assets at the end of year	723.37	756.91
	Funded status	168.76	287.69
7	Amount recognized in Balance Sheet		
	i. Present value of obligations as at 31-03-2023	554.61	469.22
	ii. Fair value of Plan Assets as at 31-03-2023	723.37	756.91
	iii. Funded Status	168.76	287.69
	iv. Assets / (liability) as at 31-03-2023	168.76	287.69
8	Expenses recognized in Profit & Loss Account		
	i. Current service cost	19.67	20.65
	ii. Interest cost	34.72	38.71
	iii. Expected Return on planned Assets	-49.53	-52.96
	iv. Net actuarial (gain) / loss	-5.08	-12.62
	v. Expenses to be recognized in Profit & Loss Account	-0.22	-11.98

13) AS-17--Primary Segment Reporting (By Business Segments)

(Rs. in lakhs)

	Treasury	Other Banking Operations	Total
Segment Revenue	551.96	245.69	797.65
	(554.03)	(907.87)	(1461.90)
Less: Segment Cost	1578.32	455.53	2033.85
	(1079.67)	(1381.36)	(2461.03)
Result Profit/ (loss)	(1026.36)	(209.84)	(1236.20)
	(-525.64)	(-473.49)	(-999.13)
(Less): Provisions			NIL
			(1450.00)
Add: Extraordinary income			430.00
			(100.00)
(Less): Income Tax Expenses			(83.05)
			NIL
Net Profit (Loss)			(824.35)
			(-2349.13)
OTHER INFORMATION			
Segment Assets	6827.08	51065.26	57892.34
	(11403.10)	(47061.92)	(58465.02)
Unallocated Assets			29915.26
			(29198.92)
Total Assets			87807.60
			(87663.94)

	Treasury	Other Banking Operations	Total
Segment Liabilities	34.46 (129.36)	69266.86 (68569.27)	69301.32 (68698.63)
Unallocated Liabilities			18506.28 (18965.31)
Total Liabilities			87807.60 (87663.94)

- i) Previous year's figures are in brackets ().
- ii) The Bank is catering mainly to the needs of Indian customers, operates as a single unit in India, hence separate information regarding geographical segment is not given.
- iii) Business segments are classified as under---
- Treasury: Dealing operations in Money Market Instruments, Trading/ Investment in Bonds/ Government Securities.
 - Other Banking Operations: Local finance / services.
- iv) The above segments are reported based on the nature of products/services and their attributable risks/returns, overall organizational structure and the internal management reporting system of the Bank.

14) AS-18 – Related Parties and Disclosure

The Bank is a Co-operative Society under the Multi State Co-operative Societies Act, 2002 and there are no related parties requiring disclosure under Accounting Standard 18 issued by I.C.A.I., other than Key Management Personnel Mr. Kamlesh Mehta, the Deputy general Manager of the Bank. However, in terms of the Reserve Bank of India Circular dated 29.03.2003, he being a single party covered by this category, no further details thereon need to be disclosed.

15) AS 20 – Earning Per Share (EPS)

Bank's EPS disclosure is as under:

Particulars	2021-22	2022-23
Net Profit/(Loss) after tax (Rs. In Lakhs)	(2,349.13)	(824.35)
Face value per share (Rs.)	10	10
Weighted average no. of equity shares	15565118	15565118
Basic / Diluted EPS (Rs.)	(15.09)	(5.30)

16) AS-21 – Consolidated Financial Statements

Since Bank does not have any Subsidiary Companies/ Co-Operative Societies, the Accounting Standard 21 (AS-21) regarding consolidated financial statements is not applicable to the Bank.

17) AS-22—Deferred Tax:

The Bank has decided not to recognize timing differences between book profit and taxable profits and consequent deferred tax for the current year due to uncertainty about realization of deferred tax asset out of future taxable profits.

The major components of Deferred Tax Liability arising on account of timing differences between book profit and taxable profits as at 31st March, 2023 are as follows:

(Rs. in Lakhs)

Deferred Tax Asset as on 31.03.2022	507.73
Less: Deferred Tax Liability on reversal of provision for BDDR	(75.50)
Less: Deferred Tax Liability on reversal of provision for standard assets	(7.55)
Net Deferred Tax Asset/(Liability) as on 31.03.2023	424.68

18) AS-26 - Details of Expenditure on Computer Software

Details of Computer Software Expenses in accordance with Accounting Standard 26 on Intangible Assets issued by ICAI are as under: (Rs. in Lakhs)

	31.03.2022	31.03.2023
Carrying amount at the beginning of the year	Nil	Nil
Add: Additions during the year	--	--
Less: Amortization during the year	--	--
Carrying amount at the end of the year	Nil	Nil

19) AS-28 – Impairment of Asset

The Bank has ascertained that there is no impairment in the fixed assets of the Bank and as such, no disclosure in compliance with Accounting Standard 28 issued by the ICAI is given.

20) AS-29 – Provisions, Contingent Liabilities and Contingent Assets (Rs. in lakhs)

	31.03.2022	31.03.2023
Bank Guarantees	389.19	368.71

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

III. Disclosure as per RBI Circular No. DOR.ACC.REC.No.45/21.04.018/2021-22 dated 30th August, 2021.

1. Regulatory Capital
*** Composition of Regulatory Capital**

(Rs. in lakhs)

Sr. No.	Particulars	Current Year	Previous Year
i)	Paid up share capital and reserves (net of deductions, if any)	1131.83	1048.77
ii)	Other Tier 1 capital	(27306.17)	(26511.82)
iii)	Tier 1 capital (i + ii)	(26174.34)	(25463.05)
iv)	Tier 2 capital	0	0
v)	Total capital (Tier 1+Tier 2)	(26174.34)	(25463.05)
vi)	Total Risk Weighted Assets (RWAs)	7274.49	7323.62
vii)	Paid-up share capital and reserves as percentage of RWAs	15.56%	14.33%
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	(359.81)	(347.68)
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0	0
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	(359.81)	(347.68)
xi)	Amount of paid-up equity capital raised during the year	Nil	Nil
xii)	Amount of non-equity Tier 1 capital raised during the year, of which: Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant	Nil	Nil
xiii)	Amount of Tier 2 capital raised during the year, of which Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	Nil	Nil

Disclosure on additions to Tier II Capital -

	Current Year	Previous Year
Amount of Tier 2 capital raised during the year of which:		
a) Perpetual Cumulative Preference Shares	Nil	Nil
b) Redeemable Non-Cumulative Preference Shares	Nil	Nil

b) Draw down from Reserves

The Bank has not drawdown any amount from Reserve during the year.

2. Asset liability management

	Day 1	7 days	to 14 days	15 to 30 days	31 days days 2	Over 2 months and to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 year years	over 3 years and up to 5 years	over 5 years	Total
Advances	==== Details not available from the system ====											
Investments												
Borrowings												
Foreign Currency assets												
Foreign Currency li												

3. Investments

a) Composition of Investment Portfolio As at 31.03.2023

(Amount in ₹ Lakhs)

	Investments in India							Total Investments Outside India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	
Held to Maturity								
Gross	6064.41	-	4.56	-	-	-	6068.97	-
Less: Provision for non-performing investments (NPI)	-	-	-	-	-	-	-	-
Net	6064.41	-	4.56	-	-	-	6068.97	-
				-	-	-	-	-
Available for Sale				-	-	-	-	-
Gross	664.70	-	-	-	-	-	664.70	-
Less: Provision for depreciation and NPI	10.00	-	-	-	-	-	10.00	-
Net	654.70	-	-	-	-	-	654.70	-
			-	-	-	-	-	-
Held for Trading	-	-	-	-	-	-	-	-
Gross	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-
						-	-	-
Total Investments	6729.11	-	4.56	-	-	-	6733.67	-
Less: Provision for non-performing investments	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	10.00	-	-	-	-	-	10.00	-
Net	6719.11	-	4.56	-	-	-	6723.67	-

As at 31.03.2022

(Amount in ₹ Lakhs)

	Investments in India							Total Investments Outside India
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	
Held to Maturity								
Gross	6068.02	-	4.56	-	-	-	6072.58	-
Less: Provision for non-performing investments (NPI)		-		-	-	-		-
Net	6068.02	-	4.56	-	-	-	6072.58	-
Available for Sale	5193.20						5193.20	
Gross		-	-	-	-	-		-
Less: Provision for depreciation and NPI	74.90	-	-	-	-	-	74.90	-
Net	5118.30	-	-	-	-	-	5118.30	-
Held for Trading								
Gross	-	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-	-
Total Investments	11261.22		4.56	-	-	-	11265.78	-
Less: Provision for non-performing investments				-	-	-		
Less: Provision for depreciation and NPI	74.90			-	-	-	74.90	
Net	11186.32		4.56	-	-	-	11186.32	

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ lakhs)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	74.90	19.41
b) Add: Provisions made during the year	--	55.49
c) Less: Write off / write back of excess provisions during the year	64.90	--
d) Closing balance	10.00	74.90
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	54.46	109.95
b) Add: Amount transferred during the year	--	--
c) Less: Drawdown	30.00	55.49
d) Closing balance	24.46	54.46
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	3.73%	1.05%

c) Sale and transfers to / from HTM category

There are no sale / transfer transactions to / from HTM category made by the Bank during the year in excess of 5% of book value of investments held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio
i) Non-performing non-SLR investments

(Amount in ₹ lakhs)

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

ii) Issuer composition of Non-SLR investments

(Amount in ₹ lakhs)

Sr. No	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current Year	Previous Year	Current year	Previous Year
a)	PSUs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b)	FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	Banks	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	Private Corporates	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e)	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Others	4.56	4.56	Nil	Nil	Nil	Nil	Nil	Nil	4.56	4.56
g)	Provision held towards depreciation	10.00	74.90	Nil	Nil	Nil	Nil	Nil	Nil	10.00	74.90
	Total *	4.56	4.56	Nil	Nil	Nil	Nil	Nil	Nil	4.56	4.56

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

There are no Repo / Reverse Repo transactions during the year.

4. Asset quality

a) i) **Classification of advances and provisions held – 31.03.2023**

(Amount in lakhs)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard						
Opening balance	652.44	9.23	477.29	13215.13	13701.65	14354.09
Add: Additions during the year					1.15	1.15
Less: Reductions during the year*					306.71	471.65
Closing balance					13396.09	13883.59
*Reductions in Gross NPAs						
Upgradation						
Recoveries (excluding recoveries from upgraded accounts)					306.71	
Write-offs						
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	38.86	0.92	143.19	13230.81	11924.92	11963.78
Add: Fresh provisions made during the year					--	--
Less: Excess provision reversed/ Write-off loans					(300.00)	(300.00)
Closing balance of provisions held	8.86	0.12	142.33	12932.47	13074.92	13083.78
Net NPAs						
Opening Balance					326.73	
Add: Fresh additions during the year					--	
Less: Reductions during the year					5.56	
Closing Balance					321.17	
Floating Provisions						
Opening Balance						
Add: Additional provisions made during the year						
Less: Amount drawn down during the year						
Closing balance of floating provisions						
Technical write off						

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	96.48%	95.45%
Net NPA to Net Advances	39.71%	33.37%
Provision coverage ratio	97.60%	97.61%

b) Sector-wise Advances and Gross NPAs

(Amount in lakhs)

Sr No.	Sector	Current Year (Mar 2023)			Previous Year (Mar 2022)		
		Outstandi ng Total Advances	Gross NPA's	Percentag e of Gross NPA's to Total Advances in that sector	Outstandi ng Total Advances	Gross NPA's	Percentage of Gross NPA's to Total Advances in that sector
i)	Priority Sector						
a)	i. Retail Trade	3002.31	2986.13	98.38	{ 3016.74 }	2965.97	97.75
	ii. Small Business						
	iii. Small scale industries						
	iv. Housing Loans (Purchase / Construction of dwelling units and / or repairs to the damaged dwelling units)	258.23	120.95	46.84	378.63	140.50	36.16
b)	v. Agricultural & Allied activities				-	-	-
c)	vi. Small Road Transport Operators				-	-	-
d)	vii. Professional and Self Employed artisans and craftsmen				-		
	viii. Education	2.17	2.11		2.33	2.11	
	ix. Other Priority Sectors				-		
	Subtotal (i)	3262.71	3109.19	95.29	3397.70	3108.58	90.89
ii)	Non-priority Sector						
a)	Agriculture and allied activities				-		
b)	Industry	10251.46	10028.33	97.82	10573.11	10334.04	97.88
c)	Services				-	-	-
d)	Personal loans	369.42	258.58	69.99	383.28	259.04	68.83
	Sub-total (ii)	10620.88	10286.91	96.85	10956.39	10593.08	96.86
	Total (i+ ii)	13883.59	13396.10	96.48	14354.09	13701.66	95.45

c) Details of accounts subjected to restructuring

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard	Number of borrower										
	Gross amount (Rs. in Crores)										
	Provision held (Rs. in Crores)										
Sub-standard	Number of borrower										
	Gross amount (Rs. in Crores)										
	Provision held (Rs. in Crores)										
Doubtful	Number of borrower										
	Gross amount (Rs. in Crores)										
	Provision held (Rs. in Crores)										

Note: Applications for restructuring are Nil.

d) Details of financial assets sold to Asset Reconstruction Companies (ARCs)

- i) Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)

(Rs. in lakhs)

	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	Nil	Nil	Nil
Aggregate principal outstanding of loans transferred	Nil	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	Nil	Nil	Nil
Aggregate consideration	Nil	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil	Nil

Details of loans acquired during the year:

(Rs. in lakhs)

	From lenders listed in Clause 3	From ARCs
Aggregate principal outstanding of loans acquired	Nil	Nil
Aggregate consideration paid	Nil	Nil
Weighted average residual tenor of loans acquired	Nil	Nil

ii) Investments in Security Receipts (SRs)

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

e) Details of non-performing financial assets purchased / sold from / to other banks / Financial Institutions/NBFCs (excluding ARCs)

i) Details of non-performing financial assets purchased

(Amount in lakhs)

Particulars	Current Year	Previous Year
a) Number of accounts purchased during the year	Nil	Nil
b) Aggregate outstanding		
a) Of these number of accounts restructured during the year	Nil	Nil
b) Aggregate outstanding		

ii) Details of non-performing financial assets sold

(Amount in lakhs)

Particulars	Current Year	Previous Year
a) No. of accounts sold	Nil	Nil
b) Aggregate outstanding	Nil	Nil
c) Aggregate consideration received	Nil	Nil

f) Fraud accounts

	Current year	Previous year
Number of frauds reported	Nil	Nil
Amount involved in fraud (₹ lakhs)	Nil	Nil
Amount of provision made for such frauds (₹ lakhs)	Nil	Nil
Amount of Unamortised provision debited from 'other reserves' as at the end of the year. (₹ lakhs)	Nil	Nil

g) Disclosure under Resolution Framework for COVID-19-related Stress

Format for disclosures to be made half yearly starting September 30, 2022

Restructuring proposals sanctioned as per RBI Circular Ref. No. DOR.No.BP.BC/3 /21.04.048/2020-21 dated August 6, 2020 are as under:

(Rs. In Lakhs)

Type of Borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B) aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provision on account of the implementation of the resolution plan
Personal Loan		-----NIL-----			
Corporate persons*					
Of which, MSMEs					
Others					
Total					

* As defined in Section 3(7) of the insolvency and Bankruptcy Code, 2016.

5. Exposures
a) Exposure to real estate sector

(Amount in ₹ lakhs)

Category	Current year	Previous Year
i) Direct exposure a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	359.02	490.60
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	2665.67	2515.55
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate iii. Indirect Exposure Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	--	--
Total Exposure to Real Estate Sector	3024.69	3006.15

b) Exposure to Capital Market

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

c) Unsecured advances

(Amounts in ₹ lakhs)

Particulars	Current Year	Previous Year
Total unsecured advances of the bank	346.03	387.49
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	Nil	Nil
Estimated value of such intangible securities	Nil	Nil

6. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ lakhs)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	2652.78	2762.78
Percentage of deposits of twenty largest depositors to total deposits of the bank	15.73%	14.76%

b) Concentration of advances

(Amount in ₹ lakhs)

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	10193.88	10461.60
Percentage of advances to twenty largest borrowers to total advances of the bank	73.42%	72.88%

c) Concentration of exposures

(Amount in lakhs)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	10193.88	10461.60
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers / customers	73.42%	72.88%

d) Concentration of NPAs

(Amount in ₹ lakhs)

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	8700.53	7952.80
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	65.45	58.04%

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

Due to imposition of various restrictions on the operation of the bank vide RBI Directive no.DCBS.CO BSD-I/2224/12.22.111/2016-17, the bank **is not permitted** to deposit/transfer credit balances of unclaimed liabilities to RBI in terms of DBOD Circular No. DEAF Cell.BC.114/30.01.002/2013-14 dated May 27, 2014 and hence bank has not transferred any amount towards credit balances of unclaimed liabilities to RBI during the year. The required disclosure as per the said circular is as under:

(Rs. in Lakhs)

Particulars	31.03.2022	31.03.2023
Opening balance of amounts transferred to DEAF	466.33	466.33
Add: Amounts transferred to DEAF during the year	--	--
Less: Amounts reimbursed by DEAF towards claims	--	--
Closing balance of amounts transferred to DEAF	466.33	466.33

8. Disclosure of complaints

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

Sr. No.	Particulars	Current year	Previous year
	Complaints received by the bank from its customers	Nil	Nil
1.	Number of complaints pending at beginning of the year	Nil	Nil
2.	Number of complaints received during the year	Nil	Nil
3.	Number of complaints disposed during the year	Nil	Nil
3.1	Of which, number of complaints rejected by the bank	Nil	Nil
4.	Number of complaints pending at the end of the year	Nil	Nil
	Maintainable complaints received by the bank from OBOs	Nil	Nil
5.	Number of maintainable complaints received by the bank from OBOs	Nil	Nil
5.1.	Of 5, number of complaints resolved in favour of the bank by Bos	Nil	Nil
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Bos	Nil	Nil
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil
	Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.	Nil	Nil

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1	Nil	Nil	Nil	Nil	Nil
Ground - 2	Nil	Nil	Nil	Nil	Nil
Ground - 3	Nil	Nil	Nil	Nil	Nil
Ground - 4	Nil	Nil	Nil	Nil	Nil
Ground - 5	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil
Previous Year					
Ground - 1	Nil	Nil	Nil	Nil	Nil
Ground - 2	Nil	Nil	Nil	Nil	Nil
Ground - 3	Nil	Nil	Nil	Nil	Nil
Ground - 4	Nil	Nil	Nil	Nil	Nil
Ground - 5	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	Nil	Nil	Nil

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

No penalty has been imposed by Reserve Bank of India on the Bank during the year.

10. Other Disclosures

a) Business ratios

Particular	Current Year	Previous Year
i) Interest Income as a percentage to Working Funds	1.27%	3.18
ii) Non-interest income as a percentage to Working Funds	0.15%	0.60
iii) Cost of Deposits	3.18%	3.46%
iv) Net Interest Margin	1.98%	5.63%
v) Operating Profit as a percentage to Working Funds	-2.19%	-5.83%
vi) Return on Assets	-1.47%	-7.80
vii) Business (deposits plus advances) per employee (in ₹ lakhs)	222.85	348.46
viii) Profit per employee (in ₹ lakhs)	-5.97	-15.94

b) Bancassurance business

The Bank is not dealing in Bancassurance business and hence details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by the Bank is not given.

c) Marketing and distribution

Since Bank is not dealing in marketing and distribution function, details of fees / remuneration received in respect of such business are not given.

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The Bank has neither sold nor purchased PSLCs either in the current year or in the previous year.

e) Provisions and contingencies

(Amount in ₹ lakhs)

Particular	Current Year	Previous Year
i) Provisions for NPI	Nil	Nil
ii) Provision towards NPA	(300.00)	1450.00
iii) Provision made towards Income tax including Deferred Tax	Nil	Nil
iv) Other Provisions and Contingencies (with details)	(61.29)	--
a) Provision for Depreciation on Investment	(61.29)	--

f) Payment of DICGC Insurance Premium

(Amount in ₹ lakhs)

Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	27.21	48.41
ii)	Arrears in payment of DICGC premium	--	--

g) Disclosure of facilities granted to directors and their relatives

(Rs. in lakhs)

	Advance to Directors, their relatives and Companies / Firms in which they are interested	Current Year		Previous Year	
		Funded	Non-Funded	Funded	Non-Funded
	Directors	Nil	Nil	Nil	Nil
	Relatives of Directors	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

THE KAPOL CO-OP. BANK LTD.				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2023				
(Rs. In Lakhs)				
PARTICULARS		AMOUNT	AMOUNT	NET FLOW
CASH FLOW FROM OPERATING ACTIVITIES				
Net Loss as per Profit & Loss A/c.				(824.35)
Add:				
Notional Entries/Adjustment Entries				
Depreciation on Fixed Assets		23.91		
Loss on Sale of Assets		0.79		
Provisions		-		
Amortisation of premium on Investment		3.60	28.30	
Less:				
Profit on sale of fixed assets		6.53		
Provisions Written Back		330.00		
Rent & Deposits- Matunga		-	336.53	
NET CASH FLOW FROM OPERATING ACTIVITIES				(308.23)
(INCREASE) / DECREASE IN OPERATING ASSETS				
Fixed Assets		132.35		
Deferred Tax Asset		83.05		
Interest receivable-On Performing Advances		16.29		
Advances		470.50		
Other Assets		194.75		
Interest payable on Term deposit		521.59		
DICGC Borrowing		(2,837.34)		
Deposits & other Accounts		(1,849.17)		
Other Liabilities		14.75	(3,253.24)	(3,253.24)
Net Cash Flow from Operating Activities	(A)			(4,385.81)
CASH FLOW FROM INVESTING ACTIVITIES				
Investments		4,532.10		
Loss on sale of Investments		-		
Interest receivable- on Investments		43.92		
Net Cash Flow from Investing Activities	(B)		4,576.02	4,576.02
CASH FLOW FROM FINANCING ACTIVITIES				-
Net Cash Flow from Financing Activities	(C)			-
NET CASH OUT FLOWS ON ACCOUNT OF OPERATING, INVESTING AND FINANCING ACTIVITIES (A + B + C)				190.21
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR				2,642.08
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR				2,451.87
NET OUT FLOW IN CASH AND CASH EQUIVALENTS WITHIN THE YEAR				190.21
Details of cash and cash equivalents				
			31.03.2023	31.03.2022
In hand and with RBI, State and District Co-op. Banks			2,014.70	1,912.37
Balance with other banks			437.17	729.71
Money at call and at short notice			-	-
			2,451.87	2,642.08

PER OUR REPORT OF EVEN DATE
 For SHROFF GONSALVES & DALIA
 CHARTERED ACCOUNTANTS
 FRN:112553W

(Rohit Glen Gonsalves)
 PARTNER
 M NO.: 609405
 (Statutory Auditors)

Place : MUMBAI
 Date : 09-06-2023
 UDIN NO.: 23609405BGUAMD1915

FOR THE KAPOL CO OP BANK LTD

BRIJDINA COUTINHO
 CHIEF EXECUTIVE OFFICER

REGD. OFFICE	:	105, Kapol Bank Bldg., 1st Floor, 19/21, Picket Cross Road, Kalbadevi, Mumbai- 400 002.
ADMINISTRATIVE OFFICE	:	2 to 5, First Floor, Vrindavan tower, V.P. Road, Vile Parle (W), Mumbai - 400 056 Tel.No. 26200205

BRANCHES

KALBADEVI	:	19/ 21, Picket X Road, Kapol Bank Building, Kalbadevi, Mumbai - 400 002. Tel.No. 2208 2653 / 22063368 / 22061783
LOKHAND JATHA	:	Steel Centre, Ground Floor, Sant Tukaram Road, Iron Market, Mumbai - 400 009. Tel.No. 23485694/23497439/2349 74 38/2348 2445
VILE PARLE (W)	:	2 to 5, First Floor, Vrindavan tower, V.P. Road, Vile Parle (W), Mumbai - 400 056 Tel.No. 26204635
MALAD (W)	:	Kapol Wadi, 21, Marve Road, Malad (W), Mumbai - 400 064. Tel.No. 286581 90/280108 99/28092675
BORIVALI (W)	:	Mayfair Tulsi Baug CHS Ltd., Shop No.2, Off. Chandavarkar Road, Mumbai – 400 092 Tel.No. 28925044 / 28925016 / 28905891 /28901054
GHATKOPAR (W)	:	Ladkorbai Kapol Wadi, M.G. Road, Ghatkopar (W), Mumbai – 400 086. Tel.No. 251321 93/251255 92/25138835
NALLASOPARA (E)	:	(New Premises) Mehta Chambers, 1st Floor, Opp. Rly Stn Old Railway Ticket Booking Office, Achole, Nallasopara (E.), Dist. Thane Tel.No. 0250-2434132 / 0250-2434115
KANDIVALI (W)	:	Royal House, 1st Floor, Mathurdas Rd, Kandivali (W), Mumbai – 400 067. Tel.No. 2861 14 51/2801 44 68/2805 29 75
BHAYANDER (E)	:	Goddeo Naka, Tulsi Prasad Tower, 1st Floor, Opp. Shiv Sena Office, Bhayander (E), Thane - 401 105. Tel.No. 2804 34 60 / 2804 34 61
VILE PARLE (E)	:	1 to 5, Krishna Smruti CHS Ltd., Parleshwar Road, Vile Parle (East), Mumbai – 400 057 Tel.No. 26630181/182
MULUND (W) BRANCH	:	1, Ground Floor, Hetal Apartment, Zaver Road, Mulund (West), Mumbai – 400 080 Tel.No. 2592 36 40 / 2592 36 41
ANDHERI BRANCH	:	Syndicate Chamber, 1st Floor, 21, Sahar Road, Andheri (East), Mumbai – 400 069 Tel.No. 2684 35 12 / 2683 3520 / 26833506
FORT BRANCH	:	4, Bansilal Mansion, 9/15, Homi Modi Street, Fort, Mumbai – 400 001 Tel.No. 22625532/22625536
VASHI BRANCH	:	D, S2(2), S3(3), S5, 1st Floor, Grohitam Bldg., Plot No. 14-B, Sector 19, Opp. APMC Market, Vashi, Navi Mumbai – 400 705. Tel.No. 27895901 / 02
SURAT (RING ROAD BRANCH)	:	U1-U-4, Metro Tower, Ring Road, SURAT – 395 003. Tel.No. 0261-2336445

DEPARTMENTS	:	
DEMAT DEPARTMENT	:	105/106, Kapol Bank Bldg., Picket X Road, Kalbadevi, Mumbai - 400002. Tel.No. 2203 43 60/2203 65 95/2207 93 89
ASSET & RECONSTRUCTION DEPARTMENT	:	1 to 5, Krishna Smruti CHS Ltd., Parleshwar Road, Vile Parle (East), Mumbai – 400 057 Tel.No. 26630181 / 182
DATA CENTRE	:	Kapol Wadi, 26, Marve Road, Mumbai - 400 064 Tel.No. 2863 79 31/2863 79 32/2863 79 33
CENTRALISED PROCESSING CENTRE (A/C. OPENING DEPT)	:	SHARE DEPARTMENT : 1 to 5, Krishna Smruti CHS Ltd., Parleshwar Road, Vile Parle (East), Mumbai – 400 057 Tel.No. 26630181 / 182
CENTRALISED ADVANCES DEPT	:	2 to 5, First Floor, Vrindavan tower, V.P. Road, Vile Parle (W), Mumbai - 400 056 Tel.No. 26203595
AUDIT DEPT.	:	Kapol Wadi, 21, Marve Road, Malad (W), Mumbai - 400 064. Tel.No. 286581 90/280108 99/28092675

