

ANNUAL REPORT

2018-19



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sanjay Agrawal
Managing Director & CEO (appointed on 05.12.2018)

Mr. Pankaj Bhansali
Additional Independent Director (w. e. f 28.08.2019)

Mr. Suhas N Sahakari
Additional Independent Director (w. e. f 28.08.2019)

Mr. Shantanu Ghosh
Additional Professional Director (w. e. f 28.08.2019)

REGISTERED OFFICE

Shop Nos. 47 to 56, Ground Floor,
Gemstone Building,
Near Central Bus Stand,
Kolhapur-416001

AUDITORS

Ummed Jain & Co.
Chartered Accountants
51 Snehdhara, Jeevan Vikas Kendra Marg,
Andheri (E), Mumbai-400069

E-mail: subhadra@subhadrabank.com

Website: www.subhadrabank.com

Phone: 0231 – 2652585

CORPORATE IDENTIFICATION NUMBER (CIN)

U65191PN2001PLC016042

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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Members of Subhadra Local Area Bank Limited will be held on Monday, 30th September, 2019 at The Imperial Club by The Leela, 8th Floor, South Tower, The Imperial, Tardeo Mumbai, Maharashtra-400034 at 11:00 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Bank for the financial year ended 31st March, 2019 together with the Reports of the Board of Directors' and the Auditors' thereon and in this regard, if thought fit, pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT the Audited Financial Statements of the Bank for the financial year ended 31st March 2019 and the reports of the Board of Directors and Auditors thereon be and are hereby received, considered and adopted."

2. To reappoint Statutory Auditors of the Bank and fix their remuneration and in this regard, to consider and if thought fit, pass with or without modification(s), the following as an **ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment thereof, for the time being in force) and subject to approval of Reserve Bank of India, M/s. Umed Jain & Co, Chartered Accountants, Mumbai (Registration No. 119250W), be and is hereby re-appointed as Statutory Auditors of the Bank for another term of 1 (one) year from the conclusion of this 18th Annual General Meeting till the conclusion of the 19th Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Bank."

SPECIAL BUSINESS:

3. To appoint Mr. Pankaj Bhansali (DIN: 03154793), as an Independent Director and in this regard, if thought fit, pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

"RESOLVED THAT as recommended by the Nomination and Remuneration Committee, Mr. Pankaj Bhansali (DIN: 03154793), who was appointed as an Additional Independent Director of the Bank by the Board of Directors for a period of 5 (five) years with effect from 28th August, 2019 in accordance with the provisions of the Articles of Association of the Bank and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Bank has received a notice in writing from a member as required under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Bank pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 to hold office for a term up to five consecutive years i.e. up to 27th August, 2024, who shall not be liable to retire by rotation."

4. To appoint Mr. Shantanu Ghosh (DIN: 00041435) as a Director and in this regard, if thought fit, pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT as recommended by the Nomination and Remuneration Committee, Mr. Shantanu Ghosh (DIN: 00041435), who was appointed as an Additional Director of the Bank by the Board of Directors with effect from 28th August, 2019 in accordance with the provisions of the Articles of Association of the Bank and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Act and in respect of whom the Bank has received a notice in writing from a member as required under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Bank pursuant to the provisions of Section 152 and 161 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, who shall be liable to retire by rotation.”

5. To appoint Mr. Suhas N Sahakari (DIN: 08168414) as an Independent Director and in this regard, if thought fit, pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT as recommended by the Nomination and Remuneration Committee, Mr. Suhas N Sahakari (DIN: 08168414), who was appointed as an Additional Independent Director of the Bank by the Board of Directors for a period of 5 (five) years with effect from 28th August, 2019 in accordance with the provisions of the Articles of Association of the Bank and who holds office till the date of the Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Bank has received a notice in writing from a member as required under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Bank pursuant to the provisions of Section 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 to hold office for a term up to five consecutive years i.e. up to 27th August, 2024, who shall not be liable to retire by rotation.”

6. To appoint Mr. Sanjay Agrawal (DIN: [07696823](#)) as a Director and Managing Director & CEO of the Bank and in this regard, if thought fit, pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT as recommended by Nomination and Remuneration Committee of the Bank, Mr. Sanjay Agrawal (DIN: [07696823](#)), who was appointed as an Additional Director of the Bank by the Board of Directors with effect from 5th December, 2018 in accordance with the provisions of the Articles of Association of the Bank and as per provisions of Section 161 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any modification(s) or re-enactment thereof) holds office till the date of this Annual General Meeting, and in respect of whom the Bank has received a notice in writing from a member as required under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Bank pursuant to the provisions of Section 152 and 161 of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014, who shall be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any

statutory modification (s) or re-enactment(s) thereof for the time being in force), and as per the Articles of Association of the Bank and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors and as per the approval of Reserve Bank of India vide their letter dated 29th October, 2018, the appointment of Mr. Sanjay Agrawal (DIN: 07696823) as Managing Director & CEO of the Bank for a period from 5th December, 2018 to 28th October, 2019 be and is hereby approved on the following terms and conditions:

1. Consolidated Salary: Rs. 25,00,000/- per annum (proportionately);
2. Banks's Car allowed to be used for official purpose.
3. Reimbursement of expenses incurred on actual basis.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during the current tenure of service of Mr. Sanjay Agrawal as Managing Director & CEO of the Bank, the remuneration as approved by this resolution shall be payable as minimum remuneration as per the provisions of Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to comply with all formalities as may be required to give effect to this resolution."

7. To re-appoint Mr. Sanjay Agrawal (DIN: [07696823](#)) as Managing Director & CEO of the Bank and in this regard, if thought fit, pass with or without modification(s), the following resolution as a **Special RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment(s) thereof for the time being in force), and as per the Articles of Association of the Bank and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors and subject to the approval of the Reserve Bank of India, the appointment of Mr. Sanjay Agrawal (DIN: 07696823) as Managing Director & CEO of the Bank for a further period of one year from 29th October, 2019 to 28th October, 2020 be and is hereby approved on the following terms and conditions:

1. Consolidated Salary: Rs. 25,00,000/- per annum.
2. Banks's Car allowed to be used for official purpose.
3. Reimbursement of expenses incurred on actual basis.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year during the current tenure of service of Mr. Sanjay Agrawal as Managing Director & CEO of the Bank, the remuneration as approved by this resolution shall be payable as minimum remuneration as per the provisions of Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Bank be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to comply with all formalities as may be required to give effect to this resolution."

**By order of the Board of Directors
Subhadra Local Area Bank Limited**

**Himanshu Katare
Company Secretary
Membership No. 49584**

**Place: Mumbai
Date: 5th September 2019**

**Regd. Office:
Shop Nos. 47 to 56, Ground Floor,
Gemstone Building,
Near Central Bus Stand,
Kolhapur-416001**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE BANK. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE BANK NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Pursuant to the provisions of Section 105 of the Companies Act 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank carrying voting rights. A member holding more than ten percent of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The holder of proxy shall prove his identity at the time of attending the Meeting.
3. The Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Details of Director seeking appointment at the ensuing Meeting are provided in the “Annexure” to the Notice pursuant to the Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.
5. Relevant documents referred to in the Notice are open for inspection by the members at the registered office of the Bank on all working days (that is, except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.

ITEM NO. 3

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 28th August, 2019 appointed Mr. Pankaj Bhansali (DIN: 03154793) as an Additional Independent Director of the Bank to hold office as such for a period of five years with effect from 28th August, 2019 till 27th August, 2024 pursuant to the provisions of Section 161 of the Companies Act, 2013 ('Act') and the Articles of Association of the Bank, subject to approval of shareholders at the ensuing Annual General Meeting. Mr. Pankaj Bhansali (DIN: 03154793) holds office up to the date of this AGM. The Bank has received a notice in writing under Section 160(1) of the Act from a member, proposing the candidature of Mr. Pankaj Bhansali (DIN: 03154793) for the office of the Independent Director. The Bank has received a declaration from Mr. Pankaj Bhansali (DIN: 03154793) that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. Mr. Pankaj Bhansali (DIN: 03154793) is Independent to the management and possesses appropriate skills, experience and knowledge.

In the opinion of the Board, Mr. Pankaj Bhansali (DIN: 03154793) fulfills the conditions as specified in the Act and the Rules made thereunder for appointment as an Independent Director.

The Board considers that his association would be of immense benefit to the Bank and it is desirable to avail of services of Mr. Pankaj Bhansali (DIN: 03154793). Accordingly, the Board of Directors recommends the Ordinary Resolution in relation to his appointment as Independent Director for the approval by the shareholders of the Bank.

The letter of appointment is available for inspection by members at the registered office of the Bank between 11.00 a.m. and 1.00 p.m. on any working day of the Bank.

Mr. Pankaj Bhansali (DIN: 03154793) is not holding any shares in the Bank.

Except Mr. Pankaj Bhansali (DIN: 03154793), being appointee, none of the Directors or Key Managerial Personnel of the Bank or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 3.

Brief Profile of. Mr. Pankaj Bhansali (DIN: 03154793)

Mr. Pankaj Bhansali (DIN: 03154793) is a Chartered Accountant and also holds a degree of B. Com (Hon.) Finance & Accounting, JNV University. He had worked with various organisation on various higher designations. Presently he is associated with Netstream Networks Private Limited, Airpro Technology India Private Limited and Arth Capital Advisors Private Limited as a Director. His prolonged experience in said fields will be beneficial to the Board for effective decision making with respect to finance and accountancy.

**INFORMATION OF DIRECTOR BEING PROPOSED FOR APPOINTMENT AS PER SECRETARIAL STANDARD – 2
“GENERAL MEETINGS” IS GIVEN BELOW:**

Name	Mr. Pankaj Bhansali
DIN	03154793
Age	44 years
Qualification	Bachelor of Commerce, Chartered Accountant
Expertise in Specific functional areas	Accountancy (in terms of Section 10A(2)(a) (i) of the Banking Regulation Act, 1949)
No. of Shares held in the Bank	Nil
Date of Appointment on the Board	28/08/2019
Directorship/ Designated Partnership Details of other companies & LLP as on March 31, 2019	<ol style="list-style-type: none"> 1. Arth Business Advisors LLP 2. Netstream Networks Private Limited 3. Arth Capital Advisors Private Limited 4. Airpro Technology India Private Limited
Relationship with other directors/KMPs	Not Related
No. of Meeting attended during the year 2018-19	Not applicable
Terms of Re-appointment	For 5 years, not liable to retire by rotation.
Status in committees in other companies	Nil

ITEM NO. 4

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 28th August, 2019 appointed Mr. Shantanu Ghosh (DIN: 00041435) as an Additional Non-Executive Director of the Bank, who in terms of Section 161 (1) of the Companies Act, 2013 holds office till the date of next Annual General Meeting of the Bank, subject to approval of shareholders at the ensuing Annual General Meeting. Mr. Shantanu Ghosh (DIN: 00041435) holds office up to the date of this Annual General Meeting.

The Board considers that his association would be of immense benefit to the Bank and it is desirable to avail of services of Mr. Shantanu Ghosh (DIN: 00041435). Accordingly, the Board of Directors recommends the Ordinary Resolution in relation to his appointment as Non-Executive Director for the approval by the shareholders of the Bank.

The letter of appointment is available for inspection by members at the registered office of the Bank between 11.00 a.m. and 1.00 p.m. on any working day of the Bank.

Mr. Shantanu Ghosh (DIN: 00041435) is not holding any shares in the Bank.

Except Mr. Shantanu Ghosh (DIN: 00041435), being appointee, none of the Directors or Key Managerial Personnel of the Bank or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 4.

Brief Profile of Mr. Shantanu Ghosh (DIN: 00041435)

Mr. Shantanu Ghosh (DIN: 00041435) holds a degree of MA Economics PGDIT IIFT and Master Class Certificate from Institute of Directors. He had worked with various Commercial and Foreign Banks and headed departments related with Retail, Commercial and Private Banking. His prolonged experience in said fields will be beneficial to the Board for effective decision making with respect to Banking aspects.

INFORMATION OF DIRECTOR BEING PROPOSED FOR APPOINTMENT AS PER SECRETARIAL STANDARD – 2 “GENERAL MEETINGS” IS GIVEN BELOW:

Name	Mr. Shantanu Ghosh
DIN	00041435
Age	63 years
Qualification	<ol style="list-style-type: none"> 1. Indian International Trade Centre, Mumbai – Diploma in Basic High-Level Programming, 1985 2. The Indian Institute of Foreign Trade (IIFT), New Delhi – Post Graduate Diploma in International Trade Management - 1978 3. Project Management Program from Indian Institute of Management -Ahmedabad -1995 4. Coaching and Mentoring from the National Centre for Professional Development-2011 5. Certificate of Accreditation from Targeted Selection Interviewers Methodology in ANZ-1998
Expertise in Specific functional areas	Banking (in terms of Section 10A(2)(a) (iii) of the Banking Regulation Act, 1949)
No. of Shares held in the Bank	Nil
Date of Appointment on the Board	28/08/2019
Directorship/ Designated Partnership Details of other companies & LLP as on March 31, 2019	NIL
Relationship with other directors/KMPs	Not Related
No. of Meeting attended during the year 2018-19	Not Applicable
Terms of Re-appointment	Liable to retire by rotation.
Status in committees in other companies	Nil

ITEM NO. 5

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 28th August, 2019 appointed Mr. Suhas N Sahakari (DIN: 08168414) as an Additional Independent Director of the Bank for a period of five years with effect from 28th August, 2019 till 27th August, 2024 pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and the Articles of Association of the Bank and, subject to the approval of shareholders at the ensuing Annual General Meeting. Mr. Suhas N Sahakari (DIN: 08168414) holds office up to the date of this AGM. The Bank has received a notice in writing under Section 160(1) of the Act from a member, proposing the candidature of Mr. Suhas N Sahakari (DIN: 08168414) for the office of the Independent Director. The Bank has received a declaration from Mr. Suhas N Sahakari (DIN: 08168414) that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act. Mr. Suhas N Sahakari (DIN: 08168414) is Independent to the management and possesses appropriate skills, experience and knowledge.

In the opinion of the Board, Mr. Suhas N Sahakari (DIN: 08168414) fulfills the conditions as specified in the Act and the Rules made thereunder for appointment as an Independent Director.

The Board considers that his association would be of immense benefit to the Bank and it is desirable to avail of services of Mr. Suhas N Sahakari (DIN: 08168414). Accordingly, the Board of Directors recommends the Ordinary Resolution in relation to his appointment as Independent Director for the approval by the shareholders of the Bank.

The letter of appointment is available for inspection by members at the registered office of the Bank between 11.00 a.m. and 1.00 p.m. on any working day of the Bank.

Mr. Suhas N Sahakari (DIN: 08168414) is not holding any shares in the Bank.

Except Mr. Suhas N Sahakari (DIN: 08168414), being appointee, none of the Directors or Key Managerial Personnel of the Bank or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 5.

Brief Profile of Mr. Suhas N Sahakari (DIN: 08168414)

Mr. Suhas N Sahakari (DIN: 08168414) holds a degree of Bachelor's in Commerce and CAIIB. He had worked with various Banks like State Bank of India, Axis Bank, RBL Bank and SVC Cooperative Bank Limited and having relevant experience of co-operation. His prolonged experience in said fields will be beneficial to the Board for effective decision making with respect to Banking and Co-operation aspects.

INFORMATION OF DIRECTOR BEING PROPOSED FOR APPOINTMENT AS PER SECRETARIAL STANDARD – 2 “GENERAL MEETINGS” IS GIVEN BELOW:

Name	Mr. Suhas N Sahakari
DIN	08168414
Age	59 years
Qualification	Bachelor's in Commerce, CAIIB

Expertise in Specific functional areas	Banking (in terms of Section 10A(2)(a) (iv) of the Banking Regulation Act, 1949)
No. of Shares held in the Bank	Nil
Date of Appointment on the Board	28/08/2019
Directorship/ Designated Partnership Details of other companies & LLP as on March 31, 2019	NIL
Relationship with other directors/KMPs	Not Related
No. of Meeting attended during the year 2018-19	Not Applicable
Terms of Re-appointment	For 5 years, not liable to retire by rotation.
Status in committees in other companies	Nil

ITEM NOS. 6 & 7

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 18th October, 2018 appointed Mr. Sanjay Agrawal (DIN: 07696823) as an Additional Director of the Bank, who in terms of Section 161 (1) of the Companies Act, 2013 holds office till the date of next Annual General Meeting of the Bank.

Further, upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 18th November, 2018 appointed Mr. Sanjay Agrawal (DIN: 07696823) as Managing Director & CEO of the Bank for a period from 5th December, 2018 to 28th October, 2019 pursuant to the provisions of Sections 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to approval of shareholders at the ensuing Annual General Meeting. Mr. Sanjay Agrawal (DIN: 07696823) holds office as the Managing Director & CEO of the Bank from 5th December, 2018 to 28th October, 2019. The Reserve Bank of India vide their letter dated 29th October 2018 gave its approval for his appointment as Managing Director and CEO of the Bank.

Further, upon recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Bank at its meeting held on 5th September, 2019 reappointed Mr. Sanjay Agrawal (DIN: 07696823) as the Managing Director & CEO of the Bank for a further period of one year with effect from 29th October, 2019 till 28th October, 2020 pursuant to the provisions of Section 196, 197, 198, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Schedule V of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, subject to the approval of the Reserve Bank of India and shareholders of the Bank.

The Board considers that his association would be of immense benefit to the Bank and it is desirable to avail of services of Mr. Sanjay Agrawal (DIN: 07696823). Accordingly, the Board of Directors recommends

the Special Resolutions in relation to his appointment and reappointment as Managing Director & CEO for the approval by the shareholders of the Bank.

The letters of appointment and reappointment are available for inspection by members at the registered office of the Bank between 11.00 a.m. and 1.00 p.m. on any working day of the Bank.

Mr. Sanjay Agrawal (DIN: 07696823) is not holding any shares in the Bank.

Except Mr. Sanjay Agrawal (DIN: 07696823), being appointee, none of the Directors or Key Managerial Personnel of the Bank or their relatives are concerned or interested financially or otherwise, in the resolution set out at Item Nos. 6 and 7.

INFORMATION OF DIRECTOR BEING PROPOSED FOR APPOINTMENT AS PER SECRETARIAL STANDARD – 2 “GENERAL MEETINGS” IS GIVEN BELOW:

Name	Mr. Sanjay Agrawal
DIN	07696823
Age	57 years
Qualification	<ul style="list-style-type: none"> • Master’s in financial management from Jamanalal Bajaj Institute of Management Studies, Mumbai • Master’s Degree in Economics from the University of Bombay • Bachelor’s Degree in Statistics from the University of Bombay
Expertise in Specific functional areas	Banking (in terms of Section 10A(2)(a) (iv) of the Banking Regulation Act, 1949)
No. of Shares held in the Bank	Nil
Date of Appointment on the Board	05/12/2018
Directorship/ Designated Partnership Details of other companies & LLP as on March 31, 2019	1. Rbs Equities (India) Private Limited (Amalgamated) (U67120MH1993PTC073120)
Relationship with other directors/KMPs	Not Related
No. of Meeting attended during the year 2018-19	2
Terms of Re-appointment	For 1 year.
Status in committees in other companies	Nil

ADDITIONAL INFORMATION FOR ITEM NOS. 6 AND 7

The details as required under Clause (A) of Part II Section II of Schedule V of the Companies Act, 2013 are given below:

I General Information		
(1)	Nature of industry	The Company is engaged in the Banking Business.
(2)	Date or expected date of commencement of commercial production	The Company is an existing company and is in operations since 2001-02.
(3)	In case of new companies, expected date of commencement of activity as per project approved by the financial institution appearing in the prospectus	N.A.
(4)	Financial performance based on given indicators	EPS: Rs. (3.11) Return on net worth: (26.14) %
(5)	Foreign investments or collaborators, if any	Nil
II Information about the appointee Mr. Sanjay Agrawal		
(1)	Background details	Mr. Sanjay Agrawal, aged 57 years, is holding master's degrees in Management and Economics, and having around 30 years of experience in Banking and Finance. He is associated with the Company since last one year. He is entrusted with overall management of the Company under the supervision of the Board of Directors of the Bank.
(2)	Past Remuneration	Not Applicable
(3)	Recognition or awards	Not Applicable
(4)	Job profile and his suitability	He is actively involved in the business of the Bank and manages day to day affairs. He provides his expertise in different areas of business of the Bank. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.
(5)	Remuneration proposed	Rs. 25,00,000/- per annum.
(6)	Comparative remuneration size of Company, profile of the position and person	At par with the industry standards in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any	Except receiving remuneration as Managing Director and CEO of the Bank, Mr. Sanjay Agrawal does not have any other direct or indirect pecuniary relationship with the Bank.

III	Other information		
	(1)	Reasons of loss or inadequate profits	Due to sheer competitive market conditions the Bank could not achieve high levels of profits.
	(2)	Steps taken or proposed to be taken for improvement	The Bank is taking necessary steps to increase its business to improve profitability.
	(3)	Expected increase in productivity and profits in measurable terms	The Bank hopes increase in revenue and profits by improved margins in future.

**By Order of the Board of Directors
Subhadra Local Area Bank Limited**

**Himanshu Katare
Company Secretary
Membership No.49584**

Place: Mumbai

Date: 5th September 2019

Regd. Office:

Shop Nos. 47 to 56, Ground Floor,
Gemstone Building,
Near Central Bus Stand,
Kolhapur-416001

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors present the 18th Annual Report on the business and operations of your Bank, together with the Audited Financial Statements for the financial year ended 31st March 2019.

1. SUMMARY OF FINANCIAL PERFORMANCE:

The Bank's financial performance, for the year ended 31st March 2019 is summarized below:

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Interest Income	2,24,43,589	4,04,00,821
Other Income	(19,12,024)	6,06,99,252
Gross Income	2,05,31,565	10,11,00,73
Depreciation on Fixed Assets	81,16,208	50,52,533
Total Expenditure	9,11,17,471	9,19,55,419
Provision & Contingencies	(1,64,78,079)	18,55,703
Net Profit for the Year	(7,05,85,906)	91,44,654

2. REVIEW OF OPERATIONS:

During the year, total deposit decreased from ₹ 16,77,86,160 to ₹. 14,74,28,556 and the total advances decreased from ₹. 4,29,20,261 to ₹. 2,38,09,832 and Net NPA to the Net advances as on 31st March 2019 was nil as and Net NPA after utilizing floating provision is nil.

3. DIVIDEND:

Due to losses in Bank, the Directors do not recommend any dividend for the financial year ended 31st March 2019.

4. RESERVES:

As per requirement of RBI Regulations, the Bank has transferred the following amounts to/from various reserves during the financial year ended 31st March 2019:

(Amount in ₹.)

Amount transferred to	Current Year (2019)	Previous Year (2018)
General Reserves	-	-
Statutory Reserves	-	22,86,164
Countercyclical Provisioning Buffer	-	1,06,000
Investment Fluctuation Reserves	-	-
Investment Reserve Account	58,97,604	-
Infrastructural Upgradation Reserves write back	-	(30,00,000)

5. CHANGE IN NATURE OF BUSINESS:

There was no change in the nature of business activities of the Bank during the year under review.

6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE BANK OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Bank occurred between the end of the financial year to which these financial statements relate and the date of this report.

7. SHARE CAPITAL OF THE BANK:

The Paid-up equity share capital of your Bank is ₹ 22,68,04,000/- (Rupees Twenty-Two Crores Sixty-Eight Lakhs Four Thousand only) divided in to 2,24,00,400 Equity Shares of ₹. 10/- each (Rupees Ten only) fully paid up and 11,20,000 Equity Shares of ₹ 10/- each (Rupees Ten only) partly paid up of ₹ 2.50 each (Rupees Two paise fifty only).

During the year under review, there was no change in the share capital of the Bank.

8. SUBIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Bank did not have any subsidiary, joint venture or associate Company during the year under review.

9. EXTRACT OF ANNUAL RETURN:

The extracts of Annual Return as of March 31, 2019 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in the prescribed Form MGT-9 and is appended to this report as **Annexure I**.

10. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

The Board of Directors ("Board") is constituted in accordance with the provisions of the Companies Act, the Banking Regulation Act, 1949 and the Articles of Association of the Bank. The Board consists of eminent persons with considerable professional expertise in related fields.

A) RETIREMENT BY ROTATION:

As on date, the Board comprises of four directors, viz. Mr. Sanjay Agrawal (DIN: 07696823), Managing Director, Mr. Pankaj Bhansali (DIN: 03154793) and Mr. Suhas Narayan Sahakari (DIN: 08168414), Independent Directors and Mr. Shantanu Ghosh (DIN: 00041435), Non-Executive Professional Director. All directors were appointed as Additional Directors after previous Annual General Meeting of the Bank, hence will be appointed as Directors in ensuing Annual General Meeting. Accordingly, none of the present directors are liable to retire by rotation as required under Section 152 of the Companies Act, 2013.

B) APPOINTMENT:

Mr. Sanjay Agrawal was appointed as an Additional Director by the Board of Directors with effect from 5th December 2018. Further, he was also appointed as Managing Director and CEO of the Bank for the period from 5th December 2018 to 28th October 2019, as per the approval received from Reserve Bank of India, subject to the approval of members of the Bank in ensuing Annual General Meeting. The Board of Directors of the Bank has also reappointed Mr. Sanjay Agrawal as Managing Director & CEO of the Bank for a further period of 1 (one) year w.e.f. 29th October 2019, subject to the approval of the Reserve Bank of India and shareholders of the Bank.

Mr. Subrata Dasgupta (DIN 08338455) and Mr. Ravi Kiran Malik (DIN 08037772) were appointed as Additional Independent Directors by the Board of Directors for a period of 5 years w.e.f. 24th March 2019 and 18th May 2018 respectively, subject to the approval of members of the Bank in ensuing Annual General Meeting.

Mr. Pankaj Bhansali (DIN 03154793) and Mr. Suhas N Sahakari (DIN 08168414) were appointed as Additional Independent Director by the Board of Directors for a period of 5 years w.e.f. 28th August 2019, subject to the approval of members of the Bank in ensuing Annual General Meeting.

Mr. Shantanu Ghosh (DIN 00041435) was appointed as an Additional Director (Non-Executive) by the Board of Directors w.e.f. 28th August 2019.

c) RESIGNATION/CESSATION:

Mr. Subrata Dasgupta (DIN 08338455), Independent Director stepped down from the Board with effect from closing of working hours of 15th July 2019, due to other engagements with another bank.

Mr. Ravi Kiran Malik (DIN 08037772), Independent Director stepped down from the Board with effect from closing of working hours of 4th August 2019 due to some personal reasons and other occupations elsewhere.

Mr. Siddharth Jain (DIN 07498043), Independent Director resigned from the Board with effect from 14th August, 2019, because of other professional and personal commitments.

Mr. Kishor Mundargi (DIN 07498008), Independent Director resigned from the Board with effect from 16th August, 2019 because of other professional and personal commitments.

The Board places on record its appreciation to all the resigning directors for their contribution in the shaping up the Bank.

The resolutions seeking approval of the members for appointment of Mr. Pankaj Bhansali and Mr. Suhas N Sahakari as Independent Directors, Mr. Shantanu Ghosh, as Non-Executive Director and Mr. Sanjay Agrawal as Managing Director & CEO of the Bank, have been incorporated in the Notice of the Annual General Meeting of the Bank along with brief details about them. Your directors recommend for their appointment.

d) Declaration from Independent Directors

All Independent Directors of the Bank have submitted declarations under Section 149(7) of the Companies Act, 2013 that each of them meets the criteria of independence as provided in Section 149(6) of the Act.

e) Key Managerial Personnel (KMP)

The details of Key Managerial Personnel of the Bank are as follows:

Sl. No.	Name of the Person	Designation	Appointment/ Cessation	Date of Appointment/ cessation
1.	Mr. Sanjay Agrawal	Managing Director & CEO	Appointment	05/12/2018
2.	Mr. Vivek Kanwar	Company Secretary	Resignation	10/04/2019
3.	Mr. Satyanarayan R. Baheti	Chief Financial Officer	Resignation	03/06/2019
4.	Mr. Himanshu Katare	Company Secretary	Appointment	18/05/2019

11. POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors. The Appointment of Directors Policy and Remuneration Policy is appended to this report as **Annexure II(A) and II(B) respectively**.

12. AUDIT COMMITTEE AND ITS COMPOSITION:

As on 31st March 2019, the Audit Committee comprised of Mr. Siddharth Jain, Mr. Kishor Mundargi, and Mr. Subrata Dasgupta. Mr. Siddharth Jain was Chairman of Audit Committee of the Bank.

In view of changes in Directors, the Audit Committee was reconstituted w.e.f. 05.09.2019, comprising of Mr. Pankaj Bhansali as Chairman, Mr. Shantanu Ghosh and Mr. Suhas Narayan Sahakari as Members of the Audit Committee.

The Audit Committee of the Bank reviews the reports to be submitted to the Board of Directors with respect to auditing and accounting matters. It also supervises the Bank's internal control, financial reporting process and vigil mechanism.

The Bank has provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interest of Bank and its employees.

13. NOMINATION AND REMUNERATION COMMITTEE AND ITS COMPOSITION:

As on 31st March 2019, the Nomination and Remuneration Committee comprised of Mr. Kishor Mundargi, Mr. Siddharth Jain and Mr. Subrata Dasgupta. Mr. Kishor Mundargi was Chairman of Nomination and Remuneration Committee of the Bank.

In view of changes in directors, the Nomination and Remuneration Committee was reconstituted w.e.f. 05.09.2019, comprising of Mr. Suhas Narayan Sahakari as Chairman, Mr. Shantanu Ghosh Mr. Pankaj Bhansali, Mr. Sanjay Agrawal as Members of the Nomination and Remuneration Committee.

The Committee has been constituted to review the structure, size, composition and diversity of the Board and designing of the criteria for determining the qualifications, positive attributes and independence of the directors.

14. NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES HELD DURING THE YEAR UNDER REVIEW:**Meetings of Board of Directors:**

The Board of Directors of the Bank duly met 7 (Seven) times during the financial year under review on 6th May 2018, 13th May 2018, 24th June 2018, 29th July 2018, 7th October 2018, 18th November 2018, 6th January 2019 and 24th March, 2019.

The gap between two Board meetings did not exceed 120 days.

Meetings of Committees of Board of Directors

The Audit Committee of the Bank duly met 5 (Five) times during the financial year under review on 14th June 2018, 29th July 2018, 7th October 2019, 18th November 2018 and 24th March 2019.

The Nomination and Remuneration Committee of the Bank duly met 7 (Seven) times during the financial year under review on 6th May 2018, 24th June 2018, 29th July 2018, 7th October 2018, 18th November 2018, 6th January 2019 and 24th Match, 2019.

15. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Clause (3) and (5) of Section 134 of the Companies Act, 2013 state that:

- a) in the preparation of the annual accounts for financial year 2018-19, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year 2018-19 and of the loss of the Bank for that period;

- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. DEPOSITS:

Being Banking Company as defined in the Reserve Bank of India Act, 1934 provisions of Chapter V of the Companies Act, 2013 and Rule 8(5) of the Companies (Accounts) Rules, 2014 are not applicable to the Bank.

17. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT 2013:

The Bank has not entered into any contract or arrangements with any of the related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 during financial year 2018-19.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

Pursuant to Section 186(11) of the Companies Act, 2013 and clarification dated 13th February, 2015 issued by the Ministry of Corporate Affairs, loans made, guarantee given, or securities provided or acquisition of securities by a banking company in the ordinary course of its business are exempted from disclosure in the Annual Report.

Therefore, the said provision is not applicable to the bank.

19. CORPORATE SOCIAL RESPONSIBILITY:

The provision of Section 135 of the Companies Act, 2013 with respect to the Corporate Social Responsibility are not applicable to the Bank.

20. WHISTLE BLOWER/ VIGIL MECHANISM:

The Bank has a Vigil Mechanism / Whistle Blower mechanism to deal with instance of fraud and mismanagement, if any. The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. The Vigil Mechanism Policy is also posted on the website of the Bank. We affirm that during the financial year 2018-19, no employee or director was denied access to the Audit Committee.

21. AUDITORS:

M/s. Ummed Jain & Co., Chartered Accountants, Mumbai (having Firm Registration Number: 119250W) were appointed as Statutory Auditors of the Bank to hold the office from the conclusion of 17th Annual General Meeting until conclusion of the 18th Annual General Meeting of the Bank to be held for the financial year ended 31st March, 2019. Accordingly, they hold office till the conclusion of ensuing Annual General Meeting of the Bank.

Subject to the approval of Reserve Bank of India and members of the Bank, your directors recommend the reappointment of M/s. Ummed Jain & Co., Chartered Accountants, Mumbai (having Firm Registration Number: 119250W), as the Statutory Auditors of the Bank for a further period of one year commencing from the conclusion of the 18th Annual General Meeting till the conclusion of 19th Annual General Meeting to be held for the Financial Year ending on 31st March, 2020. The Bank has received a letter from M/s. Ummed Jain & Co., Chartered Accountants, to the effect that they are willing to get reappointed as Statutory Auditors and if appointed, their appointment would be within the limits prescribed under Section 139 of the Companies Act, 2013 and they are not disqualified from being appointed as Statutory Auditors.

The provisions of Section 204 of the Companies Act, 2013 regarding Secretarial Audit are not applicable to the bank.

22. REMARKS ON QUALIFICATION BY STATUTORY AUDITORS:

There were no qualification/adverse remarks in Statutory Auditor's Report. However, there is emphasis on Matter related with advancing of amounts ₹ 6 crore as interest free security deposit for leased premises in Mumbai, which is self-explanatory and does not require any comments.

23. COST AUDITORS

Being a Banking Company, the provisions regarding cost records and cost audit not applicable.

24. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of the Act.

25. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND BANK'S OPERATIONS IN FUTURE:

There was no significant or material order passed by any regulator or court or tribunal, which impacts the going concern status of the Bank or will have bearing on Bank's operations in future.

26. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Bank has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its business operations. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, compliance with policies, procedures, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

In view of the nature of the activities of the Bank, your directors have nothing to report regarding conservation of Energy and Technology Absorption as required under Section 134(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts), Rules 2014.

There was no inflow or outgo of foreign exchange during the year under review.

28. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE BANK:

The Bank has established adequate Risk Management framework and procedures for managing the risk factors. The Risk Management Committee (RMC) of the Board oversees the implementation of Credit risk and Operational risk aspects. On day to day basis the management level committee and the functional heads are responsible for the credit and operational risk monitoring and mitigation.

The Asset Liability Management Committee (ALCO) & Investment Committee of the management look into the management of Liquidity risks and ensure adherence to the prudential limits. The Asset Liability Management and Investment Committee of the Board oversee the Liquidity risk and Investment Risk. Being all investments of the Bank made only in Government securities, the Investment Risk of the Bank is negligible. The Asset Liability Management framework of the Bank ensures that the Bank is in a position to meet its daily liquidity obligations as well as to withstand a period of liquidity stress while maintaining the required CRR and SLR level. The liquidity profile of the Bank is analyzed on a static as well as on a dynamic basis by using the gap analysis technique supplemented by monitoring of key liquidity ratios periodically.

The Bank has a structured and standardized credit approval processes, including a well-established procedure of comprehensive credit appraisal and documentation. Every extension of credit facility or material change of a credit facility to any counterparty requires credit approval at the appropriate authority level. Internal risk rating remains the foundation of the credit assessment process, which provides standardization and objectivity to the process.

29. PARTICULARS OF EMPLOYEES:

Details as per section 197(12) read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in **Annexure III**.

30. INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Bank has constituted an Internal Complaints Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaint was filed before the said Committee.

31. NETWORTH:

The net worth of the Bank as on 31st March 2019 is ₹. 27 Crores.

32. CAPITAL ADEQUACY RATIO:

As on 31.03.2019, Capital Adequacy Ratio of the Bank is 190.90 % as per banking norms prescribed by the RBI.

33. CORPORATE GOVERNANCE:

The Bank puts utmost thrust on best corporate governance. The Bank has always adopted practices and policies to ensure a culture of good Corporate Governance. This is done through a three-tier management structure – the Branch management, the Head Office supervision and thirdly the Board level supervision.

The Board has been constituted in accordance with the Banking Regulation Act, 1949 and is represented by well experienced personalities from the fields of banking, finance, Agri-business and Rural Development.

34. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Bank has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and your Directors confirm compliance of the same during the year under review.

35. ACKNOWLEDGEMENTS:

The Directors would like to place on record their sincere appreciation for the continued co-operation, guidance, support and assistance extended during the year under report by Reserve Bank of India, bankers, customers, shareholders and Government agencies. The Board of Directors wishes to express its appreciation for the valuable Contribution made by the employees at all levels during the year under report.

By order of the Board of Directors

Sanjay Agrawal
Managing Director & CEO
DIN: 07696823

Suhas N Sahakari
Independent Director
DIN: 08168414

Place: Mumbai
Date: 5th September 2019

Annexure I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019 of
SUBHADRA LOCAL AREA BANK LIMITED
[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I REGISTRATION AND OTHER DETAILS

i.	CIN	U65191PN2001PLC016042
ii.	Registration Date	10.04.2001
iii.	Name of the Company	SUBHADRA LOCAL AREA BANK LIMITED
iv.	Category / Sub-Category of the Company	Public Limited Company
v.	Address of the Registered office and contact details	Shop Nos. 47 to 56, Ground Floor, Gemstone Building, Near Central Bus Stand, Kolhapur MH 416001 IN Tel No: 0231-2652585
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Private Limited Unit-1, Luthra Ind Premises, 1st Floor, 44 E, M Vasanti Marg, Andheri Kurla Road, Safeed Pool, Andheri East, Mumbai- 400072. Tel No. 022 28515606

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Banking	64191	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

The Bank does not have any holding, subsidiary and associate companies.

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)										
A. Equity Shares of PAID UP OF Rs. 10/- each, Carrying Voting Rights										
Category-wise Share Holding										
Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% of Total Shares	% Change during the year
	Demat	Physical		Total	Demat	Physical	Total			
A. Promoters										
(1) Indian										
a) Individual/HUF	0	2934380		2934380	13.10	0	0	0	0.00	-13.10
b) Central Govt	0	0		0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0		0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0		0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0		0	0.00	0	0	0	0.00	0.00
f) Other - (i) Directors & Relatives	0	4160200		4160200	18.57	0	0	0	0.00	-18.57
Sub- Total (A) (1):-	0	7094580		7094580	31.67	0	0	0	0.00	-31.67
(2) Foreign										
a) NRIs - Individuals	0	0		0	0	0	0	0	0	0
b) Other – Individuals	0	0		0	0	0	0	0	0	0
c) Bodies Corp.	0	0		0	0	0	0	0	0	0
d) Banks / FI	0	0		0	0	0	0	0	0	0
e) Any Other....	0	0		0	0	0	0	0	0	0
Sub - Total (A) (2):-	0	0		0	0	0	0	0	0	0

Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	0	7094580	7094580	31.67	0	0	0	0.00	-31.67
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub- Total (B)(1) :-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	15305820	15305820	68.33	0	22400400	0	100.00	31.67
Sub- Total (B)(2):-	0	15305820	15305820	68.33	0	22400400	0	100.00	31.67

Total Public Shareholding (B)=(B)(1)+(B)(2)	0	15305820	15305820	68.33	0	22400400	0	100.00	31.67	
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	22400400	22400400	100.00	0	22400400	0	100	100	

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Abhishek Annasaheb Mohite	515000	2.30	0	0	0.00	0	-2.30
2	Mrs. Sitadevi Ramchandra Pandit	100000	0.45	0	0	0.00	0	-0.45
3	Mrs. Soniya alias Sunanda Patil	1340000	5.98	0	0	0.00	0	-5.98
4	Mr. Annasaheb Ramchandra Mohite	1000000	4.46	0	0	0.00	0	-4.46
5	Mr. Rajnikant Annasaheb Patil	630000	2.81	0	0	0.00	0	-2.81
6	Mr. Ramchandra Maruti Mohite	919280	4.10	0	0	0.00	0	-4.10
7	Mr. Sanjay Balaso Patil	2089100	9.33	0	0	0.00	0	-9.33
8	Smt. Sarojini Shrimant Melwanki	100	0.00	0	0	0.00	0	0.00
9	Mr. Shashikant S Mirji i	1000	0.00	0	0	0.00	0	0.00
10	Late Parvati Ramchandra Mohite	500100	2.23	0	0	0.00	0	-2.23
Total		7094580	31.67	0	0	0.00	0	-31.67

(iii) Change in Promoters' Shareholding						
Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		No. of Shares	Cumulative Shareholding during the year	
1	Mr. Abhishek Annasaheb Mohite	515000	2.30	515000.00	515000	2.30
	Sale - 13/05/2018	0	0.00	-515000.00	-515000	- 2.30
	Total	515000	2.30		0	0.00
2	Mrs. Sitadevi Ramchandra Pandit	100000	0.45	100000.00	100000	0.45
	Sale - 13/05/2018	0	0.00	-100000.00	-100000	- 0.45
	Total	100000	0.45	0.00	0	0.00
3	Mrs. Soniya alias Sunanda Patil	1340000	5.98	1340000.00	1340000	5.98
	Sale - 13/05/2018	0	0.00	- 1340000.00	-1340000	- 5.98
	Total	1340000	5.98	0.00	0	0.00
4	Mr. Annasaheb Ramchandra Mohite	1000000	4.46	1000000.00	1000000	4.46
	Sale - 13/05/2018	0	0.00	-1000000	-1000000	- 4.46
	Total	1000000	4.46	0	0	0.00
5	Mr. Rajnikant Annasaheb Patil	630000	2.81	630000.00	630000	2.81
	Sale - 13/05/2018	0	0.00	-630000	-630000	- 2.81
	Total	630000	2.81	0	0	0.00
6	Mr. Ramchandra Maruti Mohite	919280	4.10	919280.00	919280	4.10
	Sale - 13/05/2018	0	0.00	-919280	-919280	- 4.10
	Total	919280	4.10	0	0	0.00
7	Mr. Sanjay Balaso Patil	2089100	9.33	2089100.00	2089100	9.33
	Sale - 13/05/2018		0.00	- 2089100.00	-2089100	- 9.33
	Total	2089100	9.33	0	0	0.00

8	Smt. Sarojini Shrimant Melwanki	100	0.00	100.00	100	0.00
	Sale - 13/05/2018	0	0.00	-100	-100	0.00
	Total	100	0.00	0	0	0.00
9	Mr. Shashikant S Mirji	1000	0.00	1000.00	1000	0.00
	Sale - 13/05/2018	0	0.00	-1000	-1000	0.00
	Total	1000	0.00	0	0	0.00
10	Late Parvati Ramchandra Mohite	500100	2.23	500100.00	500100	2.23
	Sale - 13/05/2018	0	0.00	-500100	-500100	-2.23
	Total	500100	2.23	0	0	
	TOTAL	14189160	61.10		0	0.00

(iv) Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Vivek Kothari				
A	At the beginning of the year	1110000	4.96		
B	Purchase - 13/05/2019	1100	0.00		
C	At the End of the year			1111100	4.96
2	Mr. Lekhraj Kanungo				
A	At the beginning of the year	1097760	4.90		
B	Changes during the year	No change during the year			
C	At the End of the year			1097760	4.90
3	Mr. Rahul Shah				
A	At the beginning of the year	1090180	4.87		

B	Changes during the year	No change during the year			
C	At the End of the year			1090180	4.87
4	Mr. Pradeep Rathod				
A	At the beginning of the year	1070000	4.78		
B	Changes during the year	No change during the year			
C	At the End of the year			1070000	4.78
5	Mr. Vinodkumar Bohara				
A	At the beginning of the year	1063700	4.75		
B	Changes during the year	No change during the year			
C	At the End of the year			1063700	4.75
6	Mrs. Sohinidevi Nahar				
A	At the beginning of the year	1050000	4.69		
B	Changes during the year	No change during the year			
C	At the End of the year			1050000	4.69
7	Mr. Ganpatraj Choudhary				
A	At the beginning of the year	1050000	4.69		
B	Changes during the year	No change during the year			
C	At the End of the year			1050000	4.69
8	Mrs. Sukhidevi Haran				
A	At the beginning of the year	1009100	4.50		
B	Changes during the year	No change during the year			
C	At the End of the year			1009100	4.50
9	Mr. Chandu Chah				
A	At the beginning of the year	1000000	4.46		
B	Changes during the year	No change during the year			
C	At the End of the year			1000000	4.46

10	Mr. Ashok Jogani				
A	At the beginning of the year	981360	4.38		
B	Changes during the year	No change during the year			
C	At the End of the year			981360	4.38

11	Mr. Lalith Kumar				
A	At the beginning of the year	0	0.00		
B	Purchase - 13/05/2019			1000000	4.46
C	At the End of the year			1000000	4.46

12	Mrs. Ashoka Agrawal				
A	At the beginning of the year	0	0.00		
B	Purchase - 13/05/2019			1115100	4.98
C	At the End of the year			1115100	4.98

13	Mr. Gaurav Porwal				
A	At the beginning of the year	0	0.00		
B	Changes during the year			1010000	4.51
C	At the End of the year			1010000	4.51

(v)Shareholding of Directors and Key Managerial Personnel					
Sr. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
There are no Directors and KMP holding any shares in the Bank during the year.					

IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
B . Equity Shares of PAID UP OF Rs.2.5/- each, Carrying Voting Rights
I. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Other - (i) Directors & Relatives	0	0	0	0.00	0	0	0	0.00	0.00
Sub- Total (A) (1):-	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub - Total (A) (2) :-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	0	0	0	0.00	0	0	0	0.00	0.00

B. Public									
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Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others - Trust	0	0	0	0	0	1120000	1120000	100	100
Sub- Total (B)(1) :-	0	0	0	0	0	1120000	1120000	100	100
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1120000	1120000	100.00	0	0	0	0.00	100.00
Sub- Total (B)(2):-	0	1120000	1120000	0.00	0	0	0	0.00	100.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	1120000	1120000	0.00	0	1120000	1120000	100.00	100.00
C) Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	1120000	1120000	100.00	0	1120000	1120000	100	0

(ii) Shareholding of Promoters - NIL									
Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04. 2018)				Shareholding at the end of the year (As on 31.03.2019)			
		No. of Shares	% of total Shares of the company		%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year

(iii) Change in Promoters' Shareholding (please specify, if there is no change) - NIL						
Sr. No.	Shareholders' Name	Shareholding at the beginning of the year		No. of Shares	Cumulative Shareholding during the year	

(iv) Shareholding Pattern of top 10 shareholders (other than Directors, promoters and holders of GDRs and ADRs)

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Mr. Rajiv Agarwal	1120000	100.00	1120000.00	1120000	100.00
	Sale - 13/05/2018	0	0.00	-1120000.00	-1120000	-100.00
	Total	112000	100.00		0	0.00

2	Rudrapriya Trust	0	0.00	0.00	0	0.00
	Purchase - 13/05/2018	0	0.00	1120000.00	1120000	100.00
	Total	0	0.00		1120000	100.00

(v) Shareholding of Directors and Key Managerial Personnel						
Sr. No		Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
	For Each of the Directors and KMP					

There are no Directors and KMP holding any shares in the Bank during the year.

V.	INDEBTEDNESS		
	Indebtedness of the Company including interest outstanding/accrued but not due for payment-NIL		
VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL		
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:		
			(In Rs.)
Sr No.	Particulars of Remuneration	Mr. Sanjay Agrawal Managing Director (from December 5, 2018 to March 31, 2019)	Total Amount
1	Gross salary	Rs. 758067/-	Rs. 758067/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	as % of profit	-	-
	others, specify...	-	-
5	Others, please specify	-	-
	Total (A)		
	Ceiling as per the Act		

B.	Remuneration to other directors	Mr. Kishor Mundargi (Independent Director)	Mr. Siddharth Jain (Independent Director)	Mr. Ravikiran Malik (Independent Director)	Mr. Subrata Dasgupta (Independent Director)	Mr. Suhas N Sahakari (Independent Director)	Mr. Pankaj Bhansali (Independent Director)	Mr. Shantanu Ghosh (Professional Director)
	Independent Directors							NA
	• Fee for attending board / committee meetings							NA
	• Commission							NA
	• Others, please specify							NA
	Total (1)							NA
	Other Non-Executive Directors							NA
	• Fee for attending board / committee meetings							NA
	• Commission							NA
	• Others, please specify							NA
	Total (2)							NA
	Total (B)=(1+2)							NA
	Total Managerial Remuneration (A+B)							NA
	Overall Ceiling as per the Act							NA

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD				
				(IN Rupees)
SR No.	Particulars of Remuneration	Mr. Satyanarayan Ramdeo Baheti (Chief Financial Officer) till 03.06.2019	Mr. Vivek Kanwar (Company Secretary) till 10.04.2019	Total
1	Gross salary	Rs. 2275356/-	Rs. 4,57,300/-	Rs. 27,32,656
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	Rs. 2275356/-	Rs. 4,57,300/-	Rs. 27,32,656
VII.	PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:			
No penalty or punishment was imposed on the bank or its directors or on any other office in default during the financial year. No compounding was done during the financial year.				

By order of the Board of Directors

Sanjay Agrawal
Managing Director & CEO
DIN: 07696823

Suhas N Sahakari
Independent Director
DIN: 08168414

Place: Mumbai
Date: 5th September 2019

ANNEXURE II (A)



Appointment of Directors Policy

(Approved by the Board on 24th March, 2019)

SUBHADRA LOCAL AREA BANK LIMITED

Registered Office:

Shop Nos. 47 to 56, Ground Floor,
Gemstone Building, Near Central Bus Stand,
Kolhapur - 416001
Maharashtra (INDIA)

1. PREFACE

This Appointment policy for the Directors to the Board of the Subhadra Local Area Bank Limited is formulated to determine the proper process for appointment of Directors of the Bank.

2. COMMENCEMENT

This policy governs matters relating to directors' appointment including criteria for determining qualifications, positive attributes, independence of a director and other matters as provided under Sections 152, 168 and 178 of the Companies Act, 2013 and applicable provisions of the Banking Regulation Act, 1949.

3. DEFINITIONS

For the purpose of this policy all terms shall have same meaning as defined under Companies Act, 2013 and the Banking Regulation Act, 1949.

4. PURPOSE

This policy is framed to attain following objectives:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board's diversity;

5. PROCEDURE

For appointing directors, the Bank sets out the following procedure:

The appointment of Directors shall be governed by the provisions of the Companies Act, 2013 and Banking Regulation Act, 1949 and all instructions/guidelines/notifications issued by the Reserve Bank of India from time to time.

The appointment of the Managing Director and his remuneration shall be subject to the approval of the Reserve Bank of India. The application to the Reserve Bank of India for appointment of the Managing Director needs to be submitted at least four months before expiry of the term of the existing Managing Director.

The following procedure shall be followed for appointment of other directors:

- (i) The Board and Nomination Remuneration Committee (hereinafter read as “NRC”) of the Bank shall lookout for identification of suitable candidates with professional expertise for appointment as director of the Bank.
- (ii) Once a suitable candidate is identified, his Curriculum vita (CV) will be obtained.
- (iii) The appointee shall be of age between 35 years and 65 years, or such other age as may be notified by the RBI from time to time.
- (iv) An informal discussion shall be held with the person for appraisal of his competency and willingness to join the Board.
- (v) The Board shall make efforts to appoint directors having expertise in one of the following areas as specified in Section 10A (2) of the Banking Regulation Act, 1949:

at least two directors having special knowledge or practical experience in the areas of rural economy, co-operation or small- scale industry, who shall not-

- a. have substantial interest in, or be connected with, whether as employee, manager or Managing agent - (i) any company, not being a company registered under section 8 of the Companies Act, 2013 or (ii) any firm, which carries on any trade, commerce or industry and which, in either case, is not a small-scale industrial concern, or
- b. be proprietors of any trading, commercial or industrial concern, not being a small-scale industrial concern, in compliance with statutory requirement of the Banking Regulation Act, 1949

1. The Bank shall have not less than 51% of the total number of members of the Board of Directors consisting of persons, who have special knowledge or practical experience in respect of one or more of the following matters, namely:

- (i) accountancy,
- (ii) agriculture and rural economy,
- (iii) banking,
- (iv) co-operation,
- (v) economics,
- (vi) finance,
- (vii) law,
- (viii) small-scale industry,
- (ix) any other matter the special knowledge of, and practical experience in, which would, in the opinion of the Reserve Bank, be useful to the banking company.

- (vi) A preliminary CIBIL check shall be carried out and if the person is a director in other companies already, the details of such companies shall be checked out.

- (vii) DIN associated with Director must be checked by the Company Secretary whether he is qualified to become Director or not.
- (viii) 'Fit and proper' criteria shall be checked for the person to be appointed as director of Bank.
- (ix) If prima facie of the scrutiny is satisfactory, the details shall be placed before the NRC and the Board for inviting him to join the Board.
- (x) After obtaining approval of the Board, an invitation shall be sent to the appointee to join the Board.
- (xi) Upon acceptance by the invitee, the further details / declarations be obtained as required under the Companies Act, 2013 and Banking Regulation Act, 1949 and a detailed check be carried out through an external agency.
- (xii) If no adverse observation is detected in the detailed check and he meets all the norms for appointment as director, the findings be placed before the NRC for recommendation to the Board for his appointment as director.
- (xiii) The Board shall deliberate the findings and the recommendation of the NRC and consider appointing him as director on the Board of the Bank, if satisfied with the findings.
- (xiv) The Board of the Bank shall take declaration from directors of the Bank every year as on 31st March that the information already provided by them has not undergone any change and where there is any change, requisite details are furnished by the directors forthwith. If there are any significant changes, NRC should undertake due diligence exercise afresh and examine the 'fit and proper' status of the director.

6. DOCUMENTS / DECLARATIONS

The directors appointed by the Board shall submit following declaration/documents to the Bank from time to time as per statutory requirements:

- (i) The declarations under Section 164 of the Companies Act, 2013 in Form DIR 8 as per format prescribed under the Companies Act, 2013;
- (ii) The disclosure of directors' interest under Section 184 of the Companies Act, 2013 in Form MBP-1 as per format prescribed under the Companies Act, 2013;
- (iii) The declarations of independence by the Independent Directors under Section 149(6) of the Companies Act, 2013;
- (iv) The deed of covenants in the prescribed format as recommended by Ganguly Committee Report;
- (v) Declaration and Undertaking from Directors for intimation to the RBI in the prescribed format given from time to time in the RBI guidelines/notifications.

(vi) Annual disclosures by all the directors in compliance with the Companies Act, 2013, the Banking Regulations Act, 1949 and the RBI guidelines issued from time to time.

7. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors of the Bank.

This policy is approved and adopted by the Board of Directors in its meeting held on 24th March 2019 and will be effective from that date.

Annexure II (B)**REMUNERATION POLICY OF
SUBHADRA LOCAL AREA BANK LIMITED****1. PREFACE**

This Remuneration policy of the Subhadra Local Area Bank Limited is formulated to determine the appointment of and remuneration payable to Directors, Key Managerial Personnel ('KMPs') and the Senior Management Personnel ('SMPs') of the Bank.

The Board of Directors of the Bank has adopted this Remuneration Policy, on the recommendation of the Remuneration Committee, in its meeting held on 22.05.2014

2. COMMENCEMENT

This remuneration policy governs Policy relating to directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178 of the Companies Act, 2013.

3. DEFINITIONS

For the purpose of this policy all terms shall have same meaning as defined under Companies Act, 2013.

4. PURPOSE

This policy is framed to attain following objectives:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. The bank shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

5. PRINCIPLES OF REMUNERATION

The objective of the remuneration policy is to enable the Bank to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Bank strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long-term strategy. The policy is designed to encourage behavior that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

- i. **Vision and Strategy-** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Bank's vision and strategy.

- ii. **Transparent** –The policy and its execution are clear and practical.
- iii. **Aligned within the bank’s objectives** – The remuneration policy is aligned with the bank’s short term and long-term objectives, compatible with those of management and other employees.
- iv. **Long-term orientated** – The incentives focus on long-term value creation.
- v. **Compliant** – Bank adopts the highest standards of good corporate governance.
- vi. **Simple** – The policy and its execution are as simple as possible and easily understandable to all stakeholders.
- vii. **Internal equity**- The Bank shall remunerate the board members, KMP and senior management in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Bank.
- viii. **External equity**- The Bank strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Bank will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Bank’s remuneration practices at that time.
- ix. **Flexibility**- Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Bank whilst complying with relevant tax and other legislation.
- x. **Performance-Driven Remuneration**- The Bank shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- xi. **Affordability and Sustainability**- The Bank shall ensure that remuneration is affordable on a sustainable basis.

6. NOMINATION AND REMUNERATION COMMITTEE

- a. **Composition**- The Remuneration Committee of the Board of Directors is re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- b. **Responsibility & Duties**- The responsibility and duties of Nomination and Remuneration Committee are as follows:
 - i. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director’s performance.
 - ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

- iii. Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc. for Executives and reviewing it on a periodic basis;
- iv. Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the bank, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
- v. **Formulating the policy to ensure that:**
 1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the bank successfully.
 2. relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
 3. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the bank and its goals.

7. SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

Nomination & Remuneration Committee shall evaluate the Board's Performance, ascertain their availability and make suitable recommendations to the Board. The Committee shall identify suitable candidates in the event of any vacancy being created on the Board on account of retirement, resignation or demise of any existing Board member. Based on the recommendations of the Committee, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director will be appointed by the Board.

In the evaluation of Board Members, the Nominations Committee will have regard to normally accepted nomination criteria, including:

- (a) honesty and integrity;
- (b) the ability to exercise sound business judgment;
- (c) appropriate experience and professional qualifications;
- (d) absence of conflicts of interest or other legal impediments to serving on the Board;
- (e) willingness to devote the required time; and
- (f) availability to attend Board and Committee meetings

8. PROCESS FOR EVALUATION

The Nomination & Remuneration Committee of the Board will be responsible for the evaluation of Board's and individual directors' performance.

9. PUBLICATION

The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

Annexure – III

Information as per Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a) The details of top 10 employees in terms of remuneration drawn during the financial year under review: 2018-19

Sr. No.	Employee Name	Designation	Education Qualification	Age (Years)	Experience (In Years)	Date of commencement Employment	Gross Remuneration Paid (Per Annum) (In Rs.)	Previous Employment and Designation
1.	Mr. Rajiv Agrawal	Head New Initiative	B. E.	47	16	01.04.2016	4700004	IndusInd Bank Head Bullion & Commodities
2	Mr. Subash Chandra Misra	Chief Administrative Officer & Compliance Officer	M.A., CFA, MBA, ICFAI, CAIIB	62	39	30.06.2017	2256000	Department of Banking Supervision at Bangalore - RBI Chief General Manager, RBI
3	Mr. Vinod Kumar	Chief Information Officer	BSC, MCA	45	19	17.08.2017	2256000	Delivery Project Manager M/s Wipro Limited
4	Mr. S.N. Baheti	Chief financing Officer	BCOM, CS, CAIIB, CA	62	39	05.10.2017	2256000	CGM IDBI Bank Kolhapur District Co-op Bank Ltd.
5	Mr. Vivek Jaywant Mhatre	Head Treasury	BCOM. LLB.	64	39	01.12.2017	2068000	Union Bank of India General Manager
6	Mr. Oscar Fernandes	Head Centralized Operations	MBA, LLB	46	23	29.09.2017	1252800	Senior Manager Axis Bank Ltd.
7	Mr. S. K. Singh	Head Marketing & Business Development	M Sc Maths, CAIIB	64	36	01.04.2018	1149600	General Manager (Retail Banking) in Union Bank of India

8	Mr. Muralidharan Nair	Cluster Manager-Sales	BCOM	47	20	01.03.2018	1135032	Vice President – Financial Inclusion & Alternative Business
9	Mr. Sanjay Agrawal	Managing Director & CEO	MFM, Master’s Degree in Economics Bachelor’s Degree in Statistics	58	31	05.12.2018	758067	RBS
10	Mr. Sunil Shripatrao Bhandwale	General Manager (Accounts & Audit)	B.com, DIB	60	21	25.06.2012	600000	Kolhapur Urban co-op Bank Ltd Manager

Notes:

1. All employees are permanent, except Managing Director, whose appointment is contractual.
 2. Remuneration includes salary, various allowances, contribution to provident fund and taxable value of perks.
 3. None of the employees are relative of director or manager of the Bank.
 4. None of the above employees of the Bank hold any shares in the Bank.
- b) Employees drawing remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000/- per annum or more during the year – NIL

By order of the Board of Directors

Suhas Sahakari
Independent Director
DIN: 08168414

Sanjay Agrawal
Managing Director & CEO
DIN: 07696823

Place: Mumbai
Date: 5th September 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Subhadra Local Area Bank Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Subhadra Local Area Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March 2019, the Profit and Loss account and the Cash Flow statement for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulations Act, 1949 as well as the Companies Act, 2013 in the manner so required for banking companies and are in conformity with the accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at March 31, 2019, the Loss and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

3. We draw attention to Note 24 of the financial statements of the Bank which elaborate the facts and circumstances regarding giving interest free security deposit of Rs.6.00 crore (Rupees Six Crore) for existing leased premises i.e. Mumbai Liaison Office during financial year 2018-19.

Our opinion is not modified in respect of this matter.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

5. The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management discussion and Analysis, Board's Report including its annexures, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit & Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
9. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - (c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit.
10. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.
- c) The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to our separate Report in “**Annexure-A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Bank’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its standalone financial statements;
 - ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank.

for **UMMED JAIN & CO.**
Chartered Accountants,
FRN : 119250W

[**CA U.M. JAIN**]
Partner
M.No.070863

Place: Mumbai
Date: 18th May, 2019

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 10(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone financial statements of the Subhadra Local Area Bank Limited for the year ended March 31, 2019 on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013)

We have audited the internal financial controls over financial reporting of Subhadra Local Area Bank Limited Subhadra Local Area Bank Limited (“the Bank”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our

audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Bank's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were

operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

-For **UMMED JAIN & CO.**
Chartered Accountants
FRN: 119250W

Place: Mumbai
Date : 18th May, 2019

[**CA U.M. JAIN**]
Partner
M.No.070863

SUBHADRA LOCAL AREA BANK LTD, KOLHAPUR

BALANCE SHEET AS ON 31st MARCH 2019

Amt in Rs.

CAPITAL AND LIABILITIES	SCHEDULE No.	As on 31/03/2019	As on 31/03/2018
Capital	1	22,68,04,000	22,68,04,000
Reserves and Surplus	2	4,32,01,707	11,37,87,612
Deposits	3	14,74,28,556	16,77,86,160
Borrowings	4	-	-
Other Liabilities and Provisions	5	1,70,16,502	1,73,94,614
Total		43,44,50,765	52,57,72,386
ASSETS			
Cash and Balances with Reserve Bank of India	6	84,10,271	76,78,884
Balances with Banks and Money at call & short			
Notice	7	8,41,94,060	7,27,68,353
Investments	8	20,93,46,104	26,64,04,236
Advances	9	2,38,09,832	4,29,20,261
Fixed Assets	10	6,20,41,810	3,57,17,861
Other Assets	11	4,66,48,687	10,02,82,791
Total		43,44,50,765	52,57,72,386
Contingent Liabilities	12	16,71,544	1,95,97,705
Bills for Collection		-	
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of this Balance Sheet.

As per our report of even date attached

For UMMED JAIN & CO
Chartered Accountants
FRN NO 119250W

For and on behalf of the Board of Directors

Kishor Mundargi

Director

Sanjay Agrawal
Managing Director and CEO

Siddharth Jain
Director

S.S.Bhandwale
General Manager
Date: May 18 ,2019

S.N.Baheti
C.F.O.

Himanshu Katare
Company Secretary

SUBHADRA LOCAL AREA BANK LTD. KOLHAPUR

SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

Amt in Rs.

SCHEDULE 1- CAPITAL	As on 31-03-2019	As on 31-03-2018
I. Authorised Capital (6,00,00,000 equity shares of Rs. 10 each)	60,00,00,000	60,00,00,000
II. Issued and Subscribed Capital 1. 2,35,20,400 equity shares of Rs.10 each	23,52,04,000	23,52,04,000
Total	23,52,04,000	23,52,04,000
III. Called up Capital 1. 2,24,00,400 equity shares of Rs.10 each 2. 11,20,000 equity shares- Rs.2.5 per share	22,40,04,000 28,00,000	22,40,04,000 28,00,000
Total	22,68,04,000	22,68,04,000
IV. Paid up Capital 1. 2,24,00,400 equity shares of Rs.10 each 2. 11,20,000 equity shares- Rs.2.5 per share allotted under ESOP	22,40,04,000 28,00,000	22,40,04,000 28,00,000
Total	22,68,04,000	22,68,04,000

SUBHADRA LOCAL AREA BANK LTD. KOLHAPUR
SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

Amt in Rs.

SCHEDULE 2 - RESERVES AND SURPLUS	As on 31-03-2019	As on 31-03-2018
I. Statutory Reserves		
Opening Balance	3,85,36,177	3,62,50,013
Additions during the year	-	22,86,164
	3,85,36,177	3,85,36,177
II Capital Reserves		
Opening Balance	-	-
Addition during the year	-	-
III Share Premium		
Opening Balance	-	-
Addition during the year	-	-
IV Investment Fluctuation Reserves		
Opening Balance	2,72,000	2,72,000
Less: Transfer during the year	-	-
	2,72,000	2,72,000
V Investment Reserve Account		
Opening Balance	-	-
Addition during the year	58,97,604	-
	58,97,604	-
VI Infrastructural Upgradation Reserves		
Opening Balance	-	30,00,000
Less: Transferred to P & L Appropriation Account	-	(30,00,000)
VII General Reserves		
Opening Balance	5,26,60,357	5,26,60,357
Addition during the year	-	-
	5,26,60,357	5,26,60,357
VIII Balance in Profit & Loss Account	(5,41,64,431)	2,23,19,078
Total (I TO VIII)	4,32,01,707	11,37,87,612

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR
 SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

Amt in Rs.

SCHEDULE 3 - DEPOSITS		As on 31-03-2019	As on 31-03-2018
I. Demand Deposits			
a) From Banks		-	-
b) From Others		2,26,98,939	1,78,46,341
II. Saving Bank Deposits		3,56,60,951	2,72,03,743
III. Term Deposits			
a) From Banks		-	-
b) From Others (Customers)		8,90,68,666	12,27,36,076
Total Deposit	(I, II and III)	14,74,28,556	16,77,86,160
Deposit of branches			
I In India		14,74,28,556	16,77,86,160
II Outside India		-	-
Total Deposits		14,74,28,556	16,77,86,160

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR
SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

SCHEDULE 4 -BORROWINGS	As on 31-03-2019	As on 31-03-2018
I. Borrowings in India		
- Reserve Bank of India	-	-
- Other Banks	-	-
-Other Institutions and agencies	-	-
II. Borrowings Outside India	-	-
Total (I and II)	-	-

Secured borrowings included in I above

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR
SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

Amt in Rs.

SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS	As on 31-03-2019	As on 31-03-2018
I. Bills payable	30,767	1,01,958
II. Inter-Office Adjustments (Net)	-	-
III. Interests Accrued	7,66,534	23,38,209
IV. Others {Includes Standard asset provision, refer schedule 18 (12) }	1,62,19,201	1,49,54,447
Total	1,70,16,502	1,73,94,614

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR
SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

Amt in Rs.

SCHEDULE 6 - CASH & BALANCES WITH RESERVE BANK OF INDIA	As on	As on
	31-03-2019	31-03-2018
I. Cash in hand (Including Foreign Currency Notes)	84,10,271	76,78,884

II. Balance with Reserve Bank of India		
a) In Current Accounts		-
b) In Other Accounts		-
Total (I and II)	84,10,271	76,78,884

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR
SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

Amt in Rs.		
SCHEDULE 7 - BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE	As on 31-03-2019	As on 31-03-2018
I. In India		
i) Balances with Banks		
a) In Current Accounts	1,66,23,254	40,48,500
b) In Other Deposit Accounts	1,75,70,806	6,17,19,853
ii) Money at call & Short Notice		
a) With banks	5,00,00,000	70,00,000
b) With other Institutions	-	-
Total (i and ii)	8,41,94,060	7,27,68,353
II Outside India		
i) In Current Accounts	-	-
ii) In Other Deposit Accounts	-	-
iii) Money at call & Short Notice	-	-
Total (i,ii and iii)		
Grand Total (I and II)	8,41,94,060	7,27,68,353

SUBHADRA LOCAL AREA BANK LTD. KOLHAPUR
SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

Amt in Rs.		
SCHEDULE 8 - INVESTMENTS	As on 31-03-2019	As on 31-03-2018
I. Investments in India		
Gross value	20,93,46,104	26,64,04,236
Less: Aggregate of provision/diminution in value	(52,24,285)	(11,52,110)
Net value of Investments in India	20,41,21,820	26,52,52,126
Comprising:		
i) Government securities	20,93,46,104	26,64,04,236
ii) Other approved securities	-	-
iii) Shares	-	-
iv) Debentures and Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (to be specified)	-	-
Total (I) (Gross)	20,93,46,104	26,64,04,236
II. Investments outside India		
i) Government securities (Including local authorities)	-	-
ii) Subsidiaries and/or joint ventures abroad	-	-

iii) Other investments (to be specified)	-	-
Total (II)	-	-
Gross Total (I+II)	20,93,46,104	26,64,04,236

SUBHADRA LOCAL AREA BANK LTD. KOLHAPUR
SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

		Amt in Rs.	
SCHEDULE 9 - ADVANCES		As on 31-03-2019	As on 31-03-2018
i)	Bills Purchased and Discounted	-	-
ii)	Cash Credits, Overdrafts and Loans Repayable on Demand	25,20,033	62,90,207
iii)	Term Loans	2,12,89,799	3,66,30,054
	Total	2,38,09,832	4,29,20,261
i)	Secured by Tangible Assets	2,18,74,302	4,17,84,901
ii)	Covered by Bank / Government Guarantees	-	-
iii)	Unsecured	19,35,530	11,35,360
	Total	2,38,09,832	4,29,20,261
I	Advances in India		
i)	Priority Sectors	1,45,70,000	2,68,94,000
ii)	Public Sector	-	-
iii)	Banks	-	-
iv)	Others	92,39,832	1,60,26,261
	Total	2,38,09,832	4,29,20,261
II	Advances Outside India		
i)	Due from Banks	-	-
ii)	Due from others		
a.	Bill purchased and discounted	-	-
b.	Syndicated Loans	-	-
c.	Others	-	-
	Total I+II	2,38,09,832	4,29,20,261

SUBHADRA LOCAL AREA BANK LTD. KOLHAPUR

SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

		Amt in Rs.	
SCHEDULE 10- FIXED ASSETS		As on 31/03/2019	As on 31/03/2018
I. Premises			
Original Cost of Premises		-	1,23,62,102
Add : Additions during the year		-	-
Less : Deduction during the year		-	1,23,62,102
	Total		-
DEPRECIATION			
Opening balance		-	48,49,907
Charge for the Year		-	1,95,321
	Total	-	50,45,228
Less : Reversed on Sale		-	(50,45,228)
	Total		
Net Block I		-	-
II. Other Fixed Assets (Including Furniture and Fixture, Computer Hardware and Software)			
Original Cost of Other Fixed Assets		5,27,51,078	3,65,64,188
Add : Additions during the year		3,73,62,836	2,32,49,515
Less : Deductions during the year		38,63,209	70,62,625
	Total	8,62,50,704	5,27,51,078
Depreciation			
Opening balance		2,08,97,847	2,08,63,030
Charge for the Year		74,35,969	43,57,766
Less : Reversed on Sale		9,40,530	43,22,948
	Total	2,73,93,286	2,08,97,847
Net Block II		5,88,57,418	3,18,53,230
III. Vehicles			
Original Cost of Vehicles		57,25,909	36,91,545
Add : Additions during the year			20,34,364
Less : Deductions during the year		-	-
	Total	57,25,909	57,25,909
Depreciation			
Opening balance		18,61,278	13,61,831
Charge for the Year		6,80,239	4,99,447
Less : Reversed on Sale		-	-
	Total	25,41,517	18,61,278
Net Block III		31,84,392	38,64,631
	GRAND TOTAL (I+II+III)	6,20,41,810	3,57,17,861

SUBHADRA LOCAL AREA BANK LTD. KOLHAPUR

SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

SCHEDULE 11 - OTHER ASSETS		As on 31-03-2019	As on 31-03-2018
I	Inter-office adjustment (net)	-	-
II	Interest accrued	30,20,304	39,73,068
III	Tax paid in advance/ Tax deducted at source	1,26,043	12,95,609
IV	Stationery and stamps	12,06,188	13,12,500
V	Non-banking assets acquired in satisfaction of claims	-	-
VI	Deferred Tax Asset	2,30,15,707	3,37,230
VII	Others	1,92,80,445	9,33,64,384
	Total	4,66,48,687	10,02,82,791

SUBHADRA LOCAL AREA BANK LTD. KOLHAPUR

SCHEDULE FORMING PART OF BALANCE SHEET AS ON MARCH 31, 2019

		Amt in Rs.	
SCHEDULE 12 - CONTINGENT LIABILITIES		As on 31-03-2019	As on 31-03-2018
I	Claims against the bank not acknowledged as debts	-	-
II	Liability for partly paid investments	-	-
III	Liability on account of outstanding forward exchange contracts	-	-
IV	Guarantees given on behalf of constituents		
	a) In India	10,65,000	1,92,65,000
	b) Outside India	-	-
V	Acceptances, endorsements and other obligations	-	-
VI	Other items for which the bank is contingently liable { DEAF accounts, refer Schedule 18 (33) }	6,06,544	3,32,705
	Total	16,71,544	1,95,97,705

**SUBHADRA LOCAL AREA BANK LTD,
FORM B**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

Amt in Rs.

INCOME	Schedule No	Year Ended 31-03-2019	Year Ended 31-03-2018
Interest Earned	13	2,24,43,589	4,04,00,821
Other Income	14	(19,12,024)	6,06,99,252
TOTAL		2,05,31,565	10,11,00,073
EXPENDITURE			
Interest Expended	15	1,00,25,176	1,67,80,338
Operating Expenses	16	9,75,70,374	7,33,19,378
Provisions & Contingencies		(1,64,78,079)	18,55,703
TOTAL		9,11,17,471	9,19,55,419
Net Profit/(Loss) For The Year		(7,05,85,906)	91,44,654
Profit brought Forward		2,23,19,078	1,25,66,588
Total		(4,82,66,828)	2,17,11,242
Appropriation			
Less.Transfer To Statutory Reserve		-	22,86,163
Less.Transfer To Capital Reserve		-	-
Less:Transfer To General Reserve		-	-
Less.Transfer To Countercycling Buffer		-	1,06,000
Add. Infra Upgradation Reserve Write Back		-	30,00,000
Less.Transfer To Investment Fluctuation Reserve		-	-
Less.Transfer To Investment Reserve		(58,97,604)	-
Total		(58,97,604)	6,07,836
Net Profit/(Loss) Carried Forward to Balance Sheet		(5,41,64,431)	2,23,19,078

Significant Accounting Policies	17
Notes to Accounts	18
Earnings Per Share -	
Basic: Rs	(3.11)
Earnings Per Share -	
Diluted: Rs	(3.11)

Schedules referred to above form an integral part of this Profit & Loss Account.

As per our Report of even date attached

For UMMED JAIN & CO

Chartered Accountants

FRN NO.:-119250W

**For and on behalf of the Board
of Directors**

**Kishor Mundargi
Director**

(CA. Ummed Jain)

Partner

M. No.070863

Sanjay Agrawal

Managing Director and CEO

Siddharth Jain

Director

**S.S.Bhandwale
General Manager**

**S.N.Baheti
C.F.O.**

**Himanshu Katare
Company Secretary**

Dated : May 18, 2019

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR

SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

Amt in Rs.

SCHEDULE 13 - INTEREST EARNED	Year Ended 31-03-2019	Year Ended 31-03-2018
I. Interest / discount on advance / bills	36,56,560	1,68,80,709
II. Income on Investments (Net)	1,72,07,350	2,03,99,626
III. Interest on balances with Reserve Bank of India and other inter- bank funds	15,79,679	31,20,486
IV Others	-	-
Total	2,24,43,589	4,04,00,821

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR

SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

Amt in Rs.

SCHEDULE 14 - OTHER INCOME	Year Ended 31-03-2019	Year Ended 31- 03-2018
Commission, Exchange and Brokerage	57,580	1,15,546
Profit on Sale of Investments	-	16,61,500
Less: Loss on Sale of Investments	(23,85,020)	-
Profit on Revaluation of Investments	-	-
Less: Loss on Revaluation of Investments	-	-
Profit on Sale of Land, Buildings and other Assets	68,100	5,71,22,257
Less : Loss on Sale of Land, Building and other Assets	(1,98,882)	-
Profit on Exchange transactions	-	-
Less : Loss on Exchange transactions	-	-
Income earned by way of dividends etc/ from subsidiaries / companies	-	-
Miscellaneous Income	5,46,198	17,99,949
Total	(19,12,024)	6,06,99,252

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR

SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

Amt in Rs.

SCHEDULE 15- INTEREST EXPENDED		Year Ended 31-03-2019	Year Ended 31-03-2018
I.	Interest on Deposits	99,13,097	1,67,20,314
II	Interest on Reserve Bank of India/Inter- bank borrowings	1,12,079	60,024
III	Others	-	-
Total		1,00,25,176	1,67,80,338

SUBHADRA LOCAL AREA BANK LTD., KOLHAPUR

SCHEDULE FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2019

Amt in Rs.

SCHEDULE 16- OPERATING EXPENSES		Year Ended 31-03-2019	Year Ended 31-03-2018
I	Payments to and provisions for employees	5,18,90,048	2,84,47,957
II	Rent Taxes and Lighting	1,64,78,159	97,48,373
III	Printing and Stationery	11,56,162	3,61,487
IV	Advertisement and Publicity	98,876	3,05,916
V	Depreciation on Bank's property	81,16,208	50,52,533
VI	Directors' fees, allowances & Expenses	-	10,128
VII	Auditors' fees and expenses	14,49,000	16,21,500
VIII	Law charges	21,640	85,480
IX	Postages, Telegrams, Telephones etc.	10,68,274	7,47,147
X	Repairs & Maintenance	10,51,060	14,00,941
XI	Insurance	1,91,902	2,17,333
XII	Other expenditure	1,60,49,045	2,53,20,583
Total		9,75,70,374	7,33,19,378

SUBHADRA LOCAL AREA BANK LIMITED
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR 2018-19

PARTICULARS	(Amount in Rs.)	
	Year ended	Year ended
	31.03.2019	31.03.2018
(A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT /(LOSS) BEFORE TAXES	(91476159)	10919357
ADJUSTMENTS FOR :		
AMORTISATION/DEPRECIATION ON INVESTMENTS	4072174	805000
LOSS ON SALE OF ASSET	198882	608808
PROFIT ON SALE OF ASSETS	(68100)	(57122257)
ROC FEES FOR INCREASE OF AUTHORISED CAPITAL	-	2850000
DEPRECIATION ON FIXED ASSETS	8116207	5052533
PROVISIONS(WRITE BACK) FOR:		
STANDARD ADVANCES	-	(969000)
NON PERFORMING ASSETS	585000	245000
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	(78571996)	(37610559)
ADJUSTMENTS FOR :		
(INCREASE)/DECREASE IN INVESTMENTS	57058132	74816396
(INCREASE)/DECREASE IN ADVANCES	19110429	229357126
INCREASE/(DECREASE) IN DEPOSITS	(20357604)	(228642323)
(INCREASE)/DECREASE IN BORROWINGS	-	-
(INCREASE)/DECREASE IN OTHER ASSETS	15341121	(4883685)
INCREASE/(DECREASE) IN OTHER LIABILITIES AND PROVISIONS	(1955335)	591433
CASH GENERATION FROM OPERATION	(9375252)	33628388
DIRECT TAX PAID NET OF REFUND	(3227496)	(5639109)
CASH FLOW FROM OPERATING ACTIVITIES(A)	(12602748)	27989279
(B)CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(37362836)	(25283879)
PROCEEDS FROM SALE OF FIXED ASSETS	62122679	7370000
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	24759843	(17913879)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
SHARE CAPITAL	-	2800000
EXPENSES FOR ISSUE OF CAPITAL	-	-

INTERIM DIVIDEND PAID(INCL.DIV.DIST.TAX)	-	(524169)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	0	2275831
NET INCREASE IN CASH & CASH EQUIVALENTS (A)+(B)+©	12157095	12351231
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR	80447237	68096006
CASH AND CASH EQUIVALENT AS AT THE END OF THE YEAR	92604331	80447237

As per our report of even date attached

For UMMED JAIN & CO
Chartered Accountants
FRN NO 119250W

For and on behalf of the Board of
Directors

Kishor Mundargi

Director

Sanjay Agrawal
Managing Director and CEO

Siddharth Jain
Director

S.S.Bhandwale
General Manager

S.N.Baheti
C.F.O.

Himanshu Katare
Company Secretary

Date: May 18 ,2019

Subhadra Local Area Bank Limited**Schedule no.17 of the Balance Sheet and Profit & Loss Account for the year ended March 31 , 2019****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****A. OVERVIEW**

Subhadra Local Area Bank Limited is a banking company engaged in providing wide range of banking services. Subhadra Local Area Bank is a banking company governed by the Banking regulation Act, 1949 and obtained RBI approval on 10th July 2003.

B. BASIS OF PREPARATION

The financial statements are prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and conform with statutory provisions under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India from time to time, accounting standards (ASs) specified under Section 133 of the Companies Act, 2013 to the extent applicable and current practices prevailing within the banking industry in India.

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expense for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. SIGNIFICANT ACCOUNTING POLICIES:**1) INVESTMENTS**

The Bank classifies its investments into Held to Maturity (HTM), Held for Trading (HFT) and Available for Sale (AFS) in accordance with the Reserve Bank of India guidelines.

Valuation:**I) Held to Maturity**

Investments classified under Held to Maturity category are carried at their acquisition cost, except where it is acquired at premium in which premium on acquisition is amortized over the remaining maturity period of the security on a constant yield to maturity basis.

II) Available for Sale.

Investment classified under the AFS categories is marked to market as per RBI guidelines. Securities are valued scrip-wise and depreciation / appreciation are aggregated for each classification. Net appreciation in each classification, is ignored, while net depreciation is provided for.

III) In the event , provisions created on account of depreciation in the AFS or HFT categories are found to be in excess of the required amount in any year , the excess is credited to the Profit & Loss Account and an equivalent amount is appropriated to an Investment Reserve Account (IRA).

2) ADVANCES

Advances are classified as performing and non-performing based on the Reserve Bank of India guidelines. Interest on non-performing advances is transferred to interest suspense account and not recognized in the Profit and Loss Account until received.

Advances are classified as secured or unsecured in accordance with the Reserve Bank of India guidelines. Advances are net of interest in suspense. Specific loan loss provisions in respect of non-performing advances are made based on management’s assessment of the degree of impairment of wholesale and retail advances, subject to the minimum provisioning level prescribed in the Reserve Bank of India guidelines. The specific provision levels for retail loan nonperforming assets are also based on the nature of product and delinquency levels. The Bank maintains general provision for standard assets at levels stipulated by RBI from time to time. Provisions made in excess of these regulatory levels or provisions which are not made with respect to specific non- performing assets are categorized as floating provisions. Creation of further floating provisions are considered by the Bank up to a level approved by the Board of Directors of the Bank. Floating provisions are not reversed by credit to Profit and Loss account and can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining Board approval and with prior permission of RBI.

Provision for standard assets and floating provision are included under Other Liabilities.

Provisions have been made on gross basis. Tax Relief, which will be available when advances are written off, will be accounted for in the year of write off.

3) FIXED ASSETS & DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation. Cost includes cost of purchase and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to use. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefit/ functioning capability from/of such assets. Depreciation is calculated using SLM Method as per useful life prescribed in part C of schedule II of the Companies Act 2013 and as per details given below.

<u>ASSET</u>	<u>RATE</u>	<u>USEFUL LIFE</u>
Land & Building	1.57%	60
Office Machinery	19.00%	5
Furniture Fixtures	9.50%	10
Computers & data processing units		
A) Service & network	15.83 %	6
B) End user devices, desktop, laptops and Software’s	31.67%	3
Motor Car	11.88%	8
Motor Cycle	9.50%	10
Leasehold Improvements	Over the period of lease	

4) IMPAIRMENT OF ASSETS

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the profit and loss account to the extent the carrying amount of assets exceeds their estimated recoverable amount in accordance with the **AS 28** "Impairment of Assets", issued by the Institute of Chartered Accountants of India.

5) LEASE ACCOUNTING

Lease payments for assets taken on operating lease are recognized in the profit and loss account over the lease term in accordance with the **AS 19**, Leases, issued by the Institute of Chartered Accountants of India.

6) EMPLOYEE BENEFITS**PROVIDENT FUND**

In accordance with law, all employees of the Bank are entitled to receive benefits under the provident fund. The Bank contributes an amount, on a monthly basis, at a determined rate (currently 12% of employee's basic salary) and the Bank has no liability for future provident fund benefits other than its annual contribution.

LEAVE ENCASHMENT

The Bank provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave.

RETIREMENT BENEFITS:

The Bank provides for gratuity for all employees. The benefit is in the form of lump sum payments to vested employees on resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. Vesting occurs upon completion of five year of services. Presently the bank is having Group Gratuity Policy from LIC of India covering the period since inception of the Bank. Accordingly the Bank has paid premium as per actuarial valuation done by LIC.

ESOP

The Bank follows fair value method to account for its employee compensation costs arising from grant of Employee Stock Options.

7) REVENUE RECOGNITION:

Income and expenditure is recognized in the profit or loss account on an accrual basis, except in the case of non-performing assets where it is recognized upon realization as per RBI norms. The various charges levied to the customers like processing fees, Bank guarantee charges etc. are also recognized on accrual basis.

Recovery in NPA accounts is appropriated to charges recoverable, interest overdue and principal amount in that order.

Income on discounted instruments is recognized over the tenure of the instrument on a constant yield basis. Dividend on equity shares, preference shares and on mutual fund units is recognized as income when the right to receive the dividend is established.

8) INCOME TAX

Income tax comprises the current tax provision, the net change in the deferred tax asset or liability in the year. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases, and operating loss carry forwards. Deferred tax assets are recognized subject to Management's judgment that realization is more likely than no realization situation. Deferred tax assets and liabilities are measured using substantially enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be received, settled or reversed. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the income statement in the period of substantial enactment of the change.

9) EARNING PER SHARE

The Bank reports basic and diluted earnings per equity share in accordance with **AS 20**, Earnings Per Share issued by the Institute of Chartered Accountants of India.

10) SEGMENT INFORMATION - BASIS OF PREPARATION

The classification of exposures to the respective segments now conforms to the guidelines issued by RBI. Business Segments have been identified and reported taking into account, the target customer profile, the nature of products and services, the differing risks and returns, the organization structure, the internal business reporting system and the guidelines prescribed by RBI. The Bank operates in the following segments:

(a) Treasury

The treasury services segment primarily consists of net interest earnings on investments portfolio of the bank and gains or losses on investment operations.

(b) Retail Banking

The retail-banking segment serves retail customers through a branch network. This segment raises deposits from customers and makes loans and provides other services to such customers. Exposures are classified under retail banking taking into account the status of the borrower (orientation criterion), the nature of product, granularity of the exposure and the quantum thereof. Revenues of the retail-banking segment are derived from interest earned on retail loans.

(c) Wholesale Banking

The Bank is not dealing in wholesale Banking Segment.

(d) Other Banking Operations

There are no transactions in Other Banking Operations.

(e) Unallocated

All items which cannot be allocated to any of the above are classified under this segment. This includes capital and reserves, debt classifying as tier I or tier II capital and other unallocable assets and liabilities.

Segment revenue includes earnings from external customers plus earnings from funds transferred to other segments. Segment result includes revenue less interest expense less operating expense and provisions, if any, for that segment. Segment-wise income and expenses include certain allocations. Interest income is charged by a segment that provides funding to another segment, based on yields benchmarked to an internally developed composite yield curve, which broadly tracks market discovered interest rates. Segment capital employed represents the net assets in that segment.

Geographic Segments

Since the Bank does not have any earnings emanating outside India, the Bank is considered to operate in only the domestic segment.

11) ACCOUNTING FOR PROVISIONS AND CONTINGENT LIABILITIES.

In accordance with **AS 29**, Provisions, Contingent Liabilities and Contingent Assets, issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on contingency is reasonably possible but amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognized in the financial statements since this may result in recognition of income that may never be realized.

12) TRANSACTION INVOLVING FOREIGN EXCHANGE:

Accounting for transactions involving foreign exchange is done in accordance with AS 11.

For UMMED JAIN & CO
Chartered Accountants
FRN NO 119250W

**For and on behalf of the Board of
Directors**

(CA. Ummed Jain)
Partner
M. No. 070863

Kishor Mundargi

Director

Sanjay Agrawal
Managing Director and CEO

Siddharth Jain
Director

S.S.Bhandwale
General Manager

S.N.Baheti
C.F.O.

Himanshu Katare
Company Secretary

Date: May 18 ,2019

SCHEDULE NO.18

NOTES TO ACCOUNTS

1.A) CAPITAL ADEQUACY RATIO

The Bank's capital adequacy ratio is calculated in accordance with the Reserve Bank of India guidelines as under:

Items	(Rs. in Lakh)	
	March 2019	March 2018
Common Equity Tier 1 capital ratio (%)	188.73%	180.36%
Tier 1 capital ratio (%)	188.73%	180.36%
Tier 2 capital ratio (%)	2.17%	1.14%
Total Capital Ratio (CRAR) (%)	190.90%	181.50%
Amount of subordinated debt raised as Tier – II capital	Nil	Nil
Percentage of the shareholding of the Government of India	N. A.	N. A.

1.B) EQUITY CAPITAL

Particulars	[Rs. in Lakhs]	
	March 31 , 2019	March 31, 2018
Opening Balance	2268.04	2240.04
Additions pursuant to Stock Options exercised	Nil	28.00
Closing Balance	2268.04	2268.04

2) RESERVES AND SURPLUS

Investment Reserve Account

The Bank has appropriated from profit available for appropriation, a sum of Rs. 58,97,604 to credit of Investment Reserve Account, corresponding to write-back of excess provision of depreciation in AFS category recognized in the Profit and Loss account.

3) INVESTMENTS

Items	(Rs. in Lakh)	
	March 2019 Rs.	March 2018 Rs.
(1) Value of Investments		
(i) Gross Value of Investments	2093.46	2664.04
(a) In India	2093.46	2664.04
(b) Outside India	0.00	0.00
(ii) Provisions for Depreciation	52.24	11.52
(c) In India	52.24	11.52
(d) Outside India	0.00	0.00
(iii) Net Value of Investments	2041.22	2652.52
(e) In India	2041.22	2652.52
(f) Outside India.	0.00	0.00
(2) Movement of provisions held towards depreciation on investments.		
(i) Opening balance	11.52	3.47
(ii) Add: Provisions made during the year	99.70	8.05
(iii) Less: Write-off/ write-back of excess provisions during the year	58.98	0.00
(iv) Closing balance	52.24	11.52
Amortization of Premium paid on GOI Securities	1.23	15.30

4) ASSET QUALITY

4.(i) MOVEMENT IN NPA'S (FUNDED)

(Rs. in Lakh)

PARTICULARS	2018-19	2017-18
Net NPAs to Net Advances (%)	0.00%	1.83%
	Rs.	Rs.
MOVEMENT IN GROSS NPA'S		
As at 1 st April 2018	10.25	00.00
Additions during the year.	23.86	51.55
Deductions during the year.	19.81	41.30
As at 31 st March 2019	14.30	10.25
MOVEMENT IN NET NPA'S	2018-19	2017-18
As at 1 st April 2018	7.80	00.00
Additions during the year	23.86	43.18
Deductions during the year	19.81	35.38
As at 31 st March 2019 (Net of provisions/floating provisions)	0.00	7.80
MOVEMENT OF PROVISIONS FOR NPA (excluding provision of standard assets)	2018-19	2017-18
As at 1 st April 2018	2.45	0.00
Additions during the Year	3.40	8.37
Deductions during the year	NIL	5.92
As at 31 st March 2019	5.85	2.45
Net NPA's as at 31 st Mar 2019	8.45	7.80
Net NPA's as at 31 st Mar 2019 after utilizing Floating Provisions	0.00	-

The gross NPA of Rs.14.30 Lakh as on 31.03.2019 includes Gross NPA of Rs 12.23 Lakh pertaining to Agriculture Advances to individual farmers who anticipate loan waiver.

4.(ii) Divergence in Asset Classification and Provisioning for NPAs

Advances are classified into standard, sub-standard, doubtful and loss assets in conformity with RBI guidelines and specific provisions for non performing advances are made accordingly. No divergences in this regard have been observed during the supervisory annual financial inspection for the preceding year.

4.(iii) Revenue Recognition:

Income and expenditure is recognized in the profit or loss account on an accrual basis, except in the case of non-performing assets where it is recognized upon realization as per RBI norms. The various charges levied to the customers like processing fees, Bank guarantee charges etc. are also recognized on accrual basis. Recovery in NPA accounts is appropriated to charges recoverable, interest overdue and principal amount in that order. There is no change in accounting policy followed in this regard vis-à-vis previous financial year.

5) CATEGORY WISE NPA'S (FUNDED)

	(Rs. in Lakh)	
	31.03.2019	31.03.2018
GROSS NPA'S		
Substandard	12.23	10.25
Doubtful	2.07	0.00
Loss	0.00	0.00
As at 31 st March 2019	14.30	10.25
PROVISIONS		
Substandard	3.78	2.45
Doubtful	2.07	0.00
Loss	0.00	0.00
As at 31 st March 2019	5.85	2.45
NET NPA'S	8.45	7.80
Net NPA's as at 31 st Mar 2019 after utilizing Floating Provisions	0.00	7.80

6) DETAILS OF PROVISIONS MADE DURING THE YEAR

(Rs. in Lakh)

	Details	2018-19	2017-18
1	Provision for Standard Assets	NIL	(9.69)
2	Provision for Sub-Standard Assets	3.40	2.45
3	Bad and Doubtful debts	NIL	0.00
4	Provisions for depreciation on Investment	40.72	8.05
5	Income Tax	17.88*	37.75
6	Deferred Tax Liability Provision/(DTA recognized)	(226.78)	(20.00)

*Income tax – Earlier Years

7) REPO TRANSACTIONS

(Rs. in Lakh)

	Minimum outstanding during the year Rs.	Maximum outstanding during the year Rs.	Daily Average outstanding during the year Rs.	As on March 31,2019 Rs.
Securities sold under repos	--	--	--	--
Securities purchased under reverse repos	--	--	--	--

8) NON-SLR INVESTMENT PORTFOLIO

1) Composition of Non-SLR investments

(Rs. in Lakh)

No.	Issuer	Amount	Extent of Private Placement	Extent of Investment Securities	'Below Grade'	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(7)
(i)	PSUs						
(ii).	FIs						
(iii).	Banks						
(iv).	Private Corporate						
(v).	Subsidiaries/ Joint Ventures			NIL			

(vi).	Others					
(vii).	Provision held towards depreciation					
	Total *					

ii) **Non-Performing Non-SLR investments**

(Rs. in Lakh)

Particulars	Amount in Rs.
Opening balance	
Additions during the year since 1st April	NIL
Reductions during the above period	
Closing balance	
Total provisions held	

9 DERIVATIVES

9.1 Forward Rate Agreement/ Interest Rate Swap

(Rs. in Lakh)

Items	March 2019 Rs.	March 2018 Rs.
i) The notional principal of swap agreements		
ii) Losses which would be incurred if counter parties failed to fulfill their obligations under the agreements		
iii) Collateral required by the bank upon entering into swaps	NIL	NIL
iv) Concentration of credit risk arising from the swaps		
v) The fair value of the swap book		

9.2 Exchange Traded Interest Rate Derivatives:

(Rs. in Lakh)

Sr. No.	Particulars	Amount Rs.
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	NIL
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March 2019 (instrument-wise)	NIL
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL

(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	NIL
------	--	-----

9.3 Disclosures on risk exposure in derivatives

Qualitative Disclosure

Sr. No	Particular	(Rs. in Lakh)	
		Currency Derivatives Rs.	Interest rate derivatives Rs.
(i)	Derivatives (Notional Principal Amount)		
	a) For hedging		
	b) For trading		
(ii)	Marked to Market Positions [1]		
	a) Asset (+)		
	b) Liability (-)	NIL	NIL
(iii)	Credit Exposure [2]		
(iv)	Likely impact of one percentage change in interest rate (100*PV01)		
	a) on hedging derivatives		
	b) on trading derivatives		
(v)	Maximum and Minimum of 100*PV01 observed during the year		
	a) on hedging		
	b) on trading		

10) Details of Loan Assets subjected to Restructuring

Item	(Rs. in Lakh)	
	March 2019 Rs.	March 2018 Rs.
(i) Total amount of loan assets subjected to restructuring, rescheduling, renegotiation; of which under CDR		
(ii) The amount of Standard assets subjected to restructuring, rescheduling, renegotiation; of which under CDR		
(iii) The amount of Sub-Standard assets subjected to restructuring, rescheduling, renegotiation; of which under CDR	NIL	NIL
(iv) The amount of Doubtful assets subjected to restructuring, rescheduling, renegotiation;		

of which under CDR		
Note: [(i) = (ii)+(iii)+(iv)]		

11) Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction.

Item	March 2019 Rs.	March 2018 Rs.
(i) No. of accounts	NIL	NIL
(ii) Aggregate value (net of provisions) of accounts sold to SC/RC		
(iii) Aggregate consideration		
(iv) Additional consideration realized in respect of accounts transferred in earlier years		
(v) Aggregate gain/loss over net book value.		

12) Provisions on Standard Assets

(Rs. in Lakh)

Item	March 2019 Rs.	March 2018 Rs.
Provisions towards Standard Assets (current year)	NIL	(9.69)
Total Provisions held towards Standard Assets	1.38	1.38

13) Business Ratio

(Rs. in Lakh)

Items	March 2019	March 2018
(i) Interest Income as a percentage to Working Funds (%)	5.17	7.98
(ii) Non-interest income as a percentage to Working Funds (%)	-0.44	11.55
(iii) Operating Profit as a percentage to	-13.41	-8.01

Working Funds (%)		
(iv) Return on Assets (%)	-14.06	1.58
(v) Business per employee (Rs.)	15.29	30.10
(vi) Profit per employee (Rs.)	-6.30	1.31
Total No. of Employees	112	70

14) Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. in Lakh)

AS AT 31 ST MARCH 2019	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deposits	91.46	147.43	178.05	234.98	492.57	329.00	0.78	0.01	1474.28
Advances	13.61	11.08	0.30	6.17	37.30	141.17	12.07	16.40	238.10
Investment	NIL	NIL	10.00	5.00	183.43	NIL	1092.11	978.63	2269.17
Borrowings	-	-	-	-	-	-	-	-	--

Maturity pattern of certain items of Assets and Liabilities

(Rs. in Lakh)

AS AT 31 ST MARCH 2018	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deposits	313.54	79.66	238.98	252.56	421.93	370.12	1.05	0.01	1677.85
Advances	63.93	0.04	18.03	6.32	58.98	80.20	162.31	39.38	429.19
Investment	315.27	108.69	0	65.00	307.2	22.72	0	2532.36	3351.24
Borrowings	--	--	--	--	--	--	----	--	--

LIQUIDITY POSITION

(Amount in Lakhs)

DESCRIPTION	OUTSTANDING AS ON 31.03.2019	OUTSTANDING AS ON 31.03.2018	CHANGE (DURING FY 2018 - 19)
Cash and Balances with Reserve Bank of India	84.10	76.78	7.32
Free Balances with Banks and Money at call and short Notice	841.94	727.68	114.26
Investments in G Sec Portfolio	2093.46	2664.04	-570.58
TOTAL LIQUID ASSETS	3019.50	3468.50	-449.00
LESS : LIABILITIES			
Deposits	1474.29	1677.86	-203.57
Other Liabilities & Provisions	170.17	173.95	-3.78
BALANCE LIQUID ASSETS	1375.04	1616.69	-241.65

15) Lending to Sensitive Sector

15.1 Exposure to Real Estate Sector

(Rs. In Lakh)

Category	March 19	March 18
a) Direct exposure		
(i) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; ss(Individual housing loans up to Rs.15 lakh may be shown separately)	26.29	66.32
(ii) Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	0.00	0.00

(iv) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
a. Residential,	0.00	0.00
b. Commercial Real Estate.		
b) Indirect Exposure		
1. Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	0.00	0.00

15.2 Exposure to Capital Market

		(Rs. in Lakh)	
Items		March19	March18
i)	Direct investment in equity shares, covetable bonds, covetable debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	0.00	0.00
ii)	Advances against shares / bonds / debentures / or other securities or on clean basis to individuals for investments in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, or unit of equity oriented mutual funds;	0.00	0.00
iii)	Advances for any other purpose where shares or convertible bonds or convertible debentures, or unit of equity oriented mutual funds are taken as primary security.	0.00	0.00
iv)	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or covetable debentures, or unit 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;	0.00	0.00
v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers		
vi)	loans sanctioned to corporate against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii)	bridge loans to companies against excepted equity flows/ issues		
viii)	underwriting commitments taken up by the banks in respect on primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00

ix) financing to stockbrokers for margin trading; x) all exposures to Venture Capital Funds (Both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with capital market exposure ceilings (both direct and indirect)		0.00	0.00
Total Exposure to Capital Market		0.00	0.00
		0.00	0.00
		0.00	0.00

15.3 Risk Category wise Country Exposure

(Rs. in Lakh)

Risk Category*	Exposure (net) as at March 2019	Provision held as at March 2019	Exposure (net) as at March 2018	Provision held as at March 2018
Insignificant	The Bank is operating in Domestic Segment only			
Low				
Moderate				
High				
Very High				
Restricted				
Off-credit				
Total				

15.4 Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL)

Exceeded by the bank.NIL.....

15.5 Sector wise Bifurcation of Loans & Advances as on March 31, 2019

31 st March 2019					31 st March 2018		
Sr No	Sector	Outstanding Total Advances	Gross NPA	% of Gross NPA to Total Advances in that sector	Outstanding Total Advances	Gross NPA	% of Gross NPA to Total Advances in that sector
A	Priority Sector						

1	Agriculture and allied activities	122.27	12.23	10.00%	199.25	-	-
2	Advances to industries sector eligible as priority sector lending	1.12	-	-	15.62	-	-
3	Services	-	-	-	-	-	-
4	Personal Loan	22.31	-	-	56.01	7.77	13.87%
	Sub Total (A)	145.70	12.23	8.39%	270.88	7.77	-
B	Non-Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-
3	Services	-	-	-	-	-	-
4	Personal Loan	92.40	2.07	2.24%	158.32	2.48	1.57
	Sub-Total (B)	92.40	2.07	-	158.32	2.48	-
	Total (A+B)	238.10	14.30	6.00%	429.20	10.25	-

16) DISCLOSURE FOR CUSTOMER COMPLAINTS/ UNIMPLEMENTED AWARDS OF BANKING OMBUDSMAN

Particulars	2018-2019	2017-2018
(a) No. of complaints pending at the beginning of the year	NIL	NIL
(b) No. of complaints received during the year	NIL	NIL
(c) No. of complaints redressed during the year	NIL	NIL
(d) No. of complaints pending at the end of the year	NIL	NIL
Particulars: Awards passed by Banking Ombudsmen	2018-2019	2017-2018
(a) No. of unimplemented awards at the beginning of the year -	NIL	NIL

(b) No. of Awards passed by the Banking Ombudsmen during the year	NIL	NIL
(c) No. of Awards implemented during the year	NIL	NIL
(d) No. of unimplemented Awards at the end of the year	NIL	NIL

17. Amount of Provisions made for Income tax during the year;

(Rs. in Lakh)

Particulars	March 2019 Rs.	March 2018 Rs.
Provision for Income Tax	Nil	37.75
Provision for Fringe Benefit Tax	N.A.	N.A.
Provision for DTL/(Deferred Tax Asset recognized)	(226.78)	(20.01)
Short Provision of Income tax earlier year	17.88	0.00

18 AS 17 - Disclosure under Segment Reporting

PART A : Business Segments

(Rs.in Lakh)

PARTICULARS	TREASURY		RETAIL BANKING		OTHER BANKING OPERATIONS		TOTAL	
	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18	Mar-19	Mar-18
REVENUE	165.33	267.12	38.83	185.14	3.77	2.83	207.92	455.09
RESULT	-469.60	-97.73	-208.65	-334.74	-9.73	-0.79	(687.98)	(433.26)
UNALLOCATED EXP/(INCOME)							-	-
PROFIT BEFORE TAX							(687.98)	(433.26)
INCOME TAXES							17.88	37.75
EXTRAORDINARY PROFIT/LOSS							-	562.45

NET PROFIT AFTER TAX							(705.86)	91.45
SEGMENT ASSETS	2,269.17	3,281.24	988.42	616.48	-	-	3,257.59	3,897.72
UNALLOCATED ASSETS							1086.92	1360.00
TOTAL ASSETS							4344.51	5257.72
SEGMENT LIABILITIES	-	-	1474.29	1677.86	-	-	1474.29	1677.86
UNALLOCATED LIABILITIES							2870.22	3579.86
TOTAL LIABILITIES							4344.51	5257.72

Part B: Geographic Segments

The Bank is operating in Domestic Segment only.

19) AS 18-Related Party disclosures

As per AS 18-Related Party Disclosures, the Bank's related party's transactions for the year ended March 31, 2019 are disclosed as below:

INDIVIDUALS HAVING SIGNIFICANT INFLUENCE:

1. Mr. Ramchandra M. Mohite
2. Mr. Annasaheb Ramchandra Mohite
3. Mr. Abhishek Annasaheb Mohite
4. Mr. Rajnikant Annasaheb Patil
5. Mr. Sanjay Babaso Patil
6. Mrs. Soniya Sanjay Patil
7. Mrs. Sarojini Shrimant Melwanki
8. Mrs. Sitadevi Ramchandra Pandit

Mr. Ramchandra Maruti Mohite along with the above PAC divested their entire shareholding in the Bank on 13.05.2018.

The following represents the significant transactions between the Bank and above-mentioned related parties during the year ended March 31, 2019:

Sr No	Name	Branch	A/C No	A/c Type	Dr	Cr	Int Paid	Balance
1	Mr Ramchandra	Kolhapur	0201/147	Saving	3883.12	3883.12	170.00	00.00

	M Mohite							
2	Mr Annasaheb R Mohite	Kolhapur	0201/3441	Savings	48528.50	101098.00	2878.00	120623.17
3	Mr Abhhishek A. Mohite	Kolhapur	0201/3677	Savings	75009.44	80243.00	5243.00	119806.14
		Kolhapur	0201/1	Savings	80002.36	57114.00	2114.00	30682.62
4	Mr Rajnikant A Patil	Kolhapur	0201/11	Savings	195954.00	186732.00	497.00	2502.40
5	Mr. Sanjay B. Patil	Kolhapur	0201/3789	Savings	640543.50	665516.00	1502.00	30318.44
	Mr. Sanjay B. Patil joint Minal G. Shah	Kini	0201/9	Savings	29.50	67.00	67.00	1523.90
6	Mrs Soniya Sanjay Patil	Kolhapur	0201/9	Savings	168475.00	141901.00	281.00	2306.80
		Kolhapur	0407/5830	Term Deposit	147406.00	147406.00	10615.00	00.00
7	Mrs Sarojini S. Melwanki	Kolhapur	0201/3446	Savings	29.50	80.00	80.00	1805.40
8	Mrs Sitadevi R Pandit	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Bank Guarantees issued previously to above related parties.

(Rs. In Lakhs)

SR.NO	NAME	AMOUNT	DATE OF CLOSURE	RELATION AND NAME OF SHARE HOLDER	STATUS AS ON 31.03.2019
1	M/S MARUTI CONSTRUNCTIONS	46.00	APRIL 2018	MR.R.M.MOHITE (PROPRITOR)	CLOSED
2	MR.ANNASAHEB RAMCHANDRA MOHITE	136.00	APRIL 2018	MR.R.M.MOHITE (FATHER)	CLOSED
	TOTAL	182.00			

KEY MANAGERIAL PERSONNEL:

Shri Sunil Shripatrao Bhandwale (General Manager & Acting MD) (Till 04.12.2018)
 Shri Sanjay Agrawal (Managing Director and CEO) (From 05.12.2018)

The following represents the significant transactions between the Bank and these KMPs including relatives of above mentioned KMP during the year ended March 31, 2019.

(Rs in Lakh)

Key Management Person	Remuneration	Deposit	Advances	Int Paid	Int Rec	Guarantees Given
1. Shri Sunil Shripatrao Bhandwale (General Manager Till 04/12/2018)	6.00	0.19 (0.45)	Nil	0.003	Nil	Nil
Relatives	NA	Nil	Nil	Nil	Nil	Nil
2. Shri Sanjay Agrawal (MD)	7.58	5.21 (5.21)	Nil	0.03	Nil	Nil

and CEO From 05.12.2018)						
Relatives	NA	Nil	Nil	Nil	Nil	Nil
Total	13.58	5.40	Nil	0.033	Nil	Nil

Figures in bracket indicate maximum balance outstanding during the year.

20) LEASES

The details of maturity profile of future operating lease payments are given below:

(Rs. in Lakh)

Period	March 31, 2019	March 31, 2018
Not later than one year	13.68	5.54
Later than one year and not later than five years	277.79	261.98
Later than five years	21.25	53.30
Total	312.72	320.82
The total of minimum lease payments recognized in the Profit and loss account for the year	68.92	65.64

21) EARNING PER SHARE: -

(Amount in Rs.)

SR.NO.	PARTICULARS	2018-19	2017-18
A	Net Profit for the year attributable to Equity Shareholders (Rs.)	(7,05,85,906)	91,44,654
B	Total number of equity shares at the end of year	2,35,20,400	2,35,20,400
C	Weighted Average number of Equity shares	2,26,80,400	2,24,42,592
D	Basic Earnings per share (Rs.)	(3.11)	0.41
E	Diluted earnings per share (Rs.)	(3.11)	0.41

22) DEFERRED TAX LIABILITY/ASSETS:

The Bank has recognized deferred tax asset arising on account of timing differences, being the difference between the taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS –22) ‘Accounting of Taxes on Income’ issued by The Institute of Chartered Accountants of India.

The major components of deferred tax Assets/(Liabilities) arising on account of timing differences are as follows:

(Rs. in Lakh)

Particulars	As at 31 st March 2019 Rs.	As at 31 st March 2018 Rs.
Deferred tax assets/(Liabilities) Difference between the written Down Value of assets as per books of accounts and Income Tax Act, 1961.	(83.20)	15.88
Bonus	NIL	(3.57)
Business Loss/unabsorbed depreciation for the year to be carried forward for future set-off under Income-Tax	968.42	NIL
Net Deferred tax Assets/(Liabilities)	885.22	12.31
Deferred Tax benefit/(expense) as at year end	230.15	3.37
Prior period deferred Tax benefit recognized/DTL reversed in current year	3.37	16.64
Total Deferred Tax benefit (expense) for the year.	226.78	20.01

The Bank has reasonable certainty of earning profits in near future; hence deferred tax assets have been recognized.

23. Prior Period Items:

Reversal of Charges:

During the year, as per management decision and as communicated by RBI, the Bank has debited a sum of Rs.2,00,718 to Profit & Loss Account as Reversal of Charges for income booked in earlier year (FY 2017-18) by way of charges debited to customers towards Inoperative & Dormant account charges.

24. Closure of Mumbai Liaison Office:

The bank had a lease agreement dated January 29, 2016 with Mr. Kamlesh Mehta under which the bank was paying rent of Rs. 0.75 lac per month for MLO office, Mumbai. Subsequently, the landlord of the property Mr. Kamlesh Mehta intimated vide letter dated 02.04.2018 that he sold out property to M/s. Raha Payment Solutions Pvt Ltd. The Bank after negotiation with M/s Raha Payment Solutions Pvt Ltd. had to give an interest free security

deposit of Rs.6.00 crore as well as increased rental of Rs.3.72 lacs per month till vacation of the property. Later on the property was vacated on 28.02.2019 and security deposit was refunded back to the Bank on 28.03.2019. Since the bank did not have an alternate premise to shift in a short notice, the bank made the payment of security deposit and increased rent duly approved by Board of Directors
Certain furniture and fixtures having a written down value of Rs. 28.73 lac on the date of closure (i.e. 28.02.2019) were disposed of at a loss of Rs. 1.49 lacs.

25. MANAGERIAL REMUNERATION:

(Rs. In Lakh)

	<u>31/03/2019</u> Rs.	<u>31/03/2018</u> Rs.
Shri Suryakant S Jadhav (Managing Director Up to 28/02/2018)	-----	8.25
Shri Sanjay Agrawal (Managing Director since 05.12.2018)	7.58	-----
Shri S.S.Bhandwale (General Manager & Acting MD Up to 04.12.2018)	4.00	0.50

26. AUDITORS REMUNERATION:

(Rs. In Lakh)

	<u>31/03/2019</u>	<u>31/03/2018</u>
AS STATUTORY AUDITORS	2.00	2.00
AS TAX AUDITORS & TAX MATTERS	-----	-----
	----- 2.00	----- 2.00

27 EMPLOYEES BENEFIT

The company has recognized expenses of Rs.24.20 Lakh (Previous Year Rs. 17.08 lakhs) towards defined contribution plans (Provident Fund).

Banks contribution towards Provident fund, being a defined contribution scheme, is accounted for on an accrual basis and recognized in the profit and Loss account. Liability for gratuity being defined benefit retirement schemes, are determined based on an actuarial valuation as at the Balance Sheet date.

The bank provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave. There is no change in accounting policy in this regard vis-à-vis previous financial year.

Bank has provided “Health Insurance Scheme” to employees of the Bank since last three years.

Employee Stock Options (ESOP)

In the year 2016, Shareholders of the Bank had approved a stock options scheme to be implemented in the Bank.

Status of the options granted under the scheme is as under as at March 31, 2019:

	F. Y. 2018-19	F. Y. 2017-18
Total grants authorized under the Scheme	20% of the fully diluted equity share capital of the bank on the fully diluted basis, post exercise of all the options granted under the Plan.	20% of the fully diluted equity share capital of the bank on the fully diluted basis, post exercise of all the options granted under the Plan.
Number of Options outstanding at the beginning of the year	Nil	11,20,000
Number of Options exercised during the year	Nil	11,20,000
Total Number of shares arising as a result of exercise of options during the year	Nil	11,20,000
Options lapsed/forfeited/cancelled (nos)	Nil	0
Option exercise price	Not Applicable	Rs.10 per share (partly paid –up Rs.2.5 per share)
Application Money realized on exercise of options (Rs.)	Not Applicable	28,00,000/-
Total Number of Options in force as on March 31 , 2019	Nil	0

The Bank follows the adjusted Fair Value method (Average of value under Net Asset Value approach and Market Approach, discounted for size and Liquidity) for estimating the value of perquisite on account of Options exercised and there is no charge to Profit & Loss account during this year.

28 CAPITAL INFUSION:

There is no capital infusion during the year under reference.

29. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits

	(Rs. in Lakh)	
	2018-19	2017-18
Total deposits of top 20 depositors (Rs.)	289.79	424.31
Percentage of deposits of 20 largest depositors to total deposits (%)	19.65%	25.27%

Concentration of Advances

	(Rs. in Lakh)	
	2018-19	2017-18
Total Advances of top 20 borrowers (Rs.)	206.20	353.18
Percentage of advances of 20 largest borrowers to total advances (%)	86.60%	82.29%

Concentration of Exposure

	(Rs. in Lakh)	
	2018-19	2017-18
Total Exposure to 20 largest borrowers (Rs.)	206.20	407.44
Percentage of Exposure to 20 largest borrowers to total exposure of bank (%)	86.60%	60.17%

Working Note:-

Total Exposure of Bank

	(Rs. in Lakh)	
Particular	31.03.2019	31.03.2018

Funded Exposure – Cash Credit (Sanction Limit)	0.00	118.20
Term Loan (Total O/s.Amt)	238.10	366.30
A) Total	238.10	484.50
Non Funded Exposure – Bank Guarantee (BG)	10.65	192.65
Letter of Credit (LC)	0.00	0.00
B) Total	10.65	192.65
Total Exposure of Bank (A + B)	248.75	677.15

Concentration of NPAs

(Rs. in Lakh)

	2018-19	2017-18
Total Exposure to top four NPA accounts (Rs.)	10.49	10.25

30: Sector-wise NPAs

		Percentage of Gross NPAs to Total Advances in that sector	
		2018-2019	2017-2018
1	Agricultural & allied activities	5.14%	0.00
2	Industry & Others (Micro, small, medium enterprises)	0.00	0.00
3	Services	0.00	0.00
4	Personal loans	0.87%	10.25

31: Movement of NPAs

(Rs. in Lakh)

Particulars	31.03.2019	31.03.2018
Gross NPAs* as on 1 st April of particular year (Opening Balance)	10.25	00.00
Additions (Fresh NPAs) during the year	23.86	51.55
Sub-total (A)	34.11	51.55
Less:-		
(i) Up gradations	--	9.44
(ii) Recoveries (excluding recoveries made from upgraded accounts)	19.81	31.86
(iii) Write-offs	0.00	0.00
Sub-total (B)	19.81	41.30

Gross NPAs as on 31 st March of year (closing balance) (A-B)	14.30	10.25
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32. COMPARATIVE FIGURES:

Wherever necessary, figures for the previous year have been grouped / regrouped.

33. DISCLOSURE REGARDING DEAF

(Rs. in Lakh)

Particulars	CURRENT YEAR 2019	PREVIOUS YEAR 2018
Opening balance of amount transferred to DEAF	3.33	2.05
Add amount transferred to DEAF during the year	2.74	1.28
Less amount reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amount transferred to DEAF	6.07	3.33

34) Disclosure regarding "Investment Fluctuation Reserve".

The opening and closing balance of "Investment Fluctuation Reserve" was Rs.2.72 lakh.

35) Disclosure regarding "Infrastructural Upgradation Reserve".

Bank had created "Infrastructural Upgradation Reserve" and disclosure to that effect was made last year. However, for infrastructural utilization purpose, amount of Rs.30.00 lakh was transferred to Profit & Loss appropriation account in the previous year. Details are as under:-

(Rs. in Lakh)

Sr.No.	Particulars	March 2019	March 2018
1	Opening Balance	-	30.00
2	Addition during the year	-	0.00
3	Deduction during the year	-	30.00
4	Closing Balance	-	0.00

36) Disclosure regarding Provisioning Coverage Ratio.

Sr.No.	Particulars	March 2019	March 2018

1	Gross NPA (Rs.Lakhs)	14.30	10.25
2	Provisions held for NPAs (Rs.Lakhs)	5.85	7.18
3	Floating Provision considered for the purpose(Rs. Lakh)	8.45	NIL
4	Provision coverage ratio (%)	100%	70.04%

37) Disclosure regarding Classification of Investments.

(Rs. in Lakh)

Sr.No.	Particulars	March 2019	March 2018
	Investment held under.....		
1	Held for trading category	0.00	0.00
2	Available for sale category	1764.10	260.17
3	Held to Maturity	329.36	2403.87
	Total	2093.46	2664.04

Investments are classified in to 'Held for Trading' ('HFT'), 'Available for Sale' ('AFS') and 'Held to Maturity'('HTM') categories at the time of purchase. Investments, which the Bank intends to hold till maturity are classified as HTM Investments. Investments that are held principally for resale are classified as AFS. Investments classified as HTM are carried at amortized cost. Any premium paid on acquisition, over the face value, is amortized over the remaining period of maturity.

Investments classified as AFS and HFT are marked-to-Market on a periodic basis as per relevant RBI guidelines. The securities are valued scrip-wise & depreciation /appreciation is aggregated for each classification.Net appreciation in each classification, is ignored, while depreciation is provided for.

During the year, in compliance with the regulatory directives, the bank had shifted G-Sec investments having book value of Rs.17,63,63,728.49 from HTM category to AFS category and provided for required depreciation of Rs.90,77,778.49 in value of these securities on the date of transfer i.e. November 26, 2018. At the year end, the excess provision amounting to Rs.58,97,603.76 of depreciation on AFS securities was credited to Profit & Loss A/c for which a corresponding appropriation of profit was made to Investment Reserve Account

The movement of Investments held in HTM Category during FY 2018-19 is as under:

Description	Book value (Rs. Lakhs)
Investment in CG Securities as on 31.03.2018	2664.04
Shifting of CG Securities HTM to AFS on 26.11.2018	1763.64
Stock under HTM category as on 31.03.2019: CG Securities	329.36

Sale of securities from HTM has been resorted to strictly in terms of the RBI guidelines.

38) Disclosure regarding Unsecured loans & Advances

(Rs. in Lakh)			
Sr.No.	Particulars	March 2019	March 2018
1	Total advances	238.10	429.20
2	Unsecured Advances out of total advances	19.36	11.35
3	Percentage of unsecured Advances to total advances	8.13%	2.64%

Bank’s unsecured Loans as on 31st March 2019 stood at Rs.19.36 Lakh as against Rs. 11.35 Lakh last year i.e.as on 31st March 2018.

39) Disclosure Regarding “Investment Reserve Account

The balance of Investment Reserve account is Rs.58,97,604 as on 31st March 2019. Bank has considered this balance in calculation of Tier II Capital of CRAR as on 31st March 2019 subject to the prescribed limit of a 1.25% of total risk weighted asset

40) MSMED ACT disclosure

The company has not received information from its suppliers regarding their status under the Micro, Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid as at the year and together with interest paid / payable under this Act have not been given.

41) Agri Debt waiver scheme of Govt. of Maharashtra.

On 28th June 2017, Government of Maharashtra has announced Agriculture Debt Waiver Scheme as “Chhatrapati Shivaji Maharaj Shetkari Sanman Yojana 2017”.

Agriculture loan portfolio of the Bank as on 31.03.2019 was as under.

Particulars	Outstanding amount as on 31.03.2019 (Rs.)	Outstanding amount as on 31.03.2018 (Rs.)
Crop Loan	11,63,496	24,19,199
Term Loan	1,10,63,167	3,12,48,800
Total	1,22,26,663	3,36,67,999

As per prescribed norms of the debt waiver scheme, eligible and benefitted borrowers of the Bank are as under.

Sr. No.	Particulars	No. of Accounts	Amount Rs.
---------	-------------	-----------------	---------------

1	Waiver	1	1,49,423
2	OTS	Nil	Nil
3	Incentive	Nil	Nil
	Total	1	1,49,423

Out of above, benefit is transferred to borrowers as under.

Sr. No.	Particulars	No. of Accounts	Amount Rs.
1	Waiver	1	1,49,423
2	OTS	Nil	Nil
3	Incentive	Nil	Nil
	Total	1	1,49,423

Amount as per below mentioned details is yet to be received by the Bank:

Sr. No.	Particulars	No. of Accounts	Amount Rs.
1	Waiver	3	43,450
2	OTS	Nil	Nil
3	Incentive	Nil	Nil
	Total	3	43,450

42).Details of Priority Sector Lending Certificates (PSLC)

Priority Sector Lending Certificates bought during the year:

[Rs. in Lakh]

Sl.No.	Type of PSLCs	For the year ended March 31, 2019	For the year ended March 31, 2018
1	PSLC-Agriculture	--	--
2	PSLC- SF/MF	350	500
3	PSLC –Micro Enterprises	375	600
4	PSLC-General	00	00
	Total	725	1100

43). Disclosure of Penalties imposed by RBI

The Reserve Bank of India has not levied any penalty during the FY 2018-19 (Previous year: Nil)

44) Details of Non Performing Financial Assets Purchased / Sold

A. Details of non performing financial assets purchased:

Particulars	(Rs in Lakh)	
	Current year	Previous Year
1. (a) No. of accounts purchased during the year		
(b) Aggregate outstanding		
2. (a) Of these, number of accounts restructured during the		

year	---NIL---	---NIL---
(b) Aggregate outstanding		

B. Details of non performing financial assets sold:

(Rs. in Lakh)		
Particulars	Current year	Previous Year
1. No. of accounts sold		
2. Aggregate outstanding	---NIL---	---NIL---
3. Aggregate consideration received		

45.a). Provisions and Contingencies

(Amount in Rs.)		
Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	Current Year	Previous Year
Provisions for depreciation on Investment	4072174	805000
Provision towards NPA	340000	245000
Provision made towards Income tax	1788224*	3775481
Other Provision and Contingencies (with details)		
1. Deferred Tax Provision Reversed/DTA recognized	(22678477)	(2000778)
2. standard Asset Provision Reversed	Nil	(969000)
TOTAL	(16478079)	1855703

*Income tax-earlier years

45.b) Floating Provisions

(Rs. in Lakh)		
Particulars	Current year	Previous year
(a) Opening balance in the floating provisions account	20.00	20.00
(b) The quantum of floating provisions made in the accounting year	0.00	0.00
(c) Amount of draw down made during the accounting year	0.00	0.00
(d) Closing balance in the floating provisions account	20.00	20.00

As on March 31, 2019, the Bank has netted off a sum of Rs. 8.45 Lakhs of floating provision from gross NPAs to arrive at disclosure of net NPAs and the balance amount of floating provision of Rs. 11.55 Lakhs is treated as part of Tier II capital within the overall ceiling of 1.25% of total risk weighted assets for computation of CRAR

46) Disclosures on Remuneration

Quantitative disclosures

Sr. No.	Subject	March 31, 2019	March 31, 2018

(a)	Number of meetings held by the Remuneration Committee during the financial year and remuneration paid to its members.	Number of meetings: 7 Remuneration paid:Nil.....	Number of meetings: 7 Remuneration paid:Nil.....
(b) (i)	Number of employees having received a variable remuneration award during the financial year	----Nil----	----Nil----
(b) (ii)	Number and total amount of sign-on awards made during the financial year	None	None
(b) (iii)	Number and total amount of guaranteed bonuses awarded during the financial year	None	None
(b) (iv)	Details of severance pay, in addition to accrued benefits, if any	None	None
(c) (i)	Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms	----Nil----	----Nil----
(c) (ii)	Total amount of deferred remuneration paid out in the financial year	...NIL...	...NIL...
(d)	Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and nondeferred	...NIL....	...NIL....
(e) (i)	Total amount of outstanding deferred remuneration and retained remuneration exposed to ex-post explicit and / or implicit adjustmentNA....NA....
e) (ii)	Total amount of reductions during the financial year due to ex-post explicit adjustment	Nil	Nil
e) (iii)	Total amount of reductions during the financial year due to ex-post implicit adjustment	Nil	Nil

47). Disclosures relating to Securitization

The bank has not sponsored any SPV. The Bank has also not done any securitization transaction.

For UMMED JAIN & CO
Chartered Accountants
FRN NO 119250W

**For and on behalf of the Board of
Directors**

(CA. Ummed Jain)
Partner
M. No. 070863

Kishor Mundargi

Director

Sanjay Agrawal
Managing Director & CEO

Siddharth Jain
Director

S.S.Bhandwale
General Manager

S.N.Baheti
C.F.O.

Himanshu Katare
Company Secretary

Date: May 18 ,2019

ATTENDANCE SLIP

[Please complete this attendance slip and hand it over at the entrance of hall]



SUBHADRA LOCAL AREA BANK LIMITED

CIN: U65191PN2001PLC016042

Registered Office:

Shop Nos. 47 to 56, Ground Floor, Gemstone Building,
Near Central Bus Stand, Kolhapur Maharashtra 416001

Phone: 0231 – 2652585

E-mail: subhadra@subhadrabank.com

18TH ANNUAL GENERAL MEETING

I / We hereby record my/our presence at the 18th Annual General Meeting of the Company to be held on **Monday, the 30th Day of September, 2019 at 11:00 AM at The Imperial Club by The Leela, 8th Floor, South Tower, The Imperial, Tardeo Mumbai, Maharashtra-400034.**

Folio No. of Shareholder _____

Full Name of Shareholder in block letter _____

Full Address of Shareholder in block letter _____

No. of Shares held _____

Name of proxy (if any) in block letter _____

Signature of member/proxy/representative*

***strike out whichever is not applicable**

Note:

1. Please complete the Folio No., name, sign this Attendance Slip along with Identity Proof and handover at the Attendance Verification Counter at THE MEETING HALL.
2. Copy of the Annual Report for Financial Year 2017-18 and the Notice of the 25th Annual General Meeting (AGM) along with Attendance Slip and Proxy Form are being sent to all the members.

PROXY FORM

[Pursuant to Section 105(6) of Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rule, 2014]

Name of Member(s)		E-Mail id	
Registered Address		Member's Folio No.	

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

- 1) Name:.....Address.....
Email Id.....Signature.....or failing him;
- 2) Name:.....Address.....
Email Id.....Signature.....or failing him;
- 3) Name:.....Address.....
Email Id.....Signature.....or failing him;

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held on **Monday, the 30th Day of September, 2019 at 11:00 AM** at Registered Office of the Company at **The Imperial Club by The Leela, 8th Floor, South Tower, The Imperial, Tardeo Mumbai, Maharashtra-400034 India** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Vote	
		For	Against
1.	To receive, consider and adopt the Audited Financial Statements of the Bank for the financial year ended 31 st March, 2019 together with the Reports of the Board of Directors' and the Auditors' thereon and in this regard, if thought fit, pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:		

2.	To reappoint Statutory Auditors of the Bank and fix their remuneration and in this regard, to consider and if thought fit, pass with or without modification(s), the following as an ORDINARY RESOLUTION:		
3.	To appoint Mr. Pankaj Bhansali (DIN: 03154793), as an Independent Director and in this regard, if thought fit, pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:		
4.	To appoint Mr. Shantanu Ghosh (DIN: 00041435) as a Director and in this regard, if thought fit, pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:		
5.	To appoint Mr. Suhas N Sahakari (DIN: 08168414) as an Independent Director and in this regard, if thought fit, pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:		
6.	To appoint Mr. Sanjay Agrawal (DIN: 08168414) as a Director and Managing Director & CEO of the Bank and in this regard, if thought fit, pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:		
7.	To re-appoint Mr. Sanjay Agrawal (DIN: 08168414) as Managing Director & CEO of the Bank and in this regard, if thought fit, pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:		

Signed this _____ Day of _____ 2019.

Signature of the shareholder _____

Signature of the Proxy holder(s) _____

**Affix
Revenue
Stamp
here**

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statements and Notes please refer to the Notice of this Report.

3. * It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in the above box before submission.

Route Map of AGM Venue

