



ದಿ ಸಿರಸಿ ಅರ್ಬನ್ ಸಹಕಾರಿ ಬ್ಯಾಂಕ್ ಲ.,
The Sirsi Urban Sahakari Bank Ltd.



Rising Above

114
ANNUAL REPORT
2018-19



Dr. V. S. Sonde, Honorary President, 65th All India Co-operative Week and then President of the Bank at the inaugural State Level Function to mark the 65th All India Co-operative Week on November 21, 2018 held at Sirsi.



Smt. Arathi S. Shettar, Chief Executive Officer receiving " Centenary Service Award " at the 65th All India Co-operative Week Celebrations held on November 21, 2018 at Sirsi.



Progress at a Glance

Rupees in lakhs

Year	Members	Share Capital	Reserve & Other Funds	Deposits	Loans & Advances	Working Capital	Investments	Net Profit	Dividend
1912-13	19	0.23	0.10	0.08	0.03	0.11	0.006	0.03	-
1928-29	829	0.26	0.28	2.29	2.41	2.91	0.24	0.006	-
Silver Jubilee									
1954-55	856	0.29	1.77	6.42	6.20	10.38	2.95	0.20	6.25%
Golden Jubilee									
1965-66	1866	0.97	4.35	31.55	38.20	39.74	7.57	0.68	9%
Diamond Jubilee									
1971-72	2495	2.74	6.85	75.24	51.97	91.48	27.65	1.01	9%
1972-73	2666	4.52	6.50	84.70	57.31	102.11	32.33	1.25	9%
1973-74	2835	5.87	8.35	94.39	75.47	119.79	25.70	2.13	9%
1974-75	2966	6.68	9.85	106.73	84.82	137.90	26.07	3.48	12%
1975-76	3155	7.59	12.19	108.29	91.63	114.68	31.41	3.51	12%
1976-77	3338	8.43	14.54	120.62	97.79	159.16	34.51	4.06	12%
1977-78	3526	9.37	17.22	134.18	101.14	171.68	47.71	5.55	12%
1978-79	3668	10.58	21.40	155.83	116.43	184.00	62.41	5.85	12%
1979-80	4126	13.45	25.78	198.87	155.91	240.55	94.73	7.96	12%
31-12-80	4378	14.60	31.51	232.60	173.11	302.57	136.47	-	-
Platinum Jubilee									
1989-90	8430	59.08	111.60	1287.00	987.00	1664.00	558.27	39.60	12%
1994-95	11100	114.83	365.01	3933.00	3113.00	4633.61	1208.26	136.25	15%
Keshwain Centenary									
1995-96	12115	172.15	463.73	5052.33	4366.12	6277.32	1642.56	190.19	15%
1996-97	13107	212.28	617.08	7467.85	5946.15	8640.04	1949.91	275.00	25%
1997-98	14161	315.53	822.09	11180.80	6442.63	12704.17	5329.38	308.63	25%
1998-99	15680	400.20	1039.24	15329.68	9172.30	17716.96	7383.19	440.67	25%
1999-2000	16614	450.58	1369.61	18224.56	12376.84	22333.49	8331.04	503.44	25%
2000-2001	18166	483.08	1703.33	21664.49	14676.95	24535.58	7433.76	515.47	18%
2001-2002	19727	516.98	2409.95	25213.05	17563.06	28969.55	7568.62	527.31	18%
2002-2003	21283	570.78	2862.03	21956.59	17521.60	26139.38	5626.79	530.68	15%
2003-2004	22059	623.56	3295.19	22790.57	18029.19	27257.76	6427.45	403.00	10%
2004-2005	23661	841.05	3650.58	22723.68	17814.19	27514.02	6863.82	156.11	7%
2005-2006	25660	880.23	3772.76	19220.83	17555.09	24759.07	5471.88	116.31	----
2006-2007	27037	811.02	3742.43	20018.73	16243.85	24926.34	6785.86	63.57	----
2007-2008	27826	813.47	3851.42	20771.29	13632.52	26196.33	10791.14	75.41	----
2008-2009	28468	810.50	4188.85	22010.62	13667.01	28110.23	12217.87	82.94	----
2009-2010	29119	818.54	4399.97	24239.76	14208.23	30670.71	14423.03	85.29	----
2010-2011	30151	862.45	4699.31	26674.80	16483.29	33167.31	14678.58	90.11	----
2011-2012	31595	938.16	5273.33	31879.19	19769.74	38962.29	16569.39	112.56	----
2012-2013	33001	1011.96	5445.80	37356.69	23141.30	44812.34	18815.79	150.79	6%
2013-2014	34550	1074.39	5752.73	44917.74	24659.47	52882.54	22441.03	181.71	7%
2014-2015	37996	1143.14	5897.35	48725.23	25678.70	57080.04	26633.32	192.43	8%
2015-2016	38531	1218.08	6035.05	52074.71	25636.05	60473.52	29556.59	206.70	9%
2016-2017	39359	1374.55	6130.52	58064.53	31045.91	67084.54	30125.41	230.47	8%
2017-2018	40490	1501.94	6261.15	64576.10	35603.88	73751.69	32289.47	247.02	8%
2018-2019	41963	1780.22	6421.64	73377.20	44217.23	83620.61	32000.75	406.38	10%

Proposed



ದಿ ಸಿರಸಿ ಅರ್ಬನ್ ಸಹಕಾರಿ ಬ್ಯಾಂಕ್ ಲಿ.
The Sirsi Urban Sahakari Bank Ltd.

114
ANNUAL REPORT
2018-19

BRANCHES

BRANCHES	PHONE	BRANCHES	PHONE
SIRSI MAIN P. B. No. 1, Rayarpeth Sirsi - 581401 (U. K. Dist) Karnataka	08384-226343 98807 65346	SHIRALI (BHATKAL) N. H. 17, Main Road, Shirali - 581 354 (U. K. Dist) Karnataka	08385-258029 9880765355
YELLAPUR Bus Stand Road, Yellapur - 581359 (U. K. Dist) Karnataka	08419-261245 98807 65347	BABRUWADA (ANKOLA) Ganga Nivas, P. B. No. 18 Babruwada, Ankola - 581318 (U. K. Dist.) Karnataka	08388-230574 9880765356
MUNDGOD Sirsi Hubli Raod, Near Rita Church Mundgod - 581349 (U. K. Dist) Karnataka	08301-222134 98807 65348	KUMTA Subhas Road, Kumta - 581343 (U. K. Dist) Karnataka	08386-223845 98807 65357
DANDELI J. N. Road, Dandeli - 581325 (U. K. Dist) Karnataka	08284-231445 98807 65349	KARWAR Laxmi Complex, Main Road Karwar - 581301 (U. K. Dist) Karnataka	08382-225010 9880765358
BANAVASI Behind Post Office Banavasi 581318 (U. K. Dist) Karnataka	08384-264245 99005 53116	EXTENSION COUNTERS Hindu High School, Karwar Shivaji High School, Baad, Karwar	08382-221556 08382-225476
SIRSI SUB URBAN Yellapur Road, Vidya Nagar Sirsi - 581402 (U. K. Dist.) Karnataka	08384-236645 98807 65351	HUBLI H. D. M. C. Shopping Complex, P. B. Road Hubli - 580029 (Dharwad Dist.) (Tel. Fax) Karnataka	0836-2351645 0836-2351675 9880765359
SADASHIVGAD Ist Floor, Sadanand Complex, Market Road, Sadashivgad, Karwar 581301 (U. K. Dist.) Karnataka	08382-265737 9900553115	WEST OF CHORD ROAD (Bangalore) Ground Floor, No. 28, 19th Main, Near Gokul Veg. Circle (Via Navarang - Modi Hospital Road) 2nd Block, Rajajinagar, Bangalore - 560010	080-23425919 080-23425920 98807 65360
C. P. BAZAR (Sirsi) C. P. Bazar, Sirsi - 581401 (U. K. Dist) Karnataka	08384-226043 98807 65353	ULSOOR (Bangalore) No. 38, Car Street, Ulsoor Bangalore - 560 008 Karnataka	080-25307757 080-25307758 98807 65361
HONNAVAR PORT Bank Road, Honnavar - 581334 (U. K. Dist) Karnataka	08387-220007 98807 65354		

Regd. & Admn. Office : Post Box No. 1, Rayarpeth, **SIRSI - 581 401.**

Tel : 08384-226643 Fax : 226401

www.sirsiurbanbank.in



Contents

Board of Directors

Directors report to the shareholders

Profit and Loss Account

Balance Sheet

Significant Accounting Policies

Notes forming part of Balance Sheet
and profit and loss Account

Budget for 2019-20

Annual General Meeting



On Sunday August 25, 2019
at 10-30 am
At Vidyadhiraj Kalakshetra,
Rayarpeth, Sirsi.





ದಿ ಸಿರಸಿ ಅರ್ಬನ್ ಸಹಕಾರಿ ಬ್ಯಾಂಕ್ ಲ.,
The Sirsi Urban Sahakari Bank Ltd.

114
ANNUAL REPORT
2018-19

BOARD OF DIRECTORS



Sri Jaydev U. Nilekani
President



Sri Milind V. Pandit
Vice-President



Dr. V.S. Sonde
Director



Sri S.P. Machado
Director



Sri S.C. Dhundshi
Director
(Upto 27-1-2019)



Sri M.S. Prabhu
Director



Sri Ramachandra G. Nayak
Director
(Upto 27-1-2019)



Sri Santosh S. Pandit
Director



Sri Sadanand M. Naik
Director



Sri T.S. Balamani
Director



Sri R.V. Palekar
Director



Smt. Suvarna P. Prabhu
Director



Smt. Vanita V. Keshwain
Director



Sri Gangadhar H. Sanu
Director
(Upto 27-1-2019)



Sri Surendra J. Revankar
Director



Sri Varindra S. Kamat
Director



Sri Nitin S. Kasarkod
Director
(From 28-1-2019)



Sri Prakash Venkatesh Pai
Director
(From 28-1-2019)



Sri Suryakanth D. Devali
Director
(From 28-1-2019)



Prof. K.N. Hosamani
Director
(From 28-1-2019)



Sri Jagadish N. Deshbhandari
Director
(From 28-1-2019)



Sri Shashikant K. Nadig
Professional Director



Sri T. Sreedhar Murthy
Professional Director



Smt. Arathi S. Shettar
Chief Executive Officer



We pay our homage to
LATE SHRI VITTALDAS RAMACHANDRA PAI
who served our Bank as Director for 14 years
and guided us till his last breath.



ದಿ ಸಿರಸಿ ಅರ್ಬನ್ ಸಹಕಾರಿ ಬ್ಯಾಂಕ್ ಲ.,
The Sirsi Urban Sahakari Bank Ltd.

114
ANNUAL REPORT
2018-19

President's Message



MOVING AHEAD WITH TRUST

Dear Shareholders,

I am delighted to present to you Annual Report for the financial year 2018-19, in the 114th year of our existence and service to the society. The journey these years has seen us, crossing several milestones. Our legacy of the past is a continuation of untiring efforts by our founders, past directors, employees and all the stakeholders of this great institution. The strong and robust foundation that we have built over the years attributes to the committed support of our employees and the trust of our shareholders.

Our overall financial and business performance in the financial year that passed by was quite strong and healthy. Bank posted a net profit of Rs.4.06 Crore as against Rs.2.47 crore a year ago. Net Interest Income rose by 19.1 % over the previous year and Net Interest Margin improved to 3.0 % from 2.8 % a year ago. Loan delinquencies were contained. Gross non-performing loans stood at 6.0 % compared to 7.9 % a year ago and net NPAs stood at 0.0 % as in the last year. Our cost of funds dropped from 6.7 % to 6.4 %. Yield on assets stood flat at 8.3 %.

Turning to the top line numbers the loan book registered an impressive growth of 24.2 % during the financial year 2018-19 and the outstanding loan book as on March 31, 2019 stood at Rs.442.00 crore. On the liability side the deposits grew by 13.6 % and stood at Rs.734.00 crore as on March 31, 2019. The share of CASA was 20.0 % of the total deposits.

The financial year 2018-19 was challenging for Indian Banking and Financial Sector. On the domestic front, we saw the consolidation of big banks, establishment of Indian Post Payment Bank, Non Banking Finance Company (NBFC) crisis emanating from default in fulfilling its debt obligation by a large NBFC in infrastructure sector and its cascading effect on financial markets particularly mutual funds, other NBFCs etc., Higher level of Non-performing Assets (NPAs) also continued to haunt the banking sector mainly the PSU banks. The year also saw the easing of SLR norms.



The major developments in Urban Co-operative Banking sector were as here under:

- ⇒ **Stringent norms for achievement of priority sector targets:** RBI has prescribed achievement under priority sector targets as one of the requirements among others while granting various regulatory clearances. The achievement of targets under priority sector is also included as one of the criteria to reckon the UCBs as Financially Sound and Well Managed (FSWM).
- ⇒ **Norms for Basic Cyber Security:** RBI issued basic cyber security controls applicable for UCBs which includes Board approved cyber security policy, cyber crisis management plan, security compliant IT framework etc.,
- ⇒ **Voluntary conversion of UCBs into Small Finance Banks (SFBs):** RBI in September 2018 issued guidelines to allow UCBs to voluntarily convert into SFBs.

SFBs perform the same roles which are presently performed by the UCBs. However, SFBs which are recent entrants with their technological advantage have started attracting customers especially from lower income strata of the society which were in the past exclusive domain of the UCBs. Therefore, to be relevant in the present market, UCBs have no other option but to embrace technology and to adapt themselves to a position to manage all risks arising from technology enabled banking services. Thus it becomes inevitable to strengthen governance and financials to withstand the competition from them.

Modern Banking is not possible without Information Technology (IT) which facilitates better house-keeping and Management Information System (MIS). Though cost of operation is reduced, it certainly increases the operational risk which needs to be managed. Digital Banking comes with risk associated with cyber security. This calls for robust IT system and subject these system to regular Information Security (IS) audit. It becomes obligatory on the part of UCBs to have robust IT architecture. This will surely increase the cost of compliance as prescribed by the regulators. The business model and the risk profile of non-scheduled UCBs are not that complex as compared to other big players like scheduled Commercial/ Co-operative banks. Therefore, as long as non-scheduled Urban Co-operative Banks fulfill the prudential guidelines like capital adequacy, income recognition, asset classification and provisioning, liquidity management and governance, there is certain case for easing the regulatory policy guidelines suitably so that cost of compliance is minimal.

Your bank has introduced eight onsite ATMs at different centers and another four will be added to the existing ATM Networks taking the total strength of ATMs to 12. Further Mobile Banking Services and IMPS were rolled out during the current financial year. While we will strive to make improvement in our existing products and services, more technology enabled user friendly digital products are proposed to be introduced in the coming days. While digital technologies will enable creation of new products, it also calls for investing in skilled personnel to enable us to reap the advantages and benefits of providing such services. Needless to emphasize that young and energetic tech savvy workforce would add strength and dynamism to the institution. We are committed to provide training and development of our manpower so as to improve their skill sets and help them realize their potential and perform their roles with clarity. We are sure and confident that the bank will keep pace with the modern-day competitive environment and to emerge stronger and bigger.

I take this opportunity thank all the shareholders for their continuous support to this great institution of ours which is a flag bearer of the co-operative sector in the entire state.

Jaydev U. Nilekani
President

Jaydev U. Nilekani
PresidentMilind V. Pandit
Vice-President

DIRECTORS' REPORT 2018-19

Dear shareholders,

The Board of Directors have the pleasure in presenting the Annual Report of the bank along with the audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the year ended March 31, 2019 and the auditor's report

Performance Highlights

The summary of financial performance of your bank for the year 2018-19 is as under:

Rs. In crore

Key Parameters	As at/ for the year ended		Growth %
	31-3-2018	31-3-2019	
Share Capital	15.02	17.80	18.51
Reserves	62.61	64.22	2.57
Deposits	645.76	733.77	13.63
Loans & Advances	356.04	442.17	24.19
Investments	322.89	320.01	-0.89
Total Business	1001.80	1175.94	17.38
Net Profit	2.47	4.06	64.37

- ⇒ Total business reached an all time high of Rs.1175.94 crore as at March 31, 2019 surpassing the previous high of Rs.1001.80 crore recorded as at March 31, 2018, up by 17.38 %
- ⇒ Total Deposits increased from Rs. Rs.645.76 crore as at March 31, 2018 to Rs.733.77 crore as at March 31, 2019, registering a 13.63 % growth.
- ⇒ The share of CASA at Rs.146.52 crore accounted for 19.97 % of the total deposits as at March 31, 2019.
- ⇒ Total Loans and Advances increased to Rs.442.17 crore as at March 31, 2019 from Rs.356.04 crore, registering a strong growth of 24.19 %.
- ⇒ Net Profit increased to Rs.4.06 crore during the year 2018-19 as compared to Rs.2.47 crore for the year 2017-18, registering a 64.37 % growth.



- ⇒ Capital Adequacy Ratio as at March 31, 2019 stood at 11.58 %, well above the regulatory prescription of 9.00 %.
- ⇒ Gross NPAs as at March 31, 2019 improved to 5.99 % compared to 7.92 % as at March 31, 2018.

FINANCIAL PERFORMANCE

Profit

The external environment has become highly volatile and the operating environment has been loaded with limitations, in spite of which the financial performance of the bank during the financial year ended March 31, 2019 has been commendable. Operating Profit for the year 2018-19 was higher at Rs.6.59 crore as compared to Rs.4.03 crore for the year 2017-18, registering a growth of 63.52 %. The bank recorded a Net Profit of Rs.4.06 crore for the year 2018-19, as compared to Rs.2.47 crore for the year 2017-18, thereby registering a growth of 64.37 %.

Net Interest Income

The higher growth in earning assets led to increase in Interest Income to Rs.62.29 crore during 2018-19 as compared to Rs.55.85 crore during the year 2017-18, thereby registering 11.53 % growth. Total Interest expenditure was also higher by 7.99 % up from Rs.38.19 crore during the year 2017-18 to Rs.41.24 crore during the year 2018-19. Net Interest Income incidentally increased to Rs.21.05 crore during the year 2018-19 as compared to Rs.17.66 crore during the year 2017-18, registering a growth of 19.20 %. The non-Interest Income increased to Rs.3.34 crore during the year 2018-19 as compared to Rs.1.37 crore during the year 2017-18.

Operating Expenses

Total operating expenses increased to Rs.17.80 crore during the year 2018-19 from Rs.15.01 crore during the year 2017-18. This was mainly due to increase in other operating expenses on salaries, rent, rates, taxes and lighting, postage, telephones, printing and stationery and other expenditure.

Provisions and Contingencies

Bank for the year 2018-19 had made provisions towards the following items

- a. Rs.0.28 crore towards Standard Assets (Rs.0.25 crore in 2017-18)
- b. Rs.2.25 crore towards Income Tax expenses (Rs.1.31 crore in 2017-18)

The board recommends following appropriations of net profit of Rs.4.06 crore which is in accordance with the provisions of the Act and bye-laws of the bank.

Head of Account	Appropriation for the year	Balance after proposed appropriation
Reserve Fund	1,01,59,422.30	20,52,40,353.78
Karnataka State Co-op Federation (Education fund)	6,09,565.34	6,09,565.34
Karnataka Urban Co-op Bank's Federation	3,04,782.67	3,04,782.67
Bad & Doubtful Debts Fund	14,78,195.94	33,51,69,113.77
Building Fund	23,65,113.51	4,55,24,290.66
Investment Depreciation Fund	8,86,917.57	78,62,541.25
Investment Fluctuation Reserve	23,65,113.51	35,57,536.29



Head of Account	Appropriation for the year	Balance after proposed appropriation
Members Welfare Fund	5,91,278.38	50,86,538.20
Charity Fund	2,95,639.19	11,65,989.31
Staff Gratuity Fund	14,78,195.94	27,33,990.54
Staff Welfare Fund	2,95,639.19	62,40,416.29
Jubilee Fund	5,91,278.38	3787,133.18
Profit Equalization Fund	5,91,278.38	29,23,159.42
Dividend Equalization Fund	8,86,917.57	90,97,346.95
Contingent Reserve Fund	2,95,639.19	63,06,139.57
Branch Opening and Celebration Fund	2,95,639.19	21,11,128.11
Co-operative Propaganda Fund	2,95,639.19	15,52,102.99
Foreign Tour Fund	2,95,639.19	21,61,141.18
Directors' Medical Insurance Fund	2,95,639.19	19,44,913.76
Balance available for payment of dividend	1,62,60,155.36	1,62,60,155.36
Contingent Provisioning towards Std Assets	0.00	2,13,15,002.43
Special BDDR U/s 36(1)(viii) of IT Act	0.00	18,48,000.00
Total	40637689.18	682801341.05

Dividend

Taking into account the overall profitability, the Board of Directors recommend a dividend of 10.00 % for the year 2018-19. The payout would be Rs.1.63 crore.

The dividend for the year 2018-19 at 8.00 % as approved by the Annual General Body in the meeting held on September 22, 2018 have been credited to the accounts of the members as per the mandate given. The members who are yet to collect the dividend for 2017-18 and so also immediate earlier two years may approach our nearest branch to collect the dividend at the earliest.

BUSINESS GROWTH

Total assets of bank increased from Rs.737.52 crore as at March 31, 2018 to Rs.836.21 crore as at March 31, 2019 registering a 13.38 % growth. Total business increased by 17.38 % to Rs.1175.94 crore as at March 31, 2019 from Rs.1001.80 crore as at March 31, 2018.

Deposits

The various initiatives taken during the year helped in increasing the Total deposits as at March 31, 2019 to Rs.733.77 crore as against Rs.645.76 crore as at March 31, 2018, registering a 13.63 % growth. The achievement is commendable considering the fact that overall deposits growth of Scheduled Commercial Banks for the year 2018-19 was at 10.03 %.

Rupees in crore

Type of Deposits	As at March 31, 2018		As at March 31, 2019	
	Amount	% to Total	Amount	% to Total
Current	40.63	6.29	34.14	4.65
Savings	102.89	15.93	112.38	15.32
Term	502.24	77.78	587.25	80.03
Total	645.76	100.00	733.77	100.00



The composition of deposits mainly tilted towards term deposits that provided more stability to the resource mobilization. As a result, the share of CASA which stood at 22.22 % of the total deposits as at March 31, 2018 came down to 19.97 % as at March 31, 2019. However, in line with the market trend, the cost of deposits decreased to 6.43 % in 2018-19 as against 6.73 % in 2017-18. Towards increasing the share of CASA, new thrust is being given which would help in improving the profitability.

Loans and Advances

The financial year posed several challenges with slower credit growth, coupled with higher provisioning cost due to continued stress in asset quality. The bank continued to focus on asset quality in lending and succeeded in expanding the credit portfolio to Rs.442.17 crore as at March 31, 2019 from Rs.356.04 crore as at March 31, 2018. Incidentally, the loans and advances recorded a growth of 24.19 % which is well above growth rate recorded by the banking industry at 13.24 %. Interest Income on Loans and Advances increased to Rs.38.58 crore for the year 2018-19 from Rs.31.27 crore for the year 2017-18. The Yield on advances improved to 9.97 % during the year 2018-19 as against 9.83 % during the year 2017-18.

Priority sector advances of the bank surged from Rs.183.68 crore as at March 31, 2018 to Rs.255.59 crore as at March 31, 2019 and formed 71.79 % of the Adjusted Bank Credit (ABC) thereby achieving the regulatory prescription of 40.0 % in this regard. Bank also fulfilled its commitment to the weaker section with a contribution of 10.89 % of the Adjusted Bank Credit (ABC) against the mandated level of 10.00 %. The total exposure to the weaker section as at March 31, 2019 stood at Rs.38.78 crore.

Maintaining the asset quality has been a challenge for the banks as a whole for the last few years due to the overall sluggishness prevailing in various industrial and services sector. The conservative policy of the bank in an effort to maintain the credit quality and close monitoring of loans and initiating timely corrective action has enabled the bank in restricting the fresh accretions to non performing assets to Rs.0.83 crore. Apart from this, a thrust was also given on recovery out of stock of hardcore non-performing assets. The concerted efforts enabled us in recovering an amount of Rs.2.52 crore out of non-performing assets, majority of which were under doubtful category. This enabled us in bringing down the level of Gross and Net NPAs to 5.99 % as at March 31, 2019 from 7.92 % as at March 31, 2018.

The bank held full provisioning towards non-performing assets, on account of which the Net NPAs stood at 0.0 % for eighth year in succession. Bank would continue to strive hard in bringing down the level of non-performing assets until they are brought down to nil.

The provision coverage ratio indicates provision made by the bank against NPAs. Higher provision coverage ratio reflects adequacy of provision against NPAs of the bank. The provision coverage ratio as at March 31, 2019 stood at 125.92 %.

The bank currently offers an array of loan products like, car loans, home loans, mortgage loans, gold loans, education loans, business loans etc. at very competitive terms and interest rates and is customer friendly with due focus on retail sector.



Investments

Total investment portfolio of the bank as at March 31, 2019 stood at Rs.320.01 crore compared to Rs.322.89 crore as at March 31, 2018. Apart from inter bank placements the investments of the bank were in the categories permitted by the Reserve Bank of India. The yield on investments during 2018-19 worked out to 7.98 % compared to 8.04 % during 2017-18. Bank complied with Reserve Bank of India's regulatory requirements like CRR and SLR throughout the year. The non-SLR exposures also stood well with the limits prescribed by Reserve Bank of India. The liquidity position of the bank continued to be comfortable throughout the year.

Owned Funds and Reserves

During the year the paid up share capital as at March 31, 2019 increased by Rs.2.78 crore, up from Rs.15.02 crore as at March 31, 2018 to Rs.17.80 crore, registering a 18.51 % growth rate. Total Reserve Fund and other funds as at March 31, 2019 stood at Rs.64.22 crore as compared to Rs.62.61 crore as at March 31, 2018. Thus total owned funds of the bank increased from Rs.77.63 crore as at March 31, 2018 to Rs.82.02 crore as at March 31, 2019, registering a 5.66 % growth rate. The bank added 1815 members and 342 members surrendered their membership. Thus the total membership base of the bank increased to 41963 as at March 31, 2019 from 40490 as at March 31, 2018.

Total Capital Funds increased to Rs.48.14 crore as at March 31, 2019 compared to Rs.43.38 crore as at March 31, 2018. Total Risk Weight Assets also increased to Rs.415.70 crore as at March 31, 2019 from Rs.344.00 crore as March 31, 2018. Consequently, Capital Adequacy Ratio stood at 11.58 % as at March 31, 2019 as against 12.61 % a year ago. Thus bank continued to maintain the capital adequacy continuously well above the regulatory prescription of 9.0 % on a regular basis. It is very much pertinent to note that adequacy of capital is vital for business expansion.

The distribution of share holding as at March 31, 2019 is as under.

Share Range	No. of Members	% to Total Membership	No. of Shares	% to Total
Up to Rs.500-00	23,379	55.71	4015800	2.26
Rs.600-00 to Rs.1000-00	2,941	7.01	2333700	1.31
Rs.1100-00 to Rs.3000-00	8,052	19.19	16705300	9.38
Rs.3100-00 to Rs.5000-00	2,842	6.77	15841200	8.90
Rs.5100-00 and above	4,749	11.32	139125900	78.15
Total	41963	100.0	178021900	100.0



Branches and Customer service

The business position of our branches as at March 31, 2019 is as under:

Rupees in crore

Branch	Deposits		Loans and Advances	
	No. of Accounts	Amount	No. of Accounts	Amount
Sirsi Main	23941	118.71	1158	29.69
Yellapur	8091	23.04	1240	11.47
Mundgod	9116	32.85	4281	18.49
Dandeli	9954	48.45	750	23.99
Banavasi	3483	6.69	2932	8.12
Sirsi Suburban	9392	51.01	514	7.00
Sadashivgad	7217	35.47	1041	9.06
C P Bazar, Sirsi	8417	39.43	821	23.54
Honavar	8711	32.38	766	20.51
Shirali	4852	16.60	803	18.54
Babruwada, Ankola	12613	55.60	781	13.01
Kumta	8028	50.23	549	22.07
Karwar	13624	68.19	811	41.78
Hubli	7311	90.45	912	132.88
West of Chord Road, Bangalore	4259	45.81	853	48.06
Ulsoor, Bangalore	6130	18.86	606	13.96
Total	145139	733.77	18818	442.17

Total branch network continued to be 16 branches and 2 extension counters apart from Head Office. The implementation of CBS is pre-requisite to provide technologically driven products and services. The bank being a sub member of leading Scheduled commercial bank has been providing RTGS/ NEFT, CTS, ATM, SMS, Internet Banking, Mobile Banking, IMPS, RuPay Card facilities to the customers.

Bank installed its onsite ATMs at Sirsi Main, Suburban, Mundgod, Hubli, West of Chord Road, Bangalore, Kumta, Dandeli and Honnavar branches and 4 onsite ATMs at Babruwada (Ankola), Yellapur, Shirali and Karwar Branches which would go live shortly. With this our total ATMs would go up to 12 by the end of financial year 2019-20. Bank is already providing Rupay Card which facilitates not only ATM transactions, but also Point of sale (POS) and e-commerce. We request all our cardholders to make extensive use of the cards and be a part of digital initiatives of the government.



Human Capital

The organization culture and the human factor are the key differentiators in achieving the excellence in a competitive business scenario. Bank continued to give due thrust to the empowerment and to improve the skills and competence of the employees through training programmes. The employees with the encouragement given by the bank continued their self education. The employees who successfully completed JAIIB and CAIIB stood at 14 and 24 respectively.

We are happy in informing you that 34 officers of the bank qualified in the Diploma in Urban Co-operative Banking Management Course (DUCBM) conducted by The Karnataka State Co-operative Urban Banks Federation Ltd, Bangalore. During the current financial year another 28 officers have also been enrolled for said course. In view of the latest amendment to the Karnataka Co-operative Societies Act, 1959, apart from other eligibility criteria, DUCBM qualification is made mandatory for being eligible for promotions to higher cadre.

The number of employees as at March 31, 2019 stood at 148 comprising of 22 officers, 102 assistants and 24 sub staff. The business per employee stood at Rs.7.95 crore for the year. The bank maintained excellent relations and the atmosphere of peace and harmony continued as in the previous years. The pay scales for the employees were revised as per the recommendations of the Committee on Pay Scales revision constituted by the Karnataka State Co-operative Urban Banks Federation Ltd., Bangalore.

Audit, Systems and Controls

The control, monitoring and supervision of branches through audits and inspections are of prime importance for any growing organization. The concurrent audit of all the branches and Head Office are already in place to ensure proper working and safety of advances and to identify the defects early to initiate necessary corrective action. Further internal audit of the branches has also been introduced during the year.

Bank has in place a well documented policy on Know Your Customers, in line with the instructions issued by Reserve Bank of India from time to time. The policy lays down the customer identification procedures to be adopted for proper identification of customers at the time of opening the accounts. Necessary instructions have been passed on to the field functionaries for implementation of the KYC guidelines. A system is also in place to track suspicious and cash transactions. Necessary reports under the laws on Anti Money Laundering (AML) requirements are submitted to Financial Intelligence Unit on monthly basis.

The bank has also taken initiatives to spread the awareness about KYC/AML and the need for customers to extend their co-operation in this regard through specific banners displayed at the banking hall at branches.

During the year, Reserve Bank of India carried out the on-site inspection of the bank with



reference to the financial position as at March 31, 2018. The observations made in the report were complied and /or being attended to.

The statutory audit for the financial year 2018-19 has since been completed. The Statutory Auditors having taken note of the all round progress made under various parameters, has given "A" Audit Classification. We assure all our customers that we would strive hard to maintain the same in coming years also.

A proposal seeking appointment of Statutory Auditors for the financial year 2019-20 is placed before the members seeking their approval.

CORPORATE GOVERNANCE

During the financial year 2018-19 the Board met on 14 occasions. Apart from this, 14 meetings of Business Sub-Committee, 4 Audit Sub-Committee, 2 Investment Sub-Committee meetings and 3 Loan Recovery Sub Committee meetings were held to discuss the business attached to it. Every member of the Board/ each Sub-Committee actively participated in the business and contributed their expertise, knowledge and experience towards the progress of the bank.

Composition of the Board

The composition of the Board is governed by the provisions of the Karnataka Co-operative Societies Act, 1959, the bye-laws of the bank and so also the instructions of Reserve Bank of India to have atleast two professional directors. As at March 31, 2019 the Board comprised of 20 directors. The Board includes eminent persons with expertise and experience in banking, finance, agriculture, business and trade etc.

Changes and Election to the Board

The five year term of the previous Board of Directors of the bank ended on January 27, 2019. As required under the provisions of the act, the election process to elect a new Board commenced on January 18, 2019 and elections were to be held on January 28, 2019. Shri G. S. Jayaprakash, Deputy Registrar of Co-operative Societies, Karwar was appointed as Returning Officer for conducting the said election. All the candidates were elected un-opposed.

It is a matter of pride to introduce before you the following members who got elected for a five year term of 2019 – 2024.

1. Sri Jaydev U Nilekani
2. Sri. Milind V. Pandit
3. Dr. V. S. Sonde
4. Sri S P Machado
5. Sri. Mohan S. Prabhu
6. Sri. Santosh S Pandit



7. Sri. Sadanand M Naik
8. Sri T. S. Balamani
9. Sri Ramakrishna V Palekar
10. Smt Suvarna P Prabhu
11. Smt Vanita V Keshwain
12. Sri Surendra J Revankar
13. Sri Varindra S Kamat
14. Sri Nitin S Kasarkod
15. Sri Prakash V Pai
16. Sri Suryakanth D Devali
17. Prof. Koteppa N Hosmani
18. Sri Jagadish N Deshbhandari
19. Sri Shashikant K Nadig
20. Sri T Sreedhar Murthy

Thereafter, Returning Officer conducted a Special Board Meeting of the elected directors for the election of office bearers on February 06, 2019. Due to health issues related with old age Dr. V S Sonde expressed his desire not to contest for President-ship this time. Shri Jaydev U. Nilekani and Shri Milind V. Pandit were unanimously elected as the President and Vice President of the bank.

Board places on record its appreciation for the valuable contribution of Dr V S Sonde during his long tenure of 32 years as President which has immensely helped the bank to scale to new heights and also for his valuable guidance during his long tenure being associated as director of the bank since 1964. The board also seeks his continued support and valuable guidance in coming years.

Shriyuths Shashikant K Nadig, Assistant General Manager (Retd.) and T. Sreedhara Murthy, Divisional Manager (Retd.) of a leading Public Sector Bank were co-opted as Professional Directors of the bank.

Shriyuts Ramachandra G. Nayak, G. H. Shet Sanu and S. C. Dhundshi demitted the directorship in pursuance of elections to the new Board. Board of Directors places on record its appreciation of the valuable services rendered by him during the tenure as director of the bank.

Awards and accolades

Awards are a reflection of our growing strength and impact on the financial landscape. The bank bagged following awards during the year 2018-19 in recognition of its achievements.

⇒ "Best Bank Award" based on working capital among the Urban Co-operative Banks in Belgaum Division on December 01, 2018 at a function organized by Karnataka State Co-operative Urban Banks Federation, at Bangalore.

⇒ "Jury Award" among the Urban Co-operative Banks having working capital up to Rs. 750.00



Crore organized by Banco Blue Ribbon 2018 on January 17, 2019 at Karjat, Maharashtra.

⇒ "Centenary Service Award" in recognition of service to the society over the past 100 years at the 65th All India Co-operative Week Celebrations held on November 21, 2018 at Sirsi.

Duties of the members

In pursuance of latest amendment to the Karnataka Co-operative Societies Act and rules, every member of the bank shall participate in the management of the bank by attending three out of the last five annual general meetings and by utilizing every year such minimum services or facilities offered by the bank as may be specified in the bye-laws.

Accordingly, every member as per the bye-laws of the bank is required to utilise every year the minimum services as here under:

1. to have Rs.1000 minimum deposit under any of the accounts or to have a loan of minimum Rs.5000 and
2. to transact at least on 4 occasions in a financial year in the operative accounts like SB, Current, Pigmy and Cash Credit

A member who fails to utilize the minimum services, fails to attend the minimum meetings, shall lose his right to vote for a period of three years.

We seek active participation of our members by availing products and services and by attending the General Body meetings.

It is expected that every member operates their accounts so that the balances in the deposit and other accounts, which have not been operated upon for more than 10 years are not transferred to DEAF Account established by Reserve Bank of India.

Felicitations

Board of Directors have proposed to honor meritorious children of our members who excelled in the SSLC, Pre-University, Degree and Post Graduation examination held in March/ April 2019. In addition to this, it is also decided to felicitate senior shareholders of our bank in recognition of their contribution to the society at large and bank in particular.

Branch shifting

In order to provide better services and to attract new business, our Babruwada (Ankola) branch which is presently housed in "Ganga Nivas", Bunder Road, Babruwada, Ankola would be shifted to a new spacious premises nearby at "Devaki Anant Residency" Bunder Road, Babruwada, Ankola on September 11, 2019 with an intention to provide safe locker facilities, ATMs apart from existing services.

Business Goals

The bank has envisaged a total business turnover of over Rs.1500.00 crore for the year 2019-20. This is based on the expectations of pick up in investment rate following the improvement in consumer demand and lending activities by the banks. The accommodative monetary policy would help decrease the real lending rates and push the investments. With a stable govern



ment at the centre, the policy framework and implementation of prioritized agenda which are already defined are expected to witness pace. This is expected to trigger enhanced spending on infrastructure, speedy implementation of the projects and so also continuance of the reforms process. The thrust on development of infrastructure is expected to further open-up capital inflows and improve the employment opportunities. To add to this, the advancement in technology would enable the banking sector to provide improved services to their clients with the help of digital channels and also upgrading the technological infrastructure.

Obituary

The board deeply mourns the sad demise of Shri V R Pai, Ex-Director of the bank who left for his heavenly abode on April 11, 2019. The board places on record the valuable contribution by Shri V. R. Pai during his association with the bank as director for over two decades towards all-round development of the bank. We fondly remember his contribution as Chief Editor of "Mukutashri" the commemorative souvenir brought out by the bank to mark the 110 year completion celebration.

We express our profound sorrow at the sad demise of the members who passed away during the year. We pray that the departed souls rest in peace and may the Almighty grant fortitude and strength to their families to bear the irreparable loss of their dear ones.

Acknowledgements

The Board would like to place on record its sincere gratitude to the Shareholders, Customers and clients for their co-operation and support but for which it would not have been possible for the Bank to achieve such an impressive growth and development on various fronts.

We also express our thanks to the General Manager, Deputy General Manager, Officers of Reserve Bank of India, Urban Banks Department for their valuable guidance and encouragement.

We also place on record our thanks to Registrar of Co-operative Societies, Karnataka State, Joint Registrar of Co-operative Societies, Urban Banks Cell and all other Officers of the Co-operative Department for their guidance and support to us.

The Board places on record its deep sense of appreciation for the dedicated and untiring efforts put in by Smt Arathi S Shettar, Chief Executive Officer and the dedicated team of officers and staff both at Head Office and Branches.

The Board further acknowledges with appreciation, excellent support, co-operation and guidance extended to the bank in improving its all-round performance during the year 2018-19 by our Karnataka Urban Co-operative Banks Federation, bankers, financial institutions, advocates and solicitors, Concurrent, Statutory and EDP Auditors, Consultants, Valuers, media and other vendors and all the others who have directly and indirectly contributed towards progress of the bank.

For and on behalf of the Board of Directors

Place : Sirsi

Date: July 31, 2019

Jaydev U Nilekani

President

THE SIRSI URBAN SAHAKARI BANK LTD., SIRSI

PROFIT & LOSS ACCOUNT

Year ended 31 March 2018		EXPENDITURE	Year ended 31 March 2019	
Rs.	Ps.		Rs.	Ps.
38,18,59,321-99		Interest on Deposits & Borrowings, etc.	41,24,30,119-86	
9,96,06,072-00		Salaries, Allowances & Provident Fund	12,45,31,733-00	
8,13,144-74		Directors, Local Committee Members Fees & Allowances	8,28,649-00	
1,20,22,053-36		Rent, Tax, Insurance, Lighting, etc.,	1,31,50,333-87	
40,436-00		Law Charges	4,56,803-00	
21,42,126-03		Postage, Telegram & Telephone Charges	21,96,709-13	
21,82,035-40		Auditor's Expenditure : of which		
4,69,000-00		i) Towards Statutory Audit	4,81,780-00	
93,166-90		ii) Towards Tax Audit	1,16,750-00	
16,19,868-50		iii) Towards Concurrent Audit & Inf. System Audit :	15,32,857-50	21,31,387-50
65,42,175-49		Depreciation on and repairs to property		
54,81,547-00		a) Depreciation on property	57,43,970-00	
10,60,628-49		b) Repairs to property	3,32,587-97	60,76,557-97
36,52,806-37		Stationery, Printing & Advertisement etc.,	47,52,616-74	
2,79,775-07		Loss from Sale of Assets	4,428-00	
0-00		Loss from sale of Securities	1,79,000-00	
2,28,38,751-92		Other Expenditure : of which		
59,71,324-46		a) Miscellaneous Expenses	60,08,308-76	
1,01,60,043-39		b) CD/ Pavan Deposit Collection Remuneration	98,90,602-66	
3,22,619.00		c) T. A. & D. A. paid to staff	3,47,766.50	
16,99,457-41		d) A. M. C. for Computers	17,56,801-33	
98,670-23		e) Newspapers & Periodicals	96,983-34	
22,14,472-00		f) Deffered Revenue Expenditure written off A/c.	24,29,286-00	
0-00		g) Loan Expenditure	9,695-98	
2,70,428-61		h) Other Services (Compliance Expenses)	4,06,940-99	
2,65,225-76		i) Technical & Professional Charges	2,65,224-24	
0-00		j) ATM / POS Expenses	3,87,508-18	
18,36,511-06		h) Security Guard Service Charges	20,68,605-93	2,36,67,724-41
25,00,000-00		Provisions & Contingencies :		
0-00		a) Bad & Doubtful Debts Fund	0-00	
25,00,000-00		b) Provisioning towards Std. assets	25,00,000-00	25,00,000-00
3,77,87,083-79		Profit before Taxes	6,31,37,689-18	
1,30,84,934-00		Provision for Taxation & Tax Expenses		
1,30,00,000-00		a) Income Tax for the Current year	2,25,00,000-00	
84,934-00		b) Income Tax for earlier years	0-00	2,25,00,00-00
2,47,02,149-79		Net Profit after Taxes carried to Balance Sheet		4,06,37,689-18
57,22,65,782-16		Total		65,63,34751-66

Sd/-
Arathi S. Shettar
Chief Executive Officer

Sd/-
J. U. Nilekani
President
Sd/-
Milind V. Pandit
Vice President
Sd/-
V. S. Sonde
Director

Sirsi

Date : 24-07-2019

FOR THE YEAR ENDED 31ST MARCH, 2018

Year ended 31 March 2018		I N C O M E	Year ended 31 March 2019	
Rs.	Ps.		Rs.	Ps.
55,85,21,163-47		Interest on Advances & Investments		
31,26,89,535-88		a. Interest /Discount on Loans and Advances	38,57,67,588-05	
17,72,08,653-59		b. Interest on Investments	18,20,29,378-28	
6,57,91,772-00		c. Interest on Inter-bank placement	5,28,03,252-53	
28,31,202.00		d. Interest on Market Lendings	<u>22,65,969.00</u>	62,28,66,187-86
3,40,800-00		Dividend Income		2,55,600-00
42,90,703-27		Income from Mutual Funds		1,85,24,893-51
6,02,130-26		Commission, Exchange & Brokerage		6,37,629-42
9,63,889-00		Income Tax Refund		0-00
12,525-13		Nominal Membership Fees		10,929-76
74,30,856-13		Miscellaneous Income		1,40,48,511-11
1,03,714-90		Loan Expenditure Recovery		0-00

57,22,65,782-16

Total

65,63,34751-66

In terms of our report of even date
For M/s. D. B. Sajjanar & Co.,
Chartered Accountants

FRN :011174S

Sd/-

CA D. B. Sajjanar,

Proprietor

Membership No. 216313

Sirsi

Date : 18-07-2019

III

THE SIRSI URBAN SAHAKARI BANK LTD., SIRSI

BALANCE SHEET

As at 31 March 2018		CAPITAL AND LIABILITIES		As at 31 March 2019		
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
		1. Capital				
<u>25,00,00,000-00</u>		i. Authorised Capital			<u>25,00,00,000-00</u>	
		25,00,000 shares of Rs. 100/- each				
15,01,94,100-00		ii. Subscribed, Called-up and Paid up Capital	17,80,21,900-00			
		17,80,219 Shares of Rs. 100/- each: of (ii) above				
14,45,61,000-00		Regular Members	17,20,84,500-00			
<u>56,33,100-00</u>		Associate Members	<u>59,37,400-00</u>		17,80,21,900-00	
		of the above				
12,62,30,000-00		a. Individuals	14,72,98,800-00			
0-00		b. Co-operative Institutions	0-00			
0-00		c. State Government	0-00			
<u>2,39,64,100-00</u>		d. Firms	<u>3,07,23,100-00</u>			
62,61,15,047-45		2. Reserve Fund And Other Reserves :				
18,82,57,890-10		i. Statutory Reserve Fund	19,50,80,931-48			
4,13,620,95-75		ii. Building Fund	4,31,59,177-15			
33,55,31,501-55		iii. Bad & Doubtful Debts Reserve	33,36,90,917-83			
18,48,000-00		iv. Special BDDR U/s 36 (1) (viii) of IT Act	18,48,000-00			
74,91,596-82		v. Dividend Equalization Fund	82,10,429-38			
58,97,374-84		vi. Investment Depreciation Reserve	69,75,623-68			
		vii. Other Funds & Reserves (specify):				
1,63,15,002-43		a. Contingent Provisions towards				
		Standard Assets	2,13,15,002-43			
58,30,792-24		b. Contingent Reserve Fund	60,10,500-38			
55,85,360-82		c. Staff Welfare Fund	59,44,777-10			
10,76,086-46		d. Staff Gratiuty Fund	12,55,794-60			
16,35,780-78		e. Branch Opening Expenses Fund	18,15,488-92			
29,06,146-66		f. Centenary Fund	31,95,854-80			
6,90,641-98		g. Charity Fund	8,70,350-12			
10,76,755-66		h. Co-op. Propaganda Fund	12,56,463-80			
41,35,843-54		i. Members Welfare Fund	44,95,259-82			
11,92,422-78		j. Investment Fluctuation Reserve	11,92,422-78			
21,52,172-90		k. Profit Equalization Fund	23,31,881-04			
16,85,793-8529		l. Directors Educational Inland & Foreign Tour Fund	18,65,501-99			
<u>14,43,788-29</u>		m. Directors Medical Insurance Fund	<u>16,49,274-57</u>		64,21,63,651-87	
0-00		3. Principal/Subsidiary State Partnership Fund account :				0-00
		For Share Capital of				
		i) Central Co-op. Banks				
		ii) Primary Agri. Credit Societies				
		iii) Other Societies				
6,45,76,10,261-27		4. Deposits & Other Accounts :				
5,02,23,75,767-67		i. Fixed Deposits				
4,34,07,92,402-70		a. Individuals	4,90,92,28,033-71			
0-00		b. Co-op. Banks	0-00			
<u>68,15,83,364-97</u>		c. Other Societies	<u>98,32,60,161-25</u>			
			5,87,24,88,194-96			
1,02,88,74,580-97		ii. Savings Bank Deposits :				
1,01,20,25,959-61		a. Individuals	1,10,10,01,622-48			
0-00		b. Co-op. Banks	0-00			
<u>1,68,48,621-36</u>		c. Other Societies	<u>2,28,49,121-50</u>			
			1,12,38,50,743-98			
<u>7,23,39,19,408-72</u>		(See page VI)			<u>82,01,85,551-87</u>	
		IV	Total			

AS AT 31-03-2019

As at 31 March 2018		PROPERTY AND ASSETS	As at 31 March 2019			
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
12,86,48,880-56		1. Cash				
5,44,56,172-20		i. In hand	4,56,46,992-00			
2,36,99,095-50		ii. State Bank of India & its subsidiaries	2,26,27,648-61			
4,82,17,277-93		iii. State Co-op. Bank	4,64,57,898-26			
<u>22,76,334-93</u>		iv. Dist. Central Co-op. Bank	<u>2,59,17,964-56</u>		14,06,50,503-43	
1,01,68,58,262-00		2. Balances with other Banks				
26,06,61,640-00		i. Current Deposits	40,38,09,513-97			
0-00		ii. Savings Bank Deposits	0-00			
<u>75,61,96,622-00</u>		iii. Fixed Deposits	<u>73,56,97,134-00</u>		1,13,95,06,647-97	
3,50,00,000-00		3. Money at call and short notice			4,00,00,000-00	
2,47,27,50,071-00		4. Investments				
2,18,71,08,726-00		i. In Central & State Government Securities (at book value)	2,17,84,23,476-00			
		Face Value Rs. 2,18,17,50,000-00				
		Market Value Rs. 2,19,24,59,771-00				
<u>17,20,345-00</u>		Premium paid on Investments	<u>20,33,124-00</u>			
2,18,88,29,071-00			2,18,04,56,600-00			
0-00		ii. Other trustee Securities	0-00			
42,62,000-00		iii. Shares in Co-op. Institutions	42,62,000-00			
5,94,18,000-00		iv. Bonds of PSUs/FIs	5,94,18,000-00			
<u>22,02,41,000-00</u>		v. Other Investments	<u>22,02,41,000-00</u>		2,46,43,77,600-00	
0-00		5. Investments out of The Principal/ Subsidiary State Partnership Fund			0-00	
		In shares of :				
		i) Central Co-operative Banks				
		ii) Primary Agri. Credit Societies				
		iii) Other Societies				
3,56,03,87,627-06		6. Advances				
61,80,18,727-48		i. Short term loans, cash credit, overdraft & bills discounted of which secured against				
35,71,482-00		a. Govt. & Other approved Securities	11,79,95,113.00			
59,64,18,340-99		b. Other Tangible Securities	58,21,63,606-68			
<u>1,80,28,904-49</u>		c. Against Sureties	<u>1,42,40,190-69</u>			
			71,43,98,910-37			
49,49,75,025-29		Of the advances Amount due from Individuals	60,25,87,999-06			
2,14,47,325-15		Of the advances Amount Overdue	2,54,80,376-15			
<u>3,100-00</u>		Considered Bad and Doubtful of recovery	3,100-00			
1,49,40,13,253-58		ii. Medium Term Loans of which secured against				
36,63,773-00		a. Govt. & Other approved Securities	54,34,468-00			
<u>1,28,08,12,049-36</u>		b. Other Tangible Securities	<u>1,56,53,16,480-42</u>			
<u>7,21,36,44,840-62</u>	(See page VII)	V	C. F.		<u>3,78,45,34,751-40</u>	

THE SIRSI URBAN SAHAKARI BANK LTD., SIRSI

BALANCE SHEET

As at 31 March 2018		CAPITAL AND LIABILITIES	As at 31 March 2019			
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
7,23,39,19,408-72		(B. F. IV)			82,01,85,551-87	
40,63,59,912-63		iii. Current Deposits :				
36,70,19,608-01		a. Individuals	29,73,06,587-81			
0-00		b. Co-op. Banks		0-00		
3,93,40,304-62		c. Other Societies	4,40,74,872-91			
40,63,59,912-63			34,13,81,460-72			
0-00		iv. Money at call and short Notice		0-00	7,33,77,20,399-66	
0-00		5. Borrowings :				0-00
7,18,682-14		6. Bills for Collection Being Bills Receivable as per Contra				
2,37,621-14		i. Inward bills received for collection		0-00		
4,81,061-00		ii. Outward bills received for collection	87,745-00		87,745-00	
0-00		7. Branch Adjustments				0-00
52,58,74,804-00		8. Overdue Interest Reserve (as per contra)	56,15,78,816-00		56,15,78,816-60	
8,97,32,758-00		9 Interest Payable :				
8,58,29,530-00		i. Fixed & S. B. Deposits	11,76,84,497-00			
39,03,228-00		ii. Cumulative Deposits	42,01,993-46		12,18,86,490-46	
2,74,49,270-76		10. Other Liabilities :				
12,98,552-52		a. Ex-Gratia/Bonus payable	25,33,458-52			
20,38,415-00		b. Suspense Account I	49,51,588-86			
4,32,323-00		c. Sundry Creditors				
		i) EMD from Infracsoft Technologies Ltd.	2,00,000-00			
		ii) AMC for CBS Software payable	5,15,490-00			
		iii) Security Guard Service Charges payable	2,00,010-00			
31,755-00		d. Safe Locher Deposit	31,755-00			
13,170-00		e. Cumulative "C" Suspense	5,120-00			
8,51,390-00		f. D. D. Payable	7,86,018-00			
58,64,148-10		g. Pay Orders Payable	53,84,100-33			
29,85,941-92		h. At par Cheques payable	38,02,866-92			
6,34,321-00		i. Charges Receivable	10,00,320-34			
4,42,000-00		j. Statutory Audit Fees payable	4,42,000-00			
75,000-00		k. Tax Audit Fees Payable	75,000-00			
0-00		l. GST Audit Fees Payable	35,000-00			
1,38,780-00		m. Concurrent Audit Fees & Exp. payable	1,38,780-00			
84,868-09		n. Stamp Duty Payable	1,18,069-24			
16,64,728-00		o. Tax Deducted at Source	57,89,852-50			
3,24,467-40		p. SSI Premium Payable	3,20,113-40			
30,400-040		q. Professional Tax Payable	29,600-00			
<u>7,87,76,94,923-62</u>		(See page VIII)			<u>C. F. 8,84,14,59,003-59</u>	

AS ON 31-03-2019

As at 31 March 2018		PROPERTY AND ASSETS	As at 31 March 2019	
Rs.	Ps.		Rs.	Ps.
7,21,34,44,840-62		(B. F. V)		3,78,45,34,751-40
<u>20,95,37,431-22</u>		c. Against Sureties	<u>23,55,53,124-06</u>	
			1,80,63,04,072-48	
82,68,46,108-51		Of the advances amount due from individuals	1,07,08,01,782-69	
15,13,66,938-00		Of the advances amount overdue	12,72,70,707-90	
0-00		Considered Bad & Doubtful of recovery	0-00	
1,44,83,55,646-00		iii. Long-Term loans of which secured against		
0-00		a. Govt & other approved securities	0-00	
1,44,83,55,646-00		b. Other tangible securities	1,89,98,80,821-62	
0-00		c. Against Sureties	<u>11,39,555-00</u>	
			1,90,10,20,376-62	4,42,17,23,359-47
1,02,77,16,650-17		Of the advances amount due from individuals	1,54,05,74,720-62	
11,84,18,737-00		Of the advances amount overdue	13,93,95,668-00	
0-00		Considered Bad & Doubtful of recovery	0-00	
60,15,36,204-44		7. Interest Receivable		
52,58,74,804-00		i. Accrued in Loans & Advances (as per contra)	56,15,78,816-60	
<u>7,56,61,400-44</u>		ii. Accrued in Investments	<u>6,32,81,125-39</u>	62,48,59,941-99
7,18,682-14		8. Bills Receivable being bills for collection (as per contra)		
2,37,621-14		i. Inward bills lodged for collection	0-00	
<u>4,81,061-00</u>		ii. Outward bills lodged for collection	<u>87,745-00</u>	87,745-00
12,25,278-21		9. Branch Adjustments		7,04,878-21
2,60,97,591-76		10. Premises Less Depreciation		
1,53,07,572-00		Balance as per last balance sheet	2,60,97,591-76	
<u>1,20,77,196-76</u>		Add : Addition during the year	<u>9,77,185-00</u>	
2,73,84,768-76			2,70,74776-76	
<u>12,87,177-00</u>		Less : Depreciation for the year	<u>12,53,687-00</u>	2,58,21,089-76
1,92,25,449-32		11. Dead Stock Less Depreciation		
1,09,67,450-61		Balance as per last balance sheet	1,92,25,449-32	
<u>1,29,08,403-98</u>		Add : Addition during the year	<u>36,05,786-55</u>	
2,38,75,854-59			2,28,31,235-87	
<u>6,38,472-27</u>		Less Deduction/Sales during the year	<u>40,083-66</u>	
2,32,37,382-32			2,27,91,152-21	
<u>40,11,933-00</u>		Less : Depreciation for the year	<u>43,44,334-00</u>	1,84,46,818-21
			1,84,46,818-21	
7,29,746-00		12. Toyota Innova Car 2.5V (E3)		
9,12,183-00		Balance as per last Balance Sheet	7,29,746-00	
<u>0-00</u>		Add : Addition during the year	<u>0-00</u>	
9,12,183-00			7,29,746-00	
<u>1,82,437-00</u>		Less : Depreciation for the year	<u>1,45,949-00</u>	5,83,797-00
2,77,59,280-92		13. Other Assets (specify)		
24,26,907-57		i. Unused Stationery & Printing	32,92,043-08	
7,210-00		ii. Stamps Account	7,210-00	
3,00,000-00		iii. Manager Quarters Deposit	2,00,000-00	
388-00		iv. Tap water connection deposit	388-00	
50,76,800-00		v. Income tax & Surcharge Refund Receivable	53,14,162-00	
<u>3,15,158-00</u>		vi. Security/Meter Deposit with HESCOM	<u>3,15,158-00</u>	
<u>7,89,09,37,073-41</u>		(See Page IX)	C. F.	<u>8,87,67,62,381-04</u>
		VII		

THE SIRSI URBAN SAHAKARI BANK LTD., SIRSI

BALANCE SHEET

As at 31 March 2018		CAPITAL AND LIABILITIES	As at 31 March 2019			
Rs.	Ps.		Rs.	Ps.	Rs.	Ps.
7,87,76,94,923-62		(B. F. VI)			8,84,14,59,003-59	
21,78,268-93		r. Account of Unreconciled Entries	21,78,268-93			
38,19,895-00		s. Dividend Payable/Unclaimed Dividend	37,39,018-00			
15,25,632-00		t. Staff Provident Fund Payable	19,19,471-00			
9,52,000-00		u. Deferred Tax Liability on Special Reserve A/c.	9,52,000-00			
3,217-00		v. Shroff Fees	3,256-00			
0-00		w. Regular Share Suspense	6,61,213-82			
0-00		x. Clearing Suspense	2,07,600-00			
0-00		y. CTS Clearing Suspense	31-80			
0-00		z. ARCS Recovery Officer Suspense	47,28,670-00			
3,91,745-80		aa. Output CGST/SGST/IGST Account	34,998-05			
11,610-00		ab. Input CGST/SGST Account	40,140-00			
0-00		ac. CGST/SGST Liability Ledger	3,94,170-20			
20,00,000-00		ad. EL Encashment /Gratuity Payable	0-00			
88,965-00		ae. Staff EMI Suspense	55,813-00			
0-00		af. Bank Network Settlement Account	1,65,412-97			
0-00		ag. CD Penal & GST Payable	602-00			
0-00		ah. NPCI Settlement Suspense	1,42,232.64			
0-00		ai. IMPS	48,700-00		4,16,30,741-31	
2,47,02,149-79		10. Profit & Loss A/c.				
2,30,46,933-06		Profit as per last balance sheet	2,47,02,149-79			
2,30,46,933-06		Less: Appropriations/Transfers	2,47,02,149-79			
2,47,02,149-79		Add : Profit for the year brought from the Profit & Loss A/c	4,06,37,689-18		4,06,37,689-18	
<u>7,90,23,97,073-41</u>			Total		<u>8,92,37,27,434-08</u>	
2,17,86,818-00		Contingent Liabilities	3,05,57,932-00			
12,87,660-00		a. Outstanding Liabilities for Guarantees issued	33,13,500-00			
2,04,99,158-00		b. Deaf Account	2,72,44,432-00			
		Sd/-			Sd/-	
		Arathi S. Shettar			J. U. Nilekani	
		Chief Executive Officer			President	
					Sd/-	
					Milind V. Pandit	
					Vice President	
					Sd/-	
					V. S. Sonde	
					Director	

Sirsi

Date : 24-07-2019

AS ON 31-03-2019

As at 31 March 2018		PROPERTY AND ASSETS	As at 31 March 2019	
Rs.	Ps.		Rs.	Ps.
7,89,09,37,073-41	(B. F. VII)			8,87,67,62,381-04
45,398-00	vii. Telephone Deposits		45,398-00	
4,200-00	viii. Festival Advance		3,200-00	
200-00	ix. Meter deposit with T.M.C.		200-00	
21,881-00	x. Krishi Kalyan Cess Credit Receivable		0-00	
71,45,847-31	xi. Advance to Vendors (Suspense II) Techno Labs.			
	i) Advance of M/s. Somayaji Techno Laba for ATMs.	11,28,000-00		
	ii) Advane to Infracsoft Tech for CBS Implimentation	67,10,303-50		
	l. Suspense II	15,425-00		
39,82,188-00	m. Deferred Revenue Expenditure	33,13,942-00		
52,16,826-92	n. Account of unreconciled entries	52,16,826-92		
17,40,000-00	o. Building Rent Advance	16,20,000-00		
50,000-00	p. E-Stamping SD with KSCUBFL	50,000-00		
8,852-00	q. E-Stamps a/c	8,852-00		
0-00	r. DEAF Claim Receivable	2,23,899-00		
10,304-00	s. CTS Clearing Account	0-00		
26,936-00	t. CGST & SGST Cash Ledger Account	3,041-00		
7,45,863-12	u. CGST & SGST & IGST Credit Ledger Account	1,07,084-20		
6,34,321-00	v. Charges Reserve	10,31,920-34	2,86,07,053-04	
1,14,60,000-00	14. Non Banking Assets Acquired in satisfaction of claims			1,83,58,000-00
0-00	15. Profit & Loss			0-00

7,90,23,97,073-41

8,92,37,27,434-08

CERTIFICATE

We have audited the accounts of The Sirsi Urban Sahakari Bank Limited, Sirsi for the year 2018-19. We have obtained all the information and explanations to the best of our knowledge and belief which are necessary for the purpose of audit and have found them satisfactory.

In our opinion and to the best of our information and according to the explanations given to us and subject to the observations contained in our detailed Audit Report and annexures, the Profit and Loss Account for the year ended March 31, 2019 and the Balance Sheet as at March 31, 2019 gives true and fair view of the state of affairs of the Bank.

For M/s. D. B. Sajjanar & Co.
Chartered Accountants
FRN : 011174S
CA D. B. Sajjanar
Proprietor
Membership No. 216313

Sirsi

Date : 24-07-2019



ATTRACTIVE DEPOSIT SCHEMES

Period	Rate of Interest	For Senior Citizen
15 days to 45 days	4.50	4.50
45 days to 90 days	5.00	5.00
91 days to 180 days	6.50	6.50
181 days to less than 1 Year	6.75	6.75
1 Year and above	7.00	7.50

SAMRUDDHI DEPOSIT CERTIFICATE : (Special Deposit Scheme)

GENERAL PUBLIC	7.25%
FOR SENIOR CITIZEN	8.00%

LAKHPATHI RECURRING DEPOSIT SCHEME

An Ideal scheme to ensure future of your dear ones like Higher Education,
Marriage and for fulfilling your future dreams

Invest Rs. 1000/- every month for 84 months and get a lumpsum amount of Rs. 1,08,454/-

UNIQUE LOAN SCHEMES

	Special Rates	
	Upto 10 Lakh - 8.75%	Above 10 Lakh - 8.50%
Car Loan		
Housing Loan upto 20 years	9.45%	8.95% Y
Two Wheeler Loan	12.50%	11.50% Y
Commercial Vehicle Loan	10.50%	10.00% Y
Machinery Loan	11.50%	11.00% Y
Gold Loan	12.00%	
Sirsi Bank Vidyarthi Loan	9.00% (For Boy Students)	8.50% (For Girl Students)

Y For Prompt payment of instalments, interest and subject to other applicable conditions.



We congratulate

SHRI VISHWESHWAR HEGDE KAGERI, M. L. A.,

on becoming Speaker of the
Karnataka Legislative Assembly.



Shri Jaydev U. Nilekani, President, Shri Milind V. Pandit, Vice-President and Smt. Arathi S. Shettar, CEO of the bank receiving "Best Bank Award" in Belgaum Division based on working capital among UCBs on December 01, 2018 at Bangalore in a function organised by KSCUB Federation, Bangalore.

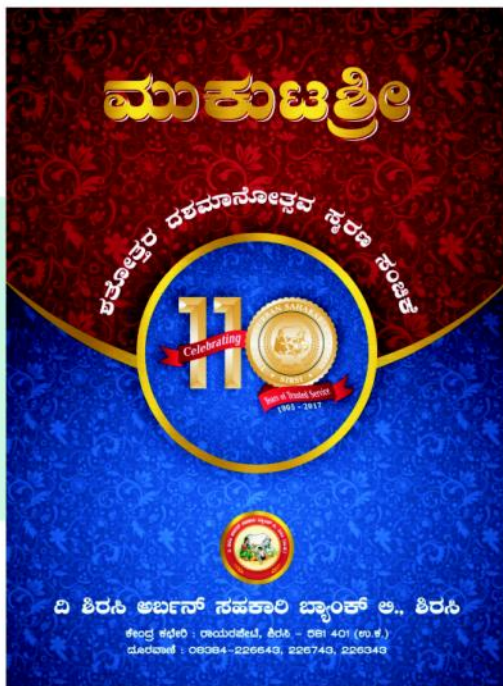


Shri Mohan S. Prabhu, Director and Shri Sreepathi H. Bhat, Senior Manager of the Bank receiving "Jury Award" for the UCBs having working capital up to Rs. 750.00 Crore organised by Banco Blue Ribbon 2018 on January 17, 2019 at Karjat, Maharashtra.



ದಿ ಸಿರಸಿ ಅರ್ಬನ್ ಸಹಕಾರಿ ಬ್ಯಾಂಕ್ ಲ.,
The Sirsi Urban Sahakari Bank Ltd.

114
ANNUAL REPORT
2018-19



Releasing of "Mukutashree" commemorative souvenir on December 21, 2018 to mark 110 years completion celebration of our Bank.

SIGNIFICANT ACCOUNTING POLICIES, NOTES ON THE ACCOUNTS FORMING PART OF
BALANCE SHEET AS ON AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2019

A. SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Convention

The accompanying financial statements have been prepared following the going concern concept on a historical basis and conform to the generally accepted accounting practices, prevalent statutory provisions and guidelines issued by Reserve Bank of India except otherwise stated.

2. Contingencies and Events occurring after Balance Sheet date

There are no contingencies and events occurred in reporting entity including material changes and commitments after the Balance Sheet date.

3. Recognition of Income and Expenditure

Items of income and expenditure are accounted generally on accrual basis, except as stated here under:

- a. Interest income on advances, commission and exchange income, rent on safe lockers and Other Incomes are accounted on receipt basis.
- b. Dividend received from shares of Co-operative institutions and Financial Institutions are accounted on receipt basis.

4. Loans and Advances

In terms of guidelines issued by Reserve Bank of India, loans and advances are classified as "Performing Assets" (Standard Assets) and "Non-Performing Assets" based on record of recovery of principal/ interest and are classified on 90 days delinquency norms. Non Performing Assets are classified as sub standard assets, doubtful assets and loss assets for the purpose of computing the provisioning requirements.

Provisioning requirement on these loans and advances as per the guidelines of Reserve Bank of India are as under :

- a. Standard Assets – at 0.25 % of the outstanding performing advances under direct agriculture and Small and Medium Enterprises (SMEs), 1.00 % for Commercial Real Estate loans, 0.75% for Commercial and Real Estate Loans - residential housing and 0.40 % of the outstanding for all other performing advances.
- b. Sub-standard Assets – at 10.00 % of the balance outstanding.
- c. Doubtful Assets – at 20.00 % to 100.00 % of the secured portion of advances depending upon period and date on which the asset has remained as "Doubtful Asset" (Viz., up to 1 year, 1 – 3 year & more than 3 years respectively) and at 100.00 % of the Unsecured portion of the outstanding advances.
- d. Loss Assets – at 100.00 % of the outstanding.
- e. In respect of restructured loans provisioning is based on diminution in fair value of restructured advances.

5. Investments

Investments as per the instructions of Reserve Bank of India have been classified under the heads "Held to Maturity", "Available for Sale" and "Held for Trading" and have been valued in accordance with the Reserve Bank of India guidelines. These investments are classified under the following five heads Viz: Central & State Government Securities, Other approved securities, Shares of Co-operative institutions, Bonds of Public Sector Undertakings/ Financial Institutions and other Investments.

Investments in Held to Maturity category are carried at lower of cost or par value. These securities are not marked to market and are shown at acquisition cost unless it is more than face value in which case the premiums paid are amortized over the period remaining to maturity.

Investments in "Available for Sale" and "Held for Trading" categories are valued at lower of market value or book value, in aggregate under each classification and net depreciation if any, is provided for and net appreciation, if any is ignored.

Market values of securities are determined in terms of YTM method indicated by FIMMDA. Market values of investments where market quotes are not available but incomes are realized are taken at cost.

Shifting of Investments from one category to another, is to made in accordance to the guidelines issued by Reserve Bank of India and any such transfer is accounted for at the acquisition cost/book value/market value, whichever is lower, as at the date of such transfer. Depreciation, if any, on such transfer is fully provided for.

6. Fixed Assets and Depreciation

The balances of Fixed Assets have been disclosed consistently at net book values.

Depreciation on Computers has been provided on straight-line method at 33 1/3 % as per the Reserve Bank of India guidelines. Depreciation on other Fixed Assets are provided on written down value method at the rates given here under.

Sl. No.	Item	Rate
1.	Furniture and Fixtures	10.00%
2.	Plant and Machinery	20.00%
3.	Vehicle	20.00%
4.	Building	5.00%

7. Staff Benefits

The bank is the member of Group Gratuity Scheme of Life Insurance Corporation of India and contributes towards the scheme annually based on the assessment made by them. The leave encashment for the retired employees have been made on actual basis at the time of retirement.

The bank's contribution towards Provident Fund is paid every month as per the provisions of the Employees Provident Fund Scheme, 1952 and Employees Pension Scheme, 1995.

8. Segment Reporting

The entire operations of the bank are one composite banking business not liable to different risks and rewards as per the bank. Hence, no information on Accounting Standard 17 on "Segment Reporting" issued by The Institute of Chartered Accountants of India has been given.

9. Related party disclosure

The bank is a co-operative Society under the Karnataka State Co-operative Societies Act, 1959 and there are no related parties requiring a disclosure under Accounting Standard 18 on "Related Party Transaction" issued by The Institute of Chartered Accountants of India.

10. Intangible Assets

The details of Computer Software shown as Deferred Revenue Expenditure are as under:

Rupees in Lakh			
Sl. No.	Particulars	2017-18	2018-19
1.	Opening Balance	6.60	39.82
2.	Add : Additions during the year	55.37	17.61
3.	Less : Amortization/write offs during the year	22.15	24.29
4.	Closing Balance	39.82	33.14

11. Impairment of Assets

Impairment losses on Fixed Assets, if any, are recognized in Profit and Loss Account in accordance with Accounting Standard 28 issued by The Institute of Chartered Accountants of India.

12. Provisions, Contingent Liabilities and Contingent Assets

Rupees in Lakh			
Sl. No.	Particulars	2017-18	2018-19
1.	Bank Guarantees	12.88	33.14
2.	DEAF Account	204.99	272.44

13. Net Profit

Net Profit is arrived after accounting for Provisions and Contingencies Viz; Provision towards loan losses, provision towards standard assets, provision towards contingencies and other usual and necessary provisions.

14. No penalties have been imposed by RBI during the year.

B. NOTES ON ACCOUNTS

1. Reconciliation

Reconciliation of Inter Branch/ Inter Bank accounts have been completed up to March 31, 2019 and steps are being taken to effect consequential adjustments of pending items both at Head Office and Branches. except in respect of old pending entries to the extent of net debit balance of Rs. 30.39 Lakh against which bank has provided adequate provisions.

2. Non Banking Assets

Non Banking Assets shown in the Balance Sheet pertains to mortgaged property acquired in satisfaction of claims in respect of Two borrower for Rs. 183.58 Lakhs (Previous Year Rs. 114.60 Lakhs).

3. Amortization of premium on investments

In respect of Government Securities held under Held to Maturity category premium of Rs. 4.37 Lakh

(Previous Year Rs.5.40 Lakh) has been amortized during the year and debited under Interest received on Government Securities.

4. Other Aspects

Previous year figures are re-grouped or re-arranged wherever necessary to the presentation of the current year.

The amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Income Tax, Service Tax, GST, VAT, Cess & other material statutory dues have been regularly deposited during the year by the bank with appropriate authorities. Similarly no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, GST, VAT, Cess and other material statutory dues were in arrears as on March 31, 2019

C. DISCLOSURE AS PER THE RESERVE BANK OF INDIA GUIDELINES

1. Capital to Risk Assets Ratio

Bank has complied with Capital Adequacy norms prescribed by the Reserve Bank of India. Capital Adequacy Ratio as on March 31, 2019 works out to 11.58 % (Previous Year 12.61%).

	March 31, 2018	March 31, 2019
Tier-I - Ratio	11.33%	10.30%
Tier-II - Ratio	1.28 %	1.28 %
Total	12.61 %	11.58 %

2. Movement of CRAR

Rupees in Lakh

Sl. No.	Particulars	March 31, 2018	March 31, 2019
a.	Tier I Capital	3896.35	4282.70
b.	Tier II Capital	441.92	531.55
c.	Total (a + b)	4338.27	4814.25
d.	Total Risk Weight Assets	34400.03	41570.07

3. Investments as on March 31, 2019

Rupees in Lakh

Sl. No.	Particulars	Face Value	Book Value	Market Value
a.	Government Securities (Central & State)	21817.50	21804.57	21,924.60
b.	Approved Securities	0.00	0.00	0.00
c.	Shares of Co-operative institutions	42.62	42.62	42.60
d.	Bonds of PSUs/ FIs / Corporates	594.18	594.18	594.18
e.	Other Investments	715.61	2202.41	2207.19
	Total	23169.91	24643.78	24768.57

4. Disclosure on Issuer composition of Non-SLR Investments as on March 31, 2019

Rupees in Lakh

Sl. No.	Issuer composition	Total	Extent below the Investment grade	Extent of Un-rated securities	Extent of unlisted securities
a.	PSUs	594.18	0.00	0.00	0.00
b.	FIs	0.00	0.00	0.00	0.00
c.	Nationalized Banks	0.00	0.00	0.00	0.00
d.	Units of UTI / MFs	2200.00	0.00	0.00	0.00
e.	Others	2.41	0.00	2.41	0.01
f.	Provision held towards depreciation	69.76			

5. Non performing Non-SLR Investments as on March 31, 2019

Rupees in Lakh

a.	Opening balance on April 1, 2018	0.03
b.	Add: Additions during the year	0.00
c.	Less: Reduction during the year	0.00
d.	Closing balance as on March 31, 2019	0.03
e.	Provision held	0.03

6. Advances against Real Estate, Construction Business, Housing and Against Shares and debentures as on March 31, 2019

Rupees in Lakh

a.	Advances against Commercial Real Estate& Real Estate	2761.85
b.	Individual Housing Loans	5195.11
c.	Advances against Shares and debentures	0.00

Note : Mortgage Loan for General Trade, Business Purposes are not considered.

7. Advances to Directors, their relatives, firms or companies in which they are interested

Rupees in Lakh

Sl. No	Particulars	Fund based		Non Fund based	
		March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019
a.	To Directors	21.00	133.44	0.02	0.01
b.	To Relatives	1458.57	1158.57	0.00	0.00
c.	To Firms/Companies in which they are interested	0.00	0.00	0.00	0.00
	Total	1479.57	1387.01	0.02	0.01

8. Cost of Deposits

Average cost of deposits for the year 2018-19 was 6.43% (Previous Year 6.73%)

9. Non Performing Assets

		March 31, 2018	March 31, 2019
a)	Gross NPAs (%)	7.92	5.99
b)	Net NPAs (%)	0.00	0.00

- c) Movement of NPAs

Rupees in Lakh

	March 31, 2018	March 31, 2019
Gross NPAs at the beginning of the year	2979.95	2818.10
Add: Additions during the year	48.64	83.35
Less: Reduction during the year	210.49	251.69
Gross NPAs at the close of the year	2818.10	2649.76

- d) Bank holds a Bad and Doubtful Reserve amounting to Rs. 3336.91 Lakh (Previous Year Rs. 3355.32 Lakh) against a required provision of Rs. 2487.51 Lakhs (Previous Year Rs. 2634.90 Lakh)

Sl. No.	Particulars	March 31, 2018	March 31, 2019
e)	Provisioning towards Standard Assets	163.15	2487.51 Lakh

- f) Movement of Provisions made towards Non performing Advances

Rupees in Lakh

	March 31, 2018	March 31, 2019
Opening balance	3350.29	3355.32
Add: Additions during the year	5.03	3.59
Less: Transfer/Write Backs	0.00	22.00
Closing balance	3355.32	3336.91

- g) Movement of Provisions made towards Non performing Investments

Rupees in Lakh

	March 31, 2018	March 31, 2019
Opening balance	53.94	58.97
Add : Additions during the year	5.03	10.79
Less: Transfer/Write Backs	-	-
Closing Balance	58.97	69.76

10. Significant performance Indicators/Profitability

Sl. No.	Particulars	31-3-2018	31-3-2019
1.	Interest Income to Working funds	8.30 %	8.26 %
2.	Non-Interest Income to Working funds	0.20 %	0.44 %
3.	Operating profit to Working funds	0.60 %	0.87 %
4.	Return on Assets	0.37 %	0.54 %
5.	Business per employee (Rupees in Lakh) (Year end)	654.77	794.56
6.	Profit per employee (Rupees in Lakh)	1.61	2.75

11. Payment to Deposit Insurance & Credit Guarantee Corporation (DICGC)

Deposits of the bank are covered by Deposit Insurance and Credit Guarantee Corporation. Bank has been prompt in paying the premiums due towards covering the deposits. Under this scheme the amounts held by the depositors in the same right and the same capacity are insured up to Rs.1.00 Lakh. The premium paid during the year amount to Rs. 77,00525-00 (Previous Year Rs. 67,94,875-00)

12. Foreign Currency Assets and Liabilities : NIL

13. Details of loans subjected to restructuring during the year : NIL

14. Contingent Liabilities - Depositors Education and Awareness Fund Scheme, 2014 (DEAF)

In accordance with " The Depositors Education and Awareness Scheme, 2014 (DEAF) formulated by Reserve bank of India, during the financial year 2018-19, the bank has identified and transferred Rs. 71.48 Lakh to the Depositors Education and Awareness Fund.

Sl. No.	Particulars	31-3-2018	31-3-2019
a.	Opening balance of amount transferred to DEAF	198.23	204.99
b.	Add : Amount transferred to DEAF	10.37	71.48
c.	Less : Amount reimbursed by DEAF towards claims	3.61	4.03
d.	Closing Balance of amount transferred to DEAF	204.99	272.44

Sd/-
Arathi S. Shettar
Chief Executive Officer

Sd/-
Jaydev U. Nilekani
President

Sd/-
Milind V. Pandit
Vice President

Sd/-
Dr. V. S. Sonde
Director

For M/s. D. B. Sajjanar & Co.,
Chartered Accountants
FRN : 011174S

Sd/-
CA D. B. Sajjanar
Proprietor
Membership No. 216313

Place : SIRSI
Date : 24-07-2019

Budget for 2019-2020

EXPENDITURE	ACTUAL 2018-2019	BUDGET 2018-2019	BUDGET 2019-2020	INCOME	ACTUAL 2018-2019	BUDGET 2018-2019	BUDGET 2019-2020
Interest on Deposits and Borrowings	41,24,30,119.86	42,50,00,000.00	44,00,00,000.00	Interest on Advances and Investments	62,28,66,187.86	64,00,00,000.00	68,00,00,000.00
Salaries, Allowance, P.F. A/c Directors, Local Com. fees & Allowances	12,45,31,733.00	12,25,00,000.00	14,25,00,000.00	Commission and Discount	6,37,629.42	10,00,000.00	10,00,000.00
Rent, Taxes, Insurance	8,28,649.00	10,00,000.00	10,00,000.00	Income Tax Refund	0.00	0.00	0.00
Law Charges	1,31,50,333.87	1,45,00,000.00	1,55,00,000.00	Other Receipts	3,28,39,934.00	2,50,00,000.00	4,00,00,000.00
Postage, Telegram and Telephone Charges	4,56,803.00	3,00,000.00	5,50,000.00				
Audit fees	21,96,709.13	25,00,000.00	30,00,000.00				
Depreciation on and repairs to property	21,31,387.50	25,00,000.00	25,00,000.00				
Stationery, Printing & Advertisement	60,76,557.97	70,00,000.00	70,00,000.00				
	47,52,616.74	40,00,000.00	50,00,000.00				
Other Expenditure:							
Other Expenditure	93,29,712.08	85,00,000.00	1,05,00,000.00				
Cumulative Collection							
Remuneration	98,90,602.66	1,10,00,000.00	1,10,00,000.00				
T.A., D.A. to Staff	3,47,766.50	5,00,000.00	5,00,000.00				
News Papers & Periodicals	96,983.84	2,00,000.00	2,00,000.00				
Deferred Rev. Expenditure	24,29,286.00	25,00,000.00	40,00,000.00				
AMC on Computers	17,56,801.33	20,00,000.00	20,00,000.00				
Provisions and Contingencies							
Provisioning towards Std. Assets	28,00,000.00	30,00,000.00	30,00,000.00				
Provisioning towards Depr. on Investments	0.00	1,00,00,000.00	25,00,000.00				
Provision for Taxation & Tax Expenses	2,25,00,000.00	2,10,00,000.00	2,45,00,000.00				
Net Profit	4,06,37,689.18	2,80,00,000.00	4,57,50,000.00				
	65,63,43,751.66	66,60,00,000.00	72,10,00,000.00		65,63,43,751.66	66,60,00,000.00	72,10,00,000.00

SIRSI

Arathi S. Shettar
Chief Executive Officer

V. S. Sonde
President



Shri Pandurang A. Pai, General Manager (retired) and other retired staff members being felicitated in Annual General Body Meeting of the bank for the year 2017-18 held on September 22, 2018.



The staff members of the bank attending to various training programmes during 2018-19 at Sirsi Urban Bank Staff Training Institute, Sirsi

OUR PRODUCTS

-
- SOLAR LOAN • HOUSING LOAN • CONSUMER LOAN • GOLD LOAN
 - BUSINESS LOAN • VEHICLE LOAN • MACHINERY LOAN • CAR LOAN
 - EDUCATION LOAN

-
- SAMRUDDHI DEPOSIT SCHEME • LAKHPATI RD A/c.
 - KALPATARU CASH CERTIFICATE • NITYA AND PAVAN PIGMY DEPOSITS

-
- Enjoy Banks own ATM Network and RuPay Debit Card Facility with ZERO Charges
 - RTGS / NEFT • Mobile Banking Solutions • CTS Services till 6 p. m.
 - IMPS • SMS Alerts • POS • ECH, NACH Products.
-



Regd. & Admn. Office :

Post Box No. 1, Rayarpeth, SIRSI - 581 401.

Tel : 08384-226643 Fax : 08384-226401

www.sirsiurbanbank.in