



VINAYAK LOCAL AREA BANK LIMITED  
24<sup>th</sup> Annual Report  
2023-24





## CORPORATE INFORMATION

Sh. R.J.Gupta	Chairman (non-executive)
Sh. G.N. Gupta	Director (non-executive)
Sh. Dheer Singh	Director (non-executive)
Sh. Pawan Kumar Agarwal	Director (non-executive)
Ms. Shikha	Director (non-executive)

## KEY MANAGERIAL PERSONS

Sh. Vivek Tiwari	Company Secretary
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## STATUTORY AUDITORS

M/s Ajay Bohra & Associates  
Chartered Accountants  
E-223, Amba Bari, Jaipur (Rajasthan).

## BANKERS

State Bank of India, Station Road, Sikar Rajasthan 332 001.  
Sikar Kendriya Sahkari Bank Limited, Piprali Road, Sikar Rajasthan 332 001.

## REGISTERED OFFICE

Tirupati Complex,  
Station Road,  
Sikar – 332 001 (Rajasthan)

### Contact

Tel : +91 1572242426/27/28/29

Fax: +91 1572 242 432

Domain: www.vlabl.com

E-mail: csvlabl@gmail.com

## CORPORATE IDENTITY NUMBER

U65910RJ1999PLC015937





## ABOUT THE REPORT

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. The year 2023-24 was a difficult one due to high inflation, adverse macro-economies and multiple war scenarios at global level. The providers of Financial Capital are now increasingly expecting companies to proactively engage with wider set of stakeholders on matters relating to sustainability. In current scenario the technology based payment system has been growing rapidly and wider acceptance of financial markets because of convenience and innovative technology have become core of banking industry. The bank believes in continuous adoption of technology and delivering high standard performance based on transparency and accountability, which reaps the benefits of strong brand equity. To proactively engage with a wider set of stakeholders on matters relating to sustainability and in keeping with our very own core principle, commencing this year, we endeavor to transition towards a system of governance-based reporting for long-term value creation.

### Reporting Principle

We present our Twenty Fourth Annual Report in line with provisions of Companies Act, 2013 and other applicable act, rules and regulation, if any. The financial and statutory data are based on the requirements of the Companies Act, 2013 read with rules made thereunder along with corporate governance norms to the extent applicability, Secretarial Standards as prescribed by the Institute of Company Secretaries of India and other rules and regulations to the extent as applicable to the bank.

In order to optimize governance oversight, provide fair and transparent report, the content of this report have been reviewed by the Management.

### Reporting Period

This report covers all material issues (financial and non-financial) relating to Vinayak Local Area Bank Limited, Sikar (Rajasthan) for the period commencing from April 1, 2023 to March 31, 2024.

### Independent Assurance

Assurance on financial statements has been provided by our independent auditors viz. M/s Ajay Bohra & Associates, a Jaipur based chartered accountant firm having experience of more than two decades in auditing, and assure that due care and integrity was taken while conducting audit of the Bank.





## ABOUT US

**Vinayak Local Area Bank Limited** was incorporated as public limited company in year 1999 under the jurisdiction of Registrar of companies, Jaipur (Rajasthan). The Banking License was granted by the Reserve Bank of India in July 2000 to commence banking operations in three backward districts of shekhawati region of State of Rajasthan i.e. Sikar, Jhunjhunu and Churu. The foundation of bank was laid on October 21, 2000 by opening its Head Office and very first branch office in the heart of shekhawati at Sikar to serve the public of shekhawati region with hi-tech and reliable banking services. This bank was having high-end infrastructure of being very first unit of centralized banking unit in its area of operation and was first bank to install ATM in its area of operations. Since, our foundation, it has been our mission to cater the banking needs of the unserved and undeserved populations at affordable cost. Whereas in a very short span of time the Bank acquired a quite significant volume of business with trust and satisfaction of customers. The bank was working smoothly and planning for expansion of the branches but the Reserve Bank of India on the basis of factual errors and insignificant grounds issued directions under section 35 of the Banking Regulation Act, 1949 resultantly, banking operations of the bank unknowingly suspended permanently, subsequently without providing ample opportunities the Reserve Bank of India had passed an arbitrary order for cancellation of banking license with effect from January 16, 2002.

Aggrieved by the said order of RBI, The Bank approached to the appellate authority of Banking division under Central Government against the arbitrarily cancellation of license by the Reserve Bank of India. The Appellate Authority (Central Government) ruled out in favor of bank vide its order dated 14<sup>th</sup> September, 2004, which states that **“the license of bank was cancelled by RBI on wrong appreciation of facts and ordered RBI to restore banking license of the bank with immediate effect.”** However, Reserve Bank of India did not implement the order and deliberately with mala fide intention took the matter before the Hon'ble High Court of Delhi, which is not commensurate with the provisions of Section 36B of the Banking Regulation Act, 1949 which deals regarding to jurisdiction of Court. Then, unfortunately order for restoration of banking license was set aside by the Hon'ble High Court, Delhi. Since then the matter is sub-judice before the Hon'ble High Court of judicature for Rajasthan at Jaipur Bench. The management of Bank left no stone unturned to restore its banking license. The management proactively approached to the Govt. of India for restoration of Banking License through official letters addressed to President of India, Prime Minister Office and Ministry of Finance, subsequently instruction was issued by Govt. of India to RBI for resolution of such long pending matter. A Public Interest Litigation was also filed by Shri Phul Singh Ola, a renowned social worker of the region, for the restoration of banking license of Vinayak Bank in public interest as the concerned region is lacking in terms of availability of adequate banking channels and an opportunity should be given to the bank to undertake banking business before issuing new banking licenses to other entities in private sector. Resultantly Hon'ble Supreme Court allowed Vinayak Bank to make a representation before the Reserve Bank of India for revival with a liberty that if such representation filed, then it





shall be considered on its own merits. Subsequently Vinayak Bank duly submitted representation before the Reserve Bank of India but once again without considering merits of representation the Reserve Bank of India bluntly dismissed the same on flimsy and insignificant grounds. Furthermore, Hon'ble High Court Rajasthan of judicature for Rajasthan at Jaipur Bench in SB writ Petition 8006/2007 has also directed the Reserve Bank of India to conduct physical inspection of Vinayak Bank as to ascertain availability of infrastructure. In compliance of the said order the Reserve Bank of India conducted physical inspection on 21<sup>st</sup> February, 2017 and the availability of requisite infrastructure, machinery, capital & employees was confirmed during the inspection. Since then the matter is pending before the high court for final arguments. Meanwhile, the bank has also pleaded to allow it to undertake banking operations on provisional basis under the supervision of sector regulator during the pendency of aforesaid writ petition but no respite in any form has been granted till date. The bank is opening daily but doors are arbitrarily kept closed for public.

During the year 2023-24, the continuation of Russia-Ukraine war and the start of Hamas-Israel conflict affected the world economy. This also resulted in higher crude oil prices and continuation of high inflation in many economies. The expected cuts in interest rates in major economies were not implemented owing to inflation worries. Amidst all the negative news from around the world, India was an exception as it continued to be the fastest growing large economy. The confidence of policy makers in the growth momentum of India was visible in the fact that there were no populist measures and India continued to stick to its fiscal discipline in the budget, before the general elections. Despite some temporary blips, the Indian markets continued their positive momentum. The continued fiscal discipline and thrust on capital expenditure by Indian Government may witness India continue to scale in shining growth.

Vinayak Bank believes that its Members are not only customers but they are the heart and soul of the institution. As the bank looks forward to the future, it continues to nurture high hopes for the collective destinies. Whereas in a bid to increase digital footprint in banking sector for further deepening of financial inclusion the Government of India is encouraging digital banking units to capture the rural, semi-urban, unserved & undeserved territory of the nation. Your bank is committed to support this initiative to spread its banking feathers to the farthest region in its area of operation. The management of the Bank continuously putting efforts to get the banking license restored at the earliest and serve the people of shekhawati region with the modern tech based banking and financial services with higher standard of corporate governance and contribute towards the financial inclusion to a greater depth. The management is committed to undertake the banking business in line with newly issued guidelines by the sector regulator.

## VISION

Expanding banking activities to include new sectors and economic activities; such as agriculture, industry, micro, small and medium organization trade and services. We aspire to attract deposits





and develop them, in order to achieve the best financial return for the economic growth and development of Shekhawati Region.

### VALUES

- INTEGRITY
- INSPIRATION
- GROWTH
- TRUST
- EXCELLENCE
- ACCOUNTABILITY AND UNITY

### MISSION

Vinayak Local Area Bank Ltd strives to strengthen India's financial and banking sector through the effective utilization of staff and resources.

Vinayak Local Area Bank recognize that while honesty and integrity are the essential ingredients of a strong and stable enterprise, profitability provides the main spark for economic activity Overall, the Bank seeks to scale the heights of excellence in all that it does in an atmosphere free from fear and thereby reaffirms its faith in democratic values.





## NOTICE TO SHAREHOLDERS

# VINAYAK LOCAL AREA BANK LTD

**Reg. Office:** Tirupati Complex, Station Road, Sikar – 332 001 (Rajasthan)  
**CIN:** U65910RJ1999PLC015937; **Tel:** +91 1572242426/27/28/29 **Fax:** +91 1572 242 432  
**Website:** [www.vlabl.com](http://www.vlabl.com) **E-mail Id:** [csvlabl@gmail.com](mailto:csvlabl@gmail.com)

### NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 24<sup>th</sup> (TWENTY FOURTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF VINAYAK LOCAL AREA BANK LIMITED WILL BE HELD ON FRIDAY, 28<sup>th</sup> DAY OF JUNE, 2024 AT 12:30 P.M. AT ITS REGISTERED OFFICE SITUATED AT TIRUPATI COMPLEX, STATION ROAD, SIKAR – 332 001 TO TRANSACT THE FOLLOWING BUSINESSES:

#### ORDINARY BUSINESS:

##### **Item No. 1:**

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2024 including the Audited Balance Sheet and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.

##### **Item No. 2:**

To appoint a director in terms of Section 152(6) of the Companies Act, 2013:

- (a) In place of Sh. Pawan Kumar Agarwal (DIN: 09017439), who retires by rotation, and being eligible, offers himself for re-appointment, his office shall be liable to retire by rotation.

##### **Item No. 3:**

To fix Audit Fees for Statutory Auditors of the Bank for the financial year 2023-24

**To consider and if thought fit, to ratify with or without modification(s), the following resolution as an ordinary resolution:**

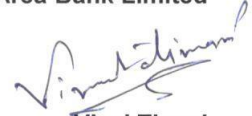
**“RESOLVED THAT** pursuant to Section 142(1) of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration of Statutory Auditors M/s Ajay Bohra & Associates, Jaipur appointed under section 139 of the Companies Act, 2013 for audit of



## NOTICE TO SHAREHOLDERS

accounts for the financial year 2023-24 fixed at Rs. 30,000/- only plus Taxes, if any, along with re-imburement of actual expenses incurred in relation to the audit as approved by the Board in its meeting be and is hereby ratified.”

By Order of the Board of Directors  
Of Vinayak Local Area Bank Limited



Vivek Tiwari  
Company Secretary

Date : May 30, 2024  
Place : Sikar, Rajasthan.





## NOTICE TO SHAREHOLDERS

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND, AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID AND EFFECTIVE SHOULD BE LODGED/ DEPOSITED WITH THE BANK AT ITS REGISTERED OFFICE NOT LATER THAN FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A FORM OF PROXY ENCLOSED.**

Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the Total Share Capital of the company carrying voting rights. Further, a member holding more than 10% of the paid up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Businesses to be transacted at the meeting is annexed hereto.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of Board Resolution authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
3. Members / Proxies should fill the attendance slip for attending the meeting and bring their attendance slips along with their copy of the Annual Report at the meeting.
4. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote.
5. The Annual Report for the year ended March 31<sup>st</sup> March, 2024 containing, inter alia, the Board's Report, Auditor's Report and the Audited Financial Statements is enclosed.
6. Pursuant to the Green Initiative circulars issued by Ministry of Corporate Affairs (MCA), members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.-
7. The Register of Directors' Shareholding maintained under section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
8. The Register of Contracts maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.



## NOTICE TO SHAREHOLDERS

9. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.
10. Relevant documents referred to in the accompanying Notice and the Financial Statements, requiring Members' approval are open for inspection by the members at the Registered Office of the Company on all working days between 10:00 a.m. to 4:30 p.m.
11. The route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.
12. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance. The Company has secured ISIN for its equity share capital with National Securities Depository Limited. Members are requested to convert their physical shareholding in dematerialized form.





**NOTICE TO SHAREHOLDERS**

**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65910RJ1999PLC015937  
Name of the Company : VINAYAK LOCAL AREA BANK LIMITED  
Registered office : TIRUPATI COMPLEX, STATION ROAD, SIKAR-332001(RAJ.)

Name of the member (s): _____
Registered address: _____
E-mail Id: _____
Folio No/ Client Id: _____
DPID: _____

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

- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ....., or failing him
- Name : .....  
Address : .....  
E-mail 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 24<sup>th</sup> Annual General Meeting of the company, to be held on Friday 28<sup>th</sup> day of June, 2024 at 12:30 P.M. at its registered office situated at Tirupati Complex, Station Road, Sikar 332001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Please mention no. of shares)		
		For	Against	Abstain
<b>Ordinary Business</b>				
1.	Adoption of the audited financial statements of the Company for the year ended 31			





**NOTICE TO SHAREHOLDERS**

	March, 2024 including the Audited Balance Sheet and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.			
2.	To appoint a director in terms of Section 152(6) of the companies act, 2013, in place of Sh. Pawan Kumar Agarwal (DIN: <b>09017439</b> ), who retires by rotation, and being eligible, offers himself for re-appointment, liable to retire by rotation.			
3.	To fix audit fees for statutory auditors for the financial year 2023-24			

Signed this..... day of..... 2024

Signature of shareholder

Signature of Proxy holder(s)

**Affix  
Revenue  
Stamp**

**Note: 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.**





**NOTICE TO SHAREHOLDERS**

**ATTENDANCE SLIP**

Registered Folio no./ DP ID no./ Client ID no. : \_\_\_\_\_

Number of shares held : \_\_\_\_\_

I certify that I am a member/ proxy for the member of the company.

I hereby record my presence at the 24<sup>th</sup> Annual General Meeting held on Friday 28<sup>th</sup> day of June, 2024 at 12:30 P.M. at its registered office at Tirupati Complex, Station Road, Sikar 332001.

\_\_\_\_\_  
Name of the member/ proxy  
(in BLOCK letters)

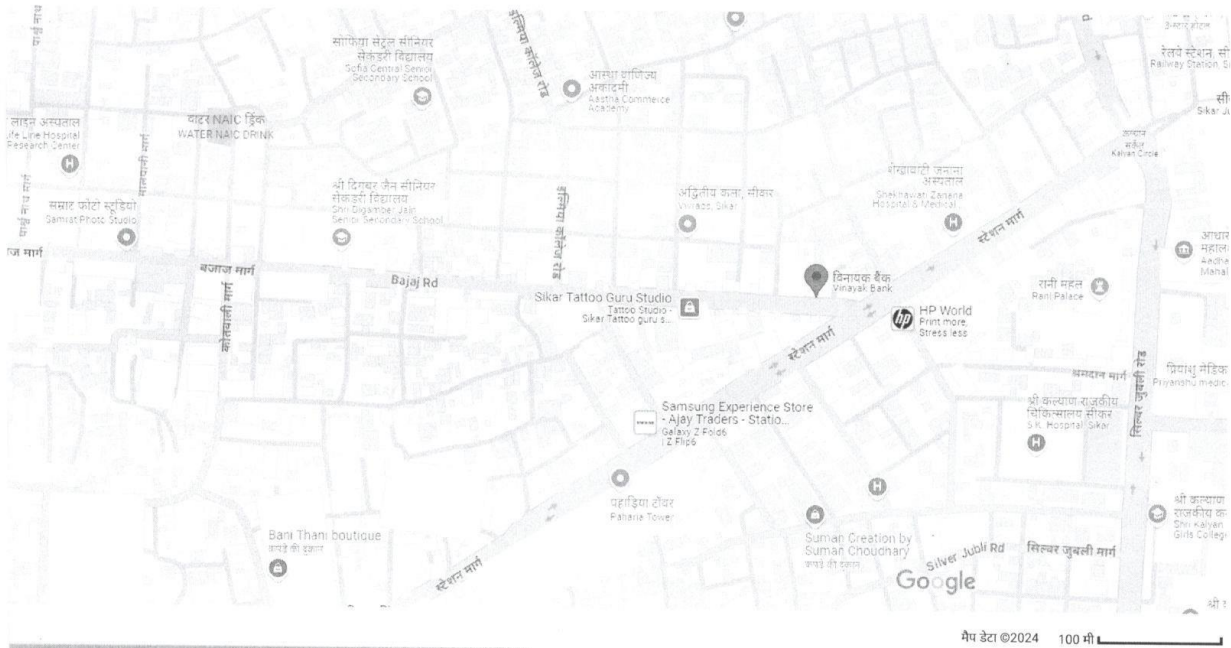
\_\_\_\_\_  
Signature of the member/ proxy

**Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the AGM.**



12/07/2024, 16:14

# Google Maps विनायक बैंक



## विनायक बैंक

Vinayak Bank

5.0 ★★★★★ (1)

बैंक

खास जानकारी

समीक्षाएं

जानकारी



दिशा-निर्देश



सेव करें



आस-पास



फ़ोन पर भेजें



शेयर करें

जगह की जानकारी गलत हो सकती है

✓ ड्राइव थ्रू



आप जून 2023 में यहां गए थे



## BOARD'S REPORT

To The Members,

Your Board of Directors have great pleasure in presenting the Twenty Fourth Annual Report on the operations and developments of **Vinayak Local Area Bank Limited** together with the Audited Financial Statements for the year ended 31<sup>st</sup> March, 2024. During the reporting year the bank has not been allowed to undertake banking activities. The interest earned on fixed/term deposit and few unsecured loans was only source of income for the bank. The bank remain committed to fulfil its financial obligations throughout the year. Efforts were made to conclude final arguments before the Hon'ble High court to restore the banking license even various requests were made to government of India, RBI and other competent authorities but no respite has been granted. The bank continues to wait for justice to be delivered yet.

## FINANCIAL HIGHLIGHTS

The financial performance for the fiscal 2024 is summarized in the table below:

	<i>(In Rupees &amp; '000s)</i>	
	<b>Fiscal 2023</b>	<b>Fiscal 2023</b>
Net Interest and Other Income	2,910.76	3,234.56
Interest Expenditure	20.20	2.28
Operating Expenses	2,985.98	3,474.22
Provisions & Contingencies*	14,038.48	11,906.30
Loss before Tax	14,133.90	12,148.24
Provision for Tax	-	-
Net Loss	14,133.90	12,148.24

*\*Provisions & Contingencies exclude Provision for Tax.*

During the year under review, the Bank did not carry any banking business due to arbitrary cancellation of the banking license except the follow up action for recovery of outstanding loans/advances of the Bank. The main source of the Income was from Interest on Fixed deposits maintained with other Scheduled Banks. After taking into account, the operating expenses, Provisions & Contingencies that substantially includes provision of significant amount in respect of Non-Performing Assets, Bank incurred losses amounting to Rs. 141.34/- Lakhs during the reporting financial year.

## REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

The Directors have reviewed the operations of the Company. The Company has incurred a loss of **Rs. 141.34/-** Lakhs during the financial year 2023-24 as compared to the loss of **Rs. 121.48/-** Lakhs in the previous year. Your Directors assure you of ensuring deeper efforts for restoration of banking license and commencement of business operations in the forthcoming years.





## APPROPRIATIONS TO RESERVES AND SURPLUS

During the year the losses amounting to Rs.141.34/- Lakhs was charged to Reserves and Surplus of the Company.

## DIVIDEND

In view of losses and suspension of banking business during the year, The Board of Directors of your Company, after considering holistically the relevant circumstances and keeping in view other relevant aspects, has decided that it would be prudent, not to recommend any Dividend for the year under review.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply to the Company for the year under review.

## DEPOSITS

Your bank had accepted Rs. 65. 96/- Lakhs as deposits by the end of 29<sup>th</sup> September, 2001, which were fully repaid in compliance of RBI's direction and sufficient balance as directed by the Reserve Bank of India is duly maintained with State Bank of India for the unclaimed deposits.

## MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year and date of this Director's Report.

## SHARE CAPITAL

The Authorized Equity Share Capital is Rs .8,50,00,000/- (Rupees Eight Crores and Fifty Lakhs Only) & Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2024 is Rs.51,107,000/- (Rupees Five Crores and Eleven Lakhs Seven Thousand Only). During the year under review, the Company has not issued shares with differential voting right nor granted stock option nor sweat equity.

## REGISTRAR AND SHARE TRANSFER AGENT

The Bank has appointed National Securities Depository Limited ("NSDL") as depository, subsequently the bank has secured ISIN **INE05MU01011** for fully paid-up equity shares of the Bank. Furthermore the bank also appointed NSDL Database Management Limited ("NDML") as Registrar and Transfer Agent ("RTA") for facilitating service request regarding to conversion of physical securities in DEMAT form.







The Company has made available the platform for all the shareholders for conversion of their physically held shares into DEMAT form.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND OPERATIONS OF THE BANK**

No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the going concern status and Company's operations in future during the year under review.

### **STATUS OF JUDICIAL MATTER PENDING WITH RAJASTHAN HIGH COURT**

As we all are aware, Hon'ble Appellate Authority, Ministry of Finance, Central Government has stated in its order dated 14<sup>th</sup> September, 2004 that:

1. The License of our Bank has been cancelled by RBI on wrong appreciation of facts.
2. Bank should be given a reasonable opportunity to resume its banking business.
3. The License of the bank should be immediately restored and bank should immediately scrupulously follow all the guidelines by RBI.
4. RBI is directed to restore the license immediately.

In furtherance to the order issued by the Appellate Authority, the Hon'ble President of India vide letter dated 13.09.2011 had directed to Sh. D.K.Mittal, Secretary of Department of Financial Services, Ministry of Finance; to examine the matter personally for an early solution of the long pending issue especially since the Government was in the direction of achieving Financial Inclusion in a much wider sense. The Hon'ble President further added that "Even though the said order of the Appellate Authority was issued on 14.09.2004, it appears that the RBI has not yet taken any positive action to restore the license of VLAB.

The Bank has already filed the S.B.Civil Writ petition No. 8006/2007 before the Hon'ble High Court of judicature for Rajasthan at Jaipur Bench on 1<sup>st</sup> June, 2007 on merits in want of the justice for the restoration of bank. Our writ petition is pending before the Hon'ble High Court, Rajasthan, Jaipur Bench, for consideration of our prayer on merits.

Whereas Sh. Phul Singh Ola (a renowned Social Worker) filed Public Interest Litigation (Writ Petition Civil) No. 354/2013 before the Hon'ble Supreme Court in the matter to allow the Vinayak Local Area Bank, Sikar (Rajasthan) to resume its banking operations and prayed to direct the respondents to restore the banking license. Hon'ble Supreme Court passed an order dated 12<sup>th</sup> June, 2013 as follows:

***"We see no reason to go into the merits of the matter under the existing facts and circumstances. But, in view of the fact that the time to consider the representation is due to expire on 1.7.2013, we deem it just, equitable and proper to permit the concerned Bank – Vinayak Local Area Bank to file a representation before the Reserve Bank of India raising all the pleas and if such an application if filed, the same be considered on its own merits."***

***The writ petition is disposed of accordingly."***





In compliance of the Hon'ble Supreme Court of India order the board of directors of the company in consultation with Senior Advocate Sh. H.C. Ganeshia decided to file a representation before the Reserve Bank of India. Through the said representation revival of the bank was requested in the want of justice, since ample opportunity was not granted at the time of cancellation of banking license and it was urged to allow the bank to undertake banking activities in the concerned area for greater financial inclusion in order to support the industry and economic growth of the country.

Thereafter, the Reserve Bank of India did not consider the aforesaid representation in due course of time. The Hon'ble High Court of Rajasthan, Jaipur Bench has in SB Writ Petition No 8006 of 2007 filed by Vinayak Local Area Bank against Reserve Bank of India and others passed an order dated September 18, 2013. In the Said order, the Hon'ble High Court intervened and directed the Reserve Bank As under:

*"It has transpired during the course of argument that as per direction of the Hon'ble Supreme Court, the petitioner has already submitted a representation before the Reserve Bank of India.*

*Therefore, it is deemed just and proper that before proceeding further to adjudicate the matter, the representation filed by the petitioner be decided by Reserve Bank of India. Looking to the fact that the instant dispute is pending since the year 2007, the respondent Reserve Bank of India is directed to decide the said representation before 31.10.2013.*

In compliance of the order passed by the Hon'ble Supreme court of India and Hon'ble High Court, Rajasthan at Jaipur Bench, the Reserve Bank of India had issued an order dated 23<sup>rd</sup> October, 2013, ignoring the merits of representation and bluntly said that there are no merits in the representation and the same is rejected.

False statements were knowingly made without honest belief in its truth by RBI in their order dated 23<sup>rd</sup> October, 2013. Bank has taken up this matter before the Ministry of Finance, Government of India through Shri Sumedhanand Saraswati, Member of Parliament from Sikar constituency for revival of Bank in the interest of General public of Sikar, Churu and Jhunjhunu specially to cater the banking needs of people residing in rural & Suburban area of the above notified backward districts of Rajasthan. It was apprised that on one side the Reserve Bank of India is issuing licenses for setting up of new Small Finance Banks and payment Banks in the Private Sector but in the matter of vinayak bank, which banking license was cancelled on wrong appreciation of facts is always being deprived of an ample opportunity to revive its banking operations. Whereas Local Area Banks are pretty much included in the eligibility criteria to convert themselves into Small Finance Bank but respite in any form has always been denied by the Reserve Bank of India.

We had also filed an Appeal on 19<sup>th</sup> December, 2014 addressed to the Hon'ble Appellate Authority. The Bank has requested to the Hon'ble Appellate Authority, Government of India, Ministry of Finance, and Department of Economic Affairs Banking Division New Delhi to issue their Judicial cum executive order for implementation of their order dated 14<sup>th</sup> September, 2004 for restoration of License of the Bank in public interest.

After many requests for providing an opportunity for a personal hearing, the Reserve Bank of India was kind to provide the Bank an opportunity for a personal hearing on 13th May, 2016,





accordingly Bank handed over a letter dated 11<sup>th</sup> May, 2016, consisting a booklet with the details showing our strength and capacity for operation of the Bank and depicting the Bank is already equipped with necessary infrastructure branch premises/furniture/fixture, Tech facilities, ATM, employees etc. The Hon'ble Shri R. Gandhi, Dy. Governor Reserve Bank of India was very kind to hear our sufferings caused due to unfortunate closure of Bank for the last 14 years. Hon'ble Dy. Governor expressed inability for restoration of License of the Bank since RBI has no legal judicial executive power to consider Bank's request.

Thereafter, Hon'ble High Court of Judicature for Rajasthan at Jaipur in SB WP no. 8006/2007 vide order dated 10.01.2017 directed RBI to conduct inspection of the bank to ascertain availability of infrastructure as claimed by the Bank. Following Judgment was passed by Justice Dinesh Mehta ji as reiterated below:

*"Without observing anything on the merit and subject to final outcome of the adjudication of rights of the parties, the Reserve Bank of India may ascertain as to whether the infrastructure as claimed by the petitioner is available or not."*

In compliance of the aforesaid order of the Hon'ble High Court, the Reserve Bank of India through its authorized representatives Sh. Shivkant Sharma (Assistant General Manager) & Sh. Hari Om Pandey (Assistant Manager) conducted inspection on 21<sup>st</sup> February, 2017. The Infrastructure and staff maintained by the Bank since its inception found in place and order. Bank provided all the assistance and information which were being demanded during the inspection. Thereafter RBI filed its inspection report before the Hon'ble High Court and was found satisfactory by the Court that infrastructure and staff is available until date. Further Bank is waiting to get the relief from the Hon'ble High Court for the commencement of the operations of the bank at the earliest.

Thereafter, Learned Senior Counsel of the bank has filed synopsis in connection with events happened from inception to till date and prayed for quick resolution for long pending matter.

Further, due to ill health conditions and pre occupations Learned Senior Counsel Sh. G.K. Garg expressed his inability to represent our Writ Petition before Hon'ble High Court Rajasthan at Jaipur Bench Thus the management of Bank approached various learned senior counsel available at Jaipur to represent our Writ Petition. After due discussion bank has appointed renowned Advocate Sh. K.K. Sharma ji as our Senior Counsel to represent our Writ Petition before Hon'ble High Court Rajasthan at Jaipur Bench.

Whereas an application to amend the Writ Petition along with amended writ petition was filed before the Hon'ble High Court Rajasthan at Jaipur bench to challenge the first review order dated 23.12.2003 passed by Appellate Authority, Central Government thereafter Hon'ble High Court accepted application for amendment & chose to proceed further. But on other hand RBI showed its illicit intentions to further delay the long pending matter and on every scheduled hearing date the merits of the case could not be finally argued. Resultantly, no prominent order was passed by Hon'ble High Court in this regard.

Learned counsel for RBI raised objection to accept the amendment as it is hit by latches. Thereafter Hon'ble High Court passed an order on 08<sup>th</sup> January, 2018 that the issue of latches would come in regard to the prayer if amendment is allowed thus while accepting the application





to amend the writ petition, the respondents is given right to file a reply and therein to raise issue of delay for challenge to the order on first review petition and directed to file amended writ petition within a week. Thereupon, the respondents may file reply within a period of four weeks.

Bank has also prayed through an application to allow the bank to start its banking operations on provisional basis and whatever terms & conditions imposed by Hon'ble High Court and the Reserve Bank of India. After considering the application Hon'ble Justice Sh. S.P. Sharma ordered as reiterated below:

*"Application has been moved for passing appropriate directions to allow petitioner to operate the bank during the pendency of this writ petition.*

*I have considered the contents of the application and find that prayer made in the application amounts to allowing the main writ petition itself which cannot be done in interregnum stage. The application is dismissed.*

*Let the writ petition itself now be listed for arguments and final disposal at this stage on 24<sup>th</sup> April, 2018."*

Furthermore, Learned Senior Counsel of the Bank has suggested to file a rejoinder against the reply of Reserve Bank of India in connection with application for amending writ petition to challenge order dated 23.12.2003. Subsequently a rejoinder has been filed followed by acceptance of Hon'ble High Court.

Then the case remains unheard for continuous scheduled hearing dates. Thus the matter has been discussed with Learned Counsel of the Bank and it was suggested to file an application for early hearing before the Hon'ble High Court. Consequently the same has been filed and accepted by Hon'ble High Court.

Furthermore many requests have been made to the Reserve Bank of India for consideration and early resolution of long pending matter but Reserve Bank of India bluntly rejected requests on the basis of the past order dated 23<sup>rd</sup> October, 2013, which was based on fabricated and flimsy grounds. It was also informed that the matter is still sub-judice thus RBI has not comments to offer.

In a bid to achieve financial inclusion in deeper sense, the Reserve Bank of India during financial year 2019-20 has issued guidelines for on tap banking licenses for setting up Small Finance Banks in the country. Wherein the existing Local Area Banks are also made eligible for the conversion into small finance bank subject to the fulfillment of terms & conditions as set out in the guidelines. Thereafter in view of the aforesaid guidelines the bank has requested for restoration of banking license and grant of appropriate time to comply with terms & conditions as prescribed by the Reserve Bank of India for the conversion into small finance bank. But all the requests have been rejected on the basis of past orders, which were based on factual errors and no respite was provided.

The Hon'ble High Court Rajasthan at Jaipur Bench has duly accepted our application for early hearing subsequently the case was listed for numerous times before the different benches but remained unheard on most of the scheduled hearing dates. Though the management and





learned counsels were proactively engaged in early resolution of the pending writ petition but it is noteworthy that resolution cannot be achieved without arguments.

Whereas outbreak of corona virus led to closure of all the work places across the country. Further due to closure of Hon'ble High Court no hearing was scheduled during financial year 2020-21 for the SB writ petition 8006/2007 thus the case remained unheard throughout the year. The court was only taking up the matters through virtual hearing that are urgent in the nature and need immediate consideration, though our learned counsels has made efforts for virtual hearing but no hearing was allowed by the Hon'ble High Court.

Whereas during the previous year advocate Nitish Banka (a practicing lawyer in hon'ble supreme court) was engaged by the management to represent the case in association with existing counsels of the bank. Thereafter, an application for early listing was filed before the Hon'ble High Court and efforts were put to get the matter listed at the earliest. The matter was taken up for hearing before the bench of Hon'ble Mr. Justice Sameer Jain and the application for early listing was allowed. Consequently new hearing dates were assigned regularly and hearing were held in virtual mode. But on scheduled hearings learned counsels pleaded since the matter requires intensive arguments which is not possible in virtual mode therefore the court inclined to adjourn the hearing and assign new hearing date. Thereafter the matter was assigned 05.01.2022 as next hearing date and the matter was taken up for hearing before the bench of Hon'ble Mr. Justice Sameer Jain then following order was reiterated on the scheduled hearing date.

*"It is submitted by learned counsel for the petitioner that vide order dated 13.05.2019, early listing application was allowed but after lapse of two years, the matter is not listed.*

*Again an application for early listing bearing no. 01/2021 is filed.*

*For the reasons stated therein, this court is inclined to allow the said application for early listing."*

*List the matter on 01.02.2022.*

After that the matter was listed for hearing in virtual mode on scheduled date but learned counsel for respondents has submitted that matter requires intensive hearing which is not possible in virtual mode. Then following order was reiterated by Hon'ble Court:

*"Learned counsel for the respondent Mr. Sanjay Srivastava representing RBI submits that the senior counsel Mr. R.N. Mathur is engaged in the matter. The matter requires intensive hearing which is not possible on virtual mode.*

*In light of the above request, list the matter on 03.03.2022."*

On consideration of above order our learned counsel has put efforts to schedule hearing earlier than the abovementioned date. Therefore the matter was again listed for hearing on 05.02.2022 but due to unavoidable circumstances our learned counsel submitted that the matter require intensive hearing which is possible only in physical mode. Thereafter hon'ble court reiterated following order:





*"Learned counsel for the petitioner Mr. Anubhav Agarwal appearing on behalf of Ms. Anita Agarwal submits that the matter will require intensive hearing which is possible only in physical mode.*

*Learned counsel for the respondents Mr. R.N. Mathur, Sr. Advocate has no objection the same.*

*List on 05.03.2022."*

Thereafter, during the year under review the matter was assigned only one hearing date on 19.04.2022 and on scheduled hearing date the matter was not listed in cause list prepared by the court registry therefore, the matter remained unheard.

However, in previous year discussions and in person meetings were held with various learned counsels for early resolution of the matter. A power of attorney was given to advocate vijay dutt sharma to study the case and it was duly filed in the court registry on 03.09.2022. However due to some pre occupations and personal reasons the said counsel declined to undertake the further proceeding in the matter.

During the year under review, Adv. Nitish Banka because of his pre-occupations declined to participate in further proceedings of the SB WP 8006/2007 in association of existing learned counsels of the bank. Then, the management after having discussion with learned counsels and exploring options available for earliest resolution of long pending matter, unanimously decided to move an application for early listing along with plea for seeking permission to undertake the banking business on provisional basis citing the reason since Reserve Bank of India is regularly issuing new banking licenses to other private entities but the doors of vinayak bank has been arbitrarily kept closed even after having equipped with requisite infrastructure and keeping the capital intact. The application was filed on 26.09.2023 before the Hon'ble High Court of judicature for Rajasthan Bench at Jaipur Bench. The matter was listed on 13.10.2023 for hearing before the bench of Hon'ble Mr. Justice Ganesh Ram Meena but due to lack of time and listing at the bottom of cause list the matter remained unheard. Then, the court registry assigned next hearing date on 01.11.2023.

On Scheduled hearing date the matter was listed before the bench of Hon'ble Mr. Justice Sameer Jain and taken up on board. Hon'ble justice has allowed the application for early hearing. Then following order was reiterated by Hon'ble Court:

*"Application (IA NO. 1/2023) has been filed for early hearing of the matter."*

*"For the reasons stated in the application, the same is allowed."*

*List on 30/11/2023.*

On scheduled hearing date the case was again listed at the bottom in cause list prepared for the bench of Hon'ble Mr. Justice Avneesh Jhingan resultantly the matter was not taken up on board and remained unheard. Then, after winter vacations of the court the matter was assigned few





hearing dates but not listed in cause lists prepared for the scheduled hearing dates therefore the matter remained unheard for the remaining part of financial year 2023-24.

However, during the year employees and management remained committed to list the matter for final arguments on merits and timely approached to the counsels. Meanwhile, after having due discussion with the Management followed by approval, an MoU was also executed between the bank and Mr. Vijay for managing the long pending matter for the purpose of conclusion of final arguments at the earliest and restoration of banking license of the bank. Then, during the period to the report the matter was listed for hearing on 17.05.2024 but was not taken up on board and remained unheard. Thereafter the summer vacations of the court started and court registry has assigned 26.09.2024 as new hearing date to the matter. Further no major order was passed by Hon'ble High Court during the year under review.

In view of the above it can be opined and concluded that the management, employees and counsels associated with the bank have been continuously putting efforts for conclusion of final arguments at the earliest but due to court proceedings or unavoidable circumstance the matter could not be argued at length. Even various requests/letters citing the issue of long pendency along with confirmation regarding ready to use infrastructure for banking activities and willingness to undertake banking operations in line with newly issued guidelines have been made to the Prime Minister Office, Ministry of Finance, Ministry of Law & Justice & Reserve Bank of India etc. and it was requested to allow the bank to undertake banking business. Such requests were duly forwarded to the Reserve Bank of India for early resolutions but as usual arbitrary intent shown by RBI and requests were not entertained and it was conveyed to be guided by the past orders. The management in want of natural justice actively taking involvement in the matter and shall always strive hard to put best efforts to resolve the matter and restore banking license of the bank at the earliest in the best interest of stakeholders and public at large.

The Board of Directors gives assurance for putting concrete efforts for the revival of Bank and restoration of banking license in the forthcoming years.

#### **FUTURE OUTLOOK**

The Indian banking system is well regulated by the country's dynamic central bank and follows global gold standards in terms of corporate governance and risk management practices. The industry has recently witnessed the roll out of innovative banking models such as payment and small finance banks to aid the restructuring of the domestic banking industry and financial inclusion to a greater depth.

As we enter the New Year with a lot of optimism, dedication and commitment. Banking industry is witnessing broader opportunities due to steps taken by Government of India. The Management is making concerted efforts to restart Banking activities to serve the society whilst providing banking services and contribute to achieve the goal of digitalization and less cash economy.

In the past due to demonetization and to become a cashless economy need of Banking Sector is tremendously increased. In our country still most of the rural area and undeserved masses are





still out of reach to avail banking services. Whereas digitalization and less cash economy will lead this sector to reach every citizen of the country and make them able to deal in digital mode. The extended use of artificial intelligence and machine learning has made banking sector able to spread its banking channels to the farthest region. The increased use of UPI and wider acceptance of financial markets have opened new avenues of service in banking sector.

The issue of rural retail banking is extremely topical. Over the past few decades, while urban retail banking has seen a lot of growth, rural areas have continued to suffer from insufficient access to financial services. This is mainly due to the requirement of asset deeds, identity and income proofs among other documents by banks and FIs and absence of enough branches in these areas. The high cost of conventional banking is an additional impediment to the realization of financial inclusion.

Financial Inclusion is seen as one of the means for overall economic development of the nation. The growth of the rural banking industry fosters financial inclusion by providing financial products and services to the people in the farthest reaches of the country. Our Motherland still lacks access to basic financial services. However the policies of the government such as Pradhan Mantri Jan Dhan Yojna, Atmanirabhar Bharat and others, have led to a commendable growth in the industry. The initiative of digital banking units (DBU) has touched the farfetched region of the country for providing banking facilities. The vision behind this initiative to deepen the effort for financial inclusion and make undeserved masses part of digital banking.

Small Finance Banks, an innovative private sector entrant in the Indian banking system with emphasis on financial inclusion, are a category created by the RBI in 2016 under the guidance of Government of India. The mandate for SFBs is to use technology-driven low-cost operations to provide banking products to the undeserved masses. This encompasses small and medium business units, medium industries, other unorganized sector entities, and various income groups. The priority is to fulfill the financial needs at affordable prices of one and all, in every nook and corner of the country, leaving no socio-economic group unbanked and unserved for financial needs. The SFB space has huge untapped business potential which can turn out to be a catalyst of financial inclusion and lead the socio-economic growth trajectory of India to newer height. The Reserve Bank of India also issued guidelines for "on tap" banking license for small finance bank in private sector vide its circular in December, 2019.

Whereas recent Banking Scams lead to focus on neat and clean availability of banking services and good corporate governance at the center of a banking company. Vinayak Bank is always committed to provide transparent and impartial banking services to outreach every corner of its area of operations along with highest standards of corporate governance.

Vinayak Bank is striving continuously to get its banking license restored at the earliest and looking forward to serve the people with hi-tech, innovative and reliable banking services and to contribute towards the Govt. of India vision of less cash and digital economy along with to endure entrepreneurship.

#### **EXTRACT OF ANNUAL RETURN**

The Annual Return pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of







the Companies (Management & Administration) Rules, 2014, is available on the Company's website on <https://www.vlabl.com>.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Pursuant to Section 186(11) of the Companies Act, 2013, the provisions of Section 186 of the Companies Act, 2013, except sub-section (1), do not apply to a loan made, guarantee given or security provided by a banking company in the ordinary course of business. Albeit the company has advanced amount of Rs. 1,30,000,00/- (Rs. One Crore Thirty Lakhs Only) as unsecured loan to a few borrowers in financial year 2019-2020, out of which loan of Rs. Ninety Five lakhs together with interest were received back till the financial year 2023-24. Whereas due to financial constraints and adverse business condition an unsecured loan/advance remained unpaid. In respect to the said loans principle amount including interest amounting to Rs. 52,69,263/- (Rs. Fifty Two Lakhs Sixty Nine Thousand Two Hundred Sixty Three Only) is outstanding at the end of reporting financial year.

There are no particulars of investments made by the Bank to be disclosed in Schedule 8 of the financial statements as per the applicable provisions of the Banking Regulation Act, 1949.

### **RELATED PARTY TRANSACTIONS**

During the year, the bank has not entered into any materially significant transactions with its Promoters, Directors, Management, Subsidiaries or Relative of the Directors/Management, which could lead to potential conflict of interest between the Bank and these parties, other than transactions entered into in the ordinary course of its business. Thus, there were no transactions with related parties, which were not in normal course of the business of the Bank, nor any transactions with related parties or others, which were not on an arm's length basis. However, Relevant Form AOC-2 for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given in **Annexure** to this Report.

### **CHANGE IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There were no other changes in composition of Board of Directors and KMP of the Company during the period under review.

### **MANAGEMENT, BOARD OF DIRECTORS & ITS MEETING**

The schedule in respect of the meetings of the Board/Committee, if any, thereof to be held during the financial year and for the ensuing Annual General meeting is circulated in advance to the members of the Board. During the year under review, Four meetings of the Board of Directors were held on June 03, 2023, September 02, 2023, November 29, 2023, and February 09, 2024. The intervening gap between two consecutive meetings was within the period as prescribed under the relevant provisions of the Companies Act, 2013 read with relevant rules made thereunder (including any modifications and relaxations made thereof for the time being in force) along with Secretarial Standards on Board Meetings as amended from time to time. The requisite quorum was present for all the meetings of the Board held during the Financial Year 2023-24.





At March 31, 2024 the Board of Directors consisted of Five Directors There were no inter-se relationships between any of Directors. The name of Directors, their attendance at Board meetings during the year, attendance at the last Annual General Meeting (AGM) and the no. of other directorships and board committee memberships held by them at march, 31 2024 are set out in the following table:

Name of Director	Board Meeting attended during the year	Attendance at Last AGM (September 27, 2023)
Ram Jiwan Gupta (DIN:00824679)	4/4	Present
Gajanand Gupta (DIN:01819397)	4/4	Present
Dheer Singh(DIN:08516102)	4/4	Present
Pawan Kumar Agarwal (DIN:09017439)	4/4	Present
Ms. Shikha (DIN:07013436)	4/4	Present

#### BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of the Board and individual director pursuant to the provisions of the act. However, performance of all directors evaluated, taking into account the views of all the directors such as board composition and structure, effectiveness of board processes, information and functioning etc.

#### RETIREMENT BY ROTATION

In terms of Section 152 of the Companies Act, 2013, Sh. Pawan Kumar Agarwal (DIN: 09017439), would retire by rotation at the forthcoming AGM and is eligible for re-appointment. He has offered himself for re-appointment.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3)(c) read with Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby state that:

- In the preparation of annual accounts for the year ended March 31, 2024 the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- The Directors had 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 as at March 31, 2024 and of profit and loss of the bank for the year ended on that date;





- c) The Directors had taken proper and sufficient care in 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 had prepared the annual accounts on a going concern basis;
- e) The Company being unlisted, sub clause (e) of section 134 (3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the company. However, the directors have laid down internal financial controls to be followed and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and were operating effectively.

#### STATUTORY AUDITORS

The Statutory Auditors of the bank M/s Ajay Bohra and Associates, Chartered Accountants, Jaipur (Firm Registration No. 005916C), were appointed for a term of three years as the Statutory Auditors of the Bank to hold office until the conclusion of 25th Annual General Meeting at a remuneration mutually agreed upon by the board of directors and statutory auditors. Their office of period will expire on conclusion of 25th Annual General Meeting. The statutory auditors has submitted their consent and non-disqualification certificate to act as statutory auditor for the financial year 2024-25.

The report given by the Auditors forms part of the Annual Report. The observations of the Statutory Auditors in the Auditors' Report together with the relevant notes to Accounts are self-explanatory and therefore do not call for any further comments. Further, pursuant to Section 143(12) of the Companies Act, 2013, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Bank by its officers or employees.

#### INTERNAL CONTROL AND ITS ADEQUACY

The Bank has adequate internal controls and processes in place with respect to its financial statements which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. These controls and processes are driven through various policies, procedures and certifications. The processes and controls are reviewed periodically. The Bank has a mechanism of testing the controls at regular intervals for their design and operating effectiveness to ascertain the reliability and authenticity of financial information.





## RISK MANAGEMENT POLICY

The Bank has developed and implemented a Risk Management Policy covering the possible risks that may be incurred by the Company.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134(3)(m) of the Act and Rule 8(3) of the Companies (Accounts) Rules, 2014, relevant information and details for the financial year 2023-24 are given hereunder:

**(i) CONSERVATION OF ENERGY:**

The Company's activities involve low energy consumption. However, efforts are continuously made to conserve and minimize energy usage and improve energy efficiency at the Company's workplaces and properties.

**(ii) TECHNOLOGY ABSORPTION:**

The Company being a non-operational banking Company, there is no material information on technology absorption to be furnished. The Company continues to adopt and use the latest technologies to improve the efficiency and effectiveness of its business operations.

**(iii) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The provisions relating to Section 134(3)(m) of the Companies Act, 2013 on particulars relating to Foreign Exchange Earning and Outgo are not applicable to a Banking Company. However, there was no Foreign Exchange earnings and outgo during the Financial Year 2023-24.

## STATUTORY DISCLOSURES

None of the Employees of the Company was in receipt of remuneration, which was more than the limits as prescribed under Section 197 of the Companies Act, 2013 read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the





financial year ending on 31<sup>st</sup> March, 2024 and hence no particulars are required to be disclosed in this Report.

However, a nominal amount as sitting fees together with reimbursement of travelling expenses paid to the directors for attending the board/committee meeting. Further Sh. R.J. Gupta and Sh. Pawan Kumar Agarwal directors of the company, received professional fees and reimbursement of travelling expenses on monthly basis for providing their services under their respective professional competence.

### **CORPORATE SOCIAL RESPONSIBILITY**

As Bank is not allowed to undertake banking operations therefore, it is not covered under the criteria stipulated by companies act, 2013 to impart CSR activities. Nothing major amount has been spent under this head. Although our Promoters and Directors actively take part to provide help and assistance for betterment of the society.

### **DISCLOSURE UNDER THE SEXUAL HARRASEMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

There were no female employees employed in the Company. Further, the requirement to constitute Internal Complaints Committee is not applicable to the Company during the year under review.

### **INDUSTRIAL RELATIONS**

During the year under review, your Company enjoyed cordial relationship with workers, other banks and employees at all level.

### **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 that such systems are adequate and operating effectively.

### **SUBSIDIARY/JOINT VENTURES**

The Bank has not entered into any Joint Venture and does not have any Subsidiary.

### **GREEN INITIATIVES**





The Ministry of Corporate Affairs ("MCA") has provided with a welcoming facility of service of notice/documents by a company to its shareholders can now be made through electronic mode. After this great initiative taken by the MCA the companies are no longer required to give Notice including annual report in physical to the stakeholders. They can provide in electronic mode at the Registered E-mail Id of the stakeholders.

In view of the said concern we request all the stakeholders to get their E-mail registered with the bank so to get the annual reports at the E-mail instead through paper mode. Also, registering your e-mail address with us will ensure that we can directly connect with you and no important communication from our side is missed by you as a shareholder of the bank.

### ACKNOWLEDGEMENTS

Your directors place on the record their appreciation of the Contribution made by employees, consultants at all levels, who with their competence, diligence, solidarity, co-operation and support have enabled the Company to achieve the desired results.

The board of Directors gratefully acknowledge the assistance and co-operation received from the Central and State Governments Departments, Judicial & Non-Judicial authorities Shareholders and Stakeholders.

For and on behalf of the Board of Directors  
Of Vinayak Local Area Bank Limited

  
R.J. Gupta  
Chairman  
DIN: 00824679

Place : Sikar, Rajasthan.  
Date : May 30, 2024.





**Annexure to the Directors' Report**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies(Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis: NIL**

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts / arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Justification for entering into such contracts or arrangements or transactions: N.A.
- (f) Date(s) of approval by the Board: N.A.
- (g) Amount paid as advances, if any: N.A.
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: N.A.

**2. Details of material contracts or arrangement or transactions at arm's length basis: NIL**

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: N.A.
- (c) Duration of the contracts / arrangements/transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Date(s) of approval by the Board, if any: N.A.
- (f) Amount paid as advances, if any: N.A.

**For and on behalf of the Board of Directors  
Of Vinayak Local Area Bank Limited**

  
**R.J. Gupta**  
**Chairman**  
**DIN:00824679**

**Place : Sikar, Rajasthan.**  
**Date : May 30, 2024**

