



THE ZOROASTRIAN CO-OP. BANK LTD.

**Registration No: MSCS /CR/881/2013 dated 11th November, 2013, under the
Multi State Co-operative Societies Act, 2002.
Reserve Bank of India Licence No. UBD.MH.1065p dated 16th February, 1994**

Board of Directors

Mr. Homai A. Daruwalla – Chairperson
(with effect from 6th April, 2016)

Mr. Yazdi B. Tantra – Vice Chairman

Mrs. Shernaz D. Mehta – Chairperson
(ceases to be chairperson with effect from 5th April, 2016)

Mr. Homa D. Petit

Mr. Percy B. Chhapgar
(ceases to be director with effect from 5th April, 2016)

Mr. Tehmtan M. Davar
(ceases to be director with effect from 5th April, 2016)

Dr. Firdos T. Shroff

Ms. Viloo N. Cama
(ceases to be director with effect from 5th April, 2016)

Mrs. Dhanoo H. Khusrokhan

Mr. Jimmy N. Panthaky

Mr. Nandkumar K. Satpute
(ceases to be director with effect from 5th April, 2016)

Mr. Saroosh C. Dinshaw

Mr. Phillie D. Karkaria

Mr. Mehrab N. Irani

Mr Farhad S. Choksey
(with effect from 6th April, 2016)

Mr Manek J. Kalyaniwalla
(with effect from 6th April, 2016)

Mr Aspi A. Kathawalla
(with effect from 6th April, 2016)

Mr. Tukaram S. Pawar – Employee Director
(ceases to be director with effect from 5th April, 2016)

Mr. Rajesh R. Kamble – Employee Director
(ceases to be director with effect from 5th April, 2016)

MANAGING DIRECTOR & CEO

Mr. Uday A. Shetye

STATUTORY AUDITORS

M. P. Chitale & Company
Chartered Accountants



THE ZOROASTRIAN CO-OP. BANK LTD.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighty Ninth Annual General Meeting of the members of the Bank will be held on 23rd September, 2016, at 4.00 p.m at The Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, Town Hall Compound, Opp. Horniman Circle, Fort, Mumbai – 400 001 to transact the following business: -

- (1) To read and confirm the Minutes of the Annual General Meeting held on July 30, 2015.
- (2) To adopt the Annual Report placed by the Board of Directors for the Financial Year ended March 31, 2016, Balance Sheet and Profit and Loss Account and take note of Statutory Auditor's report.
- (3) To declare dividend and allocation of profit for the financial year 2015-16.
- (4) To appoint Statutory Auditors for the Financial Year 2016-17 and to authorize Board of Directors to fix their remuneration. The Board of Directors recommends M/s. M. P. Chitale & Co for reappointment as Statutory Auditors.
- (5) To take note of and approve the remission of Non -Performing Assets as certified by the Auditors under Section 67 of The Multi-State Co-operative Societies Act, 2002.
- (6) To approve amendment to Bye-Laws as proposed.
- (7) To grant leave of absence to members who have not attended this Annual General Meeting.
- (8) Any other business with the permission of the Chair.

By Order of the Board of Directors

**U. A. Shetye
Managing Director & CEO**

Mumbai, May 25, 2016

In the event, a quorum is not formed within half an hour of the appointed time for the meeting, the meeting shall stand adjourned. Thereafter, the adjourned meeting shall be re-convened and conducted on the same day and at the same place as specified in this Notice to transact the business on the agenda, irrespective of the required quorum in terms of Bye-law No.



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NOTES

1. Members desiring any information relating to the accounts are requested to do so in writing to the Bank on or before 9th September, 2016, to enable the Management to make available the required information at the Annual General Meeting.
2. Dividend for the year ended March 31, 2016, if declared at the Annual General Meeting, will be paid from 29th September, 2016 to those Shareholders whose names appear on the Register of Members as on March 31, 2016.
3. It is recommended that Shareholders avail of the facility of crediting dividend amount due to them to their respective Current/Savings accounts with the Bank's Branches, and for the purpose, they are requested to send their mandate in writing to the Bank.
4. Members are requested to bring a copy of the Annual Report and the attendance slip sent herewith at the Annual General Meeting.
5. Attention of the Members is invited to Bye-law No. , in terms of which, any dividend remaining undrawn for three years after having been declared, shall be forfeited and transferred to the Reserve Fund of the Bank. The Shareholders who have not collected dividend for the previous three years are requested to do so on or before September 30, 2016 failing which, the dividend for the year ended March 31, 2013 will be forfeited and credited to the Reserve Fund Account.
6. Shareholders, Depositors and Safe Deposit Locker holders are requested to avail of the nomination facility provided by the Bank. Prescribed nomination forms are available at all our Branches.
7. Deposits upto Rs. 1.00 lakh in the case of each individual depositor is insured by the Bank with the Deposit Insurance Credit Guarantee Corporation and the Bank has effected up-to-date payment of the corresponding Insurance premium.



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DIRECTORS REPORT FOR F.Y. 2015-16

1. Your Directors are pleased to present to you the Eighty Ninth Annual Report of the Bank together with Management Discussions and Analysis, Audited Financial Accounts and Corporate Governance report for the financial year ended 31st March, 2016.

2. Financial Highlights :

	F.Y. 2015-16	Rs in lakhs F.Y. 2014-15
Total Business Mix	147238.03	136535.78
Deposits	88713.82	84034.29
Advances	58524.21	52501.49
Investments	28005.90	26664.06
Paid up Capital	1440.11	1483.20
Reserves & surplus	12379.30	11502.15
Total Income	10092.51	9572.63
Total Expenditure	8302.25	7662.76
Gross NPA's	865.18	257.52
% of NPA's to Loans & Advances	1.48	0.49
Non Performing Non SLR Inv.	200.00	200.00
Net NPA's	Nil	Nil
CRAR	17.12%	15.87%
No: of Branches	18	18

3. Profitability:

	F.Y. 2015-16	(Rs.in Lakhs) F.Y. 2014-15
Interest on Advances	6504.92	6156.19
Interest on Investment	3101.93	3031.73
Total Interest Income	9606.85	9187.92
Interest paid on deposits	5864.04	5539.67
Net interest income	3742.82	3648.26
Other Income	485.66	384.71
Operating Expenses	2438.21	2123.09
Operating Profits	1790.26	1909.86
Provisions & Contingencies	1,57.86	1,51.50
Profit before Tax	1632.40	1758.36
Tax	556.67	595.02
Profit after Tax	1075.73	1163.34



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4. Appropriations :

		FY 2015-16	(Rs in lacs) FY 2014-15
1.	To Statutory Reserves	268.94	292.50
2.	To Reserve for Contingencies	107.58	116.50
3.	To Education Fund	10.76	11.63
4.	To Proposed Dividend	204.81	204.99
5.	To Ex gratia payments	155.69	129.35
6.	To General Reserve	235.00	100.36
7.	To Building Fund	50.00	100.96
8.	To Bad And Doubtful Debts	50.00	175.45
9.	To Investment Depreciation Reserve	-	50.00
10.	To Staff Benefit Fund	-	5.04
11.	To Emerald Jubilee Celebration	-	25.00

5. Dividend :

Your Directors are pleased to recommend maximum permissible dividend @15% (i.e @ Rs 3.75 per share of Rs 25 each) involving a total outlay of Rs 2,04,81,490.97 for the year under review.

6. Key Performance Parameters and Ratios

		FY 2015-16	(Rs in lacs) FY 2014-15
1.	Capital to Risk Weighted Assets	17.12%	15.87%
2.	Cost of Deposits	7.05%	7.06%
3.	Yield On Advances	12.45%	12.76%
4.	Yield on Investments	7.11%	7.42%
5.	Net Interest Margin	2.97%	3.25%
6.	Return on Average Assets	1.21%	1.38%
7.	Staff Cost to Total Income	13.59%	12.08%
8.	Staff Cost to Total Expenditure	16.53%	15.09%

7. Auditors

- 7.1 Your Board is thankful to M/s. M P Chitale & Co – Chartered Accountants appointed as Statutory Auditors and to Mr. Homiyar Madan of H.F.K. Madan & Co. for their support and suggestions made during the course of audit of the Bank.



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8. Elections to the Board of Directors of your Bank:

- 8.1 With effect from 6th April, 2016, your Board now comprises of a healthy mix of new as well as existing eminent professional directors. Your Board welcomes Ms Homai A Daruwalla as the newly elected Chairperson of the Bank and is appreciative that with her vast banking experience and knowledge, shall take your Bank to great heights in the times to come. At the same time your Board places on record its appreciation of contribution of Mrs Shernaz D Mehta to the progress of the Bank during her tenure as the Chairperson of the Bank.

9. Acknowledgements:

- 9.1 Your Board records its appreciation for the unstinted co-operation extended by the Officers of the Reserve Bank of India, especially the Urban Banks Department, The Central Registrar of Co-operative Societies, New Delhi, The Commissioners for Co-operation and Registrar of Co-operative Societies for the State of Maharashtra and Gujarat and National Federation of Urban Co-operative Banks for their contribution from time to time.
- 9.2 Your Board appreciates the deep involvement of its shareholders and clientele and for their on going support and loyalty and their active participation and contribution.
- 9.3 Your Board is thankful to the Management and Staff at all levels for their dedication and devotion to duty with sincerity.

For and on behalf of the Board of Directors
HOMAI A. DARUWALLA
CHAIRPERSON



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MANAGEMENT DISCUSSIONS AND ANALYSIS

Economic Outlook FY 2015-16

During the last Financial Year, global economic activity remained quiescent. Perceptions of downside risks to recovery in some advanced economies (AEs) at the beginning of the Financial Year eased, while major emerging market economies (EMEs) continued to contend with weak growth and still elevated inflation amidst tighter financial conditions.

On the domestic front, gross value added (GVA) in agriculture and allied activities moderated in H2 of 2015-16, pulled down by the contraction in Q3 due to the year-on-year decline in kharif production. By contrast, industrial production remained flat with manufacturing output shrinking since November. Robust expansion in coal output buoyed both mining activity and electricity generation and stemmed the weakening of industrial output. However, capital goods production fell into deep contraction since November, even after excluding lumpy and volatile items like rubber insulated cable. Weak demand and competition from imports muted the capex cycle. With improved perceptions on overall economic conditions and income, the Reserve Bank's Consumer Confidence Survey of March 2016 shows marginal improvement in consumer sentiments. The March manufacturing purchasing managers' index (PMI) continued in expansionary mode on the back of new orders, including exports. The Reserve Bank's industrial outlook survey suggests that business expectations for Q1 of 2016-17 continue to be positive. Services sector activity expanded steadily through the year, with trade, hotels, transport, communication and public administration, defence and related services turning out to be the main drivers.

Retail inflation measured by the consumer price index (CPI) dropped sharply in February after rising for six consecutive months. This favourable development was due to a larger than anticipated decline in vegetable prices, helped by prices of pulses starting to come off the surge that began in August, and effective supply management that helped limit cereal price increases. Accordingly, food inflation eased for the first time in the second half of 2015-16. Notably, this occurred on a decline in prices rather than favourable base effects, which were at work in the first half of the year. Inflation in the fuel group moderated across electricity, kerosene, cooking gas and firewood, the latter easing pressures on rural inflation. Three months ahead household inflation expectations declined to a single digit for the second consecutive round of the survey in response to these dynamics. CPI inflation excluding food and fuel edged up in February, mainly under housing, education, personal care and transport and communication, suggesting capacity constraints in the services sector. Excluding petrol and diesel from this category, inflation stayed elevated and persistent at or above 5 per cent, indicating a possible resistance level for further downward movements in the headline.

Liquidity conditions, which had tightened since mid-December, were stretched further by the larger-than-usual accumulation of cash balances by the Government, unusually heightened and persistent demand for currency, a pick-up in bank credit and flatter deposit mobilisation relative to past years. The Reserve Bank undertook liquidity operations to quell these pressures and supplemented normal operations with large amounts of liquidity injected through fine-tuning variable rate repo auctions in tenors ranging between overnight and 56 days. The average daily liquidity injection (including variable rate overnight and term repos) increased from Rs 1,345 billion in January to Rs 1,935 billion in March. Besides, durable liquidity was also provided through open market operations (OMOs) of the order of Rs 514 billion and Rs 375 billion through buy-back operations in February and March. The Reserve Bank also started conducting reverse repo and MSF operations on holidays in Mumbai to enable the frictionless functioning of the payment and settlement system.

(extracts from RBI monetary Policy)



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While exports declined in February in US dollar terms for the fifteenth successive month, the rate of contraction narrowed to a single digit for the first time in this period and volume growth turned positive. In turn, this lowered the current account deficit (CAD) in Q4 below 1.3 per cent of GDP recorded in Q3, despite a moderation in net receipts from services exports and remittances. Net inflows in the form of foreign direct investment (FDI) were robust in Q4 (up to January), more than sufficient to fund the external financing requirement. Foreign portfolio investors (FPIs), who were net sellers in the domestic capital market up to February, became net buyers in March in both equity and debt segments.

(extracts from RBI monetary Policy)

The overall economic scenario during the year proved to be favourable with RBI injecting liquidity in the system from time to time. Looking at the above market scenario, arising from volatility in capital inflows and liquidity, your Bank has made optimum utilisation of the market scenario by way of investments and credit off take in good quality assets and continued to adhere to its remarkable standard of zero percent Net NPA levels.

Business Overview:

I) **Business Mix:**

As on 31st March 2016, the total business of the Bank was Rs 147238.04 lakhs, registering a growth of 8 % from the previous years figure of Rs 136535.78 lakhs. The Bank has posted a decrease in net profit of Rs 1075.73 lakhs for the current year as against Rs 1163.34 lakhs in previous year mainly on account of higher wage bill.

II) **Deposits:**

Your Bank's total deposits reached Rs 88713.82 lakhs from Rs 84034.29 lakhs in the previous year recording a growth of Rs 4679.53 lakhs. Your Bank continued its target of focusing on garnering low-cost CASA deposits during the year with the dual objective of reducing overall cost of funds and to rely on retail segment thereby improving the overall profitability of the Bank. The CASA deposits as at 31st March 2016 stand at Rs.26307.93 lakhs and recorded 30% of the total deposits of your Bank.

III) **Advances and Asset Quality :**

At the back of the economic scenario witnessing a deceleration of industrial output and growth, the Banking Industry at large evidenced a decline in the demand for credit. As of 31st March 2016, the gross credit of the Bank stood at 58524.21 lakhs as against 52501.49 lakhs in the previous year,

registering year on year growth of 11.47 % per cent. Your bank has always focussed on maintaining good quality assets at all times and balanced its credit portfolio by diversifying advances across all productive sectors thereby optimising yield on advances and without sacrificing its Net Interest Margin.

However, during the year the gross NPAs of the Bank stood at Rs 865.17 lakhs, while the Net NPAs were zero.



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IV) Priority Sector Lending:

Keeping with the trend of the past, your Bank has continued its efforts of augmenting growth under Priority sector lending. The Priority Sector Lending as at 31st March 2016 stood at Rs 27118.15 lakhs and reflected at 45.71% of Adjusted Bank Credit which is over the stipulated RBI norm of 40%.

V) Treasury Operations:

Your Banks Treasury operations consist of SLR bonds, Non-SLR bonds, Fixed Deposits with Banks and Call Money Placements. The investment portfolio of your Bank is pegged at Rs 42936.74 lakhs as on 31st March 2016 recording an investment income of Rs 3101.93 lakhs. The debt market yields softened on account of consistent monetary intervention by RBI during the year by reduction of Repo and Rev Repo rates, to boost market sentiments and ease liquidity pressures, on the backdrop of easing inflation.

Your Bank takes investments decisions looking at the market scenario and with a view to optimize the overall earnings on the investment portfolio. Your Bank has in place an Investment Policy which is reviewed in accordance with the guidelines issued by RBI and The Treasury department of your Bank functions within the framework of RBI policy guidelines and the Treasury and Risk policy framework of your Bank..

VI) Profit and Profitability:

Notwithstanding the slow down in the business growth, your Bank has registered an operating profit of Rs. 1790.26 lakhs as against the operating profit of Rs. 1909.86 lakhs in the previous year. However, the Net Interest Income of your Bank increased on account of increased income from loans and advances and investments. The Operating Profit of your Bank contracted primarily due to the extraordinary increase in the wage bill on account of settlement agreement with the Union.

VII) Net Worth and Capital Adequacy :

The Net Worth of your Bank improved to Rs.13823.58 lakhs in the current year as against Rs.12985.35 lakhs in the previous year which works out to an increase of Rs.838.23 lakhs and 6.46% increase over the previous year.

The Capital Adequacy ratio of your Bank was reflected at a level of 17.12% compared to 15.87% in the previous year as against RBI's stipulation of 9%.

Tier I and Tier II Capital for the last two years are reflected as under:

Particulars	2015-16	2014-15
Tier I Capital	14.79%	13.47%
Tier II Capital	2.33%	2.39%



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VIII) Risk Management :

Risk Management systems are well established in your Bank. Your Bank has given due importance to managing and mitigating risk inclusive of Operational, Credit and Market risks in achieving long term financial stability and success. Your Bank's risks philosophy involves developing and maintaining a healthy Balance Sheet. Your Bank lays key focus on timely identification, measurement, monitoring and management of risks for the Bank. The Board of Directors of your Bank regularly oversees the Bank's Risk Management policies / practices under Credit, Market and Operational risks.

Your Bank has an Asset Liability Committee (ALCO)) to review on a regular basis the assets and liabilities profile, liquidity management and interest rate sensitivity and due importance is given to Asset Liability Management reports and remedial action is initiated from time to time. Your Bank has in place a well defined credit policy with explicit rules and instructions relating to grant of credit which aims at following sound lending practices.

The Credit Committee of the Board of Directors regularly monitors the Non-Performing and Slow Moving accounts at periodic intervals where the progress account-wise in recovery and legal issues are reported. Your Bank also has a separate monitoring cell to closely monitor the operations in the borrower's accounts and identify delinquencies in the account with suitable remedial measures.

Under Operational Risks, in line with RBI guidelines, your Bank periodically monitors the risk categorisation for its clientele, ensures that correct risk categories are applied and submits periodical statements to the Board. Also, amounts pertaining to higher values are thoroughly monitored and reported to Financial Intelligence Unit(FIU) by way of Cash Transaction Reports (CTR) and Suspicious Transaction Reports (STR). All accounts are opened with thorough verification of KYC documents and your Bank adheres to all KYC / AML guidelines issued by Reserve Bank of India from time to time.

IX) Foreign Exchange AD –II License :

Your Bank undertakes foreign exchange transactions as a money changer i.e. Sale and Purchase of Foreign Exchange, Remittances, etc. Your Bank has initiated tie-ups with renowned Private Sector and Nationalised Banks to simplify and expedite the remittances thereby helping existing clients and also enabling your Bank to widen its client base. The total business under foreign exchange was around Rs.20 crores. Your Bank, in addition to the above facilities also has tie-up arrangements with Private and Nationalised Banks for issuance of Bank Guarantees and establishing Letters of Credit on behalf of your Bank's clientele.

X) Audit Mechanism and Compliances :

Your Bank has a sound system in place for internal/concurrent audit. It provides the management with accurate information on the effectiveness of risk management and internal controls including regulatory compliance by the Bank. Your Bank has a dedicated Audit department with a team of qualified and experienced individuals.

The Audit & Risk Management Committee of the Board oversees and provides direction to the internal audit/inspection machinery and to the executives of the Bank. The Audit Committee of the Board also reviews the implementation of the guidelines issued by RBI and submits information to the Board at periodic intervals. Further, as per the requirements of RBI, the Investment portfolio of your



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Bank is audited by the internal auditor of your Bank and a quarterly certificate of verification is forwarded to RBI.

Your Bank also ensures timely submission of various returns to the concerned authorities. Your Bank also conducts Systems Audit by a certified CISA auditor at regular intervals.

During the year, RBI carried out its customary on-site inspection of the Bank with respect to the financial position as on March 31, 2015. The report has expressed satisfactory comments on liquidity, capital adequacy, asset quality, management, efficiency, systems and controls.

XI) Human Resource Management :

Your Bank realises the importance of Human Resources as the Bank's most valued assets.. Your Bank constantly pursues effectively to ensure its key personnel are provided adequate encouragement and motivation in developing a second line of Management and succession planning. In line with its Vision, your Bank repeatedly organises a calendar of training programmes for employees at all levels covering training programmes on specialised banking fields. Your Bank also organises training programmes both inhouse and by outsourcing enveloping all facets of banking operations regularly inclusive of workshops for development of soft skills.

XII) Information Technology :

Realising the importance of technology in today's era, changing customer expectations and competition from peers, your Bank has a well-adopted I.T. Policy. A long term I.T. strategy with Next Gen technology products such as Internet Banking with transaction facility, Mobile Banking, etc. shall be offered to our customers shortly. Your Bank is also in the process of availing a robust I.T. tool to reap the benefits of timely and accurate management information data.

XIII) Customer Grievances:-

Your Bank has an officer designated as "Nodal Officer for Customer Service and Grievance Redressal" providing a better avenue for redressal of grievances to Customers. The name of the designate Nodal Officer for Customer Grievances has been displayed on the Bank's website as well as displayed on the notice boards of your Bank's respective branches for quick redressal of grievances of the customers in terms of the recommendations of Damodaran Committee on Customer Service w.e.f. 21/08/2012. The average grievance redressal period is 14 days within which grievances if any, are complied with to the complete satisfaction of the customers. The total number of customer complaints for the period under review are 4.

XIV) **Alternative Delivery Channels:-**

In order to boost non-interest income, your Bank is in an agreement with Bajaj Allianz General Insurance Co. Ltd. and with Max Life Insurance Co. Ltd. for marketing general insurance and life insurance products for your Bank's clientele.



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XV) **Branch Expansion:-**

Your Bank has applied to Reserve Bank of India to accord approval for opening of branches in Delhi, Ahmedabad, Navi Mumbai, Virar and Ghatkopar. RBI approval in the said matter is awaited.

XVI) **Pradhan Mantri Yojana Scheme:-**

In line with the objective of "Pradhan Mantri Jan Dhan Yojana Scheme", for the period under review, your Bank has opened 777 policies under Pradhan Mantri Suraksha Bima Yojana and 558 policies under Pradhan Mantri Jeevan Jyoti Bima Yojana Schemes.

For and on behalf of the Board of Directors

**HOMAI A. DARUWALLA
CHAIRPERSON**



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CORPORATE GOVERNANCE REPORT

Bank's Philosophy on Corporate Governance:

Your Bank believes in adopting and adhering to best recognized Corporate Governance Policies right from its inception. Your Bank shall continue its endeavour to enhance its shareholders' value by protecting their interest by ensuring performance at all levels, and maximizing returns with optimal use of resources in its pursuit of excellence.

Your Bank understands and respects its role and responsibility to stake holders comprising shareholders, customers and society at large by enhancing its good governance practices, based on fairness, transparency and accountability alongwith a disciplined approach to achieving excellence in all spheres of activities. Your Bank complies with not only the statutory requirements, but also voluntarily formulates and adheres to a set of strong Corporate Governance practices. Your Bank seeks assistance from a few Directors / their relatives in the nature of Legal reference, Computer systems as well as allotting printing jobs. Your Bank also occupies premises for its back office which belongs to a Trust where a Director is a Trustee.

Board of Directors:

Your Bank has a broad based Board of Directors, constituted in compliance with the Multi State Co-operative Societies Act, 2002. The Board consists of eminent persons with considerable professional expertise and experience in Banking, Finance, Law, Information Technology and other fields. Your Board of Directors is committed to adopt good Corporate Governance practices in letter and spirit.

Your Board of Directors is collectively responsible for the growth of your bank and confirms as under:

1. that in the preparation of the annual accounts, the applicable accounting standards and policies have been followed along with proper explanation; so as to give a true and fair view of the state of affairs of the bank at the end of the financial year and of the profit of the bank for that period.
2. that proper care for the maintenance of adequate accounting records, in accordance with the provisions of the Banking Regulation Act, 1949 for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities;
3. that they have prepared the annual accounts on a going concern basis;
4. that they have laid down internal financial controls to be followed by the Bank and that such internal financial controls are adequate and were operating effectively; and
5. that they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



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Composition of Committees of Directors:

Your Board has constituted various Committees of Directors to take informed decisions in the best interests of your Bank. These committees monitor the activities falling within their terms of reference.

The Board has constituted the following Committees of Directors for effective control and supervision of operations of your Bank.

- 1. The Enrolment of Members and Redressal of Grievances of Share-holders/Customers.**
- 2. The Audit and Risk Management Committee.**
- 3. The Committee of Directors for Information Technology.**
- 4. The Committee of Directors for Board Governance and Human Resources.**
- 5. The Credit Committee of Directors.**

Shareholders Information:

Your Bank is a Multi-state Scheduled Urban Co-operative Bank with its Corporate Office at Mumbai and its area of operation is now Greater Mumbai, Municipal limits of Pune City, Thane District, and Municipal areas of Navi Mumbai in the State of Maharashtra and the whole of Surat District including the Municipal Corporation areas of Surat, Bharuch, Baroda, Anand, Nadiad, Ahmedabad, Navsari and Valsad in the State of Gujarat. As on March 31, 2016, your Bank has 9743 number of Members.

For and on behalf of the Board of Directors

**HOMAI A. DARUWALLA
CHAIRPERSON**



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We give hereunder the details of the number of various meetings held and the number of meetings attended by Directors during F.Y. 2015-16.

			Total Board Mtgs.: <u>13</u>	Total Credit Mtgs.: <u>11</u>	Total Share Mtgs.: <u>13</u>
Sr. No.	Name of Directors	Designation	No. of Board Mtg Attended	No. of CCM Mtg Attended	No. of Enrol of Members & Redressal of Griev Com. Mtg. attended
1	Mrs. S. D. Mehta	Chairperson	12	11	10
2	Mr. Y. B. Tantra	Vice Chairman	12	5	-
3	Mr. H. D. Petit	Director	11	-	-
4	Mr. P. B. Chhargar	Director	10	-	-
5	Mr. T. M. Davar	Director	12	-	13
6	Dr. F. T. Shroff	Director	9	-	11
7	Ms. V. N. Cama	Director	11	9	11
8	Mrs. D. H. Khusrokhan	Director	7	-	-
9	Mr. J. N. Panthaky	Director	11	-	-
10	Mr. S. C. Dinshaw	Director	9	8	-
11	Mr. N. K. Satpute	Director	11	-	-
12	Mr. P. D. Karkaria	Director	10	4	-
13	Mr. M. N. Irani	Director – Joined w.e.f. 30.06.15	11	-	-
14	Mr. T. S. Pawar	Employee Director	12	-	-
15	Mr. R. R. Kamble	Employee Director	13	-	-
16	Mr. U. A. Shetye	Managing Director & CEO	13	11	13



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THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED
Audited Balance Sheet as at 31st March , 2016

(In Rupees)

Capital & Liabilities	Schedules	As at 31st March, 2016	As at 31st March, 2015
CAPITAL:			
(i) AUTHORISED CAPITAL 1,20,00,000 shares of Rs. 25/- each		30,00,00,000.00	30,00,00,000.00
(ii) SUBSCRIBED & PAID-UP CAPITAL	1	14,40,11,225.00	14,83,20,000.00
RESERVE FUND AND OTHER RESERVES	2	1,23,79,30,480.11	1,14,96,04,309.11
DEPOSITS	3	8,87,13,82,219.65	8,40,34,28,871.51
BILLS FOR COLLECTION BEING BILLS RECEIVABLE (AS PER CONTRA)	4	20,73,295.70	13,200.00
BRANCH ADJUSTMENTS		-	-
INTEREST PAYABLE	-	1,35,71,004.00	1,77,48,352.00
OVERDUE INTEREST RESERVE	5	1,33,24,619.19	54,45,533.19
OTHER LIABILITIES	6	30,03,06,514.39	22,95,02,214.15
PROFIT & LOSS ACCOUNT		4,17,278.76	6,11,287.52
		10,58,30,16,636.80	9,95,46,73,767.48

CONTINGENT LIABILITIES

1) Outstanding Liabilities for Guarantees issued	16,26,35,614.05	14,57,94,436.45
2) Outstanding Liabilities for Letter of Credit sued.	8,59,92,914.00	11,03,81,229.00
3) Unclaimed Liabilities under Depositor Education and Awareness Fund (DEAF) Scheme	10,51,056.85	10,50,840.85
	24,96,79,584.90	25,72,26,506.30



THE ZOROASTRIAN CO-OP. BANK LTD.

Audited Balance Sheet as at 31st March, 2016

(In Rupees)

Property & Assets	Schedules	(In Rupees)	
		As at 31 st March, 2016	As at 31 st March, 2015
CASH	7	45,42,82,963.89	56,98,72,380.29
BALANCES WITH BANKS	8	88,67,57,506.75	93,51,26,937.68
MONEY AT CALL AND SHORT NOTICE		20,00,00,000.00	20,00,00,000.00
INVESTMENTS	9	2,80,05,90,296.57	2,66,64,05,889.34
ADVANCES	10	5,85,24,21,259.27	5,25,01,49,170.44
INTEREST RECEIVABLE	11	10,26,96,397.42	9,38,42,614.12
BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA		20,73,295.70	13,200.00
BRANCH ADJUSTMENTS		-	-
FIXED ASSETS	12	7,51,77,818.27	7,82,16,893.33
GOODWILL		3,25,25,006.09	4,43,52,281.04
OTHER ASSETS	13	17,64,92,092.84	11,66,94,401.24
		10,58,30,16,636.80	9,95,46,73,767.48

As per our Report of date
M. P. Chitale & Co.
Chartered Accountants

Ms. H. A. Daruwalla
Chairperson

Mr. Y. B. Tantra
Vice Chairman

Mr. R. D. Sheth
General Manager

Directors

Ashutosh Pednekar
Partner
ICAI M No.: 041037
ICAI FRN 101851 W
Mumbai: 25th May, 2016
Statutory Auditor

Mrs. S.D.Mehta

Mr.H.D. Petit

Mrs. D.H.Khusrokhan

Mr. J.N. Panthaky

Mr. M.N.Irani

Dr. F.T.Shroff

Mr. A.A.Kathawalla

Mr. M.J.Kalyaniwalla



THE ZOROASTRIAN CO-OP. BANK LTD.

Audited Profit and Loss Account for the Year Ended 31st March, 2016

(In Rupees)

Property & Assets	Schedules	As at 31 st March, 2016	As at 31 st March, 2015
INTEREST ON DEPOSITS, BORROWINGS, ETC	14	58,64,03,845.66	55,39,66,899.00
SALARIES & ALLOWANCES, EX-GRATIA		13,72,56,686.89	11,56,26,073.00
PROVIDENT FUND, PROVISIONS, ETC.			
DIRECTORS' & LOCAL COMMITTEE MEMBERS' FEES & ALLOWANCES		7,65,000.00	8,54,831.00
RENT, TAXES, INSURANCE, LIGHTING, ETC.		3,51,68,424.24	3,00,81,279.49
LAW CHARGES		10,41,015.00	5,11,710.00
PROFESSIONAL FEES		23,77,402.00	28,61,206.00
POSTAGES, TELGRAMS & TELEPHONE CHARGES		57,04,697.66	58,50,591.01
AUDIT FEES		29,14,316.50	33,31,728.00
<u>DEPRECIATION, REPAIRS & MAINTENANCE</u>			
DEPRECIATION		1,86,13,360.93	1,54,22,210.70
REPAIRS & MAINTENANCE		48,66,259.96	52,39,241.00
LOSS ON REDEMPTION OF INVESTMENTS		-	67,500.00
PROFESSION TAX		14,500.00	17,000.00
<u>STATIONERY, PRINTING, ADVERTISEMENT, ETC</u>			
(i) PRINTING & STATIONERY		45,29,755.61	34,31,010.55
(ii) ADVERTISEMENT		17,03,237.00	11,57,573.00
(iii) SUBSCRIPTION		6,27,373.00	4,13,714.43
AMORTISATION OF PREMIUM ON HTM SECURITIES		17,37,792.77	27,04,974.77
AMORTISATION OF GOODWILL		1,18,27,274.95	1,18,27,274.95
GENERAL CHARGES		1,30,10,341.01	1,22,46,254.26
INTER-BANK DIFFERENCES WRITTEN-OFF		-	6,41,447.55
LOSS / FRAUD / IRREGULARITIES		16,00,000.00	-
BAD DEBTS WRITTEN OFF		15,829.00	-
LOSS ON SALE OF ASSETS		48,049.45	23,733.20
<u>OPERATING PROFIT BEFORE PROVISIONS C/F</u>		17,90,26,024.01	19,09,86,468.39
<u>PROVISIONS:</u>			
BDD PROVISION UNDER SECTION 36(1) (vii) (a)		1,28,81,000.00	1,33,00,000.00
SPECIAL RESERVE UNDER SECTION 36 (1) (viii)		19,05,000.00	18,50,000.00
PROVISION FOR STANDARD ASSETS		10,00,000.00	-
PROFIT BEFORE TAX C/F		16,32,40,024.01	17,58,36,468.39
<u>TAX EXPENSE</u>			
(a) INCOME TAX – CURRENT YEAR		5,49,83,500.00	5,54,75,000.00
(b) INCOME TAX – EARLIER YEARS		-	1,36,38,109.90
(c) DEFERRED TAX LIABILITY / (ASSET) NET		6,83,652.77	(96,10,823.55)
NET PROFIT FOR THE YEAR		10,75,72,871.24	11,63,34,182.04
		1,00,92,51,185.64	95,72,62,720.01



THE ZOROASTRIAN CO-OP. BANK LTD.

Audited Profit and Loss Account for the Year Ended 31st March, 2016

(In Rupees)

Property & Assets	Schedules	As at 31 st March, 2016	As at 31 st March, 2015
INTEREST & DISCOUNT	15	96,06,85,411.96	91,87,92,069.60
<u>OTHER INCOME</u>			
COMMISSION, EXCHANGE & BROKERAGE		44,17,297.73	52,62,622.23
SUBSIDIES & DONATIONS			
INCOME FROM NON-BANKING ASSETS & PROFIT FROM SALE OF OR DEALING WITH SUCH ASSETS		92,967.91	84,388.67
GAIN ON SALE OF INVESTMENTS		-	1,05,000.00
GAIN ON REDEMPTION OF INVESTMENTS		4,65,000.00	-
TRANSFER FEES		3,150.00	9,010.00
INTEREST ON REFUND OF INCOME TAX			-
MISCELLANEOUS INCOME		4,35,71,529.04	3,30,09,629.51
AMOUNT WITHDRAWN FROM PROVISION FOR BDD RESERVE UNDER SECTION 36 (1) (vii) (a)		15,829.00	-
		1,00,92,51,185.64	95,72,62,720.01

As per our Report of date
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General Manager

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ICAI M No.: 041037
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THE ZOROASTRIAN CO-OP. BANK LTD.

THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED Profit and Loss Appropriation Account for the Year Ended 31st March, 2016

(In Rupees)

Particulars	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
Appropriation subject to AGM approval		
Statutory Reserve Fund – 25%	2,68,93,608.71	2,92,50,358.04
Reserve for Contingency – 10%	1,07,57,500.00	1,16,49,750.36
Education Fund – 1%	10,75,728.71	11,63,341.82
Proposed Dividend	2,04,81,490.97	2,04,99,689.15
Ex-gratia payments to Staff	1,55,69,136.96	1,29,34,814.00
General Reserve	2,35,00,000.00	1,00,36,181.75
Building Fund	50,00,000.00	1,00,96,554.59
Bad & Doubtful Assets	50,00,000.00	1,75,45,005.57
Investment Depreciation Reserve	-	50,00,000.00
Staff Benefit Fund	-	5,04,057.54
Emerald Jubilee Celebration Fund	-	25,00,000.00
NET PROFIT CARRIED TO BALANCE SHEET	4,17,278.76	6,11,287.52
TOTAL	10,86,94,744.11	12,17,91,040.34

Particulars	Year Ended 31 st March, 2016	Year Ended 31 st March, 2015
PROFIT OF LAST YEAR B/F	6,11,287.52	49,19,890.35
NET PROFIT FOR THE YEAR B/F	10,75,72,871.24	11,63,34,182.04
Excess Appropriation of previous year of Ex Gratia W/back	5,06,500.35	5,27,242.95
Excess Appropriation of previous year of Ex Gratia W/back	2,345.00	-
Excess Appropriation of previous year of Dividend W/back	1,740.00	9,725.00
TOTAL	10,86,94,744.11	12,17,91,040.34

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THE ZOROASTRIAN CO-OP. BANK LTD.

Schedules forming part of Balance Sheet & Profit & Loss Account

		(In Rupees)	
		31 st March, 2016	31 st March, 2015
Schedule 1	Paid-up Capital	11,81,28,375.00	12,11,07,950.00
	Individuals and Proprietors	2,58,82,850.00	2,72,12,050.00
	Firms, Cost (incl others)	14,40,11,225.00	14,83,20,000.00
Schedule 2	Reserve Fund and Other Reserves		
	(i) Statutory Reserve	37,32,98,500.00	34,50,00,000.00
	(ii) Building Fund Reserve	26,30,00,000.00	25,80,00,000.00
	(iii) Dividend Equalisation Reserve	1,26,47,421.25	1,26,47,421.25
	(iv) BDD Reserve under Sec.36 (1)(vii)(a)	5,62,06,390.04	4,33,41,219.04
	(v) Bad & Doubtful Debts Reserve	18,05,50,000.00	17,55,50,000.00
	(vi) Investment Depr. Reserve	4,82,75,209.76	4,82,75,209.76
	(vii) Special Reserve under Sec 36 (1) (viii)	1,31,25,597.09	1,12,20,597.09
	(viii) Reserve for Contingencies	4,93,07,500.00	3,85,50,000.00
	(ix) Reserve for Charities	13,00,165.00	13,00,165.00
	(x) General Reserve	13,80,00,000.00	11,45,00,000.00
	(xi) Staff Benefit Fund	23,55,000.00	23,55,000.00
	(xii) Reserve for Standard Assets	2,47,00,125.14	2,37,00,125.14
	(xiii) Investment Fluctuation Reserve	6,94,69,571.83	6,94,69,571.83
	(xiv) Shareholders Benefit Fund	6,95,000.00	6,95,000.00
	(xv) Emerald Jubilee Fund	50,00,000.00	50,00,000.00
		1,23,79,30,480.11	1,14,96,04,309.11
Schedule 3	Deposit & Other Accounts		
	(i) Fixed Deposits		
	(a) Individuals & other entities	2,94,94,52,606.33	3,01,52,53,531.89
	(b) Co-op. Institutions	14,24,99,758.20	9,19,32,541.75
		3,09,19,52,364.53	3,10,71,86,073.64
	(ii) Savings Deposits		
	(a) Individuals & other entities	1,97,96,12,310.62	1,89,51,33,255.75
	(b) Co-op. Institutions	6,74,20,312.91	6,29,88,461.09
		2,04,70,32,623.53	1,95,81,21,716.84
	(iii) Current Deposits		
	(a) Individuals & other entities	57,66,35,667.21	64,50,10,872.81
	(b) Co-op. Institutions	71,24,306.30	17,20,026.67
		58,37,59,973.51	64,67,30,899.48
	(iv) Deposits Reinvestments Certificates		
	(a) Individuals & other entities	2,78,85,35,996.48	2,41,48,76,712.62
	(b) Co-op. Institutions	25,41,48,130.60	13,78,50,667.33
		3,04,26,84,127.08	2,55,27,27,379.95



THE ZOROASTRIAN CO-OP. BANK LTD.

		(In Rupees)	
		31 st March, 2016	31 st March, 2015
Schedule 3	(v) Recurring Deposits		
	(a) Individuals & other entities	4,23,07,731.00	4,08,00,920.60
	(b) Co-op. Institutions	1,02,514.00	60,478.00
		4,24,10,245.00	4,08,61,398.60
	(vi) Sweep Deposits		
	(a) Individuals & other entities	5,43,41,000.00	7,61,75,000.00
	(b) Co-op. Institutions		
	(vii) Unit Withdrawal Scheme		
	(a) Individuals & other entities	-	2,30,000.00
	(b) Co-op. Institutions	-	-
	(viii) Daily Deposit Scheme	-	45,53,636.00
	(ix) Locker Deposit	42,41,000.00	1,16,99,500.00
	(x) Unclaimed Deposits	49,60,886.00	51,43,267.00
		8,87,13,82,219.65	8,40,34,28,871.51
Schedule 4	Bills for Collection		
	Liability for Outward Bills for Coll. (Inland)	2,34,220.00	-
	Liability for Outward Cheques for Coll. (Inland)	17,87,660.20	-
	Liability for Outward Chqs for Coll. (Foreign)	51,415.50	13,200.00
		20,73,295.70	13,200.00
Schedule 5	Overdue Interest Reserve (as per contra)		
	On Advances	95,96,619.19	35,81,533.19
	On Investments	37,28,000.00	18,64,000.00
		1,33,24,619.19	54,45,533.19
Schedule 6	Other Liabilities		
	(i) Bills Payable	4,03,52,638.66	4,54,71,999.47
	(ii) Unclaimed Dividends	44,39,605.06	44,47,966.31
	(iii) Proposed Dividend	2,04,81,490.97	2,04,99,689.15
	(iv) Other items	5,82,90,366.99	4,21,59,960.74
	(v) Provision for Tax		
	(a) Income Tax	15,13,80,500.23	9,63,97,000.23
	(b) Deferred Tax Liability	5,21,176.05	-
	(vi) Provisions	2,10,49,052.24	1,71,98,257.84
	(vii) Income Received in Advance	37,91,684.19	33,27,340.41
		30,03,06,514.39	22,95,02,214.15



THE ZOROASTRIAN CO-OP. BANK LTD.

		(In Rupees)	
		31 st March, 2016	31 st March, 2015
Schedule 7	Cash		
	(i) Cash In hand	1,67,90,602.00	2,92,72,553.00
	(ii) Balances in current account with Reserve Bank	43,74,92,361.89	54,05,99,827.29
		45,42,82,963.89	56,98,72,380.29
Schedule 8	Balances with other banks		
	(i) Current Deposits	3,11,65,633.75	2,52,11,192.68
	(ii) Fixed Deposits with		
	(a) State & Central District Co-op. Bank	15,14,20,000.00	17,40,20,000.00
	(b) Other Banks	70,41,71,873.00	73,58,95,745.00
		88,67,57,506.75	93,51,26,937.68
Schedule 9	Investments		
	(i) In Central & State Govt. Securities	2,23,05,93,963.25	2,09,65,64,556.02
	(a) Face Value Rs.2,31,80,000.00		
	(b) Market Value Rs.2,23,05,93,963.25		
	(ii) In P.S.U. Bonds & Bonds of all India Financial Institutions	31,99,16,333.32	26,97,61,333.32
	(iii) In Shares of Co-op. Institutions	80,000.00	80,000.00
	(iv) Investments in Term Money	25,00,00,000.00	30,00,00,000.00
		2,80,05,90,296.57	2,66,64,05,889.34
Schedule 10	Advances		
	(i) Short-term Loans, Cash-credits, Overdrafts & Bills Discounted of which, secured against:		
	(a) Govt. & Other Securities	12,55,952.09	5,32,538.36
	(b) Other Tangible Securities	3,26,52,09,663.64	2,83,89,02,048.07
	(c) Personal Sureties	1,38,65,408.21	1,32,65,858.01
	of the advances, amount due from Individuals Rs.60,62,96,370.69	3,28,03,31,023.94	2,85,27,00,444.44
	of the advances, amount overdue Rs.2,57,144.00		
	Considered Bad & Doubtful Recovery (fully prov for) NPA Rs.7,02,40,356.69		
	(ii) Medium Term Advances of which Secured against:		
	(a) Govt. & Other approved Securities	7,39,791.00	5,41,494.00
	(b) Other Tangible Securities	1,42,89,94,669.49	1,48,69,42,716.60
	(c) Personal Sureties	4,10,14,904.29	1,99,05,964.19
	of the advances, amount due from Individuals Rs.34,86,88,498.05	1,47,07,49,364.78	1,50,73,90,174.79
	Of the adv. amt. overdue Rs.49,97,221.25		
	Considered Bad & Doubtful of recovery (fully prov for) NPA Rs.1,31,19,180.43		



THE ZOROASTRIAN CO-OP. BANK LTD.

	31 st March, 2016	(In Rupees) 31 st March, 2015
Schedule 10 (iii) Long Term Advances Secured against:		
(a) Govt. & Other approved Securities	-	-
(b) Other Tangible Securities	1,09,20,77,879.55	88,90,37,315.21
(c) Personal Sureties	92,62,991.00	10,21,236.00
of the advances, amount due from	<u>1,10,13,40,870.55</u>	<u>89,00,58,551.21</u>
Individuals Rs.82,18,08,166.80		
Of the adv. amt. overdue Rs.29,63,381.37		
Considered Bad & Doubtful of recovery		
(fully provided for) NPA Rs.31,58,333.00		
TOTAL ADVANCES	<u>5,85,24,21,259.27</u>	<u>5,25,01,49,170.44</u>
Schedule 11 Interest Receivable		
On Non performing Investments	37,28,000.00	
On Non Performing Advances	95,96,619.19	35,81,533.19
Sub Total (As per Contra)	<u>1,33,24,619.19</u>	<u>35,81,533.19</u>
On Investments	8,88,00,420.23	9,02,61,080.93
On Staff Housing Loans	5,71,358.00	-
	<u>10,26,96,397.42</u>	<u>9,38,42,614.12</u>
Schedule 12 Fixed Assets		
PREMISES:		
Bal. As per last Balance Sheet	5,30,59,608.84	5,95,41,014.80
Add: additions during the year	19,94,494.00	-
	<u>5,50,54,102.84</u>	<u>5,95,41,014.80</u>
Less: Disposed Off during the year		-
Less: Depreciation for the year	59,66,245.80	64,81,405.96
	<u>4,90,87,857.04</u>	<u>5,30,59,608.84</u>
FURNITURE, FIXTURES & OFFICE EQUIPMENTS:		
Bal as per last Balance Sheet	2,44,10,001.87	1,94,06,542.32
Add: additions during the year	1,39,85,395.06	1,37,53,711.82
	<u>3,83,95,396.93</u>	<u>3,31,60,254.14</u>
Less: Disposed off during the year	3,32,441.69	35,683.53
Less: Depreciation for the year	1,24,39,169.13	87,14,568.74
	<u>2,56,23,786.11</u>	<u>2,44,10,001.87</u>



THE ZOROASTRIAN CO-OP. BANK LTD.

		(In Rupees)	
		31 st March, 2016	31 st March, 2015
Schedule 12	VEHICLES:		
	Bal as per last Balance Sheet	7,47,282.62	9,73,518.62
	Add: additions during the year	-	-
		<u>7,47,282.62</u>	<u>9,73,518.62</u>
	Less: Disposed off during the year	73,161.50	-
	Less: Depreciation for the year	2,07,946.00	2,26,236.00
		<u>4,66,175.12</u>	<u>7,47,282.62</u>
	TOTAL FIXED ASSETS	<u>7,51,77,818.27</u>	<u>7,82,16,893.33</u>
Schedule 13	Other Assets		
	(i) Utility Deposits & Other advances	1,78,52,182.00	1,73,86,160.00
	(ii) Advance Tax Payments	14,35,68,185.00	8,79,08,185.00
	(iii) Tax deducted at source	47,40,561.95	46,09,119.08
	(iv) Deferred Tax Asset	-	1,62,476.72
	(v) Others	31,91,354.00	34,06,195.00
	(vi) Capital work in progress	17,16,565.00	-
	(vii) Prepaid Expenses	54,23,244.89	32,22,265.44
		<u>17,64,92,092.84</u>	<u>11,66,94,401.24</u>
Schedule 14	Interest on Deposits, Borrowings, etc.		
	Interest on Fixed Deposits A/cs	27,61,64,946.00	26,85,17,623.40
	Interest on Savings Bank A/cs	7,47,44,808.69	6,91,84,214.42
	Interest on Current A/cs	11,96,437.47	12,04,880.45
	Interest on Deposits Reinvestment Cert A/c	22,73,16,368.80	20,93,37,385.00
	Interest on Recurring Deposits	38,74,451.70	30,60,968.40
	Interest on Sweep Deposits & unit Withdrawal Scheme	31,06,833.00	26,51,887.00
	Interest on Overdraft with other Banks	-	9,940.00
		<u>58,64,03,845.66</u>	<u>55,39,66,898.67</u>



THE ZOROASTRIAN CO-OP. BANK LTD.

		(In Rupees)	
		31 st March, 2016	31 st March, 2015
Schedule 15	Interest & Discounts		
	Interest on Loan A/cs	28,26,87,577.25	27,23,35,137.69
	Interest on Overdraft A/cs	11,86,91,108.76	10,46,46,645.63
	Interest on Cash Credit A/cs	22,62,83,348.41	20,95,51,955.75
	Interest on Usance Bills Discounted	2,28,30,014.38	2,90,85,172.37
	Income on Banks Fixed Deposits, Short Term Deposits, etc	7,46,69,949.17	7,02,83,711.13
	Income on Govt. Securities	12,80,42,092.13	12,83,32,468.64
	Income on Call Money	2,73,03,506.00	3,30,42,081.67
	Income on CBLO Lending	1,65,503.04	-
	Income on PSU Bonds	2,33,79,629.65	2,40,72,077.61
	Discount Received on Treasury Bills	3,76,88,894.63	4,06,18,909.56
	Discount Received on Commercial Paper	86,57,340.00	30,72,440.00
	Income on Term Money	1,02,76,645.54	37,43,219.55
	Dividend Income	8,250.00	8,250.00
	Interest on Deposit with CCIL	1,553.00	-
		96,06,85,411.96	91,87,92,069.60



THE ZOROASTRIAN CO-OP. BANK LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31.03.2016	Year ended 31.03.2015
Cash Flow from Operating Activities		
Net Profit before taxes	17,90,26,024.01	19,09,86,468.39
Ex-gratia paid to staff	-1,24,25,968.65	(1,14,63,266.05)
Education Fund paid	-11,63,341.82	(14,19,112.05)
Adjustments for:		
Depreciation on Fixed Assets	1,86,13,360.93	1,54,22,210.70
Ammortisation of Goodwill	1,18,27,274.95	1,18,27,274.95
Provision on BDD written back	(15,829.00)	-
Entrance Fees and Nominal fees	77,850.00	45,427.50
Income Tax paid / provision written off / back	-	(44,440.00)
Profit on sale of fixed assets (net)	(44,918.46)	(60,655.47)
	19,58,94,451.96	20,67,13,020.02
Adjustments for working capital changes:-		
(Increase)/ Decrease in Investments	(13,45,87,746.53)	(13,84,81,964.96)
(Increase)/ Decrease in Net Advances	(60,28,43,446.83)	(58,75,08,545.36)
(Increase)/ Decrease in Other Assets	(41,68,725.45)	1,30,70,955.73
Increase/ (Decrease) in Deposits	46,37,76,000.14	72,26,76,303.44
Increase/ (Decrease) in Other liabilities and provisions	1,27,57,341.27	2,65,38,483.37
Direct taxes paid(Net)	(5,57,91,442.87)	(6,62,75,623.00)
Net Cash flow From Operating Activities	(12,49,63,568.31)	17,53,13,517.19
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,59,79,889.06)	(1,37,53,711.82)
Proceeds from Sale of Fixed Assets	4,50,521.65	96,339.00
Net Cash Used in Investing Activities	(1,55,29,367.41)	(1,36,57,372.82)
Cash Flow from Financing Activities		
Proceeds from Issue of Share Capital	(43,08,775.00)	(20,60,800.00)
Dividend Paid	(1,91,57,136.61)	(3,95,33,997.11)
Net Cash generated from financing Activities	(2,34,65,911.61)	(4,15,94,797.11)
Net Increase in Cash and Cash Equivalents	(16,39,58,847.33)	12,00,61,347.26
Cash and Cash Equivalents at the beginning of year	1,70,49,99,317.97	1,58,49,37,970.71
Cash and Cash Equivalents at the end of year	1,54,10,40,470.64	1,70,49,99,317.97
Net Increase in Cash and Cash Equivalents	(16,39,58,847.33)	12,00,61,347.26

Note:

Cash and cash equivalents comprise of cash on hand (including foreign currency notes), Balances with Reserve Bank of India, Balance with Banks and money at call and short notice.



THE ZOROASTRIAN CO-OP. BANK LTD.

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. ACCOUNTING POLICIES

1.1 **Accounting Convention:**

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

Use of estimates

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

1.2 **Investments:**

1.2.1 Investment portfolio of the Bank is categorised in accordance with the guidelines issued by Reserve Bank of India as under:-

- a) 'Held to Maturity' comprising investments acquired with the intention to hold them till maturity.
- b) 'Held for Trading' comprising investments acquired with the intention to trade within 90 days.
- c) 'Available for Sale' comprising investments not covered (a) and (b) above i.e. those which are acquired neither for trading purposes nor for being held till maturity.

For presentation in the Balance Sheet, Investments are classified under Central & State Government Securities, Other Approved Trustee Securities, Reserve Fund, Investments, Other Investments (PSU Bonds & Bonds of all India Financial Institutions, Fixed Deposits with State / District Central Co-op. Banks, etc.)

1.2.2 Valuation of Investments is as per directives issued by Reserve Bank of India from time to time.

1.2.3 Investments in 'Available for Sale' & 'Held for Trading' categories are valued scrip-wise at lower of cost or market value. Appreciation / Depreciation are aggregated for each class of securities and net depreciation, in aggregate for each category, is provided for, while net appreciation, if any, is ignored.

Investments in 'Held to Maturity' category are valued at cost and the premium paid in individual security is amortized over the life of that security.



THE ZOROASTRIAN CO-OP. BANK LTD.

- 1.2.4 Market value is taken on the basis of the Yield to Maturity as indicated by Primary Dealers' Association of India (PDAI) jointly with the Fixed Income, Money Market and Derivatives Association of India (FIMMDA).
- 1.2.5 Broken period interest accrued at the time of acquisition of securities is recognised as expenses.
- 1.2.6 Investments where principal / interest remain overdue for more than 90 days are classified as Non Performing and provision is made in line with the guidelines of Reserve Bank of India.
- 1.2.7 Interest on Investments of all earmarked funds are credited to the Profit and Loss Account.
- 1.2.8 The Statutory Reserve Fund is augmented to the extent required by earmarking additional funds as approved by the Board.
- 1.3 **Advances:**
- 1.3.1 In terms of guidelines issued by Reserve Bank of India, advances to borrowers are classified into "Performing" or Non-performing" assets based on recovery of Principal / Interest. Non Performing Assets (NPA) is further classified as sub-standard, doubtful and loss assets and provisions thereon are made in accordance with the prudential norms prescribed by the RBI.
- 1.3.2 Specific provisions in respect of NPAs are made subject to the minimum provisioning norms prescribed by the RBI. The Bank also makes additional provisioning over and above the specific minimum provisioning as per RBI norms as a matter of prudence. Provision on Standard Advances is made at a rate ranging between 0.25% and 1.00% as prescribed by RBI .
- 1.3.3 Overdue Interest Reserve represents unrecovered interest on all NPA advances & investments, which is correspondingly shown under interest receivable.
- 1.3.4 For the purpose of presentation, Advances are classified as Short term Advances up to 12 months, Medium term Advances from 1 to 5 years and Long term Advances above 5 years.
- 1.4 **Fixed Assets & Depreciation:**
- 1.4.1 Premises and other fixed assets are stated at historical cost, net of accumulated depreciation, thereon. Cost includes cost of purchase and all expenditure like freight, duties , taxes and incidental expenses related to the acquisition and installation of the asset.
- 1.4.2 Capital work-in-progress includes cost of fixed assets that are not ready for their intended use and also includes advances paid to acquire fixed assets.
- 1.4.3 Bank has not re-valued any of its Fixed Assets.



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1.4.4 Depreciation

1.4.4.1 Assets purchased and put to use are depreciated on the basis of Straight Line Method as under:

a)	Furniture & Fixtures	15%
b)	Electrical Equipments	15%
c)	Vehicles	20%
d)	Premises	5%
e)	Computer Hardware	33.33%
f)	Computer Software	33.33%

1.4.4.2 Depreciation on additions to assets is provided for the full year if the assets are purchased on or before 30th September and for the half year, if the assets are purchased after 30th September. No depreciation is provided on assets sold/disposed off during each of the half year.

1.5 Revenue Recognition (AS -9) :

Items of Income and Expenditure are accounted for on accrual basis except for certain items of Income and Expenditure, mentioned below, which are accounted for on cash basis:

- a) Interest on Non-Performing Assets in accordance with RBI guidelines
- b) Rent on Safe Deposit Lockers
- c) Commission on Insurance Business on referral basis.
- d) Interest on Refund of Income Tax.
- e) Dividend on shares of Co-operative Banks.

1.6 Employee Benefits (AS -15):

1.6.1 Provident Fund is Defined Contribution Plan and contributions made to the Commissioner of Provident Fund at rates prescribed in the Employees Provident Fund and Misc. Provisions Act, 1952 are accounted for on accrual basis and deposited within the stipulated time.

1.6.2 The bank operates defined benefit plan for its employees, viz. gratuity liability. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year-end. The bank is maintaining fund under Trust Deed with Life Insurance Corporation of India (LIC) for gratuity payments to employees and annual premium is paid based on the demand from LIC.

- 1.6.3 Provision for Leave Encashment is made on an actuarial basis.
- 1.6.4 Ex-Gratia is appropriated out of net profit in accordance with the Multi-State Co-operative Societies Act, 2002.



THE ZOROASTRIAN CO-OP. BANK LTD.

1.7 Segment Reporting (AS - 17):

The business segment is considered as primary reporting format and Bank does not have any geographical segment. In accordance with the guidelines issued by RBI, Bank has adopted following business segments:-

- (a) Treasury includes all investment portfolio, profit / loss on sale of investments (Bonds and government securities) . The expenses of this segment consist of interest expenses on funds borrowed from external sources as well as internal sources and depreciation / amortization of premium on Held to Maturity investments.
- (b) Other banking operations include all other operations not covered under Treasury Operations.

1.8 Lease Payment (AS - 19):

Operating lease payments are recognized as an expense in the Profit and Loss account during the year as per lease agreement.

1.9 Taxes on Income (AS -22):

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-Tax Act, 1961. A Deferred Tax Asset / Liability resulting from timing differences between taxable and accounting income is accounted for, using the tax rates and laws that are enacted or substantially enacted as on the Balance Sheet date. A deferred tax asset/ liability is recognised and carried forward only to the extent that there is a reasonable certainty or a virtual certainty as the case may be that the asset will be realised in future.

1.10 Provisions & contingencies (AS -29)

- 1.10.1 In conformity with AS- 29 relating to “Provisions, Contingent Liabilities and Contingent Assets”, the Bank recognises by way of provision only when it has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits may be required to settle the obligations as and when a reliable estimate of the amount of the obligation can be made.
- 1.10.2 Acceptance, endorsements and other obligations including guarantees are disclosed as Contingent Liabilities at the face value of the commitments undertaken.



THE ZOROASTRIAN CO-OP. BANK LTD.

2. NOTES TO ACCOUNTS:

- 2.1 The Bank has a Borrowing Arrangement of Funds under 'Collateralised Borrowing and Lending Obligations' (CBLO).
- 2.2 In accordance with Reserve Bank of India guidelines Investment Fluctuation Reserve @ 5% of the investment in AFS category of Rs. 7692.00 lakhs should be Rs. 384.60 lakhs. As against this, the Bank has a balance under Investment Fluctuation Reserve of Rs. 694.70 lakhs.
- 2.3 Net Appreciation in investments as at the Balance Sheet date was Rs. 126.62 lakhs which has been ignored. The Bank already has provision of Rs. 482.75 lakhs under Investment Depreciation Reserve. The excess balance in the Investment Depreciation Reserve is continued on a conservative basis.
- 2.4 The requirement of provision against Standard & Non Performing Assets in terms of Reserve Bank of India guidelines are as follows:

(Rs in lakhs)

	Provision required	Provision Held	Excess Provision
Standard Assets	228.07	247.00	18.93
Non Performing Assets			
- Advances	235.68	2367.56	2091.88
- Investments	40.00		
Total	275.68	2367.56	2091.88

In view of provisions already held in place, no further provision is required.

- 2.5 The Bank has not restructured any account during the period under review.
- 2.6 An amount of Rs.65.03 lakhs has been recovered from Non Performing Advances during the financial year. Rs.0.16 lacs has been written-off during the year.
- 2.7 Claims against Bank not acknowledged as debt is Rs NIL.
- 2.8 Employee Benefits- Accounting Standard 15 (Revised):-
- Bank's Contribution to Provident Fund for the current year – Rs. 1,26,72,867.00 (Previous year- Rs. 1,04,07,454.00)

- Gratuity (funded with LIC) & Leave Encashment (unfunded).
- The following table gives disclosures for the current year as required under AS 15 as furnished by Actuaries Messrs K .A. Pandit & Associates and is in accordance with the financial statements.



THE ZOROASTRIAN CO-OP. BANK LTD.

I) Table showing discounting rates / expected return / salary escalation rate:-

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31.03.16	31.03.15	31.03.16	31.03.15
1	Discount rate	8.07%	7.99%	7.99%	7.99%
2	Expected return on plan assets	8.07%	7.99%	N.A.	N.A.
3	Salary Escalation rate	3.00% - Mumbai Pune & Surat	3.00% - Mumbai & Pune 7.00% -Surat	3.00% - Mumbai Pune & Surat	3.00% - Mumbai & Pune 7.00% -Surat

II) Table Showing Change in benefit obligation:-

(Amount in Rs.)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31.03.16	31.03.15	31.03.16	31.03.15
1	Liability at the beginning of the current period	3,64,05,521	3,16,15,629	1,67,60,379	1,40,85,722
2	Interest cost	29,08,801	29,43,415	13,39,154	13,11,381
3	Current service cost	24,35,837	22,55,155	16,09,538	15,51,889
4	Benefits paid	(6,56,750)	(23,08,632)	(17,49,000)	(30,11,937)
5	Actuarial (gain)/loss on obligations	(74,94,409)	18,99,954	7,34,348	28,23,324
6	Liability at the end of the current period	3,35,99,000	3,64,05,521	1,86,94,419	1,67,60,379

III) Table of Fair Value of Plan assets:-

(Amount in Rs.)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31.03.16	31.03.15	31.03.16	31.03.15
1	Fair value of plan assets at the beginning of the year	3,10,06,293	1,94,63,026	-	-
2	Expected return on plan assets	24,77,403	16,93,283	-	-
3	Contributions	64,80,923	1,22,95,817	-	-
4	Benefits paid	(6,56,750)	(23,08,632)	-	-

5	Actuarial gain/ (loss) on plan assets	6,15,883	(1,37,201)	-	-
6	Fair value of plan assets at the end of the year	3,99,23,752	3,10,06,293	-	-



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IV) Amount recognized in Balance Sheet:-

(Amount in Rs.)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31.03.16	31.03.15	31.03.16	31.03.15
1	Fair value of plan assets at the end of the period.	3,99,23,752	3,10,06,293	-	-
2	Liability at the end of the period	(3,35,99,000)	(3,64,05,521)	(1,86,94,419)	(1,67,60,379)
3*	Amount recognised in the Balance Sheet	63,24,752	(53,99,228)	(1,94,49,052)	(1,71,98,258)

V) Expenses recognized in income statement:-

(Amount in Rs.)

Sr. No.	Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31.03.16	31.03.15	31.03.16	31.03.15
1	Current service cost	24,35,837	22,55,155	16,09,538	15,51,889
2	Interest cost	4,31,398	29,43,415	13,39,154	13,11,381
3	Expected return on plan assets	-	(16,93,283)	-	-
4	Net actuarial gain/ (loss)	(81,10,292)	20,37,155	7,34,348	28,23,324
5	Expenses recognised in P&L account.	(52,43,057)	55,42,442	36,83,040	56,86,594

* The Bank has been consistently debiting to the Profit & Loss Account the amount demanded by LIC towards the Group Gratuity Fund. The fair value of plan assets available with the Fund is in excess of the liability towards gratuity. This excess amount has not been recognized as an asset on a conservative basis. On Completion of reconciliation between the actuarial valuation determined by the actuaries , K.A.Pandit & Associates and the actuarial valuation determined by the LIC, appropriate amounts will be recognized in the Balance Sheet.



2.9 Accounting Standard 17 Segment Reporting as at March 31, 2016:

(Rs.in lacs)

Financial year 2015-16			
Business Segments	Treasury	Other Banking Operations	Total
Revenue	3106.58	6985.90	10092.48
Expenses	2034.80	6307.04	8341.84
Result	1071.78	678.86	1750.64
Unallocated expenses			118.24
Operating profit			1632.40
Income Tax			556.67
Net Profit			1075.73
Other Information			
Segment assets	43925.28	60096.55	104021.83
Unallocated assets			1808.34
Total assets			105830.17
Segment liabilities	30273.07	60214.49	90487.56
Unallocated liabilities			1519.02
Share Capital & Reserves			13823.59
Total Liabilities			105830.17

2.10 Accounting Standard 18 Related Party Transactions :

2.11 The Bank is a Co-operative Society under the Multi State Co-operative Societies Act, 2002 and there are no Related Parties requiring a disclosure under Accounting Standard 18 issued by the Institute of Chartered Accountants of India read with Master Circular on Disclosure in Financial Statements – Notes to Accounts dated July 1, 2014 issued by Reserve Bank of India, other than one Key Management Personnel viz. Mr. U. A. Shetye, the Managing Director of the Bank. However, in terms of Reserve Bank of India circular dated March 29, 2003, the Managing Director being a full time employee of the bank, no further details need to be disclosed.

2.12 Accounting Standard 19 Leases :

Operating lease comprises non-cancellable leasing of office premises.

(Rs. in lacs)

Future lease rental payable as at the end of the year :	31.03.2016	31.03.2015
-Not later than one year	125.51	113.31
-Later than one year and not later than five years	328.05	252.48
-Later than five years	66.19	86.46



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2.13 Accounting Standard 22 Taxes on Income :

During the year the Bank has determined the deferred tax (asset)/liabilities on the basis of the transactions resulting from timing differences between taxable and accounting income and accounted the same. Accordingly the following Deferred tax liability has been determined and accounted as on March 31, 2016:

(Rs in lacs)

	Amount	Tax effect
Deferred Tax Liability		
Depreciation	18.52	6.41
Special Reserve under Section 36(1)(viii)	19.05	6.59
Total	37.57	13.00
Deferred Tax Asset		
Provision for Leave Encashment	22.51	7.79
Total	22.51	7.79
Net Deferred Tax Liabilities as at 31.03.2016	15.06	5.21
Net (DTA) / DTL as at 31.03.2015		(1.63)
Net impact recognized in Profit & Loss A/c		6.84

The Bank on a prudent basis has decided not to recognise a deferred tax asset on the carried forward losses under the income tax act of the erstwhile City Co-operative Bank Ltd which is merged into the Bank with effect from January 01, 2014. This would be recognised in the year in which such loss will be permitted to be set-off against the taxable income of the Bank.

2.14 In the opinion of the management, there is no impairment to assets in respect of which AS -28 on “Impairment to Assets” applies.

- 2.15 The City Co-operative Bank Ltd., Surat (CCBL) merged with the Bank with effect from January 01, 2014. The merger has been accounted for in accordance with the RBI approved scheme of amalgamation and AS 14 Accounting for Amalgamations. The Assets and Liabilities of the erstwhile CCBL have been recognised in the books of the Bank at their relative audited values as at December 31, 2013. Since the value of Liabilities taken over is more than the value of Assets, Goodwill on Amalgamation of Rs.591.37 lakhs has been recognised as Intangible Asset. This Goodwill is being amortised over a period of five years commencing from financial year 2013-14 in accordance with the RBI approved scheme of amalgamation. The amortisation for 12 months i.e. April, 2015 to March, 2016 is Rs 118.27 lakhs and has been charged to Profit & Loss account for the year.
- 2.16 Tier I Capital includes amount of Rs.131.25 lacs in Special Reserve created under Section 36 (1) (viii) of the Income Tax Act,1961 as the Bank has created Deferred Tax Liability (DTL) on this reserve as per RBI circular No.67 dated 30/05/2014. Tier I Capital also includes Reserve for contingencies.
- 2.17 Appropriations of Profit : -
The Bank presents appropriation of current year profit in the current year's Profit & Loss Account. These appropriations will be effective once they are approved in the ensuing Annual General Meeting.
- 2.18 Figures for the previous year are regrouped to make them comparable with the figures for the current year.



3 Disclosure of Information as on 31st March, 2016

In terms of RBI Circular No. UBD.CO.DP.PCB 20/16.45.00/2002-03 dated 30th October, 2002

(Rs. in lacs)

		2016	2015
1.	Capital to Risk Assets Ratio	17.12%	15.87%
	Tier I Capital	14.79%	13.48%
	Tier II Capital	2.33%	2.39%
2.	Investments		
	Book Value	28005.90	26664.06
	Face Value	28980.80	27483.30
	Market Value	28132.52	26773.93
3.	Advances against Real Estate, Construction Business and Housing		
	a) Advances against Real Estate and Construction Business	4207.63	4444.60
	b) Advances against Housing Finance	6468.30	5563.55
	c) Advances against Industrial Premises / Galas	6917.68	6291.55
4.	Advances against Shares & Debentures	52.94	41.19
5.	Advances to Directors, their Relatives, Companies / Firms in which they are interested		
	a) Advances outstanding	Nil	Nil
	b) Overdues	Nil	Nil
6.	Working Capital	105350.94	99048.63
7.	Average Daily Cost of Deposits	7.05%	7.06%
	Profitability Ratios		

	a) Interest Income as % to Working Funds	9.12%	9.28%
	b) Non Interest Income as % to Working Funds	0.46%	0.39%
	c) Operating Profit as % to Working Funds	1.70%	1.93%
	d) Return on Assets (Average Working Funds)	1.21%	1.38%
	e) Business (Deposits + Advances) per Employee	634.65	591.06
	f) Operating Profit per Employee	7.72	8.27
8.	NPAs & Movement of NPAs		
	Gross NPAs as on 1 st April	257.52	238.68
	Additions during the year	672.69	101.03
	Reductions during the year	65.03	82.19
	Gross NPAs as on 31 st March	865.18	257.52



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9.	Provisions made towards NPAs		
	Provision towards NPAs as on 1 st April	2188.91	1880.46
	Additions during the year	178.81	308.45
	Recoveries / Write backs during the year	0.16	-
	Provisions as on 31 st March	2367.56	2188.91
10	Net NPAs	Nil	Nil
11	Movement in Provisions on Standard Assets		
	Opening Balance as on 1 st April	237.00	237.00
	Additions during the year	10.00	0.00
	Reversals during the year	0.00	0.00
	Closing Balance as on 31 st March	247.00	237.00
12	Movement in Provision on Investment Depreciation Reserve		
	Opening Balance as on 1 st April	482.75	432.75
	Additions during the year	0.00	50.00
	Reversals during the year	0.00	0.00
	Closing Balance as on 31 st March	482.75	482.75
13	Movement in Provision on Investment Fluctuation Reserve		
	Opening Balance as on 1 st April	694.70	694.70
	Additions during the year	0.00	0.00
	Reversals during the year	0.00	0.00
	Closing Balance as on 31 st March	694.70	694.70
14	Foreign Currency Assets and Liabilities & Foreign Currencies held		
	a) Foreign Currencies on hand	Nil	Nil
	b) Travellers' Cheques on hand	Nil	Nil
15	Repo / Reverse Repo Transactions	Nil	Nil
16	Non Performing Non SLR Investments	200.00	200.00
17	Break-up of Investments		
	Held for Trading	Nil	Nil
	Available for Sale	7692.00	6303.71
	Held to Maturity	17813.90	17360.35
	Term Money	2500.00	3000.00
18	Issuer Composition of Non SLR Investments	3199.96	2698.41
1.	Public Sector Undertakings	200.00	200.00
2.	Financial Institutions	1002.43	500.88
3.	Nationalised Banks	200.00	200.00
4	Others	1797.53	1797.53
5	Below Investment Grade , Unrated ,Unlisted Securities & under Non SLR Investments	Nil	Nil

19	DICGC premium	84.63	78.27
20	Penalty imposed by Reserve Bank of India	Nil	Nil



THE ZOROASTRIAN CO-OP. BANK LTD.

M. P. Chitale & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To
The Members of The Zoroastrian Co-operative Bank Ltd.

Report on the Financial Statements as required under Section 31 of the Banking Regulation Act, 1949 as applicable to urban Cooperative Banks and under section 73 of The Multi State Co-operatives Societies Act, 2002.

1. We have audited the accompanying financial statements of **The Zoroastrian Cooperative Bank Ltd.** which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information annexed thereto.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with of the Banking Regulation Act, 1949 as applicable to Urban Cooperative Banks and under The Multi-state Co-operatives Societies Act, 2002. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



THE ZOROASTRIAN CO-OP. BANK LTD.

M. P. Chitale & Co.
Chartered Accountants

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon are prepared in accordance with the Banking Regulation Act, 1949 as applicable to Urban Cooperative Banks and the Multi State Co-operatives Societies Act, 2002, circulars and guidelines issued by the Reserve Bank of India ('RBI'), from time to time and the applicable Accounting Standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI') in the manner so required for the multi-state cooperative banking entities and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March, 2016;
 - (ii) in the case of the Profit and Loss Account of the profit for the year ended on that date;
- and
- (iii) in the case of the Cash Flow Statement, of cash flows for the year ended on that date.

Report on Other Legal and Regulatory Matters

7. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
8. In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches of the Bank not visited by us.
9. The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the books of account and the branch returns.
10. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
11. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, to the extent applicable.

For and on behalf of
M P Chitale & Co.
Chartered Accountants
ICAI FRN: 101851W

Ashutosh Pednekar
Partner
ICAI M No.: 041037

Place: Mumbai
Date: May 25, 2016



THE ZOROASTRIAN CO-OP. BANK LTD.

CORPORATE OFFICE

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BANDRA BRANCH

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LOKHANDWALA BRANCH

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BORIVLI BRANCH

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DAHISAR BRANCH

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Rustomjee Acres, Dahisar (W),
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TARDEO BRANCH

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ANDHERI BRANCH

Shop no. 2 & 3, Parsian Co-op. Hsg. Soc.,
V. P. Road, (Off S. V. Road),
Opp. Fidai Baug, Andheri (W),
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Fax: 022- 2623 6674
Email: zoroandheri@zcbl.in

PUNE BRANCH

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Camp, Pune 411 001
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MAHIM BRANCH

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GOREGAON BRANCH

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THE ZOROASTRIAN CO-OP. BANK LTD.

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ABHISHEK MARKET BRANCH

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PATEL PARK BRANCH

11, Patel Park, Tadwadi,
Rander Road, Surat 395 009.
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UDHNA MAGDALLA BRANCH

Shop No.UG-12, UG-13, UG-14 and U-14,
New Ashirwad Square, Udhna Maghdalla Road,
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CITYLIGHT BRANCH

Heerapanna Shopping Mall,
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VED KATARGAM BRANCH

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THE ZOROASTRIAN CO-OP. BANK LTD.

THE ZOROASTRIAN CO-OP. BANK LTD.

ATTENDANCE SLIP

S. L. F. No. _____

I hereby record my presence at the **Eighty Ninth ANNUAL GENERAL MEETING** of the Bank held at Homi J. H. Taleyarkhan Memorial Hall, Indian Red Cross Society, Town Hall Compound, 141, Shahid Bhagatsingh Road Mumbai – 400 001, on 23rd September, 2016 at 4.00 p.m.

SIGNATURE OF THE ATTENDING MEMBER

Notes

Members desirous of attending the meeting are requested to carry a copy of this Annual Report for reference and to kindly hand over this attendance slip duly signed at the entrance.

