



ZOROASTRIAN BANK

The Zoroastrian Co-operative Bank Ltd.

(Multi-State Scheduled Bank)

The Bank that is Big on Tradition & Trust

95th **Annual Report**
2021-22

Board of Directors



Mr. Yazdi Tantra
Chairman



Mr. Phillie D. Karkaria
Vice Chairman



Mr. Zubin F. Billimoria



Ms. Homai A. Daruwalla



Mr. Saroosh C. Dinshaw



Mr. Aspi A. Kathawalla



Mr. Manek J. Kalyaniwalla



Mrs. Shernaz D. Mehta



Mr. Viraf R. Mehta



Mr. Noshir G. Paghdiwalla



Mr. Bakhtyar S. Saklatwala



Dr. Firdos T. Shroff



Mrs. Smita A. Tambe



Mr. Hormazdiyaar S. Vakil



Mr. Daljit Dogra
MD & CEO

From the Chairman's Desk...



Dear Shareholders,

It is a great pleasure writing to you once again. "Our greatest transformation happens through our toughest times". It's a thought provoking axiom that neatly sums up the times we live in. Probably, no other period in human history witnessed such a rapid surge of transformational ideas. One after the other, these new ideas are affecting and altering the destiny of humanity in unprecedented ways. Banking and finance too were and are being buffeted by wave after wave of game changing developments. With commendable foresight and nimbleness, your Bank navigated through this disruptive whirlwind of currents and undercurrents, triumphantly emerging to share with you some positive results.

The escalation of geopolitical tensions into war from late February 2022 has delivered a brutal blow to the world economy, battered as it has been through 2021 by multiple waves of the pandemic on global scale leading to health emergency and the lockdown that followed causing loss of lives and livelihood for countless people. No nation and no economic sector remained unaffected by the great pandemic. Moreover, the duration and intensity of pandemic was elongated by multiple mutant varieties of virus resurfacing in quick succession. This has brought in severe social and economic strain. More than economic loss, it is the human loss and the psychological impact of the pandemic that has created an environment of anxiety and uncertainty. However, human responses to the pandemic have been equally remarkable and the entire globe fought unitedly and relentlessly with great fortitude.

By and large, last year was a tumultuous year for the Indian economy, with many bright spots of growth and glory. Sector after sector, from telecom to aviation, came under great stress and the cascading effect was felt by others too.

To be able to compete and grow where margins are thin, competition is fierce, regulations are changing and technology has an increasing impact, financial institutions must place innovation as a top priority. Banks must anticipate consumer needs and innovate in ways that will prioritize the most effective mix of technology, capabilities, processes and people.

So, in this fluid scenario, it's gratifying to note that your Bank saw a healthy growth in core operating profit and profit after tax in fiscal 2022. On many key parameters such as EPS, Profitability and a few key qualitative metrics, your bank could register impressive results. GNPA reduced from Rs.52.96 crores to Rs.39.46 crores, while the Profit after Provisions, Tax and Other Contingencies grew from Rs.1.05 crores to Rs.4.31 crores. Your Bank has made recoveries towards NPA accounts to the tune of Rs.19.67 crores for the FY 2021-22. The Capital Adequacy Ratio (CAR) of the Bank stands at a comfortable level of 27.65 % as on 31st March, 2022. With these positive developments, your Board of Directors have recommended payment of 10% dividend to the shareholders in the current year.

As per RBI guidelines, UCBs with deposit size of Rs.100 crore and above shall constitute Board of Management (BoM) which will also be a mandatory requirement for allowing such banks to expand their area of operation and open new branches. The BoM shall comprise of persons with special knowledge and practical experience in banking. In keeping with the above, your Bank has formed a Board of Management consisting of eminent personalities which will support further growth of the Bank.

The last few years have seen several non-banking companies such as technology majors, digital start-ups and Fin Techs steadily expand their foothold in the financial services space. Your bank has taken cognizance of this emerging new competitive framework and is initiating strategies to address it. Your Bank is accelerating its increased commitment to innovation and customer aspirations to ensure customer delight in all areas of operation.

We have now embarked on a scale changing technology adoption and transformation agenda to help drive our ambitious future growth plans. The Bank has upgraded its Core Banking System (CBS) to Finacle which will help us provide a much superior banking experience to you



all. Temporary hiccups in implementing a world-class system as complex and comprehensive as this have been noted and we are well on the way to iron them out expeditiously.

Your Bank has also launched Corporate Internet Banking and Mobile Banking services to its customers and is looking forward to enabling UPI set up for its customers.

Recognizing the critical importance of controlling NPAs to a sustainable level, the credit risk management tools and strategies are being strengthened. The credit underwriting and administration processes and collection and recovery are being tightened.

The impact of the pandemic will be seen over a couple of years. Regulatory and Governmental support has ensured that the entire impact has not fallen on the banking sector at once, but the full impact will get realized over the next 1-2 years. Excess liquidity causes some amount of inflationary pressure. A resumption of individual consumption and business recovery will aid the banking sector immensely. Your Bank is strategically steering away from large, syndicated loans and stressed sectors of the economy. Future focus of your Bank will remain on retail, digital services, collection efficiency, risk adjusted credit expansion and recovery.

Your Bank believes in having an empowered team. While the management and senior leadership drive knowledge and guidance as a top-down approach, employees at all levels are given various opportunities to share their perspectives, experiences and seek professional options. To augment the workforce in tune with the Bank's sustained growth and expanding network, major initiatives towards training, talent acquisition, motivation and retention have been continued in the FY 2021-22 as well. Staff members are also nominated to external training centre's for being trained in specialized areas as well as to have higher exposure. This is a part of the Bank's priority of continuous up-gradation of in-house skills.

Our capital base, robust growth prospects to achieve profitability through quality credit growth, new business strategy and leadership, position us in a vantage position to leverage the growth opportunities across the economy. Your Bank is committed to realize its goals by focusing on the major areas such as profitability, asset quality, resilient loan book, robust

retail liability portfolio, appropriate organizational structure and latest digital technology. I look forward to your continued support in this journey.

On behalf of the Board of Directors, I wish to express my sincere gratitude to the shareholders, customers, employees and all other stakeholders. Your unstinted support has made our journey a lot more fulfilling and delightful. We look forward to your continued co-operation as we enter even more exciting times. I am confident that your Bank will come out successfully of the current challenges. Please do stay safe and take care of your loved ones.

With Best Wishes,



Yazdi B. Tantra
Chairman



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety Fifth Annual General Meeting of the members of the Bank will be held on 19th August, 2022, at 4.00 p.m. at Indian Merchant Chambers of Commerce & Industry, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020 to transact the following business: -

- 1) To read and confirm the Minutes of the Annual General Meeting held on September 28, 2021.
- 2) To adopt the Annual Report including Financial Statements placed by the Board of Directors for the Financial Year ended March 31, 2022 and to take note of the Statutory Auditor's report.
- 3) To approve the dividend and to appropriate profit for the Financial Year 2021-22.
- 4) To appoint Statutory Auditors for the Financial Year 2022-23 and to authorize Board of Directors to fix their remuneration. The Board of Directors recommends appointment of M/s. CNK & Associates LLP Chartered Accountants, Registration No. 101961 W/W-100036 as the Bank's Statutory Auditors for the Financial Year 2022-23.
- 5) To grant Leave of Absence to members who have not attended this Annual General Meeting.
- 6) Any other business with the permission of the Chair.

By Order of the Board of Directors

Sd/-

Daljit Dogra

Managing Director & CEO

Mumbai, July 18, 2022.

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.27.

NOTES

- 1) Members desiring any information relating to the accounts are requested to do so in writing to the Bank on or before 12th August, 2022, to enable the Management to make available the required information at the Annual General Meeting.
- 2) Members are requested to bring a copy of the Annual Report and the attendance slip sent herewith at the Annual General Meeting.
- 3) Attention of the Members is invited to Bye-law No. 48, in terms of which, any dividend remaining undrawn for three years after having been declared, shall be forfeited and shall be carried to the Reserve Fund of the Bank. The Shareholders who have not collected dividend for the F.Y. 2018-19 are requested to do so on or before September 30, 2022 failing which, the dividend for the year ended March 31, 2019 will be forfeited and credited to the Reserve Fund Account.
- 4) 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.
- 5) Deposits up to Rs. 5.00 lakhs 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.
- 6) The Bank has fixed 31st March 2022 as the 'Cut-off Date' to record the entitlement of the Members to cast their vote.
- 7) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc. by writing a letter to Shares Department at the Bank's Registered Office and/or by sending an e-mail to shares@zcbl.in
- 8) For updation of e-mail address and mobile number for 95th AGM, members are requested to send an e-mail to the shares@zcbl.in by 15th August, 2022.
- 9) Members interested to inspect Audit Report have to send request to the Bank eight days prior to the AGM by sending an e-mail to shares@zcbl.in
- 10) Annual Report referred to in the accompanying Notice is available on the website of the Bank for inspection by the Members.
- 11) COVID-19 appropriate behaviour as per Government guidelines will be followed. Members who wish to attend the Annual General Meeting (AGM) are requested to register themselves by sending an email to shares@zcbl.in or by submitting a written communication at any of the Branches of the Bank, by August 15, 2022. Members are informed that entry to the meeting hall shall be restricted to the number of persons allowed to attend meetings as per Government guidelines as applicable on the day of the AGM. Members, who have registered themselves for attending the AGM, as mentioned above, would be allowed to attend the meeting on first come first serve basis.



DIRECTORS REPORT

Your Directors have pleasure in presenting the 95th Annual Report of the Bank with the Audited Balance Sheet as on 31st March, 2022 and Profit & Loss Account for the financial year ended March 31, 2022.

Global Economy

The global economy emerged stronger from the Covid-19 pandemic, lifted by pent-up demand and improvement in industrial activity in the first half of FY 2021-22 on widespread vaccination of larger populations, ebbing new infections and supportive policy environment. However, recovery momentum faced headwinds in the second half of the financial year in terms of resurgence of the virus in several parts of the world, continued supply disruptions and bottlenecks, persistent inflationary pressures and spill over effects of policy normalisation of major economies. The escalation of geopolitical tensions into war from late February 2022 has delivered a further brutal blow to the world economy. The global macroeconomic outlook is overcast with the economic costs of the war and sanctions.

Emerging market and developing economies (EMDEs) are bearing the brunt of global spill overs, despite being bystanders. Capital outflows and sizeable currency depreciations have tightened external funding costs, pushed up debt levels and put their hesitant and incomplete recoveries in danger.

The war has led to a sharp rise in already elevated global commodity prices thus intensifying the inflationary pressures. This has prompted central banks in several countries to cut back on the expansionary monetary policy and turn increasingly hawkish. Debt levels remain at record-high levels in several countries. As a result, global growth outlook has become more uncertain.

Global equity markets remained bullish during 2021 as strong earnings expectations lifted sentiments in spite of sporadic bouts of volatility and brief sell-offs. Bond markets, on the other hand, turned bearish during the year, with treasuries delivering losses, but spreads between Government and Corporate bonds narrowed. Commodities markets sizzled as surging energy and food prices crossed multi-year highs. The US dollar rallied strongly, supported by an improving US economy as well as flights to safe haven and a hawkish pivot by the US Fed. Most EMDE currencies depreciated, barring a few.

Disruptions, shortages and escalating prices induced by the geopolitical tensions and sanctions have persisted and downside risks have increased. The International Monetary Fund (IMF) has revised down its forecast of global output growth for 2022 by 0.8 percentage points to 3.6 per cent, in a span of less than three months. The World Trade Organization has scaled down projection of world trade growth for 2022 by 1.7 percentage points to 3.0 per cent.

Domestic Economy

Domestic economic activity stabilised in March-April with the ebbing of the third wave of COVID-19 and the easing of restrictions. Urban demand appears to have maintained expansion but some weakness persists in rural demand. Investment activity seems to be gaining traction. Merchandise exports recorded double digit expansion for the fourteenth consecutive month in April. Non-oil non-gold imports also grew robustly on the back of improving domestic demand.

The immediate impact of geopolitical aftershocks is on inflation, with close to three-fourth of the consumer price index at risk. The elevation in international prices of crude, metals, and fertilisers has translated into a terms of trade shock that has widened trade and current account deficits.

Furthermore, steadfast policy support put a floor underneath aggregate demand and economic activity. Fiscal policy focused on mitigating the hardships and loss of livelihood imposed by the pandemic, even as an impetus to growth was unleashed

through reprioritising fiscal spending. Monetary policy remained accommodative and fostered congenial financial conditions for the recovery to take root, while being vigilant that inflation remains within the target going forward. Thus, the experience of 2021-22 has yielded valuable lessons that will illuminate the path of the Indian economy in the year ahead.

During the year the repo rate remained unchanged at 4%. The overnight MCLR came down marginally from 6.55/7.05 as of March 26, 2021 to 6.45/7.00% as on March 25, 2022. The term deposit rate for deposit of above 1 year ranged between 4.90/5.50% and 5.00/6.00%. The 10-year G-sec rate increased by around 50 bps from 6.32% to 6.83% during this period. The interest rate environment can be viewed against the background of Central Government borrowing of Rs.11.27 lakh crore in FY-22 (Rs.13.70 lakh crore in FY-21) and gross State Government borrowing of Rs.6.70 lakh crore (Rs.7.78 lakh crore in FY-21) in FY 2022.

In order to enhance liquidity and with the objective to revive sectors, RBI had extended its on tap TLTRO scheme until Dec'21. Further, RBI had also provided fresh support of Rs.50, 000 crores to All India Financial Institutions (AIFIs) for new lending. It was also suggested to extend the Priority Sector Lending classifications for lending by banks to NBFCs to Sep'21 as this will ensure credit availability towards the following sectors-Agriculture, Housing and MSME. RBI has also extended to continue to enhance the interim WMA limit for states, so as to help them to manage their finances after facing difficulties during the pandemic, till Sep'21.

The Monetary Policy Committee (MPC) of the Reserve Bank of India decided to hold an off-cycle meeting on 2nd and 4th May, 2022 to reassess the evolving inflation-growth dynamics and the impact of the developments after the MPC meeting of April 6-8, 2022. Based on this assessment of the macroeconomic situation and the outlook, the MPC voted unanimously to increase the policy repo rate by 40 basis points to 4.40 per cent, with immediate effect. In continuation of the above hike and on the basis of an assessment of the current and evolving macroeconomic situation, the Monetary Policy Committee (MPC) at its meeting held on June 8, 2022 decided to further increase the policy repo rate under the liquidity adjustment facility (LAF) by 50 basis points to 4.90 per cent and consequently, the standing deposit facility (SDF) rate stood adjusted to 4.65 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 5.15 per cent. The MPC also decided to remain focused on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

The rationale behind the MPC's decision and stance was the globally rising inflation and geopolitical tensions to the highest levels in the last 3 to 4 decades in major economies while moderating external demand.

There are positive prospects for rural demand in 2022 with the forecast of a normal monsoon and urban demand is expected to be sustained with pick-up in contact-intensive services and expected strengthening of private investment activity, which has positive implication for the domestic economy. However, downside risks to the growth momentum has increased since February 2022 with intensifying geo-political tensions, elevated commodity prices, spike in crude oil prices, slowing external demand and tightening global financial conditions on the back of monetary policy normalization in advanced economies. Considering all these factors, RBI has revised downwards its projection for real GDP growth for FY 2022-23 to 7.2% from earlier projection of 7.8%.

Going forward, GDP growth momentum is expected to gain traction with higher Government spending in infrastructure sector and expected revival in aggregate demand. The outlook of bank credit is positive in the medium to long term with some moderation expected in the near term due to the on-going geo political issues.

Outlook for 2022-23

The geopolitical conflict in Europe which started in February 2022 has imparted a strong shock that threatens to overwhelm



the global economy and its constituents. Given the global slowdown in the wake of volatility induced by prolonged geo-political tensions, higher commodity prices, and pace of monetary policy normalisation in advanced economies and resurfacing of COVID infections in some major countries, the growth outlook is subdued for the near term. The key channels of impact will likely be higher inflation, weak consumer demand and tighter financial conditions.

The economic growth momentum of the country is largely dependent on ongoing global events that pose downside risk to growth. Higher price levels are expected to weigh on private consumption and investment that are important growth levers. However, the fiscal and monetary policy support will remain growth supportive in the coming year. The credit growth is expected to pick up in tandem with economic recovery.

Your Bank will continue to focus on achieving greater growth in business along with profitability. On the deposits front, your Bank is giving thrust on shoring up of CASA, while consciously reducing the reliance on bulk deposits. On the advances front, your Bank focuses on a balanced advances portfolio with proper mix of retail, agriculture, MSME and corporate credit. The need is to focus on best-in-class customer service, be it in retail segment or in Corporate Banking. Strategic focus will also be on strengthening risk management framework with focus on compliance & proper implementation of systems and procedures.

Your Bank takes adequate efforts for NPA management with ardent credit monitoring, contain fresh slippages and strengthen recovery efforts. Your Bank will continue to strive for process and product improvements in view of changing customers' and industry requirements. In the coming years, your Bank looks forward to provide 'customer centric' banking services, leveraging technology and creating value for all stakeholders through inclusive growth.

Excerpts taken from: 1) RBI Annual Report FY 2021- 2022 2) RBI Publications 3) RBI Monetary Policies 2021-2022

I. Key Financial Highlights and Ratios:

The following charts indicate the Key Financial performance indicators of your Bank for the current year vis-à-vis the previous year.

a) Financial Indicators:

(Rs. in lakhs)

| | F.Y. 2021-22 | F.Y. 2020-21 |
|--|---------------------|---------------------|
| Total Business Mix | 150073.56 | 159282.54 |
| Deposits | 114185.33 | 117758.83 |
| Advances | 35888.23 | 41523.71 |
| Investments (incl. Call/ Term Money and TREPS) | 66562.07 | 65133.99 |
| Paid Up Capital | 1244.35 | 1295.54 |
| Reserves & Surplus | 16631.09 | 16042.00 |
| Total Income | 9148.59 | 11262.38 |
| Total Expenditure | 8425.62 | 10069.52 |
| Operating Profit* | 722.97 | 1192.86 |
| Gross NPAs | 3945.72 | 5296.41 |
| % of NPAs to Loans & Advances | 10.99 | 12.76 |
| Net NPAs | 224.28 | 1897.87 |
| % of Net NPAs to Net Loans & Advances | 0.70 | 4.98 |

| | | |
|---------------------|--------|--------|
| Non-Performing Inv. | 500.00 | 500.00 |
| No: of Branches | 18 | 18 |

***Operating Profit for FY 2020-21 includes write back of reserves of Rs.527.39 lakhs**

b) Ratios:

(Rs. in lakhs)

| | | F.Y. 2021-22 | F.Y. 2020-21 |
|----|---------------------------------|---------------------|---------------------|
| 1. | Capital to Risk Weighted Assets | 27.65% | 23.88% |
| 2. | Cost of Deposits | 4.58% | 5.62% |
| 3. | Yield on Advances | 9.32% | 9.87% |
| 4. | Yield on Investments | 5.31% | 5.88% |
| 5. | Net Interest Margin | 1.88% | 1.68% |
| 6. | Return on Average Assets | 0.32% | 0.33% |
| 7. | Staff Cost to Total Income | 22.50% | 17.50% |
| 8. | Staff Cost to Total Expenditure | 24.43% | 19.58% |

c) Appropriations:

The profit after tax of the Bank for fiscal 2021-22 is Rs.431.55 lakhs after provisions and contingencies of Rs.429.50 lakhs.

The Board of Directors recommends the following appropriations out of the current year's Net Profit for the approval of the members at the Annual General Meeting.

(Rs. in lakhs)

| | | F.Y. 2021-22 | F.Y. 2020-21 |
|-----|---|---------------------|---------------------|
| 1. | Statutory Reserves | 107.89 | 26.26 |
| 2. | Reserve for Contingencies | 43.16 | 10.50 |
| 3. | Education Fund | 4.32 | 1.05 |
| 4. | Proposed Dividend | 124.43 | - |
| 5. | Ex gratia to Staff | - | - |
| 6. | General Reserve | - | - |
| 7. | Building Fund | - | - |
| 8. | Bad And Doubtful Debts Reserve | - | - |
| 9. | Investment Fluctuation Reserve | - | 65.00 |
| 10. | Net Profit Carried to the Balance Sheet | 155.47 | - |

II. Bank's Performance during the Financial Year 2021-22:

Despite the challenging economic environment, your Bank's overall performance during the financial year 2021-22 has been satisfactory. Total Business of your Bank stood at Rs.150073.56 lakhs as on March'2022 (previous year Rs.159282.53 lakhs).



Your Bank has made downward revision on the interest rates on deposits keeping in line with the market conditions. Also, monitoring of loans is being strengthened to improve asset quality of the Bank.

The Gross NPAs of your Bank have reduced to Rs.3945.72 lakhs (previous year Rs.5296.41 lakhs). Your Bank has made recoveries towards NPA accounts to the tune of Rs.1966.99 lakhs for the FY 2021-22.

Your Bank has made additional provisions of Rs.322.90 lakhs towards Bad and Doubtful Debts Reserves for the year 2021-22.

The overall financial position of your Bank continues to be strong as reflected in the Capital to Risk Assets Ratio of 27.65 % as against the minimum requirement of 9% as per the RBI guidelines.

a). Deposits:

The Deposits stand at Rs.114185.33 lakhs as against Rs.117758.83 lakhs of the previous year. The share of CASA Deposits is 30.91 % (previous year 28.25 %) of the Total Deposits of your Bank. In spite of reduction in the rate of interest on deposits, there is no major adverse impact on the Deposits, which shows that your Bank enjoys a loyal Customer base.

b). Advances and Asset Quality:

Your Bank's Total Advances stood at Rs.35888.23 lakhs (previous year Rs.41523.71 lakhs). Your Bank has decided to have enhanced focus on Retail/smaller ticket advances to spread credit risk. Your Bank charges very competitive interest rates on Retail Segment. Your Bank has a well-defined credit rating model which plays an important role in ensuring that the credit proposals conform to the prescribed norms and guidelines and credit facilities are allowed only if the Bank is satisfied about the merits of the proposal.

The Gross NPAs at the end of the Financial Year ended 31st March, 2022 stood at Rs.3945.72 lakhs (previous year Rs.5296.41 lakhs). The Net NPAs as of 31st March, 2022 stood at Rs.224.28 lakhs (previous year Rs. 1574.97 lakhs)

c). Priority Sector Lending:

In terms of the guidelines of the RBI, the Priority Sector Lending targets for the Primary (Urban) Cooperative Banks would increase, in a graded manner from 40% of Adjusted Net Bank Credit (ANBC) as on March 2020 to 45% by March 2021, 50% by March 2022, 60% by March 2023 and 75% by 2024. Within overall PSL targets, the targets for MSME are 10% and for Weaker section 10% March 2021, 11% March 2022, 11.50% March 2023 and 12% as on March 2024. Achievement of PSL targets is determined at the end of the financial year based on the average of priority sector target / sub-target achievement as at the end of each quarter of the year.

Your Bank has met PSL achievement as on March 2022 by 53.82% and your Bank met the shortfall in the PSL achievement by purchasing Priority Sector Lending Certificates. Your Bank's branches predominantly operate in the metropolitan areas where scope of PSL is limited. Your Bank shall endeavour to enhance PSL achievement in the future.

d). Treasury Operations:

Your Treasury team focuses primarily on the management of funds, maintenance of statutory reserves (cash reserve ratio and statutory liquidity ratio), asset liability gaps, interest rate risks, liquidity positions, investments. Your Bank is

a member of Clearing Corporation of India Ltd reporting and settlement systems, such as, NDS-Call, NDS-OM and TREPS. In its role to manage liquidity, your treasury department ensures availability of adequate liquidity to meet the needs of asset growth, operational expenses and payment obligations. Further, in order to manage liquidity mismatches, your treasury department actively participates in money market operations i.e. call/notice/term money/ reverse repo operations, SLR and Non-SLR securities and Fixed Deposits with other Banks. Your Treasury department also has access to the priority sector lending certificate platform.

During the period ended 31st March, 2022, the Investment portfolio of your Bank stood at Rs. 66562.07 lakhs as against the previous financial year figure of Rs. 65133.88 lakhs.

Your Bank has made a gain on sale/redemption of Investments to the tune of Rs.353.87 lakhs during the FY 2021-22.

Your Bank has a Board-approved investment policy framed in accordance with RBI guidelines and a standard operating procedure for carrying out treasury transactions and governing investments in various instruments such as bonds, treasury bills, commercial papers, mutual funds and other products.

Further, looking at the market scenario and to safeguard its Investments, as at 31st March, 2022, your Bank holds Investment Depreciation Reserve of Rs.500.00 lakhs which fully covers the depreciation in investments of Rs. 500.00 lakhs.

III. Dividend:

Your directors are pleased to recommend dividend @ 10% (i.e. Rs.2.50 /- per share of Rs.25/- each) involving a total outlay of Rs.1,24,43,497.50 for the year under review.

IV. Share Capital, Net Worth and Capital Adequacy:

Your Bank's Authorised Share Capital is Rs 3000.00 lakhs and the Paid Up Capital stands at Rs.1244.35 lakhs. The Net Worth of your Bank has increased by Rs.689.66 lakhs to Rs.18030.91 lakhs as on 31st March, 2022 (Rs. 17341.25 lakhs previous year).

Your Bank has robust Capital Adequacy Ratio of 27.65% as against the minimum requirement of 9% as per RBI guidelines.

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

| Particulars | 2021-22 | 2020-21 |
|--------------------|----------------|----------------|
| Tier I Capital | 24.56% | 21.40% |
| Tier II Capital | 3.09% | 2.48% |

V. Risk Management:

Your Bank has well defined Risk Evaluation and Management system in place. Adequate checks and balances exist in respect of Customer on boarding, monitoring of transactions, reporting of suspicious transactions. Periodical reviews of Risk Categorisation of Customers are undertaken and necessary steps are taken to ensure compliance with regulatory guidelines on ongoing basis.

Your Bank has well defined Delegation of Powers for sanctioning of Loans. Centralised Documentation and Monitoring Department (CDMD) is entrusted with the role of monitoring of Loans and Advances along with the Branches. Large Loan proposals are subjected to independent Risk Evaluation by Credit Risk Head. Your Bank has a system of preparing Watchlist of borrowal accounts, which show weaknesses, for special attention.



VI. Asset and Liability Management:

Your Bank has an effective 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.

The Asset Liability Management Committee of your Bank oversees the Interest Rate and Liquidity Risks, reviews the components of Balance Sheets and sets up benchmarks for efficient management of these risks. The Committee reviews the pattern of growth of liability products vis-a-vis credit growth and liquidity management and approves appropriate pricing of Bank's products. Further, your Bank also prepares Statement of Dynamic Liquidity at regular intervals to monitor the outflows and inflows and suggests measures to follow prudent practices and procedures from time to time.

The Committee also ensures that all Statutory returns are forwarded to the RBI and that there is no default in maintenance of Cash Reserve Ratio and Statutory Liquid Ratio.

Your Bank has experts on the Board of Directors who monitor the management of funds. They oversee proper implementation of your Bank's Investment Policy and provide necessary directions and strategies to mitigate risks and asset allocation thereby ensuring portfolio diversification and maximising returns.

VII. Foreign Exchange Authorised Dealer Category – 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. 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 engaged in imports and exports.

VIII. Audit and Inspection:

Your Bank has in place a sound system for internal and concurrent audit. All branches are covered under concurrent audit as well as internal audit. The Audit Committee of the Board gives directions, oversees the total audit function of the Bank, follows-up on the statutory / concurrent audit of the Bank and the inspection carried out by regulators.

The audit process is evaluated every year to ensure that all new RBI guidelines and statutory requirements as also technological enhancements taking place in the Banking industry are taken care of by incorporating the required changes in the audit and inspection process.

Your Bank also undertakes Information System Audit (IS) on an annual basis by qualified external agencies.

Further, as per the requirements of RBI, the Concurrent Auditor, on an ongoing basis, audits the Investments portfolio of your Bank and a quarterly certificate of verification is forwarded to RBI.

IX. Reserve Bank of India Inspection:

The RBI has conducted annual Inspection for the year ended March 31, 2021. Your Bank has submitted compliance of the same on time.

X. Human Resource Management:

People development is one of the thrust areas identified by your Bank. Continuous training, upskilling of the existing staff will go a long way in building a strong organisation. The trainings – both internal and external – have been significantly increased and your Bank will continue to focus on skill development of the staff and nurturing in-house Leadership for sustainable growth of the Bank.

XI. Information Technology and Digital Initiatives:

Your Bank has been offering innovative products with the objective of enabling smooth banking transactions for its customers and focusing on increasing customer base with digital technology being the driving force. People and Technology are two main drivers of the Business Growth. Automation of Business Processes, strengthening Cyber Security and modernising Information Technology infrastructure are among the top priorities of the Bank. Your Bank has successfully migrated to the best in class Finacle CBS application on Software as a Service (SaaS) model for various IT solutions. Upgradation of Cyber Security Solutions like Firewalls across the Branches/Offices, endpoint Security Solutions and upgrading Email Services are also in place to further enhance the Cyber Security.

Your Bank has also launched the much awaited Corporate Internet Banking and Mobile Banking services for its Customers and will shortly launch the much awaited UPI App. With these additions, the Customer will have a wider range of digital Banking services.

XII. E Tax Service:

Your Bank extends E Tax service free of charge to customers for payment of various taxes in collaboration with IDBI Bank. Through this service, the customers can pay various taxes like Income Tax, TDS etc. Large numbers of our Bank's customers are availing benefit of this facility.

XIII. Customer Relationship Management:

Your Bank seeks to treat its customers fairly and provide transparency in its product and service offerings. Your Bank makes continuous efforts to educate its customers to enable them to make informed choices regarding banking products and services. Your Bank also seeks to ensure that the products offered are based on an assessment of the customer's financial needs. Your Bank has a Senior Executive designated as "Nodal Officer for Customer Services and Grievances Redressal" along with a well-defined grievance redressal mechanism with clear turnaround time for providing resolution to customers. The name of the designated Nodal Officer is displayed on the Banks website as well as on the Notice Boards of your Banks respective branches.

XIV. Other Services:

Apart from the aforementioned services, your Bank also offers free SMS facility, free ATM facility as well as Locker facilities at its selected outlets.

XV. Ethics and Business Conduct:

Your Bank is committed towards conducting the business and dealing with all its shareholders, with highest ethical standards and in compliance with all the applicable laws and regulations. The idea is to anchor, promote, nurture and institutionalize the Bank's positive ethical culture of being "The Bank that is Big on Tradition and Trust."



XVI. Auditors:

Your Board of Directors is thankful to:

1. M/s. CNK & Associates, LLP – Chartered Accountants appointed as Statutory Auditors,
2. M/s. Prakash Desai and Co – Chartered Accountants
3. M/s. Vasan & Co – Chartered Accountants
4. M/s. Shah Gupta & Co – Chartered Accountants
5. M/s. Kenish M. Mehta & Co. - Chartered Accountants
6. M/s. H.F.K. Madan & Co. - Chartered Accountants
7. M/s. Santosh Gupta & Co. - Chartered Accountants
8. M/s. K. Sharda & Co. - Chartered Accountants
9. M/s. Zawar & Co. - Chartered Accountants

Acknowledgements:

Your Board of Directors records its appreciation for the unstinted co-operation extended by:

1. The Officers of the Reserve Bank of India, especially the Department for Co-operative Bank Supervision and Department for Co-operative Bank Regulation,
2. The Central Registrar of Co-operative Societies, New Delhi,
3. National Federation of Urban Co-operative Banks for their contribution from time to time.

Your Board of Directors appreciates the deep involvement of its shareholders and clientele and for their on-going support and loyalty and their active participation and contribution.

Your Board of Directors is thankful to the Management and the Staff at all levels for their dedication and devotion to duty with sincerity.

For and on behalf of the Board of Directors

Yazdi B. Tantra
Chairman

CORPORATE GOVERNANCE REPORT

I. Bank's Philosophy on Corporate Governance:

Your Bank is committed to conduct the business in a fair, transparent and ethical manner. Your Bank endeavours to follow prudent policies so as to safeguard the interests of its Shareholders, Depositors and all other stakeholders. Your Bank lays special emphasis on compliance with all the Statutory and Regulatory guidelines in letter and spirit.

For a part of the financial year, your Bank had occupied premises wherein a Private Limited Company, having a common Director with the Bank, is a contractual tenant of the owner of that premise. The owner of the said premise is not related to the Bank. The contract with the said Private Limited Company was terminated in December 2021.

II. 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 Bank is committed to ensuring that the Bank's Board of Directors meets regularly, provides effective leadership and insight in business and functional matters and monitors the Bank's performance.

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 annual accounts are prepared on a going concern basis;
4. that laid down internal financial controls are effectively followed by the Bank, and
5. that proper systems to ensure compliance with the provisions of all applicable laws were adequate and operating effectively.

III. Composition of Committees of Directors:

Your Board has constituted various Committees of Directors to take 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 during the year under review.

1. **The Credit Committee of the Board of Directors.**
2. **The Audit Committee of the Board of Directors.**
3. **The Executive Committee of the Board of Directors.**
4. **Special Committee of Board for Monitoring High Value Frauds**



The Board of Directors meetings as well as meetings of the various Committees of the Board of Directors as mentioned above are as under:

| Meetings | No. of Meetings in the F.Y. 2021-22 |
|---|--|
| Board of Directors | 13 |
| The Credit Committee of the Board of Directors. | 9 |
| The Audit Committee of the Board of Directors. | 7 |
| Special Committee of Board for Monitoring High Value Frauds | 2 |
| The Executive Committee of the Board of Directors | 5 |
| Board of Management | 2 |

IV. 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 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, 2022, your Bank has 9605 numbers of Regular Members and 3227 Nominal Members.

V. Means of Communication:

Your Bank strongly believes that all stakeholders should have access to complete information on the Bank's activity, performance and product initiatives. Annual results of the Bank are published in English and Regional newspapers as well as also displayed on the Bank's Website (www.zoroastrianbank.com). Each year, the Annual Report is sent to all Shareholders. The Bank's Website displays, inter alia, official news releases of the Bank, Financial highlights and details of various product offerings.

For and on behalf of the Board of Directors

Yazdi B. Tantra
Chairman

THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED

Audited Balance Sheet as at 31st March 2022

(In Rupees)

| Capital & Liabilities | Schedules | As at 31st March, 2022 | As at 31st March, 2021 |
|---|-----------|---------------------------|---------------------------|
| Capital | 1 | 12,44,34,975.00 | 12,95,54,025.00 |
| Reserve Fund & Other Reserves | 2 | 1,66,31,08,831.71 | 1,60,41,99,703.25 |
| Deposits | 3 | 11,41,85,33,163.07 | 11,77,58,82,569.33 |
| Bills for Collection Being Bills Receivables (as per contra) | 4 | 1,58,856.38 | - |
| Securities Receivable (as per contra) - Reverse Repo under LAF | - | 1,38,00,20,701.48 | 10,00,08,417.60 |
| Branch Adjustments | - | - | - |
| Interest Payable | - | 1,69,40,008.30 | 2,23,05,670.14 |
| Overdue Interest Reserve (as per contra) | 5 | 9,94,56,375.60 | 7,52,87,533.15 |
| Other Liabilities | 6 | 15,10,36,638.16 | 12,36,19,755.31 |
| Profit & Loss Account | | 1,55,47,067.56 | 3,71,066.09 |
| Total | | 14,86,92,36,617.27 | 13,83,12,28,739.87 |

CONTINGENT LIABILITIES

| | | |
|--|-----------------------|-----------------------|
| 1) Outstanding Liabilities for Guarantees issued | 4,13,84,202.00 | 4,85,56,536.00 |
| 2) Outstanding Liabilities for Letter of Credit issued | - | - |
| 3) Unclaimed Liabilities under Depositor Education and Awareness Fund (DEAF) Scheme | 4,44,49,751.82 | 4,19,01,458.43 |
| | 8,58,33,953.82 | 9,04,57,994.43 |



Audited Balance Sheet as at 31st March, 2022

(In Rupees)

| Property & Assets | Schedules | As at 31st March, 2022 | As at 31st March, 2021 |
|--|-----------|---------------------------|---------------------------|
| Cash | 7 | 57,20,10,876.68 | 47,91,77,256.70 |
| Balances with Banks | 8 | 2,17,33,59,753.93 | 2,20,01,14,590.14 |
| Money at Call and Short Notice / Term Money Placements / TREPS / LAF | | 2,52,99,38,709.99 | 1,79,97,98,993.03 |
| Investments | 9 | 4,12,62,67,817.10 | 4,71,35,99,646.85 |
| Advances | 10 | 3,58,88,22,981.55 | 4,15,23,70,521.89 |
| Interest Receivable "of which Overdue Interest Reserve (as per contra) Rs.9,94,56,375.60 (P.Y. Rs.7,52,87,533.15)" | 11 | 31,35,63,765.54 | 29,15,54,399.28 |
| Bills for Collection Being Bills Receivables (as per contra) | | 1,58,856.38 | - |
| Securities Receivable (as per contra) - Reverse Repo under LAF | - | 1,38,00,20,701.48 | 10,00,08,417.60 |
| Branch Adjustments | | - | - |
| Fixed Assets | 12 | 3,13,37,843.85 | 3,05,88,020.03 |
| Other Assets | 13 | 15,37,55,310.77 | 6,40,16,894.35 |
| Total | | 14,86,92,36,617.27 | 13,83,12,28,739.87 |

As per our report of even date

FOR CNK & ASSOCIATES LLP

Chartered Accountants

Reg. No: 101961W/W-100036

Daljit Dogra
Managing Director & CEO

Yazdi B. Tantra
Chairman

Phillie D.Karkaria
Vice-Chairman

Directors

Hiren Shah

Partner

Aspi A.Kathawalla

Shernaz D.Mehta

Viraf R.Mehta

Membership No.: 100052

Mumbai, Dated: June 28,2022

Audited Profit and Loss Account for the Year Ended 31st March, 2022

(In Rupees)

| Expenditure | Schedules | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 |
|---|-----------|--------------------------------|--------------------------------|
| Interest on Deposits, Borrowings, etc. | 14 | 52,74,12,620.92 | 65,13,84,211.01 |
| Salaries and Allowances, Provident Fund, Provisions, etc. | | 20,58,40,224.62 | 19,71,44,053.22 |
| Directors' & local committee members' fees and allowances | | 27,26,000.00 | 19,39,000.00 |
| Rent, Taxes, Insurance, Lighting, etc. | | 3,77,37,890.86 | 3,47,41,645.55 |
| Law Charges | | 19,59,081.31 | 2,55,950.00 |
| Professional Fees | | 1,30,01,375.00 | 1,04,96,324.50 |
| Postages, Telegrams & Telephone Charges | | 55,32,881.43 | 58,72,543.61 |
| Auditor's fees | | 16,47,164.00 | 15,17,140.80 |
| Depreciation, Repairs & Maintenance | | | |
| Depreciation | | 1,11,53,930.48 | 1,17,83,061.31 |
| Repairs & Maintenance | | 9,564,186.47 | 79,05,625.32 |
| Profession Tax | | 16,860.00 | 16,500.00 |
| Stationery, Printing, Advertisement, etc | | | |
| (i) Printing & Stationery | | 27,58,351.79 | 24,27,744.30 |
| (ii) Advertisement | | 9,36,769.24 | 12,17,313.80 |
| (iii) Subscription | | 5,63,324.76 | 4,90,097.33 |
| Amortisation of Premium On HTM Securities | | 1,730,747.75 | 17,37,747.76 |
| General Charges | | 1,99,66,295.17 | 1,78,93,524.33 |
| Bad debts written off | | - | 6,00,92,699.76 |
| Loss on Sale of Assets | | 14,537.00 | 36,542.72 |
| Total Expenditure | | 84,25,62,240.80 | 1,00,69,51,725.32 |
| Provisions | | | |
| Bad & Doubtful Debts Provisions under section 36(1) (vii) (a) | | 72,90,000.00 | 80,32,000.00 |
| Provision for Bad & Doubtful Debts | | 2,50,00,000.00 | 5,19,68,000.00 |
| Investment Depreciation Reserve | | 1,00,00,000.00 | - |
| Special Reserve under Section 36 (1) (viii) | | 6,60,000.00 | 2,00,000.00 |
| Provision for Restructured Asset | | - | 2,76,81,702.00 |
| Total Provisions | | 4,29,50,000.00 | 8,78,81,702.00 |
| Profit Before Tax | | 2,93,46,569.69 | 3,14,04,496.70 |
| Tax Expense | | | |
| (a) Income Tax | | 1,97,52,000.00 | 2,17,60,000.00 |
| (b) Deferred Tax | | (3,35,60,897.46) | (8,57,538.58) |
| Net Profit for the Year | | 4 31,55,467.15 | 1,05,02,035.28 |
| | | 91,48,58,810.49 | 1,12,62,37,924.02 |



Audited Profit and Loss Account for the Year Ended 31st March, 2022

| Income | Schedules | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 |
|--|-----------|--------------------------------|--------------------------------|
| Interest and Discount | 15 | 84,56,24,115.04 | 96,65,89,578.33 |
| Other Income | | | |
| Commission, Exchange & Brokerage | | 10,53,452.40 | 12,02,190.19 |
| Income from Non-Banking Assets & Profit from Sale of or Dealing with such Assets | | 3,88,004.60 | 19,017.00 |
| Gain on Sale / Redemption of Investments | | 3,53,87,168.00 | 2,49,68,740.00 |
| Transfer Fees | | 4,000.00 | 5,118.00 |
| Recovery of Fixed Deposits written off in earlier years | | 1,12,00,000.00 | - |
| Miscellaneous Income | | 2,12,02,070.45 | 2,06,21,198.98 |
| Bad & Doubtful Debt Reserve Under Section 36(1) (vii)(a) written back | | - | 6,00,92,699.76 |
| Provision for COVID 19 Regulatory Package written back (net) | | - | 2,51,64,172.00 |
| Excess Provision for Standard Assets written back | | - | 1,25,00,000.00 |
| Excess Provision for Investment Depreciation Reserve written back | | - | 1,50,75,209.76 |
| | | 91,48,58,810.49 | 1,12,62,37,924.02 |

As per our report of even date

FOR CNK & ASSOCIATES LLP

Chartered Accountants

Reg. No: 101961W/W-100036

Daljit Dogra
Managing Director & CEO

Yazdi B. Tantra
Chairman

Phillie D.Karkaria
Vice-Chairman

Directors

Hiren Shah

Partner

Aspi A.Kathawalla

Shernaz D.Mehta

Viraf R.Mehta

Membership No.: 100052

Mumbai, Dated: June 28,2022

Profit and Loss Appropriation Account for the Year Ended 31st March, 2022

(In Rupees)

| Particulars | Year Ended 31st March, 2022 | Year Ended 31st March, 2021 |
|---|--------------------------------|--------------------------------|
| Profit of last year brought forward | 3,71,066.09 | 1,03,436.51 |
| Net Profit for the year | 4,31,55,467.15 | 1,05,02,035.28 |
| Excess Appropriation of previous year of Ex-Gratia written back | - | 46,327.00 |
| | 4,35,26,533.24 | 1,06,51,798.79 |
| Appropriations subject to AGM approval | | |
| Statutory Reserve Fund - 25% | 1,07,88,866.79 | 26,25,508.82 |
| Reserve for Contingency - 10% | 43,15,546.71 | 10,50,203.53 |
| Education Fund - 1% | 4,31,554.67 | 1,05,020.35 |
| Proposed Dividend @ 10% i.e. Rs. 2.50/- per share | 1,24,43,497.50 | - |
| Investment Fluctuation Reserve | - | 65,00,000.00 |
| Net Profit Carried to Balance Sheet | 1,55,47,067.56 | 3,71,066.09 |
| TOTAL | 4,35,26,533.24 | 1,06,51,798.79 |

As per our report of even date

FOR CNK & ASSOCIATES LLP

Chartered Accountants

Reg. No: 101961W/W-100036

Daljit Dogra
Managing Director & CEO

Yazdi B. Tantra
Chairman

Phillie D.Karkaria
Vice-Chairman

Directors

Hiren Shah

Partner

Membership No.: 100052

Mumbai, Dated: June 28,2022

Aspi A.Kathawalla

Shernaz D.Mehta

Viraf R.Mehta



Schedules forming Part of Accounts

(In Rupees)

31st March, 2022 31st March, 2021

Schedule 1 Capital

Authorised Capital

1,20,00,000 shares of Rs. 25/- each

30,00,00,000.00 30,00,00,000.00

Issued, Subscribed & Paid up Capital

49,77,399 shares of Rs.25/- each

(PY. 51,82,161 shares of Rs.25/- each)

12,44,34,975.00 12,95,54,025.00

Of the above, held by :

Individuals*

12,44,34,975.00 12,95,54,025.00

Co-operative institutions

- -

State Government

- -

12,44,34,975.00 12,95,54,025.00

*Under the item "individuals" include shares held by the institutions other than co-operative institutions and state government are included as per The Banking Regulation Act, 1949.

Schedule 2 Reserve Fund and Other Reserves

| | | |
|--|-------------------|-------------------|
| (i) Statutory Reserve | 48,46,77,415.41 | 47,30,03,833.66 |
| (ii) Building Fund Reserve | 27,09,00,000.00 | 27,09,00,000.00 |
| (iii) Bad & Doubtful Debts Reserve under Sec. 36 (1)(vii)(a) | 6,31,25,800.53 | 5,58,35,800.53 |
| (iv) Bad & Doubtful Debts Reserve | 30,90,18,000.00 | 28,40,18,000.00 |
| (v) Provision for COVID 19 Regulatory Package | - | - |
| (vi) Investment Depreciation Reserve | 6,00,00,000.00 | 5,00,00,000.00 |
| (vii) Special Reserve under Sec 36 (1) (viii) | 1,66,89,597.09 | 1,60,29,597.09 |
| (viii) Reserve for Contingencies | 9,04,93,691.55 | 8,61,78,144.83 |
| (ix) General Reserve | 20,52,30,000.00 | 20,52,30,000.00 |
| (x) Staff Benefit Fund | 22,45,000.00 | 22,75,000.00 |
| (xi) Reserve for Standard Assets | 1,97,00,125.14 | 1,97,00,125.14 |
| (xii) Investment Fluctuation Reserve | 10,51,70,000.00 | 10,51,70,000.00 |
| (xiii) Shareholders Benefit Fund | 6,77,500.00 | 6,77,500.00 |
| (xiv) Jubilee Celebration Fund | 75,00,000.00 | 75,00,000.00 |
| (xv) Provision for Restructured Accounts | 2,76,81,702.00 | 2,76,81,702.00 |
| | 1,66,31,08,831.71 | 1,60,41,99,703.25 |

| | | (In Rupees) | |
|------------|---|---------------------------|---------------------------|
| | | 31st March, 2022 | 31st March, 2021 |
| Schedule 3 | Deposit & Other Accounts | | |
| | (i) Fixed deposits | | |
| | (a) Individuals and other entities | 7,18,87,90,919.18 | 7,49,54,43,053.21 |
| | (b) Central Co-operative Banks | - | - |
| | (c) Co-operative Institutions | 70,05,08,725.25 | 95,42,43,093.65 |
| | | 7,88,92,99,644.43 | 8,44,96,86,146.86 |
| | (ii) Savings Deposits | | |
| | (a) Individuals and other entities | 2,85,81,32,187.17 | 2,67,41,78,498.42 |
| | (b) Central Co-operative Banks | - | - |
| | (c) Co-operative Institutions | 7,43,62,507.89 | 9,08,26,500.93 |
| | | 2,93,24,94,695.06 | 2,76,50,04,999.35 |
| | (iii) Current Deposits | | |
| | (a) Individuals and other entities | 58,84,97,857.60 | 55,23,34,187.60 |
| | (b) Central Co-operative Banks | - | - |
| | (c) Co-operative Institutions | 82,40,965.98 | 88,57,235.52 |
| | | 59,67,38,823.58 | 56,11,91,423.12 |
| | | 11,41,85,33,163.07 | 11,77,58,82,569.33 |
| Schedule 4 | Bills for Collection | | |
| | Liability for Outward Cheques for Collection (Inland) | - | - |
| | Liability for Outward Chqs for Collection (Foreign) | 1,58,856.38 | - |
| | | 1,58,856.38 | - |
| Schedule 5 | Overdue Interest Reserve (as per contra) | | |
| | On Advances | 8,65,44,598.60 | 6,38,60,139.15 |
| | On Investments | 1,29,11,777.00 | 1,14,27,394.00 |
| | | 9,94,56,375.60 | 7,52,87,533.15 |
| Schedule 6 | Other Liabilities | | |
| | (i) Bills Payable | 1,64,51,372.35 | 2,09,64,287.08 |
| | (ii) Unclaimed Dividends | 9,68,991.00 | 20,24,607.79 |
| | (iii) Proposed Dividend | 1,24,43,497.50 | - |
| | (iv) Other items | 3,54,81,942.07 | 3,78,30,478.41 |
| | (v) Provision for Income Tax (net of advance tax) | 23,74,376.54 | 52,08,045.50 |
| | (vi) Provisions | 8,29,81,969.70 | 5,71,03,751.00 |
| | (vii) Income received in Advance | 3,34,489.00 | 4,88,585.53 |
| | | 15,10,36,638.16 | 12,36,19,755.31 |



The Zoroastrian Co-operative Bank Ltd.

| | | (In Rupees) | |
|------------|--|--------------------------|--------------------------|
| | | 31st March, 2022 | 31st March, 2021 |
| Schedule 7 | Cash | | |
| | (i) Cash In hand | 2,01,74,388.00 | 2,26,53,180.00 |
| | (ii) Balances in current account with Reserve Bank | 55,18,36,488.68 | 45,65,24,076.70 |
| | | 57,20,10,876.68 | 47,91,77,256.70 |
| Schedule 8 | Balances with other banks | | |
| | (i) Current Accounts | 1,94,14,601.93 | 93,09,798.14 |
| | (ii) Fixed Deposits with | | |
| | [a] State & Central District Co-op. Bank | 4,00,000.00 | 4,00,000.00 |
| | (including Rs.4,00,000 (previous year Rs. 4,00,000) earmarked against Statutory Reserve Fund) | | |
| | [b] Other Banks | 2,15,35,45,152.00 | 2,19,04,04,792.00 |
| | (including Rs.90,45,152.00 (Previous year Rs.1,06,04,792) lien for LC/BG facilities) | | |
| | | 2,17,33,59,753.93 | 2,20,01,14,590.14 |
| Schedule 9 | Investments | | |
| | (i) Government Securities | 3,07,20,82,017.10 | 3,65,96,63,846.85 |
| | “Face Value - 310,10,00,000 (Previous year Rs. 371,10,00,000)” | | |
| | “Market Value - 3,11,73,14,050 (Previous year Rs. 378,47,29,500)” | | |
| | (ii) Other approved securities | - | - |
| | (iii) Shares - (Co-operative Institutions) | 80,000.00 | 80,000.00 |
| | (iv) Bonds of Public Sector Undertaking | 35,42,85,800.00 | 30,42,85,800.00 |
| | (v) Others | | |
| | - Bonds of Private Sector & Other Institutions | 69,98,20,000.00 | 74,95,70,000.00 |
| | | 4,12,62,67,817.10 | 4,71,35,99,646.85 |
| | a. Government Securities includes the pledged securities of Rs. 5,02,75,636.37(previous year Rs.5,04,13,454.55) against borrowing facilities. | | |
| | b. Government Securities includes the earmarked securities of Rs.52,58,61,088.17(previous year Rs.52,46,34,435.81) for Statutory Reserve Fund. | | |

| | | (In Rupees) | |
|-------------|---|--------------------------|--------------------------|
| | | 31st March, 2022 | 31st March, 2021 |
| Schedule 10 | Advances | | |
| | I Short-term Loans, Cash-credits, Overdrafts & Bills Discounted, | | |
| | (i) of which, secured against : | | |
| | [a] Government & other securities | 5,62,274.88 | 5,23,509.90 |
| | [b] Other tangible securities | 1,46,03,96,728.24 | 1,61,64,63,646.36 |
| | (ii) Personal Advances | 14,66,63,069.89 | 5,73,43,262.19 |
| | | 1,60,76,22,073.01 | 1,67,43,30,418.45 |
| | of the advances, amount due from individuals | - | 53,38,37,019.03 |
| | of the advances, amount overdue | 3,10,044.00 | 15,515.00 |
| | Considered Bad & Doubtful of Recovery | 29,53,39,276.51 | 41,33,60,820.46 |
| | II Medium Term Advances: | | |
| | (i) of which, secured against : | | |
| | [a] Government & other securities | 6,79,954.03 | 11,68,447.03 |
| | [b] Other tangible securities | 48,51,42,668.73 | 73,18,02,426.24 |
| | (ii) Personal Advances | 5,26,60,626.12 | 6,58,14,542.80 |
| | | 53,84,83,248.88 | 79,87,85,416.07 |
| | of the advances, amount due from individuals | - | 38,40,30,543.16 |
| | of the advances, amount overdue | 4,95,670.01 | 22,95,328.67 |
| | Considered Bad & Doubtful of Recovery | 7,18,15,159.75 | 8,92,67,562.74 |
| | III Long Term Advances: | | |
| | (i) of which, secured against : | | |
| | [a] Government & other securities | - | - |
| | [b] Other tangible securities | 1,43,15,05,514.08 | 1,66,95,64,559.74 |
| | (ii) Personal Advances | 1,12,12,145.58 | 96,90,127.63 |
| | | 1,44,27,17,659.66 | 1,67,92,54,687.37 |
| | of the advances, amount due from individuals | - | 75,94,88,198.17 |
| | of the advances, amount overdue | 13,51,239.08 | 28,41,223.21 |
| | Considered Bad & Doubtful of Recovery | 2,74,17,201.45 | 2,70,12,785.21 |
| | | 3,58,88,22,981.55 | 4,15,23,70,521.89 |
| Schedule 11 | Interest Receivable | | |
| | On Non performing Investments | 1,29,11,777.00 | 1,14,27,394.00 |
| | On Non Performing Advances | 8,65,44,598.60 | 6,38,60,139.15 |
| | Sub Total (as per contra) | 9,94,56,375.60 | 7,52,87,533.15 |



The Zoroastrian Co-operative Bank Ltd.

(In Rupees)

| | 31st March, 2022 | 31st March, 2021 |
|------------------------|------------------------|------------------------|
| On Investments | 19,78,04,866.94 | 20,11,73,880.13 |
| On Staff Housing Loans | 1,63,02,523.00 | 1,50,92,986.00 |
| | 31,35,63,765.54 | 29,15,54,399.28 |

Schedule 12 Fixed Assets

Premises:

| | | |
|------------------------------------|-----------------------|-----------------------|
| Balance as per last Balance Sheet* | 2,13,88,923.04 | 2,59,11,373.04 |
| Add : Additions during the year | - | - |
| | 2,13,88,923.04 | 2,59,11,373.04 |
| Less : Depreciation for the year | 45,22,450.00 | 45,22,450.00 |
| | 1,68,66,473.04 | 2,13,88,923.04 |

Furnitures Fixtures & Other Assets#:

| | | |
|-------------------------------------|-----------------------|-----------------------|
| Balance as per last Balance Sheet* | 87,96,349.63 | 1,46,21,512.12 |
| Add : Additions during the year | 1,20,33,036.70 | 10,22,953.82 |
| | 2,08,29,386.33 | 1,56,44,465.94 |
| Less : Disposed off during the year | 1,29,281.40 | 40,783.00 |
| Less : Depreciation for the year | 64,70,382.48 | 68,07,333.31 |
| | 1,42,29,722.45 | 87,96,349.63 |

Vehicles:

| | | |
|-------------------------------------|-----------------------|-----------------------|
| Balance as per last Balance Sheet* | 4,02,747.36 | 8,56,025.36 |
| Add : Additions during the year | - | - |
| | 4,02,747.36 | 8,56,025.36 |
| Less : Disposed off during the year | 1.00 | - |
| Less : Depreciation for the year | 1,61,098.00 | 4,53,278.00 |
| | 2,41,648.36 | 4,02,747.36 |
| | 3,13,37,843.85 | 3,05,88,020.03 |

*represents Written down value

#Other Assets includes Office Equipment,
Computer Hardware and Computer Software

Schedule 13 Other Assets

| | | |
|---|----------------|----------------|
| [i] Utility Deposits & Other advances* | 3,07,59,849.00 | 2,85,77,590.00 |
| [ii] Advance Tax Payments (Net of Provisions) | 96,66,910.28 | 96,66,340.68 |
| [iii] Deferred Tax Asset | 4,93,64,541.67 | 1,58,03,644.21 |
| [iv] Others# | 6,09,17,257.11 | 78,98,308.14 |

| | | (In Rupees) | |
|--|---|------------------------|------------------------|
| | | 31st March, 2022 | 31st March, 2021 |
| | [v] Capital work in progress | 4,57,260.54 | 2,50,000.00 |
| | [vi] Prepaid expenses | 25,89,492.17 | 18,21,011.32 |
| | | 15,37,55,310.77 | 6,40,16,894.35 |
| * includes deposit of Rs. 55,00,000/- with Clearing Corporation of India for dealing in Tri Party Repos (TREPS) (Previous year: Rs. 55,00,000/-) | | | |
| # Refer Note 2.3(d)(1) | | | |
| Schedule 14 | Interest on Deposits, Borrowings, etc. | | |
| | Interest on Fixed Deposits A/cs | 22,03,19,452.86 | 28,06,28,470.36 |
| | Interest on Savings Bank A/cs | 8,33,75,798.76 | 8,06,71,577.75 |
| | Interest on Deposits Reinvestment Certificate A/c | 20,08,73,011.00 | 26,34,27,239.00 |
| | Interest on Recurring Deposits | 23,21,772.00 | 33,20,409.00 |
| | Interest on Sweep Deposits & Unit Withdrawal Scheme | 2,05,11,349.00 | 2,33,24,086.00 |
| | Interest paid on Deposits matured | 11,237.30 | 12,428.90 |
| | Interest on Overdraft with other Banks | - | - |
| | | 52,74,12,620.92 | 65,13,84,211.01 |
| Schedule 15 | Interest & Discounts | | |
| | Interest on Loan A/cs | 20,57,50,991.88 | 26,76,30,171.65 |
| | Interest on Overdraft A/cs | 7,73,34,802.28 | 10,58,83,414.53 |
| | Interest on Cash Credit A/cs | 6,23,52,689.35 | 8,89,88,285.54 |
| | Interest on Usance Bills Discounted | 27,02,740.91 | 23,24,384.50 |
| | Income on Banks Fixed Deposits, Short Term Deposits etc | 12,55,69,844.18 | 15,03,86,605.00 |
| | Income on Government Securities | 17,22,27,953.67 | 1,76,5,96,388.89 |
| | Income on Call Money | 2,32,49,659.00 | 1,88,38,884.00 |
| | Income on CBLO/ TREPS Lending | 40,67,632.84 | 47,27,337.10 |
| | Income on PSU Bonds | 8,32,61,579.93 | 7,86,06,872.12 |
| | Discount Received on Treasury / Cash Management Bill | 3,70,91,034.00 | 3,26,31,549.00 |
| | Income on Term Money | 1,37,77,586.00 | 1,99,22,740.00 |
| | Dividend Income | 8,250.00 | - |
| | Interest on Deposit with CCIL | 1,66,622.00 | 3,05,505.00 |
| | Interest on Reverse Repo | 3,80,62,729.00 | 1,97,47,441.00 |
| | | 84,56,24,115.04 | 96,65,89,578.33 |



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

| | Year ended 31.03.2022 | Year ended 31.03.2021 |
|---|--------------------------|--------------------------|
| Cash Flow from Operating Activities | | |
| Net Profit after tax (before appropriation) | 4,31,55,467.15 | 1,05,02,035.28 |
| Adjustments for: | | |
| Add: | | |
| Bad & Doubtful Debts Provision Under Section 36(1) (vii) (a) | 72,90,000.00 | 80,32,000.00 |
| Provision for Bad & Doubtful Debts | 2,50,00,000.00 | 5,19,68,000.00 |
| Special Reserve Under Section 36 (1) (viii) | 6,60,000.00 | 2,00,000.00 |
| Investment Depreciation Reserve | 1,00,00,000.00 | - |
| Contingent Provision For Restructured Assets | - | 2,76,81,702.00 |
| Income tax provision | 1,97,52,000.00 | 2,17,60,000.00 |
| Deferred Tax Liability/ (Asset) Net | -3,35,60,897.46 | -8,57,538.58 |
| Bad debts written off | - | 6,00,92,699.76 |
| Depreciation on Fixed Assets | 1,11,53,930.48 | 1,17,83,061.31 |
| Less: | | |
| Ex-gratia paid to staff | - | 6,85,588.00 |
| Education fund Paid | 1,05,020.35 | 3,28,294.13 |
| (Loss) / Profit on sale of fixed assets (net) | 3,73,467.60 | -17,525.72 |
| Bad debts written back | - | 6,00,92,699.76 |
| Provision for COVID 19 Regulatory Package written back | - | 2,51,64,172.00 |
| Excess Provision for Standard Assets written back | - | 1,25,00,000.00 |
| Excess Provision for Investment Depreciation Reserve written back | - | 1,50,75,209.76 |
| | 8,29,72,012.22 | 7,73,33,521.84 |
| Adjustments for working capital changes:- | | |
| (Increase) / Decrease in Investments | 59,07,00,842.94 | -80,85,21,572.00 |
| Decrease in Net Advances | 56,35,47,540.34 | 1,13,25,89,909.50 |
| (Increase)/ Decrease in Other Assets | -5,73,86,486.36 | -37,20,219.54 |
| Increase / (Decrease) in Deposits | -36,27,15,068.10 | 33,53,41,063.62 |
| (Decrease)/ Increase in Other liabilities and provisions | 1,74,80,519.99 | -23,84,267.15 |
| Increase in Reserve Funds (Net) | 8,54,714.96 | 53,200.00 |
| Net Cash generated from Operating Activities before Tax | 83,54,54,075.99 | 73,06,91,636.27 |
| Direct taxes paid | -2,25,86,238.56 | -1,65,78,681.95 |
| Net Cash flow from Operating Activities | 81,28,67,837.43 | 71,41,12,954.32 |
| Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | -1,20,33,036.70 | -10,22,953.82 |
| Proceeds from Sale of Fixed Assets | 5,02,750.00 | 23,257.29 |
| Net Cash used in Investing Activities | -1,15,30,286.70 | -9,99,696.53 |

| | Year ended 31.03.2022 | Year ended 31.03.2021 |
|--|----------------------------------|----------------------------------|
| Cash Flow from Financing Activities | | |
| Proceeds from Issue/(Repayment) of Share Capital | -51,19,050.00 | -37,81,675.00 |
| Dividend Paid | - | -6,63,954.11 |
| Net Cash used in financing Activities | -51,19,050.00 | -44,45,629.11 |
| Net Increase in Cash and Cash Equivalents | 79,62,18,500.73 | 70,86,67,628.68 |
| Cash and Cash Equivalents at the beginning of year | 4,47,90,90,839.87 | 3,77,04,23,211.19 |
| Cash and Cash Equivalents at the end of year | 5,27,53,09,340.60 | 4,47,90,90,839.87 |
| Net Increase in Cash and Cash Equivalents | 79,62,18,500.73 | 70,86,67,628.68 |
| Note: | | |
| Cash & Cash Equivalents | | |
| Cash | 57,20,10,876.68 | 47,91,77,256.70 |
| Balance with other banks | 2,17,33,59,753.93 | 2,20,01,14,590.14 |
| Money at Call & Short Notice/ TREPS/ Term Money Placements/LAF | 2,52,99,38,709.99 | 1,79,97,98,993.03 |
| | 5,27,53,09,340.60 | 4,47,90,90,839.87 |

1. Cash and cash equivalents comprise of cash on hand , Balances with Reserve Bank of India, Balance with Banks and money at call and short notice , Term Money Placements, TREPS and LAF.
2. The above statement Cashflow has been prepared under the “Indirect Method” as set out in AS -3 “Cash Flow Statements”.
3. Previous year’s figures have been re-grouped wherever necessary to confirm current year’s classification.



SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022

1. Overview

1.1 Background

The Zoroastrian Co-operative Bank Ltd. was incorporated in 1927 and provides a complete suite of banking and financial services including retail banking, wholesale banking and treasury operations. The Bank is primarily governed by the Banking Regulation Act, 1949 and the Multistate Co-operative Societies Act, 2002.

Basis of preparation:

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 Act), the circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time and the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable and current practices prevailing within the Co-operative Banking industry in India. Accounting policies applied have been consistent with the previous year except otherwise stated.

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.

Accounting Policies:

1.2 Investments:

1.2.1 Investment portfolio of the Bank is categorised in accordance with the guidelines issued by RBI 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 under (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 Government Securities, Other Approved Securities, Shares, Bonds of PSU and Other Investments (Bonds of Private sector and other All India Financial Institutions, Commercial Papers and Mutual Funds).

1.2.2 Transfer between categories of investments is accounted as per the RBI guidelines.

1.2.3 Valuation of Investments is as per directives issued by RBI from time to time.

1.2.4 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 under Investment Depreciation Reserve, 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.

- 1.2.5 Market value is taken on the basis of the Yield to Maturity as indicated by Financial Benchmark India Private Ltd (FBIL) and Fixed Income Money Market and Derivatives Association of India (FIMMDA).
- 1.2.6 Broken period interest accrued at the time of acquisition of securities is recognised as expenses.
- 1.2.7 Income from Government Securities/ Bonds of Public Sector Undertakings and All India Financial Institutions, where interest rates on the instruments are predetermined, income is booked on accrual basis, provided interest is serviced regularly and is not in arrears.
- 1.2.8 Income on units of Mutual Funds is booked on cash basis and not on accrual basis.
- 1.2.9 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 RBI.
- 1.2.10 Interests on Investments of all earmarked funds are credited to the Profit and Loss Account.
- 1.2.11 Accounting for Reverse Repo transactions (including transactions under the liquidity Adjustment Facility (LAF) with the RBI) - The securities purchased under Reverse Repo are accounted as Collateralised Lending transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Reverse Repo accounts and contra entries. The above entries are reversed on the date of maturity. Revenue is accounted as interest income. Balance in Reverse Repo account is classified under Money at Call & Short Notice.

1.3 Statutory Reserve Fund

The Reserve Fund is separately invested in Government securities and/ or in fixed deposits with the District Central Co-operative Bank or the State Co-operative Bank or with any other Bank and as permitted by the Reserve Bank of India. Interest accruing thereon shall form part of the general revenue.

1.4 Advances:

- 1.4.1 In terms of guidelines issued by RBI, advances to borrowers are classified into "Performing" or Non-performing" assets based on recovery of Principal / Interest. Non-Performing Assets (NPA) are further classified as sub-standard, doubtful and loss assets and provisions thereon are made in accordance with the prudential norms prescribed by the RBI.
- 1.4.2 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. In respect of restructured advances, including advances restructured under the COVID Regulatory package, adequate provisioning has been made in accordance with the RBI guidelines issued from time to time.
- 1.4.3 Overdue Interest Reserve represents unrecovered interest on all NPA Advances & Investments, which is correspondingly shown under Interest Receivable.
- 1.4.4 For the purpose of presentation, Advances are classified as Short Term Advances up to 1 year, Medium Term Advances above 1 year to 5 years and Long Term Advances above 5 years based on original term.

1.5 Fixed Assets & Depreciation (AS -10):

- 1.5.1 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.



1.5.2 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.

1.5.3 Depreciation

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

| | |
|---------------------------|--------|
| a) Furniture & Fixtures | 15% |
| b) Electrical Equipment's | 15% |
| c) Vehicles | 20% |
| d) Premises | 5% |
| e) Computer Hardware | 33.33% |
| f) Computer Software | 33.33% |

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.

1.6 Cash and Cash Equivalent (AS -3):

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and balances with other banks/institutions and Money at Call and Short Notice.

1.7 Revenue Recognition (AS -9):

Items of Income and Expenditure are accounted for on accrual basis except for certain items of Income 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.

1.8 Employees Benefits (AS -15):

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

1.8.2 The Bank operates defined benefit plan for its employees, viz. gratuity liability. The cost of providing benefits under this plan 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.

1.8.3 Provision for Privilege Leave Encashment and Sick Leave Encashment is made on an actuarial basis.

1.9 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 and in compliance with AS 17, 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.
- (a) Corporate and Wholesale Banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under 'Retail Banking
- (a) Retail Banking includes exposures which fulfil the four criteria of orientation, product, granularity, and low value of individual exposures for retail exposures laid down in Master Directions on Basel III: Capital Regulations (modified from time to time). Individual housing loans will also form part of Retail Banking segment for the purpose of reporting under AS-17.

Other banking operations include all other operations not covered under 'Treasury', 'Wholesale Banking' and 'Retail Banking' segments. It shall also include all other residual operations such as para banking transactions/ activities

1.10 Related Party Disclosures (AS-18):

The identification and disclosure of transactions with related parties are in compliance with AS 18 and RBI guidelines.

1.11 Leases (AS - 19):

Lease rental obligations in respect of assets taken on operating lease are charged to Profit and Loss Account on straight-line basis over the lease term. Initial direct costs are charged to Profit and Loss account.

1.12 Earnings Per Share (AS - 20):

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Bank's earnings per share is the net profit for the year before appropriations.

1.13 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 maybe that the asset will be realized in future.

1.14 Intangible Assets (AS -26):

Intangible assets consist of acquired Computer Software. Cost includes expenditure related to the acquisition and installation of the asset. The same is amortized equally over the period of three years as per RBI guidelines.

1.15 Impairment of Assets (AS 28):

The carrying amounts of the Bank's tangible & intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

1.16 Provisions, Contingent Liabilities and Contingent Assets (AS -29):

A provision is recognized only when the Bank 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.

Acceptance, endorsements and other obligations including guarantees are disclosed as Contingent Liabilities at the face value of the commitments undertaken.

2. NOTES TO ACCOUNTS:

2.1 Regulatory Capital

a) Composition of Regulatory Capital

(Rs. in crores)

| Sr.No. | Particulars | March 31, 2022 | March 31, 2021 |
|---------------|--|-----------------------|-----------------------|
| i. | Paid Up Share Capital and Reserves (net of deductions if any) | 115.62 | 113.75 |
| ii. | Other Tier 1 capital | - | - |
| iii. | Tier 1 capital (i + ii) | 115.62 | 113.75 |
| iv. | Tier 2 capital | 14.53 | 13.53 |
| v. | Total capital (Tier 1+Tier 2) | 130.15 | 130.08 |
| vi. | Total Risk Weighted Assets (RWAs) | 466.58 | 544.61 |
| vii. | Paid-up share capital and reserves as percentage of RWAs | 24.56% | 21.40% |
| viii. | Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) | 24.56% | 21.40% |
| ix. | Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) | 3.09% | 2.48% |
| x. | Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as percentage of RWAs) | 27.65% | 23.88% |
| xi. | Percentage of shareholding of a) Government of India | - | - |
| xii. | Amount of paid-up equity capital raised during the year | 0.06 | 0.05 |
| xiii. | Amount of non-equity Tier 1 capital raised during the year | - | - |
| xiv. | Amount of Tier 2 capital raised during the year | - | - |

b) Draw down from Reserves

(Rs. in crores)

| | | March 31, 2022 | March 31, 2021 |
|----|---------------------------------|-----------------------|-----------------------|
| 1. | Reserve for Standard Assets | | |
| | Opening Balance as on 1st April | 1.97 | 3.22 |
| | Additions during the year | - | - |
| | Reductions during the year | - | 1.25 |

| | | | |
|----|----------------------------------|------|------|
| | Closing Balance as on 31st March | 1.97 | 1.97 |
| 2. | Investment Depreciation Reserve | | |
| | Opening Balance as on 1st April | 5.00 | 6.51 |
| | Additions during the year | 1.00 | - |
| | Reductions during the year | - | 1.51 |
| | Closing Balance as on 31st March | 6.00 | 5.00 |

2.2 Asset liability management

a) Maturity pattern of certain items of assets and liabilities F.Y. 2021-22

(Rs. in crores)

| | Day1 | 2 to 7 days | 8 to 14 days | 15 to 30 days | 31 days to 2 months | Over 2 months and up to 3 months | Over 3 months and up to 6 months | Over 6 months and up to 1 year | Over 1 year and up to 3 years | Over 3 years and up to 5 years | Over 5 years | Total |
|------------------------------|-------|-------------|--------------|---------------|---------------------|----------------------------------|----------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------|---------|
| Deposits | 40.75 | 23.17 | 16.97 | 59.94 | - | 97.87 | 110.06 | 270.56 | 488.93 | 32.56 | 1.04 | 1141.85 |
| Advances | 7.92 | 0.12 | 0.18 | 0.40 | - | 48.54 | 21.29 | 58.10 | 32.70 | 53.23 | 136.40 | 358.88 |
| Investments | - | - | - | - | - | 38.69 | 30.44 | 29.17 | 29.92 | 117.52 | 166.89 | 412.63 |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - | - | - | - |

b) Maturity pattern of certain items of assets and liabilities F.Y. 2020-21

(Rs. in crores)

| | Day1 | 2 to 7 days | 8 to 14 days | 15 to 30 days | 31 days to 2 months | Over 2 months and up to 3 months | Over 3 months and up to 6 months | Over 6 months and up to 1 year | Over 1 year and up to 3 years | Over 3 years and up to 5 years | Over 5 years | Total |
|------------------------------|-------|-------------|--------------|---------------|---------------------|----------------------------------|----------------------------------|--------------------------------|-------------------------------|--------------------------------|--------------|---------|
| Deposits | 38.38 | 9.01 | 9.42 | 29.12 | - | 102.55 | 149.21 | 340.86 | 467.41 | 30.98 | 0.65 | 1177.59 |
| Advances | 4.68 | 0.03 | 0.26 | 0.28 | - | 42.18 | 10.34 | 90.34 | 35.32 | 79.36 | 152.44 | 415.26 |
| Investments | - | - | - | - | - | 29.09 | 63.33 | 39.53 | 55.67 | 80.26 | 203.48 | 471.36 |
| Borrowings | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - | - | - | - |



2.3 Investments

a) Composition of Investment Portfolio

| Investments in India as at March 31, 2022 | | | | | | | (Rs. in crores) |
|---|-----------------------|---------------------------|-------------|----------------------|------------------------------------|----------|----------------------------|
| | Government Securities | Other Approved Securities | Shares | Debentures and Bonds | Subsidiaries and/or joint ventures | Others | Total Investments in India |
| Held to Maturity | | | | | | | |
| Gross | 209.17 | - | - | - | - | - | 209.17 |
| Less: Provision for NPI | - | - | - | - | - | - | - |
| Net | 209.17 | - | - | - | - | - | 209.17 |
| Available for Sale | | | | | | | |
| Gross | 98.03 | - | 0.01 | 110.41 | - | - | 208.45 |
| Less: Provision for depreciation and NPI | - | - | - | 5.00 | - | - | 5.00 |
| Net | 98.03 | - | 0.01 | 105.41 | - | - | 203.45 |
| Held for Trading | | | | | | | |
| Gross | - | - | - | - | - | - | - |
| Less: Provision for depreciation and NPI | - | - | - | - | - | - | - |
| Net | - | - | - | - | - | - | - |
| Total Investments | 307.20 | - | 0.01 | 110.41 | - | - | 417.62 |
| Less: Provision for NPI | - | - | - | - | - | - | - |
| Less: Provision for depreciation and NPI | - | - | - | 5.00 | - | - | 5.00 |
| Net | 307.20 | - | 0.01 | 105.41 | - | - | 412.62 |

| Investments in India as at March 31, 2021 | | | | | | | (Rs. in crores) |
|--|-----------------------|---------------------------|-------------|----------------------|------------------------------------|----------|----------------------------|
| | Government Securities | Other Approved Securities | Shares | Debentures and Bonds | Subsidiaries and/or joint ventures | Others | Total Investments in India |
| Held to Maturity | | | | | | | |
| Gross | 219.84 | - | 0.01 | - | - | - | 219.85 |
| Less: Provision for NPI | - | - | - | - | - | - | - |
| Net | 219.84 | - | 0.01 | - | - | - | 219.85 |
| Available for Sale | | | | | | | |
| Gross | 146.13 | - | - | 105.39 | - | - | 251.52 |
| Less: Provision for depreciation and NPI | - | - | - | 5.00 | - | - | 5.00 |
| Net | 146.13 | - | - | 100.39 | - | - | 246.52 |
| Held for Trading | | | | | | | |
| Gross | - | - | - | - | - | - | - |
| Less: Provision for depreciation and NPI | - | - | - | - | - | - | - |
| Net | - | - | - | - | - | - | - |
| Total Investments | 365.97 | - | 0.01 | 105.39 | - | - | 471.37 |
| Less: Provision for NPI | - | - | - | - | - | - | - |
| Less: Provision for depreciation and NPI | - | - | - | 5.00 | - | - | 5.00 |
| Net | 365.97 | - | 0.01 | 100.39 | - | - | 466.37 |

The Bank has no investment outside India as on March 31, 2022 and March 31, 2021.



b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve (IFR)

(Rs. in crores)

| | | March 31, 2022 | March 31, 2021 |
|----|---|-----------------------|-----------------------|
| 1. | Movement of provisions held towards depreciation on investments | | |
| | a) Opening Balance as on 1st April | 5.00 | 6.51 |
| | b) Add: Provisions made during the year | 1.00 | - |
| | c) Less: Write back of excess provisions during the year | - | (1.51) |
| | d) Closing Balance as on 31st March | 6.00 | 5.00 |
| 2. | Movement of Investment Fluctuation Reserve | | |
| | a) Opening Balance as on 1st April | 10.52 | 9.87 |
| | b) Add: Amount transferred during the year | - | 0.65 |
| | c) Less: Drawdown during the year | - | - |
| | d) Closing Balance as on 31st March | 10.52 | 10.52 |
| 3. | Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT | 5.17% | 4.27% |

c) Sale and transfers to/from HTM category

The value of sales and transfers of securities to/from HTM Category has not exceeded 5% of the book value of investment held in HTM category at the beginning of the year.

d) Non-SLR investment portfolio

1. Non-performing Non-SLR Investments

(Rs. in crores)

| Sr.No. | Particulars | March 31, 2022 | March 31, 2021 |
|---------------|------------------------------------|-----------------------|-----------------------|
| a) | Opening balance | 5.00 | 5.00 |
| b) | Additions during the year | - | - |
| c) | Reductions during the above period | - | - |
| d) | Closing balance | 5.00 | 5.00 |
| e) | Total provisions held | 5.00 | 5.00 |

During the F.Y. 2019-20, the Bank has classified the investment in 8.60% non-convertible debenture of Infrastructure Leasing & Financial Services amounting to Rs. 5.00 crores as Non-Performing Investment. This investment has matured during the F.Y. 2021-22 and the same is part of Other Assets in Schedule 13. Non-Performing Investment has been fully provided for under the head Investment Depreciation Reserve.

2. Issuer Composition of Non SLR Investments

(Rs. in crores)

| No. | Issuer | Amount | | Extent of Private Placement | | Extent of below Investment grade Securities | | Extent of Unrated Securities | | Extent of unlisted Securities | |
|-----|--|---------------|---------------|-----------------------------|------|---|------|------------------------------|------|-------------------------------|------|
| (1) | (2) | (3) | | (4) | | (5) | | (6) | | (7) | |
| | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| a) | PSUs | 35.43 | 30.43 | - | - | - | - | - | - | - | - |
| b) | FIs | 20.02 | 30.02 | - | - | - | - | - | - | - | - |
| c) | Public Sector Banks | - | - | - | - | - | - | - | - | - | - |
| d) | Private Corporates | 54.96 | 44.93 | - | - | - | - | - | - | - | - |
| e) | Subsidiaries/Joint Ventures | - | - | - | - | - | - | - | - | - | - |
| e) | Others | - | - | - | - | - | - | - | - | - | - |
| f) | Provision Held towards Investment Depreciation Reserve | 5.00 | 5.00 | - | - | - | - | - | - | - | - |
| g) | Total | 105.41 | 105.38 | - | - | - | - | - | - | - | - |

e) Repo transactions

(Rs. in crores)

| | Minimum outstanding during the year | | Maximum outstanding during the year | | Daily average outstanding during the year | | Outstanding as on March 31, 2022 | |
|--|-------------------------------------|------|-------------------------------------|--------|---|-------|----------------------------------|-------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Securities sold under repo | | | | | | | | |
| (a) Government Securities | - | - | - | - | - | - | - | - |
| (b) Corporate debt securities | - | - | - | - | - | - | - | - |
| (c) Any other securities | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - |
| Securities purchased under reverse repo | | | | | | | | |
| (a) Government Securities | 9.00 | 1.00 | 138.00 | 146.00 | 103.96 | 83.06 | 138.00 | 10.00 |
| (b) Corporate debt securities | - | - | - | - | - | - | - | - |
| (c) Any other securities | - | - | - | - | - | - | - | - |



2.4 Asset quality

a) Classification of advances and provisions held

As at March 31, 2022

(Rs. in crores)

| | Standard | Non-Performing | | | | Total |
|--|-------------------------|----------------|----------|------|-------------------------------|--------|
| | Total Standard Advances | Sub-standard | Doubtful | Loss | Total Non-Performing Advances | |
| Gross Standard Advances and NPAs | | | | | | |
| Opening Balance | 362.28 | 22.06 | 29.41 | 1.49 | 52.96 | 415.24 |
| Add: Additions during the year | | | | | 2.13 | |
| Less: Reductions during the year* | | | | | 15.63 | |
| Closing balance | 319.42 | 1.23 | 33.16 | 5.07 | 39.46 | 358.88 |
| *Reductions in Gross NPAs due to: | | | | | | |
| i) Upgradation | | | | | 1.61 | |
| ii) Recoveries (excluding recoveries from upgraded accounts) | | | | | 14.02 | |
| iii) Technical/ Prudential Write-offs | | | | | - | |
| iv) Write-offs other than those under (iii) above | | | | | - | |
| | | | | | | |
| Provisions (excluding Floating Provisions)* | | | | | | |
| Opening balance of provisions held | 4.74 | 11.20 | 21.30 | 1.49 | 33.99 | 38.73 |
| Add: Fresh provisions made during the year | | | | | 3.23 | 3.23 |
| Less: Excess provision reversed/ Write-off loans | | | | | - | - |
| Closing balance of provisions held | 4.74 | 1.05 | 31.10 | 5.07 | 37.22 | 41.96 |

| | Standard | Non-Performing | | | | Total |
|--|-------------------------|----------------|----------|------|-------------------------------|-------|
| | Total Standard Advances | Sub-standard | Doubtful | Loss | Total Non-Performing Advances | |
| Net NPAs | | | | | | |
| Opening Balance | | 10.86 | 8.11 | - | 18.97 | |
| Add: Fresh additions during the year | | | | | (1.10) | |
| Less: Reductions during the year | | | | | 15.63 | |
| Closing Balance | | 0.18 | 2.06 | - | 2.24 | |
| | | | | | | |
| Floating Provisions | | | | | | NA |
| Opening Balance | | | | | | NA |
| Add: Additional provisions made during the year | | | | | | NA |
| Less: Amount drawn down during the year | | | | | | NA |
| Closing balance of floating provisions | | | | | | NA |
| | | | | | | |
| | | | | | | |
| Technical write-offs and the recoveries made thereon | | | | | | |
| Opening balance of Technical/ Prudential written-off accounts | | | | | | 6.01 |
| Add: Technical/ Prudential write-offs during the year | | | | | | - |
| Less: Recoveries made from previously technical/ prudential written-off accounts during the year | | | | | | - |
| Closing balance | | | | | | 6.01 |

***including excess provision held (Refer Note 4)**



As at March 31, 2021

(Rs. in crores)

| | Standard | Non-Performing | | | | Total |
|--|-------------------------------|------------------|----------|------|--------------------------------------|--------|
| | Total Standard Advances | Sub- standard | Doubtful | Loss | Total Non- Performing Advances | |
| Gross Standard Advances and NPAs | | | | | | |
| Opening Balance | 493.04 | 11.44 | 27.11 | 3.19 | 41.74 | 534.78 |
| Add: Additions during the year | | | | | 22.35 | |
| Less: Reductions during the year* | | | | | 11.13 | |
| Closing balance | 362.28 | 22.06 | 29.41 | 1.49 | 52.96 | 415.24 |
| *Reductions in Gross NPAs due to: | | | | | | |
| i) Upgradation | | | | | - | |
| ii) Recoveries (excluding recoveries from upgraded accounts) | | | | | 5.12 | |
| iii) Technical/ Prudential Write-offs | | | | | 6.01 | |
| iv) Write-offs other than those under (iii) above | | | | | - | |
| | | | | | | |
| Provisions (excluding Floating Provisions)* | | | | | | |
| Opening balance of provisions held | 3.22 | 8.45 | 22.35 | 3.19 | 33.99 | 37.21 |
| Add: Fresh provisions made during the year | | | | | 6.01 | |
| Less: Excess provision reversed/ Write-off loans | | | | | 6.01 | |
| Closing balance of provisions held | 4.74 | 11.20 | 21.30 | 1.49 | 33.99 | 38.73 |
| | | | | | | |
| Net NPAs | | | | | | |
| Opening Balance | | 2.99 | 4.76 | - | 7.75 | |
| Add: Fresh additions during the year | | | | | 16.35 | |

| | Standard | Non-Performing | | | | Total |
|--|-------------------------|----------------|----------|------|-------------------------------|-------|
| | Total Standard Advances | Sub-standard | Doubtful | Loss | Total Non-Performing Advances | |
| Less: Reductions during the year | | | | | 5.13 | |
| Closing Balance | | 10.86 | 8.11 | - | 18.97 | |
| | | | | | | |
| Floating Provisions | | | | | | NA |
| Opening Balance | | | | | | NA |
| Add: Additional provisions made during the year | | | | | | NA |
| Less: Amount drawn down during the year | | | | | | NA |
| Closing balance of floating provisions | | | | | | NA |
| | | | | | | |
| Technical write-offs and the recoveries made thereon | | | | | | |
| Opening balance of Technical/ Prudential written-off accounts | | | | | | - |
| Add: Technical/ Prudential write-offs during the year | | | | | | 6.01 |
| Less: Recoveries made from previously technical/ prudential written-off accounts during the year | | | | | | - |
| Closing balance | | | | | | 6.01 |

*including excess provision held (Refer Note 4)

| Ratios (in per cent) | March 31, 2022 | March 31, 2021 |
|-----------------------------|----------------|----------------|
| Gross NPA to Gross Advances | 10.99% | 12.76% |
| Net NPA to Net Advances | 0.70 | 4.98 |
| Provision coverage ratio | 94.32% | 64.17% |



b) Sector-wise Advances and Gross NPAs

(Rs. in crores)

| | | March 31, 2022 | | | March 31, 2021 | | |
|---------|---|----------------------------|--------------|---|----------------------------|--------------|---|
| Sr. No. | Sector | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector |
| i) | Priority Sector | | | | | | |
| a) | Agriculture and allied activities | 0.80 | - | - | 0.61 | - | - |
| b) | Advances to industries sector eligible as priority sector lending | 80.30 | 4.13 | 5.14% | 72.07 | 9.71 | 13.47% |
| c) | Services | 40.31 | 0.33 | 0.82% | 44.52 | 4.89 | 10.99% |
| d) | Personal Loans/ Others | 59.40 | 2.38 | 4.01% | 60.27 | 1.99 | 3.30% |
| | Subtotal (i) | 180.81 | 6.84 | 3.78% | 177.47 | 16.59 | 9.35% |
| | | | | | | | |
| ii) | Non-priority Sector | | | | | | |
| a) | Agriculture and allied activities | - | - | - | - | - | - |
| b) | Industry | 30.69 | 15.61 | 50.87% | 61.92 | 15.65 | 25.28% |
| c) | Services | - | - | - | - | - | - |
| d) | Personal loans/ Others | 147.39 | 17.01 | 11.54% | 175.85 | 20.72 | 11.79% |
| | Sub-total (ii) | 178.07 | 32.62 | 18.32% | 237.77 | 36.37 | 15.31% |
| | | | | | | | |
| | Total (i + ii) | 358.88 | 39.45 | 10.99% | 415.24 | 52.96 | 12.76% |

c) i) Details of accounts subjected to restructuring

(Rs.in crores)

| | | Agriculture and Allied activities | | Corporates (excluding MSME) | | Micro, Small and Medium Enterprises (MSME) | | Retail (excluding agriculture and MSME) | | Total | |
|---------------------|-----------------|-----------------------------------|------|-----------------------------|-------|--|-------|---|------|-------|-------|
| | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Standard | No of borrowers | - | - | - | 1 | 2 | 1 | 1 | 1 | 3 | 3 |
| | Gross Amt | - | - | - | 11.55 | 15.01 | 10.46 | 0.42 | 0.43 | 15.43 | 22.45 |
| | Provision held | - | - | - | 1.16 | 1.01 | 1.57 | 0.04 | 0.04 | 1.05 | 2.77 |
| Sub-Standard | No of borrowers | - | - | - | - | - | - | - | - | - | - |
| | Gross Amt | - | - | - | - | - | - | - | - | - | - |
| | Provision held | - | - | - | - | - | - | - | - | - | - |
| Doubtful | No of borrowers | - | - | - | - | - | - | - | - | - | - |
| | Gross Amt | - | - | - | - | - | - | - | - | - | - |
| | Provision held | - | - | - | - | - | - | - | - | - | - |
| Total | No of borrowers | - | - | - | 1 | 2 | 1 | 1 | 1 | 3 | 3 |
| | Gross Amt | - | - | - | 11.55 | 15.01 | 10.46 | 0.42 | 0.43 | 15.43 | 22.45 |
| | Provision held | - | - | - | 1.16 | 1.01 | 1.57 | 0.04 | 0.04 | 1.05 | 2.77 |

d) Fraud Accounts

(Rs.in crores)

| | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Number of frauds reported | 1 | - |
| Amount involved in fraud | 2.16 | - |
| Amount of provision made for such frauds | 2.16 | - |
| Amount of Unamortised provision debited from other reserves as at the end of the year | - | - |



e) Disclosure under Resolution Framework for COVID-19- related stress

Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 are given below: (Rs. in crores)

| Type of borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan–Position as at the end of the previous half-year (A) | Of (A) aggregate debt that slipped into NPA during the half-year | Of(A) amount written off during the half-year | Of(A) amount paid by the borrowers during the half-year | Exposure to accounts classified as Standard consequent to implementation of resolution plan–Position as at the end of this half-year |
|-------------------|--|--|---|---|--|
| Personal Loans | 0.43 | - | - | 0.01 | 0.42 |
| Corporate persons | 11.55 | - | - | 11.55 | - |
| Of which MSMEs | 15.25 | - | - | 0.24 | 15.01 |
| Others | - | - | - | - | - |
| Total | 27.23 | - | - | 11.81 | 15.43 |

RBI vide circular no. DOR.No. BP. BC.63/21.04 .048/2019-20 dated 17.04.2020 has announced measures to mitigate the burden of debt servicing brought out by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable business

In accordance with the said RBI circular, in respect of accounts in default but standard as on February 29, 2020, where moratorium was granted and asset classification benefit was extended, lending institutions were required to make a general provisions of not less than 10 per cent of the total outstanding of such accounts, to be phased over two quarters as under: (i) Quarter ended March 31, 2020 – not less than 5 per cent (ii) Quarter ending June 30, 2020 – not less than 5 per cent

The impact of above circular is detailed as under (Rs in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the circular – (a) | - | 50.33 |
| Respective amount where asset classification benefits is extended – (b) | - | 50.33 |

(a) Outstanding amount in SMA/ Overdue categories as on March 31, 2021.

(b) Represents amounts in SMA / overdue categories where the asset classification benefit is extended as on May 31, 2020.

(c) In terms of para 6 of the said RBI circular, the above provisions may be adjusted against the actual provisioning requirements for slippages from the accounts reckoned for such provisions. The residual provisions at the end of the financial year can be written back or adjusted against the provisions required for all other accounts.

2.5 Exposures

a) Exposure to real estate sector

(Rs. in crores)

| Category | March 31, 2022 | March 31, 2021 |
|---|---------------------------|---------------------------|
| <p><i>i) Direct exposure</i></p> <p>a) Residential Mortgages–</p> <p>Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.</p> <p>b) Commercial Real Estate–</p> <p>Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based(NFB)limits;</p> <p>c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –</p> <p>i. Residential</p> <p>ii. Commercial Real Estate</p> <p><i>ii) Indirect Exposure</i></p> <p>Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.</p> | <p>75.01</p> <p>21.44</p> | <p>73.83</p> <p>17.28</p> |
| Total Exposure to Real Estate Sector | 96.45 | 91.11 |

b) Risk category-wise country exposure

The Bank has no exposure to country risk during the F.Y. 2021-22 and F.Y. 2020-21.

c) Unsecured advances

(Rs. in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Total unsecured advances of the bank | 21.05 | 13.28 |
| Out of the above, amount of advances for which intangible securities such as charge over the rights,licenses,authority,etc have been taken | 0.00 | 0.00 |
| Estimated value of such intangible securities | 0.00 | 0.00 |

d) Factoring exposures

The Bank has no exposure to factoring services during the F.Y. 2021-22 and F.Y. 2020-21.



e) Unhedged foreign currency exposure

Foreign Exchange Policy of the Bank covers the provisions related to monitoring and review of unhedged foreign currency exposure and related norms.

2.6 Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits (Rs.in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Total deposits of the twenty largest depositors | 236.35 | 248.59 |
| Percentage of deposits of twenty largest depositors to total deposits of the bank | 20.70% | 21.11% |

b) Concentration of advances * (Rs.in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Total advances to the twenty largest borrowers | 153.96 | 168.96 |
| Percentage of advances to twenty largest borrowers to total advances of the bank | 42.41% | 40.22% |

*Advances shall be computed based on credit exposure i.e., funded and non-funded limits including derivative exposures where applicable. The sanctioned limits or outstanding, whichever are higher, shall be reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit; banks may reckon the outstanding as the credit exposure.

c) Concentration of exposures** (Rs.in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Total exposure to the twenty largest borrowers/ customers | 153.96 | 168.96 |
| Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers | 42.41% | 40.22% |

**Exposures shall be computed as per applicable RBI regulation

d) Concentration of NPAs (Rs.in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Total Exposure to the top twenty NPA accounts | 37.24 | 50.98 |
| Percentage of exposures to the twenty largest NPA exposures to total Gross NPAs. | 94.38% | 96.25% |

2.7 Derivatives

The Bank has not entered into any transactions in foreign exchange agreement or interest rate swaps in the current and previous years.

2.8 Disclosures relating to securitisation

The Bank has not floated any Special Purpose Vehicle (SPV) in the F.Y. 2021-22 and F.Y. 2020-21.

2.9 Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Rs. in crores)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---------|--|----------------|----------------|
| i). | Opening balance of amounts transferred to DEAF | 4.19 | 3.24 |
| ii). | Add: Amounts transferred to DEAF during the year | 0.28 | 1.06 |
| iii). | Less: Amounts reimbursed by DEAF towards claims | 0.03 | 0.11 |
| iv). | Closing balance of amounts transferred to DEAF | 4.44 | 4.19 |

2.10 Disclosure of complaints

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

| Sr. No. | | Particulars | March 31, 2022 | March 31, 2021 |
|---------|-----|---|----------------|----------------|
| | | Complaints received by the bank from its customers | 572 | 937 |
| 1. | | Number of complaints pending at beginning of the year | Nil | Nil |
| 2. | | Number of complaints received during the year | 572 | 937 |
| 3. | | Number of complaints disposed during the year | 572 | 937 |
| | 3.1 | Of which, number of complaints rejected by the bank | - | - |
| 4. | | Number of complaints pending at the end of the year | Nil | Nil |
| | | Maintainable complaints received by the bank from OBOs | 5 | 1 |
| 5. | | Number of maintainable complaints received by the bank from OBOs | 5 | 1 |
| | 5.1 | Of 5, number of complaints resolved in favour of the bank by BOs | 5 | 1 |
| | 5.2 | Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs | Nil | Nil |
| | 5.3 | Of 5, number of complaints resolved after passing of Awards by BOs against the bank | Nil | Nil |
| 6. | | Number of Awards unimplemented within the stipulated time (other than those appealed) | N.A. | N.A. |

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2006 and covered within the ambit of the Scheme.



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

| Grounds of complaints, (i.e. complaints relating to) | Number of complaints pending at the beginning of the year | Number of complaints received during the year | % increase/ decrease in the number of complaints received over the previous year | Number of complaints pending at the end of the year | Of 5, number of complaints pending beyond 30 days |
|--|---|---|--|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 |
| April 2021 - March 2022 | | | | | |
| Cash not received A/c. Debited (ATM) | 0 | 19 | ↓ 51.28% | 0 | N.A. |
| ATM Pin Forgot / Not Received | 0 | 81 | ↓ 20.58% | 0 | N.A. |
| Internet Banking Password Forgot / Not received | 0 | 443 | ↓ 36.98% | 0 | N.A. |
| Website down-complaint from customers | 0 | 0 | ↓ 100% | 0 | N.A. |
| Delay in issue of ATM cards | 0 | 29 | ↓ 65.88% | 0 | N.A. |
| Total | 0 | 572 | | 0 | |
| April 2020 - March, 2021 | | | | | |
| Cash not received A/c. Debited (ATM) | 0 | 39 | ↓ 26.41% | 0 | N.A. |
| ATM Pin Forgot / Not Received | 0 | 102 | ↓ 29.65% | 0 | N.A. |
| Internet Banking Password Forgot / Not received | 0 | 703 | ↓ 15.09% | 0 | N.A. |
| Website down-complaint from customers | 0 | 2 | ↓ 77.77% | 0 | N.A. |
| Delay in issue of ATM cards | 0 | 85 | 21.42% | 0 | N.A. |
| Total | 0 | 937 | | 0 | |

Note: Down arrow key (↓) to be considered as decreased

2.11 Disclosure of penalties imposed by the Reserve Bank of India

There were no default and penalties imposed under Section 46(4) of The Banking Regulation Act, 1949 and other regulations during the F.Y. 2021-22 and F.Y. 2020-21.

2.12 Disclosures on remuneration

Key Management Personnel – Remuneration Paid as below: (Rs. in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|-------------------------|----------------|----------------|
| Managing Director & CEO | 0.30 | 0.30 |
| Total | 0.30 | 0.30 |

2.13 Other Disclosures

a) Business Ratios (Rs. in crores)

| Particular | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| i. Interest Income as a percentage of Working Funds | 6.32% | 6.99% |
| ii. Non-Interest Income as a percentage of Working Funds | 0.52% | 0.34% |
| iii. Cost of Deposits | 4.58% | 5.62% |
| iv. Net Interest Margin | 1.88% | 1.68% |
| v. Operating Profit as a percentage to working Funds | 0.54% | 0.48% |
| vi. Return on Assets* | 0.32% | 0.08% |
| vii. Business(deposits plus advances) per employee | 7.18 | 7.51 |
| viii. Profit per employee | 3.46 | 3.14 |

*Return on Assets is recalculated for previous year after taking Profit After Tax instead of Operating Profit – Tax.

b) Bancassurance Business

The Bank has not earned any fees / brokerage in respect of insurance broking, agency and bancassurance business during the F.Y. 2021-22 and F.Y. 2020-21.

c) Marketing and distribution

The Bank has not received any fees / remuneration in respect of marketing and distribution business during the F.Y. 2021-22 and F.Y. 2020-21.

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

In terms of RBI circular FIDD. CO.Plan.BC.23/04.09.01/2015-16 dated 7th April, 2016, detail of Priority Sector Lending Certificates (PSLC) purchased by the Bank.



(Rs. in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|------------------------------|----------------|----------------|
| i. PSLC – General | 285.00 | 130.00 |
| ii. PSLC – Micro Enterprises | 50.00 | - |
| Total | 335.00 | 130.00 |

e) Provisions and contingencies

(Rs. in crores)

| Provision debited to Profit and Loss Account | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| i. Provisions for depreciation and NPI | 1.00 | - |
| ii. Provision towards NPA | 3.23 | 6.00 |
| iii. Provision made towards Income Tax | 1.97 | 2.18 |
| iv. Other Provisions and Contingencies | 0.07 | 0.02 |
| - Special Reserve under Section 36 (1) (viii) | - | 2.77 |
| - Provision for Restructured Assets | | |

Additionally, the Bank has provided for Wage Arrears amounting to Rs. 1.50 crores.

f) Payment of DICGC Insurance Premium

(Rs. in crores)

| Sr. No. | Particulars | March 31, 2022 | March 31, 2021 |
|---------|-------------------------------------|----------------|----------------|
| i. | DICGC Insurance Premium paid | 1.41 | 1.39 |
| ii. | Arrears in payment of DICGC premium | - | - |

g) Disclosure of facilities granted to directors and their relatives

The Bank has not granted any advance to its directors, their relatives, companies or firms during the F.Y. 2021-22 and F.Y. 2020-21.

For the above disclosure, staff loans granted to directors and their relatives are excluded in lines with RBI guidelines.

3. In accordance with master circular on investment issued by RBI, Investment Fluctuation Reserve has to be built at 5% of the investment in Available for Sale (AFS) category, subject to availability of net profit.

(Rs. in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Investment in Available for sale category | 208.45 | 251.52 |
| Investment Fluctuation Reserve at 5% of above | 10.42 | 12.58 |
| Investment Fluctuation Reserve held by Bank | 10.52 | 10.52 |

4. The requirement of provision against Standard & Non-Performing Advances in terms of RBI guidelines are as follows: (Rs.in crores)

| | March 31, 2022 | | | March 31, 2021 | | |
|---|--------------------|----------------|------------------|--------------------|----------------|------------------|
| | Provision required | Provision Held | Excess Provision | Provision required | Provision Held | Excess Provision |
| Standard Assets (including Restructured Assets) | 2.35 | 4.74 | 2.39 | 4.36 | 4.74 | 0.38 |
| Non-Performing Assets | 25.86 | 37.22 | 11.36 | 18.29 | 33.98 | 15.70 |

5. Claims against Bank not acknowledged as debt is: Rs. 29.12 lakhs (previous year - Rs 28.25 lakhs) in respect of disputed demand of income tax against which the bank has preferred an appeal.

6. **Accounting Standard 15 - Employee Benefits**

Defined Contribution Plan

- Bank's Contribution to Provident Fund Rs. 1.56 crores (Previous year Rs.1.54 crores)

Defined Benefit Plan

- Gratuity (funded with LIC)

The following table gives disclosures as required under Accounting Standard 15 as furnished by Actuaries Messrs K. A. Pandit & Associates and is in accordance with the financial statements.

I. Table showing discounting rates / expected return / salary escalation rate

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|------------------------|-------------------|----------------|
| | | March 31, 2022 | March 31, 2021 |
| 1 | Discount Rate | 7.23% | 6.80% |
| 2 | Salary Escalation rate | 4.00% | 4.00% |
| 3 | Attrition rate | 2.00% | 2.00% |

II. Changes in present value of obligations (Rs. in crores)

| Sr. No | Particulars | Gratuity (Funded) | |
|--------|--|-------------------|----------------|
| | | March 31, 2022 | March 31, 2021 |
| 1 | Liability at the beginning of the current period | 8.01 | 6.98 |
| 2 | Interest cost | 0.54 | 0.48 |
| 3 | Current service cost | 0.38 | 0.38 |
| 4 | Past service cost | - | - |
| 5 | Benefits paid | (0.27) | (0.08) |
| 6 | Actuarial (gain) / loss on obligations | (0.04) | 25.48 |
| 7 | Liability at the end of the current period | 8.62 | 8.01 |



III. Changes in fair value of Plan Assets

(Rs. in crores)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|--|-------------------|----------------|
| | | March 31, 2022 | March 31, 2021 |
| 1 | Fair value of plan assets at the beginning of the year | 7.98 | 6.80 |
| 2 | Expected return on plan assets | 0.54 | 0.46 |
| 3 | Contributions | 0.72 | 0.80 |
| 4 | Benefits paid | (0.27) | (0.08) |
| 5 | Actuarial gain / (loss) on plan assets | (0.17) | (0.01) |
| 6 | Fair value of plan assets at the end of the year | 8.79 | 7.98 |

IV. Amount recognized in Balance Sheet

(Rs. in crores)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|---|-------------------|----------------|
| | | March 31, 2022 | March 31, 2021 |
| 1 | Fair value of plan assets at the end of the period. | 8.79 | 7.98 |
| 2 | Liability at the end of the period | (8.62) | (8.01) |
| 3 | Amount recognized in the Balance Sheet | 0.18 | (0.03) |

V. Expenses recognized in Profit and Loss account

(Rs. in crores)

| Sr. No. | Particulars | Gratuity (Funded) | |
|---------|--|-------------------|----------------|
| | | March 31, 2022 | March 31, 2021 |
| 1 | Current service cost | 0.38 | 0.38 |
| 2 | Interest cost | 0.00 | 0.01 |
| 3 | Expected return on plan assets | - | - |
| 4 | Net actuarial gain / (loss) | 0.13 | 0.27 |
| 5 | Past service cost | - | - |
| 6 | Expenses recognized in Profit and Loss account | 0.51 | 0.66 |

• Compensated absences (Unfunded)

The actuarial liability of compensated absences of accumulated privileged and sick leaves of the employees of the Bank is given below

(Rs. in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|----------------------------------|----------------|----------------|
| Privileged leave | 2.90 | 2.85 |
| Sick leave | 2.58 | 2.67 |
| Total Actuarial Liability | 4.97 | 5.52 |

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| <u>Assumptions</u> | | |
| <i>Discount rate:</i> Privileged leave / Sick leave | 7.23% | 6.80% |
| <i>Salary escalation rate:</i> Privileged leave / Sick leave | 4.00% | 4.00% |

7. Accounting Standard 17 –

Part A: Business Segment

- These segments have been reported considering the nature of products or services, different risks and returns attributable to them, organization structure and internal management information system.
- Segment assets have not been adjusted for Bad and doubtful debts reserve, investment depreciation reserve, reserve for standard and provision for Covid 19 regulatory package, lying under Reserve Fund and other Reserves.
- Secondary Segment information: Bank caters mainly to the needs of Indian customers; hence separate information regarding secondary segment i.e. Geographical Segment is not given.
- Segment Asset and Segment Liability under Treasury includes Securities receivable (as per contra) – Reverse Repo under LAF.

(Rs.in crores)

| Business Segments | Treasury | | Retail Banking | | Corporate/ Wholesale Banking | | Other Banking Business | | Total | |
|-------------------------------|----------|--------|----------------|--------|------------------------------------|--------|------------------------------|------|---------|---------|
| Particulars | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue | 54.41 | 54.18 | 27.44 | 43.25 | 9.64 | 15.20 | - | - | 91.46 | 112.63 |
| Result | 17.81 | 11.58 | (7.83) | 0.26 | (2.75) | 0.09 | - | - | 7.23 | 11.93 |
| Unallocated Expenses | | | | | | | | | - | - |
| Operating Profit | | | | | | | | | 7.23 | 11.93 |
| Provisions | | | | | | | | | 4.30 | 8.79 |
| Income Taxes | | | | | | | | | (1.38) | 2.09 |
| Extraordinary Profit/ Loss | - | - | - | - | - | - | - | - | - | - |
| Net Profit | | | | | | | | | 4.31 | 1.05 |
| Other Information | | | | | | | | | | |
| Segment Assets | 1096.97 | 948.99 | 284.20 | 319.37 | 99.85 | 112.21 | - | - | 1481.02 | 1380.57 |
| Unallocated Assets | | | | | | | | | 5.91 | 2.55 |
| Total Assets | | | | | | | | | 1486.93 | 1383.12 |



| Business Segments | Treasury | | Retail Banking | | Corporate/ Wholesale Banking | | Other Banking Business | | Total | |
|--------------------------|----------|--------|----------------|--------|------------------------------------|--------|------------------------------|---|---------|---------|
| Segment Liabilities | 923.44 | 774.94 | 283.31 | 321.20 | 99.54 | 112.85 | - | - | 1306.29 | 1208.99 |
| Unallocated Liabilities | | | | | | | | | 0.33 | 0.72 |
| Total Liabilities | | | | | | | | | 1306.62 | 1209.71 |

Part B: Geographic Segments

The Bank operates only in India and hence the reporting consists only of domestic segment.

8. Accounting Standard 18 - Related Party Transactions

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 RBI, other than one Key Management Personnel viz. Mr. Daljit Dogra the Managing Director & CEO of the Bank with effect from October 1, 2019. However, in terms of RBI circular dated March 29, 2003, the Managing Director being single party under the category Key Management Personnel, no further details need to be disclosed.

9. Accounting Standard 19 - Leases

Operating lease comprises non-cancellable leasing of office premises.

(Rs. in crores)

| Future lease rental payable as at the end of the year | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| -Not later than one year | 0.50 | 1.60 |
| -Later than one year and not later than five years | 0.82 | 1.71 |
| -Later than five years | - | 0.27 |
| Total of minimum lease payments realization in the Profit and Loss account for the year. | 1.72 | 1.49 |

10. Accounting Standard 20 - Earnings Per Share (EPS)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Net Profit after taxation - Rs. in crs | 4.32 | 1.05 |
| Weighted average No. of Shares - in crs | 0.51 | 0.53 |
| Earnings Per Share (EPS) – in Rs. | 8.45 | 1.98 |

11. **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. Accordingly, the following Deferred Tax Asset has been determined and accounted as on March 31, 2022.

(Rs in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|---|----------------|----------------|
| Deferred Tax Asset | | |
| Provision for Privilege Leave Encashment | 0.73 | 1.38 |
| Provision for Gratuity | - | 0.01 |
| Depreciation | 0.64 | 0.59 |
| Reserves for Bad & Doubtful Debts* | 1.94 | - |
| Reserve for Standard Assets | 0.49 | - |
| Provision for Restructured Asset | 0.70 | - |
| Provision for Wage Arrears | 0.38 | - |
| Provision for Staff Sick Leave Encashment | 0.52 | - |
| Rent Straight lining Reserves | - | - |
| Total | 5.40 | 1.98 |
| Deferred Tax Liability | | |
| Special Reserve under Section 36(1)(viii) | 0.42 | 0.40 |
| Provision for Gratuity | 0.04 | - |
| Total | 0.46 | 0.40 |
| Net Deferred Tax Assets as at the year end | 4.94 | 1.58 |

*excluding Reserves created out of appropriation

12. **Accounting Standard 26 - Details of Computer Software - other than internally generated**

Amortisation rates used is 33.33% p.a. on straight-line method.

(Rs. in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|------------------------------|----------------|----------------|
| Opening Balance | 0.11 | 0.29 |
| Additions during the year | 0.26 | 0.03 |
| Sub total | 0.37 | 0.32 |
| Amortization during the year | 0.13 | 0.21 |
| Net Carrying balance | 0.24 | 0.11 |



13. In the opinion of the management, there is no impairment to assets in respect of which Accounting standard 28 on "Impairment to Assets" applies.

14. 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.

15. Movement in technical/prudential written off accounts is as under: (Rs. in crores)

| Particulars | March 31, 2022 | March 31, 2021 |
|--|----------------|----------------|
| Opening balance of Technical / Prudential written – off accounts as at April 1 | 6.01 | - |
| Add : Technical / Prudential write – offs during the year | - | 6.01 |
| Sub-total (A) | 6.01 | - |
| Less : Recoveries made from previously technical / prudential written – off accounts during the year (B) | - | - |
| Closing balance as at March 31 (A-B) | 6.01 | 6.01 |

The Bank has done technical write off of certain loss assets aggregating to Rs.6.01crs, which were fully provided for as on March 31, 2021, as the same have been considered irrecoverable in the near future. The Bank will continue to make the necessary efforts to recover the same.

16. Bank is in the process of obtaining information from suppliers/service providers covered under Micro, Small, Medium Enterprises Development Act, 2006, regarding filing of necessary memorandum with the appropriate authority. Therefore, information relating to cases of delays, if any, in payments to such enterprises or of interest payments due to delays in such payments, could not be given.
17. Figures for the previous year are regrouped to make them comparable with the figures for the current year.

INDEPENDENT AUDITOR'S REPORT

**To the Members of
The Zoroastrian Co-operative Bank Limited
Report on the Financial Statements**

Opinion

We have audited the financial statements of The Zoroastrian Co-operative Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2022, the Profit and Loss Account, the Cash Flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949, and rules made thereunder and the Multi-State Co-operative Societies Act, 2002 and rules made thereunder, in the manner so required, for the Urban Co-operative Banks, and the guidelines issued by Reserve Bank of India and the Central Registrar of Co-operative Societies in the manner so required for bank and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at March 31, 2022, and its profit and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Bank in accordance with the "Code of Ethics" issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Banking Regulations Act, 1949 and rules made thereunder, the provisions of the Multi State Cooperative Societies Act, 2002 and the rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including other explanatory information but does not include the financial statements, and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

On reading the Report of Board of Directors including other explanatory information, in case we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the members in the Annual General Meeting.

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

The Bank's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and provisions of Banking Regulation Act, 1949 and



circulars and guidelines issued by the Reserve Bank of India ('RBI') and guidelines issued by Central Registrar of Co-operative Societies and The Multi State Co-operative Societies Act, 2002 from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the audit of the Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the

audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up of the Forms 'A' and 'B' respectively of the Third Schedule to the Banking Regulation Act, 1949, the Multi State Co-operative Societies Act, 2002 including rules made thereunder.

As required by Section 73(4) of the Multi-state Co-operative Societies Act, 2002, the Rules framed there under and the Banking Regulation Act, 1949, we report that:

- (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory.
- (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- (c) 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/offices;
- (d) 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
- (e) The accounting standards adopted by the Bank are consistent with those laid down by accounting principles generally accepted in India so far as applicable to Banks.
- (f) In our opinion and according to information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realization of money due to the Bank.

As per the information and explanations given to us and based on our examination of the books of account and other records, we report as under on the matters specified in clause (a) to (f) of Rule 27 (3) of the Multi State Cooperative Societies Rules, 2002:

- (a) We have not come across any transactions which appear to be contrary to the provisions of the Multi-State Co-operative Societies Act, 2002, the rules or the bye-laws of the Bank.
- (b) We have not come across any material or significant transactions which appears to be contrary to the guidelines issued by the Reserve Bank of India.
- (c) Monies belonging to bank which appears to be bad or doubtful of recovery are as detailed below:

(Rs. in crores)

| Category | Principal Outstanding March 31, 2022 | Provision required as per IRAC norms | Provision Held |
|---|---|---|----------------|
| Sub -standard | 1.23 | 0.12 | 1.05 |
| Doubtful Assets | 33.16 | 20.66 | 31.10 |
| Loss Assets | 5.07 | 5.07 | 5.07 |
| Matured Investments (classified as Other Assets) | 5.00 | 5.00 | 5.00 |



The Zoroastrian Co-operative Bank Ltd.

- (d) The Bank has not given loans to the members of the Board of Directors;
- (e) We have not observed any violation of guidelines, conditions etc. issued by the Reserve Bank of India.
- (f) The Central Registrar of Cooperative Societies in this regard has not specified any matters to the Bank.

FOR C N K & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

UDIN: 22100052ALVNHY5986

Place: Mumbai

Date: June 28, 2022

(This mandate form is to be submitted at any of our Bank's nearest branches)

For,
The Shares Department,
The Zoroastrian Coop. Bank Ltd.,

Date : _____

I / We are holding total _____ shares of the Bank, details of which are as under :-

| Name Of The Share Holder / s | Share Folio Number / s | No. Of Shares |
|------------------------------|------------------------|---------------|
| 1) | | |
| 2) | | |
| 3) | | |

The dividend payable on my / our above shares may please be credited directly to our below account, **(a cancelled specimen cheque is enclosed herewith of my A/c)** details of which are given as under :-

Name of the Bank: _____ Name of the Branch: _____

Bank A/c No.: _____ IFSC Code: _____
(pls mention your complete A/c No.)

Yours truly,

Signature of all Shareholders

Tel./Mobile No.

Email Id.

ZOROASTRIAN BANK
THE ZOROASTRIAN CO-OP. BANK LTD.

ATTENDANCE SLIP

S. L. F. No. _____

I hereby record my presence at the Ninety Fifth **ANNUAL GENERAL MEETING**
of the Bank held at Indian Merchant Chambers of Commerce & Industry, IMC Building,
4th Floor, IMC Marg, Churchgate, Mumbai 400 020, on 19th August, 2022 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

Corporate Office

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TARDEO

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BANDRA

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ANDHERI

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Shop no. 2 & 3,
Parsian Co-op. Hsg. Soc.,
V. P. Road, (Off S. V. Road),
Opp. Fidai Baug,
Andheri (W), Mumbai- 400 058
Tel: 022-2623 8237
Email:staraporevalla@zcbl.in

MUMBAI BRANCHES

DADAR

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Email:vashtekar@zcbl.in

LOKHANDWALA

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Lokhandwala Complex,
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Tel: 89768 03946
Email: pvyas@zcbl.in

MAHIM

Mr. Burjis Aibara / Mr. Niraj Patil
Delta Apartments,
Off M. M. Chhotani Road,
Sonawala Agiary Lane,
Mahim, Mumbai - 400 016
Tel: 022-2444 3055
Email:baibara@zcbl.in
npatil@zcbl.in

MUMBAI BRANCHES

BORIVLI

Mr. Homiar Sagar
8 / 10 Dattani Trade Centre,
Chandavarkar Road, Borivli (W),
Mumbai - 400 092
Tel: 022-2890 2728
Email: hsagar@zcbl.in

THANE

Mrs. Saylee Shinde
Nargish Bldg, Gr. Floor,
Eduji Road, Charai,
Thane (West) - 400601
Tel: 022-2533 0105
Email: sshinde@zcbl.in

DAHISAR

Mrs. Varsha Landge
Rustomjee International School,
Rustomjee Acres, Dahisar (W),
Mumbai - 400 068
Tel: 89768 03950
Email: vlandge@zcbl.in

GOREGAON

Ms. Pinaz Pardiwala
6, Onkar Bldg, Opp. Oberoi Mall,
Dindoshi (Film City Road),
Goregaon (E), Mumbai - 400 098
Tel: 022-2849 4716
Email: ppardiwala@zcbl.in

PUNE BRANCH

Mrs. Jasmine Kerawalla
636/637, Sachapir Street, Camp, Pune - 411 001.
Tel: 020-2611 9177 / Fax:020- 2611 9318 / Email: jkerawalla@zcbl.in

BELGIUM CHAMBERS

Mr. Sanjaykumar R. Bhandari
36/38 & 54/56, Belgium Tower,
Delhi Gate, Ring Road,
Surat-395003.
Tel.: 0261-2402051, 2402251
Fax: 0261-2402252
Email: sbhandari@zcbl.in

ABHISHEK MARKET

Mr. Bhailalbhai Patel
1, Balaji Market, Ring Road,
Surat-395 002.
Tel: 0261-2366951
Email: bpatel@zcbl.in

PATEL PARK

Mrs. Amita Desai
11, Patel Park, Tadwadi,
Rander Road, Surat-395 009.
Tel: 0261-2763232
Email: adesai@zcbl.in

SURAT BRANCHES

UDHNA MAGDALLA

Mr. Naresh Patel
Shop No.UG-12, UG-13,
UG-14 and U-14,
New Ashirwad Square,
Udhna Maghdalla Road,
Surat-395 007.
Tel: 0261-2631542
Email: npatel@zcbl.in

CITYLIGHT

Mr. Alpesh Kumar Patel
UG-14 Hira Panna Shopping,
Centre, Citylight Road,
Surat-395 007.
Tel: 0261-2256863
Email: a.patel@zcbl.in

VED KATARGAM

Mr. Prakashbhai B. Ahir
24, Parth Complex,
Katargam-Singapore Road,
Surat-395 004.
Tel: 0261-2407277
Email: pahir@zcbl.in



ZOROASTRIAN BANK

The Zoroastrian Co-operative Bank Ltd.

(Multi-State Scheduled Bank)

The Bank that is Big on Tradition & Trust

The Bank offers the convenience of Digital Banking by way of Internet Banking, Debit Cards and shall soon launch Corporate Internet Banking and Mobile Banking. The Bank has adopted cost effective technology option of Software as a Service and is implementing state of the art Centralised Banking Solution "Finacle" by Infosys.

The Bank offers hassle free loans to Individuals, Entrepreneurs, MSME, Business Loans and Loans to Doctors & Professionals at Competitive interest rates. We at Zoroastrian understand the needs of the Customers and provide precise financial solutions to enhance Customer Expedience. Some of our loan products are given below.



**Home
Loan**



**Vehicle
Loan**



**Gold
Loan**



**Education
Loan**



MSME



**Personal
Loan**



**Loan Against
Property**



**Doctors
Delight**