



ZOROASTRIAN BANK

The Zoroastrian Co-operative Bank Ltd.

(Multi-State Scheduled Bank)

The Bank that is Big on Tradition & Trust

*The Biggest Part of our
Digital Transformation
is changing the way we think*

97th | Annual
Report

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Board of Directors



Mr. Yazdi Tantra
Chairman



Mr. Phillie D. Karkaria
Vice Chairman



Mr. Zubin F. Billimoria



Mr. Farhad S. Choksey



Mr. Manek J. Kalyaniwalla



Mr. Aspi A. Kathawalla



Mrs. Shernaz D. Mehta



Mr. Viraf R. Mehta



Mr. Noshir G. Paghdiwalla



Dr. Firdos T. Shroff



Mr. Bakhtyar S. Saklatwala



Mrs. Smita A. Tambe



Mr. Hormazdiyaar S. Vakil



Mrs. Maharukh Vazifdar



Mr. Daljit Dogra
MD & CEO



CHAIRMAN'S

MESSAGE

Dear Shareholders,

I am pleased to present before you the Annual Report of your Bank along with the highlights of your Bank's performance and initiatives taken during the financial year 2023-24. Our bank has reached the remarkable milestone of 97 years, marked by significant achievements. This is truly a moment of great pride for all of us who have been part of this extraordinary journey.

The previous year has marked a major evolution in the banking sector's dynamics, macro-economic conditions and notably the enhancement of our Bank's Asset Quality amidst a challenging global economy. The enclosed Annual Report outlines the accomplishments and measures undertaken by the Bank throughout this period.

In FY 2023-24, the global economy showed resilience despite tight financial conditions, geopolitical tensions and fragmentation. The International Monetary Fund's growth projection remains at 3.2% for 2024-25, consistent with 2023-24. Inflation is expected to decrease globally, with a forecasted average of 4.5% in 2024-25.

India's economy maintained strong growth with a 7.6% GDP increase in FY 2023-24, reinforcing its status as the fastest-growing major economy. The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) projects a 7% GDP growth for FY 2024-25, with a positive outlook despite lower estimates.

Favourable domestic macroeconomic conditions supported the credit growth momentum in FY 2023-24. However, the Banking system's liquidity remained tight for most part of the financial year amidst RBI remaining focused on withdrawal of accommodation to ensure that inflation progressively aligns with the target, while supporting growth. Tight liquidity

along with deposit growth remaining below credit growth, led to higher competition for deposits among Banks leading to pressure on Bank's Net Interest Margin (NIM) in FY 2023-24.

Despite this challenge, your Bank has improved its NIM to 2.70% in March 2024 (PY 2.55%), while crossing the important milestone of Rs.1600 crores in business mix, accompanied by a 20% growth in advances.

Your Bank's deposit interest rates remain competitive, reflecting our commitment of providing value to its customers. We continue to give priority to Safety, Liquidity and Return to our Depositors.

The total fresh disbursement of loans of your Bank during the year was Rs.200.49 crores. Your Bank is offering competitive interest rates on its loans, which align well with the market. The share of Retail Loans is 53% as on 31st March '2024.

Your Bank has further improved the asset quality with a decline in Gross Non-Performing Assets to 2.43% (P.Y. 9.12%) and Net Non-Performing Assets stand at NIL in March 2024 (PY 0.43%). Provision Coverage Ratio is above 100% (P.Y. 95.12%)

Your Bank maintained a strong capital position and our capital adequacy ratios were well above the minimum regulatory requirements. Your Bank enjoys Capital to Risk Weighted Adequacy Ratio (CRAR) of 22.09% much above the minimum statutory requirement of 12%.

During the year, your Bank had laid specific focus on lending to sectors like Retail, Micro, Small & Medium Enterprises (MSME) segment. The Government of India's Make in India campaign has given great impetus to MSME sector. To meet the requirement of this sector, your Bank has introduced several loan products and realigned existing ones. Your Bank seeks to create a positive impact on society through such financing.

Your Bank also leveraged digital technology across business segments as well as Performance Management System and Talent Management for sustained profitability through Human Resource transformation initiatives.



Your Bank has been taking several initiatives for improvement in various functional and operational areas to enhance its competitive strength. Your Bank is continuously upgrading its cyber security measures and strengthening its Information Technology and Digital Banking channels with a proactive approach towards enhancing customer service.

These initiatives are aimed at significantly enhancing Bank's operational efficiency by streamlining various banking processes, elevating customer experience, preventing frauds, predicting defaults, fostering innovation and mitigating risks in an increasingly digital and interconnected world.

Your Bank has implemented various process related enhancements and automated various processes such as Risk Based Internal Audit, Loan Originating System and Customer Relationship Management.

The Board and Management Team are fully focussed on continuously improving your Bank's performance and we are confident that with the support of all our stakeholders your Bank will continue to prosper and achieve greater heights in the times to come.

As an appreciation of these efforts, your Bank has continued to garner recognition in the industry, being the recipient of several awards and accolades. Your Bank has been felicitated in the Bharat Cooperative Banking Summit 2024 conference with awards for the 'Best CBS Implementation', 'Best NPA Management' and the 'Best Chairman of the Year' award among other Multi-State Scheduled Urban Co-operative Banks of the country. Your Bank also received 'Best CBS Implementation' Award presented by Mr. Jyotindra Mehta, President, National Urban Co-operative Finance and Development Corporation Ltd. (NUCFDC) at the All India Co-operative Banks Conference held at Pune in May, 2024.

As we progress, we are dedicated to generating lasting value for our stakeholders, upholding governance standards and adhering to all regulations.

Our Bank is poised to capitalize on opportunities in the dynamic banking sector, utilizing advanced technology and solid fundamentals, while remaining true to our core values of tradition and trust.

I am happy to announce that for the financial year ended March 2024, the Board of Directors of the Bank has recommended an equity dividend of 10% amounting to Rs.2.50 per share.

As we move forward towards our Centenary Year, we are formulating a major Transformation Plan to achieve unprecedented growth in our operations to emerge as a customer-centric, vibrant and younger Bank.

We look forward to your on-going support, patronage and inputs in taking your Bank to newer heights during FY 2024-25 and beyond.

With Best Wishes,



Yazdi B. Tantra

Chairman



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety Seventh Annual General Meeting of the members of the Bank will be held on 24th August, 2024, at 4 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 25th August, 2023.
- 2) To adopt the Annual Report including Financial Statements placed by the Board of Directors for the Financial Year ended March 31, 2024 and to take note of the Statutory Auditor's report.
- 3) To approve the dividend and to appropriate profit for the Financial Year 2023-24.
- 4) To appoint Statutory Auditors for the Financial Year 2024-25 and to authorize Board of Directors to fix their remuneration. The Board of Directors recommends appointment of M/s Borkar & Muzumdar, the Bank's Statutory Auditors for the Financial Year 2024-25.
- 5) To take note of and approve the write-off of Non-Performing Assets as certified by the Auditors.
- 6) To approve amendments to the Bye-Laws.
- 7) To grant Leave of Absence to members who have not attended this Annual General Meeting.
- 8) Any other business with the permission of the Chair.

By Order of the Board of Directors

**Sd/-
Daljit Dogra
Managing Director & CEO**

Mumbai, June 26, 2024

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 17th August, 2024 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.
- 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 2024 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@zcbi.in
- 8) For updation of e-mail address and mobile number for 97th AGM, members are requested to send an e-mail to the shares@zcbi.in by 17th August, 2024.
- 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@zcbi.in
- 10) Annual Report referred to in the accompanying Notice is available on the website of the Bank for inspection by the Members.



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Annual Report of the Bank with the audited Balance Sheet, Profit & Loss Account and the Report on Business and Operations for the year ended March 31, 2024.

During FY 2023-24, global macroeconomic conditions remained a blend of challenges and opportunities with concerns over recession in the first half being replaced by cautious optimism towards the end of second half. Strong growth momentum was observed in the United States and a number of large emerging economies including India. Inflationary pressures are easing across global economies, though remaining above target levels of Central Banks.

Nevertheless, challenges persisted, primarily driven by escalating geopolitical conflicts, adverse climate events, disruptions in trade routes and cautious monetary policies maintained by global Central Banks. Considering these factors, the International Monetary Fund (IMF) has revised its global growth projection upward to 3.2% for 2024, a 10 basis point increase from its January 2024 update.

Indian economy remained robust in FY 2023-24, supported by strong domestic demand conditions, robust public investments, sustained momentum in the manufacturing and services sectors, improving investment and business sentiments and healthy Corporate & Bank balance sheets. Promising outlook of Indian economy in 2024 has led to upward revision by major multilateral agencies like the IMF, World Bank, Asian Development Bank, United Nations and other rating agencies. As per second advance estimate on national income, India's real GDP growth for FY 2023-24 is estimated at 7.6% as compared to 7% in FY 2022-23.

On the inflation front, the inflation trajectory is likely to moderate gradually, though there is sustained upside risk from adverse weather conditions impacting food inflation and crude oil prices amidst continued geopolitical unrest.

The Reserve Bank of India (RBI) has kept its forecast for retail price inflation for financial year 2024-25 at 4.50%. It has also released quarter wise inflation forecast for Q1FY25 at 4.9%, Q2FY25 at 3.8%, Q3FY25 at 4.6% and Q4FY25 at 4.5%. India's consumer price index, (CPI)-based, eased from 4.85% in March 2024 to 4.83% in April 2024.

The domestic growth momentum is expected to continue in FY 2024-25, supported by improving rural demand and urban demand remaining buoyant, sustained momentum in manufacturing and services sector, positive prospects for investment activity owing to business optimism and robust Government capital expenditure.

Further, the forecast of a normal monsoon bodes well for the agricultural sector. The external sector is expected to remain supported by improving outlook for global growth and trade. Considering the domestic and global macroeconomic factors, the RBI has projected real GDP growth at 7% for FY 2024-25.

In line with the performance of the economy, the banking sector also performed well during the year and could exceed its past performance in Business, Profitability and Capital, etc. Financial Year 2023-24 has been the year of growth and recovery for the Banking industry.

Major Developments in the Urban Co-operative Banking Sector during the year included: Four - tiered regulatory framework for Co-operative Banks, Revised Norms to be classified as Financially Sound and Well Managed (FSWM) Banks, Compliance function for UCBs, Extension in timeline for achieving priority targets, Default Loss Guarantee arrangement in digital lending and Widening of scope of Prudential Framework for Stressed Assets.

Your Bank could perform as per expectations and delivered commendable growth during the year. Your Bank takes adequate efforts for Non-Performing Asset (NPA) management with dedicated credit monitoring, containing fresh slippages and strengthening recovery efforts. Your Bank will continue to strive for process and product improvements in view of evolving customers and industry requirements.

97th Annual Report 2023-24

Against this backdrop, we hereby present the Annual Report of your Bank for the year ended 31st March, 2024 along with its audited Annual Financial Statements.

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 crores)

	F.Y. 2023-24	F.Y. 2022-23
Total Business Mix	1635.32	1480.38
Deposits	1086.99	1024.41
Advances	548.33	455.97
Investments (incl. Call/ TREPS/LAF and Term Money)	424.37	464.73
Paid Up Capital	11.75	12.11
Reserves & Surplus	149.94	168.78
Total Income	93.70	90.38
Total Expenditure	87.99	81.60
Operating Profit	5.71	8.78
Gross NPAs	13.33	41.58
% of NPAs to Loans & Advances	2.43%	9.12%
Net NPAs	Nil	1.80
% of Net NPAs to Net Loans & Advances	Nil	0.43%
Non-Performing Inv.	3.36	3.69
No: of Branches	18	18

b) **Ratios:**

(Rs. in crores)

		F.Y. 2023-24	F.Y. 2022-23
1.	Capital to Risk Weighted Assets	22.09%	26.03%
2.	Cost of Deposits	4.83%	4.29%
3.	Yield on Advances	8.82%	9.13%
4.	Yield on Investments	6.70%	5.82%
5.	Net Interest Margin	2.70%	2.54%
6.	Return on Average Assets	0.25%	0.19%
7.	Staff Cost to Total Income	24.91%	23.64%
8.	Staff Cost to Total Expenditure	26.53%	26.18%



c) Appropriations:

The profit after tax of the Bank for fiscal 2023-24 is Rs.3.07 crores after provisions and contingencies of Rs.1.04 crores. 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 crores)

		F.Y. 2023-24	F.Y. 2022-23
1.	Statutory Reserves	0.77	0.62
2.	Reserve for Contingency	0.31	0.25
3.	Education Fund	0.03	0.02
4.	Rehabilitation, Reconstruction and Development Fund	0.03	-
5.	Proposed Dividend	1.17	1.21
6.	Centenary Celebration Fund	0.50	0.50
7.	Reserve for Corporate Social Responsibility	0.02	-
8.	Net Profit Carried to the Balance Sheet	1.67	1.43

II. Bank's Performance during the Financial Year 2023-24:

During the year, your Bank's performance on all financial parameters remained strong. Your Bank crossed a milestone of 1600 crores of its business mix with an improvement in the CD ratio of your Bank to 50.44%. (PY 44.51%)

In deposits, your Bank grew by 6.11% in FY 2024. The share of current accounts grew to 9.52% in the FY 2023-24 (PY 4.42%).

Total Advances registered growth of 20% over the previous year. Share of retail loans in Total Advances is 53% in 2023-24.

The asset quality of the Bank also improved and the gross NPAs came down from 9.12% to 2.43%. The net NPAs of the Bank stood at ZERO level and Provision Coverage Ratio (PCR) improved to over 100%.

Your Bank has made recoveries towards NPA accounts to the tune of Rs.16.63 crores, wherein the Principal amount was Rs.13.70 crores and Overdue Interest Reserve was Rs.2.92 crores during the FY 2023-24.

The overall financial position of your Bank continues to be strong as reflected in the Capital to Risk Weighted Assets Ratio of 22.09 % as against the minimum statutory requirement of 12%.

a) Deposits:

The Deposits stand at Rs.1086.99 crores as against Rs. 1024.41 crores of the previous year. The total deposits of your Bank showed a growth of Rs.62.58 crores with a positive growth rate of 6.11%. The share of current accounts grew to 9.52% in the FY 2023-24. While your Bank continues to lay emphasis on low-cost deposits i.e. CASA, your Bank also showed reasonable growth of 8.81% in Term Deposits and maintained its Cost of Deposits at 4.83%

In future also, your Bank will continue to take appropriate strategic actions to have quantitative as well as qualitative growth in deposits.

b) Advances and Asset Quality:

During the FY 2023-24 your Bank's Total Advances stood at Rs.548.33 crores (previous year Rs.455.97 crores). Your Bank has registered 20% growth in total advances.

The total fresh disbursement of loans of your Bank during the year was Rs.200.49 crores. Your Bank is offering Retail Loans at attractive interest rates which are among the best in the industry. The share of Retail Loans is 53% in March'2024.

Your Bank has also appointed Relationship Managers for mobilising advances. Your Bank continues to focus on the Retail segment particularly Vehicle, Education and MSME segments through customised products and services.

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.

Your Bank has adopted strong recovery measures and made good recoveries in Non-Performing Assets. Gross NPAs have come down from Rs.41.58 crores (as on March 2023) to Rs.13.33 crores on account of recoveries/upgradation of NPAs aggregating to Rs.13.69 crores and technical write offs worth Rs.20.89 crores. As a result, Gross NPA ratio has improved to 2.43% (PY 9.12%).

c) Priority Sector Lending:

In terms of the guidelines of the RBI, the Priority Sector Lending (PSL) targets for the Primary (Urban) Cooperative Banks would increase, in a graded manner from 60% of ANBC by March 2024, 65% of ANBC by March 2025 and 75% by March 2026. Within overall PSL targets, the targets for MSME are 11.50% March 2024, 11.75% March 2025 and 12% as on March 2026. 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's achievement of Priority Sector Loans after purchase of Priority Sector Lending Certificates (PSLC) is 66.53% as on March 31, 2024 as against the regulatory target of 60%. 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, without resorting to purchase of PSLCs.

d) Treasury Operations:

Your Bank 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 and investments. Your Bank is a member of Clearing Corporation of India Ltd. reporting and settlement systems, such as NDS-Call, NDS-OM and TREPS.

Your Bank ensures availability of adequate liquidity to meet the needs of asset growth, operational expenses and payment obligations. Further, in order to manage liquidity mismatches, the 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 and also takes advantage of Standing Deposit Facility (SDF) introduced by the Reserve Bank of India in April'2022.

As on 31st March, 2024, the Investment portfolio of your Bank stood at Rs. 424.37 crores as against the previous year figure of Rs. 464.73 crores.

Your Bank has made a gain on sale/redemption of investments to the tune of Rs.0.22 crores during the FY 2023-24.



During the FY 2019-20, your Bank had classified the investment in 8.60% non-convertible debenture of Infrastructure Leasing & Financial Services Ltd (IL & FS Ltd) amounting to Rs.5.00 crores as Non-Performing Investment. This investment matured during the FY 2021-22 and has been fully provided. For the period under review, the Bank has received interim distribution amount of Rs.0.33 crores from IL & FS Ltd on 31st October, 2023. Accordingly, the outstanding under Non-Performing Investment stands reduced to Rs.3.36 crores.

Further, looking at the market scenario and to safeguard its Investments, as at 31st March, 2024, your Bank holds Investment Depreciation Reserve of Rs.6.00 crores which more than covers the depreciation in investments of Rs.3.56 crores.

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.

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.1,17, 47,665/- for the year under review.

IV. Share Capital, Net Worth and Capital Adequacy:

Your Bank's Authorised Share Capital is Rs 30.00 crores and the Paid-Up Capital stands at Rs.11.75 crores. The Net Worth of your Bank stands at Rs.164.53 crores as on 31st March, 2024 (Rs.183.53 crores previous year).

Your Bank has robust Capital to Risk Weighted Assets Adequacy Ratio of 22.09% as against the minimum requirement of 12% as per RBI guidelines.

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

Particulars	2023-24	2022-23
Tier I Capital	19.15%	22.86%
Tier II Capital	2.94%	3.17%

V. Risk Management:

Your Bank has well defined Risk Evaluation and Management system in place. Risk in your Bank is managed through a framework of policies and principles approved by the Board of Directors from time-to-time. Your Bank has adopted Risk Based Internal Audit (RBIA) system.

Bank's Risk Management department ensures identification, measurement, monitoring and mitigation of all pertinent risks and aligns its function for comprehensive solutions. It acts as decision-enabler for effective resource allocation based on the risk impact ranking and risk appetite. Strategic decisions are taken after careful consideration of risks and opportunities.

The guiding principles to manage risk in the Bank is compliance of regulatory and legal requirements and achieving balance between risk and return, while ensuring independence of risk and business functions.

Your Bank continues to focus on refining and improving its risk measurement systems. The main risks faced by the Bank are credit risk, market risk, operational risk and liquidity risk. Adequate checks and balances exist in respect of Customer on-boarding, monitoring of transactions and reporting of suspicious transactions. Periodical reviews of Risk Categorisation of Customers are conducted and necessary steps are taken to ensure compliance with regulatory guidelines on on-going basis.

Risk Management Policies are approved by the Board, duly encompassing business strategies, capital strength, risk appetite, laws & regulation in order to function efficiently and effectively in analysing all pertinent and emerging risks.

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 a designated Risk Head. Your Bank has a system of preparing and monitoring a periodic Watchlist of borrowal accounts which show weaknesses and calls for special attention to such accounts.

VI. Asset and Liability Management:

Based on RBI directives, your Bank has set up an internal Asset Liability Management Committee (ALCO) headed by MD & CEO of your Bank. The other members of the Committee include the Senior Executives of the Bank.

The scope of ALCO functions includes reviewing on regular basis the Liquidity Risk management, Interest Rate Risk management, Management of Market Risk, Trading Risk Management, Funding Strategy, Product Pricing and maturity profile of assets and liabilities. The ALCO deliberates in detail over the liquidity position and the impact of changes in the interest rates of both assets and liabilities on the Net Interest Income and remedial action is initiated as and when required.

The Committee also ensures that all statutory returns are forwarded to the Reserve Bank of India on time. Your Bank is maintaining CRR and SLR as per regulatory guidelines and there is no default.

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. Your Bank has adopted Risk Based Internal Audit (RBIA) system in line with RBI guidelines. 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) by qualified external agencies on an annual basis.

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, 2023. Your Bank has submitted compliance of the same on time.

X. Human Resource Management:

Your Bank acknowledges the critical role of its employees in achieving its present and future organizational goals and believes that investing in employees will ultimately result in a stronger, effective and more valuable workforce. The committed and motivated human capital is the core strength to ensure that your Bank continues to maintain its legacy of achieving higher business goals year after year. Your Bank continuously undertakes multiple initiatives for strengthening and developing its human capital. The Bank has put in place comprehensive HRM Policies that provides the road map for acquiring appropriate & need based human resources, its development through training, job enrichment, reward and recognition for better performance, career progression, welfare and retention. Your Bank has engaged the services of an external firm for coaching of its staff in Leadership Development Programme spread over a year. Your Bank has also started a new initiative of recognising the services of the staff members who have been with the Bank for 25 years and more.

XI. Information Technology and Digital Initiatives:

Your Bank has been continuously investing in technology to improve customer experience for last few years. Your Bank has embarked on a new journey of digitalisation. Your Bank is using world class Core Banking Solution (CBS) – Finacle by Infosys. Your Bank has adopted cost effective model of Software as a Service (SaaS). This platform will give your Bank the ability to deliver its services more effectively and efficiently to its customers. This will also ensure seamless and user-friendly on-boarding through multiple channels and hence, manual interventions will be substantially reduced.

For strengthening internal processes, your Bank has implemented various process related enhancements through the introduction of technology. Your Bank is using Loan Originating System (LOS) to reduce the Turn-Around-Time (TAT) in case of Retail Loans. Your Bank is leveraging on latest technology and talent pool.

In compliance with RBI guidelines, your Bank also enabled Straight-through processing (STP) for its Treasury transactions.

Along with the new CBS application, 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. Your Bank has also enhanced the digital experience for the customers by providing state of art Internet Banking, Mobile Banking and Unified Payments Interface (UPI). 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 Bank's customers are availing benefit of this facility.

XIII. Customer Relationship Management:

Your Bank has taken several initiatives to remain customer focused and offers a large number of products and services, responds to customers' queries in shortest possible time and redressal of customer complaints is done within short timelines. Your Bank has set up a special Customer Service Desk in the Office of the MD & CEO to further enhance the Customer Experience.

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. Corporate Social Responsibility:

Your Bank has voluntarily adopted Corporate Social Responsibility (CSR) to improve the quality of life of communities served through the CSR scheme. Although not statutorily mandatory, yet your Bank has allocated amounts which shall be aggregating up to 1% of the published Net-Profit of the bank for the previous year. An annual action plan is being formulated based on the available CSR allocations.

XV. Bancassurance:

Your Bank is engaged as a corporate agent with Tata AIG General Insurance Company Limited as a Third Party Service Provider for soliciting Insurance Business in the general insurance sector. Your Bank aims to offer best-in-class products to its customers relating to general insurance.

XVI. 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.

XVII. Contribution to National Urban Co-operative Finance and Development Corporation Ltd. (NUCFDC):

RBI granted regulatory approval to National Federation of Urban Co-operative Banks and Credit Societies Ltd. (NAFCUB) in June 2019 for formation of an Umbrella Organization (UO) namely the National Urban Co-operative Finance and Development Corporation Ltd. (NUCFDC) for the UCB Sector. The approval inter-alia permits UCBs to subscribe to capital of the UO on voluntary basis.

Your Bank has contributed an amount of Rs.0.05 crores towards subscription to the capital of the UO.

XVIII. Amendment to MSCS Act, 2002:

Consequent to amendment of Section 43 (1) (a) of the Multi State Co-operative Societies Act 2002 on August 3, 2023, any person who has been a Director of an insolvent Company is disqualified from holding the Office of a Director inter alia of a Cooperative Bank. The Board of Directors of your Bank, in their meeting held on October 27, 2023, have taken note that in terms of the said amendment, the following two Directors of the Bank have been disqualified to be Director of your Bank with effect from August 3, 2023, by operation of Law:

1. Mr. Saroosh C. Dinshaw
2. Ms. Homai Ardeshir Daruwalla

Both these Directors have been informed by the Bank that they are deemed to have vacated their respective Offices as Director of the Bank with effect from August 3, 2023 by operation of Law. One of the Directors, Mr. Saroosh C. Dinshaw (from the original founder's family) had graciously submitted his resignation on October 4, 2023.

Further, in accordance with the provisions of the Multi State Co-operative Societies Act, 2002 and Bank's Bye Laws, the Board of Directors in its meeting held on December 9, 2023 has nominated the following two Professional Directors in place of the disqualified Directors for the remaining term of the current Board upto March 2026.



1. Mr. Farhad S. Choksey (nominated in General Category) and
2. Mrs. Maharukh Sohrab Vazifdar (nominated in Women's Category)

Both the nominated Directors fall within the same class i.e., general category and women's category as was held by the disqualified Directors.

Please join us in welcoming our new Board Members to our family.

XIX. 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."

XX. Auditors:

Your Board of Directors is thankful to:

1. M/s. CNK & Associates, LLP – Chartered Accountants appointed as Statutory Auditors,
2. M/s. Vasan & Co – Chartered Accountants
3. M/s. Shah Gupta & Co – Chartered Accountants
4. M/s. H.F.K. Madan & Co. - Chartered Accountants
5. M/s. SSNM & Associates - Chartered Accountants
6. M/s. Ramanand & Associates - Chartered Accountants
7. M/s. Nirmal Kothari & Co - Chartered Accountants

Acknowledgements:

Your Board of Directors wishes to place on record its sincere 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 for their valuable guidance and support,
2. The Central Registrar of Co-operative Societies, New Delhi,
3. National Federation of Urban Co-operative Banks

Your Board of Directors appreciates the support of its shareholders and clientele and for their on-going association 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 full support in the pursuit of organisational growth and excellence 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.

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 and Multi State Co-operative Societies Act, 2002 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**
5. **Board of Management**
6. **Risk Management Committee - The Committee was formed on 22nd Feb, 2024**



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. 2023-24
Board of Directors	8
The Credit Committee of the Board of Directors.	6
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	2
Board of Management	6

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, 2024, your Bank has 10253 Regular 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 2024

(In Rupees)

Capital & Liabilities	Schedules	As at 31st March, 2024	As at 31st March, 2023
Capital	1	11,74,76,650.00	12,10,90,575.00
Reserve Fund & Other Reserves	2	1,49,94,32,409.09	1,68,77,98,018.30
Deposits	3	10,86,99,48,401.69	10,24,41,51,613.40
Borrowings		-	-
Bills for Collection Being Bills Receivables (as per contra)	4	-	3,47,301.30
Branch Adjustments	-	-	-
Interest Payable	-	3,20,48,944.33	3,35,89,244.83
Overdue Interest Reserve (as per contra)	5	2,41,77,858.18	10,32,06,108.55
Other Liabilities	6	15,23,91,994.26	20,00,32,080.98
Profit & Loss Account		2,84,10,528.85	2,64,15,587.28
Total		12,72,38,86,786.40	12,41,66,30,529.64

CONTINGENT LIABILITIES

1) Outstanding Liabilities for Guarantees issued	8,30,39,626.00	2,62,19,241.00
2) Outstanding Liabilities for Letter of Credit issued.	-	-
3) Others	5,96,57,393.88	4,72,82,435.37
	14,26,97,019.88	7,35,01,676.37



Audited Balance Sheet as at 31st March, 2024

(In Rupees)

Property & Assets	Schedules	As at 31st March, 2024	As at 31st March, 2023
Cash	7	93,53,12,357.93	82,44,04,275.28
Balances with Banks	8	1,64,67,26,935.56	1,83,58,57,718.47
Money at Call and Short Notice / Term Money Placements / TREPS / LAF	-	-	29,98,82,491.90
Investments	9	4,24,37,48,867.00	4,34,74,35,092.40
Advances	10	5,48,32,73,688.13	4,55,97,49,758.16
Interest Receivable “of which Overdue Interest Reserve (as per contra) Rs.2,41,77,858.18 (P.Y. Rs.10,32,06,108.55)”	11	23,42,50,436.67	35,44,18,413.11
Bills for Collection Being Bills Receivables (as per contra)	-	-	3,47,301.30
Branch Adjustments	-	-	-
Fixed Assets	12	3,24,71,321.12	3,01,49,990.94
Other Assets	13	14,81,03,179.99	16,43,85,488.08
Total		12,72,38,86,786.40	12,41,66,30,529.64

As per our report of even date

FOR C N K & ASSOCIATES LLP

Chartered Accountants

Reg. No: 101961W/W-100036

Daljit Dogra
Managing Director & CEO

For and on Behalf of the Board of Directors

Yazdi B. Tantra
Chairman

Phillie D.Karkaria
Vice-Chairman

Hiren Shah

Partner

Membership No: 100052

Mumbai, Dated: June 26, 2024.

Viraf R.Mehta
Director

Hormazdiyaar S.Vakil
Director

Noshir G.Paghdwalla
Director

Audited Profit and Loss Account for the Year Ended 31st March, 2024

(In Rupees)

Expenditure	Schedules	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Interest on Deposits, Borrowings, etc.	14	50,14,05,894.60	46,22,27,406.82
Salaries and Allowances, Provident Fund, Provisions, etc.		23,34,51,094.39	21,36,61,178.73
Directors' & local committee members' fees and allowances		20,29,500.00	22,40,500.00
Rent, Taxes, Insurance, Lighting, etc.		3,75,00,909.50	3,67,53,672.98
Law Charges		15,84,450.00	36,85,289.39
Professional Fees		1,73,58,160.40	1,75,46,958.40
Postages, Telegrams & Telephone Charges		51,96,658.67	48,17,664.17
Auditor's fees		22,80,470.00	20,43,789.00
Depreciation, Repairs & Maintenance			
Depreciation		1,35,75,593.02	1,09,78,647.21
Repairs & Maintenance		1,50,24,712.01	1,18,84,205.12
Profession Tax		18,500.00	14,500.00
Stationery, Printing, Advertisement, etc			
(i) Printing & Stationery		42,58,242.00	39,22,091.70
(ii) Advertisement & Marketing Support		1,41,33,875.56	1,01,59,395.57
(iii) Subscription		11,52,656.60	8,12,865.28
Amortisation of Premium On HTM Securities		15,82,869.00	19,50,238.17
Loss on Shifting from HFT Securities		-	1,80,000.00
General Charges		2,49,37,879.19	2,05,92,764.57
Bad debts written off		20,88,50,330.20	2,16,73,545.14
Less: Adjusted against bad and doubtful debt reserve relating thereto reversed		(20,87,56,242.88)	(2,16,73,545.14)
Loss on Sale of Assets		1.00	4.00
Penalty Imposed by Reserve Bank of India (Refer Note 2.12)		43,30,000.00	1,25,00,000.00
Total Expenditure		87,99,15,553.26	81,59,71,171.11
Provisions			
Bad & Doubtful Debts Provisions under section 36(1) (vii) (a)		52,75,000.00	73,39,000.00
Provision for Bad & Doubtful Debts		-	4,00,00,000.00
Special Reserve under section 36 (1) (viii)		4,02,095.16	5,04,000.00
Provision for Standard Assets		47,00,000.00	4,61,016.00
Total Provisions		1,03,77,095.16	4,83,04,016.00
Profit Before Tax		4,67,12,439.95	3,95,37,860.80
Tax Expense			
(a) Income Tax		1,42,90,000.00	2,20,00,000.00
(b) Deferred Tax		22,94,645.00	(51,78,727.33)
(c) Taxes for Earlier Years		(5,89,577.57)	(20,77,973.94)
Net Profit for the Year		3,07,17,372.52	2,47,94,562.07
		93,70,05,088.37	90,38,13,047.91



Audited Profit and Loss Account for the Year Ended 31st March, 2024

(In Rupees)

Income	Schedules	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Interest and Discount	15	90,05,05,278.35	84,76,10,166.15
Other Income			
Commission, Exchange & Brokerage		36,77,959.45	10,42,192.81
Profit from Sale of or Dealing with such Assets		-	72,931.48
Gain on Sale / Redemption of Investments		21,87,279.60	1,52,61,352.06
Transfer Fees		2,982.00	1,118.00
Recovery of Fixed Deposits written off in earlier years		-	66,031.00
Miscellaneous Income		2,12,40,494.12	2,23,81,326.41
Interest on Income Tax Refund		-	3,55,148.00
Provision for Restructured Reserves written back		62,00,000.00	1,66,81,702
Provision for Loss/Fraud/Irregularities written back		15,80,000.00	-
Provision for expenses on NPA written back		14,23,784.85	-
Recovery of Technically written off accounts		1,87,310.00	3,41,080.00
		93,70,05,088.37	90,38,13,047.91

As per our report of even date

FOR C N K & ASSOCIATES LLP

Chartered Accountants

Reg. No: 101961W/W-100036

Daljit Dogra
Managing Director & CEO

For and on Behalf of the Board of Directors

Yazdi B. Tantra
Chairman

Phillie D.Karkaria
Vice-Chairman

Hiren Shah

Partner

Membership No: 100052

Mumbai, Dated: June 26, 2024.

Viraf R.Mehta
Director

Hormazdiyaar S.Vakil
Director

Noshir G.Paghdwalla
Director

Profit and Loss Appropriation Account for the Year Ended 31st March, 2024

(In Rupees)

Particulars	Year Ended 31st March, 2024	Year Ended 31st March, 2023
Profit of last year brought forward	2,64,15,587.29	1,55,47,067.56
Less: Dividend paid for previous year*	1,21,09,057.50	-
Net Profit for the year	3,07,17,372.52	2,47,94,562.07
	4,50,23,902.31	4,03,41,629.63
Appropriations subject to AGM approval		
Statutory Reserve Fund - 25%	76,79,343.13	61,98,640.52
Reserve for Contingency - 10%	30,71,737.25	24,79,456.21
Education Fund - 1%	3,07,173.73	2,47,945.62
Rehabilitation, Reconstruction and Development Fund - 1%	3,07,173.73	-
Reserve for Corporate Social Responsibility	2,47,945.62	-
Centenary Celebration Fund	50,00,000.00	50,00,000.00
Net Profit Carried to Balance Sheet	2,84,10,528.85	2,64,15,587.29
TOTAL	4,50,23,902.31	4,03,41,629.63

* Dividend paid during the F.Y.2022-23 was proposed and appropriated in F.Y.2021-22. Hence, the comparative is Nil.

As per our report of even date

FOR C N K & ASSOCIATES LLP

Chartered Accountants

Reg. No: 101961W/W-100036

Daljit Dogra
Managing Director & CEO

For and on Behalf of the Board of Directors

Yazdi B. Tantra
Chairman

Phillie D.Karkaria
Vice-Chairman

Hiren Shah

Partner

Membership No: 100052

Mumbai, Dated: June 26, 2024.

Viraf R.Mehta
Director

Hormazdiyaar S.Vakil
Director

Noshir G.Paghdwalla
Director



Schedules forming Part of Accounts

	As at 31st March, 2024	As at 31st March, 2023
Schedule 1 Capital		
Authorised Capital		
1,20,00,000 shares of Rs. 25/- each	<u>30,00,00,000.00</u>	<u>30,00,00,000.00</u>
Issued, Subscribed & Paid up Capital		
"46,99,066 shares of Rs.25/- each (PY. 48,43,623 shares of Rs.25/- each)"	<u>11,74,76,650.00</u>	<u>12,10,90,575.00</u>
	<u>11,74,76,650.00</u>	<u>12,10,90,575.00</u>
Of the above, held by:		
Individuals*	11,74,76,650.00	12,10,90,575.00
Co-operative institutions	-	-
State Government	-	-
*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	49,98,87,232.56	49,19,68,376.93
(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)	7,57,39,800.53	7,04,64,800.53
(iv) Bad & Doubtful Debts Reserve*	11,85,88,211.98	32,73,44,454.86
(v) Investment Depreciation Reserve	6,00,00,000.00	6,00,00,000.00
(vi) Special Reserve under Sec 36 (1) (viii)	1,75,95,692.25	1,71,93,597.09
(vii) Reserve for Contingencies	9,60,44,885.00	9,29,73,147.75
(viii) General Reserve	20,52,30,000.00	20,52,30,000.00
(ix) Staff Benefit Fund	21,90,000.00	22,15,000.00
(x) Reserve for Standard Assets	2,48,61,141.14	2,01,61,141.14
(xi) Investment Fluctuation Reserve	10,51,70,000.00	10,51,70,000.00
(xii) Shareholders Benefit Fund	6,77,500.00	6,77,500.00
(xiii) Provision for Restructured Accounts	48,00,000.00	1,10,00,000.00
(xiv) Centenary Celebration Fund	1,75,00,000.00	1,25,00,000.00
(xv) Reserve for Corporate Social Responsibility	2,47,945.62	-
	<u>1,49,94,32,409.09</u>	<u>1,68,77,98,018.30</u>
* including provision held in excess of Gross NPAs of Rs.6,10,03,105.97 (previous year - Nil)		
Schedule 3 Deposit & Other Accounts		
(i) Fixed deposits		
(a) Individuals and other entities	6,42,87,08,931.48	5,97,17,56,259.67
(b) Central Co-operative Banks	-	-

	As at 31st March, 2024	As at 31st March, 2023
(c) Co-operative Institutions	73,03,61,987.24	60,75,18,430.87
	7,15,90,70,918.72	6,57,92,74,690.54
(ii) Savings Deposits		
(a) Individuals and other entities	2,90,37,64,121.77	2,94,01,35,028.25
(b) Central Co-operative Banks	-	-
(c) Co-operative Institutions	12,43,79,883.14	10,13,60,418.84
	3,02,81,44,004.91	3,04,14,95,447.09
(iii) Current Deposits		
(a) Individuals and other entities	67,49,16,484.92	61,76,65,621.44
(b) Central Co-operative Banks	-	-
(c) Co-operative Institutions	78,16,993.14	57,15,854.33
	68,27,33,478.06	62,33,81,475.77
	10,86,99,48,401.69	10,24,41,51,613.40
Schedule 4 Bills for Collection		
Liability for Outward Cheques for Collection (Inland)		
Liability for Outward Chqs for Collection (Foreign)	-	3,47,301.30
	-	3,47,301.30
Schedule 5 Overdue Interest Reserve (as per contra)		
On Advances	1,12,66,081.18	9,02,94,331.55
On Investments	1,29,11,777.00	1,29,11,777.00
	2,41,77,858.18	10,32,06,108.55
Schedule 6 Other Liabilities		
(i) Bills Payable	3,84,07,796.13	4,93,52,594.81
(ii) Unclaimed Dividends	40,19,853.78	20,09,342.00
(iii) Other items (Refer Note)*	4,66,05,562.99	5,45,15,879.69
(iv) Provision for Income Tax (net of advance tax)	-	16,24,969.54
(v) Provisions	6,31,49,360.00	9,22,41,626.00
(vi) Income received in Advance	2,09,421.36	2,87,668.94
	15,23,91,994.26	20,00,32,080.98
" * Other Items includes Share Application Money Pending Allotment of Rs. Nil (PY - Rs.33,800/-) "		
Schedule 7 Cash		
(i) Cash In hand	1,48,17,931.00	1,55,03,616.00
(ii) Balances in current account with Reserve Bank	62,04,94,426.93	55,89,00,659.28
(iii) Standing Deposit Facility	30,00,00,000.00	25,00,00,000.00
	93,53,12,357.93	82,44,04,275.28



The Zoroastrian Co-operative Bank Ltd.

		As at 31st March, 2024	As at 31st March, 2023
Schedule 8	Balances with other banks		
	(i) Current Accounts	2,45,99,811.56	1,44,58,601.47
	(ii) Fixed Deposits with		
	[a] State & Central District Co-op. Bank (including Nil (previous year Nil) earmarked against Statutory Reserve Fund)	-	-
	[b] Other Banks (including Rs.6,66,27,124.00 (Previous year Rs.3,02,99,117.00) lien for LC/BG & ODTD facilities)	1,62,21,27,124.00	1,82,13,99,117.00
		1,64,67,26,935.56	1,83,58,57,718.47
Schedule 9	Investments		
	(i) Government Securities	3,28,96,35,417.00	3,39,38,21,642.40
	"Face Value - 3,30,27,40,000/- (Previous year Rs. 3,42,12,20,000/-)"		
	"Market Value - 3,28,08,55,842.15 (Previous year Rs. 3,35,32,69,894/-)"		
	(ii) Other approved securities	-	-
	(iii) Shares - (Co-operative Institutions)	75,000.00	75,000.00
	(iv) Bonds of Public Sector Undertaking	35,42,85,800.00	30,42,85,800.00
	"Face Value - 35,00,00,000/- (Previous year Rs. 30,00,00,000/-)"		
	"Market Value - 35,11,62,822.18 (Previous year Rs. 30,12,05,932.36)"		
	(v) Others		
	- Bonds of Private Sector & Other Institutions	59,92,52,650.00	64,92,52,650.00
	"Face Value - 60,00,00,000/- (Previous year Rs. 65,00,00,000/-)"		
	"Market Value - 60,21,04,361.18 (Previous year Rs. 64,81,37,538.41)"		
	(vi) Shares of Umbrella Organisations	5,00,000.00	-
		4,24,37,48,867.00	4,34,74,35,092.40
	a. Government Securities includes the pledged securities of Rs.24,62,91,389.12 (previous year Nil) against borrowing facilities.		
	b. Government Securities includes the earmarked securities of Rs.50,67,18,409.75 (previous year Rs.52,33,61,490.54) for Statutory Reserve Fund.		

	As at 31st March, 2024	As at 31st March, 2023
Schedule 10 Advances*		
I Short-term Loans, Cash-credits, Overdrafts & Bills Discounted,		
(i) of which, secured against :		
[a] Government & other securities	17,41,387.36	6,62,137.81
[b] Other tangible securities	1,30,68,25,475.09	1,26,22,51,340.70
(ii) Personal Advances	4,49,52,047.58	14,61,20,299.83
	1,35,35,18,910.03	1,40,90,33,778.34
of the advances, amount due from individuals	36,35,33,761.57	44,76,90,360.60
of the advances, amount overdue	94,210.53	58,558.42
Considered Bad & Doubtful of Recovery	8,90,11,496.84	25,34,74,648.66
II Medium Term Advances:		
(i) of which, secured against :		
[a] Government & other securities	-	-
[b] Other tangible securities	1,34,55,38,458.09	72,43,46,627.83
(ii) Personal Advances	3,34,38,281.94	9,00,91,619.84
	1,37,89,76,740.03	81,44,38,247.67
of the advances, amount due from individuals	84,14,30,548.62	5,30,06,434.85
of the advances, amount overdue	10,47,280.66	21,42,292.08
Considered Bad & Doubtful of Recovery	1,31,20,375.24	6,64,86,597.70
III Long Term Advances:		
(i) of which, secured against :		
[a] Government & other securities	-	-
[b] Other tangible securities	2,74,64,81,718.96	2,33,61,25,046.80
(ii) Personal Advances	42,96,319.11	1,52,685.35
	2,75,07,78,038.07	2,33,62,77,732.15
of the advances, amount due from individuals	2,07,88,79,619.34	2,00,53,52,935.23
of the advances, amount overdue	17,50,309.67	1,28,308.80
Considered Bad & Doubtful of Recovery	3,11,93,034.46	9,58,95,008.77
	5,48,32,73,688.13	4,55,97,49,758.16
*including accrued interest		
Schedule 11 Interest Receivable		
On Non performing Investments	1,29,11,777.00	1,29,11,777.00
On Non Performing Advances	1,12,66,081.18	9,02,94,331.55
Sub Total (as per contra)	2,41,77,858.18	10,32,06,108.55
On Investments	19,40,45,916.34	23,51,82,153.98
On Advances	11,006.15	14,494.58



The Zoroastrian Co-operative Bank Ltd.

	As at 31st March, 2024	As at 31st March, 2023
On Staff Housing Loans	1,60,15,656.00	1,60,15,656.00
	23,42,50,436.67	35,44,18,413.11
Schedule 12 Fixed Assets		
Premises:		
Balance as per last Balance Sheet*	1,30,73,657.91	1,68,66,473.04
Add : Additions during the year	-	-
	1,30,73,657.91	1,68,66,473.04
Less : Depreciation for the year	30,01,571.00	37,92,815.13
	1,00,72,086.91	1,30,73,657.91
Furnitures Fixtures & Other Assets#:		
Balance as per last Balance Sheet*	1,64,06,707.03	1,42,29,722.45
Add : Additions during the year	1,34,10,251.20	91,36,273.30
	2,98,16,958.23	2,33,65,995.75
Less : Disposed off during the year	1.00	6.00
Less : Depreciation for the year	98,65,232.02	69,59,282.72
	1,99,51,725.21	1,64,06,707.03
Vehicles:		
Balance as per last Balance Sheet*	6,69,626.00	2,41,648.36
Add : Additions during the year	24,86,673.00	6,54,528.00
	31,56,299.00	8,96,176.36
Less : Disposed off during the year	-	1.00
Less : Depreciation for the year	7,08,790.00	2,26,549.36
	24,47,509.00	6,69,626.00
	3,24,71,321.12	3,01,49,990.94
*represents Written down value		
#Other Assets includes Office Equipment, Computer Hardware and Computer Software. Refer Note 12		
Schedule 13 Other Assets		
[i] Utility Deposits & Other advances*	2,12,17,210.00	4,96,47,081.00
[ii] Advance Tax Payments (Net of Provisions)	1,43,53,829.51	41,79,346.22
[iii] Deferred Tax Asset	5,22,48,624.00	5,45,43,269.00
[iv] Others#	5,51,98,464.82	5,30,28,309.27
[v] Capital work in progress	7,76,150.00	32,100.00
[vi] Prepaid expenses	43,08,901.66	29,55,382.59
	14,81,03,179.99	16,43,85,488.08

* includes deposit of Rs. 55,00,000/- with Clearing

	As at 31st March, 2024	As at 31st March, 2023
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	20,94,55,993.71	18,92,47,117.85
Interest on Savings Bank A/cs	8,97,11,751.32	8,73,69,543.88
Interest on Deposits Reinvestment Certificate A/c	17,08,43,946.10	16,82,70,580.86
Interest on Recurring Deposits	19,28,544.96	13,83,296.79
Interest on Sweep Deposits & Unit Withdrawal Scheme	2,81,40,182.02	1,58,50,318.36
Interest paid on Deposits matured	23,871.49	1,06,549.08
Interest Paid on ODTD with Other Banks	13,01,605.00	-
	50,14,05,894.60	46,22,27,406.82
Schedule 15 Interest & Discounts		
Interest on Loan A/cs	32,73,74,312.29	20,37,69,084.17
Interest on Overdraft A/cs	6,13,03,772.50	8,66,12,936.80
Interest on Cash Credit A/cs	2,32,28,489.33	5,26,36,412.51
Interest on Usance Bills Discounted	19,56,570.74	24,62,147.12
Income on Banks Fixed Deposits, Short Term Deposits etc	12,17,84,856.84	11,95,06,476.00
Income on Government Securities	21,79,27,517.65	16,28,91,949.49
Income on Call Money	1,51,81,795.00	2,39,01,063.00
Income on CBLO/ TREPS Lending	84,69,351.66	77,13,436.99
Income on PSU Bonds	7,48,82,164.34	7,98,26,164.55
Discount Received on Treasury / Cash Management Bill	3,39,25,373.00	6,65,25,456.41
Income on Term Money	54,12,398.00	2,19,05,408.00
Dividend Income	8,248.00	8,250.00
Interest on Deposit with CCIL	1,42,211.00	1,09,025.00
Interest on Reverse Repo	17,781.00	1,38,18,177.00
Interest on Standing Deposit Facility	88,90,437.00	59,24,179.11
	90,05,05,278.35	84,76,10,166.15



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2024

	Year ended 31.03.2024	Year ended 31.03.2023
Cash Flow from Operating Activities		
Net Profit after tax (before appropriation)	3,07,17,372.52	2,47,94,562.07
Adjustments for:		
Add:		
Bad & Doubtful Debts Provision Under Section 36(1) (vii) (a)	52,75,000.00	73,39,000.00
Provision for Bad & Doubtful Debts (Net of Reversal)	(20,87,56,242.88)	1,83,26,454.86
Special Reserve Under Section 36 (1) (viii)	4,02,095.16	5,04,000.00
Investment Depreciation Reserve	-	-
Provision for Standard Assets	47,00,000.00	4,61,016.00
Income tax provision	1,42,90,000.00	2,20,00,000.00
Bad debts written off (Net)	20,88,50,330.20	2,16,73,545.14
Depreciation on Fixed Assets	1,35,75,593.02	1,09,78,647.21
Less:		
Education fund Paid	2,47,945.62	4,31,554.67
(Loss) / Profit on sale of fixed assets (net)	(1.00)	72,927.48
Provision for Deferred Tax	(22,94,645.00)	51,78,727.33
Taxes for Earlier Years	5,89,577.57	20,77,973.94
Provisions written back	92,03,784.85	1,66,81,702.00
Interest on Income Tax Refund	-	3,55,148.00
Utilization from Staff Benefit Fund	25,000.00	30,000.00
	6,12,82,485.98	8,12,49,191.86
Adjustments for working capital changes:-		
(Increase) / Decrease in Investments	14,48,22,463.04	(25,85,44,562.34)
(Increase) / Decrease in Net Advances	(1,13,23,70,771.74)	(99,26,14,816.33)
(Increase)/ Decrease in Other Assets	2,55,85,937.14	(1,06,52,147.04)
Increase / (Decrease) in Deposits	62,42,56,487.79	(1,15,77,32,313.14)
Increase / (Decrease) in Borrowings	-	-
Increase/ (Decrease) in Other liabilities and provisions	(4,48,01,524.91)	6,23,71,956.37
Increase in Reserve Funds (Net)	2,39,512.50	10,92,321.00
Net Cash generated from Operating Activities before Tax	(32,09,85,410.20)	(2,27,48,30,369.62)
Direct taxes paid	(2,54,99,875.26)	(1,48,28,721.01)
Net Cash flow from Operating Activities	(34,64,85,285.46)	(2,28,96,59,090.63)
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,58,96,924.20)	(97,90,801.30)
Proceeds from Sale of Fixed Assets	-	72,934.48
Net Cash used in Investing Activities	(1,58,96,924.20)	(97,17,866.82)

	Year ended 31.03.2024	Year ended 31.03.2023
Cash Flow from Financing Activities		
Proceeds from Issue/(Repayment) of Share Capital	(36,13,925.00)	(33,44,400.00)
Dividend Paid	(1,21,09,057.50)	(1,24,43,497.50)
Net Cash used in financing Activities	(1,57,22,982.50)	(1,57,87,897.50)
Net (Decrease) / Increase in Cash and Cash Equivalents	(37,81,05,192.16)	(2,31,51,64,854.95)
Cash and Cash Equivalents at the beginning of year	2,96,01,44,485.65	5,27,53,09,340.60
Cash and Cash Equivalents at the end of year	2,58,20,39,293.49	2,96,01,44,485.65
Note:		
Cash & Cash Equivalents		
Cash	93,53,12,357.93	82,44,04,275.28
Balance with other banks	1,64,67,26,935.56	1,83,58,57,718.47
Money at Call & Short Notice/ TREPS/ Term Money Placements/LAF	-	29,98,82,491.90
	2,58,20,39,293.49	2,96,01,44,485.65

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 of 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.

As per our report of even date

FOR C N K & ASSOCIATES LLP

Chartered Accountants

Reg. No: 101961W/W-100036

Daljit Dogra
Managing Director & CEO

For and on Behalf of the Board of Directors

Yazdi B. Tantra
Chairman

Phillie D.Karkaria
Vice-Chairman

Hiren Shah

Partner

Membership No: 100052

Mumbai, Dated: June 26, 2024.

Viraf R.Mehta
Director

Hormazdiyaar S.Vakil
Director

Noshir G.Paghdwalla
Director



SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2024

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.

The financial statements have been prepared following the going concern concept on the accrual basis under the historical cost convention.

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.
- 1.2.12 Balances held by banks with the RBI under the SDF will form a part of the SLR assets and such balances are shown by way of "Cash" for SLR maintenance. Income from SDF is accounted for as per the applicable guidelines.
- 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. Recovery for NPA accounts is being appropriated for towards overdue interest and overdue principal.
- 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 (tangible and intangible) 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. Cash-flow is prepared using indirect method.

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 realisation 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. Actuarial gains and losses are charged off to the Profit and Loss Account.
- 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.
- (b) Corporate and Wholesale Banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under Retail Banking
- (c) 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 and 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, 2024	March 31, 2023
i.	Paid Up Share Capital and Reserves (net of deductions if any)	117.15	115.91
ii.	Other Tier 1 capital	-	-
iii.	Tier 1 capital (i + ii)	117.15	115.91
iv.	Tier 2 capital	17.98	16.08
v.	Total capital (Tier 1+Tier 2)	135.13	131.99
vi.	Total Risk Weighted Assets (RWAs)	611.77	507.07
vii.	Paid-up share capital and reserves as percentage of RWAs	19.15%	22.86%
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	19.15%	22.86%
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.94%	3.17%
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as percentage of RWAs)	22.09%	26.03%
xi.	Percentage of shareholding of a) Government of India	-	-
xii.	Amount of paid-up equity capital raised during the year	0.16	0.26
xiii.	Amount of non-equity Tier 1 capital raised during the year	-	-
xiv.	Amount of Tier 2 capital raised during the year	-	-



Tier II capital elements:

(Rs. in crores)

	Particulars	March 31, 2024	March 31, 2023
(i)	General provisions and loss reserves # (Rs.) (Restricted to 1.25% of R.W.A.)		
	Investment Depreciation Reserve	2.43	0.91
	Staff Benefit Fund	0.22	0.22
	Reserve for Standard Assets	2.49	2.01
	Shareholders Benefit Fund	0.07	0.07
	Provision for Restructured Accounts	0.48	1.10
	Centenary Celebration Fund	1.75	1.25
	Reserve for Corporate Social Responsibility	0.02	-
(ii)	Investment Fluctuation Reserves / Funds	10.52	10.52
		17.98	16.08

b) Draw down from Reserves

(Rs. in crores)

1.	Provision for Restructured Assets		
	Opening Balance as on 1st April	1.10	2.77
	Additions during the year	-	-
	Reductions during the year	0.62	1.67
	Closing Balance as on 31st March	0.48	1.10
2.	Jubilee Celebration Fund		
	Opening Balance as on 1st April	0.00	0.75
	Additions during the year	-	-
	Reductions/Transfer during the year	-	0.75
	Closing Balance as on 31st March	0.00	0.00
3.	Staff Benefit Fund		
	Opening Balance as on 1st April	0.22	0.22
	Additions during the year *	0.00	0.00
	Reductions/Transfer during the year *	0.00	0.00
	Closing Balance as on 31st March	0.22	0.22

*amount less than lakhs

There are no draw downs in any other reserves other than those mentioned above.

2.2 Asset liability management*

a) Maturity pattern of certain items of assets and liabilities F.Y. 2023-24

(Rs. in crores)

	Day1	2 to 7 days	8 to 14 days	15 to 30 days	Over 31 days 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	22.00	23.58	2.65	10.08	97.63	106.18	180.36	605.64	38.03	0.84	1086.99
Advances	22.79	0.06	0.17	0.22	0.54	0.21	1.59	142.16	117.64	262.95	548.33
Investments	-	-	-	-	14.03	9.35	-	107.32	61.10	232.57	424.37
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

b) Maturity pattern of certain items of assets and liabilities F.Y. 2022-23

(Rs. in crores)

	Day1	2 to 7 days	8 to 14 days	15 to 30 days	Over 31 days 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	41.06	0.41	4.67	5.26	29.46	98.55	206.16	581.61	52.36	4.86	1024.41
Advances	19.38	0.41	4.97	0.99	10.76	32.35	43.28	41.59	79.43	222.81	455.97
Investments	-	-	1.00	-	19.43	32.36	9.33	50.61	93.75	228.27	434.74
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets											
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

*"Classification of assets and liabilities under different maturity buckets is based on the same estimates and assumptions as used by the Bank for compiling the returns submitted to the RBI, which has been relied upon by the auditors."



2.3 Investments

a) Composition of Investment Portfolio

Investments in India as at March 31, 2024							(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	228.56	-	-	-	-	-	228.56
Less: Provision for NPI	-	-	-	-	-	-	-
Net	228.56	-	-	-	-	-	228.56
Available for Sale							
Gross	100.40	-	0.06	98.71	-	-	199.17
Less: Provision for depreciation and NPI *	-	-	-	3.36	-	-	3.36
Net	100.40	-	-	95.35	-	-	195.81
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total Investments	328.96	-	0.06	98.71	-	-	427.73
Less: Provision for NPI	-	-	-	3.36	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	328.96	-	0.06	95.35	-	-	424.37

* Refer Note 2.3 (d)

Investments in India as at March 31, 2023							(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	251.39	-	-	-	-	-	251.39
Less: Provision for NPI	-	-	-	-	-	-	-
Net	251.39	-	-	-	-	-	251.39
Available for Sale							
Gross	87.99	-	0.01	99.05	-	-	187.05
Less: Provision for depreciation and NPI*	-	-	-	3.69	-	-	3.69
Net	87.99	-	0.01	95.35	-	-	183.36
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total Investments	339.38	-	0.01	99.05	-	-	438.44
Less: Provision for NPI	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	3.69	-	-	3.69
Net	339.38	-	0.01	95.35	-	-	434.75

* Refer Note 2.3 (d)

The Bank has no investment outside India as on March 31, 2024 and March 31, 2023.



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

(Rs. In crores)

		March 31, 2024	March 31, 2023
1.	Movement of provisions held towards depreciation on investments		
	a) Opening Balance as on 1st April	6.00	6.00
	b) Add: Provisions made during the year	-	-
	c) Less: Write back of excess provisions during the year	-	-
	d) Closing Balance as on 31st March	6.00	6.00
2.	Movement of Investment Fluctuation Reserve		
	a) Opening Balance as on 1st April	10.52	10.52
	b) Add: Amount transferred during the year	-	-
	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	5.37%	5.74%

c) Sale and transfers to/from HTM category

There are no transfers to/from HTM category, other than as permitted by RBI guidelines.

d) Non-SLR investment portfolio

1. (a) Non-performing Non-SLR Investments

(Rs. in crores)

Sr.No.	Particulars	March 31, 2024	March 31, 2023
a)	Opening balance	3.69	5.00
b)	Additions during the year	-	-
c)	Reductions during the year	(0.33)	(1.31)
d)	Closing balance	3.36	3.69
e)	Total provisions held	6.00	6.00

During the F.Y. 2019-20, the Bank had classified the investment in 8.60% non-convertible debenture of Infrastructure Leasing & Financial Services Ltd amounting to Rs. 5.00 crores as Non-Performing Investment. The investment had 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. For the year under review, the Bank has received interim distribution amount of Rs.0.33 crores from IL & FS Ltd dated 31st October, 2023 (Rs.1.31 crores in P.Y. 2022-23). Accordingly, the outstanding under Non-Performing Investment stands reduced to Rs.3.36 crores.

(b) Investment Depreciation Reserve

(Rs. in crores)

Sr.No.	Particulars	March 31, 2024	March 31, 2023
a)	Total Provision Held	6.00	6.00
b)	Used against Bonds under AFS & HFT incl.NPI	(3.40)	(4.11)
c)	Used against Securities under AFS & HFT	(0.17)	(0.98)
d)	Excess IDR Held	2.43	0.91

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 unlisted Securities		Extent of unlisted Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
a)	PSUs	35.43	30.43	-	-	-	-	-	-	-	-
b)	FIs	20.02	20.02	-	-	-	-	-	-	-	-
c)	Public Sector Banks	-	-	-	-	-	-	-	-	-	-
d)	Private Corporates	43.26	48.59	-	-	-	-	-	-	-	-
e)	Subsidiaries/Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others	-	-	-	-	-	-	-	-	-	-
g)	Provision Held towards Investment Depreciation Reserve	3.36	3.69	-	-	-	-	-	-	-	-
	Total	95.35	95.35	-	-	-	-	-	-	-	-



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, 2024	
	2024	2023	2024	2023	2024	2023	2024	2023
Securities sold under repo								
(a) Government Securities	-	-	-	-	-	-	-	-
(b) Corporate debt securities	-	-	-	-	-	-	-	-
(c) Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
(a) Government Securities	5.00	20.00	5.00	140.00	0.03	30.81	-	-
(b) Corporate debt securities	-	-	-	-	-	-	-	-
(c) Any other securities	-	-	-	-	-	-	-	-

2.4 Asset quality
a) Classification of advances and provisions held
As at March 31, 2024

(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	414.39	13.69	23.49	4.40	41.58	455.97
Add: Additions during the year					6.33	
Less: Reductions during the year*					34.58	
Closing balance	535.00	6.52	4.53	2.28	13.33	548.33
*Reductions in Gross NPAs due to:						
i) Upgradation					6.62	
ii) Recoveries (excluding recoveries from upgraded accounts)					7.07	
iii) Technical/ Prudential Write-offs					20.87	
iv) Write-offs other than those under (iii) above					0.02	
Provisions (excluding Floating Provisions)*						
Opening balance of provisions held	3.12	13.03	22.35	4.40	39.78	42.90
Add: Fresh provisions made during the year					0.53	-
Less: Excess provision reversed/ Write-off loans					20.88	-
Closing balance of provisions held	2.97	10.12	7.03	2.28	19.43	22.40



(Rs. in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non- Performing Advances	
Net NPAs						
Opening Balance		0.66	1.14		1.80	
Add: Fresh additions during the year					5.80	
Less: Reductions during the year (restricted to 100%)					7.60	
Closing Balance		-	-	-	-	-
Provision held in excess of Gross NPAs		-	-	-	6.10	6.10
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						5.98
Add: Technical/ Prudential write-offs during the year						20.87
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						0.02
Closing balance						26.83

*including excess provision held (Refer Note 4)

As at March 31, 2023

(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	319.42	1.23	33.16	5.07	39.46	358.88
Add: Additions during the year					17.07	
Less: Reductions during the year*					14.95	
Closing balance	414.39	13.69	23.49	4.40	41.58	455.97
*Reductions in Gross NPAs due to:						
i) Upgradation					0.41	
ii) Recoveries (excluding recoveries from upgraded accounts)					12.37	
iii) Technical/ Prudential Write-offs					-	
iv) Write-offs other than those under (iii) above					2.17	
Provisions (excluding Floating Provisions)*						
Opening balance of provisions held	4.74	1.05	31.10	5.07	37.22	41.96
Add: Fresh provisions made during the year					4.73	-
Less: Excess provision reversed/ Write-off loans					2.17	-
Closing balance of provisions held	3.12	13.03	22.35	4.40	39.78	42.90
Net NPAs						
Opening Balance		0.18	2.06	-	2.24	
Add: Fresh additions during the year					12.34	
Less: Reductions during the year					12.78	
Closing Balance		0.66	1.14	-	1.80	



(Rs. in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non- Performing Advances	
Floating Provisions						
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						0.03
Closing balance						5.98

*including excess provision held (Refer Note 4)

Ratios (in percent)	March 31, 2024	March 31, 2023
Gross NPA to Gross Advances	2.43%	9.12%
Net NPA to Net Advances	-	0.43%
Provision coverage ratio*	100.00%	95.12%

* Restricted to 100%

b) Sector-wise Advances and Gross NPAs

(Rs. in crores)

		March 31, 2024			March 31, 2023		
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	0.75	-	-	0.67	-	-
b)	Advances to industries sector eligible as priority sector lending	128.99	0.63	0.49%	81.90	1.52	1.86%
c)	Services	54.94	4.53	8.25%	26.18	3.17	12.12%
d)	Personal Loans/ Others	71.88	1.87	2.60%	86.79	4.67	5.38%
	Subtotal (i)	256.56	7.03	2.74%	195.54	9.36	4.79%
ii)	Non-priority Sector	-	-	-	-	-	-
a)	Agriculture and allied activities	-	-	-	-	-	-
b)	Industry	24.45	1.68	6.87%	30.35	17.80	58.63%
c)	Services	-	-	-	-	-	-
d)	Personal loans/ Others	267.32	4.62	1.73%	230.08	14.42	6.27%
	Sub-total (ii)	291.77	6.30	2.16%	260.43	32.22	12.37%
	Total (i + ii)	548.33	13.33	2.43%	455.97	41.58	9.12%

c) Overseas Assets, NPAs and revenue

Bank does not have overseas assets, NPA and revenue during the previous and current year.



d) 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	
		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Standard	No of borrowers	-	-	-	-	2	2	1	1	3	3
	Gross Amt	-	-	-	-	4.36	12.95	0.39	0.41	4.75	13.36
	Provision held	-	-	-	-	0.44	0.90	0.04	0.04	0.47	0.94
Sub-Standard	No of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amt	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Doubtful	No of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amt	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Total	No of borrowers	-	-	-	-	2	2	1	1	3	3
	Gross Amt	-	-	-	-	4.36	12.95	0.39	0.41	4.75	13.36
	Provision held	-	-	-	-	0.44	0.90	0.04	0.04	0.47	0.94

e) **Divergence in asset classification and provisioning**

No divergences have been noted by RBI, hence, no disclosure on divergence in asset classification and provisioning for NPAs is required.

f) **Disclosure of transfer of loan exposure**

No accounts have been transferred under loan exposure in current and previous year.

g) Fraud Accounts

(Rs.in crores)

	March 31, 2024	March 31, 2023
Number of frauds reported	4	1
Amount involved in fraud	25.956	1.740
Less: 1. Amounts technically written off during the year	19.228	NIL
2. OIR waived	6.726	
Amount of provision made for such frauds	0.002	0.890
Amount of Unamortised provision debited from other reserves as at the end of the year	-	-

h) 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	0.39	-	-	0.02	0.39
Corporate persons	-	-	-	-	-
<i>Of which MSMEs</i>	14.54	-	-	0.44	4.36
Others	-	-	-	-	-
Total	14.94	-	-	0.46	4.75

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, 2024	March 31, 2023
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of the circular – (a)	-	-
Respective amount where asset classification benefits is extended – (b)	-	-

(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.

i) One Time Settlement

(Rs. in crores)

Particulars	March 31, 2024	March 31, 2023
No of OTS accounts sanctioned and settled during the year	2	2
Total exposure	0.11	4.03
OTS Amount Received	0.07	1.86
Total Sacrifice Amount	0.02	0.66
Interest Waived	0.02	1.51

2.5 Exposures

a) Exposure to real estate sector

(Rs. in crores)

Category	March 31, 2024	March 31, 2023
<i>i) Direct exposure</i>		
a) Residential Mortgages – 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.		
Priority	69.14	78.08
Non-Priority	83.08	75.38
b) Commercial Real Estate– 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;		
Fund Based	16.09	12.03
Non-Fund Based	5.60	0.00
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
i. Residential		
ii. Commercial Real Estate		
<i>ii) Indirect Exposure</i>		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate Sector	173.91	165.49

b) Risk category-wise country exposure

The Bank has no exposure to country risk during the F.Y. 2023-24 and F.Y. 2022-23.

c) Exposure to Capital Market

(Rs. in crores)

Particulars	March 31, 2024	March 31, 2023
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	0.18	0.14



d) Unsecured advances

(Rs. in crores)

Particulars	March 31, 2024	March 31, 2023
Total unsecured advances of the bank	8.27	23.63
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

e) Factoring exposures

The Bank has no exposure to factoring services during the F.Y. 2023-24 and F.Y. 2022-23.

f) Unhedged foreign currency exposure

The Bank does not have any Foreign Exchange Exposure during the F.Y. 2023-24 and F.Y. 2022-23.

2.6 Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Rs.in crores)

Particulars	March 31, 2024	March 31, 2023
Total deposits of the twenty largest depositors	244.97	202.25
Percentage of deposits of twenty largest depositors to total deposits of the bank	22.54%	19.74%

b) Concentration of advances *

(Rs.in crores)

Particulars	March 31, 2024	March 31, 2023
Total advances to the twenty largest borrowers	206.73	106.05
Percentage of advances to twenty largest borrowers to total advances of the bank	37.70%	23.26%

*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, 2024	March 31, 2023
Total exposure to the twenty largest borrowers/customers	206.73	106.05
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	37.70%	23.26%

**Exposures shall be computed as per applicable RBI regulation

d) Concentration of NPAs

(Rs.in crores)

Particulars	March 31, 2024	March 31, 2023
Total Exposure to the top twenty NPA accounts	11.02	32.77
Percentage of exposures to the twenty largest NPA exposures to total Gross NPAs.	82.67%	78.81%

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. 2023-24 and F.Y. 2022-23.

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

(Rs. in crores)

Sr.No.	Particulars	March 31, 2024	March 31, 2023
i).	Opening balance of amounts transferred to DEAF	4.72	4.44
ii)	Add: Amounts transferred to DEAF during the year	1.46	0.36
iii)	Less: Amounts reimbursed by DEAF towards claims	0.22	0.08
iv)	Closing balance of amounts transferred to DEAF	5.96	4.72

2.10 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account aggregated to Rs.0.30 crores during F.Y. 2023-24. (Nil in previous Year F.Y. 2022-23)



2.11 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, 2024	March 31, 2023
		Complaints received by the bank from its customers	188	901
1.		Number of complaints pending at beginning of the year	Nil	Nil
2.		Number of complaints received during the year	188	901
3.		Number of complaints disposed during the year	188	901
	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	15	2
5.		Number of maintainable complaints received by the bank from OBOs	15	2
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	15	2
	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.
<p>Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.</p>				

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 2023-March 2024					
Cash not received A/c. Debited (Including digital transactions) – ATM, IMPS, POS, ECOM, UPI	0	142	↓ 82.23%	0	N.A.
ATM Pin Forgot / Not Received	0	30	↓ 53.13%	0	N.A.
Internet Banking Password Forgot / Not received	0	0	NA	0	N.A.
Website down-complaint from customers	0	0	NA	0	N.A.
Delay in issue of ATM cards	0	16	↓ 57.89%	0	N.A.
Total	0	188		0	
April 2022-March 2023					
Cash not received A/c. Debited (ATM)	0	799	↑ 4105.26%	0	N.A.
ATM Pin Forgot / Not Received	0	64	↓ 20.98%	0	N.A.
Internet Banking Password Forgot / Not received	0	0	NA	0	N.A.
Website down-complaint from customers	0	0	NA	0	N.A.
Delay in issue of ATM cards	0	38	↑ 31.03%	0	N.A.
Total	0	901		0	

Note: Down arrow key (↓) to be considered as decrease /Up arrow key (↑) to be considered as increase



2.12 Disclosure of penalties imposed by the Reserve Bank of India

For F.Y. 2023-24, the Reserve Bank of India (RBI), in exercise of powers vested under section 47A(1)(c) read with sections 46(4)(i) and 56 of The Banking Regulation Act, 1949 and based on the Show Cause Notice No.CO. ENFD.DEACB.No.S262/02-06-047/2023-2024 dated July 19, 2023 imposed a monetary penalty of Rs.0.43 crores for non-compliance with the directions issued by the RBI on such grounds namely 'Recovery of penal charges for non-maintenance of minimum balances in savings bank (SB) accounts without notifying the depositors', Non-compliance with the directions on 'Interest Rate on Deposits' on the Current Accounts of the eligible deceased Customers and Non-reporting of fraud within three weeks of its detection. Bank has refunded the amounts of penal charges and interest to the Customers with up to date interest.

For F.Y. 2022-23, The Reserve Bank of India (RBI), in exercise of powers vested under section 47A(1)(c) read with sections 46(4)(i) and 56 of The Banking Regulation Act, 1949 has by an order dated 23rd November,2022 had imposed a monetary penalty of Rs.1.25 crores for deficiency in regulatory compliance with RBI directions on 'Discounting of Bills by UCBs – Restricted Letters of Credit (LC)' and the provisions of the Co-operative Banks (Period of Preservation of Records) Rules,1985 framed under section 45Y read with section 56 of The Banking Regulation Act, 1949.

2.13 Disclosures on remuneration

Key Management Personnel – Remuneration Paid as below:

(Rs. in crores)

Particulars	March 31, 2024	March 31, 2023
Managing Director & CEO	0.49	0.34
Total	0.49	0.34

2.14 Other Disclosures

a) Business Ratios

(Rs. in crores)

Particular	March 31, 2024	March 31, 2023
i. Interest Income as a percentage of Working Funds	7.09%	6.88%
ii. Non-Interest Income as a percentage of Working Funds	0.29%	0.45%
iii. Cost of Deposits	4.83%	4.29%
iv. Net Interest Margin	2.70%	2.54%
v. Operating Profit as a percentage to working Funds	0.45%	0.71%
vi. Return on Assets	0.25%	0.19%
vii. Business(deposits plus advances) per employee	7.54	7.29
viii. Profit per employee	0.03	0.04

b) Bancassurance Business

Commission income from Bank assurance business:

(Rs. in crores)

Sr.No.	Nature of Income	2023-24	2022-23
1.	From Selling Non-Life Policies	0.03	-
2.	From Selling Pradhan Mantri Insurance Schemes	0.00	-

c) Marketing and distribution

The Bank has not received any fees / remuneration in respect of marketing and distribution business during the F.Y. 2023-24 and F.Y. 2022-23.

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, 2024	March 31, 2023
i. PSLC – General	460.00	350.00
ii. PSLC – Micro Enterprises	40.00	80.00
Total	500.00	430.00

e) Provisions and contingencie

(Rs. in crores)

Provision debited to Profit and Loss Account	March 31, 2024	March 31, 2023
i. Provisions for depreciation and NPI	-	-
ii. Provision towards NPA	0.53	4.73
iii. Provision made towards Income Tax	1.43	2.20
iv. Other Provisions and Contingencies		
- Special Reserve under Section 36 (1) (viii)	0.04	0.05
- Provision for Standard Assets	0.47	0.05

Additionally, the Bank has provided for Wage Arrears amounting to Rs. 0.50 crores (Previous year: Rs. 1.50 crores).

f) Payment of DICGC Insurance Premium

(Rs. in crores)

Sr.No.	Particulars	March 31, 2024	March 31, 2023
i.	DICGC Insurance Premium paid	1.24	1.35
ii.	Arrears in payment of DICGC premium	-	-

g) Reserve for Corporate Social Responsibility

The Board has approved Corporate Social Responsibility ("CSR") Policy for the F.Y. 2023-24. In accordance with the same, the Bank has appropriated 1% of Net Profit after tax of previous year for CSR Reserve i.e. Rs. 0.02 crores. This will be utilized in accordance with the policy of the Bank.



h) Disclosure of facilities granted to directors and their relatives

(Rs. in crores)

Sr. No.	Particulars	F.Y.2023-24	F.Y.2022-23
1.	Fund Based		
	Outstanding at the beginning of the year	0.15	0.19
	Additions during the year	0.07	-
	Interest charged during the year*	0.01	0.01
	Recovery during the year	0.08	0.05
	Outstanding at the end of the year	0.15	0.15

*amount less than lakhs

For the above disclosure, the loan was extended by the Bank prior to the director coming on to the Board of the Bank. This term loan is continued in terms of the RBI guidelines. Previous year figures are updated to include staff loan granted to directors and their relatives.

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, 2024	March 31, 2023
Investment in Available for sale category	195.81	183.35
Investment Fluctuation Reserve at 5% of above	9.79	9.17
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, 2024			March 31, 2023		
	Provision required	Provision Held	Excess Provision	Provision required	Provision Held	Excess Provision
Standard Assets (including Restructured Assets)	2.95	2.97	0.02	2.95	3.12	0.17
Non-Performing Assets	6.89	19.43	12.54*	23.44	39.78	16.34

*Rs. 6.10 crores provision held in excess of gross NPA

5. Claims against Bank not acknowledged as debt is: Current Year Rs.3.24 crores (excluding interest) in respect of disputed demand of income tax against which the bank has preferred an appeal (previous year – Rs.3.46 crores)

6. Accounting Standard 15 - Employee Benefits

Defined Contribution Plan

- ❖ Bank's Contribution to Provident Fund Rs. 2.00 crores (Previous year Rs.1.65 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, 2024	March 31, 2023
1	Discount Rate	7.21%	7.52%
2	Salary Escalation rate	4.00%	4.00%
3	Attrition rate	8.00%	2.00%

II. Changes in present value of obligations

(Rs. in crores)

Sr. No	Particulars	Gratuity (Funded)	
		March 31, 2024	March 31, 2023
1	Liability at the beginning of the current year	9.28	8.62
2	Interest cost	0.70	0.62
3	Current service cost	0.42	0.40
4	Past service cost	-	-
5	Benefits paid	(0.43)	(0.69)
6	Actuarial (gain) / loss on obligations	1.49	0.33
7	Liability at the end of the current year	11.46	9.28

III. Changes in fair value of Plan Assets

(Rs. in crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2024	March 31, 2023
1	Fair value of plan assets at the beginning of the year	10.35	8.79
2	Expected return on plan assets	0.78	0.64
3	Contributions	0.86	1.51
4	Benefits paid	(0.43)	(0.69)
5	Actuarial gain / (loss) on plan assets	(0.10)	(0.10)
6	Fair value of plan assets at the end of the year	11.46	10.35



IV. Balance Sheet Reconciliation

(Rs. in crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2024	March 31, 2023
1	Opening Net Liability	(1.07)	(0.18)
2	Expense Recognized in Profit or Loss	1.93	0.62
3	Employer's Contribution	(0.86)	(1.51)
3	Amount recognized in the Balance Sheet*	0.00	(1.07)

*amount less than one lakh

V. Amount recognized in Balance Sheet

(Rs. in crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2024	March 31, 2023
1	Fair value of plan assets at the end of the year	11.46	10.35
2	Liability at the end of the year	(11.46)	(9.28)
3	Amount recognized in the Balance Sheet*	0.00	1.07

*amount less than one lakh

VI. Expenses recognized in Profit and Loss account

(Rs. In crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2024	March 31, 2023
1	Current service cost	0.42	0.40
2	Interest cost	(0.08)	(0.01)
3	Expected return on plan assets	-	-
4	Net actuarial gain / (loss)	1.59	0.23
5	Past service cost	-	-
6	Expenses recognized in Profit and Loss account	1.93	0.62

❖ **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, 2024	March 31, 2023
Privileged leave	2.56	3.50
Sick leave	1.69	2.32
Total Actuarial Liability	4.25	5.82
<u>Assumptions</u>		
<i>Discount rate:</i> Privileged leave / Sick leave	7.21%	7.52%
<i>Salary escalation rate:</i> Privileged leave / Sick leave	4.00%	4.00%
<i>Attrition rate:</i> Privileged leave / Sick leave	8.00%	2.00%

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	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	48.88	51.75	23.55	23.18	21.27	15.45	-	-	93.70	90.38
Result	22.98	24.13	(9.07)	(9.21)	(8.20)	(6.14)	-	-	5.71	8.78
Unallocated Expenses									-	-
Operating Profit									5.71	8.78
Provisions									1.04	4.83
Income Taxes									1.60	1.47
Extraordinary Profit/ Loss	-	-	-	-	-	-	-	-	-	-
Net Profit									3.07	2.48
Other Information										
Segment Assets	703.64	755.27	295.28	288.31	266.81	192.21	-	-	1265.73	1235.79
Unallocated Assets									6.66	5.87
Total Assets									1272.39	1241.66
Segment Liabilities	541.55	571.60	297.31	291.70	268.60	194.47	-	-	1107.46	1057.77
Unallocated Liabilities									0.40	0.36
Total Liabilities									1107.86	1058.13

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, 2024	March 31, 2023
-Not later than one year	0.45	0.77
-Later than one year and not later than five years	0.08	0.47
-Later than five years	-	-
Total of minimum lease payments realization in the Profit and Loss account for the year.	1.78	1.70

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

Particulars	March 31, 2024	March 31, 2023
Net Profit after taxation – Rs. In crs	3.07	2.48
Weighted average No. of Shares – in crs	0.48	0.49
Earnings Per Share (EPS) – in Rs.	6.44	5.09
Nominal Value per Share – in Rs.	25/-	25/-

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, 2024.

(Rs in crores)

Particulars	March 31, 2024	March 31, 2023
Deferred Tax Asset		
Provision for Privilege Leave Encashment	0.64	0.88
Provision for Gratuity	-	-
Depreciation	0.70	0.67
Reserves for Bad & Doubtful Debts*	2.94	2.94
Reserve for Standard Assets	0.63	0.51
Provision for Restructured Asset	0.12	0.28
Provision for Wage Arrears	0.20	-
Provision for Staff Sick Leave Encashment	0.43	0.58
Rent Straight lining Reserves	0.00	0.01
<i>Total</i>	5.66	5.87
Deferred Tax Liability		
Special Reserve under Section 36(1)(viii)	0.44	0.42
Provision for Gratuity	0.00	0.00
<i>Total</i>	0.44	0.42
Net Deferred Tax Assets as at the year end	5.22	5.45

*excluding Reserves created out of appropriation



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

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

(Rs in crores)

Particulars	March 31, 2024	March 31, 2023
Opening Balance	0.29	0.24
Additions during the year	0.44	0.19
Sub total	0.73	0.43
Amortization during the year	0.25	0.14
Net Carrying balance	0.48	0.29

- 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 and Transfer of Reserves:

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.

The Board of Directors, in their meeting held on June 26, 2024 have proposed dividend of Rs. 2.50 per equity share (10%) for the year ended March 31, 2024 amounting to Rs.1.17 crores (10% amounting to Rs.1.21 crores in P.Y. 2022-23). The proposal is subject to the approval of shareholders in the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4, proposed dividend is not recognized as a liability as on March 31, 2024.

However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2024.

15. Movement in technical/prudential written off accounts is as under:

(Rs. in crores)

Particulars	March 31, 2024	March 31, 2023
Opening balance of Technical / Prudential written – off accounts as at April 1	5.98	6.01
Add : Technical / Prudential write – offs during the year	20.87	-
Sub-total (A)	26.85	6.01
Less : Recoveries made from previously technical / prudential written – off accounts during the year (B)	0.02	0.03
Closing balance as at March 31 (A-B)	26.83	5.98

The Bank had done technical write off of certain loss assets aggregating to Rs.20.87 crores, which were fully provided for as on March 31, 2024, 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.** Payments to Micro, Small, Medium Enterprises (MSME) registered suppliers, as per information available with the Bank, have been made within the timeline specified in Micro, Small, Medium Enterprises Development Act, 2006.

- 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, 2024, 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, 2024, 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 preparation of 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.

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 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

1. 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.
2. 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) No separate audit of the branches has been conducted under the Multi State Co-operative Societies Act, 2002 and therefore no other auditor's report has been received by us;
 - d) In our opinion, proper books of account as required by Acts, Rules framed thereunder and the bye-laws, 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;
 - e) 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;
 - f) The profit and loss account shows a true balance of profit for the period covered by such account.
3. As required by Rule 27(2) of the Multi-state Cooperative Societies Rules, 2002, we report that:
- a) 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.;
 - b) During the course of audit, we have not come across any violation of guidelines issued by the RBI except for threshold value of loans which is not in accordance with "Master Circular- Exposure Norms and Statutory / Other Restrictions – UCBs" dated 16th January 2024. The guidelines of National Bank for Agriculture and Rural Development ("NABARD") are not applicable to the Bank since the Bank has neither accepted deposits nor received any subsidy from NABARD.
4. 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) During the course of our audit, we have generally 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) During the course of our audit, 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, to the extent applicable to the Bank. The guidelines of NABARD are not applicable to the Bank since the Bank has neither accepted deposits nor received subsidy from NABARD.
 - c) Based on our examination of the books of accounts and other records and as per the information and explanations given to us, the money belonging to the bank which appears to be bad or doubtful of recovery are as detailed below: (Rs. in crores)
- | Category | Principal Outstanding as on March 31, 2024 |
|--|--|
| Sub -standard | 6.52 |
| Doubtful Assets | 4.53 |
| Loss Assets | 2.28 |
| Matured Investments (classified as Other Assets) | 3.36 |
- d) The Bank has not given loans to the members of the Board of Directors.
 - e) During the course of our audit, we have generally not come across any violation of guidelines, conditions etc. issued by the Reserve Bank of India except for threshold value of loans which is not in accordance with "Master Circular- Exposure Norms and Statutory / Other Restrictions – UCBs" dated 16th January 2024. The guidelines of NABARD are not applicable to the Bank since the Bank has neither accepted deposits nor received subsidy from NABARD.



The Zoroastrian Co-operative Bank Ltd.

- f) To the best of our knowledge, no other matters have been specified by the Central Registrar of Co-operative Societies, which requires reporting under this rule.

FOR C N K & ASSOCIATES LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036

Hiren Shah

Partner

Membership No. 100052

UDIN: 24100052BKFALZ4865

Place: Mumbai

Date: June 26, 2024

(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 Shareholder / 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 Seventh **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 on 24th August, 2024, 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

Testimonials

Rustomjee Group

Our longstanding relationship with The Zoroastrian Co-operative Bank spans over 28 years, since the inception of brand Rustomjee. The bank has been an integral partner, offering unwavering support through our journey, demonstrating reliability, and providing exceptional service. The Zoroastrian Co-operative Bank truly feels like home to us, a testament to their enduring commitment and trustworthiness."



Boman Irani

Chairman & Managing Director - Rustomjee Group

C.T. Pundole & Sons Private Limited

We, C. T. Pundole & Sons have been associated with you for the last 27 years. I am extremely happy with the service and prompt reply to our queries.

We have grown due to your unfailing support.

We are very happy to be with you for our financial needs

Thanks



Cawas H Pundole

Director - C.T. Pundole & Sons Private Limited

G.R. Engineering Pvt. Ltd.

Our dealings with The Zoroastrian Co-operative Bank Ltd. have been pleasant and we have found them to a highly efficient Bank under the leadership of Mr. Daljit Dogra - Managing Director. We have been banking with them for a decade.



Ramesh D. Hariani

CMD of G R Engineering Pvt. Ltd.

B. D. Dhalla Transport Pvt. Ltd.

We have been associated with Zoroastrian Cooperative Bank Ltd. since the year 1987 and have been delighted to see their growth as a Bank in the intervening period. They have been responsive, forward thinking and have widened the bouquet of their services to customers while maintaining the personal touch, reasonable costs and high service levels at the same time.

We wish them all the very best and all success in the years ahead.



Byram R. Dhalla

Director - B. D. Dhalla Transport Pvt. Ltd.

Simmonds Marshall Ltd.

We have had the pleasure of having a successful and mutually beneficial banking relationship with The Zoroastrian Cooperative Bank Ltd for the past 6 decades, being one of their first customers when the bank was established.

The relationship and the bank have grown from strength to strength over these six decades, and their support has continued to be unwavering - through the good and sometimes tough times. In any banking relationship - this is crucial, and most appreciated.

We have always received timely support, pro-active suggestions and financial solutions to all our banking needs and it is a relationship we will continue to cherish for time to come.



Navroze S. Marshall

Managing Director - Simmonds Marshall Ltd.

Shethia Erectors and Material Handlers Limited

Our relations with Zoroastrian Bank started in 2015. I specially appreciate their efforts and commitment to understanding our business needs and providing most appropriate financial solutions. The team of Zoroastrian Bank including their leadership is always responsive, professional, and proactive in addressing our concerns and ensuring smooth, lawful and timely processing of the transaction. We truly value our partnership with them and look forward to continuing this fruitful relationship for many more years.



Mitesh Laxmikant Shethia

Director - Shethia Erectors and Material Handlers Limited

Testimonials

Turel Sales Corporation

We are privileged to acknowledge our enduring partnership with Zoroastrian Co-operative Bank Limited, spanning two decades of invaluable support through their cash credit facility, which offers the lowest interest rates in the market. Their unwavering cooperation has been pivotal in our business's sustained growth and success. Beyond their competitive financial offerings, we deeply appreciate their exceptional customer service. The staff at Zoroastrian Co-operative Bank Limited has consistently provided unwavering support, prompt service, and a readiness to resolve any queries, demonstrating a commitment to excellence that has greatly contributed to our operational efficiency. We extend our heartfelt gratitude for their exemplary service and look forward to continuing our prosperous journey together.



Viraf Turel
Partner - Turel Sales Corporation

Candy Enterprises Private Limited.

We value the unwavering support and exceptional service provided by The Zoroastrian Co-operative Bank Ltd. which has significantly contributed to our company's growth and success.



Mr. Suraj Awatramani
Director - Candy Enterprises Private Limited.

Hitech Corporation Limited

I wish to express my gratitude for the exceptional experience we had availing a credit facility with your bank for the first time. Your team's professionalism and expertise made the process straightforward and efficient. From initial consultation to final approval, we felt informed of each step.

Thank you for your dedication to customer service. We look forward to continuing our partnership with your bank.

Avan Chaina
CFO - Hitech Corporation Limited

Uni Abex Alloy Products Ltd.

To the Zoroastrian Team,

We are glad to share our experience with your bank.

We note our association with The Zoroastrian Co-operative Bank Ltd. spans over a decade. The service level commitment and positive approach of the Team ZCBL offered a delightful Banking experience.

Bhavesh T. Dave
GM - Corporate Treasury & Banking / Neterwala Group of Companies

Percy Jal Dajee

The Zoroastrian Co-operative Bank Ltd. is a Bank with whom my banking relationship spans over the last few years. Working with the said Bank has been a very pleasant experience since they are very professional in their work approach. Not only is the staff / management pleasant to associate with but also very thorough and exacting.

My experience with the Bank induced me to extend my personal experience to my official position. Bank accounts were opened for the various charitable trusts I am associated with as a Trustee and, in all probability, I shall explore to extend the banking relationship to other Companies also.

In conclusion, my heartfelt wishes to Zoroastrian Co-operative Bank Ltd. and I am confident that it will grow and prosper, in the not too distant future, as a leading Co-operative Bank.

All Good Wishes

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