ZOROASTRIAN BANK

The Zoroastrian Co-operative Bank Ltd.

Multi-State Scheduled Bank
The Bank that is Big on Tradition & Trust

2025-26
ANNUAL
REPORT

100 YEARS
1927-2027

A Century of Trust
A Future of Possibilities

Sir Hormusjee C. Dinshaw
(Founder)

Tradition | Trust | Personal Touch | Innovation | Global Technology

Board of Directors

Mr. Homa D. Petit
Chairman

Mr. Percy B. Chhapgar
Vice Chairman

Mr. Bakhtyar S. Saklatwala

Mrs. Dhanoo H. Khusrokhan

Mr. Farhad S. Choksey

Mrs. Maharukh Vazifdar

Mr Mehrab N. Irani

Mr. Noshir G. Paghdiwalla

Mrs. Smita A. Tambe

Mr. Viraf R. Mehta

Mr. Zubin F. Billimoria

Mr. Daljit Dogra
MD & CEO

CHAIRMAN'S MESSAGE

Dear Shareholders,

At the outset, and as we enter our Centenary year, it would be fitting to remember and pay homage not only to our beloved founder and his family but also to our past Presidents and Board members who may not be with us today, as also to those who are still with us, for ensuring and putting Bank on a firm footing of growth and financial strength and setting the high standards of a Bank big on Tradition and Trust & which we shall continue in the years to come.

We shall also invoke the blessings of the Lord Almighty to continue to guide us, bless us and help us in taking our Bank to greater and greater heights with honesty, integrity, trust & hard work.

I also take this opportunity to thank the Union and all our staff, past & present for their co-operation, dedication to duty & hard work, without which we would not have survived for a Century and more.

On behalf of the Board of Directors, I would like to take this opportunity to thank all members for their steadfast support, trust and contribution to the Zoroastrian Co-operative Bank Ltd. Having said this, it is with great pleasure, the Board of Directors presents the Annual Report of your Bank for the financial year 2025-26.

The past year tested the financial sector with significant macroeconomic events and geopolitical uncertainties, yet despite these headwinds, the banking industry demonstrated resilience and adaptability, supported by prudent regulation, strong governance frameworks and sustained stakeholder confidence.

While topline numbers of your Bank remained flattish, average advances and average deposits have shown growth of 9.46 percent and 1.53 percent respectively. Your Bank has *shown marked improvement in operating profits (Rs. 8.81 crores PY Rs. 6.22 crores) and excellence in Asset Quality. I am happy to share with you that during 2025-26 there was no slippage of assets to the Non-Performing category. As a result of good quality control and recovery measures, Bank's Gross Non Performing Assets (GNPA) have come down to 0.12 percent which is among the best in the industry. Net NPAs of the Bank continue to remain NIL. Yield on Advances have shown marginal improvement whereas cost of funds have shown slight decrease.*

Your Bank maintained a credit-deposit ratio of nearly 50.88 percent. Your Bank has launched/ revamped various loan products in line with market conditions like solar loans, car loans, secured personal loans, educational loans, Warehouse Receipt Financing, etc. Your Bank also entered under Tie-up with Direct Selling Agents to augment growth of Retail Loans like Vehicle Loans, Housing Loans and MSME Loans.

All these measures would give a significant push to the growth of Advances portfolio of your Bank. Your Bank achieved the Priority Sector Lending targets – actual achievement being 66.36 percent as against the targets of 60 percent - with the help of Priority Sector Lending Certificates (PSLCs).

Continued focus on prudent risk management and improved recovery measures has also played a crucial role, with another year of negligible credit costs despite a relatively challenging economic environment. The recovery and upgradations of your Bank stood at Rs.3.78 crores in technically written off accounts in the financial year 2025-26. Our Provision Coverage Ratio also continued to stay above 100% reflecting adequate buffers.

Notably, the Capital to Risk Weighted Assets Ratio (CRAR) stood at 19.68 per cent, reinforcing your Bank's solid capital position and ability to support future growth. Main profitability, and liquidity metrics continued to remain stable and well within expected criteria, reinforcing the strength and resilience of our operating fundamentals.

During the year, your Bank maintained a sharp focus on capability-building. Several training programmes were conducted in-house as well as by reputed training institutes aimed at upskilling employees in areas such as Business Development, Cybersecurity, Regulatory Compliance, etc. Your Bank continued to strengthen employee engagement through wellness initiatives, recognition programmes, merit-based evaluation and performance linked incentive framework. Regular interactions were held with the Employees' Union to discuss operational issues and emphasizing the need of introducing Key Performance Indicators (KPIs) for all the staff members so as to improve overall productivity.

Technology initiatives and digital transformation continued to remain central to your bank's growth strategy during the year across various functions including credit, treasury operations, risk management, audit, etc. Your Bank will continue to explore opportunities for accelerated investments in AI-enabled banking, cybersecurity, fintech partnerships and customer-centric digital platforms to strengthen the technological transition towards a developed economy under the Viksit Bharat 2047 framework.

Conversational banking platforms powered by AI-enabled virtual assistant chatbot 'Ask Jimmy' provided 24/7 customer support and thereby reducing response times.

Cybersecurity continued to remain a strategic priority amid increasing digitalisation of banking operations, evolving cyber threats and rising digital transactions. Your Bank enhanced its cybersecurity framework through real-time monitoring systems, multi-factor authentication and strengthened data protection mechanisms. With a view to mitigate financial and operational risks arising from cyber incidents, data breaches and digital frauds your Bank has obtained adequate cyber insurance coverage of up to Rs.10 crores.

Your Bank's performance continues to reflect the enduring trust of our customers and the strength of our governance-driven approach. Despite operating in a dynamic environment, the main focus remained on stability, prudent growth, and long-term value creation. Your Bank will continue to build on this strong foundation while strengthening its role in the co-operative banking sector. This progress reflects the continued confidence of our stakeholders in the banks transparency, governance standards and consistent performance delivery.

During the year gone by, your Bank earned multiple accolades for innovation, technology, cybersecurity, and excellence, reflecting its leadership, efficiency and commitment to growth and financial inclusion. Your Bank was the proud winner of the Indian Banks' Association (IBA) Special Mention Technology Citation for Best Technology Bank received from Mr. T. Rabi Shankar, Dy. Governor, Reserve Bank of India, at the IBA Annual Banking Conference held on January 09, 2026. This is recognition of your Banks transformation journey and consistently improving performance.

While we cherish what we have done during the just concluded year, we are equally excited as we are entering our centenary year this fiscal on a strong note. We believe that the series of activities planned and strategized for the coming F.Y. 2026-27 will help us to scale up our reach to our customers and accelerate growth. Your Bank plans to launch special products and services during its Centenary Year with a view to enhance Customer Connect and Relationships.

I am happy to announce that the Board of Directors of your Bank has recommended a special additional dividend of 5 per cent on account of Centenary Year of the Bank. Accordingly, the Board of Directors has proposed total dividend of Rs.3.75/- per equity share at 15 per cent for the financial year ended March 31, 2026.

As we have moved into our centenary year in June 2027, your Banks focus will be on accelerating sustainable and profitable growth anchored in strong fundamentals. Leveraging our stabilized core operations and enhanced operational efficiency, your Bank remains well-positioned to drive higher productivity, maintain disciplined risk management practices, foster a strong compliance culture and superior customer outcomes thereby delivering long-term value on the back of strong customer franchise. The overall performance underscores your Banks steady progress and reinforces its position as a reliable and trusted institution.

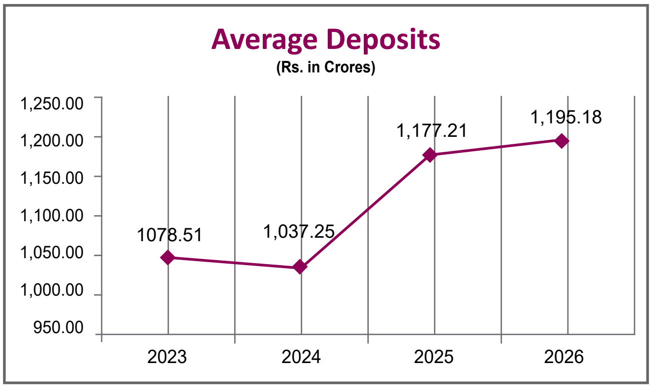
With its guiding philosophy, "The Bank that is Big on Tradition & Trust", The Zoroastrian Co-operative Bank has reaffirmed its commitment to customer-centric banking and sustainable expansion. In the years ahead, the Bank aims to strengthen its digital offerings, enhance service quality, and broaden its reach, while carefully navigating challenges.

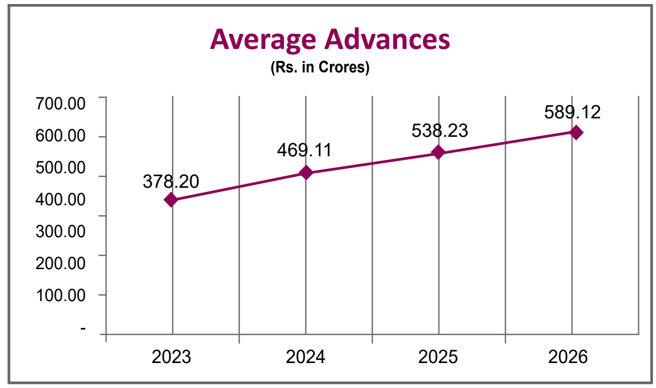
With Best Wishes,

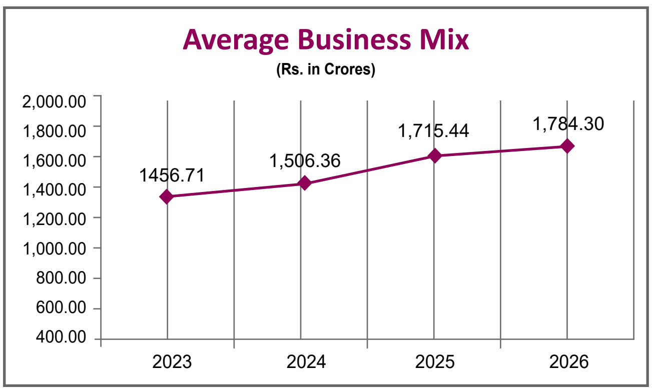
Sd/-

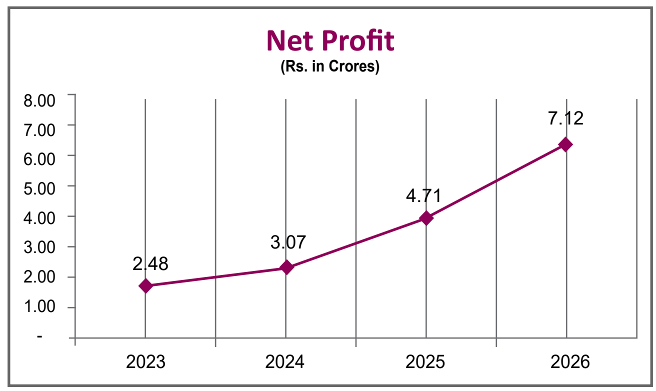
Homa D. Petit

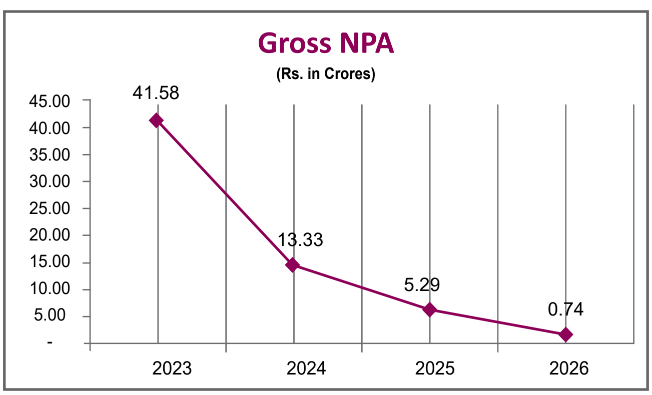
Chairman

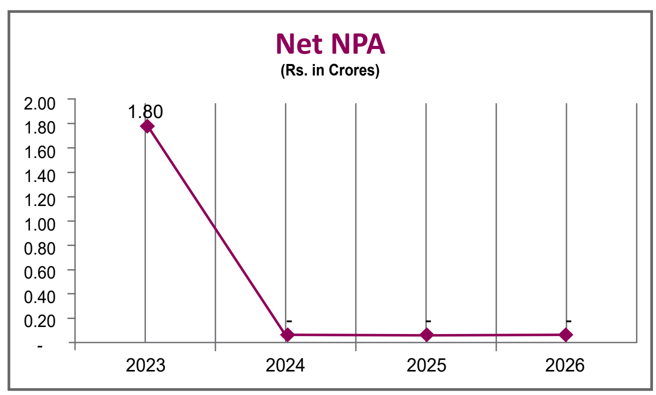

Average Deposits
(Rs. in Crores)
1,250.00
1,200.00
1,150.00
1,100.00
1,050.00
1,000.00
950.00
1078.51
1,037.25
1,177.21
1,195.18
2023
2024
2025
2026

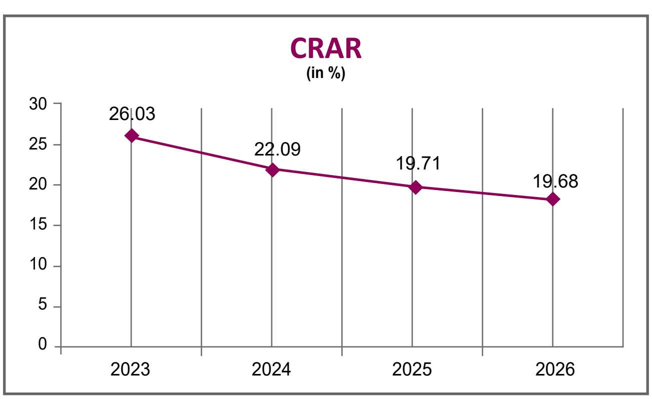

Average Advances
(Rs. in Crores)
700.00
600.00
500.00
400.00
300.00
200.00
100.00
-
378.20
469.11
538.23
589.12
2023
2024
2025
2026

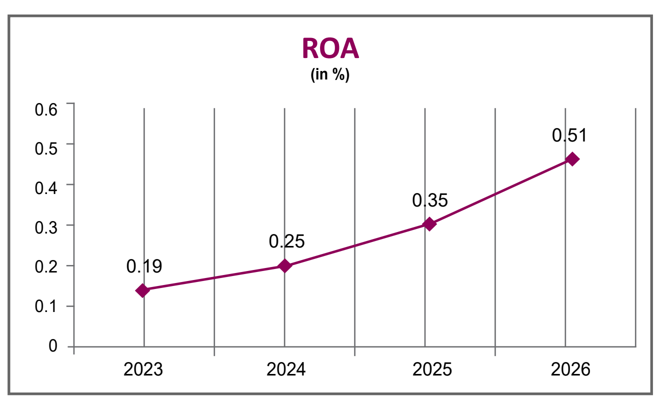

Average Business Mix
(Rs. in Crores)
2,000.00
1,800.00
1,600.00
1,400.00
1,200.00
1,000.00
800.00
600.00
400.00
1456.71
1,506.36
1,715.44
1,784.30
2023
2024
2025
2026


Net Profit
(Rs. in Crores)
8.00
7.00
6.00
5.00
4.00
3.00
2.00
1.00
-
2.48
3.07
4.71
7.12
2023
2024
2025
2026


Gross NPA
(Rs. in Crores)
45.00
40.00
35.00
30.00
25.00
20.00
15.00
10.00
5.00
-
41.58
13.33
5.29
0.74
2023
2024
2025
2026


Net NPA
(Rs. in Crores)
2.00
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
-
1.80
-
-
-
2023
2024
2025
2026


CRAR
(in %)
30
25
20
15
10
5
0
26.03
22.09
19.71
19.68
2023
2024
2025
2026


ROA
(in %)
0.6
0.5
0.4
0.3
0.2
0.1
0
0.19
0.25
0.35
0.51
2023
2024
2025
2026

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninety Ninth Annual General Meeting of the members of the Bank will be held on 30th July, 2026, at 3.30 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 26th August, 2025.
2) To adopt the Annual Report including Financial Statements placed by the Board of Directors for the Financial Year ended March 31, 2026 and to take note of the Statutory Auditors' report.
3) To approve the dividend and to appropriate profit for the Financial Year 2025-26.
4) To appoint Statutory Auditors for the Financial Year 2026-27 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 2026-27.
5) To take note and approve the technical write-off of Non-performing assets as certified by Statutory Auditors and to approve One Time Settlement Scheme (OTS) principal and/or interest waivers of Non-performing assets granted by the bank during the Financial Year 2025-26.
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 Singh Dogra
Managing Director & Chief Executive Officer

Mumbai, June 02, 2026

If there is no quorum for the meeting at the appointed time, the meeting shall be adjourned to 4.10 pm on the same day and the agenda as mentioned in the notice shall be transacted at the same venue irrespective of the quorum.

NOTES

1) Members desiring any information relating to the accounts are requested to do so in writing to the Bank on or before 24th July, 2026 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 are 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, 2026 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@zoroastrianbank.bank.in

8) For updation of e-mail address and mobile number for 99th AGM, members are requested to send an e-mail to the shares@zoroastrianbank.bank.in by 24th July, 2026.

9) Members interested in inspecting the Audit Report have to send a request to the Bank eight days prior to the AGM by sending an e-mail to shares@zoroastrianbank.bank.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 are pleased to present the 99th Annual Report on the business and operations of the Bank together with the Audited Accounts for the Financial Year ended March 31, 2026.

The year 2025-26 was challenging as geopolitical conflicts, trade tensions, and persistent policy uncertainty cast a shadow over the global economy and the financial system. Yet India's tenacity was visible in strong macro fundamentals, a large domestic economy, and a responsive policy framework that has improved the economy's ability to absorb external shocks.

The Indian economy and the financial system, remained robust and resilient supported by strong growth, benign inflation, healthy corporate balance sheets, sizeable buffers, and prudent policy reforms.

Although supply disruptions exist, the Government has undertaken several measures to safeguard supply chains and alleviate stress. On the demand side, private consumption is expected to remain robust while investment activity would be supported by sustained spending on public infrastructure.

Amidst the global landscape, the Indian economy remained resilient in 2025-26. Real gross domestic product (GDP) is estimated to grow by 7.6 per cent (y-o-y) during the year. Headline inflation remains contained and below the target, but upside risks to the inflation outlook have increased, driven by increased energy price pressures and probable weather disturbances affecting food prices.

The fundamentals of the Indian economy and the timely policy actions by the Indian regulators are on a stronger footing, providing it with greater resilience to withstand macro-economic shocks now than in the past.

Indian banks are expected to maintain a positive growth outlook supported by a strong economy, declining NPAs and increasing digital banking adoption. Future success of the banking sector will depend on technology, customer trust, cybersecurity and efficient risk management.

In light of the year gone by, we hereby present the Annual Report of your Bank for the year ended 31st March, 2026 along with its audited Annual Financial Statements.

I. Key Financial Highlights and Ratios:

The following table reflects 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. 2025-26	F.Y. 2024-25
Total Business Mix	1830.40	1837.68
Deposits	1213.18	1218.16
Advances	617.22	619.52
Investments (incl. Call/ TREPS/LAF and Term Money)	426.19	416.57
Paid Up Capital	10.96	11.32

	F.Y. 2025-26	F.Y. 2024-25
Reserves & Surplus	158.37	155.64
Total Income	109.29	106.11
Total Expenditure	100.48	99.89
Operating Profit	8.81	6.22
Gross NPAs	0.74	5.29
% of NPAs to Loans & Advances	0.12%	0.85%
Net NPAs	Nil	Nil
% of Net NPAs to Net Loans & Advances	Nil	Nil
Non-Performing Investments	2.75	2.75
No: of Branches	18	18

b) Ratios: (Rs. in crores)

		F.Y. 2025-26	F.Y. 2024-25
1.	Capital to Risk Weighted Assets	19.68%	19.71%
2.	Cost of Deposits	5.19%	5.21%
3.	Yield on Advances	8.73%	8.66%
4.	Yield on Investments	6.83%	6.90%
5.	Net Interest Margin	2.47%	2.41%
6.	Return on Average Assets	0.51%	0.35%
7.	Staff Cost to Total Income	21.35%	22.40%
8.	Staff Cost to Total Expenditure	23.23%	23.80%

c) Appropriations:

The profit after tax of the Bank for fiscal 2025-26 is Rs. 7.12 crores after provisions and contingencies of Rs. 2.20 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)

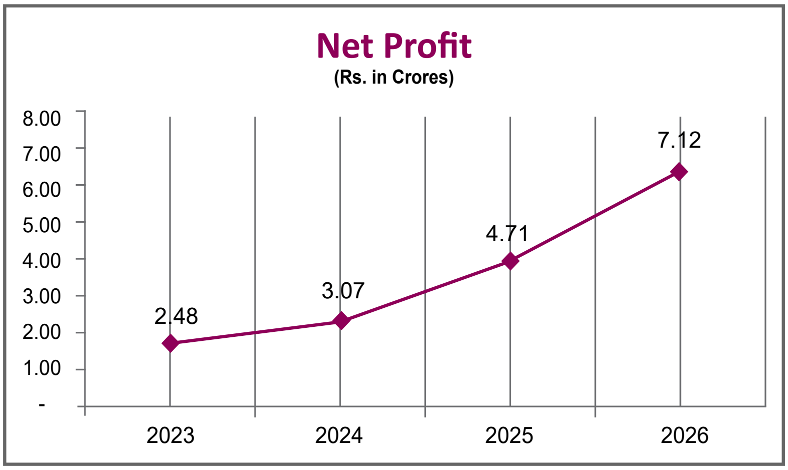
		F.Y. 2025-26	F.Y. 2024-25
1.	Statutory Reserves	1.78	1.18
2.	Reserve for Contingency	0.71	0.47
3.	Education Fund	0.07	0.05
4.	Rehabilitation, Reconstruction and Development Fund	0.07	0.05
5.	Proposed Dividend	1.64	1.13
6.	Centenary Celebration Fund	0.00	0.50
7.	Reserve for Corporate Social Responsibility	0.05	0.03
8.	Net Profit Carried to the Balance Sheet	7.41	4.10

II. Financial Performance of your Bank During F.Y. 2025-26:

During the year ended 31 March 2026, your Bank's operating Profit has shown impressive growth mainly on account of increase in average advances, improvement in yield on advances, slight decrease in cost of funds, good recovery in Non-Performing Assets (NPAs) & technically written off accounts.

Your Bank's advances portfolio stood at Rs.617.22 crores reflecting excellent quality with no slippage. Bank's Loan exposure to various segments of borrowers was well balanced and within the limits prescribed by the Reserve Bank of India and the Bank's Board of Directors.

Gross profit improved by 41.64 percent and net profit by 51.07 percent on account of strong recoveries and increase in interest income.



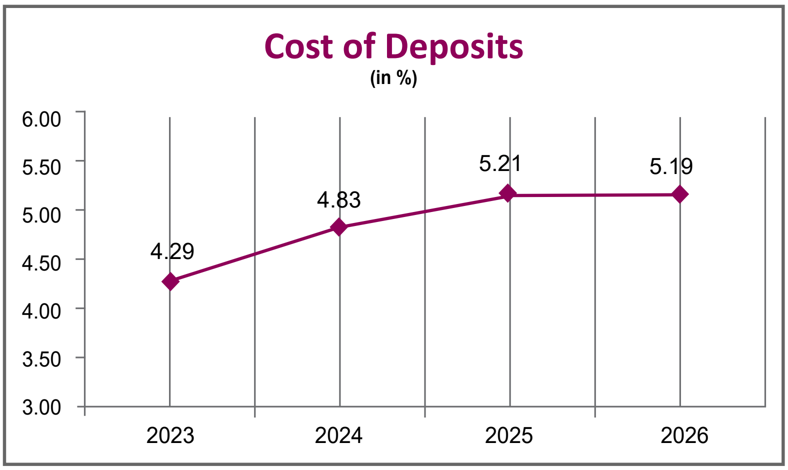
Your Bank has made huge progress in balancing the exposures, improving the asset quality and the share of Retail & Small Value Loans. Robust Credit Underwriting, diligent monitoring, strong recovery measures and prudent management of exposures have helped the Bank to accomplish these improvements over a period of time.

Gross Non-Performing Assets (GNPAs) improved to 0.12% of advances, while net NPAs stood at Nil. Your Banks Provision Coverage Ratio also continued to stay above 100 per cent reflecting more than adequate buffers. The Capital to Risk Weighted Assets Ratio (CRAR) stood at 19.68%, well above the regulatory norms.

a) Deposits:

The Deposits stand at Rs. 1,213.18 crores as against Rs. 1,218.16 crores in the previous year. Although there has been a slight degrowth in the deposit numbers, your bank has shown favourable improvement in the cost of deposits. The cost of deposits of your Bank reduced to 5.19 per cent in the current year from 5.21 per cent in the previous year.

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 F.Y. 2025-26, your Bank's Total Advances stood at Rs.617.22 crores, as compared to Rs.619.52 crores in the previous year.

Although the advances portfolio reflects a slight degrowth, average advances have grown by 9.46 percent over previous year. Advances portfolio shows excellent quality with no slippage, increase in average advances, improvement in yield on advances, good recovery in Non-Performing Assets (NPAs) & technically written off accounts.

Your Bank has made huge progress in balancing the advances exposures, improving the asset quality and improving the share of Retail & Small Value Loans.

Your Bank has also taken the initiative of Launching/Revamping of various loan products in line with market conditions. Main are Solar loans, Car loans, Secured Personal loans, Educational Loans, Warehouse Receipt Financing etc.

Benefit of new loan products like Solar Loans, Warehouse Receipt Financing, etc are expected from 2026-27 onwards. These products are offered at competitive industry rates with flexible repayment options, catering to the evolving needs of a diverse customer base. The share of Retail Loans stood at 43% in March 2026.

Your Bank has entered into tie-up arrangements with Direct Selling Agents (DSAs) to augment growth of Retail Loans like Vehicle Loans, Housing Loans, MSME Loans. The momentum is expected to be built from 2026-27. These efforts reflect your Bank's commitment to fostering balanced credit growth while prudently expanding into high-potential, under-penetrated segments.

Your bank has established a distinct identity around the exceptional turnaround times (TAT), making TATs a brand hallmark. Your Bank provides in-principle vehicle loan sanctions within 3 hours. Generally TAT for sanctioning MSME loans is within 7 working days.

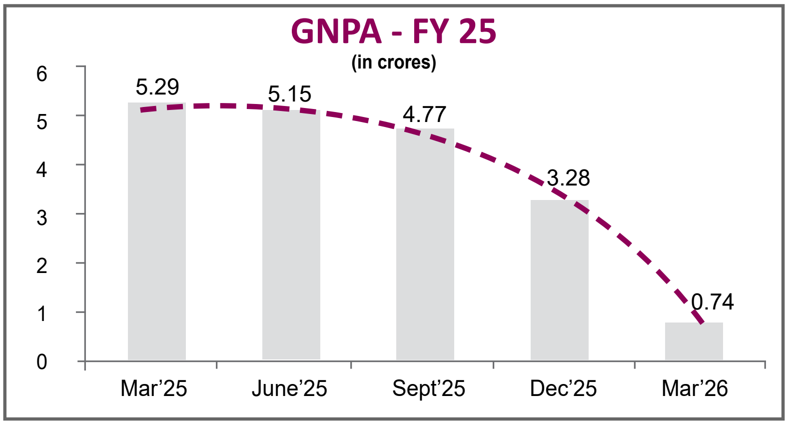
At the core of your Bank's credit appraisal process is a well-defined credit rating model, which ensures that every credit proposal meets the Bank's stringent norms and guidelines. Facilities are granted only when the Bank is fully satisfied with the creditworthiness and merits of the proposal.

Your Bank has made a significant advancement by integrating automation through the Loan Origination System (LOS) into its retail loan processing. This streamlined end-to-end workflow has effectively reduced turnaround times and enhanced customer satisfaction. By improving accuracy, minimizing manual intervention, and accelerating decision-making, the LOS has contributed to higher productivity and better resource utilisation.

Introduction of digital Customer Relationship Management (CRM) platform has helped the Bank to monitor the business development activities thereby improving the process of tracking, managing and personalising customer interactions and also creating an institutional data base.

Robust Credit Underwriting, diligent monitoring, strong recovery measures and prudent management of exposures have helped your Bank to accomplish these improvements over a period of time.

Gross Non-Performing Assets (GNPAs) reduced to Rs.0.74 crores (PY Rs. 5.29 crores) majorly on account of recoveries/upgradation of NPA's and Technical Write Off of accounts aggregating to Rs.1.90 crores. As a result, Gross NPA ratio has improved to 0.12% (PY 0.85%). Net NPAs are NIL.



Your Bank continues to follow up for recoveries in Technically Written Off borrowal accounts and has recovered Rs. 3.78 crores during the year.

c) Priority Sector Lending:

In terms of the guidelines issued by the RBI, the Priority Sector Lending (PSL) targets for the Primary (Urban) Cooperative Banks are revised FY 2024-25 onwards to 60% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent Amount of Balance Sheet Exposure (CEOBSE) whichever is higher. Achievement of PSL targets is determined based on the average of priority sector target / sub-target achievement as at the end of each quarter of the year.

PSL targets – main as well as sub targets have been achieved with purchase of Priority Sector Lending Certificates (PSLCs). Your Bank's achievement of Priority Sector Loans after purchase of Priority Sector Lending Certificates (PSLC) is 66.36% as on March 31, 2026 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 has in place a dedicated Treasury Department, which focuses primarily on the management of funds, undertakes fulfillment of the regulatory obligations of maintenance of Cash Reserve Ratio (CRR) and the Statutory Liquidity Ratio (SLR), asset liability gaps, interest rate risks, liquidity positions and investments.

The Treasury Department plays a vital role in managing the investment portfolio of the Bank and undertakes other activities like trading in Government securities, deployment of surplus funds and day-to-day funds management of the Bank. It extends support to the various branches and departments for their liquidity requirements.

During the year under review, the Treasury Department continued to contribute towards the profitability of the Bank by way of trading profits as well as through effective emphasis on increasing interest income through investments in Government securities, corporate bonds as well as short-term instruments.

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, 2026, the Investment portfolio of your Bank stood at Rs. 426.19 crores as against the previous year figure of Rs. 416.57 crores.

Your Bank has made a gain on sale/redemption of investments to the tune of Rs.0.89 crores during the FY 2025-26.

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. Your Bank has received interim distribution amount of Rs.2.25 crores from IL & FS Ltd till date. Accordingly, the outstanding under Non-Performing Investment stands reduced to Rs.2.75 crores.

Further, looking at the market scenario and to safeguard its Investments, as at 31st March, 2026, your Bank holds Investment Depreciation Reserve of Rs.7.50 crores which more than covers the depreciation in investments of Rs.2.75 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 a special additional dividend of 5 per cent on account of the Centenary Year of the Bank. Accordingly, the Board of Directors have recommended total dividend @15 per cent (i.e. Rs. 3.75/- per equity share of Rs.25/- each)involving a total outlay of Rs.1,64,36,070/- 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.10.96 crores. The Net Worth of your Bank stands at Rs.175.09 crores as on 31st March, 2026 (Rs.169.93 crores previous year).

Your Bank has robust Capital to Risk Weighted Assets Adequacy Ratio of 19.68% 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	2025-26	2024-25
Tier I Capital	17.01%	17.01%
Tier II Capital	2.67%	2.70%

V. Risk Management:

Risk is an integral part of the banking business and your Bank aims to achieve an appropriate trade-off between risk and returns. Your Bank manages key risks including credit risk, market risk, liquidity risk, operational risk, compliance risk and cybersecurity risk through well-defined policies, internal controls, risk limits and continuous monitoring mechanisms principles approved by the Board of Directors from time-to-time.

To ensure sustainable and consistent growth, your Bank has a well-defined and comprehensive Risk Management Framework system in place. The framework is aligned with regulatory guidelines and industry practices and is overseen by the Risk Management Committee (RMC) constituted by the Board of your Bank. The Committee plays a crucial role in guiding the development of policies and their relevance with respect to Bank's risk tolerance.

Your Bank undertakes business activities within the defined risk appetite limits. 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.

Your Bank maintains a strong governance structure supported by robust systems, processes and skilled personnel to ensure effective risk monitoring and regulatory compliance. 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 practices are continuously strengthened to support growth, protect stakeholder interests and maintain financial stability in line with applicable regulatory requirements and guidelines.

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 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.

As part of its risk management framework, your Bank also maintains a comprehensive risk register to strengthen governance and monitor compliance.

VI. Asset and Liability Management:

Your Bank, based on RBI directives, has in place an internal Asset Liability Management Committee (ALCO) which meets at regular intervals to review the interest rate scenario, review product pricing of deposits and advances, maturity profile of the assets and liabilities, demand for Bank funds, cash flows of the Bank, management of market risk and trading risk management.

The ALCO Committee is headed by the MD & CEO of your Bank and other Senior Executives of the Bank are its members.

Asset Liability Management framework facilitates your Bank to measure, monitor and control liquidity risk and interest rate risk on its balance sheet. The Committee also takes a view on the interest rate and liquidity gap position of the Bank against the backdrop of the then prevailing trend in the economy. This helps in providing suitable strategies for Asset Liability Management.

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. <u>Audit and Inspection:</u>

Your Bank's Audit Department continues to function as an effective tool of control and compliance by undertaking regular audits of operations at branches and departments as well as assessing systems, processes and efficiency of controls at the Bank level. Your Bank has a robust Audit charter and Risk-based Audit Policy outlining the audit purpose, roles, stature, authority and responsibilities of the audit department.

Your Bank has adopted and successfully implemented and achieved reasonable maturity in implementation of Risk Based Internal Audit (RBIA) system in line with RBI guidelines and put in place a detailed risk assessment evaluation process.

Your Bank has in place a sound system for internal and concurrent audit. All branches as well as Corporate Office Departments are covered under concurrent as well as internal audit.

Management Audits are undertaken across various departments to identify process improvements and enhance organizational performance. During the year, your Bank carried out and successfully completed Management Audits for the Treasury, Back-office functions, Finance & Accounts and Compliance departments.

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) and Vulnerability Assessment and Penetration Testing (VAPT) Audit 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. <u>Reserve Bank of India Inspection:</u>

The RBI has conducted Annual Inspection for the year ended March 31, 2025. Your Bank has submitted compliance of the same on time.

X. <u>Human Resource Management:</u>

Your Bank considers its employees as the most valuable asset and has resorted to various measures to rightfully engage the talent resulting in better performance. Capacity building programmes and trainings to staff on Business Development, Compliance by in-house trainers as also by external reputed institutes have been initiated to retain and groom its talent pool which is aligned with the aspiration and growth story of your Bank. Training initiatives are focused on enhancing analytical reasoning, digital literacy, and decision-making proficiency across roles. Your Bank has introduced Board approved performance linked incentive scheme to encourage high performing staff members.

In order to infuse fresh blood and new talent, your Bank is following a comprehensive plan to ensure that the recruitment process is strategic and effective, aligned with the organization's long-term goals. Your Bank is also on-boarding external talent in strategic areas to supplement the existing human capital. The Bank also has continuous engagement with the Employee's Union emphasizing the need of introducing key responsibility areas across all levels for a transparent framework for accountability and performance measurement. This structured approach will enable merit-based rewards for top performers, while underperforming employees receive guidance for improvement. In order to create a future proof leadership pipeline for various critical roles, a succession plan has been adopted whereby a sufficient succession pool of executives for each of the critical roles has been created.

Your Bank has taken proactive steps in maintaining positive employee relations, addressing workplace issues, resolving conflicts and fostering a positive workplace environment. Timely revision of perquisites and benefits, revision of employee policies with more employee centric provisions and initiatives in the direction of maintaining employee wellness and fitness, workplace counselling, engagement activities, training programme, etc. have been undertaken to create robust and competent workforce which is fully engaged to meet the dynamic challenges of the Banking industry.

Your Bank has always placed a strong emphasis on the well-being of its employees and has consistently implemented initiatives to inspire them to lead healthier lifestyles. Various wellness programmes viz. Yoga Classes, Online Webinars & Talks with experts on Health and Wellness issues are being organized to sensitize the employees for maintaining better mental and physical health.

Overall, the Bank is committed to providing its employees with the necessary training and development opportunities to succeed in their roles and achieve their career aspirations.

XI. <u>Information Technology and Digital Initiatives:</u>

As part of its comprehensive digital and technical transformation journey, your Bank has been ramping up its digital infrastructure through a strategic redesign and modernization of its IT landscape. To support the transformation, your Bank has been continuously investing in technology to improve customer experience for last few years. A major milestone for your Bank has been the adoption of the industry-leading Finacle Core Banking System (CBS) software under highly effective Software as a Service (SaaS) model.

Your Bank is the first co-operative Bank to implement CBS in this model, paving the way for the seamless integration of other peripheral systems in the future.

In response to the digital transformation, your Bank has also implemented various cyber security measures to ensure compliance with industry best practices and regulatory standards. These measures include enhanced data encryption and multi-layered protection systems. Additionally, your Bank has taken cyber insurance as part of its risk mitigation strategy, providing an extra layer of protection against potential cyber incidents.

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 and has also successfully implemented Customer Relationship Management (CRM) platform to track, manage and personalise customer interactions.

To bolster its compliance framework, your Bank has also implemented straight-through processing (STP), system-based asset classification and a digital solution for risk based Internal Audit.

Further to enhance the digital experience for its customers, your Bank is providing state of art Internet Banking, Mobile Banking and Unified Payments Interface (UPI). With these additions, the Customer has a wider range of digital Banking services.

These enhancements aim to achieve industry-leading performance, architectural robustness & scalability, enabling the Bank to support future digital initiatives more effectively. Collectively, these efforts represent a major step forward in building a secure, agile and high-performing IT foundation in sync with your Bank's long-term strategic goals.

XII. E Tax Service:

Your Bank extends E Tax service free of charge to customers for payment of various taxes in collaboration with Central Bank of India. 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 Bank's website as well as on the Notice Boards of your Bank's 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. 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.

XVI. 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."

XVII. Auditors:

Your Board of Directors is thankful to:

1. M/s. Borkar & Muzumdar - Chartered Accountants appointed as Statutory Auditors,

2. M/s. H.F.K. Madan & Co. - Chartered Accountants

3. M/s. Shah Gupta & Co - Chartered Accountants
4. M/s. SSNM & Associates - Chartered Accountants
5. M/s. Zaveri & Associates - Chartered Accountants
6. M/s. Karm & Co - Chartered Accountants
7. M/s. Gunwani & Kolapkar - 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
4. National Urban Cooperative Finance and Development Corporation (NUCFDC)

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

Sd/-
Percy B. Chappgar
Vice - Chairman

CORPORATE GOVERNANCE REPORT

I. Bank's Philosophy on Corporate Governance:

Your Bank's Corporate Governance philosophy is founded on the principle that Corporate Governance is a key element in improving efficiency and growth as well as enhancing customer confidence. Your Bank strongly believes in ethical values and self-discipline to achieve higher standard of Corporate Governance and continues to strive for excellence in business operations by ensuring accountability, transparency, fairness and responsibility towards its Shareholders, Depositors and all other stakeholders. Your Bank endeavours to follow prudent policies and is committed to conduct the business in a fair, transparent and ethical manner. 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's present Board of Directors was elected unopposed in April, 2026.

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 & Ethics 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. **Special Committee of the Board for monitoring and follow up of cases of Frauds (SCBMF)**
6. **Board of Management**
7. **Risk Management Committee**
8. **Committee on Prevention of Sexual Harassment at Work Place of the Board of Directors**
9. **Whistle Blower Committee**

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. 2025-26
Board of Directors	8
The Credit Committee of the Board of Directors.	5
The Audit & Ethics Committee of the Board of Directors.	5
Special Committee of Board for Monitoring High Value Frauds	1
Special Committee of the Board for monitoring and follow up of cases of Frauds	1
The Executive Committee of the Board of Directors	1
Board of Management	7
Risk Management Committee	1
POSH Committee	1
Whistle Blower Committee	1

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, Palghar 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, 2026, your Bank has 10,397 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.bank.in). 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 Director

Sd/-
Percy B. Chappgar
Vice - Chairman

THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED

Balance Sheet as at 31st March 2026

(In Rupees)

Capital & Liabilities	Schedules	As at 31st March, 2026	As at 31st March, 2025
Capital	1	10,95,73,800.00	11,32,47,550.00
Reserve Fund & Other Reserves	2	1,58,37,39,293.84	1,55,63,89,805.12
Deposits	3	12,13,18,06,702.85	12,18,15,73,933.16
Borrowings		-	-
Bills for Collection Being Bills Receivables (as per contra)	4	-	3,49,734.78
Interest Payable	-	3,67,77,717.01	3,39,64,201.72
Overdue Interest Reserve (as per contra)	5	1,34,22,085.31	2,58,53,096.20
Other Liabilities	6	15,76,30,324.06	15,11,73,270.57
Profit & Loss Account		7,40,86,008.17	4,10,38,255.04
Total		**14,10,70,35,931.24**	**14,10,35,89,846.59**

CONTINGENT LIABILITIES

1) Outstanding Liabilities for Guarantees issued	5,54,80,942.00	2,27,85,947.00
2) Outstanding Liabilities for Letter of Credit issued.	-	-
3) Others -		
a) DEAF	7,21,05,326.61	6,80,81,646.88
b) Claims not acknowledged as debts (Refer note 5)	65,12,835.00	61,29,369.00
	13,40,99,103.61	**9,69,96,962.88**

Balance Sheet as at 31st March, 2026

(In Rupees)

Property & Assets	Schedules	As at 31st March, 2026	As at 31st March, 2025
Cash	7	85,91,46,116.96	1,01,88,96,940.31
Balances with Banks	8	2,15,83,61,801.82	2,02,86,87,675.33
Money at Call and Short Notice / Term Money Placements / TREPS / LAF	-	20,00,00,000.00	22,00,00,000.00
Investments	9	4,26,18,90,718.33	4,16,57,14,707.00
Advances	10	6,17,22,46,495.07	6,19,51,58,771.65
Interest Receivable "of which Overdue Interest Reserve (as per contra) Rs.1,34,22,085.31 (P.Y. Rs.2,58,53,096.20)"	11	22,34,79,116.03	26,27,33,556.18
Bills for Collection Being Bills Receivables (as per contra)	-	-	3,49,734.78
Property, Plant and Equipment	12	2,90,46,759.78	2,63,82,451.26
Other Assets	13	20,28,64,923.25	18,56,66,010.08
Total		**14,10,70,35,931.24**	**14,10,35,89,846.59**

As per our report of even date

FOR BORKAR & MUZUMDAR
Chartered Accountants
Registration No.: 101569W

For and on Behalf of the Board of Directors

Daljit Singh Dogra
MD & CEO

Percy B. Chhapgar
Vice-Chairman

Satish Kumar Gupta
Partner
Membership No.: 101134
Mumbai, Dated : June 02, 2026.

Viraf R. Mehta
Director

Zubin F. Billimoria
Director

Mehrab N. Irani
Director

Profit and Loss Account for the Year Ended 31st March, 2026

(In Rupees)

Expenditure	Schedules	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Interest on Deposits, Borrowings, etc.	14	62,08,17,946.21	61,34,62,293.08
Salaries and Allowances, Provident Fund, Provisions , etc.		23,33,67,955.58	23,76,88,393.32
Directors' & local committee members' fees and allowances		19,46,000.00	22,94,500.00
Rent, Taxes, Insurance, Lighting, etc.		4,19,38,392.99	4,04,04,632.75
Law Charges		17,60,466.00	14,57,508.15
Professional Fees		2,09,55,457.40	2,13,45,662.70
Postages, Telegrams & Telephone Charges		59,22,092.61	68,05,422.21
Auditor's fees		19,75,363.66	17,32,214.00
Depreciation, Repairs & Maintenance			
Depreciation		1,15,90,364.67	1,21,88,227.10
Repairs & Maintenance		1,89,89,180.64	1,62,19,594.35
Stationery, Printing, Advertisement, etc			
(i) Printing & Stationery		34,44,203.60	38,42,516.49
(ii) Advertisement & Marketing Support		29,55,245.10	1,06,52,401.03
(iii) Subscription		7,32,374.42	7,64,491.84
Amortisation of Premium On HTM Securities		22,95,917.09	28,05,953.44
General Charges		3,58,39,894.05	2,72,19,823.23
Bad debts written off		2,21,27,729.87	9,10,382.48
Less: Adjusted against bad and doubtful debts reserve relating thereto reversed		(2,21,27,729.87)	(9,10,382.48)
Loss on Sale of Assets		2,25,078.92	381.00
Total Expenditure		**1,00,47,55,932.94**	**99,88,84,014.69**
Operating Profit Before Provisions		**8,81,48,649.39**	**6,22,09,788.03**
Provisions			
Bad & Doubtful Debts Provisions under section 36(1) (vii) (a)		43,82,000.00	49,42,000.00
Provision for Bad & Doubtful Debts		-	3,00,00,000.00
Special Reserve under section 36 (1) (viii)		26,26,655.18	20,77,369.02
Provision for Standard Assets		-	23,50,000.00
Provision for Investment Depreciation Reserve		1,50,00,000.00	-
Total Provisions		**2,20,08,655.18**	**3,93,69,369.02**
Profit Before Tax		**6,61,39,994.21**	**2,28,40,419.01**
Tax Expense			
(a) Income Tax		1,18,71,000.00	-
(b) Deferred Tax		(1,69,10,161.00)	(1,03,44,113.00)
(c) Taxes for Earlier Years		(1,257.43)	(1,39,30,650.38)
Net Profit for the Year		**7,11,80,412.64**	**4,71,15,182.39**
		1,09,29,04,582.33	**1,06,10,93,802.72**

Profit and Loss Account for the Year Ended 31st March, 2026

(In Rupees)

Income	Schedules	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Interest and Discount	15	1,02,54,00,758.92	1,00,29,08,914.29
Commission, Exchange & Brokerage	-	7,78,861.94	8,03,167.98
Income from Fixed Assets and Profit from Sale of or dealing with such Assets	-	1,22,721.46	39,159.00
Gain on Sale / Redemption of Investments (Net)	-	88,73,335.42	92,80,093.44
Transfer Fees	-	2,000.00	1,900.00
Miscellaneous Income	16	2,24,72,526.40	2,34,81,661.14
Interest on Income Tax Refund	-	7,42,357.00	9,13,723.88
Provision for Restructured Reserves written back	-	-	48,00,000.00
Recovery of Technically written off accounts	-	3,45,12,021.19	1,71,86,071.97
Provisions no longer required reversed	-	-	16,79,111.02
		1,09,29,04,582.33	**1,06,10,93,802.72**

As per our report of even date

FOR BORKAR & MUZUMDAR

Chartered Accountants

Registration No.: 101569W

For and on Behalf of the Board of Directors

Daljit Singh Dogra
MD & CEO

Percy B. Chhapgar
Vice-Chairman

Satish Kumar Gupta
Partner
Membership No.: 101134
Mumbai, Dated : June 02, 2026.

Viraf R. Mehta
Director

Zubin F. Billimoria
Director

Mehrab N. Irani
Director

Profit and Loss Appropriation Account for the Year Ended 31st March, 2026

(In Rupees)

Particulars	Year Ended 31st March, 2026	Year Ended 31st March, 2025
Profit of last year brought forward	**4,10,38,255.03**	**2,84,10,528.85**
Less: Dividend paid for previous year	1,13,24,755.00	1,17,47,665.00
Net Profit for the year	**7,11,80,412.64**	**4,71,15,182.39**
	10,08,93,912.67	**6,37,78,046.24**
Appropriations subject to AGM approval		
Statutory Reserve Fund - 25%	1,77,95,103.16	1,17,78,795.60
Reserve for Contingency - 10%	71,18,041.26	47,11,518.24
Education Fund - 1%	7,11,804.13	4,71,151.82
Rehabilitation,Reconstruction and Development Fund - 1%	7,11,804.13	4,71,151.82
Reserve for Corporate Social Responsibility	4,71,151.82	3,07,173.73
Centenary Celebration Fund	-	50,00,000.00
Net Profit Carried to Balance Sheet	**7,40,86,008.17**	**4,10,38,255.03**
TOTAL	**10,08,93,912.67**	**6,37,78,046.24**

As per our report of even date

FOR BORKAR & MUZUMDAR

Chartered Accountants

Registration No.: 101569W

For and on Behalf of the Board of Directors

Daljit Singh Dogra
MD & CEO

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Satish Kumar Gupta
Partner
Membership No.: 101134
Mumbai, Dated : June 02, 2026.

Viraf R. Mehta
Director

Zubin F. Billimoria
Director

Mehrab N. Irani
Director

Schedules Forming Part of Accounts

(In Rupees)

		As at 31st March, 2026	As at 31st March, 2025
Schedule 1	**Capital**		
	Authorised Capital		
	1,20,00,000 shares of Rs. 25/- each	**30,00,00,000.00**	**30,00,00,000.00**
	Issued, Subscribed & Paid up Capital		
	"43,82,952 shares of Rs.25/- each		
	(PY. 45,29,902 shares of Rs.25/- each)"	10,95,73,800.00	11,32,47,550.00
		10,95,73,800.00	**11,32,47,550.00**
	Of the above, held by :		
	Individuals*	10,95,73,800.00	11,32,47,550.00
	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.

		As at 31st March, 2026	As at 31st March, 2025
Schedule 2	**Reserve Fund and Other Reserves**		
	(i) Statutory Reserve	53,31,96,320.42	51,32,41,950.10
	(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)*	43,82,000.00	8,06,81,800.53
	(iv) Bad & Doubtful Debts Reserve*	20,46,11,688.18	14,60,57,617.52
	(v) Investment Depreciation Reserve	7,50,00,000.00	6,00,00,000.00
	(vi) Special Reserve under Sec 36 (1) (viii)	2,22,99,716.45	1,96,73,061.27
	(vii) Reserve for Contingencies	10,78,74,444.50	10,07,56,403.24
	(viii) General Reserve	20,68,50,211.98	20,68,50,211.98
	(ix) Staff Benefit Fund	20,40,000.00	21,15,000.00
	(x) Reserve for Standard Assets	2,72,11,141.14	2,72,11,141.14
	(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) Centenary Celebration Fund	2,25,00,000.00	2,25,00,000.00
	(xiv) Reserve for Corporate Social Responsibility	10,26,271.17	5,55,119.35
		1,58,37,39,293.84	**1,55,63,89,805.12**

*includes provisions in excess of Gross NPAs - Rs.20,16,13,239.69 (PY Rs.17,38,49,892.16)

		As at 31st March, 2026	As at 31st March, 2025
Schedule 3	**Deposit & Other Accounts**		
	(i) Fixed deposits		
	(a) Individuals and other entities	7,29,81,33,241.02	7,18,18,63,890.88
	(b) Central Co-operative Banks	-	-

			As at 31st March, 2026	As at 31st March, 2025
	(c)	Co-operative Institutions	80,98,14,270.05	81,47,60,882.24
			8,10,79,47,511.07	**7,99,66,24,773.12**
	(ii)	**Savings Deposits**		
		(a) Individuals and other entities	3,11,24,50,607.17	3,25,97,66,585.72
		(b) Central Co-operative Banks	-	-
		(c) Co-operative Institutions	14,02,09,663.40	13,02,15,369.28
			3,25,26,60,270.57	**3,38,99,81,955.00**
	(iii)	**Current Deposits**		
		(a) Individuals and other entities	76,69,44,802.00	79,10,50,079.65
		(b) Central Co-operative Banks	-	-
		(c) Co-operative Institutions	42,54,119.21	39,17,125.39
			77,11,98,921.21	**79,49,67,205.04**
			12,13,18,06,702.85	**12,18,15,73,933.16**
Schedule 4	**Bills for Collection**			
	Liability for Outward Cheques for Collection (Inland)		-	-
	Liability for Outward Chqs for Collection (Foreign)		-	3,49,734.78
			-	**3,49,734.78**
Schedule 5	**Overdue Interest Reserve (as per contra)**			
	On Advances		5,10,308.31	1,29,41,319.20
	On Investments		1,29,11,777.00	1,29,11,777.00
			1,34,22,085.31	**2,58,53,096.20**
Schedule 6	**Other Liabilities**			
	(i)	Bills Payable	34,65,830.87	56,99,283.56
	(ii)	Unclaimed Dividends	49,09,393.96	53,48,034.48
	(iii)	Other items	6,10,55,012.29	6,49,06,835.64
	(iv)	Provision for Income Tax (net of advance tax)	-	-
	(v)	Provisions	8,70,33,554.00	7,50,91,859.00
	(vi)	Income received in Advance	11,66,532.94	1,27,257.89
			15,76,30,324.06	**15,11,73,270.57**
Schedule 7	**Cash**			
	(i) Cash In hand		1,78,77,662.00	1,37,41,199.00
	(ii) Balances in current account with Reserve Bank		42,12,68,454.96	59,51,55,741.31
	(iii) Standing Deposit Facility		42,00,00,000.00	41,00,00,000.00
			85,91,46,116.96	**1,01,88,96,940.31**

			As at 31st March, 2026	As at 31st March, 2025
Schedule 8	**Balances with other banks**			
	(i)	Current Accounts	2,18,70,185.82	6,71,74,323.33
	(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.4,05,63,227/- (Previous year Rs.1,00,13,352/-) lien for LC/BG facilities)	2,13,64,91,616.00	1,96,15,13,352.00
			2,15,83,61,801.82	**2,02,86,87,675.33**
Schedule 9	**Investments**			
	(i)	Government Securities "Face Value - Rs.3,50,27,40,000/- (Previous year Rs. 3,30,27,40,000/-)" "Market Value - Rs.3,47,40,74,920.90 (Previous year Rs. 3,26,43,17,090.91)"	3,51,17,76,218.33	3,21,16,01,257.00
	(ii)	Other approved securities	-	-
	(iii)	Shares - (Co-operative Institutions)	75,000.00	75,000.00
	(iv)	Bonds of Public Sector Undertaking "Face Value - Rs.20,00,00,000/- (Previous year Rs. 35,00,00,000) "Market Value - Rs.19,97,55,080.18 (Previous year Rs. 35,23,65,831.33)	20,00,00,000.00	35,42,85,800.00
	(v)	Others		
		- Bonds of Private Sector & Other Institutions "Face Value - Rs. 55,00,00,000 (Previous year Rs. 60,00,00,000) "Market Value - Rs.55,23,93,648.34 (Previous year Rs. 60,86,71,390.20)	54,95,39,500.00	59,92,52,650.00
	(vi)	Shares of Umbrella Organisations	5,00,000.00	5,00,000.00
			4,26,18,90,718.33	**4,16,57,14,707.00**

a. Government Securities includes the pledged securities of Rs.20,06,93,919.71 (previous year Rs.24,62,78,804.70) against borrowing facilities.

b. Government Securities includes the earmarked securities of Rs. 51,64,18,882.09 (previous year Rs.50,65,25,661.30) for Statutory Reserve Fund.

		As at 31st March, 2026	As at 31st March, 2025
Schedule 10	**Advances***		
	I **Short-term Loans, Cash-credits, Overdrafts & Bills Discounted,**		
	(i) of which, secured against :		
	[a] Government & other securities	25,12,119.24	28,02,618.43
	[b] Other tangible securities	1,36,61,04,790.39	1,28,25,01,185.16
	(ii) Personal Advances	8,03,074.72	1,93,65,820.50
		1,36,94,19,984.35	**1,30,46,69,624.09**
	of the advances, amount due from individuals	38,17,04,364.97	44,59,22,667.06
	of the advances, amount overdue	99,638.52	-
	Considered Bad & Doubtful of Recovery	29,42,836.18	3,12,79,961.06
	II Medium Term Advances:		
	(i) of which, secured against :		
	[a] Government & other securities	-	-
	[b] Other tangible securities	1,79,49,58,125.17	1,90,00,34,991.69
	(ii) Personal Advances	2,38,66,224.13	3,69,03,029.62
		1,81,88,24,349.30	**1,93,69,38,021.31**
	of the advances, amount due from individuals	86,78,23,636.85	97,12,18,276.16
	of the advances, amount overdue	18,22,603.10	5,32,361.69
	Considered Bad & Doubtful of Recovery	3,08,849.06	1,02,65,039.57
	III Long Term Advances:		
	(i) of which, secured against :		
	[a] Government & other securities	-	-
	[b] Other tangible securities	2,97,11,45,746.47	2,94,06,97,215.95
	(ii) Personal Advances	1,28,56,414.95	1,28,53,910.30
		2,98,40,02,161.42	**2,95,35,51,126.25**
	of the advances, amount due from individuals	2,00,46,36,585.25	2,02,84,02,404.04
	of the advances, amount overdue	7,99,798.75	8,32,867.40
	Considered Bad & Doubtful of Recovery	41,28,763.25	1,13,44,525.26
		6,17,22,46,495.07	**6,19,51,58,771.65**
	*including accrued interest	-	
Schedule 11	**Interest Receivable**		
	On Non Performing		
	Investments	1,29,11,777.00	1,29,11,777.00
	Advances	5,10,308.31	1,29,41,319.20
	Sub Total (as per contra)	**1,34,22,085.31**	**2,58,53,096.20**
	On Performing		
	Investments	19,73,58,163.38	22,22,24,717.56

		As at 31st March, 2026	As at 31st March, 2025
	Advances	10,645.34	9,416.42
	Staff Housing Loans	1,26,88,222.00	1,46,46,326.00
		22,34,79,116.03	**26,27,33,556.18**
Schedule 12	**Property, Plant and Equipment**		
	Premises:		
	Balance as per last Balance Sheet*	77,26,730.38	1,00,72,086.91
	Add : Additions during the year	-	-
		77,26,730.38	1,00,72,086.91
	Less : Depreciation for the year	17,47,542.41	23,45,356.53
		59,79,187.97	**77,26,730.38**
	Furnitures Fixtures & Other Assets#:		
	Balance as per last Balance Sheet*	1,68,36,451.88	1,99,51,725.21
	Add : Additions during the year	1,45,27,264.65	60,99,799.24
		3,13,63,716.53	2,60,51,524.45
	Less : Disposed off during the year	2,72,591.46	442.00
	Less : Depreciation for the year	92,14,582.26	92,14,630.57
		2,18,76,542.81	**1,68,36,451.88**
	Vehicles:		
	Balance as per last Balance Sheet*	18,19,269.00	24,47,509.00
	Add : Additions during the year	-	-
		18,19,269.00	24,47,509.00
	Less : Disposed off during the year	-	-
	Less : Depreciation for the year	6,28,240.00	6,28,240.00
		11,91,029.00	**18,19,269.00**
		2,90,46,759.78	**2,63,82,451.26**

*represents written down value

#Other Assets includes Office Equipment, Computer Hardware and Computer Software. Refer Note 12

		As at 31st March, 2026	As at 31st March, 2025
Schedule 13	**Other Assets**		
	[i] Utility Deposits & Other advances*	3,32,76,426.80	2,75,29,674.99
	[ii] Advance Tax Payments (Net of Provisions)	1,53,39,016.89	2,48,58,849.14
	[iii] Deferred Tax Asset	7,95,02,898.00	6,25,92,737.00
	[iv] Others#	6,88,99,461.42	6,41,49,786.89
	[v] Capital work in progress	-	7,76,150.00
	[vi] Prepaid expenses	58,47,120.14	57,58,812.06
		20,28,64,923.25	**18,56,66,010.08**

* includes deposit of Rs. 55,00,000/- with Clearing Corporation of India for dealing in Tri Party Repos (TREPS) (Previous year: Rs. 55,00,000/-)

Refer Note 2.3(d)(1)

		Year ended 31st March, 2026	Year ended 31st March, 2025
Schedule 14	**Interest on Deposits, Borrowings, etc.**		
	Interest on Fixed Deposits A/cs	29,01,72,729.52	27,60,90,855.46
	Interest on Savings Bank A/cs	9,98,01,025.46	10,18,52,259.53
	Interest on Deposits Reinvestment Certificate A/c	20,73,96,209.94	20,63,53,665.20
	Interest on Recurring Deposits	20,80,671.17	21,53,592.01
	Interest on Sweep Deposits & Unit Withdrawal Scheme	2,13,19,846.07	2,66,55,555.26
	Interest paid on Deposits matured	47,464.05	37,274.75
	Interest Parking Account	-	3,19,090.87
		62,08,17,946.21	**61,34,62,293.08**
Schedule 15	**Interest & Discounts**		
	Interest on Loan A/cs	42,51,37,105.17	37,80,78,589.50
	Interest on Overdraft A/cs	5,80,47,971.72	6,15,61,198.37
	Interest on Cash Credit A/cs	3,10,43,627.20	2,62,22,841.84
	Interest on Usance Bills Discounted	-	3,18,502.00
	Income on Banks Fixed Deposits, Short Term Deposits etc	16,18,92,772.16	15,32,11,655.22
	Income on Government Securities	23,05,55,095.37	22,41,63,070.94
	Income on Call Money	1,45,22,687.02	1,86,76,131.00
	Income on CBLO/ TREPS Lending	47,88,233.94	85,80,146.56
	Income on PSU Bonds	6,49,65,655.34	7,48,06,420.92
	Discount Received on Treasury / Cash Management Bill	-	72,11,409.94
	Income on Term Money	2,48,21,569.00	4,06,26,084.00
	Dividend Income	7,500.00	7,500.00
	Interest on Deposit with CCIL	1,11,214.00	1,49,103.00
	Interest on Reverse Repo	12,49,253.00	2,70,269.00
	Interest on Standing Deposit Facility	82,58,075.00	90,25,992.00
		1,02,54,00,758.92	**1,00,29,08,914.29**
Schedule 16	**Miscellaneous Income**		
	Processing Charges	1,39,03,354.73	1,50,38,079.78
	SDV Rent	31,56,650.60	30,98,576.00
	Cheque return charges	18,55,829.18	16,67,295.00
	Others	35,56,691.89	36,77,710.36
		2,24,72,526.40	**2,34,81,661.14**

Cash Flow Statement for the Year Ended 31st March, 2026

(In Rupees)

	Year ended 31st March, 2026	Year ended 31st March, 2025
Cash Flow from Operating Activities		
Net Profit after tax (before appropriation)	**7,11,80,412.64**	**4,71,15,182.39**
Adjustments for:		
Add:		
Bad & Doubtful Debts Provision Under Section 36(1) (vii) (a)	43,82,000.00	49,42,000.00
Provision for Bad & Doubtful Debts (Net of Reversal)	(2,21,27,729.87)	2,90,89,617.52
Special Reserve Under Section 36 (1) (viii)	26,26,655.18	20,77,369.02
Investment Depreciation Reserve	1,50,00,000.00	-
Provision for Standard Assets	-	23,50,000.00
Income tax provision	1,18,71,000.00	-
Bad debts written off (Net)	2,21,27,729.87	9,10,382.48
Depreciation on Fixed Assets	1,15,90,364.67	1,21,88,227.10
Less:		
Education fund Paid	9,42,303.64	6,14,347.45
(Loss) / Profit on sale of fixed assets (net)	(1,02,357.46)	38,778.00
Provision for Deferred Tax	1,69,10,161.00	1,03,44,113.00
Taxes for Earlier Years	1,257.43	1,39,30,650.38
Provisions written back	-	64,79,111.02
Utilization from Staff Benefit Fund	75,000.00	75,000.00
	9,88,24,067.88	**6,71,90,778.66**
Adjustments for working capital changes:-		
(Increase) / Decrease in Investments	(7,13,09,457.15)	4,98,55,358.78
(Increase)/ Decrease in Net Advances	7,83,317.79	(71,27,93,876.27)
(Increase)/ Decrease in Other Assets	(78,50,480.42)	(1,53,44,367.47)
Increase / (Decrease) in Deposits	(4,69,53,715.02)	1,31,35,40,788.86
Increase / (Decrease) in Borrowings	-	-
Increase/ (Decrease) in Other liabilities and provisions	80,85,516.04	16,34,053.08
Increase in Reserve Funds (Net)	49,499.99	74,300.00
Net Cash generated from Operating Activities before Tax	**(1,83,71,250.89)**	**70,41,57,035.64**
Direct taxes paid	(23,49,910.32)	34,25,630.75
Net Cash flow from Operating Activities	**(2,07,21,161.21)**	**70,75,82,666.39**
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,45,27,264.65)	(60,99,799.24)
Proceeds from Sale of Fixed Assets	1,70,234.00	39,220.00
Net Cash used in Investing Activities	**(1,43,57,030.65)**	**(60,60,579.24)**

	Year ended 31st March, 2026	Year ended 31st March, 2025
Cash Flow from Financing Activities		
Proceeds from Issue/(Repayment) of Share Capital	(36,73,750.00)	(42,29,100.00)
Dividend Paid	(1,13,24,755.00)	(1,17,47,665.00)
Net Cash used in financing Activities	**(1,49,98,505.00)**	**(1,59,76,765.00)**
Net (Decrease) / Increase in Cash and Cash Equivalents	**(5,00,76,696.86)**	**68,55,45,322.15**
Cash and Cash Equivalents at the beginning of year	3,26,75,84,615.64	2,58,20,39,293.49
Cash and Cash Equivalents at the end of year	3,21,75,07,918.78	3,26,75,84,615.64
Note:		
Cash & Cash Equivalents		
Cash	85,91,46,116.96	1,01,88,96,940.31
Balance with other banks	2,15,83,61,801.82	2,02,86,87,675.33
Money at Call & Short Notice/ TREPS/ Term Money Placements/LAF	20,00,00,000.00	22,00,00,000.00
	3,21,75,07,918.78	**3,26,75,84,615.64**

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 BORKAR & MUZUMDAR

Chartered Accountants

Registration No.: 101569W

For and on Behalf of the Board of Directors

Daljit Singh Dogra
MD & CEO

Percy B. Chhapgar
Vice-Chairman

Satish Kumar Gupta
Partner
Membership No.: 101134
Mumbai, Dated : June 02, 2026.

Viraf R. Mehta
Director

Zubin F. Billimoria
Director

Mehrab N. Irani
Director

SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2026.

Overview

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 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020 and the Multistate Cooperative Societies Act, 2002. The area of operations of the Bank shall be confined to Greater Mumbai, Municipal Limits of Pune City, Thane district, Palghar and Municipal areas of Navi Mumbai in the State of Maharashtra and the whole of Surat District and including the Municipal Corporation areas of Surat, Bharuch, Anand, Nadiad, Ahmedabad, Navsari and Valsad in the State of Gujarat. The Bank has a network of 18 branches.

Basis of Preparation

The financial statements of the Bank have been prepared and presented in accordance with the generally accepted accounting principles in India. The Bank has prepared these financial statements as stipulated under the Reserve Bank of India (Financial Statements - Presentation and Disclosures) Directions as amended, to comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable, the statutory provisions under the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020 as amended from time to time & Multi State Co-operative Societies Act, 2002, Multi State Co-operative Societies Rules, 2002,circulars and guidelines issued by the Reserve Bank of India (RBI) and current practices prevalent in the co-operative banking sector in India.

The financial statements have been prepared following the going concern concept on accrual basis under the historical convention unless otherwise stated. The accounting policies adopted in the current year are consistent with those of previous year except otherwise specified.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities at the end of the reporting period. The actual results could defer from those estimates. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Any revisions to the accounting estimates are recognized prospectively in the current and future periods.

Significant Accounting Policies

1. Investments

a) Investment portfolio of the Bank is categorised in accordance with the guidelines issued by RBI as under: -

i) 'Held to Maturity' comprising investments acquired with the intention to hold them till maturity.

ii) 'Held for Trading' comprising investments acquired with the intention to trade within 90 days.

iii) 'Available for Sale' comprising investments not covered under (i) and (ii) 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 PSUs and Other Investments (Bonds of Private sector and other All India Financial Institutions, Commercial Papers and Mutual Funds).

b) Investments in 'Held to Maturity' category are valued at cost and the premium paid in individual security is amortized over the life of the security as per guidelines of RBI and the Policy adopted by the Bank.

c) Transfer from/to HTM category is done once in a year, at the beginning of the year, at acquisition cost or book value or market value on the date of transfer, whichever is lower and scrip-wise depreciation, if any, is debited to Profit and Loss account and appreciation, if any, is ignored.

d) Investments under 'Available for Sale' & 'Held for Trading' categories are valued security 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.

e) 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).

f) Broken period interest accrued at the time of acquisition of securities is recognised as expenses.

g) 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.

h) 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.

i) Interests on Investments of all earmarked funds are credited to the Profit and Loss Account.

j) 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.

k) Balances held by banks with the RBI under the Standing Deposit Facility (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.

l) Overdue Interest Reserve represents unrecovered interest on all NPI investments which is correspondingly shown under Interest Receivable.

2. 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 RBI. Interest accruing thereon shall form part of the general revenue.

3. Advances

a) In terms of guidelines issued by RBI, advances to borrowers are classified into "Performing" or Non-performing" assets based on the 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 on Income Recognition ,Asset Classification and Provisioning and circulars issued by RBI from time to time.

b) Interest Suspense represents unrecovered interest on all NPA Advances, which is correspondingly shown under Interest Receivable as past Due Receivable on Loan as per RBI Directives.

c) In addition to provisioning on Non- Performing Advances, general provisions are made on the following categories of standard asset as per RBI guidelines as under:

Category	Provisions (%)
Direct Advances to agricultural and SME sectors	0.25
Commercial and Real Estate Loans	1.00
Commercial & real estate loans- residential housing	0.75
Other Standard Advances	0.40

d) 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.

e) Recovery for NPA accounts is being appropriated as per the Recovery Policy of the Bank which is as under: -

i) Towards OIR (unrealized/outstanding interest to be reversed)

ii) Towards charges to be recovered

iii) Towards principal.

iv) Towards prudential write off.

It further states that the final decision for adjustment of recovery lies with the Board of Directors.

f) Any lending under the Collateralised Borrowing and Lending Obligations (CBLO) & Triparty Repo Segments (TREPS) facility which is repayable beyond 15 days is classified under Advances (Short Term) Secured against Government and Other Approved Securities. Other CBLO/ TREPS lending repayable within 15 days is classified under “Money at Call and Short Notice”.

g) For the purpose of presentation, Advances are classified as Short Term Advances up to 1year, Medium Term Advances above 1 year to 5 years and Long Term Advances above 5 years based on original term.

h) The Bank vide RBI circulars FIDD. CO. Plan. BC. 23/ 04.09.01/2015-16 (as amended from time to time) trades in priority sector portfolio by selling or buying Priority Sector Lending Certificates (PSLCs). In the case of a sale transaction, the Bank sells the fulfilment of priority sector obligation and in the case of a purchase transaction the Bank buys the fulfilment of priority sector obligation through RBI trading platform. There is no transfer of risks or loan assets in these transactions. The fee paid for purchase of the PSLCs is treated as an ‘Expense’ and the fee received from the sale of PSLCs is treated as ‘Other Income’

4. Cash Flow Statements (AS-3)

a) The cash flows are reported using the indirect method whereby profit before tax is adjusted for effects of transactions of non-cash nature, deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing.

b) Cash and cash equivalents considered for Cash Flow include cash in hand, balances with RBI and balances with other banks/institutions and Money at Call and Short Notice.

5. Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies (AS -5)

a) The net profit or loss for the period comprises the following components, each of which isdisclosed on the face of the profit and loss account statement:

i) profit or loss from ordinary activities; and

ii) extraordinary items

b) Extraordinary Items
Extraordinary items are disclosed in the profit and loss account statement as a part of net profit or loss for the period. The nature and the amount of each extraordinary item are separately disclosed in the notes to profit and loss account statement in a manner that its impact on current profit or loss can be perceived.

c) Prior Period Items
The nature and amount of prior period items is separately disclosed in the profit and loss account statement in a manner that their impact on the current profit or loss can be perceived.

d) Changes in Accounting Estimates
As a result of the uncertainties inherent in business activities, many financial statement items cannot be measured with precision but can only be estimated. The estimation process involves judgments based on the latest information available. Estimates may be required, for example, of bad debts, the useful lives of depreciable assets, etc. The use of reasonable estimates is an essential part of the preparation of financial statements and does not undermine their reliability.

e) Changes in Accounting Policies
Any change in an accounting policy which has a material effect is disclosed in the Notes to Accounts. The impact of, and the adjustments resulting from, such change, if material, have been disclosed in the financial statements of the period in which such change is made, to reflect the effect of such change. Where the effect of such change is not ascertainable, wholly or in part, the fact is appropriately indicated in the Notes to Accounts. If a change is made in the accounting policies which has no material effect on the financial statements for the current period, but which is reasonably expected to have a material effect in later periods, the fact of such change is appropriately disclosed in the period in which the change is adopted.

6. Revenue Recognition (AS -9)

a) As per RBI directives, in respect of accounts classified as Standard, interest and other income is recognized on accrual basis; income from Non-Performing Asset is recognized on realisation. In case of advances classified as NPA, the recoveries in the account are first appropriated towards interest, expenses and then towards principal. The final decision for adjustment of recovery lies with the Board of Directors. Overdue Interest in respect of advances classified as Non-Performing Assets, is disclosed separately under Overdue Interest Reserve.

b) Interest income from investment is recognized on a time proportion basis considering the face value of investment and the rate applicable. Discount on T-Bills and other discounted instruments are recognized on straight line basis over the period of maturity. Trading profits / losses on securities are recognised on a trade – date basis.

c) Income from investments is accounted for on accrual basis except dividend on shares of Corporative Banks, if any, which is accounted for on cash basis.

d) Commission on sale of insurance products by the bank is recognised as and when due.

e) Interest on overdue and unclaimed deposits is provided at prevailing Savings Bank Deposit Rate as per RBI instruction.

f) Interest on Income Tax Refund is accounted for on Cash Basis.

g) All Expenses are accrued for the period in which they are incurred.

7. Property, Plant & Equipment & Intangible Assets (AS - 10)

a) Fixed Assets are carried at historical cost less depreciation accumulated thereon in accordance with AS 10. Cost includes incidental stamp duty, taxes, registration charges and civil work in case of ownership premises, and in case of other fixed assets, amounts incurred to put the asset in a working condition.

b) Depreciation is provided on the straight line basis over the estimated useful life of the asset at the following rates:

Assets	% of Depreciation
Freehold premises	5.00
Furniture, Fixtures & Electric Fittings	15.00
Vehicles	20.00
Electrical Equipment	15.00
Computer Hardware & Software	33.33

c) The depreciation on fixed assets acquired prior to September 30th, is provided for the whole year otherwise the same are depreciated at 50% of the rates mentioned above. No depreciation is charged on fixed asset sold/ disposed off during each of the half year.

d) Gains or losses arising from de-recognition of fixed asset are measured as difference between the net proceeds on disposal and carrying amount of the assets and are recognized in the Profit and Loss account when the asset is derecognized.

e) Capital work-in-progress includes cost of fixed assets acquired and advances paid towards the acquisition of fixed assets that are not yet installed or ready for their intended use.

f) Fixed Assets which have been fully depreciated but are still in use, are carried in the books at Re.1/- each.

8. Employees Benefits (AS -15)

a) Gratuity

Retirement Benefit in the form of Gratuity is a Defined Benefit Plan. The Bank operates defined benefit plan for its employees, viz. gratuity liability. The cost of providing benefits under these plans is determined on the basis of actuarial valuation at each year-end. The Bank is maintaining fund under trust deed with Life Insurance Corporation of India (LIC) for gratuity payments to employees. The shortfall, if any, between the present value of the benefit obligation and the fair value of plan assets as on 31st March is paid / provided for and recognized as expense in the Profit and Loss account. The Bank has implemented the new labour code effective from 21st November, 2025 for the gratuity working for actuarial valuation.

b) Leave Encashment (Privilege and Sick Leave)

The employees of the Bank are entitled to compensated absence as per the leave rules. The Bank measures the long term expected cost of compensated absence as a result of the unused entitlement that has accumulated at the balance sheet date based on actuarial valuation under AS-15 on Employee Benefits as issued by ICAI and this cost is recognised in the Profit & Loss account.

c) Provident Fund contribution

Retirement Benefit in the form of Provident Fund is a Defined Contribution Plan and contributions made to the Commissioner of Provident Fund (EPFO) at rates prescribed in the Employees Provident Fund and Misc. Provisions Act, 1952 are accounted for on accrual basis. The contributions to the provident fund are charged to Profit and Loss account for the year when the contributions are due. The Bank has implemented the new labour code effective from 21st November, 2025 for the provident fund working.

9. Segment Reporting (AS - 17)

The Business Segments is considered as primary reporting format and the bank does not have any geographical segment. In accordance with the guidelines issued by RBI, and Bank has in compliance with AS-17 adopted following business Segments:

a) Treasury includes all investment portfolio, profit/loss on sale of investments (Bonds and government securities) money market operations. The expenses of this segment consist of interest expenses on funds borrowed from external / 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.

10 Related Party Disclosures (AS-18)

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

11 Leases (AS - 19)

a) Lease rental obligation 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.

b) Lease rental obligation in respect of assets taken on operating lease having cancellable clause in the agreement are charges to the profit and loss account on actual basis.

12 Earnings Per Share (AS - 20)

a) Earnings per share are calculated by dividing the net profit or loss for the period after tax attributable to shareholders (before appropriation) by the weighted average number of shares outstanding during the year.

b) The weighted average number of shares outstanding during the period are calculated by aggregating the shares outstanding at the beginning of the period adjusted by the number of shares surrendered / forfeited or issued during the period multiplied by the time-weighting factor, which is the number of days for which the shares are outstanding as a proportion of total number of days during the year.

c) Earnings considered in ascertaining the Bank's earnings per share are the net profit for the year before appropriations.

13 Taxes on Income (AS -22)

a) Income Tax expense comprises of Current Tax and Deferred Tax. Current Tax is provided for and Deferred Tax is accounted for in accordance with the applicable provisions of the Income Tax Act, 1961 and Rules framed there under.

b) Provision for Current Tax is made on the basis of estimated taxable income for the year arrived at as per the provision of Income Tax Law and applicable Income Computation and Disclosure Standards (ICDS) issued by Central Board of Direct Tax (CBDT).

c) Deferred Tax is recognised on account of timing differences between the book profits and the taxable profits. The tax effect of timing differences between the book profits and taxable profits measured using the tax rates and tax laws that have been enacted or substantially enacted at the Balance Sheet date are reflected through Deferred Tax Asset (DTA)/Deferred Tax Liability (DTL). DTA is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such DTA can be realised.

d) Deferred Tax Assets/Liabilities are reassessed at each reporting date, based upon management's judgement as to whether the realization is reasonably certain.

e) The Bank follows the policy of netting off of the provisions against the tax paid under the head 'Advance Tax, Self-Assessment Tax' on the receipt of refund or scrutiny assessment order u/s 143(1) and required effect of excess / short provisions for tax has been given in Profit & Loss account.

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.

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.

16 Provisions, Contingent Liabilities and Contingent Assets (AS -29)

a) A provision is recognised only when the Bank has a present obligation as result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance sheet date. These are reviewed at each Balance sheet date and adjusted to reflect the current best estimates.

b) Contingent Assets are not recognised in the financial statements. Contingent Liabilities are disclosed when there is a possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank or any present obligation arising from past event which is not recognized since it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of such obligation cannot be made.

2. NOTES TO ACCOUNTS:

2.1 Regulatory Capital

a) Composition of Regulatory Capital (Rs. in crores)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
i.	Paid Up Share Capital and Reserves (net of deductions if any)	122.77	120.05
ii.	Other Tier 1 capital	-	-
iii.	Tier 1 capital (i + ii)	122.77	120.05
iv.	Tier 2 capital	19.30	19.07
v.	Total capital (Tier 1+Tier 2)	142.07	139.12
vi.	Total Risk Weighted Assets (RWAs)	721.99	705.73
vii.	Paid-up share capital and reserves as percentage of RWAs	17.01%	17.01%
viii.	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	17.01%	17.01%
ix.	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	2.67%	2.70%
x.	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as percentage of RWAs)	19.68%	19.71%
xi.	Percentage of shareholding of a) Government of India	-	-
xii.	Amount of paid-up equity capital raised during the year	0.09	0.15
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, 2026	March 31, 2025
(i)	General provisions and loss reserves #(Rs.) (Restricted to 1.25% of R.W.A.)		
	Investment Depreciation Reserve	3.43	3.25
	Staff Benefit Fund	0.20	0.21
	Reserve for Standard Assets	2.72	2.72
	Shareholders Benefit Fund	0.07	0.07
	Centenary Celebration Fund	2.25	2.25
	Reserve for Corporate Social Responsibility	0.10	0.05
(ii)	Investment Fluctuation Reserves / Funds	10.52	10.52
		19.29	**19.07**

b) Draw down from Reserves

During the Financial year the bank has drawn down the following reserves.

1. Bad & Doubtful Debt Reserve - There is a draw-down of Rs.1.77 crores (net) in the Bad and Doubtful Debts Reserves for the F.Y. 2025-26. (P.Y. Nil)
2. Staff Benefit Fund - There is a draw-down of Rs.0.01 crores for the F.Y. 2025-26 (P.Y. - 0.01crores).
3. Provision for Restructured Assets – There was no draw-down in the current year. (P.Y. - Rs.0.48 crores).

2.2 Asset liability management*

a) Maturity pattern of certain items of assets and liabilities F.Y. 2025-26 (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	21.01	28.23	39.12	22.09	108.75	101.90	213.49	661.42	14.12	3.05	1213.18
Advances	23.85	0.02	0.02	0.01	0.17	0.73	4.49	188.32	147.57	252.04	617.22
Investments	-	-	-	5.00	5.00	11.52	30.06	66.10	48.31	260.20	426.19
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-

b) Maturity pattern of certain items of assets and liabilities F.Y. 2024-25 (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	21.76	25.36	8.53	15.54	157.12	115.18	279.29	581.34	13.12	0.92	1218.16
Advances	23.03	0.01	-	0.01	0.14	0.79	2.24	164.58	162.62	266.10	619.52
Investments	-	-	-	-	20.04	10.41	19.94	97.84	50.00	218.34	416.57
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, 2026							(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	229.67	-	-	-	-	-	229.67
Less: Provision for NPI	-	-	-	-	-	-	-
Net	229.67	-	-	-	-	-	229.67
Available for Sale							
Gross	121.51	-	0.06	77.70	-	-	199.27
Less: Provision for depreciation and NPI *	-	-	-	2.75	-	-	2.75
Net	121.51	-	0.06	74.95	-	-	196.52
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total Investments	**351.18**	**-**	**0.06**	**77.70**	**-**	**-**	**428.94**
Less: Provision for NPI	-	-	-	2.75	-	-	2.75
Less: Provision for depreciation and NPI	-	-	-	-	-	-	
Net	**351.18**	**-**	**0.06**	**74.95**	**-**	**-**	**426.19**

* Refer Note 2.3 (d)

Investments in India as at March 31, 2025							(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	248.90	-	-	-	-	-	248.90
Less: Provision for NPI	-	-	-	-	-	-	
Net	248.90	-	-	-	-	-	248.90
Available for Sale							
Gross	72.26	-	0.06	98.10	-	-	170.42
Less: Provision for depreciation and NPI *	-	-	-	2.75	-	-	2.75
Net	72.26	-	0.06	95.35	-	-	167.67
Held for Trading							
Gross	-	-	-	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	-	-	-	-	-	-	-
Total Investments	**321.16**	**-**	**0.06**	**98.10**	**-**	**-**	**419.32**
Less: Provision for NPI	-	-	-	2.75	-	-	2.75
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-
Net	**321.16**	-	**0.06**	**95.35**	**-**	**-**	**416.57**

* Refer Note 2.3 (d)

The Bank has no investment outside India as on March 31, 2026 and March 31, 2025.

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

(Rs. In crores)

		March 31, 2026	March 31, 2025
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	1.50	-
	c) Less: Write back of excess provisions during the year	-	-
	d) Closing Balance as on 31st March	**7.50**	**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	**5.35%**	**6.27%**

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, 2026	March 31, 2025
a)	Opening balance	2.75	3.36
b)	Additions during the year	-	-
c)	Reductions during the year	-	(0.61)
d)	Closing balance	**2.75**	**2.75**
e)	Total provisions held	**7.50**	**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 period under review, the outstanding under Non-Performing Investment stands at Rs.2.75 crores.

(b) Investment Depreciation Reserve (Rs. in crores)

Sr.No.	Particulars	March 31, 2026	March 31, 2025
a)	Total Provision Held	**7.50**	**6.00**
b)	Used against Bonds under AFS & HFT incl. NPI	2.75	2.75
c)	Used against Securities under AFS & HFT	1.32	0.00
d)	Excess IDR Held	**3.43**	**3.25**

2. Issuer Composition of Non SLR Investments (Rs. in crores)

No.	Issuer	Amount		Extent of Private Placement		Extent of below Investment grade Securities		Extent of unrated Securities		Extent of unlisted Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		Mar. 26	Mar. 25	Mar. 26	Mar. 25	Mar. 26	Mar. 25	Mar. 26	Mar. 25	Mar. 26	Mar. 25
a)	PSUs	20.00	35.43	-	-	-	-	-	-	-	-
b)	FIs	10.00	20.02	-	-	-	-	-	-	-	-
c)	Public Sector Banks	-	-	-	-	-	-	-	-	-	-
d)	Private Corporates	47.70	42.65	-	-	-	-	-	-	-	-
e)	Subsidiaries / Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others	0.06	0.06	-	-	-	-	-	-	-	-
g)	Provision Held towards Investment Depreciation Reserve	2.75	2.75	-	-	-	-	-	-	-	-
	Total	**75.01**	**95.41**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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, 2026	
	Mar. 26	Mar. 25	Mar. 26	Mar. 25	Mar. 26	Mar. 25	Mar. 26	Mar. 25
Securities sold under repo								
(a) Government Securities	-	-	-	-	-	-	-	-
(b) Corporate debt securities	-	-	-	-	-	-	-	-
(c) Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repo								
(a) Government Securities								
Face Value	8.00	3.00	45.00	23.00	2.28	0.42	-	-
Market Value	8.00	3.00	45.00	23.00	2.28	0.42	-	-
(b) Corporate debt securities	-	-	-	-	-	-	-	-
(c) Any other securities	-	-	-	-	-	-	-	-

f) Government Security Lending transactions

Government Security Lending as at March'2026 (Rs. in crores)

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Total Volume of transactions during the year	Outstanding as on March 31,2026
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL transactions	-	-	-	-	-

Government Security Lending as at March 31’ 2025 (Rs. in crores)

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	Total Volume of transactions during the year	Outstanding as on March 31, 2025
Securities lent through GSL transactions	-	-	-	-	-
Securities borrowed through GSL transactions	-	-	-	-	-
Securities placed as collateral under GSL transactions	-	-	-	-	-
Securities received as collateral under GSL transactions	-	-	-	-	-

2.4 Asset quality

a) Classification of advances and provisions held

As at March 31, 2026 (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	614.23	0.67	2.76	1.86	5.29	619.52
Add: Additions during the year					0.00	-
Less: Reductions during the year					4.55	-
Closing balance	616.48	0.00	0.72	0.02	**0.74**	**617.22**
*Reductions in Gross NPAs due to:						
i) Upgradation					0.43	
ii) Recoveries (excluding recoveries from upgraded accounts)					1.91	
iii) Technical/ Prudential Write-offs					1.90	
iv) Write-offs other than those under (iii) above					0.31	

(Rs. in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Provisions (excluding Floating Provisions)**						
Opening balance of provisions held	2.72	11.09	8.16	3.42	**22.67**	**25.39**
Add: Fresh provisions made during the year					0.44	-
Less: Excess provision reversed/ Write-off loans #					2.21	-
Closing balance of provisions held #	**2.72**	**10.22**	**7.52**	**3.16**	**20.90**	**23.62**
Net NPAs						
Opening Balance		-	-	-	-	
Add: Fresh additions during the year					-	
Less: Reductions during the year (restricted to 100%)					-	
Closing Balance		-	-	-	-	-
Provision held in excess of Gross NPAs	-	-	-	-	20.16	20.16
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						23.74

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Add: Technical/ Prudential write-offs during the year						1.90
Less: Recoveries made from previously technical/ prudential written-off accounts during the year ##						3.78
Closing balance						21.86

**including excess provision held (Refer Note 4)

The allocation of closing provisions is based on the management's decision.

This amount includes regular write off in technical written off accounts net off adjustments.

As at March 31,2025 (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	535.00	6.52	4.53	2.28	**13.33**	**548.33**
Add: Additions during the year					0.71	
Less: Reductions during the year*					8.75	
Closing balance	614.23	0.67	2.76	1.86	**5.29**	**619.52**
*Reductions in Gross NPAs due to:						
i) Upgradation					2.11	
ii) Recoveries (excluding recoveries from upgraded accounts)					6.55	
iii) Technical/ Prudential Write-offs					0.00	
iv) Write-offs other than those under (iii) above					0.09	
Provisions (excluding Floating Provisions)*						
Opening balance of provisions held	2.97	10.12	7.03	2.28	**19.43**	**22.40**
Add: Fresh provisions made during the year					3.49	-

(Rs. in crores)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Less: Excess provision reversed/ Write-off loans					0.25	-
Closing balance of provisions held	**2.72**	**11.09**	**8.16**	**3.42**	**22.67**	**25.39**
Net NPAs						
Opening Balance		-	-	-	-	
Add: Fresh additions during the year					-	
Less: Reductions during the year					-	
Closing Balance		-	-	-	-	-
Provisions held in excess of Gross NPAs	-	-	-	-	17.38	17.38
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						26.83
Add: Technical/ Prudential write-offs during the year						0.00
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						3.09
Closing balance						23.74

**including excess provision held (Refer Note 4)

This amount includes Rs.0.16 lacs transferred to General Reserve as per RBI Circular No.2024-25/58 DOR. CAP.REC.No 27/09.18.201/2024-25 dated 02.08.2024

The allocation of closing provisions is based on the management's decision.

This amount includes regular write off in two accounts net off adjustments.

Ratios (in percent)	March 31, 2026	March 31, 2025
Gross NPA to Gross Advances	0.12%	0.85%
Net NPA to Net Advances	-	-
Provision coverage ratio*	100.00%	100.00%

* Restricted to 100%

b) Sector-wise Advances and Gross NPAs (Rs. in crores)

		March 31, 2026			March 31, 2025		
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	4.02	0.00	0.00%	4.03	0.00	0.00%
	Agriculture and allied activities	4.02	0.00	0.00%	4.03	0.00	0.00%
b)	Advances to industries sector eligible as priority sector lending	149.44	0.00	0.00%	100.98	0.28	0.28%
	Metal & Metal Products	19.09	0.00	0.00%	10.18	0.00	0.00%
	Mining & Quarrying	21.11	0.00	0.00%	0.00	0.00	0.00%
	Textiles	69.71	0.00	0.00%	45.59	0.13	0.29%
c)	Services	117.92	0.00	0.00%	104.82	0.00	0.00%
	Other Services	32.61	0.00	0.00%	38.98	0.00	0.00%
	Trade	35.63	0.00	0.00%	30.16	0.00	0.00%
	Transport Operator	41.78	0.00	0.00%	24.36	0.00	0.00%
d)	Personal Loans/ Others	75.79	0.23	0.30%	69.70	0.96	1.38%
	Housing Loan	57.84	0.23	0.40%	56.64	0.85	1.50%
	Subtotal (i)	**347.17**	**0.23**	**0.07%**	**279.53**	**1.24**	**0.44%**

		March 31, 2026			March 31, 2025		
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**
ii)	**Non-priority Sector**						
a)	Agriculture and allied activities	0.00	0.00	0.00%	0.00	0.00	0.00%
b)	Industry	34.22	0.00	0.00%	57.45	0.00	0.00%
	Engineering	14.22	0.00	0.00%	23.32	0.00	0.00%
	Paper & Paper products	6.88	0.00	0.00%	8.64	0.00	0.00%
	Plastic & Plastic Products	8.67	0.00	0.00%	10.60	0.00	0.00%
	Textiles	3.64	0.00	0.00%	0.00	0.00	0.00%
c)	Services	56.76	0.28	0.49%	78.61	2.80	3.56%
	Professional & Other Services	21.70	0.00	0.00%	29.09	0.00	0.00%
	Trade	7.25	0.04	0.55%	16.99	2.56	15.07%
	Transport Operator	26.12	0.00	0.00%	27.66	0.00	0.00%
d)	Personal loans/ Others	179.07	0.23	0.13%	203.93	1.25	0.61%
	Housing Loan	53.07	0.04	0.08%	70.46	0.09	0.13%
	Vehicle Loan	78.12	0.10	0.13%	89.07	0.29	0.33%
	Sub-total (ii)	**270.05**	**0.51**	**0.19%**	**339.99**	**4.05**	**1.19%**
	Total (i + ii)	**617.22**	**0.74**	**0.12%**	**619.52**	**5.29**	**0.85%**

c) Overseas Assets, NPAs and revenue

Bank does not have overseas assets, NPA and revenue during the current and previous 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	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Standard	No of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amt	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Sub-Standard	No of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amt	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Doubtful	No of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amt	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-
Total	No of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amt	-	-	-	-	-	-	-	-	-	-
	Provision held	-	-	-	-	-	-	-	-	-	-

Amount and number of accounts in respect of which restructuring applications received and are under process, but the restructuring packages have not been approved as on 31.03.2026 - Nil (Previous year - Nil)

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) Non – Fund Based Credit Facilities (Rs.in crores)

		As at March 31, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2025
		Secured Portion	Unsecured Portion	Secured Portion	Unsecured Portion
I	Outstanding Guarantees				
	i) In India	5.55	-	2.28	-
	ii) Outside India	-	-	-	-
II	Acceptances, Endorsements and Other Obligations	-	-	-	-
III	Other NFB Credit Facilities	-	-	-	-

h) Fraud Accounts (Rs.in crores)

	March 31, 2026	March 31, 2025*
Number of frauds reported	0	5
Amount involved in fraud	0	0
Less: 1. Amounts technically written off during the year 2. OIR waived	0 0	0 0
Amount of provision made for such frauds	0	0
Amount of Unamortised provision debited from other reserves as at the end of the year	0	0

* The fraud cases in F.Y.2024-25 have been intimated to RBI, however no monetary loss has occurred. Hence, there is Nil amount mentioned in the disclosure.

i) Disclosure related to Project Finance

The Bank has no projects under implementation accounts in the current and previous year.

j) 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:

i. For the period ended 31st March, 2026. (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	0.35	-	-	0.03	0.34
Corporate persons	3.65	-	-	3.79	0.00
Of which MSMEs	3.65	-	-	3.79	0.00
Others	-	-	-	-	-
Total	**4.00**	**-**	**-**	**3.82**	**0.34**

ii. For the half-year ended 30th Sept, 2025. (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	0.37	-	-	0.03	0.35
Corporate persons	3.90	-	-	0.44	3.65
Of which MSMEs	3.90	-	-	0.44	3.65
Others	-	-	-	-	-
Total	**4.27**	**-**	**-**	**0.47**	**4.00**

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, 2026	March 31, 2025
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.

k) One Time Settlement for NPA Accounts (Rs. in crores)

Particulars	March 31, 2026	March 31, 2025
No of OTS accounts sanctioned and settled during the year	2	1
Total exposure	1.74	4.64
OTS Amount Received	1.42	4.11
Total Sacrifice Amount	0.32	0.53
Principal Write off	0.31	0.09
Interest Waived	0.01	0.44

l) One Time Settlement for Technical Write off (Rs. in crores)

Particulars	March 31, 2026	March 31, 2025
No of OTS accounts sanctioned and settled during the year	2	4
Total exposure	0.43	1.96
OTS Amount Received	0.02	0.39
Total Sacrifice Amount	0.41	1.57
Principal Write off	0.39	1.57
Interest Waived	0.02	0.00

2.5 Exposures

a) Exposure to real estate sector (Rs. in crores)

Category	March 31, 2026	March 31, 2025
i) Direct exposure		
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	57.91	56.72
Non-Priority	62.24	79.15
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	13.48	15.63
Non-Fund Based	0.00	0.00
c) Investments in Mortgage Backed Securities (MBS) and other securitized exposures –		
i. Residential	0.00	0.00
ii. Commercial Real Estate	0.00	0.00
ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.	0.00	0.00
Total Exposure to Real Estate Sector	**133.63**	**151.50**

b) Risk category-wise country exposure

The Bank has no exposure to country risk during the F.Y. 2025-26 and F.Y. 2024-25.

c) Exposure to Capital Market (Rs. in crores)

Particulars	March 31, 2026	March 31, 2025
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	0.18

d) Unsecured advances (Rs. in crores)

Particulars	March 31, 2026	March 31, 2025
Total unsecured advances of the bank	3.75	6.91
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. 2025-26 and F.Y. 2024-25.

f) Un-hedged foreign currency exposure

The Bank does not have any Foreign Exchange Exposure during the F.Y. 2025-26 and F.Y. 2024-25.

g) Loans against gold and silver collateral

(a) Details of loans extended against gold and silver collateral

Particulars	Loan Outstanding		Average Ticket Size	Average LTV Ratio	Gross NPA %
	Rs.in cr	As % of Total Loans	Rs.in cr		
1. Opening balance of the FY	**1.29**	**0.21%**	**0.02**	**0.62**	-
(a) Consumption Loans	1.29	0.21%	0.02	0.62	-
of which bullet repayment loans	1.20	0.19%	0.01	0.62	
(b) Income generating loans	-	-	-	-	-
2. New loans sanctioned and disbursed during the FY	1.75	0.28%	0.02	**0.64**	NA
(c) Consumption Loans	1.75	0.28%	0.02	**0.64**	NA
of which bullet repayment loans	1.68	0.27%	0.02	**0.64**	NA
(d) Income generating loans	-	-	-	-	NA
3. Renewals sanctioned and disbursed during the FY	-	-	-	-	NA
4. Top-up loans sanctioned and disbursed during the FY	-	-	-	-	NA
5. Loans repaid during the FY	1.28	0.21%	0.02	NA	NA
(e) Consumption Loans	1.28	0.21%	0.02	NA	NA
of which bullet repayment loans	1.19	0.19%	0.01	NA	NA
(f) Income generating loans	-	-	-	NA	NA
6. Non-Performing Loans recovered during the FY	-	-	-	NA	NA
(g) Consumption Loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(h) Income generating loans	-	-	-	NA	NA

Particulars	Loan Outstanding		Average Ticket Size	Average LTV Ratio	Gross NPA %
	Rs.in cr	As % of Total Loans	Rs.in cr		
7.Loans written off during the FY	-	-	-	NA	NA
(i) Consumption Loans	-	-	-	NA	NA
of which bullet repayment loans	-	-	-	NA	NA
(j) Income generating loans	-	-	-	NA	NA
8.Closing balance at the end FY	1.76	0.29%	0.02	**0.64**	-
(k) Consumption Loans	1.76	0.29%	0.02	0.64	-
of which bullet repayment loans	1.69	0.27%	0.02	0.64	-
(l) Income generating loans	-	-	-	-	-

(b) Details of gold and silver collateral and auctions

Sr. No.	Particulars	
(a)	Unclaimed gold or silver collateral at the end of the financial year (in grams)	Nil
(b)	Number of loan accounts in which auctions were conducted	Nil
(c)	Total outstanding in loan accounts mentioned in (b)	Nil
(d)	Gold or silver collateral acquired during the FY due to default of loans (in grams)	Nil
(e)	Gold or silver collateral auctioned during the FY (in grams)	Nil
(f)	Recovery made through auctions during the FY (in crores)	Nil
(g)	Recovery percentage	Nil
(h)	As % of value of gold or silver collateral	Nil
(i)	As % of outstanding loan	Nil

h) Exposures to Related Parties

Sr. No.	Particulars	March 31, 2026	March 31, 2025
A. Loans to Related Parties			
1.	Aggregate value of loans sanctioned to related parties during the year	0.00	0.00
2.	Aggregate value of outstanding loans to related parties as on 31st March	0.05	0.14
3.	Aggregate value of outstanding loans sanctioned to related parties as a proportion of total credit exposure as on 31st March	0.0001	0.0002

4.	Aggregate value of outstanding loans to related parties which are categorized as :	-	-
	(i) Special mention Accounts as on 31st March	-	-
	(ii)Non-performing Assets as on 31st March	-	-
5.	Amount of provisions held in respect of loans to related parties as on 31st March	-	-
B. Contracts and Arrangements involving Related Parties			
6.	Aggregate value of contracts and arrangements awarded to related parties during the year	-	-
7.	Aggregate value of outstanding contracts and arrangements involving related parties as on 31st March	-	-

2.6 Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits (Rs.in crores)

Particulars	March 31, 2026	March 31, 2025
Total deposits of the twenty largest depositors	343.32	346.04
Percentage of deposits of twenty largest depositors to total deposits of the bank	28.30%	28.41%

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

Particulars	March 31, 2026	March 31, 2025
Total advances to the twenty largest borrowers	245.94	221.46
Percentage of advances to twenty largest borrowers to total advances of the bank	39.85%	35.75%

*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, 2026	March 31, 2025
Total exposure to the twenty largest borrowers/customers	245.94	221.46
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	39.85%	35.75%

d) Concentration of NPAs (Rs.in crores)

Particulars	March 31, 2026	March 31, 2025
Total Exposure to the top twenty NPA accounts	0.74	5.00
Percentage of exposures to the twenty largest NPA exposures to total Gross NPAs.	100.00%	94.52%

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. 2025-26 and F.Y. 2024-25.

2.9 Transfers to Depositor Education and Awareness Fund (DEA Fund) (Rs. in crores)

Sr.No.	Particulars	March 31, 2026	March 31, 2025
i).	Opening balance of amounts transferred to DEAF	6.80	5.96
ii)	Add: Amounts transferred to DEAF during the year	0.54	0.92
iii)	Less: Amounts reimbursed by DEAF towards claims	0.13	0.08
iv)	Closing balance of amounts transferred to DEAF	7.21	6.80

2.10 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account aggregated to Rs.0.00 crores during the F.Y. 2025-26. (Rs. 0.30 crores in previous year F.Y. 2023-24)

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, 2026	March 31, 2025
		Complaints received by the bank from its customers		
1.		Number of complaints pending at beginning of the year	1	NIL
2.		Number of complaints received during the year	170	257
3.		Number of complaints disposed during the year	170	256
	3.1	Of which, number of complaints rejected by the bank	NIL	NIL

Sr.No.		Particulars	March 31, 2026	March 31, 2025
4.		Number of complaints pending at the end of the year	1	1
		Maintainable complaints received by the bank from OBOs		
5.		Number of maintainable complaints received by the bank from OBOs	7	10
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	7	10
	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)	NA	N.A.
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombusdman Scheme, 2006) and covered within the ambit of the Scheme.				

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
April 2025 - March 2026					
Cash not received A/c. Debited (Including digital transactions) – ATM, IMPS, POS, ECOM, UPI	NIL	46	↓ 81.67%	NIL	NIL
ATM Pin Forgot / Not Received	NIL	8	↑ 33.33%	NIL	NIL
Internet Banking Password Forgot / Not received	NIL	NIL	NA	NIL	NIL

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
Website down-complaint from customers	NIL	NIL	NA	NIL	NIL
Delay in issue of ATM cards	NIL	NIL	NA	NIL	NIL
Others	NIL	116		1	NIL
Total	**NIL**	**170**		**1**	**NIL**
April 2024-March 2025					
Cash not received A/c debited (Including digital transactions) - ATM, IMPS, POS, ECOM, UPI	0	251	↑ 76.76%	0	0
ATM Pin Forgot / Not Received	0	6	↓ 80.00%	0	0
Internet Banking Password Forgot / Not received	0	0	NA	0	0
Website down-complaint from customers	0	0	NA	0	0
Delay in issue of ATM cards	0	0	NA	0	0
Total	**0**	**257**		**0**	**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

There were no default and penalties imposed under Section 46(4) of The Banking Regulation Act, 1949 and other regulations during the F.Y. 2025-26.

2.13 Other Disclosures

a) Business Ratios (Rs. in crores)

Particular	March 31, 2026	March 31, 2025
i. Interest Income as a percentage of Working Funds	7.28%	7.48%
ii. Non-Interest Income as a percentage of Working Funds	0.23%	0.29%
iii. Cost of Deposits	5.19%	5.21%
iv. Net Interest Margin	2.47%	2.41%
v. Operating Profit as a percentage to working Funds	0.63%	0.46%
vi. Return on Assets	0.51%	0.35%
vii. Business(deposits plus advances) per employee	8.72	8.32
viii. Profit per employee	0.04	0.03

b) Bancassurance Business

Commission income from Bank assurance business: (Rs. in crores)

Sr.No.	Nature of Income	2025-26	2024-25
1.	From Selling Non-Life Policies	0.00	0.08
2.	From Selling Pradhan Mantri Insurance Schemes	0.00	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. 2025-26 and F.Y. 2024-25.

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, read with Circular FIDD. CO.PSD.BC.No.12/04.09.001/2024-25 dated March 24, 2025, detail of Priority Sector Lending Certificates (PSLC) purchased by the Bank are given below:

Particulars	March 31, 2026	March 31, 2025
i. PSLC – General	275.00	525.00
ii. PSLC – Micro Enterprises	0.00	0.00
iii.Small Marginal Farmers	75.00	0.00
Total	**350.00**	**525.00**

e) Provisions and contingencies (Rs. in crores)

Provision debited to Profit and Loss Account	March 31, 2026	March 31, 2025
i. Provisions for depreciation and NPI	-	-
ii. Provision towards NPA	0.44	3.49
iii. Provision made towards Income Tax*	1.19	-
iv. Other Provisions and Contingencies - Special Reserve under Section 36 (1) (viii) - Provision for Standard Assets - Provision for Investment Depreciation Reserve	 0.26 - 1.50	 0.21 0.23 -

* Provision for tax is based on the draft computation provided by the tax consultant.

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

f) Payment of DICGC Insurance Premium (Rs. in crores)

Sr.No.	Particulars	March 31, 2026	March 31, 2025
i.	DICGC Insurance Premium paid	1.46	1.38
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. 2025-26. In accordance with the same, the Bank has appropriated 1% of Net Profit after tax of previous year for CSR Reserve i.e. Rs.0.05 crores. The Total Provision against CSR held is Rs. 0.10 crores inclusive of previous year provision. However, expense towards the same has not been allocated. This provision has been made in line with the CSR policy of the Bank.

h) Disclosure of facilities granted to directors and their relatives

Facilities granted to the relatives of the directors are as follows: (Rs. in crores)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1.	**Fund Based**		
	Outstanding at the beginning of the year	0.14	0.15
	Additions during the year	0.00	0.00
	Interest charged during the year	0.0043	0.04
	Recovery during the year	0.09	0.05
	Outstanding at the end of the year	0.05	0.14

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, 2026	March 31, 2025
Investment in Available for sale category	196.46	167.67
Investment Fluctuation Reserve at 5% of above	9.82	8.38
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, 2026			March 31, 2025		
	Provision required	**Provision Held**	**Excess Provision**	**Provision required**	**Provision Held**	**Excess Provision**
Standard Assets	2.57	2.72	0.15	2.71	2.72	0.01
Restructured Assets	0.00	0.00	0.00	0.00	0.00	0.00
Non-Performing Assets	0.27	20.90	20.63*	3.99	22.67	18.68

** Gross NPAs are Rs. 0.74 crore for which Bank holds provision of Rs. 20.90 crores i.e. Rs. 20.16 crores more than Gross NPAs.*

5. **Claims against Bank not acknowledged as debt**

This includes liability on account of Income tax, Service Tax, Goods and Service Tax and other legal cases filed against the bank. These are categorised as follows:

(Rs.in crores)

Sr. No.	Particulars	March 31, 2026	March 31, 2025
1	Income Tax*	0.50	0.46
2	TDS	0.15	0.15
	Total	**0.65**	**0.61**

* This amount pertains to A.Y. 2014-15 and A.Y. 2017-18. The Bank has preferred appeals in these cases and the same are pending before the Income Tax Authorities.

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

Defined Contribution Plan

❖ Bank's Contribution to Provident Fund Rs.1.88 crores (Previous year Rs.1.92 crores)

Defined Benefit Plan

❖ Gratuity (funded with LIC)

The following table gives disclosures as required under Accounting Standard 15 as furnished by Actuaries is in accordance with the financial statements

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

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2026	**March 31, 2025**
1	Discount Rate	6.91%	6.78%
2	Salary Escalation rate	3.00%	4.00%
3	Attrition rate	3.00%	3.00%

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

Sr. No	Particulars	Gratuity (Funded)	
		March 31, 2026	March 31, 2025
1	Liability at the beginning of the current year	11.38	11.46
2	Interest cost	0.78	0.82
3	Current service cost	0.50	0.47
4	Past service cost	0.12	-
5	Benefits paid	(0.91)	(0.80)
6	Actuarial (gain) / loss on obligations	(0.71)	(0.57)
7	Liability at the end of the current year	11.16	11.38

III. Changes in fair value of Plan Assets (Rs. in crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2026	March 31, 2025
1	Fair value of plan assets at the beginning of the year	11.96	11.46
2	Expected return on plan assets	0.82	0.82
3	Contributions	0.43	0.57
4	Benefits paid	(0.91)	(0.79)
5	Actuarial gain / (loss) on plan assets	(0.00)*	(0.10)
6	Fair value of plan assets at the end of the year	12.30	11.96

**amount less than one lakh*

IV. Balance Sheet Reconciliation (Rs. in crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2026	March 31, 2025
1	Opening Net Liability	(0.58)	(0.00)*
2	Expense Recognized in Profit or Loss	(0.13)	(0.00)*
3	Employer's Contribution	(0.43)	(0.57)
3	Amount recognized in the Balance Sheet	(1.14)	(0.58)

**amount less than one lakh*

V. Amount recognized in Balance Sheet (Rs. in crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2026	March 31, 2025
1	Fair value of plan assets at the end of the year	12.30	11.96
2	Liability at the end of the year	(11.16)	(11.38)
3	Amount recognized in the Balance Sheet	1.14	0.58

VI. Expenses recognized in Profit and Loss account (Rs. In crores)

Sr. No.	Particulars	Gratuity (Funded)	
		March 31, 2026	March 31, 2025
1	Current service cost	0.50	0.47
2	Interest cost	(0.03)	0.00*
3	Expected return on plan assets	-	-
4	Net actuarial gain / (loss)	(0.72)	(0.47)
5	Past service cost	0.12	-
6	Expenses recognized in Profit and Loss account	(0.13)	(0.00)*

**amount less than one lakh*

❖ 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, 2026	March 31, 2025
Privileged leave	2.68	3.10
Sick leave	2.07	2.10
Total Actuarial Liability	**4.75**	**5.20**
<u>Assumptions</u>		
Discount rate: Privileged leave / Sick leave	6.91%	6.78%
Salary escalation rate: Privileged leave / Sick leave	3.00%	4.00%
Attrition rate: Privileged leave / Sick leave	3.00%	3.00%

As per the guidance note issued by the Institute of Chartered Accountants of India (ICAI) on bank audits, provision for wage arrears needs to be included while calculating actuarial valuation towards gratuity and leave encashment. However, though the Bank has made the provision for wage arrears, the same has not been considered while doing the actuarial valuation as the amount of wage arrears to be disbursed to the employees is not finalised by the management.

Due to the implementation of the new wage code based on the actuarial valuation, the net additional impact on the Profit and Loss Account is Rs. 0.12 crores and the net aggregate planned asset on account of gratuity is Rs. 1.14 crores.

7. Accounting Standard 17 –

Part A: Business Segment

a) 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.

b) Segment assets have not been adjusted for Bad and doubtful debts reserve, investment depreciation reserve, reserve for standard assets lying under Reserve Fund and other Reserves.

c) Segment liability excludes capital & reserve other than those specifically identifiable with a segment.

d) 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.

e) 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	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Revenue	52.00	54.60	24.63	24.72	32.65	26.78	-	-	109.29	106.11
Result	(3.02)	0.04	5.09	2.97	6.74	3.22	-	-	8.81	6.23
Unallocated Expenses									-	-
Operating Profit									8.81	6.23
Provisions									2.20	3.94
Income Taxes									-0.50	-2.43
Extraordinary Profit/ Loss	-	-	-	-	-	-	-	-	-	-
Net Profit									7.12	4.71

Business Segments	Treasury		Retail Banking		Corporate/ Wholesale Banking		Other Banking Business		Total	
Particulars	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Other Information										
Segment Assets	765.84	763.83	273.21	306.13	362.16	331.65	-	-	1401.22	1401.61
Unallocated Assets									9.48	8.74
Total Assets									1410.70	1410.36
Segment Liabilities	674.16	675.08	240.50	270.57	318.81	293.11	-	-	1233.47	1238.76
Unallocated Liabilities									0.49	0.53
Total Liabilities									1233.96	1239.29

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, 2026	March 31, 2025
-Not later than one year	0.42	0.36
-Later than one year and not later than five years	0.69	0.40
-Later than five years	-	-
Total of minimum lease payments realization in the Profit and Loss account for the year.	1.11	1.82

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

Particulars	March 31, 2026	March 31, 2025
Net Profit after taxation –	7.12	4.71
Weighted average No. of Shares –	0.44	0.46
Basic and Diluted Earnings Per Share – in Rs.	16.04	10.24
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, 2026.

(Rs in crores)

Particulars	March 31, 2026	March 31, 2025
Deferred Tax Asset		
Provision for Privilege Leave Encashment	0.67	0.78
Provision for Gratuity	-	-
Depreciation	0.77	0.73
Reserves for Bad & Doubtful Debts	5.15	3.70
Reserve for Standard Assets	0.68	0.68
Provision for Wage Arrears	0.70	0.33
Provision for Staff Sick Leave Encashment	0.52	0.53
Total	**8.51**	**6.75**
Deferred Tax Liability		
Special Reserve under Section 36(1)(viii)	0.56	0.50
Total	**0.56**	**0.50**
Net Deferred Tax Assets as at the year end	**7.95**	**6.25**

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, 2026	March 31, 2025
Opening Balance	0.26	0.48
Additions during the year	0.06	0.05
Sub total	0.32	0.53
Deletions during the year	0.00	0.00
Amortization during the year	0.21	0.27
Net Carrying balance	0.11	0.26

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 and as such no provision under Accounting Standard-28 issued by ICAI is required.

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 2, 2026, has proposed a special additional dividend of 5 per cent on account of the Centenary Year of the Bank. Accordingly, the Board of Directors has proposed total dividend of Rs. 3.75 per equity share at 15 per cent for the year ended March 31, 2026, amounting to Rs.1.64

crores (P.Y. 2024-25 Rs.1.13 crores at 10 per cent). 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, 2026.

However, effect of the proposed dividend has been reckoned in determining capital funds in the computation of capital adequacy ratios as at March 31, 2026.

15. 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.

16. As per RBI circular no. RBI/DOR/2025-26/281 DOR.CRE.REC.200/07-03-005/2025-26 dated November 28, 2025; Banks have to achieve minimum 40% of Small Value Loans in aggregate Loans and Advances by March 31, 2025, and 50% by March 31, 2026. Bank has achieved Small Value Loans to the extent of 39% as on March 31, 2026.

17. Figures for the previous year are regrouped/re-arranged wherever required 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 accompanying financial statements of The Zoroastrian Co-operative Bank Limited ('the Bank'), which comprise the Balance Sheet as at March 31, 2026, 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 (the 'financial statements').

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 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020 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 banks 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, 2026, 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 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020 and rules made thereunder, the provisions of the Multi State Cooperative Societies Act, 2002 and the rules made thereunder and the guidelines issued by Reserve Bank of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the ICAI. 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 management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Bank's Annual Report including other explanatory information but does not include the financial statements, and our auditor's report thereon. The Annual 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 .

When we read the Annual Report 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 management and Board of Directors are 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 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020 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, the management and Board are 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 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020, 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) 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;

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) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the books of account;

e) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

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. However, achievement of Small Value loans is below the threshold of 50% of total advances as required in terms of "Master Direction (Urban Co-operative Banks – Concentration Risk Management) Directions, 2025.

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.

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, 2026
Sub -standard	0.00
Doubtful Assets	0.72
Loss Assets	0.02
Matured Investments (classified as Other Assets)	2.75

d) As per the information provided to us and to the best of our knowledge the Bank has not given loans to the members of the Board of Directors.

e) During the course of audit, we have not come across any violation of guidelines issued by the RBI. However, achievement of Small Value loans is below the threshold of 50% of total advances as required in terms of "Master Direction (Urban Co-operative Banks – Concentration Risk Management) Directions, 2025.

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 and on behalf of
Borkar & Muzumdar
Chartered Accountants
Firm Registration No: 101569W

Satish Kumar Gupta
Partner
Membership No.101134
UDIN: 26101134FJKAEG7572
Date : 2nd June 2026
Place : Mumbai

Amendments to Bye Laws of ZCBL
(Recommended for approval by the Board in its Meeting held on January 14, 2026 to the Shareholders in the Annual General Meeting to be held on 30th July, 2026)

Sr. No.	Existing Bye-Law No.	Existing Bye-Laws	Proposed Bye-Law No.	Proposed New Bye law (changes / amendements/ deletion / addition are highlighted)	Reasons / Justifications
1	3	**Area of Operation**	3	**Area of Operation**	
	i)	The area of operation of the Bank shall be confined to Greater Mumbai, Municipal Limits of Pune City, Thane District, Palghar District and Municipal areas of Navi Mumbai in the State of Maharashtra and the whole of Surat District and including the Municipal Corporation areas of Surat, Bharuch, Baroda, Anand, Nadiad, Ahmedabad, Navsari and Valsad in the State of Gujarat.	i)	The area of operation of the Bank shall be confined to Greater Mumbai, Municipal Limits of Pune City, Thane District, Palghar District and Municipal areas of Navi Mumbai, whole of **District of Pune, Raigad and Nashik in the State of Maharashtra** and the whole of Surat District and including the Municipal Corporation areas of Surat, Bharuch, Baroda, Anand, Nadiad, Ahmedabad, Navsari and Valsad in the State of Gujarat.	3 Districts namely Pune, Nashik & Raigad are proposed to be added to the Area of Operation so as to extend the benefits of Membership to the citizens of these Districts. Bank is complying with the Eligibility Criteria for Business Authorisation prescribed by Reserve Bank of India through Master Direction No. RBI / DOR /2025-26 / 271 DOR. LIC. REC. No.330/07-01-000/2025-26 dated December 04, 2025. In terms of the said Master Direction, Bank can extend its Area of Operation to maximum 3 Districts of its choice within its State of jurisdiction without prior permission from RBI.
	ii)	Prior approval of Reserve Bank of India to be obtained for any revision in the area of operation	ii)	Prior approval of Reserve Bank of India to be obtained for any revision in the area of operation if Area of Operation **is to be extended beyond the areas which are allowed to be included by RBI without their prior permission.**	To align with Reserve Bank of India's guidelines vide Master Direction No. RBI / DOR /2025-26 / 271 DOR. LIC. REC. No.330/07-01-000/2025-26 dated December 04, 2025.

Amendments to Bye Laws of ZCBL
(Recommended for approval by the Board in its Meeting held on January 14, 2026 to the Shareholders in the Annual General Meeting to be held on 30th July,2026)

Sr. No.	Existing Bye-Law No.	Existing Bye-Laws	Proposed Bye-Law No.	Proposed New Bye law (changes / amendements/ deletion / addition are highlighted)	Reasons / Justifications
2	**4**	**Definitions**	**4**	**Definitions**	
	e)	Members	e)	Members	
	i)	‘Ordinary Member’ means a person applying for and admitted to the membership after such registration in accordance with the provisions of the Act, Rules and Bye-laws and ordinary members existing at the time of registration under the Act. ‘Ordinary Member shall be considered as “Active Member’ who participates and attends at least one General Body Meeting in the previous three consecutive years, or whose absence has been condoned by the Members in the General Body Meeting and utilizes the minimum level of services or products of the Bank as may be prescribed in the Bye-Law No. 4 (y).	i)	Ordinary Member as defined in Bye Law No. 9.	For abundant clarity
	ii)	‘Nominal’ member means a person who has been admitted as a nominal member under the Bye-law’s of the Bank	ii)	Nominal Member as defined in Bye Law No. 10.	For abundant clarity
	-	-	iii)	**Active Member means any Ordinary member provided he has not incurred any or all of the following disqualifications:** **(a) his business is in conflict or competitive with the business of such multi-state cooperative society; or**	For abundant clarity

Amendments to Bye Laws of ZCBL
(Recommended for approval by the Board in its Meeting held on January 14, 2026 to the Shareholders in the Annual General Meeting to be held on 30th July, 2026)

Sr. No.	Existing Bye-Law No.	Existing Bye-Laws	Proposed Bye-Law No.	Proposed New Bye law (changes / amendements/ deletion / addition are highlighted)	Reasons / Justifications
	-	-	iii)	**(b) he fails to use the minimum level of the products or services as specified in the bye-laws for two consecutive years; or** **(c) he has not attended three consecutive general meetings or the multi-state cooperative society and such absence has not been condoned by the members in the general meeting; or** **(d) he has made any default in payment of any amount to be paid to the multi-state cooperative society under the bye-laws of such society.** **Provided that if a person is an Ordinary Member for the period less than 2 Financial Years, then the criteria relating to availment of products & services and attending General Meetings will be applied for the period for which he has been an Ordinary Member.**	
	y)	MINIMUM LEVEL OF SERVICES' means to maintain with the Bank average daily balance during the previous financial year as under: i) Saving Account Rs. 5,000/- OR ii) Current Account Rs. 10,000/- OR iii) Fixed or other term deposits Rs. 25,000/- - OR iv) Loan/s of any type for an amount aggregating to Rs.50,000/-.	y)	Minimum Level of Services means **to have any type of Deposit or Loan account with the Bank.**	To enable larger participation of the Members in the affairs of the Bank.

Amendments to Bye Laws of ZCBL
(Recommended for approval by the Board in its Meeting held on January 14, 2026 to the Shareholders in the Annual General Meeting to be held on 30th July, 2026)

Sr. No.	Existing Bye-Law No.	Existing Bye-Laws	Proposed Bye-Law No.	Proposed New Bye law (changes / amendements/ deletion / addition are highlighted)	Reasons / Justifications
3	9	**Members**	9	**Members**	
		Ordinary Member shall be considered as 'Active Member' who fulfills all the following criteria: a) Has been admitted as an Ordinary Member under the Bye-Laws of the Bank; b) Attends at least one General Body Meeting in the previous three consecutive years; or whose absence has been condoned by the Members in the General Body Meeting c) Utilises the minimum level of services as provided in the Bye-Law No. 4 (y). d) A person who is not a defaulter as prescribed by the Reserve Bank of India from time to time. e) He / She will be eligible to exercise Right to Vote and Right to contest for elections.		To be deleted	Active Member has been defined under Bye-Law No. 4 (e) (iii).
			e)	**No individual being a member of a primary level Multi-State Co-operative Society or a Multi-State credit Society, or a Multi-State Urban Co-operative Bank, shall be the member of any other Multi-State Co-operative Society or co-operative society of the same class without the general or special permission of the Central Registrar and where an individual has become a member of two such co-operative societies aforesaid, then either or both of the societies shall be bound to remove**	To comply with Rule No. 11 (4)

Amendments to Bye Laws of ZCBL
(Recommended for approval by the Board in its Meeting held on January 14, 2026 to the Shareholders in the Annual General Meeting to be held on 30th July, 2026)

Sr. No.	Existing Bye-Law No.	Existing Bye-Laws	Proposed Bye-Law No.	Proposed New Bye law (changes / amendements/ deletion / addition are highlighted)	Reasons / Justifications
4	**15**	**Rights of Members**	**15**	**Rights of Members**	
	1)	Every ordinary member of the Bank shall have the following rights:	**1)**	Every **Active Member as defined in Bye-Law No. 4 (e) (iii)** shall have the following rights:	To align with the MSCS Act, 2002 and also for abundant clarity
5	**16 (b)**	**Disqualification of Member**	**16 (b)**	**Disqualification of Member**	
		No person shall be eligible for being a member of the Bank, if - i) His business is in conflict or competitive with the business of the Bank. ii) he fails to use the minimum level of the products or services as specified in the bye-law No 4(Y) for two consecutive years; or iii) He has not attended three consecutive Annual General Meetings of the Bank and such absence has not been condoned by the Members in the Annual General Meeting. iv) He has made any default in payment of any amount to be paid to the Bank and has not cleared all dues to the multi-State Co-operative Society including the payment in respect of membership or has availed such minimum level of product or services as specified in the bye-laws, payable to the Bank after a Notice of thirty days.	 i) ii) iii) iv)	No person shall be eligible for being a member of a multi-state cooperative society if- his business is in conflict or competitive with the business of such multi-state cooperative society; or he fails to use the minimum level of the products or services **as specified in the bye-laws for two consecutive years; or** he has not attended three consecutive **general meetings** or the multi-state cooperative society and such absence has not been condoned by the members in the **general meeting;** or he has made any default in payment of any amount to be paid **to the multi-state cooperative society under the bye-laws of such society.** **Provided that if a person is an Ordinary Member for the period less than 2 Financial Years, then the criteria relating to availment of products & services and attending General Meetings will be applied for the period for which he has been an Ordinary Member.**	To align with the MSCS Act, 2002 and also for abundant clarity

Amendments to Bye Laws of ZCBL
(Recommended for approval by the Board in its Meeting held on January 14, 2026 to the Shareholders in the Annual General Meeting to be held on 30th July, 2026)

Sr. No.	Existing Bye-Law No.	Existing Bye-Laws	Proposed Bye-Law No.	Proposed New Bye law (changes / amendements/ deletion / addition are highlighted)	Reasons / Justifications
		v) Provided if the person attains disqualification on the above ground shall be classified as Non-active member and shall not have right to vote and contest election.			
6	**26**	**Notice For The Annual General Meeting And Special General Meeting**	**26**	**Notice For The Annual General Meeting And Special General Meeting**	
	a)	Annual General Body Meeting of the Bank shall be called only after giving not less than fourteen days' notice in writing to all the ordinary members of the Bank.	a)	Annual General Body Meeting of the Bank shall be called only after giving not less than fourteen days' notice in writing to all the ordinary members of the Bank. **In case of amendments of Bye-Laws, 15 clear days Notice of proposed amendments has to be given to the Members.**	To align with the MSCS Act, 2002 and also for abundant clarity.
7	**29**	**Voting Rights**	**29**	**Voting Rights**	
	i)	Each member shall have one vote irrespective of the number of shares held,	i)	Only Active members **as defined under Bye-Law No. 4 (e) (iii) shall** be eligible to vote.	

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

For, Date : ____________________

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

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 ninth **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 30th July, 2026, at 3.30 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

REWARDS AND RECOGNITIONS


Zoroastrian Co-op Bank wins Dual Honours for Product Innovation and Leadership at Pune

Mr. Daljit Singh Dogra, M.D. & C.E.O being felicitated at the All India Urban Co-operative Banking Summit & Awards, 2026

Zoroastrian Co-op Bank bags Best Bank Award for F.Y. 2024-25 from The Brihanmumbai Nagrik Sahakari Banks Association Limited, Mumbai

Zoroastrian Co-op Bank wins prestigious Indian Banks Association (IBA) Special Mention Technology Citation for Best Technology Bank received from Mr. T. Rabi Shankar, Dy. Governor, Reserve Bank of India, at the IBA Annual Banking Conference held on January 09, 2026

INAUGURATION OF NEW PREMISES OF PUNE BRANCH

Mr. Saroosh C. Dinshaw inaugurating new premises of Pune Branch

Mr. Daljit Singh Dogra, M.D. & C.E.O welcoming Mr. Saroosh. C. Dinshaw to Customer Meet at Pune

Glimpses of Customer Meet at Pune

Glimpses of celebrations on the occasion of opening of new premises of Pune Branch

EVENTS

Welcome and Farewell Function of Directors

Chairman Mr Yazdi Tantra & MD Mr Daljit Dogra welcome Mr Satish Marathe, Director on the Central Board of Reserve Bank of India. Mr Satish Marathe addressed the Board of Directors of the Bank

Leadership Development Programme for Branch Heads and Officers

City Light, Surat Branch celebrating their Excellent Performance during F.Y.2025-26

Moments of employee engagement activity as part of Annual Christmas Celebrations

IT TEAM FELICITATED BY THE BOARD OF DIRECTORS FOR WINNING TECHNOLOGY CITATION FOR BEST TECHNOLOGY BANK

Corporate Office

Nirlon House, 5th Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 030
Tel: 022-6172 7600 | www.zoroastrianbank.bank.in

MUMBAI BRANCHES

Fort

Mrs. Saylee Shinde
Yusuf Building,
Veer Nariman Road,
Fort, Mumbai - 400 001
Tel: 89768 03941
zorofort@zoroastrianbank.bank.in

Tardeo

Ms. Persis Sidhwa
Gamadia Colony,
Tardeo, Mumbai - 400 007
Tel: 89768 03942
zorotardeo@zoroastrianbank.bank.in

Bandra

Mrs. Farzana Kathawalla
Shop no. 9 Darvesh Royale,
Master Vinayak Road,
Bandra (W), Mumbai - 400 050.
Tel: 89768 03943
zorobandra@zoroastrianbank.bank.in

Andheri

Mrs. Daisy Irani
Shop no. 2 & 3,
Parsian Co-op. Hsg. Soc.,
V. P. Road, (Off S. V. Road),
Opp. Fidai Baug,
Andheri (W), Mumbai- 400 058
Tel: 89768 03944
zoroandheri@zoroastrianbank.bank.in

Dadar

Mrs. Rukhshana Panthaky
658 Khorshed Abad, Katrak Road,
Dadar Parsi Colony,
Dadar (E), Mumbai - 400 014
Tel: 83560 39960
zorodadar@zoroastrianbank.bank.in

Lokhandwala

Mr. Pervez Mistry
S/41 RNA Shopping Arcade,
Swami Samarth Nagar,
Lokhandwala Complex,
Andheri (W), Mumbai - 400 053
Tel: 89768 03946
zorolcomplex@zoroastrianbank.bank.in

Mahim

Ms. Pinaz Pardiwala
Delta Apartments,
Off M. M. Chhotani Road,
Sonawala Agiary Lane,
Mahim (W), Mumbai - 400 016
Tel: 8425840214
zoromahim@zoroastrianbank.bank.in

Borivali

Mr. Sanjay Lotlikar
8 / 10 Dattani Trade Centre,
Chandavarkar Road, Borivali (W),
Mumbai - 400 092
Tel: 89768 03948
zoroborivali@zoroastrianbank.bank.in

Thane

Mrs. Preeti Vyas
Nargis Bldg, Gr. Floor,
Edulji Road, Charai,
Thane (West) - 400601
Tel: 89768 03951
zorothane@zoroastrianbank.bank.in

Dahisar

Mr. Ajay Tambe
Shop 2,Rustomjee Business School,
Rustomjee Acres, Jaywant Road,
Dahisar (W), Mumbai - 400 068
Tel: 89768 03950
zorodahisar@zoroastrianbank.bank.in

Goregaon

Mr. Rajesh Bodalia
6, Onkar Bldg, Opp. Oberoi Mall,
Dindoshi (Film City Road),
Goregaon (E), Mumbai - 400 097
Tel: 87795 13269
zorogoregaon@zoroastrianbank.bank.in

PUNE BRANCH

Mrs. Jasmine Kerawalla
The Albert Edward Institute & Cowasjee Dinshaw Hall & Library,
2430 General Thimmayya Road, Pune Camp, Pune - 411 001
Tel: 89768 03851 / zoropune@zoroastrianbank.bank.in

SURAT BRANCHES

Surat Regional Office

Mr. Dharmesh K More
20, Belgium Chambers,
Delhi Gate, Ring Road,
Surat-395003
Tel.: 9898995338
zorobelgium@zoroastrianbank.bank.in

Belgium Chambers

Mr. Prakashbhai Ahir
36/38 & 54/56, Belgium Tower,
Delhi Gate, Ring Road,
Surat - 395 003.
Tel.: 63519 73955
zorobelgium@zoroastrianbank.bank.in

Patel Park

Mr. Vipulkumar Patel
11, Patel Park, Tadwadi,
Rander Road,
Surat - 395 009.
Tel: 98989 95337
zoropatelpark@zoroastrianbank.bank.in

Abhishek Market

Mr. Bhailalbhai Patel
1, Balaji Market,
Ring Road,
Surat - 395 002.
Tel: 98989 95339
zoroabhishek@zoroastrianbank.bank.in

Udhna Magdalla

Mr. Sanjaykumar Bhandari
Shop No. U-14,
New Ashirwad Square,
Sosyo Circle, Udhna Magdalla Rd.,
Surat - 395 007.
Tel: 98989 95340
zoroudhna@zoroastrianbank.bank.in

Citylight

Mr. Nareshkumar Patel
UG-14 Hira Panna Shopping,
Centre, Citylight Road,
Surat - 395 007.
Tel: 63519 73975
zorocitylight@zoroastrianbank.bank.in

Ved Katargam

Mr. Rexul Patel
24, Parth Complex,
Katargam-Siganpore Road,
Surat - 395 004.
Tel: 98989 95343
zorovedkatargam@zoroastrianbank.bank.in

CELEBRATING

100 YEARS

OF

TRUST BUILT TOGETHER

For a century, you have trusted us with your Savings, Businesses, Aspirations and Future. That trust has been the foundation of everything we have achieved.

Today, as we embrace modern banking solutions and digital innovation, we continue to be guided by the same values that have defined us since the beginning.

As we celebrate this remarkable milestone, we extend our heartfelt gratitude to every customer, every family and every generation that has been part of our journey.

Thank you

for making our first 100 years possible

Here's to many more...

THE ZOROASTRIAN CO-OPERATIVE BANK LTD

Moving Forward

ZOROASTRIAN BANK

The Zoroastrian Co-operative Bank Ltd.

Multi-State Scheduled Bank

The Bank that is Big on Tradition & Trust