

**DIRECTORS' REPORT**

Dear Shareholders,

The Board of Directors take the pleasure of presenting the Forty Eighth Annual Report along with the Audited Statement of Accounts for the Financial Year ended 31st March, 2024.

GLOBAL SCENARIO

As per the report by World Bank on Global Economic Prospects 2024, global economy is projected to grow by 2.40% in 2023-24 and 2.70% in 2024-25. Risk of a global recession has receded, resulting in a better global economic position than previous year. However, increased geopolitical tensions may present fresh near term challenges for the world economy.

As per the International Monetary Fund's report on World Economic outlook, the world economy is projected to grow at 3.20% during 2024-25. Global economic growth has maintained its strength in some developed economies and some emerging markets, while risks to financial stability have receded as disinflation is entering the last mile.

The United Nations, in its report on World Economic Situation and Prospects 2024, is forecasting global growth at 2.70% in the F.Y. 2023-24. Its near-term outlook is cautiously optimistic as economic vulnerabilities remain, amid persistently higher interest rates and increasing climatic risks.

INDIAN ECONOMY

The report "Indian Economy - A Review" published by the Department of Economic Affairs says as per estimates India's growth is expected to remain strong, supported by macroeconomic and financial stability. Decisive policy actions over the last decade have strengthened India's infrastructure and financial sector, fostering inclusive development and job creation. India may sustain a growth rate of over 7% for the F.Y. 2023-24 and F.Y. 2024-25. The National Statistical Office had estimated India's real GDP to growth at 8.20% in the F.Y. 2023-24.

World Bank in its report has estimated India's F.Y. 2024-25 economic growth at 6.60%. The World Bank said that growth in services and industry is expected to remain robust, with the latter aided by strong construction and real estate activity while inflationary pressure is expected to subside, thus creating more policy space for easing financial conditions. However, efforts to control elevated debt, borrowing costs and fiscal deficits may eventually weigh on growth and limit the ability to respond to increasingly frequent climate shocks. The Asian Development Bank in its Asian Development Outlook had forecasted India's growth at 7% for the F.Y. 2023-24 and 7.20% for the F.Y. 2024-25 driven by robust investment and improving consumption.

As per the Second Advance Estimates (SAE) released by The National Statistical Office (NSO), the domestic economy is experiencing strong momentum and real Gross Domestic Product (GDP) expanded at 7.60% in the F.Y. 2023-24 on the back of buoyant domestic demand. The Reserve Bank of India's Monetary Policy Committee (MPC) at its meeting held in the month of June 2024 has projected India's GDP growth at 7.20% for the F.Y. 2024-25. The MPC noted that domestic economic activity remains resilient, backed by strong investment demand and upbeat business and consumer sentiments. Inflation has come down from its highest level of 7.44%, however rising food prices are slowing the pace of decrease. This makes it harder to bring inflation down to the RBI target level of 4%.

FINANCIAL PERFORMANCE

The key financial highlights of the Bank for the year ended 31st March, 2024:

Amount (₹ in Crore)

PARTICULARS	YEAR	
	31/03/2024	31/03/2023
Paid up Capital	203.44	235.65
Reserves	1,492.63	1,349.15
Working Capital	14,242.75	13,883.29
Total Business	18,826.81	18,291.49
Deposits	11,582.45	11,276.71
Advances	7,244.36	7,014.78
Gross Income	1,069.06	1,027.89
Net Profit/Loss above the line	11.78	(149.39)
Net Profit/Loss below the line	20.64	50.59
CRAR	13.70%	12.63%

- DEPOSITS increased by ₹ 305.74 Crore i.e. 2.71%
- ADVANCES increased by ₹ 229.58 Crore i.e. 3.27%
- NET PROFIT/ (LOSS) stood at ₹ 11.78 Crore as compared to (₹ 149.39) Crore in the previous year.
- BUSINESS PER EMPLOYEE stood at ₹ 13.78 Crore.

PROFIT

The operating profit for the F.Y. 2023-24 is ₹ 140.68 Crore. However, the Net Profit for the year is ₹ 11.78 Crore after provisioning towards BDDR and Security Receipts totally amounting to ₹ 120.64 Crore and Tax amounting to ₹ 6.99 Crore.

Bank has drawn from the Bad & Doubtful Debts Reserve ₹ 8.86 Crore and credited the same to below the line in the Profit & Loss account, with prior approval from the Reserve Bank of India.

**APPROPRIATION OF PROFITS**

In accordance with RBI guidelines and the provisions of section 63 of Multi-State Co-operative Societies Act 2002, the following appropriation of the Net Profit is recommended to the General Body for approval:

Reserve Fund & Other Reserves	Amount of Appropriation (₹)	Position as on 31/03/2024 after appropriation (₹)
Statutory Reserve	2,94,50,000	328,29,37,673
Dividend Equalization Fund		3,05,00,000
Bad and Doubtful Debts Reserve		301,93,42,705
Bad and Doubtful Debts Reserve (ARC)		1,33,85,841
Contingent provision against Standard Assets		28,75,00,000
Charity Fund		10,00,000
Special Reserve	1,17,80,000	120,49,50,000
Investment Fluctuation Reserve	5,00,00,000	45,51,01,059
Contribution to Education Fund of N.C.U.I.	11,78,003	11,78,003
Education Fund		10,00,000
Special Reserve for Restructured Assets		32,00,00,000
General Reserve (Deferred Tax)		9,11,30,000
Net Open Foreign Currency Position Reserve		1,00,00,000
Special Reserve u/s.36(1)(viii)		2,00,00,000
Members Welfare Fund		10,00,000
Revaluation Reserve		248,19,53,790
Bad & Doubtful Debts Reserve for Security Receipts(SRs)		371,97,12,640
General Reserve		7,80,33,288
Balance Carried Forward	38,13,98,191	38,13,98,191
TOTAL	47,38,06,194	1540,01,23,190

PROVISION FOR INCOME TAX

Provision for tax in the Financial Year 2023-24 is computed after considering items allowable / inadmissible as per the Income Tax Act 1961. The estimated tax outflow for the F.Y. 2023-24 is ₹ 32.10 Crore. The net provision for taxes after giving effect to the Deferred Tax Liability arising out of the timing differences and provisioning in accordance with the Accounting Standards AS-22 is ₹ 6.99 Crore as detailed hereunder.

	(₹ in Crore)
Net Tax Liability for the year	32.10
ADD : Tax paid for the earlier year	(0.01)
ADD : Deferred Tax Liability	(25.10)
Provision made in Profit & Loss Account	6.99

AWARDS / RECOGNITIONS

The Bank has received following awards during F.Y. 2023-24 in recognition of its initiatives.

- Best IT Risk Management Award by Indian Banks' Association (IBA) during their 19th Banking & Technology Conference held on 09.02.2024
- "Best HR Management Award" at the 17th All India Co-operative Banking Summit by NAFCUB and Banking Frontiers.
- "Best Security Initiative Award" at the 17th All India Co-operative Banking Summit by NAFCUB and Banking Frontiers
- "IT Excellence Award" at Banco Blue Ribbon Award Ceremony.

DIVIDEND

Profit of the Bank during the year under report is ₹ 11.78 Crore which is subject to statutory appropriation. However, declaration / payout of dividend for the F.Y. 2023-24 is subject to the approval of the Reserve Bank of India.

CAPITAL TO RISK WEIGHTED ASSETS

Bank has consistently maintained a healthy Capital to Risk Weighted Assets Ratio (CRAR). The CRAR of the Bank is 13.70% as on 31st March, 2024 which is well above the minimum regulatory requirement of 12% prescribed by the Reserve Bank of India for Banks with a license to transact Foreign Exchange Business.

MEMBERSHIP

The number of members of the Bank as on 31st March, 2024 is as under:

Type of Membership	As on 31 st March, 2023	Deletion of members during the year	Admission of new members during the year	As on 31 st March, 2024
Regular	1,80,527	3,290	2,513	1,79,750
Nominal	36,826	19,379	1,075	18,522

BRANCH NETWORK

The Bank is rendering services through its 101 branches, 3 extension counters, 104 on-site ATM centres and 3 off-site ATM centres across the States of Maharashtra, Karnataka & Gujarat.

During the year, the Bank shifted the business activities of Mulund (West) branch to better premises and opened three new Extension Counters viz. Diva, Anjurphata (Bhiwandi) and Bhiwandi Extension Counters to facilitate customer convenience.

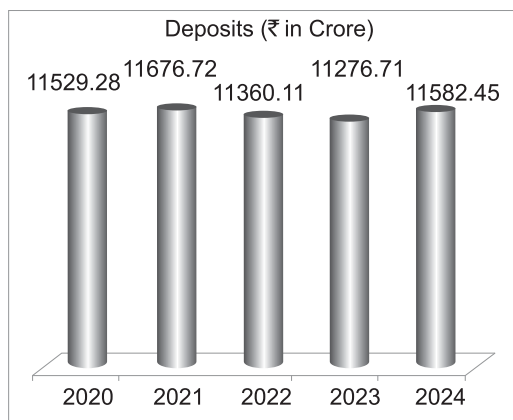
The Bank took a conscious decision to close the Vadodara Branch and Bannerghatta Extension Counter to optimize its resources and improve operational efficiency.

DEPOSIT INSURANCE

The deposits of customers continue to be insured up to ₹ 5 Lakh with the Deposit Insurance & Credit Guarantee Corporation (DICGC). The Bank is regular & prompt in paying insurance premium to DICGC.



DEPOSITS



Deposits of the Bank were ₹ 11,582.45 Crore as on 31.03.2024 as compared to ₹ 11,276.71 Crore as on 31.03.2023. During the year the Bank continued to focus on mobilizing low-cost and retail term deposits to improve its profitability. This approach has helped the Bank to contain the cost of deposits and also widen the customer base.

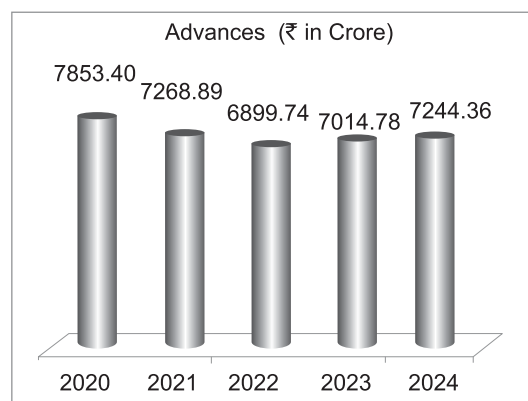
ADVANCES

Advances of the Bank were ₹ 7,244.36 Crore as on 31.03.2024 as compared to ₹ 7,014.78 Crore as on 31.03.2023.

The Bank's Credit Deposit Ratio as on 31.03.2024 stood at 62.55% as against 62.21% as on 31.03.2023. In the F.Y. 2023-24 the Bank's main focus was to increase its Retail Credit portfolio and Priority Sector advances in compliance with Reserve Bank of India guidelines.

RBI vide its circular dated March 13, 2020 has issued guidelines to UCB's on Prudential Exposure Limit to have at least 50% of aggregate loans and advances comprising loans of not more than ₹ 25.00 Lakh or 0.2% of their Tier I Capital, whichever is higher, subject to a maximum of ₹ 1.00 Crore per borrower/party in phased manner upto 31.03.2024. The Bank has already taken necessary steps in this direction. Bank's advances upto ₹ 1.00 Crore stood at 35.26% to total Loan & Advances.

During the year under review, the Priority Sector Advances stood at 63.42% of the Adjusted Net Bank Credit and the Advance to Micro Enterprises stood at 15.97% as against the target of 60% & 7.50% respectively stipulated by RBI. The Advances to Weaker Section stood at 8.93% of the total portfolio as against the target of 11.50% stipulated by RBI.



NON PERFORMING ASSETS

Persistent recovery measures through various recovery channels including actions under SARFAESI Act, 2002 resulted in reduction of NPAs.

The Gross NPA stood at ₹ 561.33 Crore forming 7.75% of total advances as on 31st March, 2024. Net NPA of the Bank was ₹ 259.39 Crore which constitutes 3.74% of Net Advances.

The Bank refers disputes relating to recovery of dues in the state of Maharashtra to Justice Shri. Rajan Jodharaj Kochar (Retd.), High Court of Bombay, Shri. Vasant Narayan Lothey (Patil), Ex-Presiding Officer (Judge), Debt Recovery Tribunal-III - Mumbai & Debt Recovery Tribunal II - Ahmedabad and Shri. Kailashchandra L. Vyas, Advocate & Retd. District Judge, who were appointed as Arbitrators by the Commissioner for Co-operation and Registrar of Co-operative Societies, Maharashtra State.

Disputes relating to recovery of dues in the State of Karnataka are referred to Shri. C. N. Badrinath Additional Registrar of Co-operative Societies (Retd.) and Central Arbitrator & Ex-Member, Karnataka Appellate Tribunal, who was appointed as Arbitrator by the Central Registrar of Co-operative Societies.

Classification of Assets and Provisioning made against Non-Performing Assets as on 31st March, 2024

(₹ in Lakh)

Classification of Assets	No. of A/Cs	Amount Outstanding	% of Col.3 to Total Loans Outstanding	Provision required to be made		Existing provision at the beginning of the year	Provisioning made during the year under report	Total provisions as at the end of the year	Remarks
				%	Amount				
1.	2.	3.	4.	5.		6.	7.	8.	9.
Total Loans and Advances	28463	724436.26							
of which :									
A. Standard Assets	26449	668303.61	92.25	0.40 to 5	2875.00	2875.00	-	2875.00	
B. Non-Performing Assets						29469.70	723.73	30,193.43	
1. Sub-Standard	183	7811.56	1.08	10	781.16				
2. Doubtful									
(i) Upto 1 year									
a) Secured	148	10208.56	1.41	20	2041.72				
b) Unsecured	12	3141.86	0.43	100	3141.86				
(ii) Above 1 year and upto 3 years									
a) Secured	907	16111.69	2.22	30	4833.52				
b) Unsecured	244	2790.62	0.39	100	2790.62				
(iii) Above 3 years									
a) Secured	203	8507.37	1.17	100	8507.37				
b) Unsecured	199	4859.84	0.68	100	4859.84				
Total Doubtful Assets (i + ii + iii)	1713	45619.94	6.30		26174.93				
a) Secured	1258	34827.62	4.80		15382.61				
b) Unsecured	455	10792.32	1.50		10792.32				
3. Loss Assets	118	2701.15	0.37	100	2701.15				
Gross NPA's (B1+B2+B3)	2014	56132.65	7.75		29657.24	29469.70	723.73	30193.43	

(₹ in Lakh)

Sr. No.	Particulars	31.03.2024	31.03.2023
1	Gross Advances	724436.26	701478.09
2	Gross NPAs	56132.65	63389.03
3	Gross NPAs as a percentage to Gross Advances	7.75	9.04
4	Deductions	---	---
	- Balance in interest suspense account/ OIR	---	---
	- DICGC/ ECGC claims received and held pending adjustment	---	---
	- Part payment on NPA account received and kept in suspense account	---	---
5	Total NPA provisions held (BDDR, Special BDDR Balance after appropriation)	30193.43	29469.70
6	Net advances (1-4-5)	694242.83	672008.39
7	Net NPA (2-4-5)	25939.22	33919.33
8	Net NPAs as percentage of net advances	3.74	5.05



FOREIGN EXCHANGE BUSINESS

The Bank has been providing foreign exchange services since 2009 as AD-Category-I Bank through its 'B-Category' branches at Goregaon (East) and Fort (Mumbai). The foreign exchange business of the Bank has shown considerable growth all these years. During the year under review, the foreign exchange merchant turnover stood at ₹ 2,337.61 Crore.

To facilitate global trade and remittances the Bank is maintaining Nostro Accounts in 8 major currencies viz. USD, EURO, GBP, SGD, AED, JPY, AUD and CAD with International Banks. The Bank is maintaining Correspondent relationship with International Banks for smooth trade transactions.

The Bank offers wide range of Forex products such as issuance of Import Letter of Credit, Inward / Outward remittances, issuance of foreign bank guarantees, hedging services such as booking of forward contract to protect the customer from exchange rate risk. The Bank also offers Export Finance in Indian Rupee and foreign currency (PCFC / PSCFC) and discounting of export LC's.

The Bank is offering deposit products to Non-resident Indians such as Non Resident External (NRE) accounts, Non Resident Ordinary (NRO) accounts and Foreign Currency Non Resident (FCNR) deposits at competitive interest rates.

TREASURY

The Bank's investment portfolio stood at ₹ 4,994.48 Crore as on 31.03.2024 out of which an amount of ₹ 2,694.96 Crore has been invested in government and other approved securities. The Bank's total investment in government and other approved securities as on 31.03.2024 stood at 22.85% of its applicable Net Demand and Time Liabilities (NDTL).

The Bank's Treasury Department manages liquidity, interest rate risk of investment portfolio & complies with the reserve requirement. The Bank has always adhered to the statutory and regulatory guidelines. The Reserve Bank of India's Monetary Policy Committee held its benchmark policy rate at 6.50% during F.Y. 2023-24 and maintained its stance to remain focused on withdrawal of accommodation so as to ensure fuller transmission and anchoring of inflation expectations.

The yield on the 10 Year benchmark government securities (7.18 GS 2033) as on 31.03.2024 stood at 7.06% as against 7.31% (7.26 GS 2033) on 31.03.2023. Bond yields eased on account of anticipated interest rate cut by the US Fed and also rate cut by RBI in the near future, considering the falling inflation.

BANCASSURANCE

The Bank is a Corporate Agent for Bancassurance under the License issued by IRDAI offering a bouquet of insurance products across all the branches.

The Bank is having tie-up arrangement in various segments as under:

Segment	Name of Insurance Partners
Life Insurance	Life Insurance Corporation of India
	HDFC Life Insurance Co. Ltd.
	Aditya Birla Sun Life Insurance Co. Ltd.
General Insurance	The New India Assurance Co. Ltd.
	Bajaj Allianz General Insurance Co. Ltd.

During the F.Y. 2023-24, the Bank has earned revenue of ₹ 2.62 Crore from the sale of third party insurance products as against ₹ 2.11 Crore in the F.Y. 2022-23.

AUDIT & INSPECTION

The Bank has a sound and comprehensive audit mechanism in place which plays a crucial role in maintenance, assessment and effectiveness of the Bank's internal control system and procedures. Audit activities are guided by well-defined Audit Policy of the Bank which is reviewed on yearly basis. The Bank's audits are being carried out by the external agencies as well as in-house audit team.

RBI INSPECTION

The officials of RBI had carried out inspection of the Bank covering the period up to 31.03.2023 under Section 35 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies).

STATUTORY AUDIT

M/s. Jain Tripathi & Co, Chartered Accountants, whose reappointment was approved by RBI on 05.06.2023 and it was endorsed by the shareholders at the 47th Annual General Meeting held on 25th August, 2023 to carry out the Statutory Audit of the Bank.

RISK BASED INTERNAL AUDIT

From the F.Y. 2022-23 onwards the Internal Audit function of the Bank is conducted by the officials posted in Audit Department in adherence to the RBI Circular bearing Ref. No.DoS.CO.PPG./sec.05/ 11.01.005/2020-21 dated 03.02.2021 on Risk Based Internal Audit.

CONCURRENT AUDIT

Branches of the Bank have been categorized as High, Medium and Low Risk based on the risk perception and volume of business. Out of 101 branches of the Bank, 50 Branches are under Concurrent Audit conducted by various Chartered Accountant firms.

INFORMATION SYSTEM AUDIT & ASSESSMENTS

To assess the Bank's infrastructures, IT Systems, Applications etc., the Bank had been conducting various audits such as Information System Audit, Cyber Security Audit, Process & System Audit, Application Security & Source Code Audit of the critical applications. Vulnerability Assessment of all critical network and security devices, Servers etc. and Third Party Risk Assessment (TPRA) of important Vendors and Red Teaming exercises are also conducted on regular basis.

INFORMATION TECHNOLOGY

Upgradation of IT Infrastructure of the Bank is an ongoing process and the Bank makes all efforts to ensure that its critical IT Infrastructure runs on the latest hardware and software versions. The Bank has enhanced its main data center by deploying state-of-the-art smart racks which provide latest features like access control, precision cooling, fire suppression unit and alerting systems. Redundancies are provided at all levels of the IT Infrastructure to minimize unforeseen outages. Multiple link and power redundancies are deployed to ensure optimum connectivity and power availability. The Bank is in the process of enhancing its Disaster Recovery site to ensure availability of critical banking services to its customers during disasters.

The Bank is making continuous progress towards technological upgradation to provide best of the services to its customers through different channels. In this direction the Bank is working on upgrading the existing CBS and Treasury application to a higher version to meet the security requirements along with necessary surrounding systems.

The Bank has been continuously investing in technology to improve customer experience for the last few years. With newer technologies emerging at a fast pace, the banking sector has experienced transformational changes over the past decade. The Bank strategically formed a 'Digital Banking Department', thereby offering new digital products/services and improving customer experience. The Bank has launched digital services like UPI, Platinum Debit Cards, IMPS and Housing Society Application. The Bank has seen remarkable increase in digital transactions in the F.Y. 2023-24.

The Bank is in the process of implementing Digital On-Boarding of Customers, Upgrading Mobile Banking and Internet Banking.

Further, to safeguard the Bank's Infrastructure and customer information the Bank had been concentrating on the Zero Trust Environment (ZTE) and implemented various security layers such as upgrading to Next Generation Firewalls, Network Access Controls Systems, Data Leak Prevention (DLP), Micro-segmentation, EDR Solutions,



SIEM with managed SOC, Email & Web Security and other security layers to safeguard the Bank's Infrastructure and information. The Bank had been regularly conducting the security assessments and cyber drills to improve the cyber security posture of the Bank.

COMPLIANCE FUNCTION

The Compliance Function in Corporate Governance serves a critical role. As part of its ongoing efforts to address supervisory concerns and enhance sound practices in banking operations, Reserve Bank of India (RBI) has made Compliance Function mandatory for all Urban Co-operative Banks under Tier 3 and Tier 4 categories by issuing guidance on certain principles, standards and procedures for Compliance Function in Urban Co-operative Banks.

Accordingly, Bank has set up an independent Compliance Function headed by a Chief Compliance Officer (CCO). The scope of compliance department includes identifying, assessing, monitoring, managing and reporting the regulatory compliance risk faced by the Bank.

RISK MANAGEMENT

Risk Management is the process of identifying, assessing, controlling and mitigating the risks. Effective Risk Management enables the bank to fulfil the expectations of the stakeholders safeguarding their interests and preserving their long term values.

The Bank has in place framework of policies to protect the institution from untoward risks and minimise the losses, duly approved by the Board of Directors.

In the present dynamic business environment, developing an effective Risk Management Program encompassing various types of risks involved is of utmost importance. The Bank has put in place an Integrated Risk Management framework. This framework will provide the Bank with a mechanism to develop an overall approach to manage strategic risks by creating means to analyse, compare and evaluate various risks. The Bank has a Risk Appetite Statement, to articulate the aggregate level / type of risk that the Bank will accept / avoid to achieve its business objectives. The Bank has in place Risk Management Committee (RMC) for evaluating the overall risks likely to be faced by the Bank in line with the Risk Appetite of the Bank.

HUMAN RESOURCE MANAGEMENT

The Bank has taken multiple initiatives for strengthening and developing its human resources viz. addressing training needs of employees, employee engagement, capability building, succession planning, recruitment & health and wellness initiatives for employees. The Bank has a committed and dedicated workforce of 1366 employees as on 31st March, 2024.

The Bank strives to ensure that the employee experience across all levels is enhanced by investing in its human capital and taking measures to constantly reinvent its people processes. The Bank has adopted "Code of Ethics" to develop a strong ethical culture that leads to building of better trust with employees, customers and other stakeholders.

LEARNING & DEVELOPMENT

The Bank has always emphasized on a knowledge driven approach for visualising the future and bringing that future to the present by promoting a culture of continuous learning for the development of the employees and the Bank. Providing need based training to the employees and to match it with the organizational needs is one of the strong features of the Bank's training system.

The Bank's approach to training identifies the functional, mandatory and behavioural training needs for employees at different levels of career development and addresses these requirements in a systematic manner. The Bank imparts trainings both through in-house team and professional external trainers. During the year, the employees were deputed to various training programmes conducted by institutes / organizations viz. Reserve Bank of India, National Institute of Bank Management, Indian Bank's Association, NAFCUB, Indian Institute of Banking and Finance, FEDAI etc.

Some of the training initiatives are as below :

- Training on KYC and Anti Money Laundering
- Training on Treasury and Foreign Exchange Market
- Training on IT vendor Risk Management
- Training on Credit Management
- Training on Emotional Intelligence, Stress Management and Inter-Personal Effectiveness
- Training on Foreign Exchange, NRE/NRO and Insurance
- Training on Asset Liability Management
- Training on Customer Service and Leadership Development Programme
- Training on Risk Based Internal Audit
- Training on Cyber Security for Employees and Directors
- Training on Prevention of Sexual Harassment

EMPLOYEE ENGAGEMENT

With the objective of encouraging an atmosphere of fun, camaraderie and to provide employees a platform to showcase their talent and creativity, the Bank has conducted a number of initiatives to drive employee engagement under the aegis of the Staff Welfare Club.

To propagate preventive health care, the Bank conducted medical screening camps and wellness initiatives for employees and their family members. To bring about cohesiveness and feeling of belongingness among the employees, the Bank organizes get-togethers, activities, competitions etc.

The Bank recognizes employee well-being as the foundation that will enable fostering of high-quality, customer-centric, service-driven workforce committed to realizing its vision.

EMPLOYEE RELATIONS

The Board of Directors and the Bank Management acknowledge with deep appreciation, the contribution of all employees in providing sincere and dedicated customer service. The Bank has always believed in nurturing the cordial relations it shares with all the employees, recognized Officers' Association and Employees Union.

The Bank propagates employee centric initiatives to motivate employees and form a healthy employer-employee relationship and is committed to providing a safe and harmonious working environment to all employees.

AMENDMENTS TO BYE-LAWS

The Board of Directors had proposed amendment to the bye-law no. 29.c) of the Bank, which was unanimously approved at the Annual General Meeting held on Friday, the 25th August, 2023.

The Central Registrar of Co-operative Societies, New Delhi, vide it's letter dated November 15, 2023 has approved and registered the amendment to bye-law No.29.c).

The Multi-State Co-operative Societies (MSCS) (Amendment) Act, 2023 has been notified vide gazette notification dated 03.08.2023 and the MSCS Amendment Rules, 2023 have been notified vide gazette notification dated 04.08.2023. Subsequently, Office of the Central Registrar of Co-operative Societies, New Delhi vide circular dated October 16, 2023 has stated that it is imperative for all Multi-State Co-operative Societies to amend their existing bye-laws to bring them in consistent with the amended Act & Rules.

The Board of Directors of the Bank propose to amend some of the bye-laws of the Bank taking into account the provisions of MSCS (Amendment) Act and Rules, 2023, regulatory guidelines and for other purposes as mentioned against each of the amendments to Bye-laws.

The proposed amendments are detailed on page 69 for deliberations and members' approval.

**ELECTION TO THE BOARD OF DIRECTORS**

The five year term of the Board of Directors of your Bank ended on 01.10.2023. Thus in accordance with the provisions of the MSCS Act 2002, Rules and the Bye-laws of the Bank, Shri. Anil K. Chavan, Additional Registrar Co-operative Societies, Maharashtra State (Retired) was appointed as Returning Officer for conduct of election to the Board of Directors of the Bank for the period 2023-28. The appointment of the Returning Officer was conveyed to the Central Registrar of Co-operative Societies, Ministry of Cooperation, New Delhi.

Shri. Anil K. Chavan intimated to the Central Registrar of Co-operative Societies of having commenced the election process as per Rule 19 of the Multi-State Co-operative Societies Rules, 2002 and the schedule attached thereto.

As per bye-law No. 31 (a) of the Bank, 20 (Twenty) seats were to be elected on the Board of Directors of the Bank i.e. 17 seats for General category, 1 seat for scheduled caste / scheduled tribe category and 2 seats for women category.

Shri. Anil K. Chavan, Returning Officer prepared election programme and the same was published in various daily newspapers on 30.08.2023. The election programme was also displayed on the notice boards of all Branches, extension counters, Registered Office and Central Office of the Bank.

As per the election programme declared a total number of 49 nomination forms were received viz., 44 in the General category, 1 in the category of SC/ST and 4 in the category of women as on 11.09.2023, which was the last date to receive nomination forms. Scrutiny of nomination forms was undertaken on 14.09.2023 from 11.00 a.m. One nomination form was rejected as per Rule 4a (ii) of the schedule attached to Multi -State Co-operative Societies Act, 2002.

The list of total number of valid nominations was published on 14.09.2023. Since there was only one candidate in the category of SC/ST, there was no contest for the said category. In the General Category, there were 43, out of which 7 candidates withdrew their nominations. Thus, there were 36 contesting candidates for contest in the General Category and 4 contesting candidates for contest in Women Category as on 15.09.2023.

Since there were 36 contesting candidates for 17 General Category seats on the Board of Directors, and 4 contesting candidates for 2 Women Category seats, polling was conducted on 02.10.2023, as stated in the published Election Programme.

The notice about polling on 02.10.2023 was displayed at the Notice Boards of Registered Office, Central Office, all Branches, extension counters and at the office of the Returning Officer. Special notice to members informing about the polling centres & booths and polling on 02.10.2023 was sent by post. The special notice was also published in newspapers on 18.09.2023.

The election was conducted on 02.10.2023 and counting of votes was held on 04.10.2023 as per the election programme published.

The results for 17 seats in General category and 2 seats in Women Category on the Board of Directors of the Bank for 5 years term viz., 2023-28 was declared at the General Body Meeting of the Bank held on 05.10.2023 at 4.00 p.m. as per the election programme.

At the General Body Meeting of the Bank held on 05.10.2023 presided over by Shri. Anil K. Chavan, the Returning Officer, the under mentioned candidates have been declared duly elected to the Board of Directors of the Bank for 5 years term viz., 2023-28.

Shri. Amin Somnath B., Shri. Kotian Ashok M., Shri. Kotian Jaya A., Shri. Poojari Chandrashekar S., Shri. Poojari Naresh K., Shri. Poojari Niranjana L., Shri. Poojari Santosh K., Shri. Poojari Dayanand R., Shri. Poojari Ganesh D., Shri. Poojari Gangadhar J., Shri. Poojari Harish V., Shri. Poojari Mohandas G., Shri. Saliya Bhaskar M., Shri. K. Narayana Suvarna, Shri. Suvarna Narayan L., Shri. Suvarna Suresh B. Shri. Suvarna Suryakant J., Smt. Bangera Asha R., Smt. Saliya Jayalaxmi P. and Shri. Harijan Anbalagan C.

In accordance with Schedule 7 attached to Rule 20 of the Multi-State Co-operative Societies Rules, 2002, the first meeting of the newly elected Board of Directors for election of Office Bearers / Chairman / Vice Chairman was convened by the Returning Officer on 11.10.2023 at Central Office of the Bank and in the said meeting, Shri. Suryakant Jaya Suvarna and Shri. Somnath B. Amin were elected unanimously as Chairman and Vice Chairman of the Bank, respectively.

CO-OPTION OF DIRECTORS

In terms of section 41(3) of the Multi-State Co-operative Societies Act, 2002 and Bye-law No.31 (ii) of the Bank, the Board of Directors co-opted Shri. Gouresh R. Kotian and Smt. Jayshree M. Hejmadi as Directors of the Bank for a period of one year.

RESIGNATION OF DIRECTORS

Shri. K. N. Suvarna and Shri. Jaya A. Kotian tendered their resignations from the position of Directors of the Bank. Their resignations were accepted by the Board of Directors at the meeting held on 13th February, 2024.

BOARD OF MANAGEMENT

In accordance with the circular bearing ref. no. RBI/2019-20/128 DoR (PCB).BPD.Cir.No.8/12.05.002/2019-20 dated 31.12.2019 received from the Reserve Bank of India regarding the constitution of Board of Management (BoM) in Primary (Urban) Co-operative Banks (UCBs) and as per the bye-law Nos. 65 (i), 66 (I to V), 67 (a to j), 68 and 69 of the Bank, the Board of Directors at the meeting held on 18.10.2023, has constituted the Board of Management (BoM) consisting of members with experience in the field of law, finance, banking and co-operation. The Board of Management (BoM) consists of the following members:

Shri. Somnath B. Amin

Smt. Jayalaxmi P. Salian

Shri. Ashok K. Kotian

Shri. Prajwal J. Poojari

Shri. Nityanand D. Kotian

Shri. Vidyand S. Karkera, Managing Director & CEO

The Board at the meeting held on 18.10.2023 has appointed Shri. Somnath B. Amin as the Chairman of Board of Management (BoM). Subsequently the Board at its Meeting held on 22.03.2024 appointed Shri. Prajwal J. Poojari as the Chairman of the Board of Management (BoM).

The Board of Management constituted to facilitate professional management and focused attention to banking related activities of the Bank met on 21 occasions during the year under report.

CORPORATE GOVERNANCE

The Bank is continuously striving to achieve excellence in corporate governance by balancing the interests of shareholders and customers, compliance to the statutory & legal requirements and transparency in all activities. The Bank ensures adherence to these attributes, in addition to prudent Banking systems and procedures.

In consonance with the provisions of Section 53 of the Multi-State Co-operative Societies Act, 2002, the Committees of the Board were constituted on 18th October, 2023 and reconstituted on 30th March, 2024. Various committees of the Board are as under:



EXECUTIVE & IT STRATEGY, STEERING & SECURITY COMMITTEE OF THE BOARD	
Shri. Suryakant J. Suvarna	Chairman
Shri. Somnath B. Amin	Member
Shri. Bhaskar M. Salián	Member
Shri. Gangadhar J. Poojary	Member
Shri. Ashok M. Kotian	Member
Shri. Mohandas G. Poojary	Member
Shri. Ganesh D. Poojary	Member
Smt. Jayalaxmi P. Salián	Member
Shri. Vidyanand S. Karkera	MD & CEO

AUDIT AND RECOVERY COMMITTEE OF THE BOARD	
Shri. Bhaskar M. Salián	Chairman
Shri. Suryakant J. Suvarna	Member
Shri. Chandrashekar S. Poojari	Member
Shri. Niránjan L. Poojari	Member
Shri. Santosh K. Poojari	Member
Smt. Asha R. Bangera	Member
Smt. Jayshree M. Hejmadi	Member
Shri. Vidyanand S. Karkera	MD & CEO

LOAN COMMITTEE OF THE BOARD	
Shri. Somnath B. Amin	Chairman
Shri. Gangadhar J. Poojary	Member
Shri. Suresh B. Suvarna	Member
Smt. Asha R. Bangera	Member
Smt. Jayalaxmi P. Salián	Member
Shri. Vidyanand S. Karkera	MD & CEO

SPECIAL COMMITTEE OF THE BOARD FOR MONITORING FRAUDS & RISK MANAGEMENT COMMITTEE OF THE BOARD	
Shri. Suryakant J. Suvarna	Chairman
Shri. Bhaskar M. Salián	Member
Shri. Chandrashekar S. Poojari	Member
Shri. Mohandas G. Poojary	Member
Smt. Asha R. Bangera	Member
Shri. Vidyanand S. Karkera	MD & CEO

All the above Committees of the Board met from time to time to carry out the responsibilities entrusted to them for the qualitative growth of the business of the Bank.

The Bank ensures highest level of ethical standards, professional integrity & corporate governance. The Bank practices the cardinal principles of business ethics, accountability, responsibility, transparency and effective supervision, which serve as the basic approach to corporate governance.

The Meetings of the Board and its various Committees held during the year are as under:

Board / Committees	No. of meetings held
Board of Directors	27
Executive & IT Strategy, Steering & Security Committee of the Board	11
Loan Committee of the Board	23
Audit and Recovery Committee of the Board	16
Special Committee of the Board for monitoring Frauds & Risk Management Committee of the Board	4

STAFF EXECUTIVE COMMITTEES

Staff Executive Committees comprising of Senior Executives of the Bank are:-

- Asset Liability Management Committee
- Executives' Loan Committee
- Investment Committee
- Staff Accountability Committee

OBITUARY

The Board of Directors regret to state with a deep sense of sorrow about the sad demise of:

- Shri. D. K. Anchan, founder Director of the Bank on 29.06.2023. He was associated with the Bank for the period from 1978 to 1991 with an involvement of 13 long years, He was the Vice-Chairman of the Bank from 13.08.1988 to 10.12.1989 and the Chairman of the Bank from 11.12.1989 to 05.12.1991.
- Shri. Ranga K. Palan, former Director of the Bank on 31.07.2023. He was associated with the Bank as a Director for the period from the year 1991 to 2000.

The Board places on record its sincere appreciation of the selfless and dedicated services rendered by Late Shri. D. K. Anchan and Late Shri. Ranga K. Palan during their tenure as Directors, in the growth and various developmental activities of the Bank.

ACKNOWLEDGEMENT

The Board of Directors expresses gratitude to The Billawar Association, Mumbai, and its members for extending their support from time to time. The Board of Directors thank all the members, customers, employees, service providers, well-wishers and institutions for extending their whole-hearted support and co-operation in the growth and development of the Bank. The Board of Directors also wish to place on record the assistance, guidance and co-operation extended by the following institutions, Banks and other authorities:

1. Reserve Bank of India.
2. Central Registrar of Co-operative Societies, Government of India, New Delhi.
3. Commissioner for Co-operation and Registrar for Co-operative Societies, Maharashtra State.
4. Registrar of Co-operative Societies, Karnataka State.
5. Registrar of Co-operative Societies, Gujarat State.
6. Officials of Revenue Department at all levels in Maharashtra, Karnataka and Gujarat States.
7. Statutory Auditors, Concurrent Auditors, Information Systems Auditors, Tax Auditors and all other Auditors, Legal Advisors and Valuers.
8. National Federation of Urban Co-operative Banks and Credit Societies Ltd., New Delhi.
9. Maharashtra Urban Co-operative Banks Federation Ltd.
10. Brihanmumbai Nagari Sahakari Banks Association Ltd., Mumbai.
11. The Maharashtra State Co-operative Banks' Association Ltd., Mumbai.
12. Indian Banks' Association.
13. Foreign Exchange Dealers Association of India (FEDAI).
14. Print & Electronic Media.

For and on behalf of the Board of Directors

Place : Mumbai

Dated : 15th July, 2024

SURYAKANT J. SUVARNA
CHAIRMAN