

ADMINISTRATOR'S REPORT FY 2024-25

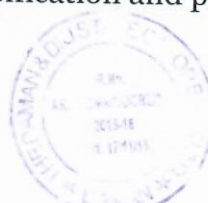
Introduction

A. Major achievements during 2024-25

- i) The bank continues to earn profit.
- ii) The bank has not defaulted in the maintenance of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).
- iii) The bank has achieved the CRAR level of 21.06% much above the stipulated level of 9% by the RBI.
- iv) The bank has obtained its own IFSC Code for undertaking RTGS/NEFT/CTS transactions through the Sponsor Bank viz., AXIS Bank, Daman. The dependency on Goa StCB for the above purpose has been dispensed with.
- v) All the branches of the Bank are profit earning.
- vi) During the year 2024-25, the bank has undertaken Technical Write-off of NPAs against which the bank had made full provisioning.
- vii) The Bank has started filing cases under SARFAESI Act in addition to Revenue Recovery Act and engaged Recovery Agents for attaching the properties of defaulters under CERSAI.
- viii) The Bank has taken several measures to strengthen the Information Technology based services to prevent Cyber Security crimes.
- ix) Bank has put in place System generated NPA reporting, asset classification and provisioning as per RBI guidelines.
- x) The bank has been obtained Credit Score Reports of the borrowers, sureties and guarantors from all the four Credit Information Companies (CICs) as per RBI instructions.
- xi) The bank has started uploading the details of its defaulters in the websites of all 4 CICs as required to avoid multiple financing by other banks.

B. Statutory Audit for 2024-25

- i) M/s. Dipti Sharma & Company had conducted the Statutory Audit of the Bank from 15th April 2025 to 15th May 2025 for the financial year ending 2024-25 and submitted the Long Form Audit Report on 27th May 2025.
- ii) The Statutory Auditors have rated the Bank as 'A' category with 78 marks for 2024-25 as against 'B' category with 73.8 marks for 2023-24.
- iii) The Statutory Auditor has given an unqualified report confirming that the bank has introduced System Generated Asset classification and provisioning thereof



with effect from 07th January 2025 as per the Income Recognition and Asset Classification norms prescribed by the RBI.

iv) Audited balance sheet, final accounts and Auditor's report was published in the newspapers on 26th June 2025.

C. Important observations made by the Statutory Auditors

- The Bank has maintained CRAR at 21.06% as on 31.3.2025 which is much above the prescribed level of 9% by the RBI.
- Gross NPA is estimated to be at around 19.63% as on 31.03.2025 which is above the tolerance level of RBI.
- The Net NPAs of the Bank stood at 8.10% as on 31st March 2025.
- At the time of sample verification of the loan classified, it was observed that the bank has correctly classified the loan accounts as NPA. No divergence was observed in the long form audit report.
- During the year, Cash credit accounts were renewed by the bank after analysing the previous year operations of the account, turnover in account, financial statements, monthly GST returns, latest net worth statement of the borrower and guarantor.
- Most of the accounts were renewed during audited the year only after ensuring sufficient Drawing Power and obtaining the financial statements and/or stock statement.
- The bank has a clear policy /system of verifying whether loan applicant has availed multiple credit facility from other banks before sanctioning of fresh loans.
- CERSAI registration for the asset Mortgaged under the bank has been done by the bank.
- The bank has obtained membership in 3 Credit Information Companies (CICs) to get the Credit Score reports from CIBIL of the borrower and the guarantor during the time of giving advances were being checked.
- NPA Provision has been routed through P&L account as per the RBI guidelines.
- No Reconciliation RTGS of the bank was of Clearing Accounts & pending.
- The Bank had reconciled its branch adjustment account as on 31.03.2025.
- Adherence to the terms and conditions of loan sanction has not been properly ensured by the branches in a few cases.



- Pre and Post sanction verification needs to be strengthened.

D. Steps taken by Bank to improve systems and procedures

1. Regulatory Compliance

- More pointed focus is given to compliance of KYC/AML guidelines of RBI, defreezing of non-KYC compliant accounts by giving due notices to the depositors, strict implementation of Risk Categorisation of depositors as per the extant guidelines of RBI.
- Branches have been instructed to ensure strict adherence of KYC compliance in respect of all borrowers and sureties.
- The bank has taken steps to fully comply with all the compliances required under the Banking Regulation Act, 1949 (AACS) and other laws.

2. NPA Monitoring

- The top management of the Bank has been very closely monitoring the recovery of NPAs, particularly in bigger loans, on a daily basis.
- Branches are given list of overdue loan accounts which are likely to slippage to NPAs for effective follow-up on a weekly basis.
- Affluent defaulters are contacted by the Managing Director and the Administrator for recovery of the bank's dues.

3. Strengthening Internal Checks & Control System

- Branches are advised to strictly ensure pre and post-sanction verification system in all loan accounts to ensure the end-use of funds lent.
- The branches are obtaining Credit Score Reports in respect of borrowers and guarantors before recommending proposals for loan sanctioning by the Head Office and Diu Regional Office.
- Regular Internal Inspections of branches are being taken up and follow-up action initiated by the Head Office.
- Concurrent Audit system by an external Chartered Accountant has been put in place in the bank recently.



4. Technological Upgradation

- i) Bio-metric log-in system has been introduced in all the branches to avoid unauthorised access in the computer systems.
- ii) Introduced the following measures to prevent Cyber crimes in the Bank.
 - Mobile number change alert from 27.01.2025
 - User-Based Domain email ID “ 13.03.2025
 - CBS Biometric based Login “ 25.03.2025
 - Biometric attendance system “ 11.04.2025
 - QR Code Service “ 09.05.2025
 - New official website (Go-live) “ 12.05.2025
 - RTGS-NEFT with Sponsor Bank “ 23.05.2025

5. Co-operation among the Co-operatives

- i) The Year 2025 is being celebrated as the International Year of Co-operation by the Govt. of India. DDStCB is actively involved in the following schemes/policies of GoI.
 - a) Membership drive at M-PACS, Dairy, Fisheries Societies and at StCB level.
 - b) DDStCB is the Convenor for PACS Computerisation Project of the GoI and UT Administration.
 - c) It is also the Convenor for formation of M-PACS, Dairy and Fisheries societies in DNH, Daman and Diu districts with the objective of covering all the Gram Panchayats by M-PACS, Dairy and Fisheries Societies.
 - d) Appointment of Co-operative Intern:- DDStCB has completed the process of appointment of Co-operative Intern for one year as per NABARD guidelines to be the link between the PACS and DDStCB, their business development and providing handholding support.

THE DAMAN & DIU STATE
CO-OPERATIVE BANK LTD.

MANAGING DIRECTOR