

ADMINISTRATOR'S REPORT FINANCIAL YEAR 2023-24

Introduction

1. M/s. RPV & Company had conducted the Statutory Audit of the Bank from 02nd May 2024 to 29th June 2024.
2. Audited balance sheet, final accounts and auditor's report was published in the newspapers on 29th June 2024

Important observations made by the Statutory Auditors

1. The Bank has maintained CRAR at 25.29% as on 31.3.2024.
2. Gross NPA 4.4% & Net NPA 0% as per final statements of accounts as on 31.03.2024. As per auditor, 28 more accounts identified as likely NPAs. As the bank continued to prepare NPA position manually instead of System generated NPAs.
3. Credit Appraisal system of the bank needs to cover factors like CIBIL rating, turnover etc. besides statutory compliances like KYC, submission of ITR and GST returns, latest audit report, CMA data showing present position and future projections, Latest Net worth statement, credit facilities availed from other agencies, if any in respect of borrowers, guarantors and their co-applicants.
4. Adherence to the terms and conditions of loan sanction needs to be properly ensured by the branches.
5. Pre and Post sanction verification needs to be strengthened.

Steps taken by Bank to improve systems and processes

1. The bank has since revised its Loan Scrutiny and Appraisal formats to make its credit appraisal system robust. Bank is now obtaining ITRs, GST returns and audited balance sheets from the borrowers while considering loan applications.
2. Bank has taken necessary steps to get system generated NPA list and is focussed on recovery. Moreover, Branches were advised to pay their undivided attention on Overdue accounts so that there is no slippage to NPAs.
3. Pre and Post sanction verification system has since been introduced along with KYC compliance of borrowers and sureties. Necessary formats have been sent to branches needs to be strengthened.
4. Pre-disbursement Note/Report only on completion of documentation and before release of loan amount.
5. Branches were advised to take up and complete the KYC updation process in all deposit accounts.
6. The bank has taken steps to fully comply with all the compliances required under the Banking Regulation Act, 1949 (AACS) and other laws.
7. Regular Internal Inspections of branches are being taken up and follow-up action initiated by the Head Office.
8. Concurrent Audit system has been put in place in the bank recently.


ADMINISTRATOR