



# THE DAMAN & DIU STATE CO-OPERATIVE BANK LTD.



## Annex I<sup>a</sup> Form A Form of Balance Sheet

Balance Sheet of The Damam & Diu State Co-operative Bank Limited,

Balance Sheet as on 31st March 2024

(Amount in Rupees)			
Capital and Liabilities	Schedule	As on 31.03.2024 (Current Year)	As on 31.03.2023 (Previous Year)
Capital	1	21,17,70,900.00	20,30,95,900
Reserves and Surplus	2	79,57,47,068.10	70,05,50,351
Deposits	3	6,49,81,76,064.87	6,13,43,06,814
Borrowings	4	-	-
Other liabilities and Provisions	5	17,62,80,515.60	19,03,69,415
<b>Total</b>		<b>7,68,19,74,548.57</b>	<b>7,22,83,22,480</b>
Assets	Schedule	As on 31.03.2024 (Current Year)	As on 31.03.2023 (Previous Year)
Cash and Balances with Reserve Bank of India	6	1,81,83,462.00	1,40,38,665
Balance with banks and money at call and short notice	7	2,29,94,54,988.79	1,70,64,25,005
Investments	8	2,49,75,43,382.00	2,01,52,20,214
Advances	9	2,50,00,24,967.33	2,96,27,19,744
Fixed Assets	10	8,60,83,468.77	8,49,02,751
Other Assets	11	28,06,84,279.68	44,50,16,101
<b>Total</b>		<b>7,68,19,74,548.57</b>	<b>7,22,83,22,480</b>
Contingent liabilities	12	87,71,599.00	79,90,599
Bills for collection			

OFFICER GENERAL MANAGER CHIEF GENERAL MANAGER MANAGING DIRECTOR ADMINISTRATOR  
ACCOUNTS ACCOUNTS

### Schedule 1 – Capital

(Amount in Rupees)		
	As on 31.03.2024 (Current Year)	As on 31.03.2023 (Previous Year)
I. For Nationalised Banks		
Capital (Fully owned by Central Government)	-	-
Total	-	-
II. For Banks incorporated outside India		
Capital		
(i) The amount brought in by banks by way of start-up capital as prescribed by RBI should be shown under this head.	-	-
(ii) Amount of deposit kept with the RBI under Section 11(2) of the Banking Regulation Act, 1949.	-	-
Total	-	-
III. For Other Banks		
Authorised Capital		
(2500000 shares of Rs.1000 each)	2,50,00,00,000	2,50,00,00,000
Issued Capital	-	-
( shares of Rs. each)	-	-
Subscribed Capital	-	-
(1,226 shares of Rs.100 each) Society Share "A"	1,22,600	1,22,600
(907 shares of Rs.1,000 each) Society Share "A"	9,07,000.00	7,37,000.00
(75,000 shares of Rs.1,000 each) Government Share "B"	7,50,00,000	7,50,00,000
(46,743 shares of Rs.100 each) Individual Share "C"	46,74,300	46,74,300
(1,31,067 shares of Rs.1,000 each) Individual Share "C"	13,10,67,000	12,25,62,000
Called-up Capital	-	-
( shares of Rs. each)	-	-
Less: Calls unpaid	-	-
Add: Forfeited shares	-	-
<b>Total</b>	<b>21,17,70,900.00</b>	<b>20,30,95,900.00</b>

### Schedule 2 - Reserves and Surplus

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Statutory Reserve.	3,65,10,671.83	1,28,80,671.00
Opening Balance	1,28,80,671.83	1,28,80,671.00
Additions during the Year	2,36,30,000.00	-
Deduction during the Year	-	-
II. Capital Reserves	2,51,981.07	2,51,981.07
Opening Balance	2,51,981.07	2,51,981.07
Additions during the Year	-	-
Deduction during the Year	-	-
III. Share Premium	-	-
Opening Balance	-	-
Additions during the Year	-	-
Deduction during the Year	-	-
IV. Revenue and Other Reserves	45,75,68,009.46	44,51,79,931.00
Opening Balance	44,51,79,931.00	12,25,57,479.00
Additions during the Year	1,23,88,078.46	32,26,22,452.00
Deduction during the Year	-	-
V. Balance in Profit and Loss Account	30,14,16,406.74	24,22,37,768.00
<b>Total (I, II, III, IV and V)</b>	<b>79,57,47,068.10</b>	<b>70,05,50,351</b>

### Schedule 3 – Deposits

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
A.I Demand deposits	20,27,71,066.27	-
(i) From banks	-	-
(ii) From others	20,27,71,066.27	17,02,10,065
II. Savings Bank Deposits	2,77,78,57,019.40	2,65,11,86,805
III. Term Deposits	3,51,75,47,979.20	3,31,29,09,944
(i) From banks	-	-
(ii) From others Total (I, II and III)	6,49,81,76,064.87	6,13,43,06,814
B.(i) Deposits of branches in India	6,49,81,76,064.87	6,13,43,06,814
(ii) Deposits of branches outside India	-	-
<b>Total</b>	<b>6,49,81,76,064.87</b>	<b>6,13,43,06,814</b>

### Schedule 4 – Borrowings

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Borrowings in India	-	-
(a) Reserve Bank of India	-	-
(b) Other banks	-	-
(c) Other institutions and agencies	-	-
II. Borrowings outside India	-	-
Total (I and II)	-	-
Secured borrowings included in I and II above - Rs.	-	-

### Schedule 5 - Other Liabilities and Provisions

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Bills payable		
i. interest Payable	61,86,000.92	1,45,90,097
ii. TDS Payable	24,15,239.70	15,49,023
iii. Service Tax Payable	1,403.70	1,404
iv. Draft Payable	93,344.00	92,246
v. Staff LIC premium Payable	47,959.00	52,020
vi. Audit Fees Payable	2,00,000.00	1,77,348
vii. Pay Order Payable	13,17,664.00	8,41,234
viii. Dues Payable to Retired Empl	1,84,444.00	1,84,444
ix. CGST Payable	1,23,668.03	1,70,700
x. SGST Payable	23,165.03	1,70,700
xi. PF & EPF Payable	9,23,782.00	-
xii. Staff Income Tax Payable	2,44,703.00	-
II. Inter-office adjustment (net)	-	-
III. Interest accrued	2,65,02,915.39	76,85,218
IV. Others (including provisions)	-	-
i. Acceptanceendorsements Etc	87,71,599.00	79,90,599
ii. PMSBY Collection Account	33,216.00	33,216
iii. Provision for Tax Account	2,80,00,000.00	5,60,23,373
iv. PMJJBY Collection Account	32,760.00	32,657
v. EGLIS Scheme	1,537.30	-
vi. NFS Issuer Account	9,93,47,574.93	9,93,47,574
vii. Sundry Creditors	8,96,663.60	14,27,562
viii. Clearing Adjustment	-	-
ix. GST Input Tax Cr. Available	-	-
x. MT Agri Credit Balance	-	-
xi. NPA Charge Credit	8,82,876.00	-
xii. Electricity Bill Payable	50,000.00	-
<b>Total</b>	<b>17,62,80,515.60</b>	<b>19,03,69,415</b>

### Schedule 6 - Cash and Balances with Reserve Bank of India

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Cash in hand (including foreign currency notes)	1,81,83,462.00	1,40,38,665
II. Balances with Reserve Bank of India	0	-
(i) in Current Account	0	-
(ii) in Other Accounts	0	-
<b>Total (I and II)</b>	<b>1,81,83,462.00</b>	<b>1,40,38,665.00</b>

### Schedule 7 - Balances with Banks and Money at Call and Short Notice

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. In India		
(i) Balances with banks	2,29,94,54,988.79	1,70,64,25,005
(a) in Current Accounts	68,52,54,988.79	62,59,75,005
(b) in Other Deposit Accounts	1,61,42,00,000.00	1,08,04,50,000
(ii) Money at call and short notice	-	-
(a) with banks	-	-
(b) with other institutions	-	-
Total (i and ii)	2,29,94,54,988.79	1,70,64,25,005
II. Outside India	-	-
(i) in Current Accounts	-	-
(ii) in Other Deposit Accounts	-	-
(iii) Money at call and short notice	-	-
Total (i, ii and iii)	-	-
<b>Grand Total (I and II)</b>	<b>2,29,94,54,988.79</b>	<b>1,70,64,25,005</b>

### Schedule 8 – Investments

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Investments in India in		
(i) Government Securities	2,49,75,43,382.00	2,01,52,20,214
(ii) Other approved securities	-	-
(iii) Shares	-	-
(iv) Debentures and Bonds	-	-
(v) Subsidiaries and/or joint ventures	-	-
(vi) Others (to be specified)	-	-
Total	2,49,75,43,382.00	2,01,52,20,214
II. Investments outside India in		
(i) Government securities (including local authorities)	-	-
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Others investments (to be specified)	-	-
Total	-	-
<b>Grand Total (I and II)</b>	<b>2,49,75,43,382.00</b>	<b>2,01,52,20,214</b>

### Schedule 9 – Advances

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
A.(i) Bills purchased and discounted	-	-
Cash credits, overdrafts and loans repayable on demand	23,79,89,779.16	23,72,09,495
(ii) TERMS LOANS	2,26,20,35,188.17	2,72,55,10,249
Total	2,50,00,24,967.33	2,96,27,19,744
B.(i) Secured by tangible assets	2,06,11,87,608.43	2,76,24,99,823
(ii) Covered by Bank/Government Guarantees	-	-
(iii) Unsecured	43,88,37,358.90	20,02,19,921
Total	2,50,00,24,967.33	2,96,27,19,744
C.I. Advances in India	-	-
(i) Priority Sectors	1,27,42,12,451.00	1,55,14,02,416
(ii) Public Sector	-	-
(iii) Banks	-	-
(iv) Others	1,22,58,12,516.33	1,41,13,17,328
Total	2,50,00,24,967.33	2,96,27,19,744
II. Advances outside India	-	-
(i) Due from banks	-	-
(ii) Due from others	-	-
(a) Bills purchased and discounted	-	-
(b) Syndicated loans	-	-
(c) Others	-	-
Total	-	-
<b>Grand Total (C. I and II)</b>	<b>2,50,00,24,967.33</b>	<b>2,96,27,19,744</b>

### Schedule 10 - Fixed Assets

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Premises	6,75,56,440.71	6,34,65,340.00
At cost as on 31st March of the preceding Year	6,34,65,339.71	5,83,53,577
Additions during the Year	71,55,701.00	69,45,191
Deduction during the Year	-	-
Depreciation to date	30,64,600.00	18,33,428
II. Other Fixed Assets (including furniture and fixtures)	1,85,27,028.06	2,14,37,411
At cost as on 31st March of the preceding Year	2,14,37,411.56	2,79,89,608
Additions during the Year	40,53,845.67	13,06,107
Deduction during the Year	1,15,751.17	-
Depreciation to date	68,48,478.00	78,58,304
<b>TOTAL (I and II)</b>	<b>8,60,83,468.77</b>	<b>8,49,02,751</b>

### Schedule 11 - Other Assets

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Inter-office adjustments (net)		
i. Branch Adjustment	85,67,604.65	85,67,605
ii. Receivable from Goa SCB	3,29,73,355.45	23,25,01,040
II. Interest accrued		
i. Interest Receivable on Govt Sec	4,32,41,063.00	3,42,37,134
ii. Interest Receivable on Invest	8,98,87,696.00	5,47,31,038
iii. Overdue Interest Receivable	2,32,85,809.00	46,00,704
iv. Interest Receivable on Advance	5,61,855.00	5,61,855
v. Interest Receivable	17,69,647.00	1,23,46,388
III. Tax paid in advance/tax deducted at source		
i. Advance Tax Deposit	2,80,00,000.00	5,60,23,373
IV. Stationery and stamps	9,82,976.63	7,81,303
V. Non-banking assets acquired in satisfaction of claims	-	-
i. Receivable Against Fraud	1,43,53,513.37	1,43,53,513
Others	-	-
i. GST input tax Cr. Available	-	1,10,574
ii. PAN card coupon amount deposit	88,605.00	88,605
iii. TDS on investment	36,06,341.00	42,64,950
iv. Library Books	62,813.50	58,719
v. Deaf claim account	9,49,060.97	14,03,920
vi. NFS Acquire charge Bank accts	2,000.00	2,000
vii. TDS Receivable on Income Tax	14,06,060.00	14,06,060
viii. Telephone Connection Deposit	74,504.00	74,504
ix. Security Deposit Account	75,720.00	75,720
x. Electricity Deposit	97,862.00	28,494
xi. Festival Advance	5,78,000.00	6,43,500
xii. Advance for capital Expenditure	4,50,000.00	1,81,588
xiii. Migration Diff Separation-2017	1,22,189.00	1,22,189
xiv. Migration Diff	22,445.16	22,445
xv. FD TDS Receivable	-	3,403
xvi. SGST Allow	979.36	3,63,803
xvii. CGST Allow	2,83,802.99	3,63,803
xviii. IGST Allow	11,313.01	1,25,762
xix. SGST Disallow	979.36	73,826
xx. CGST Disallow	2,83,802.99	73,826
xxi. IGST Disallow	11,313.01	1,26,660
xxii. Acceptance Endorsement	87,71,599.00	79,90,599
xxiii. Sundry Debtors	79,79,617.00	80,18,717
xxiv. Non CTS clearing receivable	6,88,481.43	6,88,481
xxv. Income Tax Refundable	1,06,10,000.00	-
xxvi. Postage	394.80	-
xxvii. NPA Charge Debit	8,82,876.00	-
<b>TOTAL</b>	<b>28,06,84,279.68</b>	<b>44,50,16,101</b>

### Schedule 12- Contingent Liabilities

(Amount in Rupees)		
	(Current Year) As on 31.03.2024	(Previous Year) As on 31.03.2023
I. Claims against the bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
Liability on account of outstanding forward exchange contracts	-	-
III. Guarantees given on behalf of constituents	87,71,599.00	79,90,599
(a) In India	87,71,599.00	79,90,599
(b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable	-	-
<b>Total</b>	<b>87,71,599.00</b>	<b>79,90,599</b>

### Schedule 13 - Interest Earned

(Amount in Rupees)		
	Year ended on 31.03.2024 (Current Year)	Year ended on 31.03.2023 (Previous Year)
I. Interest/discount on advances/bills	24,86,48,122	27,25,14,564
II. Income on investments & FDRs	28,48,71,358.55	20,28,99,464
III. Interest on balances with Reserve Bank of India and other interbank funds	-	-
IV. Others	-	-
<b>V. Total</b>	<b>53,35,19,480.55</b>	<b>47,54,14,028</b>

### Schedule 14 - Other Income

(Amount in Rupees)		
	Year ended on 31.03.2024 (Current Year)	Year ended on 31.03.2023 (Previous Year)
I. Commission, exchange and brokerage	73,673.00	40,013
II. Profit on sale of investments	26,85,000.00	14,05,000
Less: Loss on sale of investments	-	-
III. Profit on revaluation of investments	-	-
Less: Loss on revaluation of investments	-	-
IV. Profit on sale of land, buildings and other assets	-	-
Less: Loss on sale of land, buildings and other assets	-	-
V. Profit on exchange transactions	-	-
Less: Loss on exchange transactions	-	-
Income earned by way of dividends, etc. from subsidiaries/ companies and/ or joint ventures abroad/in India	-	-
VI. Miscellaneous Income		
a. Service Charges & Processing	16,27,685.00	28,76,916
b. Other Receipts	99,488.00	48,950
c. Profit on sale of Dead Stock	28,379.37	7,500
d. Sale of Scrap	-	41,953
e. Income from Non refundable	-	8,4





# THE DAMAN & DIU STATE CO-OPERATIVE BANK LTD.



(Contd. from page 2)

## Schedule 15 - Interest Expended

(Amount In Rupees)

	Year ended on 31.03.2024 (Current Year)	Year ended on 31.03.2023 (Previous Year)
I. Interest on deposits	28,45,29,176.75	23,77,90,783
II. Interest on Reserve Bank of India/ Inter-bank borrowings	-	17,096
III. Others		
a. Purchase of Security	1,92,02,375.01	76,52,986
Total	30,37,31,551.76	24,54,60,865

## Schedule 16 - Operating Expenses

(Amount In Rupees)

	Year ended on 31.03.2024 (Current Year)	Year ended on 31.03.2023 (Previous Year)
I. Payments to and provisions for employees	6,13,98,148.72	6,91,18,156
II. Rent, taxes and lighting	17,09,542.48	14,93,169
III. Printing and stationery	4,08,279.16	8,29,363
IV. Advertisement and publicity	5,15,850.20	2,70,258
V. Depreciation on bank's property	99,13,078.00	95,63,863
VI. Director's fees, allowances and expenses	-	-
VII. Auditors' fees and expenses (including branch auditors)	4,88,152.00	1,25,000
VIII. Law charges	-	-
IX. Postages, Telegrams, Telephones, etc.	3,54,013.15	4,57,995
X. Repairs and maintenance		
a. Vehical Repairs	3,06,127.00	1,20,166
b. Computer software maintainance	18,12,324.15	14,82,291
c. Hardware maintainance	-	1,75,000
d. Repair to property	13,80,316.16	2,66,190
e. Repairs & Maintenance	5,20,377.60	13,52,080
f. Computer & Xerox maintainance	1,49,136.62	1,43,262
XI. Insurance		
a. Staff	12,19,595.21	11,96,588
b. Vehicle	47,946.00	-
c. DICGC	88,77,201.00	-
XII. Other expenditure		
a. Subscription & periodical	30,179.00	24,252
b. Proff & Consultancy char.	38,68,783.86	26,58,610
c. Lease Line charges	4,25,496.00	81,500
d. AGM Expense	11,750.00	22,405
e. TADA to Management	25,197.77	82,442
f. Vehical Fuel	5,19,000.61	8,12,273
g. Bank Charges	1,298.47	1,455
h. Regional Office Expenses	18,592.00	955
i. Other Expenses	3,19,444.87	3,53,377
j. Customer Refreshment	35,726.00	14,760
k. Sweeping Charges	3,36,609.15	2,48,650
l. Other Charges	2,26,095.43	3,75,757
m. Cash Handaling Charges		
n. Travelling & Conveyance	68,050.00	3,09,308
o. Cheque Book Maintain	-	64,100
p. Fire Extinguisher & smoke	-	74,300
q. Goods & Service Tax exp	-	72,691
r. GST input tax un utilized	7,20,461.80	6,21,608
s. NPA int. Rec.	8,65,521.00	16,925
t. Stander Assets Provision	1,86,081.84	23,51,619
u. Bad & Daubtful Debt prov.	-	1,19,41,308
v. Provision against fraud	-	96,770
w. Advance Income Tax	2,80,00,000.00	3,74,40,000
x. Self Assesment Tax	1,52,52,452.00	30,07,970
y. Water Charges	40,121.00	15,000
z. Security service	15,48,528.23	14,84,595
aa. Loss on sale of dead stock	74,344.17	1,02,869
ab. ATM Expenses	4,22,439.65	-
ac. AMC Charge	1,87,868.00	-
ad. Legal Charges & Expense	42,673.00	-
ae. Amortlition on Govt. Security	3,28,082.00	-
af. Staff refreshment	1,80,748.48	-
ag. Sponsorship	51,000.00	-
ah. License Fees	16,200.00	-
ai. Office Expenses	36,381.00	-
aj. Loss on Sale of Govt. Security	6,250.00	-
ak. Income Tax Paid	7,92,888.00	-
Total	14,37,38,999.78	14,92,23,288

OFFICER ACCOUNTS  
GENERAL MANAGER ACCOUNTS  
CHIEF GENERAL MANAGER  
MANAGING DIRECTOR  
ADMINISTRATOR

## Annex I Form B

### Form of Profit and Loss Account for the Year ended on 31st March 2024

(Amount in Rupees)

	Schedule	Year ended on 31.03.2024 (Current Year)	Year ended on 31.03.2023 (Previous Year)
I. Income			
Interest earned	13	53,35,19,480.55	47,54,14,028
Other income	14	1,09,37,710.09	1,37,89,527
Total		54,44,57,190.64	48,92,03,555
II. Expenditure			
Interest expended	15	30,37,31,551.76	24,54,60,865
Operating expenses	16	14,37,38,999.78	14,92,23,288
Provisions and contingencies			
Ttotal		44,74,70,551.54	39,46,84,153.00
III. Profit/Loss			
Net profit/loss(-) for the Year		9,69,86,639.10	9,45,19,402
Profit/loss(-) brought forward			
Total		54,44,57,190.64	48,92,03,555
IV. Appropriations			
Transfer to statutory reserves			2,36,30,000.00
Transfer to other reserves			1,41,78,000.00
Transfer to Government/ proposed dividend			-
Balance carried over to Balance Sheet		9,69,86,639.10	5,67,11,402.00
Total		9,69,86,639.10	9,45,19,402.00

OFFICER ACCOUNTS  
GENERAL MANAGER ACCOUNTS  
CHIEF GENERAL MANAGER  
MANAGING DIRECTOR  
ADMINISTRATOR

## Independent Auditor's Report

To,  
The ARCS & The Members,  
The Daman & Diu State Co-operative Bank Ltd.,

### Report on the Financial Statements

We have audited the financial statements of The Daman & Diu State Cooperative Bank Limited ('the Bank') as on 31<sup>st</sup> March 2024, which comprise the Balance Sheet as on 31<sup>st</sup> March 2024 and the Profit and Loss Account for the year ended 31<sup>st</sup> March 2024, and a summary of significant accounting policies and other explanatory information which we found during our audit.

### Management's Responsibility for the Financial Statements

The Bank's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with provisions of the Banking Regulations Act, 1949, the guidelines issued by the Reserve Bank of India and the guidelines issued by the National Bank for Agricultural and Rural Development, the Maharashtra Cooperative Societies Act 1960 and accounting principles generally accepted in India so far as applicable to Banks. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The U.T. Administration of Dadra Nagar Haveli and Daman & Diu, Office of the Registrar of Co-operative societies will be also be reviewing and overseeing the Bank's financial reporting process.

### Auditor's Responsibility

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 of Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are consider material, if individually or in the aggregate, they could reasonably be expected to influence the economic distance of users taken on the basis of these financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risk and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, international omissions, or the override of internal control.
- 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 exist 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 the material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial statement, 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 audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the appropriateness if of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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, other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiency in internal control that we identified during our audit. We also provide those charged with the 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 be reasonably be thought to bear on our independence and wherever applicable, related safeguards. From the matters communicated with those charged with governance.
- We determine those matters that were of most significance in the audit of financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when in an extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us **except for the effects of the matter described on the basis of Qualified Opinion section of our report with annexure's and keeping in view observations in LFAR**, the aforesaid financial statements together with the Notes thereon give the information required by the Banking Regulation Act, 1949 and the Maharashtra State Co-operative Societies Act, 1960 and the guidelines issued by the National Bank for Agricultural and Rural Development (as applicable) and guidelines issued by Reserve Bank of India and the Central Registrar of Cooperative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet of state of affairs of the Bank as on 31<sup>st</sup> March 2024;
- In the case of the Profit and Loss Account, of the profit/loss for the year ended 31<sup>st</sup> March 2024.

### Basis of Qualified Opinion

We conducted our audit in accordance with the Standards of Auditing (SAs) as issued by the Institute of Chartered Accountants of India (ICAI). Our responsibility under those standards are already 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 Institute of Chartered Accountants of India together with the ethical requirements, and we have fulfilled our ethical responsibilities in accordance with the requirements and the Code of Ethics.

### Further we enumerate below of the basis of qualified opinion:

- Despite migrating to CBS platform, the bank has not perfectly adopted the system of generating NPAs from the system as some of the fields in the system are left blank. As a result, bank continues to prepare NPA position manually. Therefore, the bank has no system of categorization of Advance account as per IRAC norms issued by RBI from time to time and the same has been classified manually. At the time of verification of the loan accounts on random sampling basis some divergence was observed regarding the classification of the loan account as NPA and the details of the same have been given in the annexure's in the long form audit report. Therefore, we are unable to comment on the completeness and correctness of the classification of the advances and consequent NPA provisioning as some fields are left blank at the time of the data migration from the Goa State Co-operative Bank Ltd and banking platform is not providing data as per RBI norms for consequent NPA provisioning. Some accounts are overdue and they are NPA but system does not provide any report for such accounts. System is not providing any proper report regarding the classification of assets i.e. SMA-0, SMA-1 & SMA-2.

During data migration from the Goa State Co-operative Bank Ltd old accounts sanction before Year 2022, currently there is No system maintain in the CBS to identify the NPA/Overdue as per IRAC norms, So as per our findings and observation on sample test basis we recommend to modify the CBS system for ascertaining the advances under SMA and NPA as per provisioning norms of RBI. It is most vulnerable situation in the Bank that most of the overdue Accounts are critical in terms of IRAC norms followed by RBI.

### Other Matters

- During the year, Cash credit accounts were renewed without analyzing 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 that were renewed during the year were not having sufficient Drawing Power or were renewed without obtaining the audited financial statements or stock statement and were allowed to utilize the complete limit irrespective of their actual DP limit.
- The Stock statement submitted by the borrowers does not contain age wise bifurcation of debtors, group debtors, schedules of debtors and creditors, details of stock. Also, as the bank obtains stock statement/ stock declaration only at the time of renewal it fails to analyze the monthly financial performance of the borrower.
- The bank does not have a policy or system of verifying whether loan applicant has availed multiple credit facility from other banks at the time of sanctioning of fresh loans.
- Attention is invited to allot and issue the share certificates as per Bank Bye Laws Minimum share should be 10 @ 1000 each and membership Fee (entry Fee) should be Rs 100 per member but bank failed to follow this bye law and they are currently issuing Shares less than 10 shares and membership Fee (entry Fee) presently taken Rs. 10.00 only. Bank to take necessary steps for deviation of Bye Laws and to follow applicable bye laws of the Bank..
- In some cases, it has been observed that in sundry debtors and sundry creditors few entries are standing since long period and are pending to be reconciled. Annexure Enclosed

### Report on Other Legal & Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949 and the Maharashtra State Co-operative Societies Act, 1960.

As required by Section 73(4) of the Maharashtra State Co-operative Societies Act, 1960, we report that:

- 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 to be satisfactory;
- In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/offices;
- The transactions of the Bank which came to our notice have been within the powers of the bank.
- The Balance Sheet and the Profit and Loss Account dealt with by this report, are in agreement with the books of account.
- In our opinion, except for the effects of the matter described in point (a) of the basis for qualified opinion paragraph and point (a) to (g) of others matters paragraph, the balance sheet and profit and loss account dealt with mandatory accounting standards.
- The U.T. Administration of Dadra Nagar Haveli and Daman & Diu, Office of the Registrar of Co-operative societies vide their order no. 12/14/2020-21/ARCS-DMN/10 dated 03.06.2020 appointed Shri Karanjit P. Vadodaria, Joint Secretary (Finance) to manage the affairs of the Bank. The Board of the bank has been dissolved and charges has been given to the Administration from June 3<sup>rd</sup>, 2020.
- The bank has not maintained proper records showing particulars including quantitative details and situation of fixed assets.
- Fixed assets have not been physically verified by the management of the bank. Hence, the discrepancies, if any, resulting from verification process could not be identified.
- CERSAI registration for the asset Mortgaged under the bank has not been done by the bank. Also, CIBIL of the borrower and the guarantor during the time of giving advances were not checked.
- The Bank has transferred the profit to statutory reserves as per stipulated Bye laws of Bank.
- NPA Provision should be routed through P&L account but it directly transferred in Reserve and surplus account.
- Further It has been observed that Reconciliation of Clearing Accounts & RTGS of the bank with Yes Bank has not been Reconciled as on 31.03.2024 which is Amounting to Rs. 81420944.43 and the same is pending due to separation of CBS data from Goa State Co-op Bank.
- Further It has been observed that Reconciliation of Cash Accounts of the bank with IDBI Bank has not been Reconciled as on 31.03.2024 which is Amounting to Rs. 2,40,000.00 and the same is pending due to separation of CBS data from Goa State Co-op Bank.

For, M/s. R P V & COMPANY  
Chartered Accountants

CA Vivek B. Agarwal  
(Partner)  
M. No. 155465  
FRN No. 134844W  
UDIN: 24155465BKCGDG6380

