

AUDITED FINANCIAL RESULTS FOR THE YEAR 31.03.2023

BALANCE SHEET AS ON 31.03.2023		
(Rs. in Lakh)		
LIABILITIES	Amount as on 31-03-2022	Amount as on 31-03-2023
Share Capital	5597.60	5613.87
Reserves	6633.94	8060.46
Deposits	30560.46	30870.71
Borrowings	37564.28	35665.44
Other Liabilities	1976.69	1687.91
Profit for the year	0.00	0.00
Total	82332.97	81898.39
ASSETS	Amount as on 31-03-2022	Amount as on 31-03-2023
Cash & Bank Balances with RBI	2107.48	2011.33
Investments	9725.13	8518.76
Loans & Advances	61066.67	61397.95
Fixed Assets	3361.57	3366.57
Other Assets	3602.05	3010.40
Loss as per last balance sheet	2470.07	2470.07
Loss for the year	0.00	1123.31
Total	82332.97	81898.39
Contingent under Deaf scheme 2014 (contra)	35.76	44.31
Profit & Loss for the year ended 31.03.2023		
(Rs. in Lakh)		
I. INCOME	Amount as on 31.03.2022	Amount as on 31.03.2023
Interest & Discounts	4359.14	4545.33
Other income	120.76	97.61
Total	4479.90	4642.94
II. EXPENDITURE	Amount as on 31.03.2022	Amount as on 31.03.2023
Interest Expenses	3228.85	3366.30
Operating Expenses	751.64	663.50
Provisions & Contingencies (Gratuity & Tax)	65.11	1592.42
Other expenditure	167.49	144.03
Total	4213.09	5766.25
III. PROFIT & LOSS	Amount as on 31.03.2022	Amount as on 31.03.2023
Net profit/loss for the year	266.81	-1123.31
Less provisions for income tax	0.00	0.00
TOTAL	266.81	-1123.31
IV. APPROPRIATIONS	Amount as on 31.03.2022	Amount as on 31.03.2023
Transfer to Statutory Reserves	0.00	0.00
Balance carried over to Balance sheet	0.00	0.00
TOTAL	0.00	0.00

Notes on Accounts
 Balance Sheet as on 31.03.2023
 Annexure

Sl.No	Disclosure of additional information	31.03.2023
	(in lakhs)	
1	Investments-(only SLR)- With break up under permanent and current category	
A	Under current category with the following break up	5707.80
a	Book value and face value of Investments	5707.80
c	Market Value of Investment	5707.80
	Non(SLR)	
B	Under current category with the following break up	2810.96
a	Book value and face value of Investments	2810.96
c	Market Value of Investment	2810.96
	Total (A+B)	8518.76
2	Advances to Directors their relatives, companies/firms in which they are interested.	
a	Fund based	-
b	Non fund based(Guaranteee LIC Etc)	-
c	Cost of Deposit-Average Cost Of Deposits	4.53%
3	NPAs	
a	Gross NPAs	6486.08
b	Net NPAs	2359.58
c	Percentage of gross NPAs to Total Advances	10.56
d	Percentage of net NPAs to net Advances	4.12
5	Movement of NPAs	
	Opening Balance	6058.06
	Recovery During the year	408.76
	Addition during the year	836.78
	Closing balance	6486.08
6	Profitability	
a	Interest income as a percentage of working funds	5.79
b	Non-interest income as percentage of working funds	0.49
c	Operating profit as percentage of working funds	-1.52
d	Return on Assets	0.00
e	Business (Deposits +Advances) per employee	1111.67
f	Profit per employee	0.00
7	Provisions	
a	Provisions on NPAs required to be made	4173.61
b	Provisions on NPAs actually made	4126.49
c	Provision required to be made in respect of overdue intt taken into income account, gratuity fund, provident fund, arrears in reconciliation of inter-branch account etc.	Nil
d	Provision actually made in respect of overdue intt taken into income account gratuity fund, provident fund, arrears in reconciliation of inter-branch account etc.	Nil
e	Provision required to be made on depreciation in investments	0.00
f	Provision actually made on depreciation in investments	0.00
8	Movement of Provisions	
a	Towards NPAs	1544.42
b	Towards Depreciation on Investment	0.00
c	Towards Standard Assets	0.00
d	Towards all other items under 7 above	
9	Payment of Insurance Premium to the DICGC including arrears, if any(in lacs) during the year	36.72
10	Penalty imposed by RBI for any violation	Nil
11	Information on extent of arrears in reconciliation of inter Bank and inter branch accounts	Nil
12	CRAR(in %)	7.42

DEAF Account Closing Balance Qtr 31.03.2023	Current year	Previous year
Opening balance of amounts transferred to DEAF	-	3576408.99
Add: Amounts transferred to DEAF during the year	-	854679.81
Less: Amounts reimbursed by DEAF towards claims	-	0.00
Closing balance of amounts transferred to DEAF	-	4431088.80

14. 1. Amount of IPDI & LTD raised by the bank is 600.00 lakhs in the year 31.03.2015 & Rs 157.79 lacs in the year 31.03.2016 and Rs 399.00 lacs during 2017 & during 2018 Rs 392.08 lacs Total Rs 1548.88 lacs 2) LTD & IPDI was raised strictly as per the guidelines given in our Circular No. RPCD ,RCB.BC.33/07.51.012/2013-14 Dated: 07.01.2014 & RPCD ,RCB.BC.33/07.51.012/2014-2015 Dated: 30.09.2014 3) Terms and conditions mentioned in RBI letter No. RPCD.CHD. No.141/01.02.005/2014-2015 Dated: 26.03.2015 have been complied with and there are no deviations observed in preparation of offer documents application and deposit receipt etc.

INDEPENDENT AUDITOR'S REPORT

To:
 The Members of The Ferozepur Central Co-operative Bank Ltd.

Report on the Financial Statements
 I. We have audited the accompanying financial statements of The Ferozepur Central Co-operative Bank Ltd. as on 31.03.2023, which comprise of the Balance Sheet as on 31st March, 2023 and a summary of Significant Accounting Policies and other explanatory information. The returns of Head Office and 23 Branches audited by us are consolidated in the Financial Statements.

II. Management's Responsibility for the Standalone Financial Statements
 Management is responsible with respect to 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 the Banking Regulation Act, 1949, the orders and guidelines issued by the Reserve Bank of India NABARD and the guidelines issued by the Central Registrar of Co-operative Societies, the Multi-State Co-operative Societies Act, 2002, the Multi-State Co-operative Societies Rules, 2002 from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Acts 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.

III. Auditor's Responsibility
 Our objectives are to obtain reasonable assurance about whether the Standalone 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and, as part of an audit in accordance with SAs, we exercise Professional Judgment and maintain Professional Scepticism throughout the audit.

- We also:
- Identify and assess the risks of material misstatement on 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.
 - 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.

IV. Qualified Opinion
 We have audited the accompanying Standalone Financial Statements of The Ferozepur Central Co-operative Bank Ltd., which comprise the Balance Sheet as at 31st March, 2023, the Profit and Loss Account including the notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, Financial Statements give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. We also confirm that proper books of accounts as required by law have been kept by the head office & branches so far as appears from our examination of those books. We have obtained all the necessary information & explanation except for the possible effects of our observations described in the Paragraph below :-

- The Balance Sheet and Profit & Loss Account is in agreement with the books of accounts maintained and reflects a true and fair view of Revenue/Expenses and Assets/Liabilities of the bank subject to our comments as under along with **Annexure-1 (Change of classification of assets)**.
- The Societies which are being financed at 31.03.2023 against shares held by them of the bank, we observed that sufficient shares in ratio mentioned have not been held by the societies of our bank. Details are mentioned in **Annexure-2**.
- It has also been noted that Head office does not make any Fund Flow Statement before making any investment. It is suggested by us and as well as Inspection Officer of NABARD that Head Office should make Fund Flow Statement for compliance of norms. Moreover, this will help Senior Officials to know about the Surplus Fund.
- There is huge imbalance between Loans outstanding against the PACS & Loans outstanding against the members which means Loan offered to the PACS were not in turn offered to the members & this leads to Interest loss to the bank. Details are as per **Annexure-3**.
- Balance Outstanding in Suspense & Sundry Payable A/c as on 31.03.2023 is given in **Annexure-4**. Due to nature of the transactions under these respective heads, these may have a bearing on the true and fair view of the Financial Statements.

- Audited Financial Statements of Primary Agricultural Cooperative Societies are not on record. We suggest that Audited Financial statement of PACS should be kept in records.
- Bank is maintaining accounts with other banks but there is reconciliation difference details of which are annexed in **Annexure-5**.
- As per explanation received NPA reported during the course of statutory audit cannot be marked in system as on 31st March of financial year under audit because of the books has already closed even at HO level so no alteration can be made herein. Additional NPA to be marked is disclosed in **Annexure-1** as change of classification from standard assets to Non performing assets. As per IRAC norms amount of income to be recognized in respect of additional NPA is Rs 1320922/-.
- Bank is not following the standardised process for declaring NPA and interest reversal on the accounts found NPA. It is done on manual basis. It should be avoided. NPA marking should be done through Finacle only.
- The Financial statements require the changes as per Memorandum of Change submitted to

Memorandum of Changes(Summary)				
Particulars	Total	No. of Accounts	Increase	Decrease
In respect of provision of NPA	Rs 47,12,311	82	Rs 47,12,311	-
In respect of Expenditure	Rs 47,12,311	82	Rs 47,12,311	-
In respect of Income	Rs 13,20,922	82	-	Rs 13,20,922
In respect of Assets	Rs 13,20,922	82	-	Rs 13,20,922

For M/s. V.V. BHALLA AND CO.
 Chartered Accountants
 Sd/-
 Pankaj Bhalla
 (Partner)
 Place - Ludhiana
 Date - 19/06/2023
 UDIN - 23534281BGUORP069
 Firm Reg. No. - 002928N
 M.No. 534281