



K.D.C.C. BANK



Y-11, THE KANYAKUMARI DISTRICT CENTRAL CO-OPERATIVE BANK LTD., NAGERCOIL

Under Section 29 of the Banking Regulation Act 1949 (As Applicable to Co-op Societies)

AUDIT - 2023 - 2024

BALANCE SHEET AS ON 31.03.2024

(Rs. In Thousands)

LIABILITIES	Schedule No	As on 31.03.2024	As on 31.03.2023	ASSETS	Schedule No	As on 31.03.2024	As on 31.03.2023
Capital and Liabilities				Cash and balances with RBI	6	2,48,811	1,81,495
Capital	1	7,22,151	6,06,451	Balance with Banks and Money at call and Short notice	7	4,91,596	9,32,636
Reserves and Surplus	2	6,38,845	5,28,072	Investments	8	33,41,087	32,57,384
Deposits	3	1,08,96,345	1,05,38,681	Advances	9	1,24,63,771	1,13,51,204
Borrowings	4	35,38,060	31,39,062	Fixed Assets	10	54,893	44,892
Other liabilities and Provisions	5	13,25,691	14,31,014	Other Assets	11	5,20,934	4,75,669
Total		1,71,21,092	1,62,43,280	Total		1,71,21,092	1,62,43,280
				Contingent liabilities	12	12,257	10,051
				Bills for collection		-	-

FORM OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH 2024

PARTICULARS	Schedule No	Year ended 31.03.2024	Year ended 31.03.2023	IV. Appropriations			
I. INCOME				Transfer to statutory reserves			
Interest earned	13	11,90,316	11,18,409	Transfer to other reserves			
Other Income	14	39,698	18,376	Transfer to Government /Proposed dividend			
Total		12,30,014	11,36,785				
II. EXPENDITURE							
Interest Expended	15	8,25,920	7,37,783				
Operating expenses	16	3,56,521	3,51,969				
Provisions and contingencies							
Total		11,82,441	10,89,752				
III. PROFIT/LOSS							
Net Profit/loss (-) for the year		47,573	47,033	Balance Carried over of balance sheet		47,573	47,033
Profit/Loss (-) brought forward							
Total		47,573	47,033				

NOTES TO THE FINANCIAL STATEMENTS - FINANCIAL YEAR 2023-2024 -ANNEXURE

"NOTE ON ACCOUNTS"
Notes on Account as required vide RBI.RPCD.CO.RF.BE. No.44/07..38.03/2005.06 dated October 10 2005.

Sl. No.	PARTICULARS	(Rupees in Lakhs)	
		31.03.2024	31.03.2023
1	Investments-(only SLR)-with breakup under Permanent and Current Category-Under Current Category with the following breakup.	Under Permanent Category	
	a) Book value and Face value of Investments	20462.33	19001.69
	b) Market value of Investments	20462.33	19001.69

Further as regards Non-SLR investment instructions for disclosure already issued vide RBI circular RRPCD CO RF BC No.65/07-02-2003-04 February 23 2004 should be strictly adhered to)

Issuer composition of Non-SLR investments

Sl.No. (1)	ISSUER (2)	AMOUNT (3)	Extent of Private Placement (4)	Extent of 'below Investment Grade' Securities already Invested (5)	Extent of 'Unrated Securities' already Invested (6)	Extent of 'Unlisted Securities' (7)
1	P S Us	0.00				
2	FLs	2400.00				
3	Public Sector Banks	0.00				
4	Provisions held towards Depreciation	0.00				
5	Others	11648.53				
	TOTAL	14048.53				

2 Advances to Directors, their relatives companies/firms in which they are interested

a) Fund based	Nil	Nil
b) Non fund based (Guarantee's/L/C etc..)	Nil	Nil

3 Cost of Deposits-Average Cost of Deposits 6.45-5.04 6.27-4.89

4 NPA's

a) Gross NPAs	7504.42	5624.80
b) Net NPAs	1729.97	0.00
c) Percentage of Gross NPAs to Total Advances	6.02 %	4.96 %
d) Percentage of Net NPAs to Net Advances	1.39%	0.00 %

5 Movement of NPAs

Addition	2787.21	-
Deletion	-	907.59

6 Profitability

(Rupees in Lakhs)	31.03.2024	31.03.2023
a) Interest income as a percentage of Working Funds	7.17%	7.33%
b) Non-interest income as a percentage of Working Funds	0.32%	0.21%
c) Operating Profit as a percentage of Working Funds	0.28%	0.58%
d) Return on Assets	0.28%	0.29%
e) Business (Deposits+Advances) per Employee	1633.57	1440.12
f) Profit per Employee (RS. 474.14/143)	3.32	3.09

7 Provisions

a) Provisions on NPAs required to be made	2797.80	2417.20
b) Provisions on NPAs actually made	5774.45	5774.45
c) Provisions required to be made in respect of overdue interest taken into income account gratuity fund, provident fund and arrears in reconciliation of inter branch account etc.,	-	-
d) Provisions actually made in respect of overdue interest taken into income account, gratuity fund, provident fund and arrears in reconciliation of inter branch account	-	-
e) Provisions required to be made on depreciation in investments	-	-
f) Provisions actually made on depreciation in investments	-	-

8 Movement in Provisions

a) Towards NPAs	5774.45	5774.45
b) Towards Depreciation on Investments	-	-
c) Towards Standard Assets	468.86	433.47
d) Towards all other items under 7 above		

9 Payment of Insurance Premium to the DICGC including arrears if any 153.59 132.14

10 Penalty imposed by RBI for any violation 7.50 0.00

11 Information on extent of arrears in Reconciliation of Inter-Bank and Inter-Branch account Net 60.49 28.30

12 Percentage of Capital Fund to Risk Weighted Assets (CRAR%) 12.39% 13.05 %

13 Investment in Non SLR Investments by SCB/DCCBs (RBI/2016-17/14.DCBR.BPD.BC.No 01/19.51.026/2016-17 Date: 14.07.2016. Nil Nil

14 **DEAF ACCOUNT**

(Rupees in Lakhs)	31.03.2024	31.03.2023
Opening Balance of amounts transferred to DEAF	100.51	37.82
Add: Amounts transferred to DEAF during the year	22.68	62.69
Less: Amounts reimbursed by DEAF towards claims	0.63	0.00
Closing balance of amounts transferred to DEAF	122.56	100.51

Independent Auditor's Report

To the members of the Kanyakumari District Central Cooperative Bank Limited

We, M/S MARIA RUSSELL & CO., Chartered accountants, having office at 645/1 Raja Pathai, Near Ranihottam, Nesamony Nagar CSI Church Road end, Nagercoil 629001 duly authorised to conduct audit of the accounts of M/S the Kanyakumari District Central Co-operative Bank Limited, Nagercoil under the sec. 80(1) of the Tamilnadu co-operative societies Act, 1983 and banking regulation act for the year ended 31.03.2024 report that:

Report on the Financial Statements

Qualified Opinion

1. We have audited the accompanying Balance Sheet of the Kanyakumari District Central Cooperative Bank Limited having its head office at Alexandra Road, Nagercoil 629001 as on 31st March, 2024, and the Profit and Loss Statement of the bank for the year ended on that date, with the accounts relating thereto of head office and 24 branches and with returns have been incorporated in the foregoing Balance Sheet and accounts maintained at the Head office of the bank and a summary of significant accounting policies and other explanatory information.

2. 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 in the basis for qualified opinion paragraph below, the financial statements give the information required by the Banking Regulation Act, 1949 (as applicable to co-op Societies) in the manner so required for bank and give true and fair view in conformity with accounting principles generally accepted in India:

(a) In the case of the Balance sheet, of the state of affairs of the Branch as at 31st March, 2024; and

(b) In the case of Statement of Profit & Loss account the profit for the year ended on that date. Basis of Qualified Opinion:

3. We draw the attention to the following:

a. Bank has not recognized deferred tax asset and deferred tax liability in deviation to the Accounting Standard-22 Issued by the Institute of Chartered Accountants of India. The impact of such non recognition on the profit for the year and this so the exact or correct income of the bank and also the correct Reserves and surplus of the bank is unascertainable.

b. The bank does not comply with Accounting standard-17 on segment reporting issued by ICAI.

c. The Bank has not complied with Accounting Standard 3 - Cash Flow Statements.

d. During the year under audit, the Government of Tamil Nadu has announced waiver_2021 for Interest amounting to Rs.1,22,61,778/- under SHG and Jewel loan sector subject to certain terms and conditions.

e. While classification of advances as Standard, Sub-Standard, Doubtful and Loss Assets are made manually, Income on these assets are recognised based on "System driven data".

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further 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 that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate as far as we are concerned and of the view to provide a basis for our opinion.

Emphasis of Matter:

We draw attention to the following which were disclosed in the financial statements.

(a) TNSC Bank a/c (account no 201305368) is un-reconciled and entries are yet to be passed. The pending entries are related to earlier years beginning from 2012. We are unable to quantify the effect of this on Profit and Loss Account and in the Balance sheet. However a provision of Rs 59.16 Lakhs had been maintained as reserve as on 31.03.2024 out of which 18.01 Lakhs have been released and credited to profit and loss account during the year.

(b) Inter branch accounts are un-reconciled and entries are yet to be passed. An amount of Rs. 257.17 Lakhs under provision for inter branch account has been released and credited to profit and loss account during the year.

(c) State bank of India (a/c no 67270001687) was un-reconciled due to omission and commission which are time barred and thus now reversed and rectified imparting appropriate effect.

(d) As disclosed in the notes on accounts, during the FY 2019-20, the income tax department has raised a demand of Rs 6.14 Crores regarding non deduction of TDS u/s 194N. The Bank went on appeal to CIT(A) which is pending. The bank also filed a writ petition with the Honorable High Court, which directed the income tax department to review by giving fresh opportunity to the bank to represent on the provisions of Sec.194N in accordance with the law and the case is ongoing and no order has been passed and it is learnt steps taken in this regard.

Management Responsibility for the Financial Statements

5. Management of the bank is responsible with respect to the preparation of these financial statements that give true and fair view of the financial position and financial performance of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI')/NABARD from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 for the purpose of the bank 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 true and fair view and 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.

Auditor's Responsibilities for the audit of the Financial Statements

6. 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 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of 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 continue as a going concern. cease
- 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, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control of the bank as a whole that we identify during our audit.

We also provide those charged with 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 reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Banking Regulations Act, 1949 (as applicable to Co-op Societies).

8. Subject to the limitations of the audit indicated in paragraphs 1 to 6 above, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

b. The transactions of the Branch, which have come to our notice, have been within the powers of the Bank; and

c. The returns received from the offices and branch of the Bank have been found adequate for the purposes of our audit;

d. In our opinion, proper books of accounts are required by the law have been kept by the bank so far as appears from our examination of said books of accounts.

e. In our opinion the Balance sheet, Profit and Loss Statement comply with the applicable accounting standards with the exception of Accounting Standard 3 - Cash Flow Statements, Accounting standard-15 on Employee Benefits, Accounting standard-17 on segment reporting, Accounting Standard -22 on accounting for taxes on income.

9. We further report that the Balance Sheet and profit and loss statement dealt with by this report are in agreement with the books of account and returns maintained by the bank at their Head Office and is subject to incorporation of Memorandum of Changes.

Date : 21.06.2024, Nagercoil

Sd / **S.JOSEPH UTHAYA KUMAR** Asst.General Manager (Bkg) K.D.C.C Bank Ltd., Nagercoil. Sd / **K.BALASUBRAMANIAN** General Manager K.D.C.C Bank Ltd., Nagercoil. Sd / **R.GANESA SETHURAMALINGAM** Deputy Registrar / Managing Director K.D.C.C Bank Ltd., Nagercoil. Sd / **CA.Maria Russell Andrews** M.No.028218, UDIN : 24028218BKFKAJ6835 For **MARIA RUSSELL & CO., NAGERCOIL.** CHARTERED ACCOUNTANTS. FRN :0056955