



K.S. Dua & Co.

Chartered Accountants

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AUDITORS REPORT

- 1) We have audited the attached Balance Sheet of **The Patiala Central Cooperative Bank Ltd. Patiala** as at 31st March, 2020 and also the Profit and Loss Account annexed thereto for the year ended on that date in which are incorporated the returns of all the 42 branches audited by us. These financial statements are the responsibility of the Bank's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) The Balance Sheet and the Profit and Loss Account have been drawn up as per the format.
- 4) Subject to the limitations of the audit indicated in paragraph 1 above and subject also to the limitations of disclosure required therein, 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 Bank, which have come to our notice, have been within the powers of the Bank.
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of the audit.
- 5) In our opinion, the Balance Sheet and Profit and Loss Account comply with the applicable accounting standards subject to the following discrepancies:
 - a) Few Branches of Bank has a Term deposit migration amounting to Rs 492492.40; saving migration of Rs 184985.70; Loan migration of Rs 193192.93 and Cash credit migration of Rs 35613.00.No, sincere efforts has been done by bank to clear this migration amounts.





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- b) The bank is not recovering interest during the moratorium period on commercial dairy loans and education loans and nothing is recovered before the end of moratorium period which is not correct as Interest has to be recovered during the moratorium period also.
- c) There are incidences of imbalances with the PACS. Provision has not been created on PACS imbalances in respect of societies to the extent of 9019.96 Lakhs.
- d) An amount of Rs. 462.57 Lakhs recoverable as on 31.03.2019 from U/L Socs. only Rs. 13.97 Lakhs recovered during the financial year. No hard step was taken to recover the same.
- e) Bank is advised to update the ATM machines with EMV Chip reader as due to non-availability of these chip reader, frauds occurred in the ATM's.
- 6) i) The Balance Sheet, read with the notes thereon subject to the remarks in our LFAR and qualifications mentioned in clauses (a) to (f) of Para 5 above of the audit report, is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2020 in conformity with the accounting principles generally accepted in India; and
- ii) The Profit and Loss Account for the year ended 31st March, 2020 read with the notes thereon shows a true balance of profit, (subject to our remarks as above), are in conformity with accounting principles generally accepted in India, for the year covered under the audit.

Date: 14-08-2020

Place: Patiala

For K.S. Dua & Co.
Chartered Accountants


Swarn Singh Dhillon
Partner

M.No. 527610

FRN: 017478N

UDIN :-20527610AAAABM3025