**SAMATA CO-OPERATIVE DEVELOPMENT BANK LTD.**

**ED Block, Karunamoyee, Salt Lake, Kolkata – 700091.**

***Proceedings of the 26th Annual General Meeting (2023-24) of Delegates (period 2022-27) of Samata Co-operative Development Bank Ltd. held on 16.06.2024 at its Head Office in Salt Lake, Kolkata – 700091***

The 26th AGM of the Bank was held on 16.06.24 at 11:00 am at the bank’s registered office at Karunamoyee Centre- cum –Commercial complex (1st Floor) Ed Block Salt Lake, Kolkata – 700091 vide Notice SCDBL/466/80(VII)-AGM (60)/2024-25 dated 24.05.24.

The auspicious inauguration of the AGM, commenced with the lighting of the ceremonial lamp and placing of flower wreathes before the portraits of revered personalities of Shree Shree Harichand Thakur & Shree Shree Guruchand Thakur, and Dr. B. R. Ambedkar. Remembering the contribution of respected Late Shri Kalyan Kumar Roy, the first Branch Manager of the Bank, who also served as the Chairman of BOM and an active member of the BOD, two minutes of silence was observed by all the delegates, invitees, CEO and the Chairman of the Bank.

After paying homage to the distinguished personalities who still inspire the bank to greater heights of achievement, Shri Ashish Ghosh inaugurated the meeting after declaration of the quorum for the meeting. From the attendance register and the delegates present, it was ascertained that out of a total of 60 delegates, 10 delegates were absent and the remaining 50 delegates confirmed their attendance at the AGM.

In his welcome address, Chairman Shri Ashish Ghosh highlighted the following achievements of the Bank in the FY 2023-24:

-- Rewarded by the WB Govt. as the ‘Co-operative Gem’ amongst ‘East-based Banks’

-- Paying homage to renowned personalities such as Shree Shree Harichand Thakur & Shree Shree Guruchand Thakur, Dr. B. R. Ambedkar, Shri Ronendralal Biswas,

-- Samata Cooperative Development Bank Ltd. has been designated as ‘financial sound & robust ‘bank. There has been increase in the loans & advances portfolio from 6% to 9%, while deposits have increased from 4% to 9%, over the previous year 2022-23.

-- Risk Based Assets Analysis by Statutory Auditors revealed the following facts: In 2022-23 Gross NPA stood 9.17%, Net NPA was 1.59%, CRAR 28.86% while in 2023-24 Gross NPA stood 7.07%, Net NPA was 1.56%.

-- Investments in GOI Securities stood at Rs.4656.98 lakhs as on 31.03.2024. The Profits of the Bank stood at Rs.268.23 lakhs (on 31.03.2024) whereas it was Rs.235.58 lakhs (as on 31.03.2023) after provisions & taxes.

-- Bank continues to provide digital services in the form of Mobile Banking, POS Machines, UPI, Door Step Banking etc. Awareness programmes on Cyber-Security for staff members and customers have also been undertaken.

-- Bank is also providing all sorts of Insurance products to our customers from Life & Health, Credit, Fire, Theft, Natural calamity, Vehicle, Stock to Comprehensive including PMJJBY – Pradhan Mantri Jeevan Jyoti Bima Yojna. Bank has tie-up with ICICI Prudential, Iffco-Tokio, Kotac, SBI life for the benefit of customers

-- Details of Bank’s Shareholding is given below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Membership** | **Share Capital** | **Caste-wise breakup** | **%age** |
| **31.03.23** | **20271** | **140,272,200** | **SC** | **47%** |
| **31.03.24** | **21458** | **153,183,300** | **ST** | **6%** |
| **New Member** | **1024** |  | **OBC** | **3%** |
| **Closed ,,** | **233** |  | **Gen** | **28%** |
|  |  |  | **Muslim** | **16%** |

Thereafter, Chairman proceeded with the agenda-wise discussion of the AGM.

**a. Election of Directors of the Board, if any**

It was stated that no such election would be held in this AGM

**b. Confirmation of the proceedings of the last AGM (2022-23) held on 29.06.23**

On the request of the Chairman, Shri Ashish Ghosh, Shri Barun Saha, Director, read out the proceedings of the last AGM (2022-23) held on 29.06.23. The proceedings were placed before the delegates for discussion and deliberations, after which the proceedings were unanimously accepted by all the delegates present.

The Chairman, as convener of the meeting, read out the Annual Report of the BOD for the financial year 2023-24, thereafter requested the delegates present to raise any queries/clarification on the observations made with the report and also the Financial Statements of the FY as on 31.03.2024.

**Shri Narayan Biswas (Hridaypur)**

i. Brought to the notice of the House that Shree Shree Harichand Thakur & Shree Shree Guruchand Thakur were two different personalities, which in the earlier proceedings was mentioned as one.

**Response**

Chairman thanked Shri Narayan Biswas for bringing the mistake to light and instructed the bank officials present to rectify the mistake with immediate effect. Which was complied fortwith.

ii. Shri Narayan Biswas pointed out that due to the Bank’s busy schedule, the proposed **workshop for delegates** on their responsibilities, as stated in the last AGM, did not take place.

**Response**

CEO, Shri Debasish Bhattacharjee, assured that as pointed out by Shri Narayan Biswas, this time the Bank would make it a priority to hold the workshop as suggested. The venue would be in the premises of the Bank’s HO in Karunamoyee, Salt Lake, tentative date would be in September / October 2024. The topics for discussion amongst others would include the role & responsibility of the delegates of our Bank.

iii. Opening of branch in Hridaypur

**Response**

In response to the request for branch in Hridaypur, CEO held that our Bank was providing good service to the customers of that area through a Banking outlet, which was managed by staff of the bank. In future bank will take up the matter again, since RBI was given a directive to us that the bank may open one branch per year and presently for the FY 2024-25, it has decided to open a branch in Behala for increasing its banking business for new customers.

**Shri Ujjal Kanta Dhar (Palta)**

i. Shri Ujjal Kanti Dhar brought to the Bank’s notice that TDS was not being deducted on the interest earned on his Fixed Deposits with the Bank, while the same was been shown under the AIS head of the Income Tax portal.

**Response**

Replying to the query of Shri Ujjal Kanti Dhar, CEO requested that the Bank has already started the exercise of TDS deduction from interest income of depositors. But a large no. of the depositors complained that they were either unaware or failed to submit their 15H / 15G declaration on time, requesting the Bank to refund such TDS as they were either unaware or senior citizens dependent on such interest income for their meeting personal expenses. Considering the large no. of such requests, It was decided to refund such TDS to the customer’s account.

However, it was reiterated that Bank is bound by the rules of Income Tax and in future TDS would be deducted as per IT norms and eligible depositors would be liable to submit their 15H/15G declarations well within the given timelines.

ii. Regarding GST, Shri Ujjal Kanti Dhar had stated in the AGM that GST was not being updated in his current a/c, at the Bank level.

**Response**

Banks’ reply to the queries of Shri Ujjal Kanti Dhar are given below:

As per statute, ITC (Input Tax Credit) is available for tax payers only on GST paid, in order to be eligible for ITC on Bank charges, the following conditions are to be fulfilled:

-- Goods & Services have been received by the person

-- GST has been paid to GOI either in cash or ITC

-- The person must be in possession of tax invoice or debit note / any other document

-- The person has furnished GST Return under Section 39

-- ITC reconciliation GSTR 2A vs GSTR 3B has been completed

-- Vendor payments have been made within 180 days or not

-- ITC is available only against business supplies

-- It is bank’s experience that most current a/c holders do not avail ITC on Bank charges

-- Banks can claim only upto 50% as ITC for GST charged on customers

**Action Taken by Bank**

A scrutiny of bank records has revealed the following facts:

Shri Ujjal Kanti Dhar has two current a/cs with us namely –

i. Ujjal Kanta Dhar Legal Statutory Transaction Consultant (A/c No 00210502000000216)

Current a/c in Palta Branch

-- On 11.04.22 Cheque Book was issued, charges levied was Rs. 60/- and the GST levied was Rs.10.80p (break-up CGST Rs.5.40 p + SGST Rs.5.40 p)

-- Bank had levied quarterly SMS charges of Rs.15.00, where GST component was Rs.2.70p (CGST Rs.1.35p+SGST Rs.1.35p). SMS charges are also levied on SB a/cs and are not considered as part of legitimate business related expenditure. The average balance in the a/c was about Rs.5000/-

ii. Ujjal Kanta Dhar (OD a/c 002108000000055)

-- On 21.04.23, NEFT charges for funds transferred to Susanta Ghosh for Rs.1,00,000.00, bank charges were Rs.10.00, GST Rs.1.80 (CGST Rs.0.90p+SGST Rs.0.90p)

-- Similarly, on 16.08.23 for 10,000/- NEFT charges were Rs.7.50 and GST Rs.1.36p (CGST Rs.0.68p+SGST Rs.0.68p)

-- On 16.05.24 for RTGS of Rs.2,75,000.00, beneficiary being Mr. Ujjal Kanta Dhār’s(himself) a/c in SBI (not a business payment as per GST) the bank charges were Rs.20.00, GST Rs. 3.60p (CGST Rs.1.80p + SGST Rs.1.80p)

Total GST, on bank charges, in the above a/cs amounts to **Rs.18.96p**, all of which are not legitimate business expenses. All these bank charges along with the GST component are clearly mentioned in the Bank statements.

Shri Ujjal Kanti Dhar can claim ITC on the sum of Rs.18.96p, subject to fulfilment of the above mentioned conditions as per GST authorities.

Shri Ujjal Kanti Dhar, is requested to submit a copy of his GST returns w.e.f FY 2022 for updation in the bank’s records.

**Kshitish Chandra Mondal (Durganagar)**

Shri Kshitish Ch. Mondal, delegate from Durganagar had raised the question of Casual Staff, their salary and details of appointment etc.

**Response**

CEO, Shri D. Bhattacharjee, while replying to the queries of Shri Kshitish Ch. Mondal reiterated on the point of the rules and regulations governing the recruitment of staff and bank’s obligation to adhere to the norms of the West Bengal Co-operative Service Commission in matters of recruitment.

At present bank has five members designated as casual staff posted in different branches and also at the Head Office of the bank. Bank will assess the position of the appointment of casual staff, theirs terms of appointment and scope for confirmation.

Bank envisages the holding of written examination and viva-voce to assess the deserving candidates who would eligible for confirmation. Bank has also to identify the posts of permanent nature where the casual employees can be absorbed. Bank shall undertake this exercise within this financial year after the RBI Inspection is completed. It was further clarified that the casual staff were being paid @ Rs.417/- per day as per Labour Commission. Bank has been paying an Ad-Hoc sum of Rs. 16,000/- to the casual staff.

**Shri Gautam Mondal (Durganagar)**

Shri Gautam Mondal requested the bank to provide the following:

-- a list of shareholders in Durganagar

-- opening of new branch in Hridaypur

-- need for greater publicity about the bank in Durganagar/ Barasat area

-- required to change the bank’s banner, which was in bad shape

-- letter not received for attending the AGM

**Response**

Chairman, assured to provide a list of shareholders, and also to increase the publicity about the bank. The branch manager of Durganagar Br. was required to undertake publicity campaign, hold prospective customer meet and distribution of pamphlets and putting up hoardings in the Durganagar and adjoining areas.

The matter regarding new branch opening, had already being replied to, by the CEO.

Bank acknowledged the need for changing the bank’s banner, which has become old and damaged due to natural wear & tear.

CEO said that all advance Notice of the AGM were despatched to the recorded address of the delegates. Moreover, as a precaution against delivery problems by the concerned post- offices, each and every Delegate was informed over the phone /mobile regarding the AGM on 16.06.2024. Shri Gautam Mondal was advised to visit the Durganagar branch and collect the list of shareholders from the branch manager.

**Status of Shri Sisir Mullick**

Some delegates wanted to know about the status of Shri Sisir Mullick, who was a member of the BOD, but who had abstained from attending more than eight consecutive meetings of the BOD. It was observed by members that as per The West Bengal Co-Op. Societies Rules, 2011u/s 44(F), that any member who fails or abstains from attending six (6) consecutive meetings of the BOD, shall automatically lose his directorship and shall cease to be a member of the BOD.

Confirming the cessation of Shri Sisir Mullick from the Board of Directors of Samata Co-operative Development Bank Ltd. the delegates requested the chairman to make the necessary arrangements to elect another Director, to replace Shri Sisir Mullick.

**Response**

Chairman replied that Bank had several times tried to contact Shri Sisir Mullick, by letter / telephone and through other directors but there was no response from his side. Regarding the appointment of new director to replace Shri Sisir Mullick, Chairman recalled the various RBI circulars, wherein it was stated that UCBs were advised to have on their Board atleast 51% of Directors who were professionally qualified, like CA, MBA, IT Specialists, Ex-Bankers and other similarly experienced professionals, who would assist the BOD with a professional outlook & purpose in managing the Bank. Accordingly, complying with RBI advisory, Bank would seek the permission of the RCS to finalise the eligibility criteria / appointment, of such professional Director to replace Shri Sisir Mullick.

**Shri Parimal Kanti Barman (Durganagar)**

Shri Barman highlighted the fact that our Durganagar branch was hardly six /seven kms. from Hridaypur, where bank was already having an outlet similar to a Business Correspondent Centre, manned by a permanent bank staff, who was providing banking services to the customers of that area. In comparison, the customers of Behala & Thakurpukur were large in number and had large deposits but due to lack of a bank branch, they were withdrawing their deposits from the bank.

**Response**

CEO, considering the observation of Shri Parimal Kanti Mandal, reiterated that Bank had already considered these issues and agreed to open a branch in Behala this FY 2024-25, and thereafter other centres would be considered including Barasat / Hridaypur and adjoining areas.

**Uttam Sarkar**, regretted the fact that there was very poor representation from Keshtopur area and the number of members was very low inspite of having potential growth. He suggested greater membership of women from that area and bank should cater to their financial needs and provide loans & advances.

**Response**

CEO, repeated the policy of the Bank to open a new branch every financial year as per the statutes of RBI. Hence, opening of branch in Keshtopur would be duly considered.

As far as the election of Delegates were concerned, it was stated that elections were fair and transparent and conducted as per the regulations of the RCS. Further held that, due to the efforts of the CEO & Chairman and Top Management of the bank it was possible to form both a BOM (Board of Management) and BOD (Board of Directors) in the Bank with a sizeable representation of professionals and ex- bankers from RBI and National Banks.

**Shri Prasanjit Biswas (Palta)**

Shri Biswas gave the following proposals regarding the bank premises:

1. Bank should have a property of its own for its Head Office or other purpose

2. A property developer in Palta area was willing to give about 1500 to 2000 sq. ft. to the bank for outright purchase.

3. The existing rent of the Palta branch premises was on the higher side and if the bank acquired the said new property, the premises could be shifted and the rent amount saved.

4. If not in Palta, Bank could consider purchasing property in Baruipur, which also has a good potential for banking purpose.

**Response**

Chairman and members welcomed the idea and CEO further clarified the bank’s position on the same.

1. Bank is not averse to the idea of its own property, which in the long run would be perpetual in nature and appreciate in value.

2. Bank, in principle, is eager to acquire property in its own name such as ‘SAMATA BHAVAN,’ however proposals from members in other areas like New Town, Salt Lake, Baruipur, apart from Palta was welcome.

3. Regarding the amount of capital expenditure involved in acquiring such property, CEO stated that an amount of Rs. 86.00 lakhs, has been held in provisions in the balance sheet. The corpus has been created out of the amortisation against depreciation of the leasehold premises in Karunamoyee, Salt Lake, where the Head Office & Main Branch of the bank is located.

4. The rent of our Palta branch is over Rs. 30,000/- and the Landlord is pressurising the bank to increase the rent. Under this situation, it makes sense to acquire a property of its own rather than pay higher rent for the same premises.

Chairman, put the matter before the House and it was unanimously accepted that Bank should acquire a property of its own, if it’s had the funds to pay for the same.

**Shri Badal Ch. Sarkar**

Shri Badal Sarkar raised the issue of appointment of staff in the bank and the criteria of such appointment.

**Response**

In reply to the query of Shri Badal Sarkar, CEO stated that all appointment in the bank was fair and transparent and as per the criteria laid down in the Registrar of Cooperative Societies Act and also the RBI guidelines in this matter.

Recruitment is made through West Bengal Co-operative Service Commission and in case no suitable candidate is available fulfilling the eligibility criteria, bank is left with no other option than to recruit from the open market through applications in public newspapers / media etc. e.g. West Bengal Co-operative Service Commission was unable to provide a qualified System Analyst, hence bank had recruited Shri Shyamal Majhi, as IT Specialist from outside the West Bengal Co-operative Service Commission.

**c. Consideration of the Annual Report (2023-24)**

The Annual Report was presented by the Chairman of the BOD for the FY 2023-24, wherein he highlighted the achievements of the Bank in the past year:

-- The total no of members of Members as on 31.03.2024 was 21458

-- The total sum of Share Capital of Members was Rs.15,31,83,300.00

-- In accordance with the motto and principles of the Bank, as a champion for the under-privileged segment of society, a break-up of the composition of the membership patterns reveals the following:

SC – 47% / ST – 6% / OBC – 3% / GEN – 28% / Muslim – 16%

-- There has been increase in the loans & advances portfolio from 6% to 9%, while deposits have increased from 4% to 9%, over the previous year 2022-23.

-- Investments of the Bank stood at Rs.4657.88 lakhs as on 31.03.2024 under Money at

Call & Short Notice.

-- Digital Banking services, through Core Banking, Mobile Banking, UPI Services etc.

-- Insurance Services through business partners ICICI Prudential, Iffco – Tokio Ltd.

SBI Life, & Kotak Life etc.

-- Customer Protection by ‘Limiting the Liability of Customers in un-authorised

’Electronic Banking Transactions.

-- Door – Step Banking facility for senior citizens.

**d) Consideration of the latest audit Report (2023-24)**

The Statutory Audit of the Samata Bank was conducted by M/s Prasanta Ghosh & Co. the details of which were distributed amongst all the members present for their perusal and acceptance. The Statutory Audit was unanimously approved & accepted by all members present in the AGM.

The highlights of the Audited balance sheet are given as follows:

-- Last Annual General Meeting was held on 29.06.2023 and the proceedings of which were

unanimously accepted by all members.

-- Working Capital of the Bank was Rs.32742.00 lakhs

-- Authorised Share Capital Rs. 2000.00 lakhs

-- Paid-up Share Capital Rs. 1549.30 lakhs

-- Statutory and Other Reserves Rs. 2239.31 lakhs

-- Deposits Rs.23852.68 lakhs

-- Loans & Advances Rs. 17938.05 lakhs

-- Net Profit after Tax as on 31.03.2024 Rs. 268.23 lakhs

-- Undistributed Profits Rs. 675.48 lakhs

-- Audit conducted by M/s Prasanta Ghosh & Co. (Chartered Accountants)

-- Compliance of the Observations of the Auditors, have been attached as Annexure – I

**e. Approval of the Annual Budget Estimates 2024-25 & 2025-26**

The Chairman, Shri Asish Ghosh, presented the Annual Budget Estimates, which was clarified by Mr. Dilip Basu, Director as follows:

-- Revenue Expenses such as Interest on Deposits & Borrowings for 2023-24(Actual)was Rs.1343.75 lakhs

while budget estimates for 2024-25 set at Rs.1478.13 lakhs and for 2025-26 was Rs.11625.94 lakhs.

-- Staff Expenses for 2023-24 (Actual) was Rs.272.04 lakhs, estimate for 2024-25 was Rs. 300.00 lakhs and

for 2025-26 set at Rs. 360.00 lakhs

-- Interest Income on Investments & Balance with RBI for 2023-24 (Actual) was Rs.2366.89 lakhs, budget

for 2024-25 was Rs. 2721.92 lakhs and for 2025-26 set as Rs. 3130.21 lakhs

-- Interest Income on Loans & Advances for 2023-24 (Actual) Rs.1789.18 lakhs and budget estimates for 2024-25 was Rs. 2057.56 lakhs and for 2025-26 was Rs.2366.20 lakhs.

The annual budget exercise and the projections for the FYs 2024-25 & 2025-26 was unanimously approved by all members present.

**f. Consideration of any report of inspection or enquiry made in accordance with the provisions of the Act and Bye-laws if any.**

**Response**

No such consideration of report / inspection / enquiry under the Act /Bye-laws was applicable for the FY ended 31.03.2024.

**g. Consideration of matters relating to loans & advances given to Directors of the Bank and their relatives and action to be taken thereof in case of default’**

**Response**

No such consideration of matters relating to loans & advances given to Directors of the Bank and their relatives and action to be taken thereof in case of default’ was applicable for the FY ended 31.03.2024.

**h. approval of** **appointments, if any,** **of the relatives of the Directors of the Board other than those selected by the Co-operative Service Commission.**

**Response**

No such consideration of appointments of the relatives of the Directors of the Board other than those selected by the Co-operative Service Commission was applicable for the FY ended 31.03.2024.

**i. Creation of specific reserves and other funds and review of the actual deployment of reserves and other funds.**

**Response**

No such Creation of specific reserves and other funds and review of the actual deployment of reserves and other funds were applicable for the FY ended 31.03.2024.

**j. Distribution of net profits – declaration of Dividend on the share holdings as on 31st March 2024**

**Response**

The BOD of the Bank, taking into consideration the audited balance sheet and the position of Profit & Loss a/c of the bank - Net Profit after Tax as on 31.03.2024 Rs. 268.23 lakhs and the Undistributed Profits Rs. 675.48 lakhs, had recommended the payment of **Dividend @ “9.60% “to all the shareholders of the bank.** Chairman, Shri Asish Ghosh, placed before the House the recommendations of the BODfor deliberations and approval. The proposal of the Chairman for payment of Dividend @9.60% was unanimously accepted by all the members present. It was recalled that in the last financial year 2022-23 dividend was paid @ 9.50%, this year there was an increase of 0.10% over the past year.

**k. Review of the Operational deficit or loss and consideration of the plan to make good the losses, if any;**

**Response**

Since the Bank has earned Net Profit after Tax as on 31.03.2024 Rs. 268.23 lakhs and the Undistributed Profits Rs. 675.48 lakhs, this agenda was not applicable.

**l. Approval of Long – Term perspective plan and annual operational plan**

**Response**

No such Approval of Long – Term perspective plan and annual operational plan were applicable for the FY ended 31.03.2024.

**m. Fixation of borrowing limit as may be necessary**

**Response**

No such Fixation of borrowing limit was necessary for the FY ended 31.03.2024.

**n. Approval of Code of Conduct of Members of the Board**

**Response**

No such approval of Code of Conduct of the BOD was necessary for the FY ended 31.03.2024.

**o. Amendment of bye-laws if any**

**Response**

Amendment of bye-laws was necessary for the FY ended 31.03.2024 in accordance with the Banking Regulation Act- 1949 (Amendment Act 2017) and the Banking Regulation Act (Amendment)2020 and circularised by RBI, as applicable to all UCBs. Bank has incorporated the amendments as per the RBI directive but requisite permission from RCS is still pending.

**p. Expulsion of members**

**Response**

No such expulsion of members was applicable for the FY ended 31.03.2024.

**q. Creation of post for additional staff for the bank**

**Response**

Creation of post for additional staff for the bank was necessary for the FY ended 31.03.2024 – 25, in keeping with the following developments:

1. Bank has embarked upon a branch expansion drive in pursuance of the ‘Financial Inclusion’ programme of the GOI. A new branch is proposed to be functional in the current year in Behala, for which additional staff is required.

2. General staff shortage has been assessed for operational banking, where bank requires experienced and skilled staff with appropriate qualifications.

3. The recruitment of staff shall be through the WB Co-operative Service Commission

4. Qualification & experience shall be as per Bank’s requirement, however in present day – banking scenario, IT qualification is a mandatory apart from banking knowledge, particularly in the age of digital banking.

The above proposals were approved by the delegates present.

**r. Consideration of such other matters as specified in the Bye – Laws**

**Response**

No such consideration of bye-laws for the FY ended 31.03.2024.

**s. consideration of any other matter, which may be brought to the notice of the members at the AGM, in accordance with the provisions of the Act and the Bye-laws of the bank.**

**Response**

No such consideration of any other matter which may be brought to the notice of the members at the AGM, in accordance with the provisions of the Act and the Bye-laws of the bank was applicable for the FY ended 31.03.2024.

In his closing address to the House, Chairman Shri Asish Ghosh summarised the highlights of the AGM:

-- Adoption of the proceedings of the last AGM held on 29.06.23

-- Declaration of dividend @9.60% to Shareholders for the FY 2023-24

-- The need for opening of branches in unbanked areas such as Behala, Hridaypur, Barasat, Mahisbathan, Khasmahal etc. However, it was emphasised that the concept of large brick & mortar branches with large no. of employees had undergone a change. Present-day bank branches were small in size with bare minimum no. of staff and functions mainly on the digital & internet platform, with mobile banking as the basic banking interface. Importance of BC (Business Correspondents) both individual and corporate was also discussed. He assured all members that the demand for new branches shall be fulfilled in a phased manner, annually as per RBI guidelines and satisfaction of eligibility criteria.

-- The suggestion of members regarding staff deployment was also discussed and bank was bound by the guidelines of the Cooperative Service Commission.

-- The new initiatives of issue of ‘Subordinate Bonds’ or Deposits from the prospective customers for augmentation of the capital of the Bank was well received.

-- Bank’s efforts of opening of holiday homes in places of tourist interest such as Digha, Puri, Mandarmoni, Kalimpong, Darjeeling etc. was welcomed.

-- Chairman thanked all the delegates who attended the AGM and made it a grand success. He also thanked the invitee Directors / CEO / Branch personnel / Shareholders and other Stakeholders who have put in hard work for the past year and ensured growth and profit for the Bank.

The Delegates also expressed their satisfaction and approval of the proceedings and wished the Bank, Management, the BOD & BOM and all Staff Members further growth and prosperity in the coming years.

All persons’ present were invited to a sumptuous lunch which was provided by the bank.

The Meeting ended with a vote of thanks to the Chair.

**Convener of the Meeting Dated 20.06.2024**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **RBI CODE OF AUDIT FIRM** | **3** | **4** | **1** | **2** | **0** | **0** |

**Annexure – I**

**.**

**LONG FORM AUDIT REPORT [LFAR] FOR THE YEAR ENDED 31.03.2024**

**HEAD OFFICE & OTHER BRANCHES of SAMATA CO-OPERATIVE DEVELOPMENT BANK LTD**

**COMPLIANCE of LFAR for the FY ended 31.03.2024**

1.**ASSETS**

**1. CASH**

|  |  |  |  |
| --- | --- | --- | --- |
| a) | Does the branch generally carry cash balances, which vary significantly from the limits fixed by the controlling authorities of the Bank?  Whether excess balances have been reported to the controlling authorities of the Bank? | Cash retention limit, fixed by Controlling Authorities as per board resolution, for branches are -  Karunamoyee Branch - Rs. 40 Lakh/Day Palta Branch - Rs. 15 Lakh/Day Durganagar Branch - Rs. 10 Lakh/Day Laskarpur Branch - Rs. 10 Lakh/Day  We observed that during the year under audit, the cash balance was within the retention limit as sanctioned. However, there were very few instances, where the cash balance has exceeded the retention limit. | **Complied**  **All branches comply with the statutes and maintain the ‘Cash Retention Limit’**  **In exceptional cases where retention limit has exceeded, balance is brought within limit in the next working day.** |
| b) | Does the branch hold adequate insurance cover for cash-on-hand and cash-in-transit? | Yes, in both cases. | **Complied** |
| c) | Is cash maintained in effective joint custody of two or more officials, as per the instructions of the controlling authorities of the Bank? | Yes,  Cash is held in the joint custody of cashier & Officer. Bank maintained two keys of Vault one with cashier & other with manager. | **Complied** |
| d) | Have the cash balances at the branch been checked at periodic intervals as per the procedures prescribed by the controlling authorities of the Bank? | Yes,  Cash balances are checked by concurrent auditor and director every month and authenticate the cash register as evidence. | **Complied** |

**2. BALANCES WITH RESERVE BANK OF INDIA, STATE BANK OF INDIA AND OTHER BANKS**

|  |  |  |  |
| --- | --- | --- | --- |
| a) | Were balance confirmation certificates obtained in respect of outstanding balances as at the year-end and whether the aforesaid balances have been reconciled? The nature and extent of differences should be reported. | Yes,  Balance confirmation certificate has been obtained from other Banks.  Reconciliations have been provided against the differences in balances. | **Complied** |
| b) | Your observations on the reconciliation statements may be reported in the following manner: |  |  |
|  | i) Cash transactions remaining un-responded [give details]: | Nil | **Complied** |
|  | ii) Revenue items requiring adjustment/write off [give details]: | Nil | **Complied** |
|  | iii) Old outstanding balances remaining unexplained/ unadjusted. Give details for: |  | **Complied** |
|  | - Outstanding between six months and one year; and | Nil | **Complied** |
|  | - One year and above | There is difference of Rs. 1, 01,964/- in balance with West Bengal State Co-operative Bank (a/c no: 29312074656). | **It has been decided by the Bank to adjust the long outstanding entry through provision already provided as advised by the auditor.** |
| c) | In case any items deserve special attention of the management, the same may be reported. | Management has made a provision of Rs. 1,01,964/- for differences in balance with West Bengal State Co-operative Bank (29312074656) | **It has been decided by the Bank to adjust the long outstanding entry through provision already provided as advised by the auditor.** |

**3. MONEY-AT-CALL AND SHORT NOTICE**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Has the Branch kept money-at-call and short notice during the year? If so, whether Instructions/guidelines, if any laid down by Controlling Authority of the Bank have been complied with? | Yes,  The Bank has kept Money-at-call of Rs. 873.41 lakhs as on 31.03.2024.  Out of excess CRR Rs. 2,130 lakhs as on 31.03.2024, bank has invested Rs. 873.41 lakh in Money-at-call as on 31.03.2024. So net CRR as on 31.03.2023 is Rs. 1,256.59 lakhs (after depositing Rs. 873.41 lakhs at money at call notice) against the required CRR to be maintained Rs. 645.38 lakhs. | **Complied** |

**4. INVESTMENTS**

**(A) For Branches in India**

|  |  |  |  |
| --- | --- | --- | --- |
| a) | Are there any investments held by branches on behalf of Head Office/other office of the Bank? If so, whether these have been made available for physical verification or evidences have been produced with regard to the same where these are not in possession of the branch? | There is no investment held by branch. All investments are made at Head office level and records/evidences are made available for physical verification. | **Complied** |
| b) | Whether any amounts received as income on such investments have been reported to the Head Office? | There is no investment held by branch. All investments are made at Head office level.  All incomes received are properly booked at Head office level. | **Complied** |
| c) | In respect of investments held by branches on behalf of Head Office/other offices of the bank whether any income is accrued / received any recognized as income of the branch contrary to the instructions of the controlling authorities of the Bank? | There is no investment held by branch. All investments are made at Head office level.  All incomes accrued are properly booked at Head office level. | **Complied** |
| d) | Whether there are any matured or overdue investments, which have not been en-cashed? If so, give details. | There is no matured or overdue investment, which have not been en-cashed. | **Complied** |
| e) | Whether the Guidelines of the Reserve Bank of India regarding Transactions in Securities have been complied with. | Yes. | **Complied** |
|  | Whether the Guidelines of the Reserve Bank of India regarding Valuation of Investments have been complied with. | Yes,  All investments are held as “Held to Maturity” in books of accounts and valued at acquisition cost. However, the excess amount paid over the face value is booked to the amortization cost, which is written off over the period, according to the due date of maturity. | **Complied** |

**[B] For Branches outside India**

|  |  |  |  |
| --- | --- | --- | --- |
| a) | In respect of purchase and sale of investments, has the branch acted within its delegated authority, having regard to the instructions/ guidelines in this behalf issued by the controlling authorities of the Bank? | There is no branch outside India. | **Complied** |
| b) | Have the investments held by the branch whether on its own account or on behalf of the Head Office/ other branches been made available for physical verification? Where the investments are not in the possession of the branch, whether evidences with regard to their physical verification have been produced? | There is no branch outside India. | **Complied** |
| c) | Is the mode of valuation of investments in accordance with the RBI guidelines or the norms prescribed by the relevant regulatory authority of the country in which the branch is located whichever are more stringent? | There is no branch outside India. | **Complied** |
| d) | Whether there are any matured or overdue investments, which have not been encashed? If so, give details? | There is no branch outside India. | **Complied** |

**5. ADVANCES**

[The answers to the following questions may be based on the auditor's examination of all large advances and a test check of other advances. In respect of large advances, all cases of major adverse features, deficiencies, etc. should be reported. In respect of other advances, the auditor may comment upon the relevant aspects generally, along with instances of situations giving rise to his reservations or adverse remarks. For this purpose, large advances are those in respect of which the outstanding amount is in excess of 5% of the aggregate advances of the branch or Rs. 2 Crores, whichever is less.]

**We have checked total 58 Loan Account files, total amount sanctioned Rs. ₹ 19,87,66,000/-. Total advance of the bank is Rs. 1,79,38,05,118.17/-. That means we have covered 11.08% of the total advance of the Bank during the course of our audit. In rest of the cases, we have placed our dependence on the reports of the Concurrent auditor as per as available.**

1. **Credit Appraisal**

|  |  |  |  |
| --- | --- | --- | --- |
|  | In your opinion, has the branch generally complied with the procedures/instructions of the controlling authorities of the Bank regarding loan applications, preparation of proposals for grant/ renewal of advances, enhancement of limits etc., including adequate appraisal documentation in respect thereof? | The bank generally complied with the procedures/instructions of the controlling authorities of the Bank regarding loan applications, preparation of proposals for grant/ renewal of advances, enhancement of limits etc., including adequate appraisal documentation in respect thereof.  However, we observed that in two cases (out of the samples selected) loan has been sanctioned with less credit rating score as compared to standard credit rating score (CIBIL 700).  Following accounts have been noted –  CR 134 – Credit Score 592  CR 260 – Credit Score 543 | **Complied**  **Bank has complied with all the instructions of the Regulators, and the rules and regulations laid down in the Policies.**  **Bank has scrutinized the cases where CIBIL scores are below 700 which are due to a no. of reasons such as a/c closure or payment of dues on Credit Cards etc. which have not been uploaded in the CIBIL database. Henceforth, Bank has scrutinized the CIC reports where scores are below 700, the reasons for accepting scores below 700, are being included in the loan appraisal form. In case of CR 134, renewal has been done. The Proprietor of CR 260 had stood guarantor for other loan borrower, where outstanding dues were observed, due to which his CIBIL scores are poor.** |

**b) Sanctioning/Disbursement**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | In the cases examined by you, have you come across instances of credit facilities having been sanctioned beyond the delegated authority or limit fixed for the branch? Are such cases promptly reported to higher authorities? | On the basis of sample checking of files, there is no such case, where sanction amount has breached the Maximum sanction limit of cash credit, Rs.3.65 crore/Individual and Rs. 6 crore/Group borrower, as per Board resolution dated 18.01.2023. | **Complied.**  **The sanction limit in case of Loans & Advances have been scrupulously followed by the bank as per Board resolution data dated 13.07.2022** |
| ii) | In the cases examined by you, have you come across instances where advances have been disbursed without complying with the terms and conditions of the sanction? If so, give details of such cases. | No such serious breach observed. | **Complied** |

**c) Documentation**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | In the cases examined by you, have you come across instances of credit facilities released by the branch without execution of all the necessary documents? If so, give details of such cases. | During the course of statutory audit, it has been noted the bank has considerably improved with regard to documentation part of advances. However, few cases of short-coming are noted below:  LTL - 2447 HBL SAIKAT MONDAL  CR - 194 CASH CREDIT M/S MONDAL SUPPLIERS  CR - 195 CASH CREDIT BHASKAR MONDAL  CR - 37 CASH CREDIT B.C. PAUL & SONS  CR - 309 CASH CREDIT LUCKY CONSTRUCTION  MTL- 3970 MTL MR. DIPANKAR ROY  VEHL-82 VEHICLE LOAN BHAJAN MAJUMDER  VEHL-79 VEHICLE LOAN NILESH ROY | **Bank has already taken up the issue and concerned staff has been instructed to rectify the short-comings that has been reported and to ensure that there is no recurrence in future. The exercise has been initiated and completed.**  **Complied** |
| ii) | In respect of advances examined by you, have you come across instances of deficiencies in documentation, non-registration of charges, non-obtaining of guarantees, etc.? If so, give details of such cases. | CERSAI formality was complied with wherever applicable, but the filing of relevant documents be improved in this regard. | **Complied, but in some cases relevant documents are being obtained by the bank.** | |
| iii) | Whether advances against lien of deposits have been properly granted by marking a lien on the deposit in accordance with the guidelines of the controlling authorities of the Bank. | Generally, advances against the lien of deposits have been properly granted by marking a lien on the deposit. | **Complied** | |

**d) Review/Monitoring/Supervision**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| i) | Is the procedure laid down by the controlling authorities of the Bank for periodic review of advances including periodic balance confirmation/acknowledgment of debts, followed by the Branch? Provide analysis of the accounts overdue for review/renewal. | Yes, the bank has a procedure for periodic review of advances in every quarter of Rs. 5 lakh and above as an agenda in the board meeting.  We observed some accounts were due for renewal as on 31.03.2024 as mentioned below. | | **Complied**  **For all cases where review and renewal is pending, bank has initiated steps with the borrowers to submit the requisite documents to complete the process.** |
|  |  | **No. of A/c (Cash Credit)** | **Outstanding [Rs. In lacs]** |  |
|  | - up to 3 months | 1 | 29.60 |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  | **No. of A/c (Cash Credit-NPA)** | **Outstanding [Rs. In lacs]** |  |
|  |  |  |  |  |
|  | - between 3 months and 1 year, and | 2 | 50.82 | **In case of NPA a/cs, bank is unable to renew the concerned a/c, until and unless all the overdue principal and interest demand are repaid in full & final adjustment has been paid by the borrowers.** |
|  | - over 1 year | 20 | 562.13 | **,,** |
| ii) | Are the stock/book debt statements and other periodic operational data and financial statements, etc., received regularly from the borrowers and duly scrutinized? Is suitable action taken on the basis of such scrutiny in appropriate cases? | Cases where loan granted on the basis of work order, we observed that progress report is received on work completion basis rather than on monthly basis  Latest Audited Financial Statements are usually available. | | **The unique nature of Loan against Work Order is that, payment is based on completion of jobs as stipulated in the Work Order, consequent upon Engineer’s report of bills submitted against completion of jobs. Hence, this payment is not on ‘Monthly’ rather on Work Order completion basis.** |
| iii) | Whether there exists a system of obtaining reports on stock audits periodically? If so, whether the branch has complied with such system? | Bank is not in the process of conducting stock audit of the borrower as the loan amount is not exceeding the specified limits as per the Bank’s policy. | | **Bank conducts inspection of the borrowers’ site on regular basis, during which stock audit / inspection is also conducted. This activity is not dependent on the specified CC/OD limit of the borrower. However, if Bank perceives that physical stock does not match /tally with submitted stock statement, the Drawing Power of the borrower may be modified accordingly. Borrower is liable to pay charges for the Inspection of End-use of banks funds as per Lending Policy of the bank.** |
| iv) | Indicate the cases of advances to non-corporate entities with limits beyond Rs.10 lakhs where the branch has not obtained the accounts of borrowers, duly audited under the RBI guidelines with regard to compulsory audit or under any other statute. | In two cases, within our sample checking, audited accounts of the non-corporate entities were not obtained from the borrower.  CR-195 BHASKAR MONDAL  CR- 194 MONDAL SUPPLIERS | | **Complied**  **The requisite documents have been obtained from the parties.** |
| v) | Has the inspection or physical verification of security charged to the Bank been carried out by the branch as per the procedure laid down by the controlling authorities of the Bank? | Yes | | **Complied** |
| vi) | In respect of advances examined by you, have you come across cases of deficiencies in value of securities and inspection thereof or any other adverse features such as frequent / unauthorized overdrawing beyond limits, inadequate insurance coverage, etc.? | As per sample verification of cash credit advances, we observed that value of collateral securities taken is less than the value of loan sanctioned.  As a general lending policy w.r.t Cash credit work order-based loan. Bank considers stock as primary security and 90%-100% collateral securities of loan sanctioned and direct payment confirmation from government against work order execution through customer cash credit/Current account as terms and condition of sanction. | | **Complied**  **Bank abides by the statutes of the Lending Policy & RBI advisory, in regarding stock as primary security and the balance of the Collateral Security in the form of mortgaged property / Title Deeds of property, to the value of 100% value of loan disbursed. However, in case of some old CC a/cs, Bank is in the process of acquiring 100% value of loan through collateral security.** |
| vii) | In respect of leasing finance activities, has the branch complied with the guidelines issued by the controlling authorities of the Bank relating to security creation, asset inspection, insurance, etc.? Has the Branch complied with the accounting norms prescribed by the controlling authorities of the Bank relating to such leasing activities? | Not Applicable. | | **Not Applicable.** |
| viii) | Are credit card dues recovered promptly? | Not applicable. | | **Not Applicable.** |
| ix) | Has the branch identified and classified advances into Standard/Sub-standard/ Doubtful/ Loss Assets in line with the norms prescribed by the RBI? [The auditor may refer to the relevant H.O. instructions for identification of Non-performing Assets and classification of advances]. | Yes,    However, cash certificate loan, Fixed deposit loan, Govt. Approved Security Loan, Loan Against Daily Deposit Scheme, Loan Against LIC Policy, Recurring Deposit Loan, Term Deposit Loan as secured loan are kept outside the purview of NPA calculation. | | **Complied**  **System-based NPA classification is run regularly, by the Bank, identifying advances into Standard/Sub-standard/ Doubtful/ Loss Assets in line with the norms prescribed by the RBI. Cash certificate loan, fixed deposit loan, Govt. Approved Security Loan, Loan Against Daily Deposit Scheme, Loan Against LIC Policy, Recurring Deposit Loan, Term Deposit Loan are categorized as Demand loans having ‘Bullet Repayment Schedule’ and are included within the purview of NPA calculation.** |
| x) | Where the auditor disagrees with the branch classification of advances into Standard/ Sub-standard/ Doubtful/ Loss Assets, the details of such advances with reasons should be given. Also indicate whether suitable changes have been incorporated/ suggested in the Memorandum of Changes. | No such cases observed. | | **Complied** |
| xi) | Have you come across cases where the relevant controlling authority of the Bank has authorized legal action for recovery of advances or recalling of advances but no such action was taken by the branch? If so, give details of such cases. | No such cases observed. | | **Complied** |
| xii) | Have all non-performing advances been promptly reported to the relevant controlling authority of the Bank? Also state whether any rehabilitation programme in respect of such advances has been undertaken, and if so, the status of such programme. | Yes- all non-performing advances been promptly reported to the relevant controlling authority of the Bank in the board meeting.  Also, there is no rehabilitation programme undertaken by the bank. | | **Complied** |
| xiii) | Have appropriate claims for DICGC and export credit guarantees/ insurance and subsidies. If any, been duly lodged and settled? The status of pending claims giving year wise break-up number and amounts involved should be given in the following format. | No pending cases of claim before DICGC and ECGC. | | **Complied** |

|  |  |  |  |
| --- | --- | --- | --- |
| xiv) | In respect of non-performing assets has the branch obtained valuation reports from approved valuers for the field assets charged to the Bank, once in three years, unless the circumstances warrant a shorter duration? | As per sample verification of loan files, valuation reports are usually obtained, however in case of “MTL 430” last valuation was done in 2013. | **Complied** |
| xv) | In the cases examined by you has the branch complied with the Recovery Policy prescribed by the controlling authorities of the Bank with respect to compromise/settlement and write-off cases? Details of the cases of compromises/settlement and write-off cases involving write-offs/waivers in excess of Rs. 50.00 lakhs may be given. | In accordance to the guidelines content in the master circular issued by the RBI bearing number: RBI/2023-24/40DOR.STR.IC.20/21.04.048/2023-24 dated 8th June,2023 also ratified at the board meeting dated 11.03.2024 by passing a resolution, regarding technical write-off of NP accounts under D3 category, the bank has written-off an amount of Rs. 3,21,85,449.28 out of which total principal amount Rs. 2,75,78,669.28 and total interest amount Rs. 26,06,780. The total number of accounts written-off are 390 as on 31.03.2024. To that extent, provision for NPA in the Liability side stand reduced.  The bank has also settled 126 cases before Lok-Adalat in compliance with court order. Amount involved Rs. 2.56Cr and settled for Rs. 53.73 Lakhs. | **Complied**  **In compliance of the circular RBI/2023-24 / 40DOR. STR.IC.20/21.04.048/2023-24 dated 8th June,2023, the BOD has ratified the following action with a purpose of cleaning – up the balance sheet and reducing the burden of NPA.**  **Write-off of D3 category of NPA, amounting to**  **Rs. 3,21,85,449.28 (390 cases)**  **Settlement of D3 category of NPA through the mechanism of ‘Lok Adalat’, 126 cases amounting to**  **Rs. 53.73 Lakhs.** |
|  |  |  |  |
| xvi) | List the major deficiencies in credit review, monitoring and supervision. | No major deficiencies. | **Complied** |

**e) Guarantees and Letters of Credit**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | Details of outstanding amounts of guarantees invoked and funded by the branch at the end of the year may be obtained from the management and reported in the following format: | Guarantees & Letter of credit are not issued by the bank. | **Complied** |

i) Guarantees invoked, paid but not Adjusted: **NIL (No such case)**

ii) Guarantees invoked, paid but not Paid: **NIL (No such case)**

iii) Details of the outstanding amounts of letters of credit and co-acceptances funded by the branch at the end of the year may be obtained

from the management: **NIL (No such case)**

**6. OTHER ASSETS**

**a) Stationery and stamps**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | Does the system of the Bank ensure adequate internal control over issue and custody of stationery comprising of security items [Term Deposits Receipts, Drafts, Pay Orders, Cheque Books, Traveler’s Cheques, Gift Cheques, etc.]? Whether the system is being followed by the branch? | Yes, the system is being followed adequately. | **Complied** |
| ii) | Have you come across cases of missing/ lost items of such stationery? | No such cases observed. | **Complied** |

**b) Suspense Accounts / Sundry Assets**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Does the system of the Bank ensure expeditious clearance of items debited to Suspense Account? Details of old outstanding entries may be obtained from the Branch and the reasons for delay in adjusting the entries be ascertained. Does the scrutiny of the accounts under various sub-heads reveal balances, which in your opinion are not recoverable and would require a provision/ write off? If so, give details in the following format: | | | Yes, Bank ensures expeditious clearance of items debited to Suspense Account. | | | **Complied** |
|  | Does your test check indicate any unusual items in these accounts? If so, report their nature and the amounts involved. | | | No such transaction found in suspense account during audit period FY 2023-2024. | | | **Complied** |
|  | |  |  | |  |
|  | | | | | |

**II. LIABILITIES**

1. **DEPOSITS:**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | Have the controlling authorities of the Bank laid down any guidelines with respect to conduct and operations of Inoperative Accounts? In the cases examined by you, have you come across instances where the guidelines laid down in this regard have not been followed? If yes, give details thereof. | The Bank follows RBI guidelines in this regard.  No such aberrations noted.  No in-operative account balance exists in the Bankbook over 10 years. | **Complied** |
| ii) | After the balance sheet date and all the dates of audit, whether there have been any unusual large movements [whether increase or decrease] in the aggregate deposits held at the year-end? If so, obtain the clarifications from the management and give your comments thereon. | No such unusual large movements noted. | **Complied** |
| iii) | Are there any overdue / matured term deposits at the end of the year? If so, amounts thereof should be indicated. | There is a system of auto renewal of term deposits. Hence, no case of matured term deposit found at the end of the year. | **Complied**  **For Term Deposit Holders, bank insists on the practice of auto renewal of term deposits** |

2. **OTHER LIABILITIES**

**Bill Payable, Sundry Deposits, etc.**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | The number of items and the aggregate amount of old outstanding items pending for three years or more may be obtained from the branch and reported under appropriate heads. Does the scrutiny of the accounts under various sub-heads reveal old balances? If so, give details in the following format | No such case found. | **Complied** |

|  |  |  |  |
| --- | --- | --- | --- |
| ii) | Does your test check indicate any unusual items of material withdrawals or debits in these accounts? If so, report their nature and the amounts involved. | No such cases found. | **Complied** |

**3. CONTINGENT LIABILITIES**

|  |  |  |  |
| --- | --- | --- | --- |
|  | List of major items of the contingent liabilities [other than constituents' liabilities such as guarantees, letters of credit, acceptances, endorsements, etc.] not acknowledged by the Branch? | No contingent liability is there as on 31.03.2024. | **Complied** |

**III. PROFIT AND LOSS ACCOUNT**

|  |  |  |  |
| --- | --- | --- | --- |
| 1 | Whether the branch has a system to compute discrepancies in interest/ discount and for timely adjustment thereof in accordance with the guidelines laid down in this regard by the controlling authorities of the Bank? Has the test checking of interest revealed excess/short credit of a material amount? If so, give details thereof. | Yes,  Interest application is a system generated entry. We have test checked the interest rates and the same are correctly captured in the system.  We observed that interest on other bank investment is calculated manually or recognized as per the Interest Certificates. | **Complied** |
| 2 | Has the branch complied with the Income Recognition norms prescribed by RBI? [The Auditor may refer to the instructions of the controlling authorities of the Bank regarding charging of interest, on non-performing assets]. | Yes,  No income from NPA is recognized in the Profit & Loss A/c. | **Complied** |
| 3 | Whether the branch has a system to compute discrepancies in interest on deposits and for timely adjustment of such discrepancies in accordance with the guidelines laid-down in this regard by the controlling authorities of the Bank? Has the test check of interest on deposits revealed any excess / short debit of material amount? If so, give details thereof. | Yes,  Interest application is a system generated entry. We have test checked the interest rates and the same are correctly captured in the system. | **Complied** |
| 4 | Does the Bank have a system of estimating and providing interest accrued on overdue / matured term deposits? | Yes. CBS system is followed. | **Complied** |
| 5 | Are there any divergent trends in major items of income and expenditure which are not satisfactorily explained by the branch? If so, the same may be reported upon. For this purpose, an appropriate statement may be obtained from the branch management explaining the divergent trends in major items of income and expenditure. | Due to technical write-off of non-performing assets to the tune of Rs. 2.76 Cr. The provision for non-performing assets as on 31.03.2024 stood at 10.04 Cr. Against Rs. 12.65 Cr. as on 31.03.2023.  Due to creation of higher rate of bad debt reserve the special bad debt reserve as on 31.03.2024 stood at 3.19 Cr. as against 1.67 Cr. as on 31.03.2023. | **Complied** |

**IV. GENERAL**

**1. BOOKS AND RECORDS**

|  |  |  |  |
| --- | --- | --- | --- |
| a) | In case any books of account are maintained manually, does general scrutiny thereof indicate whether they have been properly maintained, with balances duly linked out and authenticated by the authorized signatories? | Yes,  Books of accounts are maintained in Core Banking solution (CBS). | **Complied** |
| b) | In respect of computerized branches: |  |  |
|  | * Whether hard copies of accounts are printed regularly? | Cashbook copy is printed regularly for physical verification. | **Complied** |
|  | * Indicate the extent of computerization and the areas of operation covered. | In most of the areas computerization system is followed.  In some cases, interest on investment is calculated manually. | **Complied** |
|  | * Are the access and data security measures and other internal controls adequate? | Except Govt. Security Module most of the CBS has been operationalized. Hence, the access and data security measures and other internal controls are more or less satisfactory. | **Complied**  **Work on the Govt. Security Module is in progress with our vendor M/s Infrasoft. UAT is being done but some issues need to be solved by the vendor prior to ‘Going Live’.** |
|  |  |  |  |
|  | * Whether regular back-ups of accounts and off-side storage are maintained as per the guidelines of the controlling authorities of the Bank? | There is system of maintaining regular back up accounts, and in offside- storage (Cloud storage). | **Complied** |
|  | * Whether adequate contingency and disaster recovery plans are in place for loss / encryption of data? | Yes | **Complied** |
|  | * Do you have any suggestions for the improvement in the system with regard to computerized operations of the branch? | Bank should implement Govt. Investment Module of CBS system as soon possible. | **Noted for Compliance**  **As mentioned earlier, regular UAT is being done for implementation of the Govt. Investment Module, at the earliest.** |

**2. RECONCILIATION OF CONTROL AND SUBSIDIARY RECORDS:**

Have the figures, as at the year end, in the control and subsidiary records been reconciled? If not, the last date up to which such figures have been reconciled should be given under the respective heads, preferably in the following format:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Account Head** | **Date** | **General Ledger Balance [Rs.]** | **Subsidiary Balance [Rs.]** | **Last Date on which balanced** |
|  |  |  |  |  |
| All deposits & loan accounts are reconciled and tallied as 31.03.2024. | | | | |
|  |  |  |  |  |

**3. INTER BRANCH ACCOUNTS**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | Does the branch forward on a daily basis to a designated cell/Head Office, a statement of debit/credit transactions in relation to other branches? | Debit & credit transaction of the branch are incorporated on daily basis. | **Complied** |
| ii) | Does a check of the balance in the Head Office Account as shown in the said statement during and as at the year-end reveal that the same is in agreement with the Head Office Account in the general ledger? | Yes,  Inter Branch accounts with Head Office have been reconciled as on 31.03.2024. | **Complied** |
| iii) | Are there any outstanding debits in the Head Office Account in respect of Inter-branch transactions? | No. | **Complied** |
| iv) | Does the branch expeditiously comply with / respond to the communications from the designated cell /Head Office as regards unmatched transactions? As at the year-end are there any unresponded /uncomplied queries or communications? If so, give details? | Yes,  No such cases found. | **Complied** |
| v) | Have you come across items of double responses in the Head Office Account? If so, give details. | No | **Complied** |
| vi) | Are there any old/large outstanding transaction/entries at debits as at year-end, which remain unexplained in the accounts relatable to inter-branch adjustments? | No such cases found. | **Complied** |

**4. AUDITS / INSPECTIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | Is the branch covered by concurrent audit or any other audit / inspection during the year? | Yes, branch is covered by concurrent audit. | **Complied**  **M/s Himadri Pradhan and Co. is the present Concurrent Auditor of the bank.** |
| ii) | In framing your audit report, have you considered the major adverse comments arising out of the latest reports of the previous auditors, concurrent auditors, stock auditors, concurrent auditors, stock auditors or internal auditors, or in the special audit report or in the Inspection Report of the Reserve Bank of India? State the various adverse features persisting in the branch though brought out in these audit / inspection reports. | The Reserve Bank of India had not carried out any inspection during the F.Y. 2023-2024 and no relevant inspection report is available for the year.  Concurrent audit reports were made available before us till June 2023 quarter. However, we have consulted the previous auditors report. | **Complied** |

**5. FRAUDS**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Furnish particulars of frauds discovered during the year under audit at the branch, together with your suggestions, if any, to minimize the possibilities of their occurrence. | No such cases observed. | **Complied** |

**6. MISCELLANEOUS**

|  |  |  |  |
| --- | --- | --- | --- |
| i) | Does the examination of the accounts indicate possible window dressing? | No. | **Complied** |
| ii) | Does the branch maintain records of all the fixed assets acquired and held by it irrespective of whether the values thereof or depreciation thereon have been centralized? Where documents of title in relation to branch or other branches are available at the branch, whether the same have been verified? | The branch maintains its fixed asset register in computerized manner; however, scope of improvement is there. | **Complied** |
|  |  |  |  |
| ii) | Are there any other matters, which you as an Auditor would like to bring to the notice of the management? | 1. ***Career Agents Branch Salt Lake, TDS amount Rs. 15,980.00/-*** 2. ***LICI Naihati Branch Office, TDS amount Rs. 895.00*** 3. ***WBSEDCL, TDS amount Rs. 1,431.00/-*** 4. ***ICICI Prudential Life Insurance Company LTD, TDS amount Rs. 3,911.00/-*** 5. ***Kotak Mahindra Life Insurance Company Limited, TDS amount Rs. 652.23/-*** 6. ***The above-mentioned cases of TDS (calculated on the basis of for 26AS, printed as on 07.05.2024) have not been incorporated in the financial statements of the bank.*** 7. ***Since 2001, there is a difference of ₹1,01,964.00 in balance with West Bengal State Co-Operative Bank (A/C no.29312074656) further management has made a provision of Rs. 101,965.00 in the final accounts for these difference since long. We suggest that the amount should be written-off in the profit & loss account of the bank.*** | **Complied**  **As per IT Act, payment to service providers are done after deducting TDS, and depositing the same to the IT authorities.**  **As mentioned above and as per Auditors advice the amount of Rs. 1,01,964.00 shall be written-off against provisions made.**  **Complied** |

Date: 14.05.2024

Place: Bidhannagar

UDIN: **24061582BKFQNB7200 (D. Bhattacharjee, CEO of the Bank)**