



KHORDHA CENTRAL CO-OPERATIVE BANK LTD., KHORDHA

BALANCE SHEET AS ON 31.03.2020

Form - A

Liabilities			Assets		
Sl. No.	Particulars	Amount	Sl. No.	Particulars	Amount
1	Paid up Share Capital Reserve Fund & Other Reserves	727,561,753.00	1	Cash in Hand	38,508,990.00
2	Deposit & Other Accounts	87,897,940.59	2	Current Account with Banks	194,485,160.18
3	Borrowings	4,476,474,149.25	3	Investment	3,651,185,607.90
4	Bills for Collection	4,877,165,409.00	4	Loans & Advances	7,016,307,349.18
5	Overdue Interest Reserve	279,017,347.42	5	Interest receivable (Loans & Investment)	338,912,171.42
6	Interest payable	268,035,226.66	6	Bills receivable as per contra	-
7	Other Liabilities	644,430,629.11	7	Premises	67,420,803.00
8	Accumulated Profit (This Year Profit)	11,179,350.00	8	Furniture & Fittings	9,990,628.33
9	Total	11,571,761,805.03	9	Other Assets	56,950,895.02
			10	Total	11,571,761,805.03

PROFIT & LOSS ACCOUNT FOR THE YEAR 2019-20

Form - B

Income			Expenditure		
Sl. No.	Particulars	Amount	Sl. No.	Particulars	Amount
1	Interest received on loans & investment	704,316,269.93	1	Interest paid on deposits & borrowings	495,598,652.00
2	Commission, Exchange & Brokerage	316,675.94	2	Salary & Allowances	72,458,889.28
3	Subsidy & Donation	-	3	Director & Local Committee member fees & allowances	647,184.00
4	Income on Non-Banking Assets	-	4	Rent, Taxes, Insurance Charges & Lighting etc.	15,630,187.02
5	Other receipts	4,100,200.74	5	Law charges & Legal expenses	381,194.00
6	Profit & Loss A/c (Provision)	101,083.00	6	Postage, Telegram & Telephone Charges	455,927.75
			7	Audit fees	1,050,000.00
			8	Depreciation	5,899,576.07
			9	Stationery, Printing & Advertisement	2,902,130.16
			10	Other Expenditure	16,194,008.68
			11	Provisions	86,437,130.65
			12	Profit for the year 2019-20	11,179,350.00
				Total	708,834,229.61

Sd./- S. Pattanik Manager (Accounts) Sd./- S. Satapaty DGM Sd./- S. Ch. Mishra Chief Executive Officer
 Sd./- Sanat Kumar Mohanty (OAS) SAG Sd./- V.S. Raju & Co. Chartered Accountants
 Collector & District Magistrate, Khordha-cum-Administrator Khordha CC Bank Ltd., Khordha



THE KHORDHA CENTRAL CO-OPERATIVE BANK LTD., KHORDHA

NOTES ON ACCOUNTS FOR THE FINANCIAL YEAR 2019-20

- Borrowings from other sources represent the borrowing made from Government of Orissa.
- Out of Total Loans and Advances of Rs.701,63,07,349.18, Total NPA is Rs.48,01,75,612.10. The Segregation of the advances on the basis of Short Terms, Medium Term and Long Term NPA has been ascertained.

- Gross NPA of the Bank has been reduced from 7.44% to 6.84%. Also, NPA has been decreased by Rs 77,99,327.70.
- As per the guidelines of RBI, provision on standard assets has been made at 0.25% on short term agriculture and 0.40% on other loan of the outstanding amount on a portfolio basis.
- Insurance expenditure includes Deposit Insurance Premium of Rs 56,57,969.00 paid to Deposit Insurance & Credit Guarantee Corporation.
- The Bank is a Central Co-operative Society at Dist level registered under the Orissa Co-operative Society Act, 1982 (Orissa Act 2 of 1993) and there are no related parties required to be disclosed as per AS-18 issued by the Institute of Chartered Accountants of India. The only Key Managerial Person is Sri Subash Chandra Mahapatra, Chief Executive Officer of the Bank. However, in terms of RBI circular dated 29.03.2003, he being single party coming under the category no further details need to be disclosed.
- Calculation of Basic E.P.S. & Diluted E.P.S.
- EPS of the year is not ascertained due to absence of information regarding number of shares issued and paid up.
- The Bank has invested in Shares with Odisha State Co-operative Bank. The Bank also made investment in Government Securities, Call Money market through SBI DFHI. Besides the above the Bank also made deposit with UTI Mutual Fund, Nippon India Mutual fund & Cynosure.
- Income Tax of Rs 47,91,150/- has been provided for the current year after considering provision for imbalance of Rs 7,64,31,948.78, provision for overdue interest of Rs 9,527,402.01 and unreconciled amount Rs 4,77,779.86.
- Interest subvention due is to be claimed from the Govt. of Orissa and Govt. of India through Orissa State Co-operative Bank. The same has been ascertained but claim for the year not received during the current financial year and hence not accounted for during this year as the figure has not been supplied by the OSCB as per form. The same is accounted for on receipt basis.
- Bank has transferred an amount Rs 20,71,742.45 as on Dtd 31.03.2020 towards the Depositor Education & Awareness Fund Scheme 2014 in accordance to Section 26A of the BR Act.
- Additional discourses:

Sl. No.	Particulars	As on 31.03.2020 (Current Year) (Rs. in Lakhs)	As on 31.03.2019 (Previous Year) (Rs. in Lakhs)
A	Capital to Risk Assets Ratio (CRAR)		
	(i) Total Capital Funds	8281.65	7533.27
	(ii) Risk Weighted Assets	70479.32	65589.79
	(iii) CRAR	11.75%	11.48%
B	Investments (Govt. Security)		
	(i) Book Value	13076.28	11087.33
	(ii) Face Value	13200.00	11200.00
	(iii) Market Value	Unavailable	Unavailable
C	Advance Against		
	(i) Real Estate	Nil	Nil
	(ii) Construction Business	Nil	Nil
	(iii) Housing	85.06	91.57
D	Advance against shares & Debentures	Nil	Nil
E	Advance to directors, their relatives, companies/firms in which they are interested		
	(i) Fund Based	Nil	Nil
	(ii) Non-Fund based	Nil	Nil
F	Average Cost of Deposits	4.55%	4.48%
G	NPAs		
	(i) Gross NPAs	4801.76	4879.74
	(ii) Net NPAs	516.78	570.22
H	Profitability: (Annualized Basis)		
	(i) Interest Income as a percentage of working funds	6.14%	7.00%
	(ii) Non-interest income as a percentage of working funds	0.03%	0.06%
	(iii) Operating profit as a percentage of working funds	0.13%	0.14%
	(iv) Return on average Assets	6.46%	7.38%
	(v) Business (Deposits + Advances) per employee	912.13	884.84

Sl. No.	Particulars	2019-20	2018-19
J	Provisions made towards		
	(i) NPAs	4560.85	4562.28
K	Towards Overdue Interest Reserve		
	Opening Balance	2694.90	2000.55
	Add: Additions during the year	95.27	694.35
	Less: Reduction during the year	-	-
	Closing Balance	2790.17	2694.90

STATUTORY AUDITOR'S REPORT

We have audited the attached Balance Sheet of the Khordha Central Co-operative Bank Ltd., Khordha as at 31st March, 2020, the Profit and Loss Account of the Bank Annexed thereto for the year ended on that date which incorporated the returns of Head Office at 18 Branches (Eighteen) audited by us. These financial statements are the responsibility of the Banks' Management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 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 from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure 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.
- The Balance Sheet and Profit & Loss Account have been drawn up as per the prescribed format and are in accordance with the terms of the MOU (Clause - 9.20) signed by the State Government with Govt. of India and NABARD and the reforms made in Odisha State Co-operative Societies Act and subject to the limitation of disclosure required therein, notes on account and accounting policies forming part of the accounts as on 31st March 2020.
- We report that
 - The software of the Bank needs to be upgraded immediately to comply with IRAC Norms IT Act and GST Act. CBS system should be developed in such a way that all returns can be taken from system directly.
 - Provision on advances is made at a much higher rate than prescribed, which results in under-statement of income.
 - KYC not done properly. Multiple IDs for same person found in some Branches. In our opinion Aadhaar number should be made mandatory for all account holders by which multiple IDs issue may be resolved.
 - Steps should be taken to eliminate old outstanding entries pending in Sundry Creditor, Sundry Debtors and Suspense Account.
 - Most of the Fixed Assets have been classified as "Furniture & Fixtures" in Balance Sheet. Fixed assets need to be classified under appropriate heads.
 - Other observations are reported in Annexure to Auditors' Report, which forms part of this main report.
- Subject to the foregoing, in our opinion and to the best of our information and according to the explanations given to us we report that:
 - 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 found them satisfactory.
 - The transaction of the Bank that has come our notice is within the powers of the Bank.
 - The report on accounts of the branches audited by us has been dealt with in preparing our report in the manner considered necessary by us.
 - The returns received from the Head Office and the branches of the bank have been found adequate for the purposes of our audit.
 - The Balance Sheet read with notes on accounts is a full and fair Balance Sheet containing the necessary particulars and is properly drawn-up as to exhibit a true and fair view of the state of affairs of the Bank as on 31st March 2020, and
 - The Profit & Loss Account read with notes on accounts shows true.
 - Balance of the Profit of the bank for the year ended 31st March 2020.

For V.S. Raju & Co.
 Chartered Accountants
 Firm Regn. No. 0315187E
 Sd./- CA V.S. Raju, FCA
 Membership No. 052468
 Place: Khordha
 Date: 16.09.2020