

M/S. G.SITARAMA RAO & CO.,

Chartered Accountants

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Date: 21-04-2023

AUDITORS' REPORT

Report on the Financial Statements:

1. We have audited the accompanying financial statements of THE DISTRICT COOPERATIVE CENTRALBANK LTD., VISAKHAPATNAM which comprise the Balance Sheet as at March, 2023, Profit and Loss Account and a summary of Significant accounting policies and other explanatory information for the year ended on that date. Incorporated in these financial statements are the returns of 30 branches for the year, by conducting Onsite Audit of Branches and HO.

We have conducted our Audit in accordance with the Guidelines issued by NABARD and Reserve Bank of India. We have conducted physical verification of Cash on hand, security items and Gold Jewellery at various branches and verification of documentation for various loans granted during the year was conducted on sample random basis. We have received the required documents and information from the respective branch officials and also from the responsible officials at Controlling office (H.O) for conducting the Audit as and when required.

Management's Responsibility for the Financial Statements:

2. Management is responsible for the preparation of these financial statements, in accordance with the Banking Regulation Act, 1949, Reserve Bank of India and NABARD Guidelines, from time to time and Accounting Standards applicable in India. This responsibility includes the design, implementation and Maintenance of Internal Control measures relevant to the preparation of the financial statements to ensure that they are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our Audit. We have conducted our Audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the Auditors Judgment including the assessment of the risks of material misstatement on the Financial Statements whether due to fraud or error. In making those risk assessments, the Auditors consider internal control relevant to the Bank's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on effectiveness on evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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5. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

6. In our opinion and as shown by the Books of account of the Bank and to the best of our information and according to the explanations given to us:
 - i. The Balance Sheet read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars which are properly drawn up, so as to exhibit a true and fair view of the state of affairs of the Bank as on March 31, 2023, in conformity with accounting principles generally accepted in India.
 - ii. The Profit and Loss Account, read with the notes thereon shows a true and fair view of the amount of Profit earned by the Bank for the year, and has been in conformity with accounting principles generally accepted in India, for the year.

Report on Other Legal and Regulatory Requirement:

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 & 31 of the Banking Regulation Act, 1949.
8. Subject to the limitations of the audit, indicated in paragraph 1 to 5 above and as required by the Banking Regulation Act and subject to the limitations and observations made in Annexures to Main Audit Report and LFAR, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief, as are necessary for the purpose 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 our audit.
9. We further report that:
 - a. The Balance Sheet and Profit and loss account dealt with by this report are in agreement with the books of account and returns:
 - b. In our opinion, the Balance Sheet, Profit and Loss Account and Other Statements comply with the applicable accounting standards.

Dividend/Interest:

As per circular from Commissioner for Co-operation and Registrar of Co-operative Societies, A.P, Guntur, dated 19.04.2022, "Every Society should pay a Dividend or Interest which shall not be less than 6%. The same is debited in P&L a/c as interest on capital, amounting to Rs.280.00 lakhs.

Place: Visakhapatnam.
Date : 21-04-2023

**M/s. G. Sitaramarao & Co.,
Chartered Accountants
ICAI Regn.No: 003876S**



**(CA.G. Srikanth)
Partner
Membership No. 206177**

UDIN: 23206177BGVFRE7307

