



INDEPENDENT AUDITOR'S REPORT

To
The Shareholders
The Moga Central Cooperative Bank Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Moga Central Co-operative Bank Ltd. ("the Bank") as at 31st March 2023, which comprise of the Balance Sheet as at 31st March 2023, the Profit and Loss Account for the year ended 31st March, 2023 and a summary of Significant Accounting Policies and other explanatory information. The returns of Head Office and 48 Branches audited by us are consolidated in the Financial Statements.

I. Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of "The Moga Central Cooperative Bank Ltd. ("the Bank")" which comprise the Balance Sheet as at 31st March, 2023, the Profit and Loss Account and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 section of our report, the aforesaid Financial Statements give the information required by Banking Regulation Act, in the manner so required for bank and are in conformity with the accounting principles generally accepted in India and give:

- true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at 31st March 2023; and
- True balance of Profit in case of Profit & Loss Account for the year ended on that date.

II. Basis of Qualified Opinion

- Referring to Circular Ref. No. NB. DoS. HO. Pol. / 3634 / J-1 / 2014-15 [No. 33/ DoS-01 / 2015] dated 25 February 2015 forwarding broad guidelines on Information System (IS) Audit and circular Ref. No. NB. DoS. Pol. HO / 794 / J-1 / 2019-20 [No. 13 /DoS-13 / 2019] dated 21 May 2019 reiterating the guidelines on IS Audit. Previous IS Audit was conducted on 18.01.2021 & Latest IS Audit is conducted on 20.05.2023. Whereas as per above circular, IS Audit is required to be conducted on annual basis which has not been complied with by the Bank. Further, IS Audit Report must have been placed before the Board of Directors /Audit Committee/ Top Management which can't be put up as Complete IS Audit Report is not made available by the IS Auditor itself. Furthermore, Bank must have a Board Approved IS Audit Policy which is nowhere in place. Moreover, No Information System Audit was conducted for the year 2021-22.



- Balance Outstanding in Suspense & Sundries Payable A/c as on 31.03.2023 is given in ₹48,37,336.77 As sufficient and appropriate audit evidence regarding reconciliation were not provided we are unable to comment on the same.
- Accounting Entries, as per Accounting Standard – 15, “Employee Benefits”, with respect to the Fair Value of Plan Assets and Defined Benefit Obligations in respect to Leave Encashment, Gratuity Fund not entered by the Bank.
- The Bank hold shares in other co-operative institutions amounting to ₹4,38,600.00. The amount so invested in the shares of Punjab Financial Corporation, Sugar Mills Fazilka & Central Warehousing Corporation is not yielding any income to bank.
- There are following unreconciled entries for Balance with Other Banks. Following are the details:

	Balance as per Bank (in ₹)	Balance as per Books (in ₹)	Difference		Entries Pending	
			Debit(in ₹)	Credit(in ₹)	Debit	Credit
Axis Bank	154,45,412.62	127,06,451.09	165,907.76	29,04,869.29	16	98
PSCB Bank	989,48,157.46	990,82,731.46	151,574.00	17,000.00	7	1
Ludhiana CCB	86,991.39	93,569.39	6,578.00	0.00	4	0
SBI	127,427.59	192,340.49	384,701.90	319,789.00	10	6
Total	11,46,07,989.06	11,20,75,092.00	7,08,762.00	32,41,658.00	37	105

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by The Institute of Chartered Accountants of India. 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 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.

III. Key Audit Matters

1. The Societies which are being financed at 1:40 against shares held by them of the bank, we observed that sufficient shares in ratio mentioned have not been held by 16 Societies of our bank. Details are mentioned in Annexure-1.
2. Issues/matters as pointed out in the Inspection Report dated 29.03.2023 for the year ended 31.03.2022 for which compliance has been sent, needs to be complied in all respects for timely closure of the Inspection Report.



IV. Management's Responsibility for the Consolidated Financial Statements

Management is responsible with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Bank in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of the Banking Regulation Act, 1949, the circulars and guidelines issued by the Reserve Bank of India NABARD and the guidelines issued by the Central Registrar of Co-operative Societies, the Multi-State Co-operative Societies Act, 2002, the Multi-State Co-operative Societies Rules, 2002 from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Acts 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 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 a true and fair view and are free from material misstatement, whether due to fraud or error.

V. Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 a 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 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 on 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 cease to continue as a going concern.



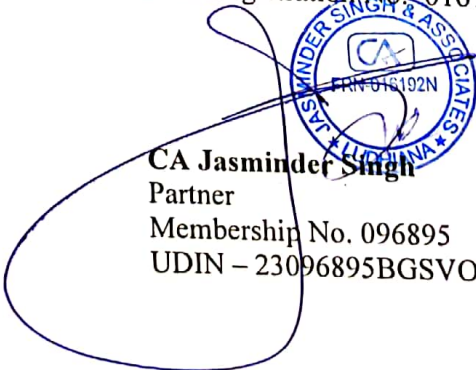
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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

VI. Report on Other Legal and Regulatory Requirements

- The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of Banking Regulation Act, 1949;
- Subject to the limitations of the Audit indicated in paragraphs above and as required by Regional Rural Banks Act, 1976 and subject also to the limitations of the disclosures required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and they have been found satisfactory except for the qualifications mentioned in the Basis of Qualifications.
 - b. The transactions of the Bank which, have come to our notice or have been within the powers of the Bank; and
 - c. The returns, received from the offices and branches of the Bank have been found adequate for the purpose of Audit.
 - d. In our opinion, the aforesaid Financial Statements comply with the accounting standards specified under section 133 of the Act, read with rule-7 of the Companies (Accounts) Rules, 2014 except for for the qualifications mentioned in the Basis of Qualifications.

For **JASMINDER SINGH & ASSOCIATES**
Chartered Accountants
Firm Registration No. 016192N


CA Jasminder Singh
Partner
Membership No. 096895
UDIN – 23096895BGSVON4725

Place: Ludhiana
Date: 25.05.2023

Annex I
Form A
Form of Balance Sheet

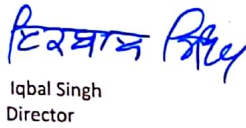
Balance Sheet of 'The Moga Central Cooperative Bank Ltd., Moga'
Balance as on on 31st March 2023

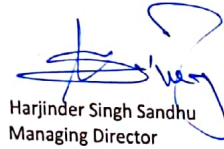
	Schedule	As on on 31-03-2023	As on on 31-03-2022
Capital and Liabilities			
Capital	1	175821281.00	173297714.00
Reserves and Surplus	2	524662136.53	518630588.80
Deposits	3	8682483093.86	8254438885.75
Borrowings	4	1876125800.00	1529858500.00
Other Liabilities & Provisions	5	402267765.36	339864969.02
TOTAL		11661360076.75	10816090657.57
Assets			
Cash & Balance with RBI	6	96719403.00	119645302.00
Balance with Banks & Money at call and Short Notice	7	3749351916.86	2746990527.16
Investments	8	1693878005.00	1643997390.00
Advances	9	5216548154.90	5452640753.82
Fixed Assets	10	367565060.83	372700141.27
Other Assets	11	537297536.16	480116543.32
TOTAL		11661360076.75	10816090657.57
Contingent Liabilities for Collection	Bills 12	12764754.75	11775740.54


Sarbjit Singh
Accountant


Sarbjit Singh
Manager


Tejbir Singh Sandhu
District Manager


Iqbal Singh
Director


Harjinder Singh Sandhu
Managing Director


Paramjit Singh Dhaliwal
Chairman

Place Moga
Date : 25-05-2023

M/s Jasminder Singh & Associates
Chartered Accountant
Firm Reg No. 016192N


CA Jasminder Singh
Partner
Membership No.- 096895

Schedule 1 - Capital

	As on on 31-03-2023	As on on 31-03-2022
1 For Nationalised Banks		
Capital (Fully owned by Central Government)	0.00	0.00
2 For Banks incorporated outside India		
The amount brought in by bank by way of start up capital as prescribed by RBI.	0.00	0.00
Amount of deposit kept with RBI under section 11(2) of the Banking Regulation Act, 1949	0.00	0.00
3 For other banks		
Authorised Capital (200000 shares of Rs. 50/- & 2700000 shares of Rs. 100/- each)	280000000.00	100000000.00
Issued Capital (199166 shares of Rs. 50/- each & 1658630 shares of Rs. 100/- each)	175821281.00	173297714.00
Subscribed Capital (199166 shares of Rs. 50/- each & 1658630 shares of Rs. 100/- each)	175821281.00	173297714.00
Called up Capital (199166 shares of Rs. 50/- each & 1658630 shares of Rs. 100/- each)	175821281.00	173297714.00
less:- Calls unpaid		
add :- Forfeited shares		

Schedule 2 - Reserves and Surplus

	As on on 31-03-2023	As on on 31-03-2022
I. Statutory Reserves		
Opening balance		
Additions during the year	80987455.57	79406594.28
Deductions during the year	2113589.19	1580861.29
Total	83101044.76	80987455.57
II. Capital Reserves		
Opening balance		
Additions during the year		
Deductions during the year		
Total		
III. Share Premium	0.00	0.00
Opening balance		
Additions during the year	0.00	0.00
Deductions during the year	0.00	0.00
Total	0.00	0.00
IV. Revenue and other Reserves	0.00	0.00
Opening balance		
Additions during the year	430441576.47	428488984.59
Deductions during the year	3067506.67	1952591.88
Total	607521.71	
V. Balance in Profit and Loss Account	432901561.43	430441576.47
	8659530.34	7201556.76
(Total I, II, III, IV and V)	524662136.53	518630588.80



Schedule 13 - Interest Earned

Particulars	Year ended on 31-03-2023	Year ended on 31-03-2022
i. Interest/discount on advance bills	380322538.56	387445281.18
ii. Interest on investments	125689834.00	123175026.00
iii. Income on balances with RBI and other inter bank funds	197361750.00	100261456.00
iv. Others	0.00	0.00
Total	703374122.56	610881763.18

Schedule 14 - Other Income

Particulars	Year ended on 31-03-2023	Year ended on 31-03-2022
I. Commission, Exchange & Brokerage	799646.04	564568.35
II. Profit on sale of investments	0.00	0.00
Less : Loss on sale of investment		
III. Profit on revaluation of investments	0.00	0.00
Less : Loss on revaluation of investments		
IV. Profit on sale of land, buildings and other assets	0.00	0.00
Less : Loss on sale of land buildings and other assets		
V. Profit on exchange transactions	0.00	0.00
Less : Loss on exchange transactions		
VI. Income earned by way of dividends etc. form subsidiaries/companies and /or joint ventures abroad/ in India.	2165590.00	1762773.00
VII. Miscellaneous Income	1507780.52	20631569.67
Total	18043016.56	22958911.02

Schedule 15 - Interest Expended

	Year ended on 31-03-2023	Year ended on 31-03-2022
i. Interest on Deposits	369380078.29	355340318.49
ii. Interest on RBI / Inter bank borrowings	85807003.00	60408216.00
iii. Others	867968.63	1639804.70
Total	456055049.92	417388339.19

Schedule 16 - Operating expenses

	Year ended on 31-03-2023	Year ended on 31-03-2022
i. Payments to and provision for employees	176794166.85	123119931.30
ii. Rent, taxes and lighting	10934722.08	14109558.00
iii. Printing and stationery	1497733.71	2261026.70
iv. Advertisement and publicity	31584.50	253264.43
v. Depreciation on bank's property	5824262.23	6572632.94
vi. Directors fees, allowances and expenses	24960.00	12900.00
vii. Auditors fees and expenses (including branch auditors)	507800.00	462745.00
viii. Law charges	59734.62	121644.00
ix. Postage, telegrams and telephones etc.	467841.22	458287.38
x. Repairs and maintenance	194962.34	416025.93
xi. Insurance	11024971.93	10141226.26
xii. Other expenditure	23451319.38	30555664.31
Total	230814058.86	188484906.25



Schedule 3 - Deposits

	As on on 31-03-2023	As on on 31-03-2022
A. Demand Deposits		2091117.17
i) From Banks	2212682.64	310010983.43
ii) From others	173092846.61	3356492034.35
II. Saving Bank Deposits	3502304429.76	
III. Term Deposits		172091117.17
i) From Banks	76359412.00	4413753633.63
ii) From others	4928513722.85	8254438885.75
Total	8682483093.86	8254438885.75
B. i) Deposits of branches in India	8682483093.86	8254438885.75
ii) Deposits of branches outside India	0.00	0.00
Total	8682483093.86	8254438885.75

Schedule 4 - Borrowings

	As on on 31-03-2023	As on on 31-03-2022
I. Borrowings in India		
a) Reserve Bank of India	0.00	0.00
b) Other banks	30000000.00	0.00
c) Other Instituion	1846125800.00	1501748500.00
d) others	0.00	28110000.00
II. Borrowings outside India	0.00	0.00
Total	1876125800.00	1529858500.00

Schedule 5 - Other Liabilities and Provisions

	As on on 31-03-2023	As on on 31-03-2022
I. Bills payable	7134110.80	3845413.80
II. Inter office adjustment (Net)	0.00	0.00
III. Interest Accrued	0.00	0.00
IV. Others (including provisions)	395133654.56	336019555.22
Total	402267765.36	339864969.02

Schedule 6 - Cash and Balances with Reserve Bank of India

	As on on 31-03-2023	As on on 31-03-2022
1 Cash in hand	96719403.00	119645302.00
2 Balance with Reserve Bank of India	0.00	0.00
i) In Current Accounts	0.00	0.00
ii) In other Accounts	0.00	0.00
Total	96719403.00	119645302.00



Schedule 7 - Balances with Banks and Money at Call and Short Notice

	As on on 31-03-2023	As on on 31-03-2022
I. India		
(i) Balances with Banks		
a) In Current Accounts		
b) In other Deposit Accounts	345240777.86	279234444.16
Total	3404111139.00	2467756083.00
(ii) Money at call & short notice	3749351916.86	2746990527.16
a) With Banks		
b) With other Institutions	0.00	0.00
Total	0.00	0.00
II. Outside India	0.00	0.00
i) In Current Accounts		
ii) In other Deposit Accounts	0.00	0.00
iii) Money at call & short notice	0.00	0.00
Total	0.00	0.00
Grand Total	3749351916.86	2746990527.16

Schedule 8 - Investment

	As on on 31-03-2023	As on on 31-03-2022
I. Investments in India in :		
i) Government Securities		
ii) Other approved securities	1605317405.00	1555436790.00
iii) Shares	0.00	0.00
iv) Debentures and Bonds	88560600.00	88560600.00
v) Subsidiaries and/or joint ventures	0.00	0.00
II. Investments outside India in :	0.00	0.00
i) Government securities (including local authorities)	0.00	0.00
ii) Subsidiaries and/or joint ventures abroad	0.00	0.00
iii) Other investments	0.00	0.00
Total	0.00	0.00
Grand Total	1693878005.00	1643997390.00

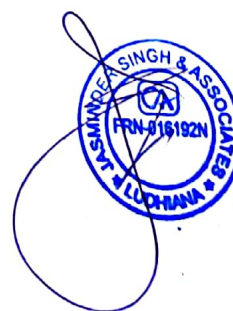


Schedule 9 - Advances

	As on on 31-03-2023	As on on 31-03-2022
A (i) Bills purchased and discounted.	0.00	0.00
(ii) Cash credits, overdrafts and loans repayable on demand	1122817133.30	1291764537.57
(iii) Term Loans	4093731021.60	4160876216.25
Total	5216548154.90	5452640753.82
B (i) Secured by Tangible assets		
(ii) Covered by Bank/Government Guarantees		
(iii) Unsecured		
Total	0.00	0.00
C I Advances in India		
(i) Priority sectors		
(ii) Public Sectors		
(iii) Banks		
(iv) Others		
Total	0.00	0.00
C II Advances outside India		
(i) Due from banks		
(ii) Due from others		
a) Bills purchased and discounted		
b) Syndicated loans		
c) Others		
Total	0.00	0.00
Grand Total (C.I and C. II)	5216548154.90	5452640753.82

Schedule 10 - Fixed Assets

	As on on 31-03-2023	As on on 31-03-2022
1 Premises		
At cost As on 31st of the preceding year	332995604.17	334693864.25
Additions during the year	0.00	0.00
Deductions during the year	0.00	0.00
Depreciation to date	209828.40	233142.68
2 Other fixed assets (including furniture and fixtures)		
At cost As on 31st of the preceding year	39704537.10	42326891.33
Additions during the year	816872.49	5679580.23
Deductions during the year	127690.70	1962444.20
Depreciation to date	5614433.83	6339490.26
Total	367565060.83	372700141.27



Schedule 11 - Other Assets

	As on on 31-03-2023	As on on 31-03-2022
i. Inter office adjustment (Net)	0.00	0.00
ii. Interest accrued	46769014.56	51399426.37
iii. Tax Paid in advance/Tax deducted at source	7236187.00	5238106.00
iv. Stationary and Stamps	4284740.56	4449444.66
v. Non banking assets acquired in satisfaction of claims	0.00	0.00
vi. Other Assets	479007594.04	419029566.29
Total	537297536.16	480116543.32

Schedule 12 - Contingent Liabilities

i. Claims against the bank not acknowledged as debts	0.00	0.00
ii. Liability for partly paid investments	0.00	0.00
iii. Liability on account of outstanding forward exchange contracts	0.00	0.00
iv. Guarantees given on behalf of constituents	0.00	0.00
a) In India	0.00	0.00
b) Outside India	0.00	0.00
v. Acceptances, Endorsements and other obligations	0.00	0.00
vi. Others items for which the bank is contingently liable	12764754.75	11775740.54
Total	12764754.75	11775740.54



Annex I
FORM - B

Form of PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st of March 2023

		Amount Rs.	
	Schedule	During the period 01.04.2022 to 31-03-2023	During the period 01.04.2021 to 31-03-2022
I. INCOME			
Interest earned	13	703374122.56	610881763.18
Other Income	14	18043016.56	22958911.02
TOTAL		721417139.12	633840674.20
II. EXPENDITURE			
Interest expended	15	456055049.92	417388339.19
Operating expenses	16	230814058.86	188484906.25
Provisions and contingencies		25888500.00	20765872.00
TOTAL		712757608.78	626639117.44
III. Profit/Loss			
Net profit/loss(-) for the year		8659530.34	7201556.76
Profit/loss(-) brought forward		0.00	0.00
Total			
IV. Appropriations			
Transfer to Statutory Reserves		0.00	0.00
Transfer to other reserves		0.00	0.00
Transfer to Government/proposed dividend		0.00	0.00
Balance carried over to balance sheet		8659530.34	7201556.76

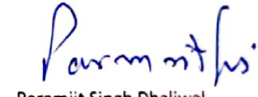

Sumitjot Singh
Accountant


Sarbjit Singh
Manager


Tejbir Singh Sandhu
District Manager


Iqbal Singh
Director


Harjinder Singh Sandhu
Managing Director


Paramjit Singh Dhaliwal
Chairman

Place Moga
Date : 25-05-2023


Jasvinder Singh & Associates
Chartered Accountants
Form Reg No. 016192N

CA Jasvinder Singh
Partner
Membership No.- 096895