



M. THOMAS & CO.

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INDEPENDENT AUDITORS' REPORT

To

The Members of

Indraprastha Sehkari Bank Ltd.

Report on the Financial Statements

We have audited the Banking Financial Statements of **Indraprastha Sehkari Bank Limited** ("the Bank"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss for the year ended on that date, and a summary of the significant accounting policies and other explanatory information along with returns of 5 branches audited by us (hereinafter referred to as "the Financial Statements").

1. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by Section 29 of the Banking Regulation Act, 1949 ("the Act") in the manner so required and give a true and fair view in conformity with the Standards on Auditing specified under section 143(10) of the Act (SAs) and other accounting principles generally accepted in India, of the state of affairs of the Bank as at March 31, 2024, the profit for the year ended on that date.

2. Basis of Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

3. Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

-N/A-



4. Other Information - Board of Directors' Report

A) The Bank's Board of Directors is responsible for the preparation and presentation of its report (herein after called as "Board Report") which comprises various information required in the Act but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Board Report and we do not express any form of assurance conclusion thereon.

B) In connection with our audit of the financial statements, our responsibility is to read the Board Report and in doing so, consider whether the Board Report is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

5. Management's Responsibility for the Financial Statements

The Bank's Board of Directors is responsible for the matters stated in accordance with the Banking Regulation Act, 1949, Guidelines from Reserve Bank of India 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 AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

In preparing the Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Bank's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the 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 are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - i) Identify and assess the risks of material misstatement of 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.

- ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control systems.

7. Report on Other Legal and Regulatory Requirements:

- i) The Balance Sheet and the Profit & Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949.
- ii) Subject to the limitation of the audit indicated in Paragraph 1 to 6 above and subject also to the limitations of disclosure required therein we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory.
- b) The transactions of the bank which have come to our notice have been within the power of the bank.
- iii) Further, as required by Annex II enclosed to Appointment Letter, we comment that:
- a) The CBS is capable to correctly identify/mark eligible accounts as 'Dormant' and all dormant accounts that are eligible for transfer to DEA Fund.
- b) The internal controls within the CBS systems are adequate and effective. This includes segregation of duties, access controls, authorization processes to prevent and detect potential data manipulation. Further, CBS is capable to generate an 'exception report' and the same is monitored thoroughly during the audit.
- c) Risk Based Internal Audit (RBIA) is not applicable to the bank as the bank has an asset size of less than ₹ 500 crores during the financial year.
- d) All delinquent accounts are accurately and timely reported by the bank to CICs.
- e) There are no instances of under provisioning identified during the audit. Further, income/interest income from NPAs are accounted for on receipt basis.
- f) The bank has not involved in evergreening of loans. The loans have been restructured on the request of the borrower considering the financial viability of the proposal. The related party transaction to borrower-related entities have been carried out at arm's length.

**For M. Thomas & Co.
Chartered Accountants
(Firm's Registration No. 004408S)**

**Date: 26.06.2024
Place: New Delhi
UDIN: 24525698BKFDZU4743**

**CA. Vikas Kashyap
(Designation: Partner)
Membership No. 525698**



"ANNEXURE TO AUDITORS REPORT"

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our Report of even date to the members of **Indraprastha Sehkari Bank Limited** on the accounts of the Bank for the year ended 31st March, 2024).

On the basis of such checks as we considered appropriate and according to the information and Explanations given to us during the course of our audit, we report that:

(i) In respect of its fixed assets:

(a) The Bank has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management during the year in accordance with the phased program of verification adopted by the management which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification..

(ii) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Bank and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods (and/services). During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control.

(iii) In respect of statutory dues:

(a) According to the records of the Bank and information and explanations given to us, the Bank has generally been regular in depositing undisputed Provident Fund, Tax deducted at sources and Income-tax, Tax collected at source, Goods & Service Tax (GST) and other material statutory dues applicable to it, with the appropriate authorities.

(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of Income-tax, Goods & Service Tax, and other material statutory dues in arrears were outstanding as at 31 March, 2024 for a period of more than six months from the date they became payable.



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- (iv) The Bank does not have the accumulated losses at the end of financial year. The Bank has not incurred any Cash losses during the financial covered by our Audit and the immediately preceding financial year.
- (v) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Bank and no material fraud on the Bank has been noticed or reported during the year.

**For M. Thomas & Co.
Chartered Accountants
(Firm's Registration No. 004408S)**

**Date: 26.06.2024
Place: New Delhi
UDIN: 24525698BKFDZU4743**

**CA. Vikas Kashyap
(Designation: Partner)
Membership No. 525698**