## Written Representation Letter28 to be obtained from the Branch Management

M.VENKATESWARULU & Co., Chartered Accountants,

Tirupathi .

Dear Sir(s),

#### Sub.: Audit for the year ended March 31, 2025

This representation letter is provided in connection with your audit of the financial statements of KUPPAM BRANCH of INDIAN OVERSEAS BANK for the year ended March 31, 2025, for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the state of affairs of

KUPPAM BRANCH of IOB bank as of March 31, 2025 and of the results of operations for the year then ended. We acknowledge our responsibility for preparation of financial statements, in accordance with the financial reporting framework applicable to the Bank, including the regulatory requirements of the Reserve Bank of India.

We confirm, to the best of our knowledge and belief, the following representation.

#### Accounting Policies

The accounting policies, as approved by the board of directors of the Bank, have been duly followed. There are no changes in the accounting policies followed by the branch during the current year.

#### Assets

* 1. All the assets owned by the bank and transferred to the branch and such other asset/s, as has/ have been acquired by the branch, has/have been duly accounted for, and none of the assets is encumbered except those assets in respect of which appropriate disclosures are made in the financial statements.
  2. Fixed assets held by branches have been properly accounted from the date the asset is purchased and put to use and have been physically verified with entries in the books of accounts and the fixed assets register, at the

28 Also refer Standard on Auditing (SA) 580, “Written Representations”.

year end. No discrepancies have been noticed on such verification. Depreciation on these assets has been adequately provided as per the policy of the bank.

* 1. We confirm that the Branch does not hold any immovable property, howsoever acquired, for a period exceeding seven years from the date of acquisition, except such as is required for the Bank’s own use other than those for which RBI approval is obtained.
  2. We have also reviewed the depreciation and amortisation methods and concluded that the methods are as per accounting policy of the bank.
  3. We confirm none of the assets have been revalued during the period under review.
  4. In respect of assets other than fixed assets, the same have not been impaired and do not have a value lower than realizable value.
  5. The branch is operating from a leased premise and there is no dispute with respect to the tenancy and lease charges.
  6. The Branch has not got any notice from the landlord for evacuation or redevelopment of the premises which may possibly necessitate shifting the branch premises in the near future.

#### Capital Commitments

At the balance sheet date, outstanding commitments for capital expenditure have been duly depicted in the financial statements.

#### Cash and Bank Balances

The cash balance (including cash in ATM) as on March 31, 2025 is Rs.

, and has been physically verified by us. Internal guidelines on periodic cash verification have been duly followed.

The branch is adequately covered by way of insurance. In case of breach of cash retention limit, the same is appropriately approved by the approving authority.

The branch has passed all necessary entries for unreconciled material entries in the Bank reconciliation statement to reflect appropriate bank balances of the Bank.

Fake notes received by the Branch have been duly impounded and relevant guidelines of RBI thereon have been complied.

Effective dual custody of cash has been maintained at all times during the financial year.

#### Liabilities and Deposits

1. The branch has adequate monitoring and control process over dormant or in-operative accounts and re-activation of accounts is carried as per the approved process.
2. The Branch has provided interest expenses as per approved interest rate applicable from time to time and credited to respective deposits/interest accrued till the date of Balance Sheet for all the category of deposits.
3. The Branch has charged interest from saving accounts wherein there is Debit Balance or in case of overdraft facility or any other specific circumstances.
4. The Branch has deducted TDS on all interest credited/accrued for deposits as per the requirements of Income Tax Act, 1961, as applicable.
5. All matured and unclaimed term deposits are classified as Demand Deposits. Further, interest has been accrued on the basis of Savings Accounts interest rate on such unclaimed deposits.
6. All savings and current accounts having debit balances are shown as Advances.
7. The branch has recorded all known and anticipated liabilities in the financial statements and there are no other unrecorded liabilities, which require provision or any other disclosure in the Financials. Liabilities on account of GST have been correctly recorded.

#### Contingent Liabilities

* 1. The branch has fully disclosed in the notes to the financial statements;
     1. Guarantees that we have given to third parties;
     2. Letters of Credits (Local/ Import);
     3. Letters of Comfort (Local/ Import);
     4. Deferred Payment Credits/ Guarantees (Local/ Import); and
     5. Other contingent liabilities.
  2. The list of letters of credits devolved, guarantees invoked and bills overdue, provided to you is complete and there are no omissions in the same. Further, no provision is required to be made for guarantees invoked not funded by the branch.
  3. Other than for advances, there are no matters involving the branch in any claims in litigation, arbitration or other disputes, in which there may be

some financial implications, including for staff claims, branch rentals, municipal taxes, local levies, etc., except for those which have been appropriately included under contingent liabilities.

* 1. None of the contingent liabilities disclosed and other than provided for are likely to result in a further loss, requiring adjustment of assets or liabilities or provisions in the books of accounts.
  2. There have been no violations or possible violations of laws or regulations, the effect of which should be considered for provision in the Financial Statement as the basis for recording a contingent loss.
  3. Frivolous claims from customers / third parties have not been included in Contingent liabilities.
  4. There are no other claims on banks not acknowledged as debt, other than those disclosed in the financial returns.

#### Provision for Claims and Losses

Provision has been made in the accounts for all known losses and claims of material amounts.

#### Balancing of Books

The books of the accounts are computerised and hence the subsidiary records are automatically balanced with the relevant control records. In the case of manual sub-ledgers maintained, we confirm that they duly match with the general ledger balances.

#### Overdue/Matured Term Deposits

All overdue/ matured term deposits are held as matured term deposits.

#### Advances

* In respect of the advances and income thereon, the income recognition and asset classification norms prescribed by the Reserve Bank of India have been complied with.
* We confirm that the parameters fixed for identification of NPAs by the system are in accordance with the various norms issued by RBI from time to time.
* We confirm that automated controls, logics in automated systems and customization in CBS for restructuring of borrower’s accounts under Resolution Framework, OTR, Covid and MSME have been put in place.
* We confirm that there is no account requiring provision to be made on accelerated basis as stipulated by RBI in Master Circular on IRAC norms except those already provided for.
* We have computed unhedged foreign currency exposure of our borrowers by including all exposures including off balance sheet exposure.
* The branch has created an enforceable security charge in respect of all non- performing assets where security value has been considered for computing provision, and this value is supported by a valid valuation report as required by RBI guidelines. As per RBI circular on ‘Fair Practices Code for Lenders - Charging of Interest’, interest is to be charged from the date of handover of cheque or demand draft and not from the date of actual disbursement. RBI has directed the banks to review their practices regarding mode of disbursal of loans, application of interest and other charges and take corrective action, including system level. We confirm that the Bank is fully compliant with the said guidelines.
* The loan accounts classified as NPAs are upgraded as ‘standard’ assets only if entire arrears of interest and principal of all loan accounts of the borrower are paid, and not on partial repayment of principal or interest
* We confirm that in the cases where there is security creation pending in terms of Credit Assessment Memo, the Bank has the contractual right to cause or require the borrower to create the necessary security as per the relevant Credit Assessment Memo

#### Outstanding in Suspense/ Sundry Account

* The year–wise/ entry–wise break up of amounts outstanding in Sundry deposits/ Sundry assets, as on March 31, 2025 have already been submitted to you along with explanation of the nature of the amounts in brief, and supporting evidences relating to the existence of such amounts in the aforesaid accounts.
* We have ensured that none of the securities in the nature of investments have been parked in the branches, except for the following:

#### Interest Provision

Interest provision has been made on deposits, etc., in accordance with the extant instructions of the Head Office.

The interest provision for Head Office interest shall be made at the Head Office.

#### Internal Financial Control over Financial Reporting

* 1. All material transactions pertaining to the Branch have been accurately and timely recorded in the accounting records and are being reflected properly in the financial statements.
  2. Internal control system designed by the Bank’s head office, which is required to be operated at the Branch has been meticulously followed particularly with respect to granting fund based as well non fund based credit facilities, acceptance of deposits, purchase of fixed assets, computation and accounting of those income and expenditure which is required to be computed and/or accounted by the Branch, preparation of annual closing returns including the financial statements and the closure process of financial statements to the extent the same is required to be carried out at the Branch. No material or significant weakness was observed in the operation of internal control system designed by the Bank’s Head office and all such internal controls were operating effectively throughout the year. Further, there is no failure to correct any major weakness in internal control system.
  3. We are responsible for establishing and maintaining adequate and effective internal financial controls, except to the extent such internal control are centrally designed and maintained, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’) and the preparation and presentation of the financial statements as set out in the terms of the audit engagement dated 04/04/2025 and, in particular, the assertions to you on the internal financial controls in accordance with the criteria mentioned above.
  4. We have performed an evaluation and made an assessment of the adequacy and effectiveness of the Branch's internal financial controls based on the criteria mentioned in Paragraph 13.3 above for the year ended March 31, 2025. Those evaluations do not include the procedures

performed by you during the audit of internal financial controls over financial reporting as part of the basis for our assessment of the effectiveness of internal financial controls.

* 1. All internal audit reports and concurrent audit reports of the Branch for the audits conducted and completed during the year have been made available to you. Further, exceptions/observations noted by the internal auditors/concurrent auditors have been either adequately addressed or are in the process of being addressed by the Branch. We confirm, to the best of our knowledge, that these exceptions/observations have no material impact on the Financial Statements.

###### Frauds

* We acknowledge the responsibility for the implementation and operations of the accounting and internal control systems designed to prevent and detect fraud and error.
* We have no knowledge of any allegation of fraud or suspected fraud affecting the Bank received through a communication from employees, customers, former employees, analysts, regulators, short sellers, or others.
* We have no knowledge of any fraud or suspected fraud, other than those disclosed to you, affecting the branch involving:
  + Management,
  + Employees who have significant roles in internal control, or
  + Others where fraud could have a material effect on the financial statements.
* In particular, we confirm that we are responsible for the following:
  + to set up a vigil mechanism for reporting suspected fraud and administer the mechanism effectively;
  + take appropriate action to detect the fraud and wrongful gain or loss, if any, incurred on account of the fraud;
  + address the control weaknesses which were the root cause for fraud and strengthen the internal control system;

We acknowledge that because of the inherent limitations of audit procedures, together with the inherent limitations of internal controls, there is an unavoidable risk that material misstatements due to fraud or error may occur and not be detected, even though the audit is properly planned and performed by you in accordance with the Standards on auditing

#### Long Form Audit Report–Branch Response to the Questionnaire

In connection with the Long Form Audit Report, complete information (including all updated Internal Circulars issued till date, Receipt & disposal of Complaints and grievances) as regards each item in the questionnaire, has been made available to you in order to enable you to verify the same for the purpose of your audit.

#### Other Certifications

Duly authenticated, information along with necessary source documents as regards other matters which, as per the bank’s letter of appointment, require certification, has been made available to you.

#### Information Provided

* We have provided you with:
  + Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation, updated internal policies and circulars and other matters;
  + Additional information that you have requested from us for the purpose of the audit; and
  + Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
* All transactions have been recorded in the accounting records and are reflected in the financial statements.
* We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
* We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  + Management;
  + Employees who have significant roles in internal control; or
  + Others where the fraud could have a material effect on the financial statements.
* We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, analysts, regulators or others.
* We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
* We have disclosed to you the identity of the entity’s related parties and all the related party relationships and transactions of which we are aware.
* There are no material transactions including known liabilities and losses that have not been properly recorded in the accounting records underlying the financial statements.
* To the best of our knowledge, there have been no communications from regulatory agencies or Government representatives concerning investigations or allegations of non-compliance with laws or regulations in any jurisdiction, or deficiencies in financial reporting practices or other matters that could have a material effect on the financial statements
* Any other matters that the auditor may consider necessary.

#### General

There is no enquiry going on or concluded during the year by the Central Bureau of Investigation (CBI), or any other vigilance or investigating agency, on the branch or on its employees and no cases of frauds or of misappropriation of assets of the branch have come to the notice of the Management during the year, other than for amounts for which provisions have already been made in the books of accounts.

1. There have been no events subsequent to the balance sheet date, that require adjustment of, or disclosure in, the financial statements or notes thereto.
2. We have made available to you the latest version of the following reports on the accounts of our branch, and updated compliance by the branch on the observations contained therein:
3. Previous year’s branch audit report and LFAR;
4. Internal inspection reports;
5. Report on any other Inspection, audit that has been conducted in the course of the year.
6. Apart from what has been disclosed, the branch has not received any show cause notice, inspection advice, etc., from the Government of India, Reserve Bank of India or any other monitoring or regulatory authority of India that could have a material effect on the financial statements of the branch during the year.
7. The provision for non–performing assets, depreciation, provision for income tax, provision for bonus, gratuity, etc., is made at the Head Office. Therefore, the same has not been provided in the branch accounts. The branch has correctly deducted Tax at source and paid the same on time to the relevant authorities.
8. FIMMDA guidelines have been followed, wherever applicable.
9. The branch has complied with all aspects of contractual agreements, that could have a material effect on the financial statements in the event of non– compliance. There has not been non–compliance with requirements of regulating authorities, that could have a material effect on the financial statements in the event of non–compliance.
10. The other particulars required, have already been given to you, and particulars and other representations made to you from time to time are true and correct in all respects.

Thanking you, Yours faithfully

For & on behalf of KUPPAM branch of INDIAN OVERSEAS BANK

Authorised Signatory