



INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Bharat Co-op. Bank (Mumbai) Ltd.,
Goregaon (East)

Report on Financial Statements

We have audited the accompanying financial statements of **Bharat Co-operative Bank (Mumbai) Limited** ('the Bank') as at 31st March 2021, which comprise the Balance Sheet as at 31st March 2021, the Profit and Loss Account, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. The returns of Head Office and its departments and 103 branches audited by us / by the Concurrent Auditors are consolidated in these financial statements.

As informed to us, by the management, the Bank has not received any specific guidelines from the Central Registrar of Co-operative Societies with respect to selection of branches to be covered under audit. Since all branches are subject to statutory, internal or concurrent audit, the matter of submission of details of percentages of advances / deposits / interest income / interest expense of unaudited branches is not applicable.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the Notes thereon give the information required by the Banking Regulation Act, 1949, the Multi State Co-operative Societies Act, 2002 and the Multi State Co-operative Societies Rules, 2002 and the guidelines issued by the National Bank for Agricultural and Rural Development (as applicable) and guidelines issued by Reserve Bank of India and the Central Registrar of Cooperative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Bank as at 31st March, 2021 and its profit and its cash flows for the financial year ended on that date.

Basis for Opinion

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 Responsibility 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 under the provisions of the Banking Regulation Act, 1949 and the rules made thereunder and under the provisions of the Multi State Co-operative Societies Act, 2002 and rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 19 of the notes to the accounts which indicates that the situation on account of the COIVD-19 pandemic continues to be uncertain and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. The extent to which the COVID-19 pandemic will impact the Bank's financial performance and position will depend on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

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Other Information

The Bank's management and Board of Directors is responsible for the other information. The other information comprises the information included in the Bank's annual report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Bank's Board of Directors is responsible for 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 provisions of the Banking Regulations Act, 1949, the guidelines issued by the Reserve Bank of India and the guidelines issued by the National Bank for Agricultural and Rural Development (NABARD), the Central Registrar of Cooperative Societies, the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002 (as applicable) and accounting principles generally accepted in India so far as applicable to Banks. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that 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 entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility

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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. 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.
- b. Obtain an understanding of internal control 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 entity's internal control.



- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. 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.
- e. 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.

Report on Other Legal & Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949 and the Multi State Co-operative Societies Act, 2002, the Multi State Co-operative Societies Rules, 2002.
2. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, 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 our audit and have found to be satisfactory;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/offices;
 - c) The transactions of the Bank which came to our notice have been within the powers of the Bank;
 - d) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, are in agreement with the books of account and the returns;
 - e) The reports on the accounts of the branches / offices audited by branch auditors have been forwarded to us and have been properly dealt with by us in preparing this Report.
 - f) The accounting standards adopted by the Bank are consistent with those laid down by accounting principles generally accepted in India so far as applicable to Banks;
 - g) In our opinion and according to information and explanations given to us, we have not noticed any material impropriety or irregularity in the expenditure or in the realization of money due to the bank.
3. As per the information and explanations given to us and based on our examination of the books of account and other records and as required by Rule 27(3) of the Multi State Co-operative Societies Rules, 2002 we report on the matters specified in clauses (a) to (f) of the said Rule, to the extent applicable to the Bank.
 - a) We have not come across transactions which appear to be contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.

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- b) We have not come across any material or significant transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India.
- c) The following monies due to the bank have been classified as doubtful and loss assets in accordance with the prudential norms, against which a provision of ₹ 12434.10 lac has been made.

Category	Outstanding as on 31.03.2021 (₹ in lac)
Doubtful Assets	34125.00
Loss Assets	1925.57

- d) As per the information provided to us and to the best of our knowledge the Bank has not given loans to the members of the Board or their relatives.
- e) We have not come across any significant and material violations of guidelines, conditions etc issued by the Reserve Bank and National Agriculture and Rural Development Bank.
- f) To the best of our knowledge, no other matters have been specified by the Central Registrar which require reporting under this rule.

Place : Mumbai
Dated : 15th June, 2021

For **U. G. DEVI & COMPANY**
Chartered Accountants.
FRN: 102427W
Sd/-
(V. U. Devi)
Partner
M. No. : 38973
UDIN : 21038973AAAAHU6047