



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
**Bharat Co-operative 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 31 March 2022, which comprise the Balance Sheet as at 31 March 2022, 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 87 branches audited by us and the returns of other branches which have been certified by the branch management and independently reviewed by concurrent auditors of those branches are incorporated in these financial statements.

**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 The Banking Regulation Act, 1949 (as applicable to Co-operative societies) as amended by the Banking Regulation (Amendment) Act, 2020, The Multi State Co-operative Societies Act, 2002, The Multi State Cooperative Societies Rules, 2002 made there under, National Bank for Agricultural and Rural Development, if applicable, the guidelines issued by the Reserve Bank of India (RBI) and the Central Registrar of Co-operative Societies, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31<sup>st</sup> March, 2022;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the 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 (as applicable to Co-operative societies) as amended by the Banking Regulation (Amendment) Act, 2020 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 the following matter in the Notes to the financial statements :

- a) Note No. 3.7 & 19.4(d)(iv) to the financial statement in respect of Provision for Security Receipts held. In the opinion of the bank, provision in accordance with the Circular issued by the Reserve Bank applies prospectively and not to the outstanding security receipts, hence no additional provision is required.

Our opinion is not modified in respect of this matter.

### 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. When we read the Report of Board of Directors including other explanatory information, if based on the work we have performed, we conclude that there is material misstatement therein; we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Bank's management and Board of Directors are 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 accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, the provisions of The Banking Regulation Act, 1949 (as applicable to Co-operative societies) as amended by the Banking Regulation (Amendment) Act, 2020, The Multi State Co-operative Societies Act, 2002, The Multi State Co-operative Societies Rules, 2002 made there under, National Bank for Agricultural and Rural Development, if applicable, the guidelines issued by the Reserve Bank of India (RBI) and the Central Registrar of Cooperative Societies. This responsibility also includes maintenance of adequate records in accordance with the provisions of the Act for safeguarding of assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 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 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 (as applicable to Co-operative societies) as amended by the Banking Regulation (Amendment) Act, 2020 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) During the course of our audit, we have generally not come across transactions which appear to be contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.
- b) During the course of our audit, we have not come across material and significant transactions which appear to be contrary to the guidelines issued by The Reserve Bank of India. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding transactions contrary to the guidelines issued by the said Bank are not called for.
- c) The following advances are categorized as doubtful or loss assets as per prudential norms of RBI as on 31<sup>st</sup> March, 2022 and reported in terms of clause (c) of Rule 27(3) of The Multi State Co-operative Societies Rules, 2002.

Category	Outstanding as on 31.03.2022 (₹ in Lakh)
Doubtful Assets	46540.29
Loss Assets	3130.26

- 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) During the course of our audit, we have generally not come across any violations of guidelines, conditions etc. issued by the Reserve Bank of India. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding violations of guidelines issued by the said Bank are not called for.
- f) To the best of our knowledge, no other matters have been specified by the Central Registrar which requires reporting under this rule.

Place : Mumbai  
Dated : 28<sup>th</sup> May, 2022

For **Jain Tripathi & Company**  
Chartered Accountants.  
FRN: 103979W  
Sd/-  
**(D. P. Tripathi)**  
Partner  
M. No. : 013593  
UDIN : 22013593ALGGCF5216