

**INDEPENDENT AUDITORS' REPORT**

To,

The Members,

**Bharat Co-operative Bank (Mumbai) Ltd.,**

**Report on the Audit of Financial Statements****Opinion**

We have audited the accompanying financial statements of Bharat Co-operative Bank (Mumbai) Limited ("the Bank"), which comprise the Balance Sheet as at 31.03.2025, the Profit and Loss Account and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (the "financial statements").

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, as amended, the Multi State Co-operative Societies Rules, 2002 made there under, the guidelines issued by the 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 31.03. 2025;
- (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 of opinion**

We conducted our audit in accordance with the Standards on Auditing ("the SAs") issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those SAs are further described in the "Auditors' 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 ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Multi-State Co-operative Societies Act, 2002, as amended, and the Rules made thereunder and the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020 and the guidelines issued by the RBI, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information other than the financial statements and auditors' report thereon**

The Bank's management and Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Bank's Annual Report including other explanatory information but does not include financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.



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 Annual Report 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.

### **Responsibilities of management and those charged with governance 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 the ICAI, the provisions of the Banking Regulation Act, 1949, the Multi State Co-operative Societies Act, 2002, as amended, the Multi State Co-operative Societies Rules, 2002 made there under, the guidelines issued by the RBI and the Central Registrar of Co-operative 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 Bank or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' responsibilities for the audit of the financial statements**

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 auditors' report that includes our opinion. Reasonable assurance is high level of assurance, but it 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism 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 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 Bank's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- iv. 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 auditors' 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 auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- v. 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.

#### **Other Matter**

The financial statements of the Bank for the previous year ended 31.03.2024 were audited by M/s Jain Tripathi and Company Chartered Accountants, and they have expressed an unmodified opinion vide report dated 15.07.2024 on such financial statements.

#### **Report on Other Legal and 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 Cooperative Societies Act, 2002, and the Banking Regulation Act, 1949 (As applicable to Co-operative Societies) as amended by the Banking Regulation (Amendment) Act, 2020, 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. No separate audit of the branches has been conducted under the Multi State Co-operative Societies Act, 2002 and therefore no other auditor's report has been received by us.
  - d. As required by Section 30(3) of The Banking Regulation Act, 1949, we report that the transactions of the Bank which have come to our notice have been within the powers of the Bank;
  - e. 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;
  - 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 required by Rule 27(3) of the Multi State Co-operative Societies Rules, 2002, as per the information and explanations given to us and based on our examination of books of accounts and other records, we report as under on the matters specified in clause (a) to (f) of the said Rule:
- 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 RBI. 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. Based on our examination of the books of account and other records and as per the information and explanations given to us, the money belonging to the Bank which appears to be bad or doubtful of recovery and reported in terms of clause (c) of Rule 27(3) of the Multi State Co-operative Societies Rules, 2002 are detailed below (Advances and investments categorized as doubtful and loss assets as per prudential norms laid down by the RBI are considered as doubtful of recovery):

Category	Principal O/s as at 31.03. 2025 (₹ in Cr.)
Doubtful Assets	392.58
Loss Assets	27.76
<b>Total</b>	<b>420.34</b>

- 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 except as mentioned in notes to accounts Part III point no 13(c).

- e. During the course of our audit, we have generally not come across any violations of guidelines, conditions etc. issued by the RBI, except para 3.3 of circular no. DoR.CRE.REC. 71/07.10.002/2023-24 dated 16.01.2024 as stated in Note No 20(5)(g) of "Notes forming part of financial statements". 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 of Co-operative Societies, which require reporting under this Rule.

For **Sarda & Pareek LLP**  
Chartered Accountants  
FRN : 109262W/W100673

Sd/-  
**(CA Giriraj Soni)**  
Partner  
M. No: 109738  
UDIN : 25109738BMHWNE6584

Place : Mumbai  
Dated : 14<sup>th</sup> May, 2025