



S.K.Y.G.D.P & ASSOCIATES

CHARTERED ACCOUNTANTS
MUMBAI

Independent Auditor's Report

To,
The Members
The Ajara Urban Co-op. Bank Ltd., Ajara. (Multi-State)
Ajara, Kolhapur.

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of The Ajara Urban Co-op. Bank Ltd., Ajara (Multi State) as at **31st March 2023**, which comprise of the Balance Sheet as at **31st March 2023** and the Profit and Loss account, Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information including Notes on Accounts. The returns of H.O & all 32 Branches audited by us are incorporated in these financial statements.

Auditors 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 guidelines issued by Reserve Bank of India and the Central Registrar of Cooperative Societies, in the manner so required and subject to our observations in Part A, B &



C of our Report, and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) In the case of the Balance Sheet, of the state of affairs of the Bank as at **31st March 2023** .
- (b) In the case of the Profit & Loss Account, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement of the flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (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. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 and the Rules 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.

Responsibilities of Management & those charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of financial position, financial performance and cash flows of the bank in accordance with the provisions of The Banking Regulation Act 1949, the guidelines issued by the Reserve Bank of India, the Central Registrar, 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 including the accounting Standards, so far as applicable to Banks.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error. Board of Directors are also responsible for overseeing the Banks Financial Reporting Process.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation 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 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.



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. With respect to the adequacy of the internal financial controls over financial reporting of the Bank and the operating effectiveness of such controls, refer to "Part A & B" our Report.
3. 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 and Profit and Loss Account 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 the 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;
4. As per the information and explanations given to us and based on our examination of the books of account and other records, we have not come across material instances which need to be reported under Rule 27(3) of the Multi State Co-operative Societies Rules, 2002



- (a) transactions which appear to be contrary to the provisions of the Multi State Co-operative Societies Act, 2002, the rules or the bye-laws of the Bank (Refer **Schedule A** to this report);
- (b) transactions which appear to be contrary to the guidelines issued by the Reserve Bank and National Bank for Agricultural and Rural Development (Refer **Schedule B** to this report);
- (c) money belonging to the Bank which appears to be bad or doubtful of recovery. (Refer **Schedule C** to this report);
- (d) the loans given by the Bank to the members of the Board (Refer **Schedule D** to this report);
- (e) violation of guidelines, conditions etc., issued by the Reserve Bank of India or National Bank for Agricultural and Rural Development (Refer **Schedule E** to this report);
- (f) matters that have been specified by the Central Registrar in this regard (Refer **Schedule F** to this report);

Place : Pune

DATE 10 JUN 2023



S.K.Y.G.D.P. & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN

CA. D. B. GANDHI.

PARTNER

M. No 044008

UDIN - 2304400886QUOVR8329

SCHEDULE : A

Transactions which appear to be contrary to the provisions of the Multi State Co-Operative Societies Act, 2002, the Rules or the bye-laws of the Bank.

- See my remarks in my Main Audit Report Part A, B & C

SCHEDULE : B

Transactions which appear to be contrary to the guidelines issued by the Reserve Bank and National Bank for Agricultural and Rural Development.

- NIL

SCHEDULE : C

Money belonging to the Bank which appears to be bad or doubtful of recovery.

- As per NPA Statement = Rs. 2421.27 Lakh

SCHEDULE : D

The loans given by the Bank to the members of the Board.

- NIL

SCHEDULE : E

Violation of guidelines, conditions etc., issued by the Reserve Bank of India or National Bank for Agricultural and Rural Development.

- NIL

SCHEDULE : F

Matters that have been specified by the Central Registrar in this regard.

- NIL

