



INDEPENDENT STATUTORY AUDITORS REPORT FOR THE YEAR ENDED ON 31-03-2022

(Under Section 31 of the Banking Regulation Act, 1949 and Section 73(4) of Multi State Co-operative Societies Act, 2002 and Rule 27 of Multi State Co-operative Societies Rules).

INDEPENDENT AUDITOR'S REPORT

To the Members of

THE KHAMGAON URBAN CO OP BANK LTD,
HEAD OFFICE, KHAMGAON,
DIST - BULDHANA

Report on the Financial Statements

1. We have audited the accompanying financial statements of THE KHAMGAON URBAN CO OP BANK LTD('The Bank ') as at 31 March 2022, which comprise the Balance Sheet as at 31 March 2022, and 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 all thirty two branches audited by us are incorporated in these financial statements.

Management Responsibility for the Financial Statements

2. Management 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, 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.



Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatement.
4. 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 judgments, 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 the effectiveness of 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

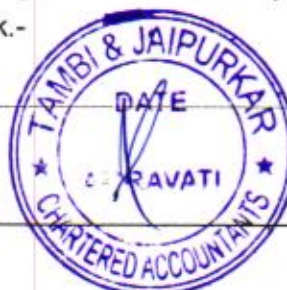
Opinion

6. In our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us the said accounts together with the notes thereon, subject to our Memorandum of Changes comments and observations contained in the Audit Memorandum/ LFAR & Annexures thereto, give the information required by the Banking Regulation Act 1949 as well as Multi State Co-operative Societies Act 2002 and rules made there under 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:
 - i. In case of Balance Sheet of the state of affairs of the Bank as at 31-03-2022.
 - ii. In the case of Profit and Loss account of the profit for the year ended on that date, and
 - iii. In case of Cash Flow Statement of cash flows for the year ended on that date.
 - iv. The bank is awarded "**A**" class for the year 2021-22.



Report on other Legal and Regulatory Requirements

7. 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.
8. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, we report that subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required under rule 27(3) of the Multi State Co-operative Societies Act 2002, and subject also to limitations of disclosure required therein, 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 the Profit and Loss Account dealt with by this report, are in agreement with the books of account and the returns
 - e. 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;
 - f. 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.
9. As per the information and explanations given to us and based on our examination of the books of account and other records, we have come across the following 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, -NIL
 - b. Transactions which appear to be contrary to the guidelines issued by Reserve Bank and National Agriculture and Rural Development Bank.-



Yes there are few contraventions to guidelines of RBI and NABARD which we have mentioned in notes to account on Page no. 19.

- c. The following monies due to the Bank appear to be doubtful of recovery (Rule 27 (3) (c)) (Advances categorized as doubtful and loss assets as per prudential norms are considered as doubtful of recovery)

(Rs. in Lakhs)

Particulars	Amount Outstanding as on 31/03/2022
Doubtful Assets	741.15
Loss Assets	190.33
Total	931.48
Note : Provision required against above advances	548.57

The bank has total NPA of 2,370.05 lakhs against which bank has provided provision of Rs 2,128.03 lakhs (Including restructured provision of Rs.8.26 lakh). However, in the above table only the required provision is stated. The Bank has made excess provision which could not be demarcated between Substandard, Doubtful & Loss assets.

- d. Loans given by the Bank to members of the Board and their relatives (Rule 27(3) (d)).
The details of credit facilities that have been sanctioned by the Bank to the Members of the Board (including relatives) : NIL
- e. Matters that have been specified by the Central Registrar Co-operative Societies in this regard. - NIL

Date: 27.06.2022
Place: KHAMGAON



For TAMB & JAIPURKAR
Chartered Accountants

Shrigopal Bhaiya

CA Shrigopal Bhaiya
Partner

Membership No. 176610

Firm Registration No. 115954W

UDIN: 22176610ALTNSA9890