



### STATUTORY AUDITOR'S REPORT

As Required Under Section 31 of Banking Regulation Act, 1949  
as Applicable to Urban Co-operative Banks and U/s 81(5)(b) of  
Maharashtra State Co-operative Societies Act, 1960

Read with rule 69(9) of The Maharashtra Co-operative Societies Rules, 1961

To,  
The Members,  
**Vidarbha Merchants Urban Co-operative Bank Limited,**  
**Hinganghat**

### Report on Financial Statements

We have audited the accompanying financial statements of **Vidarbha Merchants Urban co-operative Bank Limited, Hinganghat** (the Bank) as at 31<sup>st</sup> March 2025, which comprise the Balance Sheet as at 31<sup>st</sup> March 2025, 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 8 branches and Head Office audited by us are incorporated in this financial statement.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, the financial performance and cash flow of the Bank in accordance with Banking Regulation Act 1949 (as applicable to Co-operative Societies), the guidelines issued by the Reserve Bank of India and the guidelines issued by the Registrar of Co-operative Societies, Maharashtra, the Maharashtra Co-operative Societies Act, 1960, and the Maharashtra Co-operative Societies Rules, 1961, (as applicable) and generally accepted accounting principles in India so far as applicable to the Bank. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 misstatements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements together with the Notes thereon and our comments and observations contained in the Audit Memorandum, 'A', 'B', 'C' and Form No.1 and Form No.7, Long Form Audit Report (LFAR) give the information required by the Banking Regulation Act, 1949 (as applicable to Co-operative Societies). The Maharashtra Co-operative Societies Act, 1961 and the guidelines issued by Reserve Bank of India and 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.

- (a) In the case of the Balance Sheet, of state of affairs of the Bank as at 31 March, 2025;
- (b) In the case of the Profit and Loss Account, of the Profit for the year Ended on that date; and
- (c) 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 (SAs) issued by Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's 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 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 Maharashtra Cooperative Societies Act, 1960 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 on the standalone financial statement.





S.No.	Key Audit Matters	How the matter was addressed in our Audit Our audit Approach
1.	<p>Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances.</p> <p>Considering the nature of the transactions, regulatory requirements, existing business environment, estimation / judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Financial Statements. Considering these aspects, we have determined this as a Key Audit Matter.</p>	<p>towards advances with reference to the IRAC norms and other related circular / directives issued by the RBI and also internal policies and procedures of the Bank includes the testing of the following:</p> <p>The accuracy of the data input in the system for income recognition, classification in to performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the bank.</p> <p>Existence and effectiveness of monitoring mechanisms such as Internal Audit, System Audit, Stock Audit &amp; Concurrent Audit as per the policies and procedures of the Bank.</p> <p>Examination of advances on a sample basis with respect to compliance with the RBI Master Circular/Guidelines.</p> <p>In Carrying out substantive procedures of the bank, we have examined all the large advances and other advances on a sample basis.</p>

## We report that –

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.

(i) In our opinion, proper books of accounts 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.

(ii) The transactions of the Bank which have come to our notice are within the powers of the Bank.

(iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with books of account and the returns.

(iv) 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.

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 in respect of the details mentioned in the Rule 69(6) of Maharashtra Co-operative Societies Rules 1961.

We further report that for the year under Audit; The Bank has been awarded "A" Classification.

FOR **NITIN RANKA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 FRN 126708W

*N. J. Ranka*

(CA **NITIN RANKA-Partner**)

M.NO.120802

UDIN-25120802BMJAQJ6034



Date: 18.06.2025

Place: Nagpur

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