

**M.N.Rao & Associates**  
**Chartered Accountants**  
**No.40-6/3-9 (2nd Floor), Vaishnavi Plaza, Mogalrajpuram, Vijayawada-**  
**520010.**

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**The Gandhi Cooperative Urban Bank Limited**  
Vijayawada

**Report on the Financial Statements:**

**Opinion:**

We have audited the financial statements of **THE GANDHI COOPERATIVE URBAN BANK LIMITED ("the Bank") (Reg. No: H.948)**, which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, the Profit & Loss Account, the Receipt and Payments Account for the year then ended and a summary of significant accounting policies and other explanatory information forming part of these financial statements. Incorporated in these financial statements are the returns of Head Office and Eleven Branches audited by us.

In our opinion, the accompanying financial statements together with the notes thereon give a true and fair view of the financial position of the bank as at 31<sup>st</sup> March 2021; and of its financial performance for the year then ended in conformity with the accounting principles generally accepted in India.

**Basis for Opinion:**

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by ICAI. 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Management Responsibility for the Financial Statements:**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Banking Regulation Act, 1949 complying with Reserve Bank of India guidelines from time to time, applicable Accounting Standards, and for such internal controls as management determines necessary to enable the preparation of the financial statements that 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 responsible for overseeing the Bank's financial reporting process.

### **Auditor's Responsibility 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 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 Standards on Auditing 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.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- 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 expression of opinion on the effectiveness of the Bank's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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 and Regulatory Requirements:**

The Balance Sheet and Profit & Loss account have been drawn up in accordance with section 29 of the Banking Regulation Act, 1949.

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 them to be satisfactory;
- The transactions of the Bank which have come to our notice have been within the powers of the Bank;
- The returns received from the offices and branches of the Bank have been found adequate for the purpose of the audit.

We further report that:

- The Balance Sheet, the Profit & Loss Account, and the Statement of Receipts and Payments dealt with by this Report are in agreement with the books of account;
- In our opinion proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;
- The Bank has been awarded "A" class for the year under audit.

**Place:** Vijayawada  
**Date:** 02-Sep-2021

**For M.N. RAO & ASSOCIATES**  
**Chartered Accountants**  
**Firm Reg. No: 005386S**

**(T.S. Rama Mohan Rao)**  
**Partner**  
**Membership No. 200613**