

**Illustrative Format of an Independent Auditor's Report  
of an Urban Cooperative Bank<sup>1</sup>  
(for Urban Cooperative Bank – Maharashtra)**

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**Independent Auditor's Report**

To,  
The Members,  
XYZ Cooperative Bank Ltd.,

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of XYZ Cooperative Bank Limited ('the Bank') as at 31 March 20XX, which comprise the Balance Sheet as at 31 March 20XX, 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 \_\_\_\_\_ branches audited by us are incorporated in these financial statements.

**Management's 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 flow of the Bank in accordance with the 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 National Bank for Agricultural and Rural Development, the Registrar of Cooperative 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.

**Auditor's Responsibility**

3. 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.
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 judgement, 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

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<sup>1</sup> The illustrative format pertains to "Unmodified Opinion" on financial statements.

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 Bank'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 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 (as applicable to co-operative societies), the Maharashtra Cooperative Societies Act, 1960, the Maharashtra Cooperative Societies Rules, 1961 and the guidelines issued by the National Bank for Agricultural and Rural Development (as applicable) and guidelines issued by Reserve Bank of India and Registrar of Cooperative societies, Maharashtra 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<sup>st</sup> March 20XX;
  - (b) In the case of the Profit and Loss Account, of the profit/loss 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.

### **Report on Other Legal & 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 provisions of the Maharashtra Co-operative Societies Act, 1960 and the Maharashtra Co-operative Societies Rules 1961.
8. 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 have come to our notice are 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.
9. The details as required by the Rule 69(6) of Maharashtra Co-operative Societies Rules 1961 are given in the audit memorandum separately.
- or
- 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.
10. We further report that for the year under audit, the Bank has been awarded “\_\_” classification.

Place of Signature:

For ABC & Co  
Chartered Accountants

Date:

Firm Registration Number .....

Signature  
(Name of the member signing the audit report)  
(Designation)  
Membership Number

Note: The guidelines given in SA 705 and SA 706 should be followed for the modified auditor’s report or for emphasis of matter in the auditor’s report.