NDEPENDENT AUDITOR'S REPORT

TO,
THE MEMBERS,
THE YAVATMAL URBAN CO-OPERATIVE BANK LTD, YAVATMAL

Report On Financial Statements –

We have audited the attached Balance Sheet of "**THE YAVATMAL URBAN CO-OPERATIVE BANK LTD, YAVATMAL"** as on **31st March 2026**, and The Profit and Loss Account for the year ended on that date and a summary of significant accounting policies and other explanatory information and the Cash Flow Statement as on that date, incorporated in these financial statements along with H. O. & all the 30 branches audited by us for the period 01.04.2025 to 31.03.2026.

Management's Responsibility and Those Charged with Governance for the Financial Statements –

Management is responsible for the preparation of these financial statements in accordance with **Maharashtra State Co-operative Societies Act 1960, Banking Regulation Act, 1949.** This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of financial statements that are free from material misstatements, whether due to fraud or error. In preparing the financial statements, the management and Board of Directors are 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 the 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 also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility –

1. Our responsibility is to express an opinion on these financial statements prepared as per MCS ACT & BR Act based on our audit. We conducted our audit in accordance with "Auditing Standards" issued by the "Institute of Chartered Accountants of India" and MCS ACT, BR ACT and RBI Guidelines. 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, whether due to fraud or error.
2. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risk 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 bank's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances. 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.
3. We believe that audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters -

Without qualifying our opinion, we bring to your attention the following:

1. The bank has, represented that all documentation in respect of the advances outstanding is being maintained properly and no further impact is expected on the financial performance of the bank for the year ended March 31, 2026. Except exempted elsewhere in our report.

2. The financial performance of the bank has been thus prepared and presented by the bank and audited by us in the aforesaid conditions.

3. Accounting of certain items like locker rent, dividend on Investment, commission on guarantees, incidental charges, service charges & processing fees are done in the year of receipt, thereby deviating the principles of the Accounting Standard 9 on "**Revenue Recognition**" according to which income relating to current year should be recognized on accrual basis if there is no uncertainty regarding the ultimate collectability and measurability.

4. Identification of Non-Performing Assets during the Audit reported in Annexure of Audit report**,** which were not identified by bank. Interest reversal on such accounts has been reported in our report.

   However, our opinion is not qualifying in respect of the above matters.

Key Audit Matters

Key Audit Matters (KAM) are those matters, in our professional judgement were amongst the most significant matters in our audit of Financial Statements for the year ended 31st March 2026. These matters were addressed in the context of our audit of Financial Statements as a whole and in forming our opinion there on, for which we do not provide a separate opinion on these matters. We have determined these matters described below to be KAM to be communicated in our report. Audit procedures performed by us in respect of KAM were designed after considering the assessment of risk of material misstatement of Financial Statements. The audit procedures performed by us in general as well as the audit procedures designed and performed to address the KAM, provide the basis for our audit opinion on accompanying Financial Statements.

Opinion –

We have observed that –

Subject to our observations above, in our opinion as shown by the books of the bank, and to the best of our information and according to the explanations given to us, the aforesaid financial statement together with the Notes thereon gives the proper information required. We further report that in View of the above read with our remarks of our detailed Audit memorandum Part A, B & C, Form I & 7 and LFAR along with their annexure of even date, we are of opinion that the said accounts give a true and fair view in conformity with accounting principles generally accepted in India.

1) In case of the Balance sheet of state of affairs of the Bank as at 31st March 2026.
2) In case of the Profit & Loss Statement, of the Profit for the year ended on that date.

Report on Other Legal & Regulatory Requirements

1. The Balance Sheet and Profit & Loss Account have been drawn up in accordance with the provisions of section 29 of Banking Regulation Act,1949, RBI Direction read with the provisions of MSC Act,1960 and MCS Rules,1961 (Forms 'A' and 'B' respectively of the Third Schedule to the Banking Regulation Act, 1949).
2. We report that,

   Subject to the limitations of audit indicated in paragraph 1 to 5 above and as required by the Maharashtra State Co-operative Societies Act-1960 and Banking Regulation Act 1949 and subject to the limitations of disclosure required therein.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
4. The transactions of the Bank, which have come to our notice, have been, in our opinion, within the powers of the Bank except as mentioned in the Head Office Memorandum and Serious irregularities forming part of Head Office Memorandum.
5. The details as required by Rule 69(6) of Maharashtra Co-operative Societies Rules 1961 are given in the audit memorandum.
6. In our opinion, the Balance Sheet, Profit and Loss Account complies with the applicable Accounting Standards subject to those mentioned above.
7. The appointment of Auditor is made by Bank Management under Maharashtra State Co-operative Societies Act 1960 and approval from RBI as per RBI Circular dated 27.04.2021.
8. We further report that,
   1) The Balance Sheet and Profit and Loss Account dealt with by this report, agree with the books of account.
   2) 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.
   3) The reports on the accounts of the branches audited by us have been dealt with in preparing our report in the manner considered necessary by us.
   4) The bank has been awarded **''A''** Grade for the FY 2025-26.

For Anil Mardikar & Co.
Chartered Accountants
FRN 100454W

DATE: 20/06/2026

PLACE: NAGPUR

Sd/-
CA Anil Mardikar
(Partner) MRN: 032778
UDIN: 26032778RDXCPH6102