

Independent Auditors' Report

To,
The Members,
Janata Sahakari Bank Ltd.,

Report on Financial Statements

1. We have audited the accompanying Financial Statements of Janata Sahakari Bank Ltd, which comprises of Balance Sheet as at March 31, 2019 and Profit and Loss Account and the Cash Flow Statement for the year ended on March 31, 2019 and a summary of significant accounting policies and other explanatory information.
2. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949, the Multi State Cooperative Societies Act, 2002 and the rules made there under, the guidelines issued by National Bank for Rural and Agricultural Development (NABARD) (as applicable) and the guidelines issued by the Reserve Bank of India (RBI) 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 of the state of affairs of the Bank as at March 31, 2019 and true & fair balance of profit and the Cash Flows for the financial year ended on that date.

Basis of Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Banking Regulations Act, 1949 and the rules made thereunder and under the provisions of the Multi State Cooperative Societies Act, 2002 and the rules made 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.

Information Other than the Financial Statements and Auditor's Report thereon

The Bank's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including other explanatory information, but does not include the financial statements and our auditor's report thereon. The Directors' Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Directors' Report including other explanatory information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Management's Responsibility for the Financial Statements

4. The Bank's Board of Directors is responsible for 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 the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, provisions of Banking Regulation Act, 1949 and the rules made thereunder, provisions of Multi State Cooperative Societies Act, 2002 and the rules made thereunder and circulars and guidelines issued by the NABARD and RBI from time to time and the accounting standards issued by ICAI. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis statement, 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 also responsible for overseeing Bank's Financial Reporting progress.

Auditors' Responsibility

5. 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 procedures that are appropriate in the circumstances.
- 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 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

6. 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, the Multi State Co-operative Societies Act, 2002 and rules there under.
7. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002, 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, the Profit and Loss Account and the Cash Flow Statement 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.
8. As per the information and explanations given to us and based on our examination of the books of account and other record, we report as under on the matters specified in clause (a) to (f) of Rule 27(3) of the Multi State Co-operative Societies Rules, 2002:
- a. We have not come across any transactions which appear to be contrary to the provisions of the Multi-State Cooperative Societies Act, 2002, the rules or the bye-laws of the Bank.
 - b. We have not come across any material or significant transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India and National Bank for Agriculture and Rural Development.
 - c. Money belonging to the Bank which appears to be bad or doubtful of recovery as on 31st March 2019 was Rs. 284.07 (i.e. Rs. 283.11 Crore in respect of Advances classified as NPA classified as Doubtful and Loss Assets as per prudential norms issued by RBI & Rs. 0.96 Crore in respect of other assets) for which adequate provision has been made as per extant RBI guidelines.
 - d. The bank has not given loans to the members of the Board of Directors.
 - e. We have not observed any violation of guidelines, conditions etc., issued by the Reserve Bank of India or National Bank for Agriculture and Rural Development.
 - f. The Central Registrar of Cooperative Societies in this regard has not specified any matters to the bank.

For: Mukund M. Chitale & Co.,
Chartered Accountants
Firm Registration No.: 106655W

For: G. D. Apte & Co.,
Chartered Accountants
Firm Registration No.: 100515W

(S. S. Dikshit)
Partner
Membership No.: 41516

(S. B. Rashinkar)
Partner
Membership No.: 103483

Place: Pune
Date: June 29, 2019

Place: Pune
Date: June 29, 2019