

**NOTICE OF ANNUAL GENERAL MEETING (FOR MEMBERS ONLY)**

The 115<sup>th</sup> Annual General Meeting of the members of THE COSMOS CO-OP. BANK LTD., will be held on **Thursday, 30<sup>th</sup> September, 2021 at 9.00 a.m. at Shivshankar Sabhagruha, S. No. 698/1, Maharshinagar, Paigude Baug, Pune – 411037** for transacting following business. Your presence therefore is highly solicited.

**Agenda of the Meeting:**

1. To confirm the minutes of the 114<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> November 2020.
2. A) To consider and adopt
  - 1) Annual Report for the year 2020-2021.
  - 2) Profit And Loss Account for the year ended 31<sup>st</sup> March 2021.
  - 3) Balance Sheet as on 31<sup>st</sup> March 2021.
- B) To review actual utilization of reserves and other funds during the year 2020-2021.
3. To consider and approve the appropriation of profit for the financial year 2020-2021 as proposed by the Hon. Board of Directors.
4. To consider the Report of Statutory Auditors and compliance thereof for the year 2020-2021.
5. To appoint Statutory Auditors for the year 2021-2022 and to authorize Hon. Board of Directors to decide their remuneration (Subject to approval from Reserve Bank of India).
6. To take note of the loans and advances outstanding from the Directors and their relatives during the year 2020-2021 (vide section 39 (3) of the Multi-State Co-operative Societies Act, 2002).
7. To consider and adopt amendments (as per draft enclosed) proposed by Hon. Board of Directors to the existing Bye-Laws of the Bank (Subject to 'No Objection Certificate' from Reserve Bank of India).
8. To sanction leave of absence of members who are not able to attend the 115<sup>th</sup> Annual General Meeting.
9. To consider and approve the scheme of Merger/Amalgamation of 'Shree Sharada Sahakari Bank Ltd.' into The Cosmos Co-op. Bank Ltd., and to send the recommendation to Reserve Bank of India for approval of the scheme.
10. Any other matter, with the permission of the Chair.

Date: 7<sup>th</sup> September 2021

Pune

By the order of Board of Directors

**Mrs. Apekshita Thipsay**

In-charge Managing Director

**Notes**

1. The meeting shall commence at 9.00 a.m. sharp. If the required quorum of members is not present at the commencement of the meeting, it shall be adjourned. The adjourned meeting will resume business on the same day, at the same place, at 9.30 a.m., irrespective of the quorum, in which, only the business mentioned in the Notice of the Meeting shall be transacted.
2. All documents and information relating to the business to be transacted at this Annual General Meeting to be held on 30<sup>th</sup> September 2021 will be available at 'Cosmos Tower', Bank's Head Office up to 28<sup>th</sup> September 2021 on working days, between 11.00 a.m. to 4.00 p.m.
3. Members are requested to submit their queries, if any, regarding the business to be transacted at this Annual General Meeting, in writing at the Bank's Head Office up to 28<sup>th</sup> September 2021 on working days, between 11.00 a.m. to 4.00 p.m.
4. The unabridged version of the Annual Report is available on Bank's website [www.cosmosbank.com](http://www.cosmosbank.com) while the hard print of Annual Report will be available at all branches for the members. Those members who make a written request to receive the Annual Report before the meeting, the same shall be sent to them by Post on their address registered with the Bank.
5. Members are requested to kindly bring the Membership Photo Identity Card for the meeting.

**Special instruction on the background of COVID-19**

1. Rules and regulations issued by Government of Maharashtra under COVID-19 guidelines will be followed meticulously. Any amendments made by the Government of Maharashtra from time to time in this regard shall be made applicable.
2. Members attending the meeting shall Pre-register themselves at the venue before entering the meeting hall.
3. On the background of prevailing COVID-19 scenario, Members attending the meeting are requested to wear the masks and ensure social distancing.

## Chairman's Address (Abridged)

Dear Shareholders,

Since last few years, banking sector has consistently faced challenging situations, COVID-19 pandemic being one of them. Nation-wide lockdown implemented to curtail the spread of pandemic that had acute impact on income sources of public. This in turn, created difficulty/impossibility in paying EMIs of banks. This caused concern that regular EMI paying accounts might turn into NPA category. Taking a sympathetic view towards these borrowers, Reserve Bank announced many concessions. All these concessions were passed on to the Bank's eligible borrowers. Taking into account the financial needs of the customers, special loan schemes were also implemented by the Bank. In view of the uninterrupted services provided by banking sector to the nation, since the onset of COVID-19 pandemic last year, in 2021 Government of India recognised Bank employees as 'COVID Warriors'.

Bank provided special Mediclaim policy for all staff and officers for COVID-19. Also, vaccination facility was made available for staff, officers and their families in tie-up with various well-known hospitals in Pune.

The rates of interest on retail loans have been reduced since January 2021, which were further lowered in April 2021. This has supported the growth in the retail loans of the Bank. For unsecured loans, the cap of shareholding is reduced and it is capped at ₹ 2000/-

The Bank's yearly lending to priority sector as per Reserve Bank was expected to be 45% which was 41 % of its total advances. During the present financial year, new loan scheme is being implemented for increasing the lending in priority sector, while some loan schemes are being modified. Bank is trying to garner as much business as possible by reducing rates of interest on various loan schemes.

Due to various policy measures imposed on UCBs by Reserve Bank, it has become challenging for banks to increase loan portfolio and interest income. The percentage of Bank's loans up to ₹ 1 Crore compared to total loans is 22.55 % at the end of July 2021. Advances extended to priority sector at the end of July 2021 is 42.89% in proportion to total advances. In comparison to March 2021, there is an increase in both these parameters.

There was stiff competition of interest rates of deposits and loans amongst banks during the year under review. During the year under review, the Bank had to walk a tightrope with reference to interest on deposits, advances and investments.

The year under review was very challenging for recovery of NPAs. Due to COVID-19 lockdown, curfew, fear of spread of COVID-19, it was not possible to visit borrowers personally for recovery purpose. However, efforts were made for recovery of dues by discussions / contacting the borrower through Video Conferencing and telephones. Courts were not working during this time. In spite of all this challenging situation, at the end of March 2021, Bank has recovered ₹ 173.36 Crore and upgraded loan accounts worth ₹ 11.77 Crore.

In spite of the exceptional situation during the year under review, the performance of Treasury Department was satisfactory and Bank has earned profit of ₹ 285.91 Crore from business of sale and purchase of securities at the end of March 2021.

Bank declared Long Term (Sub-ordinated) Deposit Scheme-9 in March 2021. Though the scheme was having peculiar conditions, customers invested ₹ 74.81 Crore in this scheme. This depicts the trust customers have posed on the Bank.

As per guidelines, prior permission of Reserve Bank is necessary for appointing Statutory Auditors. Hence, for appointing Statutory Auditors for the FY 2021-22, Bank vide letter dated 29<sup>th</sup> July 2021 has submitted an application to Reserve Bank for permission.

It has become very difficult for small co-operative banks to earn profit due to various policy measures adopted by Reserve Bank. Reserve Bank has issued guidelines on amalgamation of UCBs through their detailed circular dated 23<sup>rd</sup> March 2021. Accordingly, few UCBs approached the Bank with merger proposals. Considering the financial condition, image of Bank within the masses, financial and technical due diligence etc., Board has given in-principle approval for merger of Shree Sharada Sahakari Bank Limited, Pune into our Bank and put forth the proposal before Annual General Meeting for further approval.

Considering the preference of customers towards digital banking, Bank has made further technological enhancements. Bank is also maintaining its connect with customers through emails, SMS, website etc. Bank received the prestigious Associated Chambers of Commerce and Industry of India – 'ASSOCHAM' Winner Award for offering innovative digital services to customers. This award was constituted under the concept of 'Atmanirbhar Bharat'.

Even after facing exceptional and challenging situations, recovery which was not as per expectation, lower credit off take, reduced interest income, Bank has posted operational profit of ₹ 461.35 Crore and net profit of ₹ 56.78 Crore during the year under review. After making statutory provisions from the net profit, it will be possible to distribute dividend to Members for the year 2020-21 from the remaining distributable profit, subject to prior approval from Reserve Bank.

The Directors of the Bank are experts in various fields. The directors are keenly inclined towards enhancing their expertise, which you will be able to read in the section 'Director Accolades'. As the helms of Bank are in the able hands of such young professional Directors, trust that, the Bank will continue its journey on the path of progress.

With Regards,  
**CA Milind Kale**  
Chairman

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021**

Sr. No.	CAPITAL AND LIABILITIES	AS AT 31 <sup>ST</sup> MARCH 2021 ₹	AS AT 31 <sup>ST</sup> MARCH 2020 ₹
1)	CAPITAL	3,33,58,64,400	3,22,66,89,800
2)	RESERVE FUND AND OTHER RESERVES	17,38,70,37,399	16,51,41,15,540
3)	DEPOSITS AND OTHER ACCOUNTS	1,61,50,45,44,109	1,51,95,08,57,235
4)	BORROWINGS	6,72,00,25,000	16,22,80,17,000
5)	BILLS FOR COLLECTION BEING BILLS RECEIVABLE	4,52,33,80,100	4,01,18,08,389
6)	BRANCH ADJUSTMENTS	1,36,34,05,096	1,52,35,91,405
7)	OVERDUE INTEREST RESERVE		
	a) Overdue Interest Reserve on NPA	3,85,13,22,471	3,00,01,70,955
	b) Overdue Interest on NPA Investment	1,62,39,475	-
8)	INTEREST PAYABLE	3,17,69,417	6,56,00,642
9)	OTHER LIABILITIES	5,25,95,02,140	4,75,57,06,327
10)	MERGED BANKS COLLECTION ACCOUNT PAYABLE	2,38,13,645	2,42,98,730
11)	PROFIT & LOSS ACCOUNT	72,39,09,176	18,08,84,475
	<b>TOTAL</b>	<b>2,04,74,08,12,427</b>	<b>2,01,48,17,40,498</b>
	<b>PROPERTY AND ASSETS</b>		
1)	CASH AND BANK BALANCES	7,85,30,66,138	6,72,14,29,411
2)	BALANCES WITH OTHER BANKS	2,15,77,92,581	96,63,03,062
3)	MONEY AT CALL AND SHORT NOTICE (LENDING UNDER REVERSE REPO / LAF)	14,61,00,00,000	8,25,00,00,000
4)	INVESTMENTS	36,67,06,16,392	46,61,78,40,419
5)	ADVANCES	1,18,80,67,35,814	1,15,03,15,07,521
6)	INTEREST RECEIVABLE		
	a) Interest on Deposits & Securities	63,81,08,307	78,96,57,327
	b) Interest on NPA Investment	1,62,39,475	-
	c) Overdue Interest on Loans & Advances	3,85,13,22,471	3,00,01,70,955
7)	BILLS RECEIVABLE BEING BILLS FOR COLLECTION	4,52,33,80,100	4,01,18,08,389
8)	PROPERTY, PLANT AND EQUIPMENT	6,35,72,76,140	6,59,50,36,920
9)	OTHER ASSETS	7,60,07,42,491	7,73,92,15,457
10)	NON BANKING ASSETS	1,01,41,61,733	1,01,39,73,583
11)	DEFERRED TAX ASSET	61,25,98,665	71,18,06,483
12)	GOODWILL A/C - MERGED BANKS	2,87,72,120	3,29,90,971
	<b>TOTAL</b>	<b>2,04,74,08,12,427</b>	<b>2,01,48,17,40,498</b>
	SECURITIES PURCHASED UNDER REPO/LAF	14,61,88,82,077	18,55,90,83,546
	CONTINGENT LIABILITIES :		
	BANK GUARANTEES	9,08,25,19,677	9,24,27,20,788
	LETTERS OF CREDIT ISSUED	1,94,92,47,510	2,06,48,07,975
	FORWARD EXCHANGE CONTRACTS PURCHASE/SALE	3,19,40,02,523	2,18,78,30,832
	OTHERS - DEPOSITOR EDUCATION & AWARENESS FUND	44,36,53,916	37,60,53,971

**As Per Our Report Of Even Date****FOR THE COSMOS CO-OPERATIVE BANK LTD.**

**FOR M/s. KIRTANE & PANDIT LLP**  
CHARTERED ACCOUNTANTS  
F.R.NO.105215W/W100057

**MILIND A. KALE**  
CHAIRMAN

**PRALHAD B.KOKARE**  
VICE CHAIRMAN

**SUHAS S. GOKHALE**  
MANAGING DIRECTOR

**SANDEEP WELLING**  
PARTNER  
M. NO: 044576  
STATUTORY AUDITOR

**MUKUND L. ABHYANKAR**  
DIRECTOR

**JAYANT BARVE**  
DIRECTOR

**SACHIN APTE**  
DIRECTOR

**FOR M/s. G. D. APTE & CO.**  
CHARTERED ACCOUNTANTS  
F.R.NO.100515W

**RAJAISHWARI DHOTRE**  
DIRECTOR

**PRAVEENKUMAR GANDHI**  
DIRECTOR

**SAURABH PESHWE**  
PARTNER  
M. NO: 121546  
STATUTORY AUDITOR

**NANDKUMAR KAKIRDE**  
DIRECTOR

**ANURADDA GADALE**  
DIRECTOR

**AJIT GIJARE**  
DIRECTOR

**YASHWANT KASAR**  
DIRECTOR

**MILIND POKALE**  
DIRECTOR

**ARVIND TAVARE**  
DIRECTOR

**UMESH C. DATAR**  
STAFF REPRESENTATIVE

**ARCHANA V. JOSHI**  
DY. GENERAL MANAGER

PLACE: PUNE  
DATE: 10 / 06 / 2021

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

Sr. No.	INCOME	AS AT 31 <sup>ST</sup> MARCH 2021	AS AT 31 <sup>ST</sup> MARCH 2020
		₹	₹
1)	INTEREST & DISCOUNT	13,60,75,36,640	14,42,00,04,274
2)	PROFIT ON SALE OF SECURITIES (Net)	3,04,86,42,106	1,38,07,23,959
3)	COMMISSION & EXCHANGE	68,01,70,886	77,12,34,235
4)	OTHER RECEIPTS		
	a) Rent	62,071	62,071
	b) Share Transfer Fee , Form Fee etc.	10,93,999	9,44,888
	c) Locker Rent	5,94,91,537	5,81,89,101
	d) Other Income	3,54,92,966	96,70,097
	e) Depository Income	88,03,948	1,05,45,855
	f) Principal Recovery in NPAs Written off	79,79,82,092	1,02,64,22,994
5)	PROFIT ON SALE OF NON-BANKING ASSETS	-	24,57,384
6)	EXCESS PROVISION FOR MERGED BANK LOSSES WRITTEN BACK	42,18,848	47,37,862
7)	EXCESS PROVISION FOR RESTRUCTURED ASSETS WRITTEN BACK	-	6,88,92,217
8)	EXCESS PROVISION WRITTEN BACK	5,55,70,022	-
9)	B.D.D.R / FITL PROVISION WRITTEN BACK	2,51,31,95,859	2,92,03,23,196
	<b>TOTAL</b>	<b>20,81,22,60,974</b>	<b>20,67,42,08,133</b>
	<b>EXPENDITURE</b>		
1)	INTEREST ON DEPOSITS, BORROWINGS ETC.	9,77,56,48,358	10,73,14,11,299
2)	SALARIES, ALLOWANCES, PF CONTRIBUTION & GRATUITY ETC.	2,01,64,98,029	2,03,89,39,818
3)	DIRECTORS FEES & ALLOWANCES	23,27,930	10,66,540
4)	RENT, TAXES, INSURANCE, LIGHT ETC.	66,35,23,622	64,67,51,165
5)	POSTAGE, TELEGRAM & TELEPHONE	4,70,52,307	4,60,38,066
6)	AUDITORS FEE	2,80,40,711	2,53,98,491
7)	DEPRECIATION, REPAIRS, MAINTENANCE TO BANK'S PPE	40,31,70,564	42,28,98,029
8)	STATIONERY, PRINTING, ADVT. SADIL ETC.	6,12,34,648	7,97,67,745
9)	AMORTISATION OF PREMIUM ON SECURITIES	21,05,76,848	18,80,25,555
10)	OTHER EXPENDITURE	41,77,45,214	50,50,70,985
11)	PROVISION FOR ASSETS	3,67,62,55,694	3,46,61,64,482
12)	BAD DEBTS WRITTEN OFF	2,51,31,95,859	2,92,03,23,196
	<b>TOTAL</b>	<b>19,81,52,69,784</b>	<b>21,07,18,55,371</b>
	<b>PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEM AND TAX</b>	<b>99,69,91,190</b>	<b>(39,76,47,238)</b>
13)	LOSSES PROVIDED FOR CYBER ATTACK	-	44,23,05,386
	<b>PROFIT / (LOSS) AFTER EXCEPTIONAL ITEM AND BEFORE TAX</b>	<b>99,69,91,190</b>	<b>(83,99,52,624)</b>
14)	INCOME TAX EXPENSES		
	CURRENT YEAR TAX	33,00,00,000	1,56,000
	INCOME TAX FOR EARLIER YEARS (EXCESS)/SHORT, NET	-	2,88,27,059
	DEFERRED TAX	9,92,07,819	(32,55,37,431)
	<b>TOTAL</b>	<b>42,92,07,819</b>	<b>(29,65,54,372)</b>
	<b>PROFIT / (LOSS) AFTER TAX</b>	<b>56,77,83,371</b>	<b>(54,33,98,252)</b>
	TRANSFER FROM BUSINESS RISK PROTECTION FUND	-	18,50,00,000
	<b>NET SURPLUS</b>	<b>56,77,83,371</b>	<b>(35,83,98,252)</b>

**As Per Our Report Of Even Date****FOR THE COSMOS CO-OPERATIVE BANK LTD.**

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 STAFF REPRESENTATIVE

**ARCHANA V. JOSHI**  
 DY. GENERAL MANAGER

PLACE: PUNE  
 DATE: 10 / 06 / 2021

# INDEPENDENT AUDITOR'S REPORT

To

**The Members**

**The Cosmos Co-operative Bank Ltd.**

**(Multi State Scheduled Bank)**

**Report on Financial Statements**

## **Opinion**

We have audited the accompanying Financial Statements of **The Cosmos Co-operative Bank Ltd. ("the Bank")** as at March 31, 2021, which comprise the Balance Sheet as at March 31, 2021, 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 which are included returns of Head Office and its Departments and 140 branches, out of which 68 branches are audited by Kirtane & Pandit LLP, Chartered Accountants, 72 branches are audited by G. D. Apte & Co. which are consolidated in these Financial Statements. Since, all the Branches are subject to statutory audit, the matter of submission of details of per cent of advances / deposit / interest income / interest expenses of unaudited Branches are not applicable. Due to COVID-19 lockdown throughout the country in the last year, wherever physical presence was not possible, we have adopted alternative methodologies using technological solutions in performing our audit procedures.

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, the Multi State Cooperative Societies Act, 2002 and the Rules made thereunder, 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, 2021 and its profit and its Cash Flows for the financial 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 (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 ICAI 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.

## **Emphasis of Matter**

We draw your attention to Note No. 3 of Schedule Q-I of Notes forming part of Accounts of the Financial Statements which describes uncertainty of impact due to Covid-19 pandemic on Bank's financial performance, which is dependent on future development.

Our opinion is not modified in respect of this matter.

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

The Bank's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board of Directors Report including other explanatory information, but does not include Financial Statements and our auditor's report thereon. The report of the Board of Directors is expected to be made available to us after the date of this auditor's 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 in the audit or otherwise appears to be materially misstated.

When we read the Report of Board of Directors 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 the members in the Annual General Meeting.

## **Responsibilities of Management and those Charged with Governance for the Financial Statements**

The Bank's Board of Directors is responsible for the 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 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 RBI and the Central Registrar of Cooperative Societies from time to time. This responsibility also includes maintenance of adequate records in accordance with the provisions of the Acts for safeguarding of assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 true and fair view and 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 Boards of Directors are responsible for overseeing the Bank's financial reporting process.

## Auditor's Responsibility for the Audit of 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 auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 SAs, 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 expressing an opinion on the effectiveness of the Bank's internal control.
- 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

## Other Matter

The Financial Statements of the Bank for the year ended March 31, 2020 were jointly audited by M/s. Kirtane & Pandit LLP, M/s P.G. Bhagwat and M/s. Yardi Prabhu & Associates LLP, who have expressed an unmodified audit opinion on those statements vide their report dated July 13, 2020

## Report on Other Legal & Regulatory Requirements

1. 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, the Multi State Co-operative Societies Rules, 2002.
2. As required by Section 73(4) of the Multi State Co-operative Societies Act, 2002 and section 30(3) of the Banking Regulation Act, 1949, 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 or offices.
  - c) As required by Section 30 (3) of the Banking Regulation Act, 1949, we further report that 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 applicable to the urban co-operative Banks.
3. 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 (d) and (e) of Rule 27 (2) of the Multi State Co-operative Societies Rules, 2002:
  - a) 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 money due to the Bank.
  - b) During the course of Audit, we have generally not come across any violations of guidelines, conditions etc. issued by the RBI. Since the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding violations of guidelines issued by the said Bank are not called for.
4. As required by Rule 27(3) (a) to (f) of the Multi State Co-operative Societies Rules, 2002, we give the Annexure, a schedule on the matters specified in the said Rule.

**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT**

**FOR FINANCIAL YEAR ENDED MARCH 31, 2021**

**(As referred in Clause 4 of our report of even date as on March 31, 2021)**

As required by the Rule 27 (3) of the Multi State Co-operative Societies Rules, 2002 ("the Rules"), we report on the matters specified in clauses (a) to (f) of the said Rule to the extent applicable to the Bank.

- a. During the course of our audit, we have generally not come across transactions which appear to be contrary to the provisions of the Act, the Rules or the Bye-Laws of the Bank.
- b. During the course of our audit, we have not come across material and significant transactions which appear to be contrary to the guidelines issued by the Reserve Bank of India ("RBI"). Since, the Bank has neither accepted deposits nor received subsidy from National Bank for Agriculture and Rural Development, our comments regarding transactions contrary to the guidelines issued by the said Bank are not called for.
- c. The following advances are categorized as doubtful or loss assets as per prudential norms of RBI as on March 31, 2021 and reported in terms of clause (c) of Rule 27 (3) of the Rules:

Category	Outstanding Amount as on March 31 2021 (₹ In Lakhs)
Doubtful Assets	91,446.71
Loss Assets	NIL
<b>Total</b>	<b>91,446.71*</b>

\* A provision of ₹.23,004.36 Lakhs has been made against the above advances.

- d. As per the information provided to us and to the best of our knowledge, the following credit facilities have been sanctioned by the Bank to the members of the Board or their relatives:

Particulars	Outstanding Amount (₹ In Lakhs)	Security Value (₹ In Lakhs)	Overdues if any (₹ In Lakhs)
Fund Based	1,770.56	2954.38	NIL
Non Fund Based	NIL	NIL	NIL
<b>Total</b>	<b>1,770.56</b>	<b>2954.38</b>	<b>NIL</b>

- e. During the course of our audit, we have generally not come across any violations of guidelines conditions etc. issued by the RBI. Since, the Bank has neither accepted deposits nor received subsidy from National Bank Agriculture and Rural Development, our comments regarding violations of guidelines issued by the said Bank are not called for.
- f. To the best of our knowledge, no other matters have been specified by the Central Registrar of Co-operatives Societies, which require reporting under this Rule.

**Kirtane & Pandit LLP**  
Chartered Accountants  
F.R.No.105215W/W100057

**Sandeep Welling**  
Partner  
M.No. 044576  
UDIN: 21044576AAAAFY8368

Place: Pune  
Date: 10 / 06 / 2021

**G. D. APTE & CO.**  
Chartered Accountants  
F.R.NO.100515W

**SAURABH PESHWE**  
Partner  
M.No. 121546  
UDIN: 21121546AAAAER9297

Place: Pune  
Date: 10 / 06 / 2021



# THE COSMOS CO-OP. BANK LTD.

(Multistate Scheduled Bank)

Cosmos Tower, Plot no.6, ICS Colony, University Road, Ganeshkhind, Pune 411007

## Proposed Amendments to Bye-laws of the Bank placed before the Annual General Meeting dated 30<sup>th</sup> September, 2021

Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment	Reasons for amendment
6 (a) (i)	<p><b>Membership Ordinary Members:</b> Any person who resides or is engaged in any occupation, profession or business within the area of operation of the Bank and who genuinely needs the services provided by the Bank and whose business, occupation does not conflict with that of the Bank may be admitted as an Ordinary Member.</p>	<p>After word 'Ordinary Member', add para as below-</p> <p>An employee of the Bank may be admitted as an Ordinary member / Nominal member / Perpetual Non-cumulative Preferential Share holder and he will be entitled, on merit, to various loan facilities and other schemes on merit, sanctioned by the Board of Directors from time to time. Employee / ex-employee will not have voting rights in election of Board of Directors &amp; General Body Meeting.</p>	<p>Any person who resides or is engaged in any occupation, profession or business within the area of operation of the Bank and who genuinely needs the services provided by the Bank and whose business, occupation does not conflict with that of the Bank may be admitted as an Ordinary Member.</p> <p>An employee of the Bank may be admitted as an Ordinary member / Nominal Member / Perpetual Non-cumulative Preferential Share holder and he will be entitled, on merit, to various loan facilities and other schemes on merit, sanctioned by the Board of Directors from time to time. Employee / ex-employee will not have voting rights in election of Board of Directors &amp; General Body Meeting.</p>	<p>Multi State Co-op. Soc. Act 2002 allows employee's membership and voting rights of employees removed / restricted under section 31.</p> <p>So also, Bye-law no. 6 (aa) allows Perpetual Non-cumulative Preferential Shareholding.</p>
6 (a) (vi)	<p><b>Membership Ordinary Members:</b> No employee/ ex-employee of the Bank shall be eligible to become an ordinary member of the Bank and/ or contest elections for the Board of Directors. The existing such members have no right to vote in election of the Board as well as General Body Meeting</p>	<p>Delete</p>	<p>Delete</p>	<p>Modified clause included under bye-laws- 6 (a) (i)</p>

Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment	Reasons for amendment
6 (b) (ii)	<p><b>Membership Nominal / Associate Member</b> An employee of the Bank may be admitted as a nominal member/ Perpetual Non-cumulative Preferential Share holder and he will be entitled, on merit, to various loan facilities and other schemes on merit sanctioned by the Board of Directors from time to time.</p>	Delete	Delete	Included under Bye-law No. 6 (a) (i)
31A	<p><b>Board of Directors</b> Executive management of the Bank shall vest in the hands of Board of Directors consisting of 17 (seventeen) Directors as follows – (i) 13 (thirteen) directors to be elected amongst the members of the Bank; (ii) On the Board of Directors 1 (one) seat shall be reserved for Employees Representative. The seat so reserved shall be filled by nomination made by the union approved by the Board, from amongst all full time confirmed salaried employees of the Bank. If there be no such union approved by the Board, the member representing such employees may be nominated by the Board. However, any employee nominated as a member on the Board shall not be entitled to be elected as Chairperson or Vice-Chairperson or be entitled to vote at any election of Chairperson or Vice-Chairperson. Notwithstanding anything contained in these Bye-laws, the tenure of this Employee Representative shall be co-terminus with the tenure of the Board of Directors</p>	In first para, '17' to be replaced with 'upto 17'	<p><b>Board of Directors</b> Executive management of the Bank shall vest in the hands of Board of Directors consisting upto 17 (seventeen) Directors as follows – (i) 13 (thirteen) directors to be elected amongst the members of the Bank; (ii) On the Board of Directors 1 (one) seat shall be reserved for Employees Representative. The seat so reserved shall be filled by nomination made by the union approved by the Board, from amongst all full time confirmed salaried employees of the Bank. If there be no such union approved by the Board, the member representing such employees may be nominated by the Board. However, any employee nominated as a member on the Board shall not be entitled to be elected as Chairperson or Vice-Chairperson or be entitled to vote at any election of Chairperson or Vice-Chairperson. Notwithstanding anything contained in these Bye-laws, the tenure of this Employee Representative shall be co-terminus with the tenure of the Board of Directors.</p>	As pointed out by RBI Inspection Officers during Inspection of FY 2018-19.

Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment	Reasons for amendment
	<p>(ii) (a) The Board of Directors shall, at all times, have two professional Directors i.e. persons with suitable banking experience (at middle / senior management level) or with professional qualification in the field of law, accountancy or finance. In case the Directors with such professional qualifications are not elected from the category under byelaw 31 (i) above, then the Board shall co-opt that number of directors falling short of two from amongst the shareholders, who are otherwise qualified as per Act, Rules &amp; these bye-laws, to fill the vacant post (if any). Such co-opted Directors shall have same Rights and Duties as that of the elected members of the Board. The tenure of such co-opted Directors shall be co-terminus with the tenure of the Board of Directors.</p> <p>(iii) In addition to elected Directors, the Board of Directors may co-opt 2 (two) Directors from amongst economists, Co-operators, Chartered Accountants, from banking field, etc. excluding ex-employee of the Cosmos Bank. However such co-opted Directors shall not be entitled to vote at the meeting of the Board of Directors or shall not be entitled to be elected as Chairperson or Vice-Chairperson or be entitled to vote at any election of Chairperson or Vice-chairperson. Notwithstanding anything contained in these bye-laws, the tenure of the co-opted Directors shall be co-terminus with the tenure of the Board of Directors.</p>	<p>Replace the whole sub-clause no. (ii) (a) as below-</p> <p>The Board of Directors shall, at all times, have not less than two professional Directors i.e. persons with suitable banking experience (at middle / senior management level) or with professional qualification in the field of law, accountancy or finance.</p> <p>The Board shall co-opt not more than 2 additional directors, having such professional qualification from amongst the shareholders who are otherwise qualified as per Act, Rules and these Bye-laws.</p> <p>Such co-opted Directors shall have same Rights and Duties as that of the elected members of the Board. The tenure of such co-opted Directors shall be co-terminus with the tenure of the Board of Directors.</p>	<p>(ii) (a) The Board of Directors shall, at all times, have not less than two professional Directors i.e. persons with suitable banking experience (at middle / senior management level) or with professional qualification in the field of law, accountancy or finance.</p> <p>The Board shall co-opt not more than 2 additional directors, having such professional qualification from amongst the shareholders who are otherwise qualified as per Act, Rules and these Bye-laws.</p> <p>Such co-opted Directors shall have same Rights and Duties as that of the elected members of the Board. The tenure of such co-opted Directors shall be co-terminus with the tenure of the Board of Directors.</p> <p>(iii) In addition to elected Directors, the Board of Directors may co-opt 2 (two) Directors from amongst economists, Co-operators, Chartered Accountants, from banking field, etc. excluding ex-employee of the Cosmos Bank. However such co-opted Directors shall not be entitled to vote at the meeting of the Board of Directors or shall not be entitled to be elected as Chairperson or Vice-Chairperson or be entitled to vote at any election of Chairperson or Vice-chairperson. Notwithstanding anything contained in these bye-laws, the tenure of the co-opted Directors shall be co-terminus with the tenure of the Board of Directors.</p>	<p>To have more experts on Board of the Bank.</p>

Bye Law No.	Text of Existing Bye Law	Proposed Amendment	Text after incorporation of amendment	Reasons for amendment
	<p>(iv) The Chief Executive Officer shall be ex-officio member of the Board of Directors.</p> <p>(v) The term of the office of the elected members shall be five years from the date of elections. However, the elected members shall continue to hold office till their successors are elected or nominated under the provisions of the act / rules and bye-laws, and assume charge of their office.</p> <p>(vi) The elected members of the Board shall be eligible for re-election.</p>		<p>(iv) The Chief Executive Officer shall be ex-officio member of the Board of Directors.</p> <p>(v) The term of the office of the elected members shall be five years from the date of elections. However, the elected members shall continue to hold office till their successors are elected or nominated under the provisions of the act / rules and bye-laws, and assume charge of their office.</p> <p>(vi) The elected members of the Board shall be eligible for re-election.</p>	

## Cosmos e-Solutions & Services Private Limited

Registered Office Address: CTS No. 269 & 270/1, 4<sup>th</sup> Floor, Devi Heights, Shaniwar Peth, Pune - 411030

Amounts in ₹

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2021-ABRIDGED

AS AT 31/03/2020 ₹	CAPITAL & LIABILITIES	AS AT 31/03/2021 ₹	AS AT 31/03/2020 ₹	PROPERTIES & ASSETS	AS AT 31/03/2021 ₹
25,00,000	Share Capital	25,00,000	1,58,22,531	Tangible assets	1,41,55,679
8,62,51,042	Reserves and Surplus	9,15,91,513	11,40,926	Intangible assets	4,14,493
-	Deferred tax liabilities (Net)	-	3,34,618	Deferred Tax Asset	11,78,046
			3,91,35,424	Long term loans and advances	26,34,569
				Other Non-Current Assets	1,00,00,000
97,58,821	Trade payables	85,81,158	38,33,769	Trade receivables	58,51,393
11,90,416	Other current liabilities	2,73,903	42,55,000	Inventories	42,55,000
3,22,50,000	Short-term provisions	19,45,000	5,50,48,566	Cash and cash equivalents	5,96,90,584
19,172	Long Term Provisions	37,657	56,832	Short-term loans and advances	56,832
			1,23,41,785	Other current assets	66,92,635
<b>13,19,69,451</b>	<b>Total</b>	<b>10,49,29,231</b>	<b>13,19,69,451</b>	<b>Total</b>	<b>10,49,29,231</b>

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021-ABRIDGED

For the year ended 31/03/2020 ₹	EXPENDITURE	For the year ended 31/03/2021 ₹	For the year ended 31/03/2020 ₹	INCOME	For the year ended 31/03/2021 ₹
57,930	Change in Inventories	-	3,54,47,796	Revenue from operations	2,01,83,576
2,87,22,516	Expenses relating operating activity	1,10,77,996	24,60,486	Other Income	29,79,564
15,51,685	Employee benefit expense	6,13,940			
	Financial costs				
33,99,592	Depreciation and amortization expense	23,93,285			
11,56,610	Other expenses	6,35,876			
	Prior Period Expenses				
7,78,778	Income Tax	11,01,572			
22,41,172	Profit after Tax	73,40,471			
<b>3,79,08,283</b>	<b>Total</b>	<b>2,31,63,140</b>	<b>3,79,08,283</b>	<b>Total</b>	<b>2,31,63,140</b>

As per our report of even date attached

**For S A Damle & Associates**

**Chartered Accountants**

Firm Registration No: 102089W

For and on behalf of the Board of Directors of

**Cosmos e-Solutions & Services Private Limited**

**S A Damle**

Proprietor

M No. 039048

**Dr Mukund Abhyankar**

Director

DIN: 00881021

**Ashutosh Joshi**

Director

DIN: 00546675

**Arti Dhole**

Managing Director & CEO

DIN: 07670787

**Place: Pune**

**Date: August 21, 2021**

**Place: Pune**

**Date: August 21, 2021**