

## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of Bangiya Gramin Vikash Bank

### **Report On The Financial Statements**

1. We have audited the accompanying financial statements of **Bangiya Gramin Vikash Bank** as at 31<sup>st</sup> March 2014, which comprise the Balance Sheet as at 31<sup>st</sup> March 2014, 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. Incorporated in these financial statements are the returns of 15 branches audited by us and 542 branches audited by branch auditors. The branches audited by us and those audited by other auditors have been selected by the bank in accordance with the guidelines issued by the National Bank for Agriculture and Rural Development (NABARD). Also incorporated in the Balance Sheet and the profit and loss account are the returns received from 25 branches and 11 Regional Offices which have not been subjected to audit.

### **Management's Responsibility for the Financial Statements**

2. Management is responsible for the preparation of these financial statements. The responsibility includes the 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.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 misstatement.
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 the internal control relevant to the Bank's preparation and fair presentation of the financial statements in order 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of Matter**

6. In accordance with Standard on Audit (SA) 706 “Emphasis of Matter Paragraph”, without qualifying our opinion, we draw attention to Note No. 16.2 of notes on accounts in Schedule 17 regarding deferment of pension and gratuity liability of the Bank to the extent of Rs. 1400.00 lacs pursuant to the exemption granted by the Reserve Bank of India from application of the provisions of Accounting Standards 15 on “Employee Benefits”.

### **Opinion**

7. Reconciliation of Inter Branch Transactions is underway and elimination of outstanding entries is in process. Reconciliation between General Ledger Accounts and Subsidiary Ledger Accounts in Head Office and Branches in respect of erstwhile Head Offices (4 Nos.) are up-to-date as on 31-03-2011 excepting one erstwhile Head Office (Bankura) which are still pending. This may have financial implication when updated.
8. In our opinion, as shown by books of the Bank and to the best of our information and according to the explanations given to us:
  - (i) the Balance Sheet, read with the significant accounting policies and notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March 2014 in conformity with accounting principles generally accepted in India;
  - (ii) the Profit and Loss Account, read with the significant accounting policies with the notes thereon shows a true balance of the Profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
  - (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

9. The Balance Sheet and Profit & Loss Account have been presented in accordance with the Third Schedule to the Banking Regulation Act, 1949 as required under Section 29 of the said Act.
10. Subject to the limitations of the audit indicated in paragraph 1 to 5 above, we report that:
  - (i) 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.
  - (ii) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
  - (iii) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
11. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

**For GEORGE READ & CO.**  
**Chartered Accountants**  
FRN 302208E

**CA Rajiv Panja**  
Partner  
**Membership No. 57393**

Place : Berhampore  
Date : 10.05.2014