

RAY & RAY

CHARTERED ACCOUNTANTS

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To,
The Shareholders
UTTARBANGA KSHETRIYA GRAMIN BANK

Report on Financial Statements

We have audited the accompanying Financial statements of **UTTARBANGA KSHETRIYA GRAMIN BANK** (the "Bank") as at 31 March, 2018, which comprise the Balance Sheet as at March 31, 2018 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. Incorporated in this financial statement are the returns of 20 branches & 3 Regional Offices audited by us and 70 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 to the bank by the National Bank for Agriculture and Rural Development (NABARD). Also incorporated in the Balance Sheet, and the profit & loss account are the returns from 52 branches which have not been subject to audit. These unaudited branches account for 13.33% of advances, 21.53% of deposits, 11.52% of interest income and 12.69% of interest expenses.

Management's Responsibility for the Financial Statements

1. Management of the Bank is responsible for the preparation of these Financial Statements in accordance with The Banking Regulation Act, 1949 and regulations framed thereunder, the applicable Accounting Standards issue by the institute of Chartered Accountants of India (ICAI) and in compliance of the guidelines issued by the Reserve Bank of India (RBI) from time to time. This 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

2. 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.
3. 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 Company's preparation 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 the effectiveness of entity'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.

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

Basis of Qualified Opinion

- i. The Bank has not ascertained and accounted for Deferred Tax asset/liability contrary to the requirement of Accounting Standard-22.

Opinion

Subject to our comment in the basis of qualified opinion paragraph ,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 :

5. The Balance Sheet, read with the notes thereon containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as on 31 March, 2018 in conformity with accounting principles generally accepted in India;
6. The Profit and Loss Account, read with the notes thereon shows a true balance of profit in conformity with accounting principles generally accepted in India, for the year covered by the account; and
7. 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

8. The Balance Sheet and Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
9. 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.

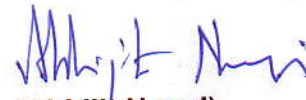
- II. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- III. The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.

We further report that :

- a) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account and returns;
- b) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report.
- c) Subject to our comments in the basis of qualified opinion paragraph, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

Date : 20th June,2018
Place : Coochbehar

For RAY & RAY
Chartered Accountants
Firm Registration No.301072E



(Abhijit Neogi)
Partner

Membership No. 061380