

**MADHYA BIHAR GRAMIN BANK, HEAD OFFICE, PATNA****(Sponsored by Punjab National Bank)****BALANCE SHEET AS ON 31.03.2017****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31.03.2017**

(Rs.000 Omitted)

CAPITAL & LIABILITIES	AS ON 31.03.2017	AS ON 31.03.2016
Capital	633237	633237
Reserves & Surplus	5410547	4833047
Deposits	103928248	89642613
Borrowings	18413113	20298141
Other Liabilities & Provisions	2236848	1871431
Total	130621993	117278469
ASSETS		
Cash & Balance with Reserve Bank of India	5221459	4339758
Balance with Banks & Money at Call & Short Notice	39699138	54339499
Investments	41445166	19208883
Advances	39816150	35607492
Fixed Assets	281699	271545
Other Assets	4158381	3511292
Total	130621993	117278469
Contingent Liabilities	1216978	442368
Bills for Collection	389802	567524

PARTICULARS	FOR THE YEAR ENDING 31.03.2017	FOR THE YEAR ENDING 31.03.2016
INCOME		
Interest Earned	10056215	10079407
Other Income	607239	348577
Total	10663454	10427984
EXPENDITURE		
Interest Expended	6091623	6077604
Operating Expenses	2638659	2801327
Provisions & Contingencies	1230031	519013
Total	9960313	9397944
PROFIT/LOSS		
Net profit/Loss(-)	703141	1030040
Less, Provision for Tax liabilities	205037	322589
Profit after Tax	498104	707451
Add, Deferred Tax Adjustment	0	2576
Less, Deferred Tax Adjustment	9857	0
Balance	488247	710027
Appropriation		
Transfer to Investment Fluctuation Reserve	48526	0
Transfer to Other Reserve	439721	710027
Total Rs.	488247	710027

FOR B.M.CHATRATH & CO.
CHARTERED ACCOUNTANTS
Sd/-
(CA S.K.BASU)
Partner

FOR MADHYA BIHAR GRAMIN BANK
Sd/-
(A.K.BHATIA)
CHAIRMAN

AUDITORS REPORTS**Report On The Financial Statements:**

- We have audited the accompanying financial statements of MADHYA BIHAR GRAMIN BANK as at 31st March, 2017, which comprise the Balance Sheet as at March 31, 2017 and Profit and Loss Account and the Cash Flow statement for the year as at 31.03.2017, and a summary of significant accounting policies and other explanatory information in the Notes on Accounts. Incorporated in these financial statements are the returns of 20 Branches and 9 Regional Offices audited by us and 508 Branches audited by other 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 NABARD. Also incorporated in the Balance Sheet and the Statement of Profit and Loss Account and Cash Flow Statement are the returns from 170 branches which have not been subjected to audit. These unaudited branches account for 16.68% percent of advances, 23.21% percent of deposits, 7.47 % of interest income and 19.75 % of interest expenses.

Management's Responsibility for the Financial Statements:

- Management of the Bank is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the Bank in accordance with the Banking Regulation Act, Regional Rural Bank Act, 1976 and complying with guidelines issued by Reserve Bank of India and National Bank for Agriculture and Rural Development from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements so that they are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

- 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.
- An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 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.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

- In our opinion, as shown by Books of Bank, and to the best of our information and according to the explanations given to us:
 - the Balance Sheet, read with the 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, 2017 in conformity with accounting principles generally accepted in India;
 - 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
 - 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:

- The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Banking Regulation Act, 1949, Regional Rural Bank Act, 1976 and complying with guidelines issued by Reserve Bank of India and National Bank for Agriculture and Rural Development from time to time;
- Subject to the limitations of the audit indicated in Paragraph 1 above and subject to;
 - Note No-2 of Schedule-18 regarding pending Income Tax Assessment;
 - Note no. 3.a & b of Schedule-18 regarding valuation of securities with respect to advances and notification of SLBC/State Govt. regarding restructuring of Crop Loan;
 - Note no.7.3 of schedule-18 regarding excess amount remitted to chest;

We report that;

- We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of Audit and have found them to be satisfactory.
 - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.

For M/s. B.M.CHATRATH & Co.
Chartered Accountants
Sd/-
(CA S.K.BASU)
Partner

Place: Patna
The 28th day of April, 2017