



BANGIYA GRAMIN VIKASH BANK
HEAD OFFICE : BERHAMPORE
NH-34, CHUAPUR, MURSHIDABAD, WEST BENGAL

BALANCE SHEET AS ON 31.03.2018

(Figure in Rs. Thousand)

| CAPITAL & LIABILITIES | SCHEDULE | As on | As on |
|--|----------|------------------|------------------|
| | | 31.03.2018 | 31.03.2017 |
| CAPITAL | 1 | 6438022 | 6438022 |
| RESERVES & SURPLUS | 2 | 0 | 0 |
| DEPOSITS | 3 | 144403239 | 134317089 |
| BORROWINGS | 4 | 4812290 | 4105961 |
| OTHER LIABILITIES & PROVISIONS | 5 | 4981828 | 4059566 |
| TOTAL | | 160635379 | 148920638 |
| ASSETS | | | |
| CASH & BANK BALANCE WITH RBI | 6 | 6528322 | 6064745 |
| BALANCE WITH BANKS & MONEY AT CALL & SHORT NOTICE | 7 | 2534964 | 1342951 |
| INVESTMENTS | 8 | 86329035 | 80117227 |
| ADVANCES | 9 | 56788841 | 54082839 |
| FIXED ASSETS (OTHER) | 10 | 121262 | 132773 |
| OTHER ASSETS | 11 | 8332955 | 7180103 |
| TOTAL | | 160635379 | 148920638 |
| CONTINGENT LIABILITIES - GUARANTEE | 12 | 131233 | 120105 |
| OTHER ITEMS FOR WHICH BANK IS CONTINGENTLY LIABLE | | 26450 | 0 |
| | | 157683 | 120105 |
| BILLS FOR COLLECTION | | 84306 | 526819 |


(SUBRATA MISHRA)
CHAIRMAN


(PRNOBESH BARUA)
DIRECTOR


(KAMALESH KUMAR)
DIRECTOR

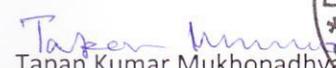
(S.K. DAS)
DIRECTOR


(MANAS DHAR)
DIRECTOR


(CHANDAN KUMAR DHAR)
DIRECTOR

Place: Kolkata
Date: 07.06.2018

For D.K. Chhajjer & Co
Chartered Accountants
FRN: 304138E


Tapan Kumar Mukhopadhyay
PARTNER
Membership No.017483.





BANGIYA GRAMIN VIKASH BANK

HEAD OFFICE : BERHAMPORE

NH-34, CHUAPUR, MURSHIDABAD, WEST BENGAL

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2018

(Figure in Rs. Thousand)

| SCHEDULE | For the Period | | |
|--|----------------------------------|----------------------------------|-----------------|
| | from 01.04.2017 to 31.03.2018 | from 01.04.2016 to 31.03.2017 | |
| INCOME | | | |
| INTEREST EARNED | 13 | 11138400 | 10582490 |
| OTHER INCOME | 14 | 791167 | 1608912 |
| TOTAL | | <u>11929566</u> | <u>12191402</u> |
| EXPENDITURE | | | |
| INTEREST EXPENDED | 15 | 7832528 | 7393036 |
| OPERATING EXPENSES | 16 | 3595791 | 3439244 |
| PROVN. & CONTINGENCIES OTHER THAN TAX | | 1886802 | 1261963 |
| TOTAL | | <u>13315120</u> | <u>12094243</u> |
| PROFIT BEFORE TAX | | -1385554 | 97159 |
| PROVN FOR ARREAR TAX | | 0 | |
| PROVN. FOR CURRENT TAX | | | 9379 |
| PROVISION FOR DEFERRED TAX LIABILITY | | 0 | 0 |
| PROFIT AFTER TAX | | -1385554 | 87780 |
| APPROPRIATIONS | | | |
| BALANCE CARRIED OVER | | -1385554 | 87780 |
| BALANCE CARRIED OVER FROM RESERVE | | 0 | 0 |
| BUSINESS LOSS BROUGHT FORWARD | | -1709031 | -1796811 |
| TOTAL | | <u>-1709031</u> | <u>-1796811</u> |
| TRANSFER TO STATUTORY RESERVE | | 0 | 0 |
| INVESTMENT FLUCTUATION RESERVE | | 0 | 0 |
| BALANCE CARRIED OVER TO BALANCE SHEET | | <u>-3094585</u> | <u>-1709031</u> |
| TOTAL | | <u>-3094585</u> | <u>-1709031</u> |

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS

17

As per our separate report of even date annexed

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BANGIYA GRAMIN VIKASH BANK
HEAD OFFICE : BERHAMPORE
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SCHEDULE - 1 CAPITAL

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---|---------------------|---------------------|
| 1. AUTHORISED CAPITAL (2000000000 SHARS OF RS.10 EACH) | 20000000 | 20000000 |
| 2. ISSUED CAPITAL | 6438022 | 6438022 |
| 3. SUBSCRIBED CAPITAL | 6438022 | 6438022 |
| 4. CALLED UP CAPITAL | 6438022 | 6438022 |
| 5. PAID UP CAPITAL | 6438022 | 6438022 |
| a. 50% GOVT. OF INDIA | 3219011 | 3219011 |
| b. 15% GOVT OF W. BENGAL | 965703 | 965703 |
| c. 35% UNITED BANK OF INDIA | 2253308 | 2253308 |
| 6. SHARE CAPITAL DEPOSIT | 0 | 0 |
| a. GOVT. OF INDIA | 0 | 0 |
| b. GOVT OF W. BENGAL | 0 | 0 |
| c. UNITED BANK OF INDIA | 0 | 0 |
| TOTAL | 6438022.00 | 6438022.00 |

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BANGIYA GRAMIN VIKASH BANK
HEAD OFFICE : BERHAMPORE
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SCHEDULE - 2 RESERVES & SURPLUS

(Figure in Rs. Thousand)

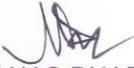
| | As on 31.03.2018 | As on 31.03.2017 |
|-----------------------------------|---------------------|---------------------|
| 1. STATUTORY RESERVE | 0 | 0 |
| 2. CAPITAL RESERVE | 0 | 0 |
| 3. SHARE PREMIUM | 0 | 0 |
| 4. INVESTMENT FLUCTUATION RESERVE | 0 | 0 |
| 5. REVENUE & OTHER RESERVE | 0 | 0 |
| 6. BALANCE OF PROFIT & LOSS | 0 | 0 |
| TOTAL | 0 | 0 |


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BANGIYA GRAMIN VIKASH BANK
HEAD OFFICE : BERHAMPORE
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SCHEDULE - 3 DEPOSITS

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---------------------------------------|---------------------|---------------------|
| A) 1. DEMAND DEPOSIT | | |
| (I) From Banks | 0 | 0 |
| (II) From Others | 3243821 | 3372661 |
| 2. SAVINGS BANK DEPOSITS | 76072329 | 70259809 |
| 3. TERM DEPOSITS | | |
| (I) From Banks | | |
| (II) From Others | 65087089 | 60684619 |
| TOTAL (1+2+3) | 144403239 | 134317089 |
| B) 1. Deposits of Branches in India | 144403239 | 134317089 |
| 2. Deposits of Branches outside India | 0 | 0 |

SCHEDULE - 4 BORROWINGS

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---|---------------------|---------------------|
| 1. Borrowings in India | | |
| a) R.B.I. | 0 | 0 |
| b) Other Banks | 3342223 | 1350000 |
| c) Other Institution (NABARD) | 976267 | 2262161 |
| d) Innovative Perpetual Debt Instrument | 493800 | 493800 |
| 2. Borrowings outside India | 0 | 0 |
| TOTAL | 4812290 | 4105961 |

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SCHEDULE - 5 OTHER LIABILITIES & PROVISIONS

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|----------------------------------|---------------------|---------------------|
| 1. Bills Payable | 307091 | 160258 |
| 2. Inter Office Adjustment (Net) | 0 | 0 |
| 3. Interest Accrued | 1145760 | 1021685 |
| 4. Others (including Provisions) | 3528977 | 2877623 |
| TOTAL | 4981828 | 4059566 |

SCHEDULE - 6 CASH & BANK BALANCES WITH RBI

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---|---------------------|---------------------|
| 1. Cash in Hand (including Foreign Currency Note) | 905334 | 674142 |
| 2. Balance with R.B.I. | | |
| (a) In Current Account | 5622988 | 5390603 |
| (b) In Other Account | 0 | 0 |
| TOTAL | 6528322 | 6064745 |

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SCHEDULE - 7 BALANCE WITH BANKS & MONEY AT CALL & SHORT NOTICE

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|--------------------------------------|---------------------|---------------------|
| 1. IN INDIA | | |
| (I) Balance with Banks - | | |
| a) In Current Account | 2534964 | 1342951 |
| b) In Other Deposit Accounts | 0 | 0 |
| (II) Money at Call & Short Notice | | |
| a) With Banks | 0 | 0 |
| b) With other Institutions | 0 | 0 |
| TOTAL | 2534964 | 1342951 |
| 2. OUTSIDE INDIA | | |
| (I) In Current Account | 0 | 0 |
| (II) In Other Deposit Accounts | 0 | 0 |
| (III) Money at Call and Short Notice | 0 | 0 |
| GRAND TOTAL | 2534964 | 1342951 |

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SCHEDULE - 8 INVESTMENTS

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---|---------------------|---------------------|
| 1. INVESTMENTS IN INDIA | | |
| (I) Government Securities | 55898868 | 41528809 |
| (ii) Other Approved Securities | 0 | 0 |
| (iii) Shares | 2525 | 5384 |
| (iv) Debentures and Bonds | 15782227 | 18986078 |
| (v) Others | 14645415 | 19596956 |
| TOTAL | <u>86329035</u> | <u>80117227</u> |
| 2. INVESTMENTS OUTSIDE INDIA | | |
| (I) Govt. Securities (Including Local Authorities) | 0 | 0 |
| (ii) Subsidiaries and/or Joint Ventures | 0 | 0 |
| (iii) Other Investments | 0 | 0 |
| TOTAL | 0 | 0 |
| GRAND TOTAL (1+2) | <u>86329035</u> | <u>80117227</u> |

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SCHEDULE - 9 ADVANCES

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---|---------------------|---------------------|
| 1. (I) Bills Purchased & Discounted | 0 | 0 |
| (ii) Cash Credit, Overdrafts and Loans Repayable on Demand | 35630148 | 30516356 |
| (iii) Term Loans | 21158693 | 23566483 |
| TOTAL | 56788841 | 54082839 |
| 2. (I) Secured by Tangible Assets | 52744289 | 49734242 |
| (ii) Covered by Bank/Govt. Guarantees | 0 | 0 |
| (iii) Unsecured | 4044552 | 4348597 |
| TOTAL | 56788841 | 54082839 |
| 3. Advances in India | | |
| (I) Priority Sector | 53248200 | 47513291 |
| (ii) Public Sector | 192499 | 187423 |
| (iii) Banks | 0 | 0 |
| (iv) Others | 0 | 0 |
| 4. Advances Outside India | 0 | 0 |

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BANGIYA GRAMIN VIKASH BANK
HEAD OFFICE : BERHAMPORE
NH-34, CHUAPUR, MURSHIDABAD, WEST BENGAL

SCHEDULE - 10 FIXED ASSETS

(Figure in Rs. Thousand)

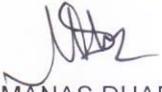
| | As on 31.03.2018 | As on 31.03.2017 |
|--|---------------------|---------------------|
| 1. Premises | | |
| At cost as on 31.3.2017 of the Preceeding Year | 0 | 0 |
| Addition during the year | 0 | 0 |
| Deduction during the year | 0 | 0 |
| Depreciation as on | 0 | 0 |
| 2. Other Fixed Assets (including Furniture and Fixture) | | |
| At cost as on 31.03. of preceeding year | 684892 | 670607 |
| Addition during the year | 26949 | 19663 |
| Deduction during the year | 0 | 5378 |
| Depreciation to date | 590579 | 552119 |
| TOTAL (1+2) | 121262 | 132773 |


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BANGIYA GRAMIN VIKASH BANK
HEAD OFFICE, BERHAMPORE
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SCHEDULE -11 OTHER ASSETS

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---|---------------------|---------------------|
| 1. Inter Office Adjustment (Net) | 5976 | 1600 |
| 2. Interest Accrued | 2129254 | 2526737 |
| 3. Tax paid in advance/Tax deducted at source | 825213 | 808722 |
| 4. Stationeries and Stamps | 15071 | 13274 |
| 5. Non-Banking Assets acquired in satisfaction of claim | 0 | 0 |
| 6. Others | 5357441 | 3829770 |
| TOTAL | 8332955 | 7180103 |
| Profit & Loss during the year | -1385554 | 87780 |
| Accumulated Loss | 1709031 | 1796811 |
| Balance brought down from Reserve | 0 | 0 |
| Accumulated Loss | 3094585 | 1709031 |
| Carried Over to Balance Sheet | | |

SCHEDULE -12 CONTINGENT LIABILITIES

(Figure in Rs. Thousand)

| | As on 31.03.2018 | As on 31.03.2017 |
|---|---------------------|---------------------|
| 1. Claims against the Bank not acknowledged as debt | 0 | 0 |
| 2. Liability for partly paid Investment | 0 | 0 |
| 3. Liability on account of outstanding Forward Exchange Contract | 0 | 0 |
| 4. Guarantee given on behalf of constituents | | |
| a) In India | 131233 | 120105 |
| b) Outside india | 0 | 0 |
| 5. Acceptances, Endorsements and other obligations | 0 | 0 |
| 6. Other items for which Bank is contingently Liable | 26450 | 0 |
| TOTAL | 157683 | 120105 |


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HEAD OFFICE : BERHAMPORE
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SCHEDULE - 13 INTEREST EARNED

(Figure in Rs. Thousand)

| | For the Period from 01.04.2017 to 31.03.2018 | For the Period from 01.04.2016 to 31.03.2017 |
|---|--|--|
| 1. Interest / Discount on Advances/Bills | 4833856.75 | 4800184.10 |
| 2. Income on Investments | 5137274.07 | 4699168.37 |
| 3. Interest on balance with RBI and other Inter-Bank Funds | 977594.37 | 1010168.80 |
| 4. Others | 189674.52 | 72969.03 |
| TOTAL | 11138399.71 | 10582490.30 |

SCHEDULE - 14 OTHER INCOME

(Figure in Rs. Thousand)

| | For the Period from 01.04.2017 to 31.03.2018 | For the Period from 01.04.2016 to 31.03.2017 |
|---|--|--|
| 1. Commission, Exchange & Brokerage | 61820.72 | 36639.48 |
| 2. Profit on sale of Investments Less: Loss on sale of Investments | 324621.88 0 | 1236391.85 0 |
| 3. Profit on Revaluation of Investments Less: Loss on Revaluation of Investments | 0 0 | 0 0 |
| 4. Profit on sale of Land, Building & Other Assets Less: Loss on sale of Land, Building & Other Assets | 0 0 | 0 0 |
| 5. Profit on exchange Transactions Less: Loss on Exchange Transactions | 0 0 | 0 0 |
| 6. Income earned by way of Dividends etc. from Subsidiaries / Companies & Joint Ventures abroad/in India | 0 | 0 |
| 7. Miscellaneous Income | 404724.19 | 335880.59 |
| TOTAL | 791166.78 | 1608911.92 |

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SCHEDULE - 15 INTEREST EXPENDED

(Figure in Rs. Thousand)

| | For the Period from 01.04.2017 to 31.03.2018 | For the Period from 01.04.2016 to 31.03.2017 |
|---------------------------------------|---|---|
| 1. Interest on Deposits | 7663096.34 | 7154729.34 |
| 2. Interest on Borrowings from NABARD | 169431.28 | 238306.44 |
| 4. Others | 0 | 0 |
| TOTAL | 7832527.62 | 7393035.78 |

SCHEDULE - 16 OPERATING EXPENSES

(Figure in Rs. Thousand)

| | For the Period from 01.04.2017 to 31.03.2018 | For the Period from 01.04.2016 to 31.03.2017 |
|---|---|---|
| 1. Payment to and Provisions for Employees | 2734825.00 | 2581832.41 |
| 2. Rent, Taxes and Lighting | 214865.20 | 142944.73 |
| 3. Printing & Stationery | 26478.92 | 32497.73 |
| 4. Advertisement and Publicity | 102.05 | 152.41 |
| 5. Depreciation on Banks Property | 38637.64 | 53661.22 |
| 6. Directors Fee, Allowances & Expenses | 0.00 | 0.00 |
| 7. Auditor's Fee, Allowances & Expenses (including Br. Auditors Fees & Expenses) | 9043.27 0.00 | 13104.87 0.00 |
| 8. Law Charges | 3424.62 | 2979.11 |
| 9. Postage, Telegram & Telephone etc. | 16925.76 | 6604.24 |
| 10. Repairs & Maintenance | 1490.97 | 2386.24 |
| 11. Insurance | 134753.63 | 119291.09 |
| 12. Other Expenditure | 415244.00 | 483790.41 |
| | 3595791.05 | 3439244.47 |

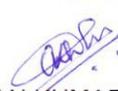

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BANGIYA GRAMIN VIKASH BANK
Schedule - 17

**Notes on Accounts to the Balance Sheet as on 31.03.2018 and
Profit and Loss Account for the Year 2017-18**

A. Significant Accounting Policies

1. General

The accompanying financial statements are prepared on historical cost basis, except as otherwise stated, following the Going Concern concept and conform to the generally accepted accounting practices in India, applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), directives of National Bank for Agriculture and Rural Development (NABARD), applicable mandatory Accounting Standards (AS) notified under the Companies (Accounting Standards) Rules 2006 and Pronouncements issued by the Institute of Chartered Accountants of India (ICAI) and prevailing practices in Banking industry.

2. Recognition of Income and Expenditure

- 2.1. The Revenues and Expenses are accounted for on accrual basis unless otherwise stated.
- 2.2. Income on Standard Assets is recognized on accrual basis. Income on non-performing assets is derecognized unless and until the NPA accounts are upgraded to standard assets. The amount realized in NPA accounts are first adjusted with principal amount and thereafter towards unrealized interest.
- 2.3. Income accounted for in the previous year in respect of advances, classified as NPAs in the current year, is reversed or provided for, to the extent unrealized.
- 2.4. Commission (except on Government transaction), exchange, brokerage, insurance claim and locker rents are accounted for on cash basis.
- 2.5. Interest on matured term deposit is provided for on renewal.
- 2.6. In respect of proposals involving compromise settlement of dues, accounting for write off, if any, is done on realization of settled dues.
- 2.7. In respect of accounts already written off, recoveries made in the accounts are directly taken to the credit of Profit & Loss account.
- 2.8. Grant assistance from NABARD, which relates to reimbursement of matching operating expenses within the overall cost of CBS, has been directly credited to Profit & Loss Account of the Bank under appropriate head.

3. Investment

- 3.1 The investments in Balance Sheet for disclosure are classified in Schedule -8 as (i) Government Securities (ii) Other approved securities (iii) Shares (iv) Debentures and Bonds (v) Others
- 3.2 The entire investment portfolio of the Bank (including SLR securities and Non SLR securities), in accordance with Reserve Bank of India guidelines, are categorized as i) Held to Maturity ii) Available for sale iii) Held for Trading. The securities acquired by the Bank with the intention to hold them upto maturity are classified under "Held to Maturity". The securities acquired by the Bank with the intention to trade by taking advantage of the short term price/interest rate movements are classified under 'Held for Trading' Category. The securities which do not fall within the above two categories are classified under 'Available for Sale' category. The above categorization is done at the time of acquisition of securities.



- 3.3 In respect of securities included in any of the above categories where interest/principal is in arrears for more than 90 days, income is not recognized as per prudential norms.
- 3.4 The valuation of investment is done in accordance with the guidelines prescribed by Reserve Bank of India as under.
- Investments under 'Held to Maturity' category are carried at cost and premium on acquisition is amortized over the remaining period of maturity of the security.
 - Investment under 'Available for sale' & 'Held for Trading' category is marked to market and is valued at quarterly intervals. Based on the above valuation if net result is appreciation, the same is ignored. If the net result is depreciation, it is charged to Profit & Loss Account and individual scrips are carried at Book Value.
- 3.5 Profit/Loss on sale of Investment (under 'Held to maturity' category) is recognized in Profit & Loss Account. Profit/Loss on sale of other Investments is taken to revenue account.
- 3.6 Brokerage/Commission received on subscription is credited to Profit/Loss account.
- 3.7 Broken period interest is taken to revenue account.
- 3.8 Investments are subject to appropriate provisioning / de-recognition of Income, in line with the prudential norms of Reserve Bank of India for NPI Classification. The depreciation/provision in respect of non-performing securities is not set off against the appreciation in respect of the other performing securities.

4 Loans & Advances

- 4.1 Loans & Advances are classified as standard and non performing assets account-wise and provision thereof is made in conformity with the prudential norms prescribed by RBI/NABARD. Non-performing assets are further classified into Sub-standard, Doubtful and Loss assets. Rate of Provisions are as under:

- Standard assets

| | |
|------------------------|-----------|
| Agri & MSME | - @ 0.25% |
| Commercial Real Estate | - @ 1.00% |
| Other Assets | - @ 0.40% |
- Substandard assets

| | |
|---------------------|-----------|
| Secured portion | - @10.00% |
| Unsecured ab initio | - @20.00% |
- Doubtful assets

| | |
|------------------------|------------|
| Secured portion | |
| D1 (upto 1 year) | - @20.00% |
| D2 (1year to 3 years) | - @30.00% |
| D3 (more than 3 years) | - @100.00% |
| Unsecured portion | - @100.00% |
- Loss assets - @100.00%

Loans and Advances are shown in the Balance sheet net of provision on NPA. The provision on standard assets is shown under 'Other Liabilities and Provision' against schedule -5 in the Balance Sheet. Further, amount of Inter Bank Participation Certificate (IBPC) (with risk) issued by the Bank during the year under report, has been deducted from the Gross Advance. Similarly the amount of IBPC (With risk) purchased by the Bank during the year under report has been added to the Gross Advance.



4.2 Restructuring of Advances have been made as per RBI guidelines.

4.3 The amount of Coverage under CGTMSE has been dealt with in terms of the extant guidelines of RBI, while computing Provision requirement and CRAR.

5. Fixed Assets and Depreciation

5.i Fixed Assets are stated at historical cost, net of accumulated depreciation The cost comprises purchase price less trade discounts and rebates, net of grant assistance received from NABARD. Subsequent expenditure incurred on assets put to use is capitalized only when it increases the future benefits from such assets or their functional capability.

5. ii. Application Software is capitalized as intangible assets.

5. iii Depreciation on Fixed Assets is provided for on the written down value method at the rates considered appropriate by the management as under:

| SL.No. | Items of Fixed assets | Rate of depreciation (p. a) |
|--------|--|--------------------------------|
| 1 | Furniture including Cash Safe | 19% |
| 2 | Locker | 10% |
| 3 | Electric fittings | 14% |
| 4 | Motor Car/Van | 26% |
| 5 | Cycle | 20% |
| 6 | Office machineries(excluding computers) | 14% |
| 7 | Temporary Construction in hired house/Guard wall | 10% |
| 8 | Computers (on straight line method) | 33.33% |
| 9 | Solar Equipment | 80% |

5. iv. Depreciation on computers and software is provided at 33.33% on straight-line method.

5. v. Depreciation on additions to assets made on prorata basis

5. vi. No depreciation is provided on assets sold / disposed off during the year.

5. vii. For furniture and other office equipment acquired during the year with purchase price below Rs. 5000/- and Library Books acquired during the year at cost upto Rs. 1000/ per item, depreciation is provided @ 100%.

6. Retirement benefit.

6.1. The Bank is having arrangement under LIC's Group Gratuity Scheme to take care of its future liability on account of gratuity on retirement of Officers and employees and contribution to gratuity fund is made on the basis of actuarial valuation.

6.2. Leave encashment liability is taken on cash basis.

7. Human Resource Development

All expenses incurred relating to training are charged to Revenue in the year in which incurred.

8. Provision for Current and Deferred Tax:

8.1. Provision for Current Tax is made on the basis of estimated taxable income for the current accounting year and in accordance with the applicable tax rate and laws, judicial pronouncements and legal opinions. No provision for Tax is made for the current accounting year 2017-18 as the bank has posted Net Loss during the same period under report.



Notes on Accounts

1. CAPITAL:

In view of the RRB (Amendment Act) 2015 and in compliance with the direction received from NABARD vide their letter bearing no NB.IDD.RRCBD/1637/316 (Gen) 2015-16 dated 30.03.2016, the entire amount of Rs 63880.22 lakh lying with Share Capital Deposit was converted into Share Capital Account in the FY 2015-16, which stands at Rs 64380.22 lakh as on 31.03.2018.

(Amount in lakh)

| Particulars | Current Year | Previous Year |
|-------------------------|--------------|---------------|
| i) CRAR % | 7.02 | 9.04 |
| i) Tier-I Capital (%) | 5.90 | 7.97 |
| ii) Tier-II Capital (%) | 1.12 | 1.07 |

2. INVESTMENT:

(Amount in lakh)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| 1. Value of Investments | | |
| i. Gross Value of Investments | 863290.00 | 801172.00 |
| a. In India | 863290.00 | 801172.00 |
| b. Outside India | | |
| ii. Provision for Depreciation | | |
| a. In India | 14.56 | 10.15 |
| b. Outside India | | |
| iii. Net value of Investments | 863275.44 | 801161.85 |
| a. In India | 863275.44 | 801161.85 |
| b. Outside India | | |
| 2. Movement of Provisions held towards depreciation on Investments. | | |
| i. Opening Balance | 10.15 | 10.15 |
| ii. Add Provisions made during the year | 4.41 | 0 |
| iii. Less write off/write back of excess provisions during the year. | 0 | 0 |
| iv. Closing Balance | 14.56 | 10.15 |

3. Repo Transactions: The Bank has not entered into any repo transaction during the year under report.



4. Non SLR Investment Portfolio:

i) Issuer composition of Non SLR investments (Bonds)

(Amount in Rs lakh)

| No | Issuer | Amount | Extent of Private Placement | Extent of 'Below Investment Grade' Securities | Extent of 'Unrated' Securities | Extent of 'Unlisted' Securities |
|-------|-------------------------------------|------------|-----------------------------|---|--------------------------------|---------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| (i) | PSUs | 117,246.85 | 112,916.47 | 0 | 0 | 0 |
| (ii) | FIs | 0.00 | 0.00 | 0 | 0 | 0 |
| (iii) | Banks | 139816.87 | 4,372.73 | 0 | 0 | 0 |
| (iv) | Private Corporate | 47237.94 | 28082.59 | 0 | 0 | 0 |
| (v) | Subsidiaries/ Joint Ventures | 0.00 | 0.00 | 0 | 0 | 0 |
| (vi) | Others | 0.00 | 0.00 | 0 | 0 | 0 |
| (vii) | Provision held towards depreciation | 14.56 | 14.56 | 0 | 0 | 0 |
| | Total * | 304287.11 | 145357.23 | 0 | 0 | 0 |

ii) Non Performing Non SLR Investment:

(Amount in lakh)

| Particulars | |
|--|---|
| Opening Balance | 0 |
| Additions during the year from 1 st April | 0 |
| Reduction during the above Period | 0 |
| Closing Balance | 0 |
| Total Provision held | 0 |

5. Derivative: The Bank has not entered into any transaction in derivative market.

6. Asset Quality:

Non Performing Assets: (Amount in Lakh)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| (i) Net NPA to Net Advance | 14.39 | 11.08 |
| (ii) Movement of NPAs (Gross) | | |
| (a) Opening balance | 93040 | 63663 |
| (b) Additions during the year | 71388 | 58149 |
| (c) Reductions during the year | 49491 | 28772 |
| (d) Closing balance | 114937 | 93040 |
| (iii) Movement of Net NPAs | | |
| (a) Opening balance | 59933 | 40998 |
| (b) Additions during the year | 46193 | 52334 |
| (c) Reductions during the year | 24416 | 33399 |
| (d) Closing balance | 81710 | 59933 |
| (iv) Movement of provisions for NPAs (excluding provisions on standard assets) | | |
| (a) Opening balance | 33107 | 22665 |
| (b) Utilised towards Bad & Doubtful debts | 17876 | 1933 |
| (c) Provisions credited during the year | 17996 | 12375 |
| (d) Write-off/ write-back of excess provisions | 0 | 0 |
| (e) Closing balance | 33227 | 33107 |



7. Particulars of Assets Restructured:

(Amount in lakh)

| | | CDR Mechanism | SME Debt Restructuring | Others |
|------------------------------------|--|---------------|------------------------|--------|
| Standard Advances | No. of Borrowers | Nil | Nil | Nil |
| | Amount outstanding | | | Nil |
| Restructured | Sacrifice (diminution in the fair value) | Nil | Nil | Nil |
| Sub-Standard Advances Restructured | No. of Borrowers | Nil | Nil | Nil |
| | Amount outstanding | Nil | Nil | Nil |
| | Sacrifice (diminution in the fair value) | Nil | Nil | Nil |
| Doubtful Advances Restructured | No. of Borrowers | Nil | Nil | Nil |
| | Amount outstanding | Nil | Nil | Nil |
| | Sacrifice (diminution in the fair value) | Nil | Nil | Nil |
| Total | No. of Borrowers | Nil | Nil | Nil |
| | Amount outstanding | Nil | Nil | Nil |
| | Sacrifice (diminution in the fair value) | Nil | Nil | Nil |

8. Details of Financial Assets sold to Securitization /Reconstruction Company for Asset Reconstruction:

During the period under audit, the Bank has not sold any financial assets to Securitization /Reconstruction Company for Asset Reconstruction.

9. Details of non-performing financial assets purchased/sold

During the period under audit, the Bank has not purchased/ sold any non performing assets from /to any Bank.

10. Provisions towards Standard Assets:

(Amount in lakh)

| Particulars | Current Year | Previous Year |
|------------------------------------|--------------|---------------|
| Provisions towards Standard Assets | 1383.63 | 1388.70 |

11. Business Ratios:

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| (i) Interest Income as a percentage to Working Funds | 7.65 | 7.69 |
| (ii) Non-interest income as a percentage to Working Funds | 0.54 | 1.17 |
| (iii) Operating Profit as a percentage to Working Funds | 0.34 | 0.99 |
| (iv) PBT as percentage of average total Assets | -0.95 | 0.07 |

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12. Exposures – Exposure to Real Estate Sector

| Sr | Category | (Rs. In Lakh) | |
|-------|---|---------------|---------------|
| | | Current Year | Previous Year |
| a | Direct Exposure | | |
| (i) | Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (individual housing loan upto Rs. 20 lakh may be shown separately) | 57099 | 63760 |
| (ii) | Commercial Real Estate Lending fully secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits ; | 570 | 640 |
| (iii) | Investments in Mortgage Backed Securities (MBS) and other securitised exposures | | |
| | a. Residential | Nil | Nil |
| | b. Commercial Real Estate | Nil | Nil |
| b | Indirect Exposure | Nil | Nil |
| | Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | Nil | Nil |

13. Details of Single Borrower Limit (SBL) Group Borrower Limit (GBL) exceeded by the Bank.

During the period under audit, the Bank has not exceeded the prudential exposure limit both in respect of Loans & Advances and Investments.

14. Unsecured Advances:

An amount of Rs 40445.52 lakhs stands as outstanding in respect of Unsecured Advance of the Bank as on 31.03.2018.

15. Amount of Provisions made for Income Tax during year

| Particulars | (Amount in lakh) | |
|--------------------------|------------------|---------------|
| | Current Year | Previous Year |
| Provision for Income Tax | 0.00 | 93.79 |

16. Disclosure of Penalties imposed by RBI:

No penalty has been imposed by RBI/Other regulators during the period under report.

17. Accounting Standard 5. (Net Profit or Loss for the period, prior period items and changes in accounting policies)

An amount of Rs. 2.5 crores has been debited to current year's Profit and Loss Account to create provision against Advance Tax relating to the A.Y 2010-11.



18. Accounting Standard 15 – Employee Benefits

- 18.1 The bank is having arrangement with LIC under LIC's Group Gratuity Scheme to take care of its future liabilities on account of gratuity on retirement of employees and contribution to gratuity fund is made on the basis of actuarial valuation.
- 18.2 The regular Gratuity Liability for the year 2017-18 has been provided to the tune of Rs.38.65 crore in addition to Rs.10.10 crore being interest earned on sinking fund with LIC earmarked for the purpose reinvested. However, vide the Extraordinary Gazette Notification issued by Government of India dated 29th March 2018, the ceiling of maximum Gratuity payable under Payment of Gratuity Act 1972 has been raised to Rs.20.00 lakh per employee. The additional liability has not been ascertained.
- 18.3 The liability for leave encashment is provided for on cash basis.

19. Accounting Standard 17 – Segment Reporting

The Banks operations are classified into two primary business segments viz. Treasury operations and Banking Operations. The relevant information is given hereunder:

(Rs in lakh)

| Business Segments | Treasury | | Retail Banking | | Other Banking Operations | | Total | |
|----------------------------|--------------|---------------|----------------|---------------|--------------------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Result | 3914.00 | 717.80 | -16335.97 | 351.12 | 5.42 | 7.21 | -12416.55 | 1076.13 |
| Unallocated expenses | | | | | | | 1438.99 | 104.54 |
| Operating profit | | | | | | | -13855.54 | 971.59 |
| Income taxes | | | | | | | 0 | 93.79 |
| Extraordinary profit/ loss | | | | | | | | |
| Net profit | | | | | | | -13855.54 | 877.80 |
| Other information: | | | | | | | | |
| Segment assets | 863290 | 801172 | 567888 | 540828 | 0 | 1473 | 1431178 | 1343473 |
| Unallocated assets | | | | | | | 175176 | 145733 |
| Total assets | | | | | | | 1606354 | 1489206 |
| Segment liabilities | 863290 | 801172 | 567888 | 540828 | 0 | 1473 | 1431178 | 1343473 |
| Unallocated liabilities | | | | | | | 175176 | 145733 |
| Total liabilities | | | | | | | 1606354 | 1489206 |

20. Accounting Standard 18 – Related Party Disclosures

- a. Name of the related party and their relationship with bank
United Bank of India: Sponsor Bank



- b. Key Managerial Personnel (Employees of United Bank of India on deputation to the bank) and their remuneration drawn from the Bank during the year under report.

| Name | Designation | Remuneration (Rs in lakh) |
|---|-----------------|---------------------------|
| Mr Subrata Mishra (From 03.07.2017) | Chairman | 10.45 |
| Mr Umesh Chandra (Upto 04.07.2017) | Chairman | 6.16 |
| Mr Mithilesh Srivastava (Upto 23.02.2018) | General Manager | 13.72 |
| Mr Iftikhar Ahmed (From 01.03.2018) | General Manager | 1.08 |
| Mr Gurupada Malick | General Manager | 14.42 |

21. Accounting Standard 22 – Accounting for Taxes on Income

Taxes on income are assessed in terms of the provisions under Income Tax Act 1961. During the year under audit, the tax on income to be provided for has been assessed at Rs.Nil.

Provision for Deferred Tax Liabilities and Assets has not been made by the Bank during the year.

22. Accounting Standard 25 – Interim Financial Reporting

The Bank has not carried out half yearly review exercise under AS 25 during the current year despite being advised by the NABARD through their Master Circular No. 86/DOS – 19/2009 dated 16.06.2009.

23. Contingent Liabilities:

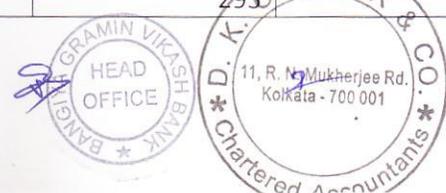
- The outstanding Bank Guarantee stands at Rs 1312.33 lakh as on 31.03.2018.
- The status of Income Tax Cases pertaining to the Bank and its earlier constituents is furnished as an annexure to this note.
- The unclaimed liability on account of fund transferred to DEAF stands at Rs.12.74 lakh. The Bank has not carried out any transaction for DEAF during the year under report.

24. Additional Disclosure

a. Provisions and Contingencies

(Amount in Rs. 000)

| SL NO | Particulars | For the year ended on 31.03.2018 | For the year ended on 31.03.2017 |
|-------|--|----------------------------------|----------------------------------|
| 1 | Provision for un reconciled Bank Account | 5408 | 3500 |
| 2 | Provision for Suspense Account | 112 | 7241 |
| 3 | Provision for Gen Act | 5716 | -1700 |
| 4 | Provision for Bad & Doubtful Advance | 1808105 | 1237137 |
| 5 | Provision for Standard Asset | -5111 | -2448 |
| 6 | Provision for Dr balance in SB/CD A/cs | 0 | -625 |
| 7 | Provision for Depreciation in Investment | 441 | -1142 |
| 8 | Provision for Adhoc Salary | 9494 | 0 |
| 9 | Provision for Leave Encashment | 20000 | 20000 |
| 10 | Commission Receivable | 4442 | 0 |
| 11 | Temporary Advance | 2239 | 0 |
| 13 | LOCR | 295 | 0 |



| | | | |
|----|--------------------------------|----------------|----------------|
| 14 | CGTMSE | 1047 | 0 |
| 15 | Clearing Cheque/ECS Return | 2585 | 0 |
| 16 | OCC in Transit | 2777 | 0 |
| 17 | Teachers Salary Receivable | 1902 | 0 |
| 18 | Turnover Commission Receivable | 1060 | 0 |
| 19 | Guarantee Fees Recoverable | 14 | 0 |
| 20 | MM Receivable | 903 | 0 |
| 21 | Fund Receivable | 373 | 0 |
| 22 | Provision for Arrear Tax | 25000 | 0 |
| | | 1886802 | 1261963 |

b. Disclosure of Complaints

| SL No | Particulars | |
|-------|---|----|
| (a) | No of complains pending at the beginning | 17 |
| (b) | No of complains during the year | 64 |
| (c) | No of complains redressed during the year | 51 |
| (d) | No of complains pending at the end | 13 |

Awards passed by Banking Ombudsman

| SL. No | Particulars | |
|--------|---|---|
| (a) | No. of unimplemented Awards at the beginning of the year | 0 |
| (b) | No. of Awards passed by the Banking Ombudsmen during the year | 0 |
| (c) | No. of Awards implemented during the year | 0 |
| (d) | No. of unimplemented Awards at the end of the year | 0 |

c. Disclosure of Letters of Comfort (LOCs) issued by the Bank.

The Bank, during the period under audit, has not issued any Letter of Comfort (LOCs).

d. Concentration of Deposit.

(Amount in Rs. lakh)

| | |
|---|-------|
| Total Deposits of twenty largest depositors | 13429 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the bank | 0.93% |

e. Concentration of Advances

(Amount in Rs.lakh)

| | |
|---|-------|
| Total advance of twenty largest borrowers | 11016 |
| Percentage of Advances to twenty largest borrowers to Total Advance of the bank | 1.90% |

f. Concentration of Exposures:

(Amount in Rs. lakh)

| | |
|--|-------|
| Total exposures of twenty largest borrowers /Customers | 11016 |
| Percentage of exposures to twenty largest borrowers/customers to Total Advance of the bank | 1.90% |

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g. Concentration of NPAs

(Amount in Rs.Lakh)

| | |
|--|--------|
| Total NPAs of twenty largest borrowers /Customers | 12342 |
| Percentage of NPAs to twenty largest borrowers/customers to NPAs of the bank | 10.74% |

h. Sector-wise NPAs

| Sl No | Sector | Percentage of NPAs to Total Advances in that sector |
|-------|--|---|
| 1 | Agriculture & allied activities | 18.66% |
| 2 | Industry (Micro & small, Medium and Large) | 31.13% |
| 3 | Services | 33.30% |
| 4 | Other Priority Sector | 13.14% |
| 5 | Non-Priority Sector | 19.08% |

i. Movement of NPAs

(Amount in Rs. lakh)

| Particulars | | |
|---|--|--------|
| Gross NPAs* as on 1 st April of 2017 (Opening Balance) | | 93040 |
| Additions (Fresh NPAs) during the year | | 71388 |
| Sub-total (A) | | |
| Less:- | | |
| (i) Up-gradations | | 12623 |
| (ii) Recoveries (excluding recoveries made from upgraded accounts) | | 18992 |
| (iii) Write-offs | | 17876 |
| Sub-total (B) | | 49491 |
| Gross NPAs as on 31 st March 2018 year (closing balance) (A-B) | | 114937 |

25. Reconciliation of Inter Branch Transactions is pending for long. Similarly, the accounts with other Banks/institutions are also un-reconciled with a number of branches.

26. The Bank floated Inter Bank Participation Certificate (IBPC) on risk sharing basis for Rs 908.00 crore against its underlying assets representing Priority Sector Advances, which was subscribed to by United Bank of India. On the other hand, the Bank also participated in Inter Bank Participation Certificate floated by United Bank of India against the underlying assets representing their Non Priority Sector Advances.

27. Structural Liquidity Position of the Bank as on 31.03.2018 is summarised below:

| Particulars | 1 to 14 days | 15 to 28 days | 29 days to 3 months | Over 3 months upto 6 months | Over 6 months upto 1 year | Over 1 year upto 3 years | Over 3 years upto 5 years | Over 5 years | Total |
|------------------------------|--------------|---------------|---------------------|-----------------------------|---------------------------|--------------------------|---------------------------|--------------|---------|
| 3. Deposits | 121373 | 9047 | 36971 | 53955 | 117067 | 871455 | 101581 | 132583 | 1444032 |
| 4. Borrowings | 33422 | 0 | 0 | 1762 | 5357 | 2643 | 0 | 4938 | 48122 |
| Investments | 31022 | 0 | 16465 | 24873 | 67670 | 53023 | 57009 | 613228 | 863290 |
| Advances | 95208 | 1865 | 6334 | 8989 | 27356 | 312925 | 61216 | 87223 | 601116 |
| Foreign currency assets | | | | | | | | | |
| Foreign currency liabilities | | | | | | | | | |

28. The Depositor Education and Awareness Fund Scheme. 2014

(Amounts in Rs. Lakh)

| | Current Year | Previous Year |
|---|--------------|---------------|
| Opening balance of amounts transferred to DEAF | 12.74 | 12.74 |
| Add: Amount transferred to DEAF during the year | 0 | 0 |
| Less: Amount reimbursed by DEAF towards claim | 0 | 0 |
| Closing balance of amount transferred to DEAF | 12.74 | 12.74 |

29. Income Tax disputes for which Bank is contingently liable are given hereunder:



| NAME | Asstt. year | SECTION | Circle | Addition/ Disallowance | C.I.T.(A) | I.T.A.T. (Kolkata) | Disallowance |
|---|-------------|---|--------------------------|--|---|--------------------|--|
| Bangiya Gramin Vikash Bank | 2007-08 | 143(3)/147 Dt.31.12.20 07 | DCIT, Murshid abad | Returned Loss : Rs.22,65,00,000/- Assessed Loss : Rs.20,13,86,800/- Disallowed : Rs.2,51,13,200/- (Adjusted with carried forward loss, demand : Nil) | 470/CIT (A)- XXXVI/ 2010- 11/Kol. Dt.28.01.2011 (Now 211/ CIT(A)-12/2014- 15/Kol) | - | Rs.251,13,200/- Provision for fraud : 152,02,200/- Gratuity Provision not paid : 99,00,000/- Contingencies : 6000/- Penalty : 5000/- |
| Bangiya Gramin Vikash Bank | 2008-09 | 143(3) Dt.31.12.20 07 | DCIT, Murshid abad | Returned Income : Rs.7,42,49,000/- Assessed Income : Rs.7,61,27,000/- Disallowed : Rs.18,78,000/- (Adjusted with carried forward loss, demand : Nil) | 471/CIT(A)- XXXVI/ 2010- 11/Kol. Dt. 28.01.2011 (Now 212/ CIT(A)-12/2014- 15/Kol) | - | Rs.18,78,000/- Provision for fraud : 800,000/- Provision for dacoity :200,000/- Penalty not allowable : 49,000/- Contingency : 4,000/- FBT :384,000/- |
| Gour Gramin Bank (One of the constituents of Bangiya Gramin Vikash Bank) | 2007-08 | 143(3)/144 /145 Dt.29.12.20 09 | DCIT, Murshid abad | Returned Loss : Rs.90,09,20,131/- Assessed Loss : Rs.41,39,35,040/- Disallowed : Rs.48,69,85,094/- (Adjusted with carried forward loss, demand : Nil) | 940/CIT(A)- XXXVI/Kol/09- 10 dt. 29.01.2010 (Now 552/ CIT(A)-12/2014- 15/Kol) | - | 48,69,85,094 Provision for gratuity : 661,02,746.70 Provision for Amortization : 3,74,55,645.94 Provision for bad & doubtful debt : 38,34,26,702.07 |



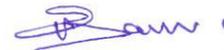
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| | | | | | | |
|--|---------|----------------------------------|-------------------|--|--|---|
| Sagar Gramin Bank (One of the constituents of Bangiya Gramin Vikash Bank) | 2007-08 | 143(3)/144 /145 Dt.29.12.2009 | DCIT, Murshidabad | Returned Income : NIL Net Profit: (Loss) 12,31,45,863/- Assessed Loss : Rs.9,79,69,715/- Disallowed : Rs.2,51,76,148/- | 935/CIT(A)-XXXVI/Kol/09-10 dt. 29.01.2010 (Now 558/CIT(A)-12/2014-15/Kol) | Provision for ineligible deduction Rs.2,51,76,148/- Rs.33,32,30,668/- treated as concealed income. |
|--|---------|----------------------------------|-------------------|--|--|---|

Previous year figures have been rearranged/ regrouped wherever considered necessary.


(SUBRATA MISHRA)
CHAIRMAN


(PRNOBESH BARUA)
DIRCTOR


(KAMALESH KUMAR)
DIRECTOR

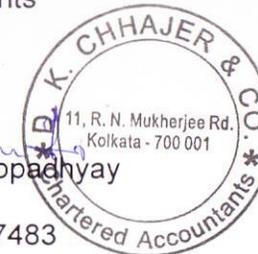
(S.K. DAS)
DIRECTOR


(MANAS DHAR)
DIRECTOR


(CHANDAN KUMAR DHAR)
DIRECTOR

For D.K. Chhajjer & Co.
Chartered Accountants
FRN: 304138E


Tapan Kumar Mukhopadhyay
Partner
Membership No. 017483



Place: Kolkata
Date: 07.06.2018

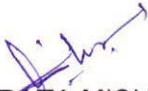


BANGIYA GRAMIN VIKASH BANK
HEAD OFFICE, BERHAMPORE

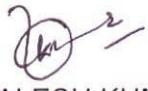
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in thousands)

| C. CASH FLOW FROM FINANCING ACTIVITIES | 2017-18 | 2016-17 |
|---|-----------------|------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | -1346916 | 141451 |
| Profit for the Year | -1385554 | 87790 |
| Adjustment for Depreciation | 38638 | 53661 |
| [Increase / (Decrease) in Liabilities] | 11714742 | 20927991 |
| Deposits | 10086150 | 21298099 |
| Borrowings | 706329 | -548108 |
| Other Liabilities | 922263 | 178000 |
| [Decrease/ (Increase) in Assets] | -8685287 | -21102140 |
| Investments | -6211808 | -18676208 |
| Advance | -2706002 | -1565714 |
| Other Assets | 232523 | -860218 |
| Net Cash from Operating Activities | 1682539 | -32698 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | 26949 | -19663 |
| Fixed Assets disposed off | 0 | 5378 |
| Net Cash Flow from Investing Activities | 26949 | -14285 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | 0 | 0 |
| Proceeds of Share Capital Deposits | 0 | 0 |
| Net Cash Flow from Financing Activities | 0 | 0 |
| Net Change in Cash or Cash Equivalent | 1655590 | -46983 |
| D. CASH OR CASH EQUIVALENT AT THE BEGINING OF THE YEAR | 7407696 | 7454679 |
| Cash and Bank Balance with RBI | 6064745 | 5448991 |
| Balance with Bank and Money at Call or Short Notice | 1342951 | 2005688 |
| E. CASH OR CASH EQUIVALENT AT THE END OF THE YEAR | 9063286 | 7407696 |
| Cash and Bank Balance with RBI | 6528322 | 6064745 |
| Balance with Bank and Money at Call or Short Notice | 2534964 | 1342951 |


(SUBRATA MISHRA)
CHAIRMAN


(PRNOBESH BARUA)
DIRECTOR

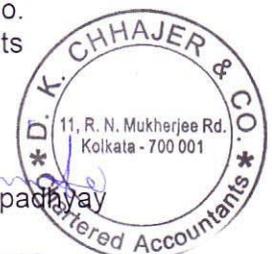

(KAMALESH KUMAR)
DIRECTOR

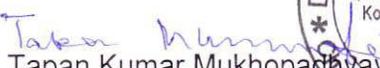
(S.K. DAS)
DIRECTOR


(MANAS DHAR)
DIRECTOR


(CHANDAN KUMAR DHAR)
DIRECTOR

For D.K. Chhajjer & Co.
Chartered Accountants
FRN: 304138E




Tapan Kumar Mukhopadhyay
Partner
Membership No. 017483

Place: Kolkata
Date: 07.06.2018



Independent Auditor's Report

To the Members of Bangiya Gramin Vikash Bank

Report on the Financial Statements

1. We have audited the accompanying financial statements of BANGIYA GRAMIN VIKASH BANK ('the Bank') as at 31 March 2018, which comprise the Balance Sheet as at 31 March 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 these financial statements are the returns of 20 branches audited by us and 394 branches audited by statutory 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 & Rural Development. Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 173 branches which have not been subjected to audit. These unaudited branches account for 25.04 percent of advances, 26.13 percent of deposit, 24.88 percent of interest income and 25.87 percent of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Banking Regulation Act 1949, Reserve Bank of India and National Bank for Agriculture & Rural Development guidelines from time to time and accounting standards generally accepted in India. This responsibility includes 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 misstatements.
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 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, but not for the purpose of expressing an opinion on effectiveness of the bank'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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Basis of Qualification

6. Provision for Deferred Tax liabilities and assets as required under AS-22 issued by the Institute of Chartered Accountants of India has not been made during the year.
Provision for Leave Encashment on the basis of Actuarial valuation as required under AS-15 "Employee Benefit" issued by the Institute of Chartered Accountants of India has not been made during the year.

Qualified Opinion

7. In our opinion, as shown by books of bank and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis of qualified opinion paragraph, and read with the significant accounting policies
- (a) 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 the state of affairs of the Bank as at 31 March 2018 in conformity with accounting principles generally accepted in India;
- (b) the Profit and Loss Account, read with the notes thereon shows a true balance of loss, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
- (c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

8. The Bank has not carried out half-yearly review exercise as required under AS - 25 during the current year as advised by the NABARD in their Master Circular No. 86/DOS - 19/ 2009 dated 16 June 2009.

Other Matter

- 9.1 Under Inter Branch Accounts, reconciliation between General Ledger Accounts and Subsidiary Ledger Accounts in the Head Office and Branches in respect of erstwhile constituent banks and old general account balance of the Bank along with adjustment of outstanding entries there under is still pending and the un-reconciled amount stands at Rs. 59.75 lac (Dr) as on 31.03.2018 [Previous year Rs.48.25lac (Dr)]. The un-reconciled difference has been fully provided for during the year.
- 9.2 Reconciliation of outstanding balances in respect of outward CTS clearing at branches acting as hubs is pending since inception. The Bank may initiate early action for hub-wise reconciliation of CTS clearing and realization of the receivable amount.

Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
- Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Regional Rural Banks Act, 1976, and subject also to the limitations of disclosure required therein,



D. K. CHHAJER & CO.
CHARTERED ACCOUNTANTS

NILHAT HOUSE
11, R. N. MUKHERJEE ROAD
GROUND FL., KOLKATA - 700 001
PHONES : 033-2262 7280 / 2262 7279
TELE-FAX : 033 2230-6106
E-mail : dkchhajer@gmail.com
kolkata@dkcindia.com

we report that:

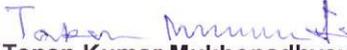
- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

11. We further report that:

- a) the Balance Sheet and Profit and Loss account 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; and
- c) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards except Basis of Qualification para stated hereinabove.

Place: Kolkata
Date: 07.06.2018

For D.K.Chhajer & Co.,
Chartered Accountants
FRN: 304138E


Tapan Kumar Mukhopadhyay
Partner
Membership No. 017483

