

N.SATHEESAN & Co.

CHARTERED ACCOUNTANTS,

**61/3229A, Chandini, 1st Floor,
Manickath Cross Road,
Valanjambalam, Ernakulam,
Kerala- 682 018**

INDEPENDENT AUDITOR'S REPORT

To The Members of People's Urban Co-Operative Bank Limited , Tripunithura.

Report on the Financial Statements

We have audited the accompanying financial statements of the People's Urban Co-Operative Bank Limited ("the Bank"), which comprise the Balance Sheet as at 31st March , 2016, 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.

Management's Responsibility for the Financial Statements

The Bank's Management 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 the provisions of Section 29 of the Banking Regulation Act 1949, Accounting Standards issued by the Institute of Chartered Accountants of India in so far as they apply to the banks and the Guidelines issued by the Reserve Bank of India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's judgment, 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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 and to the best of our information and according to the explanations given to us, the aforesaid financial statements read with the accounting policies followed by the Bank and Notes thereon give the information required by the Banking Regulation Act, 1949 in the manner so required for Co-operative banks and the Guidelines issued by Reserve Bank of India from time to time and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March , 2016; and
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
- c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

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 purpose of our audit;
- (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.

- (iv) in our opinion, proper books of account, as required by law, have been kept by the bank so far as appears from our examination of those books, and we further report that the Balance Sheet and the Profit and Loss account and the Cash Flow dealt with in this report are in agreement with the books of accounts and returns.
- (v) in our opinion, the Balance Sheet and Profit and Loss account and Cash Flow statement, dealt with by this report comply with the accounting standards issued by the Institute of Chartered Accountants of India read with guidelines issued by the Reserve Bank of India in so far as they apply to the bank except with regard to leave salary provision and provision for Gratuity (Ref. Note Nos. A.5 (b) (ii) and A5(b) (iii) which is not provided on the basis of actuarial valuation.

For N.SATHEESAN & Co.
Chartered Accountants
F.R.No. 014973S

N.Satheesan FCA
Proprietor
M.No.027736
Place :Ernakulam
Date: 24/08/2016