

**R.G.N.PRICE & CO**  
CHARTERED ACCOUNTANTS

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Date : 24.04.2017

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS**

To,

The Members of  
The Catholic Syrian Bank Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements and the internal financial controls over financial reporting of The Catholic Syrian Bank Limited (the Bank) which comprise the Balance Sheet as at 31st March, 2017, 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 contained in the notes to accounts. Incorporated in these financial statements are the returns of 24 branches/offices audited by us and 427 branches/offices audited by the branch auditors.

**Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting**

The Bank's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.



The Bank's Board of Directors are responsible for establishing and maintaining internal financial controls based on the "the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion on the bank's internal financial controls over financial reporting based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Bank including its branches in accordance with the Standards on Auditing ("The Standards") specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting. Those Standards and the Guidance Note 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 and whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the amounts, the disclosures in the financial statements and adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. 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 financial controls relevant to the Bank's preparation of the financial statements that give a true and fair view 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 bank's directors, 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 on the Bank's internal financial controls system over financial reporting and the financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting**

The Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Bank's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditure of the Bank are being made only in accordance with authorisations of management and directors of the bank and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act 2013, in the manner so required for banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India of the



state of affairs of the bank as at 31<sup>st</sup> March 2017 and its Profit and its cash flows for the year then ended.

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

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provision of Section 29 of the Banking Regulation Act, 1949 read with Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

As required by sub section (3) of section 30 of the Banking Regulation Act, 1949, 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 purpose 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.
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

Further, as required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches.
- (c) The reports on the accounts of the branch offices audited by the branch auditors of the Bank under section 143(8) of the Companies Act 2013 have been sent to us and have been properly dealt with by us in preparing this report.
- (d) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and returns received from the branches.
- (e) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, , read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by RBI;
- (f) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017 from being appointed as a director in terms of Section 164(2) of the Act.

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Head Office: Chennai ; Offices at: Bangalore, Calicut, Mumbai, New Delhi and Quilon



(g) In our opinion, considering nature of business, size of operation and organisational structure of the entity, the Bank has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Bank has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 4.6.1 of Schedule 18 - Notes on Accounts.
- ii) The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts – Refer Note No. 9 of Schedule 18 – Notes on Accounts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank.
- iv) The disclosure requirement as envisaged in Notification G.S.R.308 (E) dated 30<sup>th</sup> March 2017 in respect of SBN is not applicable to the Bank.

For R.G.N. PRICE & CO.  
Chartered Accountants

G. SURENDRANATH RAO  
Partner

M.No.022693, FR. No.0077855



# The Catholic Syrian Bank Ltd

BALANCE SHEET AS ON 31ST MARCH, 2017

(Rs. in thousand)

	SCHEDULE NO	AS ON 31.03.2017	AS ON 31.03.2016
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	81,01,43	71,76,02
Reserves and Surplus	2	918,34,21	821,03,27
Deposits	3	14911,56,23	14438,40,49
Borrowings	4	41,80,00	41,80,00
Other Liabilities and Provisions	5	270,51,73	278,94,39
<b>TOTAL</b>		<b>16223,23,60</b>	<b>15651,94,17</b>
<b>ASSETS</b>			
Cash and balances with Reserve Bank of India	6	756,38,57	676,43,45
Balances with banks and money at call and short notice	7	454,76,40	49,85,77
Investments	8	5761,51,62	5986,68,93
Advances	9	8118,93,38	7852,64,56
Fixed Assets	10	215,26,14	215,09,34
Other Assets	11	916,37,49	871,22,12
<b>TOTAL</b>		<b>16223,23,60</b>	<b>15651,94,17</b>
<b>CONTINGENT LIABILITIES</b>			
Bills for collection	12	779,50,99	832,15,18
		81,80,85	76,29,02

Significant Accounting Policies 17

Notes to Accounts 18

The schedules referred to above form an integral part of the Balance Sheet.



T S Anantharaman  
Chairman



C.V.R. Rajendran  
Managing Director & CEO

As per our report of even date



Bobby Jos C  
Chairman-Audit Committee



Siva Varghese  
Company Secretary

For R G N Price & Co  
Chartered Accountants  
FRN No.0027855

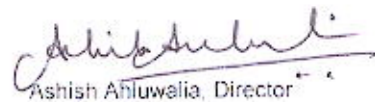


Alok Kochhar, Director



P.V. Antony  
Chief Financial Officer

G. Surendranath Rao  
Partner  
(M. No. 22693)



Ashish Ahluwalia, Director

Kochi  
24.04.2017



Madhavan Nambiar M, Director



Radha Unni, Director

