

P. L. TANDON & CO.

Chartered Accountants
Westcott Building, Mahatma Gandhi Road,
P.O. Box No.113,
KANPUR-208001

SHAH & TAPARIA

Chartered Accountants
12, Navjeevan Wadi,
Dhobi Talao,
MUMBAI-400002

BANSAL R. KUMAR & ASSOCIATES

Chartered Accountants
G-7 & 8, Namdhari Chambers, 9/54,
D.B. Gupta Road, Karol Bagh,
NEW DELHI-110005

A BAFNA & CO.

Chartered Accountants
Raj Apartment, K-2, Keshav Path,
Near Ahinsa Circle C-Scheme,
JAIPUR -302001

LUNAWAT & CO.

Chartered Accountants
54, Daryaganj,
NEW DELHI-110002

INDEPENDENT AUDITORS' REPORT

To

The President of India,

Report on the Financial Statements

1. We have audited the accompanying financial statements of the **Oriental Bank of Commerce** as at 31st March, 2015, which comprise the Balance Sheet as at 31st March, 2015, the Profit & Loss account and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information thereon. Incorporated in these financial statements are the returns of 20 branches audited by us and 1176 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 Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 1055 branches which have not been subjected to audit. These unaudited branches account for 6.21% of advances, 18.34% of deposits, 4.00% of interest income and 16.74% of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India alongwith recognition and measurement principles laid down in the Accounting Standards specified by the Institute of Chartered Accountants of India so far



as they are applicable to the Bank and guidelines and circulars issued by Reserve Bank of India 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

3. 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.
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 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us -
 - (i) 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, 2015, in conformity with accounting principles generally accepted in India.



- (ii) 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
- (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matters

7. We draw attention to:-

1) Note No. 15 (d) of Schedule – 18 wherein the plan assets of the pension fund and gratuity fund include an amount of Rs.58.00 Crores and Rs.59.20 Crores respectively invested by the trust in the Bank's own Bonds which is not in accordance with Accounting Standard – 15 "Employee's Benefits" issued by the Institute of Chartered Accountants of India.

2) Note No. 16 of Schedule 18 regarding deferment of provision of Rs. 73.39 Crores pursuant to the RBI circular no. RBI/2014-15/535 DBR.No.BP BC.83/21.04.048/2014-15 dated 01.04.2015

Our opinion is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the 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. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, and subject also to the limitations of disclosure required therein, 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.



(iii) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

- 10 In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For P.L. TANDON & CO.
Chartered Accountants
FRN 000186C


(A. K. Agarwal)
Partner
M. No.: 071548



For SHAH & TAPARIA
Chartered Accountants
FRN 109463W


(Nand Lal Shah)
Partner
M. No.: 006936



For BANSAL R. KUMAR & ASSOCIATES
Chartered Accountants
FRN 008186N


(R. K. Gupta)
Partner
M. No.: 086851



For A BAFNA & CO.
Chartered Accountants
FRN 003660C


(Anil Bafna)
Partner
M. No.: 071288



For LUNAWAT & CO.
Chartered Accountants
FRN 000629N


(Ramesh K. Bhatia)
Partner
M. No.: 080160



Place: Gurgaon
Date: 14th May, 2015