


<p><b>कापेरिशन बैंक</b> ( सार्वजनिक क्षेत्र का अग्रणी बैंक ) प्रधान कार्यालय, डा पे सं. 88 मंगलूर - 575 001</p>	 e-CIRCULAR	<p><b>Corporation Bank</b> ( A Premier Public Sector Bank ) Head Office, PB No.88, Mangalore – 575 001</p>
<p><b>Credit Division</b> [Credit Policy &amp; Planning Section] Email : CPMS@corpbank.co.in</p>		
HO Circular No. 436/2013	Index No. 11.00/57/2013	29-July-2013

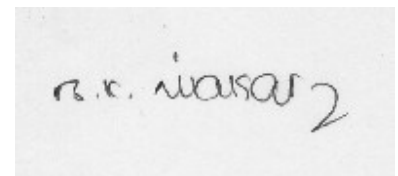
**TO ALL THE BRANCHES / OFFICES**

**Subject : NEED FOR OBTENTION OF AUDITED FINANCIAL STATEMENTS FROM BORROWER**

**HIGHLIGHTS**

**Variations / Deviation between actuals and provisional Balance Sheet shall not be beyond 20%**

1. During the Long Form Audit of the Bank, the Statutory Central Auditors have inter alia observed that in some cases, limits/ facilities were renewed and/ or enhanced without obtaining the latest audited Balance Sheets of the borrowers. In such cases, the credit limits/ facilities are renewed/ enhanced by obtaining provisional financial statements. Subsequently, even though the Audited financial statements are obtained, branches fail to compare the provisional figures with the Audited figures.
2. Branches are advised to obtain, as far as possible, the audited financial statements for renewal/ enhancement of the limits. However, in cases where based on merits of the case, credit limits are to be enhanced, provisional financial statements may be obtained. In all such cases, branches have to follow up and obtain the audited financial statements from the borrower, as soon as the same is finalised. Further, immediately on receipt of the audited statements from the borrower, branches are advised to compare the same with the provisional statements submitted earlier. If wide variations are observed, branches shall ascertain the reasons thereof and initiate appropriate action as may be necessary.
3. If such variations/ deviation between actuals and provisional Balance Sheet is beyond 20%, branches/ offices shall not rely upon such party's provisional financial statements from the next year.
4. All the branches are advised to note the above for guidance and strict compliance.



[B K DIVAKARA]

GENERAL MANAGER

Note : Hindi version of the Circular follows.