



*BALANCE SHEET*  
*AND*  
*PROFIT & LOSS ACCOUNT*  
*OF*  
*THE GURGAON CENTRAL*  
*CO-OPERATIVE BANK LTD.*  
*GURGAON*  
  
*FOR THE YEAR*

*2016-2017*



## AUDITORS' REPORT

To  
The Members  
The Gurgaon Central Co-operative Bank Limited,  
Civil Lines,  
Gurgaon

### Report on the Financial Statements

1. We have audited the accompanying financial statements of The Gurgaon Central Co-operative Bank Limited, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information (LFAR).

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the Branch in accordance with the Banking Regulation Act, complying with Reserve Bank of India Guidelines from time to time. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 purposes of expressing an opinion on the effectiveness of the entity'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







## Opinion

6. On the basis of audit procedure as indicated above and subject to the effects on Financial statements of the matters referred to in Annexure I attached hereto, in our opinion and to the best of our information and according to the explanation given to us and as shown by the books of bank, the said accounts subject to the Significant Accounting Policies and Notes on Accounts and LFAR give the information as required by the Banking Regulation Act, 1949 (as applicable to State and District Central Co-operative Bank) 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 Branch as at March 31, 2017; and
- (b) in the case of Profit and Loss Account, of the Profit / Loss for the year ended on that date;

## Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
8. Subject to the limitations of the audit as indicated in Paragraphs 3 to 5 above and paragraph 10 below, 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 the 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.
9. 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. in our opinion, the Balance Sheet and Profit and Loss Account comply with the applicable accounting standards.

## 10. Other Matters:-

- i. No adjustments/provisions have been made for old outstanding balances of various accounts and provisions under the heads :
- (a) Owned Funds-8 Accounts involving Rs. 673820.01
- (b) Loans & borrowings-1 Accounts involving Rs. 1033081.86
- (c) Other Liabilities-8 Accounts involving Rs. 6151844.02
- (d) Advances- Assets-1 Accounts involving Rs. 268247.14
- (e) Other Assets-4 Accounts involving Rs. 8538470.71;



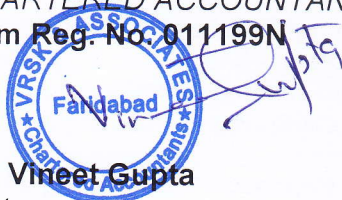


# VRSK & ASSOCIATES

CHARTERED ACCOUNTANTS

- ii. The balance lying in Employee Welfare Fund amounting to Rs. 22,70,841/- remained unutilized for long. During the year also amounts totaling to Rs. 1,00,000/- have been transferred to this fund under the directions of Registrar of Co-operative societies out of the profits of financial years 2011-12 & 2012-13.
- iii. In case of staff loans bank is charging higher rate of interest as compare to the sanction letter. However, in many cases branches are charging lower interest rate from customers against prescribed interest rates resulting in loss to the bank

**For VRSK & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Reg. No. 011199N**



**CA Vineet Gupta**  
**Partner**  
**M. No. 089823**

**Date: 30 JUNE 2017**  
**Place: New Delhi**



### **Annexure 1 Referred to in Independent Bank Auditors' Report**

- 1 Due to increase in the nominal value of each share from Rs.50/- to Rs.100/- and thereafter to Rs.500/-, share suspense account was not created relating to partial amounts collected against share capital.
- 2 As per the bye-law of The Gurgaon Central Co-operative Bank Limited, it is mandatory on the Part of Bank to distribute the Net Profit as per the Audited Balance Sheet in the following manner **with the prior approval of Registrar of Co-operative Societies: -**
  - At least 25% of the Net Profit shall be carried forward to the Reserve fund.
  - At least 10% of the Net Profit shall be carried forward to the Bad debts and surplus fund.
  - At least 15% of the Net Profit shall be carried forward to the Agricultural Credit Stabilization Fund.

Bank has appropriated the profit in the above specified manner up to the financial year 2012-13. No appropriation of the profit was made for the financial years from 2013-14 to 2016-17. Besides above, any other fund has not been utilized / appropriated as the permission for the same has not been granted by appropriate authority as informed by the management.

- 3 As per Income Recognition Norms, any recovery in the loan account will first be appropriated towards recovery of interest. But the bank is not following the income Recognition Norms. As stated by Bank As per Memo No. Credit/3/17/95/C-3/1741,4-31 dated 30-8-2000 issued by Registrar of Co-operative Societies, CCBs to recover interest from PACS in the same its manner in which the principal and interest has been recovered by the Primary Society from its members. To enable the CCB to recover of interest in the above explained manner, PACS would give a detailed statement showing recovery of principal and interest separately from its members. But there is no clear cut system lying in the bank to appropriate the total recovery from PACS into principal and interest. Therefore, recovery in loans given to PACS and interest income has been booked by the bank without following the procedure laid down in the said direction. Due to the lack of availability of information, we are unable to quantify the deviation in the interest income booked by bank. Also the imbalance gap with PACS has increased due to this reason.
4. As mentioned in para 3, the bank is not following the prudential norms and income recognition norms issued by NABARD and also the bank is not following the income recognition norms as per clarification by registrar of Co-operative societies. The Bank has not appropriated the recoveries in the PACS loan accounts neither as per NABARD guidelines nor as per registrar of Co-operative Societies guidelines. In view of above deviation, it is not possible for us to comment on the accuracy of clarification of advances.

#### **5. Recapitalization Assistance**

State Government wide its letter no. M&P/Instt./200-1.0/Lg256 dated 31.03.2010 has released its share of **Rs.1,85,23,988** under package for **revival of Short Term Co-operative Credit** structure (STCCS) scheme in Haryana against overdue amount of 10 ineligible PACS of the Bank. As per the said letter, bank is required to furnish a Utilization certificate of aforesaid amount, duly verified and Countersigned by the Chartered Accountant member of DLIC upto 08.04.2010 for submission to R.O. NABARD, Chandigarh. But till date, bank has not utilized the said amount and as per the written communication with bank officials vide letter no.1355 dated 29.4.2010 bank has submitted Utilization Certificate to Apex bank without adjustment or passing the amount to the PACS.





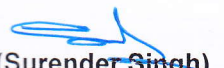
# The Gurgaon Central Co-operative Bank Limited

## Balance Sheet as on 31st March 2017

(As per The Third Schedule to the Banking Regulation Act, 1949 applicable to Co-operative Societies U/s 29 & 31)

	Schedule	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
<b>Capital &amp; Liabilities</b>			
Capital	1	33,95,21,800.00	23,65,74,800.00
Reserves & Surplus	2	39,74,11,808.50	38,20,39,403.31
Deposits	3	7,94,91,72,922.30	7,32,76,77,892.66
Borrowings	4	2,18,26,42,081.86	1,75,65,06,081.86
Other liabilities and provisions	5	62,18,40,112.97	59,25,32,754.95
<b>Total</b>		<b>11,49,05,88,725.63</b>	<b>10,29,53,30,932.78</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of India	6	8,19,22,236.95	8,37,69,406.49
Balances with banks and money at call and short notice	7	52,31,05,828.63	44,50,72,020.65
Investments	8	4,19,74,34,854.56	3,58,96,94,805.51
Advances	9	6,64,22,15,801.37	6,13,19,97,179.83
Fixed Assets	10	2,09,77,973.20	2,15,04,080.84
Other Assets	11	2,49,32,030.92	2,32,93,439.46
<b>Total</b>		<b>11,49,05,88,725.63</b>	<b>10,29,53,30,932.78</b>
Contingent Liabilities	12	3,57,47,543.00	3,57,47,543.00
Bills for Collection		1,48,07,380.61	1,09,64,139.00
LPO		19,00,400.00	19,00,400.00
Suspense Interest ABC Societies		64,88,55,951.43	62,35,03,622.35


For The Gurgaon Central Co-operative Bank Limited

  
(Surender Singh)  
Accountant

  
(Chandervir Yadav)  
Chairman

  
(Krishna Devi)  
Director

  
(Sunil Pattar)  
General Manager

  
(Narender Bhardwaj)  
Director

### AUDITORS' REPORT

As per our Separate report of even date attached

For VRSK & ASSOCIATES (F.NO. 011199N)  
CHARTERED ACCOUNTANTS

  
CA VINEET GUPTA (M.NO. 089823)  
PARTNER

PLACE : NEW DELHI



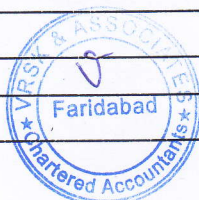
# The Gurgaon Central Co-operative Bank Limited

## Schedule 1: Capital

	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
Authorised Capital		
40,00,000 Shares of Rs. 500/- Each	2,00,00,00,000.00	2,00,00,00,000.00
Issued, Subscribed and paid up Capital		
244476 Shares of Rs.50/- each (Previous year 244476 Shares of Rs.50/- each)	1,22,23,800.00	1,22,23,800.00
1488895 Shares of Rs.100/- each (Previous year 1488895 Shares of Rs.100/- each)	14,88,89,500.00	14,88,89,500.00
190173 Shares of Rs.500/- each (Previous year 150923 Shares of Rs.500/- each)	9,50,86,500.00	7,54,61,500.00
Share Capital to Credit Cooperatives (LTO Fund) by Government of Haryana	7,00,00,000.00	-
Convertible Capital A/c	1,33,22,000.00	-
<b>Total</b>	<b>33,95,21,800.00</b>	<b>23,65,74,800.00</b>

## Schedule 2: Reserves & Surplus

	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
<b>I. Statutory Reserves</b>		
Opening Balances	4,63,89,443.61	4,63,86,413.61
Additions during the year	24,28,724.78	3,030.00
Deductions during the year	-	-
<b>Total (I)</b>	<b>4,88,18,168.39</b>	<b>4,63,89,443.61</b>
<b>II. Agriculture Credit Stabilisation Reserve</b>		
Opening Balances	3,79,01,288.00	3,67,97,367.00
Additions during the year	17,03,673.89	11,03,921.00
Deductions during the year	-	-
<b>Total (II)</b>	<b>3,96,04,961.00</b>	<b>3,79,01,288.00</b>
<b>III. Building Fund</b>		
Opening Balances	1,76,60,102.14	1,76,60,102.14
Additions during the year	4,00,000.00	-
Deductions during the year	-	-
<b>Total (III)</b>	<b>1,80,60,102.14</b>	<b>1,76,60,102.14</b>
<b>IV. Share Transfer Reserve</b>		
Opening Balances	2,63,27,362.12	2,63,95,862.12
Additions during the year	13,54,189.60	-
Deductions during the year	250.00	68,500.00
<b>Total (IV)</b>	<b>2,76,81,301.72</b>	<b>2,63,27,362.12</b>
<b>V. Revenue and Other Reserves</b>		
Opening Balances	30,57,370.77	30,57,370.77
Additions during the year	1,00,000.00	-
Deductions during the year	-	-
<b>Total (V)</b>	<b>31,57,370.77</b>	<b>30,57,370.77</b>





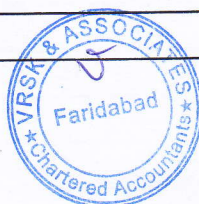
# The Gurgaon Central Co-operative Bank Limited

## Schedule 2: Reserves & Surplus

<b>VI. Bad &amp; Doubtful Debt Reserve</b>		
Opening Balances	6,20,77,773.08	6,20,77,773.08
Additions during the year	3,70,837.90	-
Deductions during the year		
<b>Total (VI)</b>	<b>6,24,48,610.98</b>	<b>6,20,77,773.08</b>
<b>VII. Balance in Profit and Loss Account</b>		
As per last Balance Sheet	18,86,26,063.59	12,35,92,857.96
Profit of the current year	1,27,23,609.06	6,50,33,205.63
Allocations	37,08,379.15	-
<b>Total (VII)</b>	<b>19,76,41,293.50</b>	<b>18,86,26,063.59</b>
<b>Grand Total (I, II, III, IV, V, VI and VII)</b>	<b>39,74,11,808.50</b>	<b>38,20,39,403.31</b>

## Schedule 3: Deposits

	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
<b>A. I. Demand Deposits</b>		
(i) From banks	56,57,781.60	17,28,461.60
(ii) From societies	3,52,412.92	6,08,185.92
(iii) From others	7,96,85,659.58	4,58,58,682.72
<b>Total (I)</b>	<b>8,56,95,854.10</b>	<b>4,81,95,330.24</b>
<b>II. Savings Bank Deposits</b>		
(i) From societies	33,41,84,524.96	28,41,18,583.93
(ii) From others	3,23,69,68,123.58	2,75,18,45,948.33
<b>Total (II)</b>	<b>3,57,11,52,648.54</b>	<b>3,03,59,64,532.26</b>
<b>III. Term Deposits</b>		
(i) From societies	1,94,08,61,750.60	2,04,45,87,954.60
(ii) From others	2,35,14,62,669.06	2,19,89,30,075.56
<b>Total (III)</b>	<b>4,29,23,24,419.66</b>	<b>4,24,35,18,030.16</b>
<b>Total (I, II and III)</b>	<b>7,94,91,72,922.30</b>	<b>7,32,76,77,892.66</b>
<b>B. (i) Deposits of branches in India</b>	<b>7,94,91,72,922.30</b>	<b>7,32,76,77,892.66</b>
(ii) Deposits of branches outside India	-	-
<b>Total</b>	<b>7,94,91,72,922.30</b>	<b>7,32,76,77,892.66</b>





# The Gurgaon Central Co-operative Bank Limited

## Schedule 4: Borrowings

	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
<b>I. Borrowings in India</b>		
(i) Reserve Bank of India	-	-
(ii) Other banks		
- Short term loans	2,13,20,00,000.00	1,67,60,00,000.00
- Medium term	8,72,200.00	11,06,200.00
- Long term	4,87,36,800.00	7,83,66,800.00
(iii) State Government	10,33,081.86	10,33,081.86
<b>II. Borrowings outside India</b>	-	-
<b>Total (I &amp; II)</b>	<b>2,18,26,42,081.86</b>	<b>1,75,65,06,081.86</b>
Secured borrowings included in I & II above - Rs.	-	-

## Schedule 5: Other Liabilities and Provisions

	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
(i) Bills payable	-	-
(ii) Inter-office adjustments (net) (BRANCH )	-	-
(iii) Interest accrued	11,57,60,846.86	12,32,15,395.86
(iv) Others (including provisions)		
- Suspense	3,38,27,143.54	1,99,58,800.11
- Draft issued	7,13,526.34	7,13,526.34
- Contingencies	12,67,267.77	18,39,394.77
- Draft payable	26,84,790.59	26,84,790.59
- LPO payable	-	-
- Godown fund of credit societies	65,32,152.29	64,68,781.29
- Pay order payable	47,01,501.54	1,10,62,886.54
- Subsidy reserve fund	11,11,26,916.00	9,45,12,006.00
- Provision of gratuity	37,22,001.00	-
- Provision of leave encashment	15,17,960.00	-
- Income tax payable	52,73,762.00	3,68,78,461.00
- Recapitalisation assistance	1,85,23,918.00	1,85,23,918.00
- Provision for salary (arrear of VI pay commission)	1,61,80,000.00	-
- Provision for LTC	-	-
- Provision for CBS operations	-	-
- Fund received from NABARD	2,48,554.56	2,49,684.56
- Provision for loan & advances (NPAs)	27,53,57,163.00	25,09,38,304.00
- Provision for loss assets	76,21,097.58	1,01,37,549.74
- Provision against standard assets	1,59,26,832.00	1,49,64,661.00
(iv) Others Miscellaneous Liabilities	8,54,679.90	3,84,595.15
<b>Total</b>	<b>62,18,40,112.97</b>	<b>59,25,32,754.95</b>





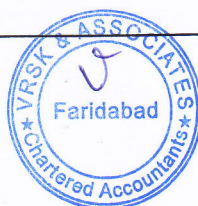
# The Gurgaon Central Co-operative Bank Limited

## Schedule 6: Cash and Balances with Reserve Bank of India

	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
I. Cash in hand	8,19,22,236.95	8,37,69,406.49
II. Balances with Reserve Bank of India		
(i) in Current Account	-	-
(ii) in Other Accounts	-	-
<b>Total (I &amp; II)</b>	<b>8,19,22,236.95</b>	<b>8,37,69,406.49</b>

## Schedule 7: Balance with Banks and Money at Call & Short Notice

	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
<b>I. In India</b>		
(i) Balances with banks		
(a) in current accounts	52,31,05,828.63	44,50,72,020.65
(b) in other deposit accounts	-	-
(ii) Money at call and short notice		
(a) with banks	-	-
(b) with other institutions	-	-
<b>Total (i &amp; ii)</b>	<b>52,31,05,828.63</b>	<b>44,50,72,020.65</b>
<b>II. Outside India</b>		
(i) in current accounts	-	-
(ii) in other deposit accounts	-	-
(iii) Money at call and short notice	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>
<b>Grand Total (I &amp; II)</b>	<b>52,31,05,828.63</b>	<b>44,50,72,020.65</b>





# The Gurgaon Central Co-operative Bank Limited

## Schedule 8: Investments

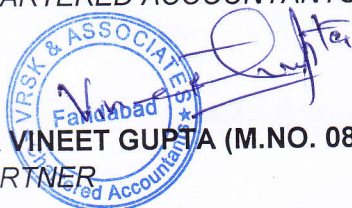
	As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
<b>I. Investments in India in</b>		
(i) Government securities	1,76,41,90,754.56	81,01,42,025.51
(ii) Other approved securities	-	-
(iii) Shares	5,33,57,100.00	4,85,57,100.00
(iv) Debentures and Bonds	-	-
(v) Subsidiaries and/or joint ventures	-	-
(v) Other (Fixed Deposits)		
- For SLR	1,72,47,87,000.00	93,75,52,000.00
- Non - SLR	65,51,00,000.00	1,79,34,43,680.00
<b>Total</b>	<b>4,19,74,34,854.56</b>	<b>3,58,96,94,805.51</b>
<b>II. Investments Outside India in</b>		
(i) Government securities (including local authorities)	-	-
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Other investments (to be specified)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Grand Total (I &amp; II)</b>	<b>4,19,74,34,854.56</b>	<b>3,58,96,94,805.51</b>

### AUDITORS' REPORT

As per our Seperate report of even date attached

For VRSK & ASSOCIATES (F.NO. 011199N)

CHARTERED ACCOUNTANTS



CA VINEET GUPTA (M.NO. 089823)

PARTNER

PLACE : NEW DELHI

Dated : 30.06.2017



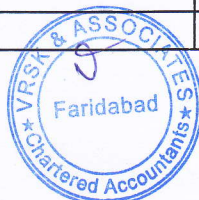
# The Gurgaon Central Co-operative Bank Limited

## Schedule 9: Advances

		As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
A.	(i) Bills purchased and discounted	-	-
	(ii) Cash credits, overdrafts and loans repayable on demand	-	-
	- Considered to be bad and doubtful of recovery	60,56,73,355.00	50,65,59,345.00
	- Others	5,65,00,19,142.94	5,19,92,76,669.66
	(iii) Term loans		
	- Considered to be bad and doubtful of recovery	17,34,14,833.00	17,86,62,271.00
	- Others	21,31,08,470.35	24,74,98,894.17
	<b>Total</b>	<b>6,64,22,15,801.29</b>	<b>6,13,19,97,179.83</b>
B.	(i) Secured by tangible assets	85,12,26,828.41	82,81,83,266.59
	(ii) Covered by bank/Government guarantees	-	-
	(iii) Unsecured	5,79,09,88,972.88	5,30,38,13,913.24
	<b>Total</b>	<b>6,64,22,15,801.29</b>	<b>6,13,19,97,179.83</b>
C.	I. Advances in India	-	-
	(i) Priority sectors	6,60,80,90,766.72	6,10,12,16,702.89
	(ii) Public sector	-	-
	(iii) Banks	-	-
	(iv) Others (Staff)	3,41,25,034.57	3,07,80,476.94
	<b>Total</b>	<b>6,64,22,15,801.29</b>	<b>6,13,19,97,179.83</b>
	II. Advances outside India		
	(i) Due from banks	-	-
	(ii) Due from others	-	-
	(a) Bills purchased and discounted	-	-
	(b) Syndicated loans	-	-
	(c) Others	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (C.I. &amp; C.II)</b>	<b>6,64,22,15,801.29</b>	<b>6,13,19,97,179.83</b>

## Schedule 10: Fixed Assets

		As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
I.	<b>Premises</b>		
	At cost as on 31st March of the preceding year	2,11,86,078.67	2,11,86,078.67
	Additions during the year	-	-
	Deductions during the year	-	-
	Depreciation to date	1,21,85,421.02	1,15,75,095.48
	<b>W.D.V. as on 31st March 2017</b>	<b>90,00,657.65</b>	<b>96,10,983.19</b>
II.	<b>Other Fixed Assets</b>	-	-
	(including furniture and fixtures)	-	-
	At cost as on 31st March of the preceding year	3,57,24,049.52	3,53,90,868.52
	Additions during the year	23,98,239.00	3,33,181.00
	Deductions during the year	-	-
	Depreciation to date	2,61,44,972.97	2,38,30,951.87
	<b>W.D.V. as on 31st March 2017</b>	<b>1,19,77,315.55</b>	<b>1,18,93,097.65</b>
	<b>Total (I &amp; II)</b>	<b>2,09,77,973.20</b>	<b>2,15,04,080.84</b>





**Schedule 11: Other Assets**

		As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
I.	Inter-Office adjustments (net)	-	-
II.	Interest accrued	-	-
III.	Tax paid in advances/tax deducted at source	34,46,934.00	34,46,934.00
IV.	Stationery and stamps	48,54,663.13	10,98,569.32
V.	Non-banking assets acquired in satisfaction of cla	-	-
VI.	Others	1,66,30,433.79	1,74,18,836.14
VII.	Service Tax Input	-	13,29,100.00
	<b>Total</b>	<b>2,49,32,030.92</b>	<b>2,32,93,439.46</b>

**Schedule 12: Contingent Liabilities**

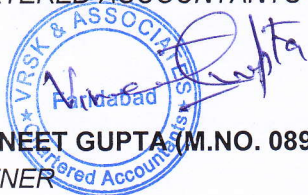
		As on 31.3.2017 (Current year)	As on 31.3.2016 (Previous year)
I.	Claims against the bank not acknowledged as de	-	-
II.	Liability for partly paid investments	-	-
III.	Liability on account of outstanding forward exchange contracts	-	-
IV.	Guarantees given on behalf of constituents	-	-
	(a) In India	-	-
	(b) Outside India	-	-
V.	Acceptances, endorsements and other Obligation	-	-
VI.	Other items for which the bank is contingently liable- For Outstanding Traces Demand and Appeal Filed	3,57,47,543.00	3,57,47,543.00
	<b>Total:</b>	<b>3,57,47,543.00</b>	<b>3,57,47,543.00</b>

**AUDITORS' REPORT**

As per our Seperate report of even date attached

For VRSK & ASSOCIATES (F.NO. 011199N)

CHARTERED ACCOUNTANTS



CA VINÉET GUPTA (M.NO. 089823)

PARTNER

PLACE : NEW DELHI

Dated : 30.06.2017



# The Gurgaon Central Co-operative Bank Limited

## Profit & Loss Account for the year ended 31st March 2017

	Schedule	Year Ended 31.3.2017 (Current year)	Year ended 31.03.2016 (Previous year)
<b>I. Income</b>			
Interest earned	13	80,58,09,859.84	85,58,62,325.73
Other income	14	68,82,648.10	99,21,185.90
<b>Total</b>		<b>81,26,92,507.94</b>	<b>86,57,83,511.63</b>
<b>II. Expenditure</b>			
Interest expended	15	60,79,26,551.89	58,79,32,965.41
Operating expenses	16	16,51,77,769.15	17,29,71,071.72
Provisions and contingencies		2,68,64,577.84	3,98,46,268.87
<b>Total</b>		<b>79,99,68,898.88</b>	<b>80,07,50,306.00</b>
<b>III. Profit/Loss</b>			
Net profit/loss (-) for the year		1,27,23,609.06	6,50,33,205.63
Profit/Loss (-) brought forward		18,86,26,063.59	12,35,92,857.96
<b>Total</b>		<b>20,13,49,672.65</b>	<b>18,86,26,063.59</b>
<b>IV. Appropriations</b>			
Transfer to statutory reserves		9,27,094.78	-
Transfer to agriculture credit stabilisation fund		5,56,256.87	-
Transfer to Bad & Doubtful Reserve		3,70,837.90	-
Transfer to building fund		4,00,000.00	-
Transfer to share transfer fund		13,54,189.60	-
Proposed dividend		-	-
Transfer to Employee Welfare fund		1,00,000.00	-
Transfer to rehabilitation fund		-	-
Balance carried over to balance-sheet		18,49,17,684.44	18,86,26,063.59
<b>Total</b>		<b>20,13,49,672.65</b>	<b>18,86,26,063.59</b>

For the Gurgaon Central Co-operative Bank Limited

(Sunder Singh)  
Accountant

(Sunil Pattar)  
General Manager

(Chandervir Yadav)  
Chairman

(Krishna Devi)  
Director

(Narender Bhardwaj)  
Director

### AUDITORS' REPORT

As per our Separate report of even date attached

For VRSK & ASSOCIATES (F.NO. 011199N)

CHARTERED ACCOUNTANTS

CA VINEET GUPTA (M.NO. 089823)  
PARTNER

PLACE : NEW DELHI

Dated : 30.06.2017



## The Gurgaon Central Co-operative Bank Limited

### Schedule 13: Interest Earned

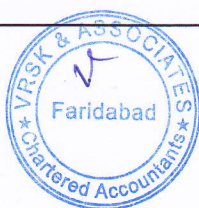
	Year Ended 31.3.2017 (Current year)	Year ended 31.03.2016 (Previous year)
I. Interest/discount on advances/bills	49,47,78,271.84	47,52,50,988.62
II. Income on investments		-
III. Interest on balances with Reserve Bank of India and other Inter-bank funds	31,10,31,588.00	38,06,11,337.11
IV. Others		-
<b>Total</b>	<b>80,58,09,859.84</b>	<b>85,58,62,325.73</b>

### Schedule 14: Other Income

	Year Ended 31.3.2017 (Current year)	Year ended 31.03.2016 (Previous year)
I. Commission, exchange and brokerage	49,62,019.74	41,18,441.90
II. Income earned by way of dividends etc.	-	25,57,160.00
III. Miscellaneous income	19,20,628.36	32,45,584.00
<b>Total</b>	<b>68,82,648.10</b>	<b>99,21,185.90</b>

### Schedule 15: Interest Expenses

	Year Ended 31.3.2017 (Current year)	Year ended 31.03.2016 (Previous year)
I. Interest on deposits	50,97,30,152.89	48,98,92,519.41
II. Interest on Reserve Bank of India/interbank borrowings	9,81,96,399.00	9,80,40,446.00
III. Others	-	-
<b>Total</b>	<b>60,79,26,551.89</b>	<b>58,79,32,965.41</b>





**The Gurgaon Central Co-operative Bank Limited**  
**Schedule 16: Operating Expenses**

	<b>Year Ended 31.3.2017 (Current year)</b>	<b>Year ended 31.03.2016 (Previous year)</b>
I. Payments to and provisions for employees	13,13,15,439.00	10,52,39,520.01
II. Rent, taxes and lighting	41,81,801.50	36,49,493.79
III. Printing and stationery	11,28,488.19	12,08,302.32
IV. Advertisement and publicity	2,64,494.00	2,99,784.00
V. Depreciation on bank's property	29,24,346.64	32,29,329.53
VI. Directors fees, allowances and expenses	1,19,540.00	19,430.00
VII. Auditors fees and expenses (including branch auditors fees and expenses)	7,279.00	3,58,647.00
VIII. Law charges	17,19,148.00	11,74,136.00
IX. Postage, telegrams, telephones, etc	5,94,568.00	4,06,991.00
X. Repairs and maintenance	3,43,553.00	42,367.00
XI. Insurance	85,06,319.00	81,37,111.00
XII. Income Tax for Previous Year 2015-16	1,85,910.00	-
XIII. Income Tax	52,73,762.00	3,68,56,580.00
XIV. Other expenditure	86,13,120.82	1,23,49,380.07
<b>Total</b>	<b>16,51,77,769.15</b>	<b>17,29,71,071.72</b>

**AUDITORS' REPORT**

*As per our Seperate report of even date attached*

**For VRSK & ASSOCIATES (F.NO. 011199N)**

**CHARTERED ACCOUNTANTS**

**CA VINEET GUPTA (M.NO. 089823)**

**PARTNER**

**PLACE : NEW DELHI**

**Dated : 30.06.2017**



## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

### NOTES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

#### A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. ACCOUNTING CONVENTION

The financial statements are prepared and presented under the historical cost convention on going concern basis following the Hybrid concept of accounting. The financial statements comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve bank of India (RBI) from time to time, Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and current practices prevailing within the banking industry in India.

##### 2. USE OF ESTIMATES

The preparation of the financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities at the date of the financial statements. Actual results could differ from those estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

##### 3. INVESTMENTS

###### (a) Classification

For the purpose of disclosure in the Balance Sheet, Investments are classified under four groups as required under RBI guidelines, i.e., Government Securities, Other Approved Securities, Shares with Co-operative Institutions and Other Investments.

###### (b) Valuation

Valuation investments are carried at their acquisition cost.

##### 4. ADVANCES

Advances are classified into Standard, Sub-Standard, Doubtful and Loss Assets and provisions are made in accordance with the prudential norm prescribed by RBI. In addition, general provisions on standard assets are made at 0.25% and 0.40% of the outstanding amount as at 31<sup>st</sup> March 2017.

##### 5. FIXED ASSETS & DEPRECIATION

(a) Fixed assets are carried at historical cost less accumulated depreciation. Cost includes incidental expenses incurred on acquisition of assets.





## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

- (b) Depreciation on Fixed Assets purchased during the year is charged for the full year if the assets is purchased on or before 30<sup>th</sup> September, otherwise it is charged 50% of the normal rate. No depreciation is charged on fixed assets sold during the year.
- (c) Depreciation is provided as per W.D.V. method. Depreciation on Fixed Assets are provided at the rates prescribed in Income Tax Rules.

### 6. RECOGNITION OF INCOME/EXPENDITURE

- (a) Items of Income & Expenditure are recognized on cash basis except in case of those whose provisions has been made.
- (b) Interest income is recognized in the Profit & Loss Account when it is realized. As per Memo No. Credit/3/17/95/C-3/17414-31 dated 30.08.2000 issued by Registrar of Co-operative Societies, CCBs shall recover interest from PACS in the same manner in which the principal and interest has been recovered by the Primary Society from its members. To enable the CCB to recover the interest in the above explained manner, PACS would give a detailed account showing recovery of principal and interest separately from its members, but there is no such statement provided by PACS to bank. At present no clear cut system is implemented by the bank to appropriate the total recovery from PACS into principal and interest. Therefore recovery in loans given to PACS and interest income has been booked by the bank suo moto without following the procedure laid down in the said Memo.
- (c) Income from non-performing assets are recognized to the extent realized, as per the directives issued by RBI. However there is no system in the bank to ensure proper and periodic recording of unrealized interest in individual NPA Accounts.
- (d) Interest income on Fixed Deposits has been recognized as and when received.
- (e) Dividend income is accounted on cash basis.

### 7. EMPLOYEE BENEFITS

- (a) The bank contributes to Provident Fund to Employees Provident Fund Organisation. Employees Contribution to Provident Fund is accounted for on payment basis with corresponding contribution by the bank.
- (b) Bank's contribution to Pension Fund is accounted for on payment basis.
- (c) The bank contributes to Approved Gratuity Scheme administered by independent trustees. Gratuity fund trust have taken the policy of gratuity from LIC and SBI Life Insurance. Amount of gratuity payable to employees at the year end in excess of the amount receivable from LIC and SBI Life Insurance as per the scheme are being provided for as provision for gratuity expenses .





## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

- (d) The bank contributes to the policy of Leave Encashment Scheme taken from LIC and SBI Life Insurance. The amount of leave encashment payable to employees at the year end in excess of the amount receivable from LIC and SBI Life Insurance as per the scheme are being provided for as provision for leave encashment expenses
- (e) No actuarial valuation of the liability towards employee benefits such as Gratuity, Leave Encashment, Staff Pension etc. is done. Bank recognize the liability towards the Gratuity and Leave Encashment as and when Gratuity and Leave Encashment are paid to the employees. Hence, no provision has been made by bank during the year in respect of above.
- (f) Arrears payable to employees are accounted for as and when Registrar of cooperative society approves payments of arrears to the employees.

### 8. PROVISIONS

A provision is recognized when the bank has a present obligation as a result of past event where it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### 9. TAXATION

Tax expenses comprise of Income Tax. Income tax is provided for in accordance with the applicable provisions of the Income Tax Act, 1961 and Rules framed there under.

### 10. CONTINGENT LIABILITIES AND ASSETS

Contingent Liabilities are not recognized as expenditure. These are, however, disclosed by way of Notes.

A disclosure of contingent liability is made when there is:

- i. A possible obligation arising from a past event, the existence of which will be confirmed by occurrence or non occurrence of one or more uncertain future events not within the control of the bank; or
- ii. A present obligation arising from a past event which is not recognized as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- iii. Contingent assets are not recognized in the financial statements.

### 11. EARNING PER SHARE

Earning per share (EPS) reported is computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.





## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

### 12. PROVISIONS/ WRITE-OFF LOANS AND OTHER FACILITIES

Amounts recovered against debts written off in earlier years and provisions no longer considered to be necessary in context of current status of Borrowers are recognized in the Profit & Loss Account.

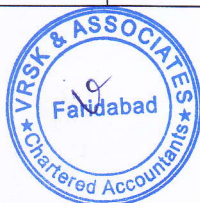
### 13. TRANSFER TO RESERVES

The bank is required to appropriate profits towards various statutory and non statutory reserves under Co-operative Societies Act and Banking Regulation Act. However such appropriation is made only after obtaining the approval from the Registrar of Cooperative Societies.

### B. NOTES ON ACCOUNTS

- The figures of the last year have been regrouped or rearranged as required.
- As per the position of Linkage of Shares with the total borrowings by Societies as on 31.03.2017, there is deficit of **Rs.157.78 Lacs** in collection of Share Capital. However, in some cases there is excess also. The Details are as under:

Sr. No	Name of Branch	Loan Outstanding as on 31.03.2017	Share Required	Share held	Deficit	Excess
	<b>Distt. Gurgaon</b>					
1*	Basai	603.66	30.63	32.49	-	1.86
2	Farrukh Nagar	552.63	27.63	44.85	-	17.22
3	S.P.Majri	700.92	35.04	34.31	0.73	-
4	Haily Mandi	955.13	47.76	46.93	0.83	-
5	Pataudi	829.32	41.47	54.70	-	13.23
6	Jamalpur	349.78	17.49	25.26	-	7.77
7	Bilaspur	741.32	37.06	37.33	-	0.27
8	Manesar	220.42	11.02	16.88	-	5.86
9	Badshahpur	217.08	10.85	12.46	-	1.61
10	Sohna	526.17	26.30	24.28	2.02	-
11	Sancholi	952.81	47.64	49.27	-	1.63
12	Chakerpur	0.00	0.00	0.96	-	0.96
	<b>Total</b>	<b>6649.24</b>	<b>332.89</b>	<b>379.72</b>	<b>3.58</b>	<b>50.41</b>
	<b>Distt. Mewat</b>					
1	Indri	795.79	39.79	41.00	-	1.21
2	Nuh	2553.38	127.67	116.01	11.66	-
3	Malab	1834.30	91.71	85.15	6.56	-
4	Ghasera	882.75	44.13	42.86	1.27	-
5	Ujina	1490.08	74.50	57.61	16.89	-
6	Nagina	1719.55	85.98	84.28	1.7	-
7	Kherli Nuh	773.02	38.65	36.47	2.18	-





## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

8	Mandikhera	2005.29	100.26	85.10	15.16	-
9	Pinangwan	3816.57	190.82	191.13	-	0.31
10	Tigaon	3916.39	195.82	201.65	-	5.83
11	Sikrawa	2448.34	122.26	90.60	31.66	-
12	Punahana	3463.71	173.18	151.44	21.74	-
13	Jamalgarrh	2804.29	140.02	123.04	16.98	-
14	Bisru	2494.52	124.72	119.81	4.91	-
15	Singar	3810.35	190.52	169.99	20.53	-
16	F.P.Jhirka	2318.91	115.94	119.58	-	3.64
17	Kameda	2106.22	105.31	102.35	2.96	-
18	Rawli	3308.97	165.44	207.91	-	42.47
19	Biwan	319.09	15.95	16.46	-	0.51
20	Toaru	1640.39	82.02	82.41	-	0.39
21	Kalwari	753.70	37.69	40.02	-	2.33
	<b>Total</b>	<b>45255.61</b>	<b>2262.38</b>	<b>2164.87</b>	<b>154.20</b>	<b>56.69</b>
	<b>Grand Total</b>	<b>51904.85</b>	<b>2595.27</b>	<b>2544.59</b>	<b>157.78</b>	<b>107.10</b>

### 3. Total Advances & NPA & Analysis of NPA

Particulars	As on 31.03.2017	As on 31.03.2016
Total Advance	66,422.16	61,319.97
Total NPA	7,790.88	6,852.71
%	11.73%	11.18%

Note: Gross NPA has increase due to shortfall in recoveries

- Amounts "considered to be bad and doubtful of recovery" (as shown in the Schedule 9 "Advances of the Balance Sheet) reflects the total amount of loss assets and doubtful assets as per prudential norms by RBI.
- Insurance expenditure includes Deposit Insurance Premium of Rs. 83,24,399/- paid to Deposit Insurance & Credit Guarantee Corporation for the current year (Rs. 8,137,111.00 for the year ended 31.03.2016)
- State Government wide its letter No. M&P/Instt./200-10/19256 dated 31.03.2010 has released its share of Rs.1,85,23,918.00 under Package for revival of Short Term Co-operative Credit Structure (STCCS) Scheme in Haryana against overdue amount of 10 ineligible PACS of the bank. As per the said letter, bank is required to furnish a Utilization Certificate of the aforesaid amount, duly verified and countersigned by Chartered Accountant member of DLIC upto 08.04.2010 for submission to R.O. NABARD, Chandigarh. But till date, bank has not utilized the said amount and as per the written communication with bank officials vide letter no. 1355 dated 29.04.2010 bank has submitted Utilization Certificate to Apex Bank without adjusting or passing the amount to the PACS.





## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

8. No Foreign Currency Transactions took place during the year under audit.

### 9. Realizable value of Other Assets

- a. As per the Information and Explanation given to us, since the following assets are having NIL realizable value as on the Balance Sheet date, so provisions for the same has been provided in books

Sr. No.	Assets	Op. Bal (in Lacs)	Cl. Bal (in Lacs)
1.	Bank Robbery	40.00	-
2.	ARDR Recoverable	33.83	33.83
3.	Sundries Recoverable	3.68	18.28
4.	Books for sale	0.20	0.43
5.	Secy. Pay Fund recoverable from Apex Bank	23.66	23.66

- b. Current assets except doubtful in nature would realize at least the amount at which these are stated in the Balance Sheet.

10. The Robbery took place in 1996 and the bank had lodged the insurance claim in that year. The insurance claim has been received in the June 2016 for Rs. 15.00 Lakhs towards insurance Claim and an amount of Rs. 17.50 Lakhs towards interest on insurance claim. The insurance company delayed the payment by more than four months **for which interest should have been claimed by the bank alongwith the compensation payable as per order of the court.**

11. Bank has advanced major portion of its total loans to PACS which in turn advances to farmers. But accounts with PACS and Between PACS and Farmers are still not reconciled. Branch wise details of the Imbalance with PACS are as under:

S.No.	Name of PACS	Imbalance as on 31.03.2017	Imbalance as on 31.03.2016
	<b>Distt. Gurgaon</b>		
1	Basai	106.71	67.42
2	Sancholi	110.79	106.21
3	Manesar	48.02	34.69
4	S.P.Majri	17.43	-
	<b>Total</b>	<b>176.24</b>	<b>208.32</b>
	<b>Distt. Mewat</b>		
1	Toaru	506.30	404.45
2	Nuh	105.28	25.40
3	Malab	498.02	361.83
4	Ghasera	96.43	20.85
5	Ujjina	159.38	532.80
6	Nagina	36.64	45.65
7	Mandikhera	428.58	225.61



## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

8	Pinangwan	4.92	16.77
9	Tigaon	15.00	4.52
10	Sikrawa	1029.02	745.91
11	F.P.Jhirka	89.47	28.65
12	Rawli	887.23	476.27
13	Bisru	730.19	704.99
14	Jamalgah	0.00	203.94
15	Singar	457.85	410.36
16	Kameda	-	153.71
17	Punahana	-	6.35
	<b>Total</b>	<b>5044.31</b>	<b>4368.06</b>
	<b>Grand Total</b>	<b>5220.55</b>	<b>4576.38</b>

Note :- The above mentioned figures have been compiled from the information provided by the management.

### 12. Calculation of Basic E.P.S. & Diluted E.P.S.

<b>EPS without including Share Capital received from Government of Haryana &amp; Amount received under Capital Convertible A/c</b>		
<b>PARTICULARS</b>	<b>As on 31.03.2017 (Current Year)</b>	<b>As on 31.03.2016 (Previous Year)</b>
a) E.P.S. for the class of shares @ 50	2.48	14.64
b) E.P.S. for the class of shares @ 100	4.97	29.28
c) E.P.S. for the class of shares @ 500	24.83	146.43

<b>EPS including Share Capital received from Government of Haryana &amp; Amount received under Capital Convertible A/c</b>		
<b>PARTICULARS</b>	<b>As on 31.03.2017 (Current Year)</b>	<b>As on 31.03.2016 (Previous Year)</b>
a) E.P.S. for the class of shares @ 50	1.87	14.64
b) E.P.S. for the class of shares @ 100	3.75	29.28
c) E.P.S. for the class of shares @ 500	18.74	146.43

13. During the year following amounts has been transferred to reserves namely Statutory Reserves, Credit Stabilization Fund, Bad & Doubtful Reserve etc. as such apportionments were made after obtaining the approval from the Registrar of Cooperative Societies vide Memo No. 19/06/05/C-1/01A/5863 for 2011-12 profit & Memo No. 19/06/05/C-1/01A/5864 for 2012-13 profit dated 27.07.2016.

<b>SI No</b>	<b>Particulars</b>	<b>For FY 2011- 12</b>	<b>For FY 2012-13</b>
1	Total Profit	17,21,486.36	19,86,892.79
2	Reserve Fund 25%	4,30,371.59	4,96,723.19
3	Agri. Stabilization fund 15%	2,58,222.95	2,98,033.92





**THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED**

4	Bad debts and surplus 10%	1,72,148.63	1,98,689.27
5	Building Fund	2,00,000.00	2,00,000.00
6	Share Transfer Fund	6,10,743.19	7,43,446.41
7	Any other Fund specify as per Bye-Laws ( <b>Employees Welfare Fund</b> )	50,000.00	50,000.00
8	Dividend to members not more than @ 10	Due to less profit dividend could not allocated	
9	<b>Total Profit</b>	<b>17,21,486.36</b>	<b>19,86,892.79</b>

14. During the year 39250 shares of class of shares of 500 have been issued to various PACS. Further Rs. 7,00,00,000/- has been infused by the Haryana Government towards Share Capital under the Scheme "**Share Capital to Credit Cooperatives (LTO)**". Besides this a sum of Rs. 1,33,22,000/- has been introduced by Government of Haryana by way of Convertible Capital A/c be redeemed in ten years. **However, no documentary evidence is available in respect of such amount received on account of Convertible Capital A/c.**

Date	PACS	Shares @ 500 each	Amount
14/06/2016	Singar Model PACS	1000	500,000.00
22/07/2016	Punahana Janta PACS	2400	1,200,000.00
23/09/2016	Ruoli PACS	5600	2,800,000.00
29/03/2017	Nuh PACS	800	400,000.00
29/03/2017	Tigaon PACS	4800	2,400,000.00
29/03/2017	Punahana Janta PACS	600	300,000.00
29/03/2017	Biwan PACS	200	100,000.00
29/03/2017	Sancholi PACS	600	300,000.00
29/03/2017	Pataudi PACS	1000	500,000.00
29/03/2017	Ruoli PACS	6000	3,000,000.00
29/03/2017	Pinangwan PACS	1000	500,000.00
29/03/2017	Malab PACS	400	200,000.00
29/03/2017	Bisru PACS	1000	500,000.00
30/03/2017	Sikrawa PACS	2000	1,000,000.00
30/03/2017	Ruoli PACS	4400	2,200,000.00
30/03/2017	Kameda PACS	200	100,000.00
31/03/2017	Nagina PACS	250	125,000.00
31/03/2017	Mandikhera PACS	2600	1,300,000.00
31/03/2017	Taoru PACS	1400	700,000.00
31/03/2017	FP Jhirka PACS	3000	1,500,000.00
	<b>New Allotment</b>	<b>39250</b>	<b>19,625,000.00</b>





## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

### Share Reconciliation Summary for 2016-17:

Particulars	No of Shares @ 500 each	Amount
Shares already allotted as on 01.04.2016	150923	75,461,500.00
Allotment during the year	39250	19,625,000.00
<b>Total Shares as on 31.03.2017</b>	<b>190173</b>	<b>95,086,500.00</b>

15. The bank has paid sums amounting to Rs. 4,62,500/- on behalf of Dundahera Branch during the year ended on 31.03.2015 against the demands raised by Income Tax Department. This amount is recoverable from the branch manager. Besides this individual employees have paid total amount of Rs. 6,03,897/-
16. Suspense account amounting to Rs. 27,44,917.76 represent entries as old as 16 years which require proper follow up by the management.
17. During the year stationery was purchased apparently without estimating the requirement which is lying unused to the tune of Rs. 48,54,663.13 as against previous year balance of Rs. 10,98,569.32 at the end of the year an enquiry has been commission against the erring official.
18. The bank is yet to make recoveries from the erring branch managers to the tune of Rs.7,52,723/- against taxes and penalties paid under TDS provisions.
19. The bank has considered financial year 2016-17 as leap year in calculation of interest under consortium advances which has resulted in a loss of Rs. 41,595/-.
20. **Subsidy**  
The Branches have outstanding balances of subsidy received from various government departments for onward disbursal to the eligible borrowers. However, some of the borrowers did not fulfill the terms of subsidy eligibility. Thus, the unutilized subsidy amounts should be remitted back to the concerned departments. The details of such unutilized subsidy which are to be remitted back to the concerned department are yet to be compiled by the Bank.
21. **DEAF Scheme**  
It was observed that the branches are not reviewing the accounts and not filing the returns on monthly basis as desired under the DEAF Scheme 2014.
22. **Internal control & checks**  
The banks management had not given proper importance to systems, procedures, internal checks and controls. There was no periodical review of the same. It was therefore, necessary that the bank should introduce an effective system of checks and proper procedures, to ensure smooth working, for the finalization of the financial statements and also to provide built-in safeguards against possible irregularities and fraudulent practices. This system should be review periodically so as to make necessary changes as and when required.





## THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

23. The bank is a Co-operative Society, registered under the Haryana Co-operative Society Act, 1984 and there had been no fresh advance to directors or other related parties requiring a disclosure under Accounting Standard – 18 issued by the Institute of Chartered Accountants of India. Shri Sunil Pattara General Manager of the Bank is the Key Managerial Personnel who is holding additional charge and holding main charge of Faridabad CCB

### 24. Contingent Liability :-

The Income Tax Department had raised liability on account of TDS due, Penalties and Interest to the tune of Rs. 9,55,76,582 /-. The bank had filed appeal with Commissioner of Income Tax (Appeal) Gurugram against these demands. The bank has already been granted relief against such demand to the extent of Rs. 5,98,29,039/- for many of the cases pertaining to the Assessment Years 2011-12 to 2014-15. However, as the Income Tax Department has filed appeal with ITAT against the relief given by CIT(A). The Bank expects that the ITAT shall also give relief and dismiss the appeal of ITD. Hence no contingent liability has been recognized against the appeal made by the ITD.

The bank is in appeal with Commissioner of Income Tax (Appeal) Gurugram for some more cases involving total demand of Rs. 3,57,47,543/-. Based on the appeal orders already decided in favour of the bank, the bank expects the relief against such demands. Thus, the contingent liability to the extent of 3,57,47,543/- has been disclosed in the Balance Sheet

### 25. Following additional disclosures are made:

(Rs. In Lacs)

S.No.	Particulars		
1	<b>Investments :</b>		
	<b><u>S.L.R. Investment :</u></b>	<b>Face Value</b>	<b>Market Value</b>
a)	<b><u>Permanent Category :</u></b>		
i)	Fixed Deposit with Apex Bank	17247.87	17247.87
ii)	Government securities	17641.91	17641.91
	<b>Total</b>	<b>34889.78</b>	<b>34889.78</b>
b)	<b><u>Non S.L.R. Investment</u></b>		
i)	Shares	533.57	533.57
v)	Fixed Deposit with IDBI Bank	1500.00	1500.00
vii)	Fixed Deposit with DCB	4500.00	4500.00
viii)	Fixed Deposit with NABARD	551.00	551.00
	<b>Total :</b>	<b>7084.57</b>	<b>7084.57</b>
	<b><u>Grand Total :</u></b>	<b>41974.35</b>	<b>41974.35</b>



**THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED**

2	<b>Advances to directors, their relatives, Companies/Firms in which they are interested.</b>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	a)	Fund-Based	16.90 Lacs	16.90 Lacs
	b)	Non fund based (Guarantees, L/C, etc.)	NIL	NIL
This Vehicle Loan pertains to son of one of the director extended in 2009 when the director was not holding office of director with the bank				

3	<b>Particulars</b>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	Cost of deposits - Average cost of deposits (%)		6.41	6.69

4	<b>Particulars</b>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	a)	Gross NPA's	7790.88	6852.71
	b)	Net NPA's	7790.88	6852.71
	c)	Percentage of gross NPA's to total advances	11.73	11.18
	d)	Percentage of net NPA's to net advances	11.73	11.18

5	<b>Particulars</b>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	Movement of NPA's		938.17	-299.12

6	<b>Profitability</b>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	a)	Interest income as a percentage of working funds	7.43	8.68
	b)	Non interest income as a percentage of working funds	0.06	0.10
	c)	operating profit as a percentage of working funds	0.35	1.00
	d)	Return on Assets	0.11	0.63
	e)	Business (Deposits + Advances) per employee	1326.49	1085.46
	f)	Profit per employee	1.16	5.19





**THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED**

7	<u>Provisions</u>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	a)	Provisions on NPA's required to be made	2753.57	2509.38
	b)	Provisions on NPA's actually made	2753.57	2509.38
	c)	Provisions required to be made in respect of -		
		- overdue interest taken into income account,	NIL	NIL
		- gratuity fund,	As no Actuarial Valuation has been got done by the bank, the correctness of the required provisions cannot be ascertained	
		- leave encashment,		
		- provident fund arrears	NIL	NIL
		- reconciliation of inter-branch account	NIL	NIL
	d)	Provisions actually made in respect of -		
		- overdue interest taken into income account,	NIL	NIL
		- gratuity fund,	37.22	NIL
		- leave encashment,	15.18	NIL
		- provident fund arrears	NIL	NIL
		- reconciliation of inter-branch account	NIL	NIL
	e)	Provisions required to be made on depreciation in Investment	0.01	0.01
	f)	Provisions actually made on depreciation in Investment	0.28	0.28

8	<u>Movement in Provisions</u>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	a)	Towards NPA's	244.19	380.09
	b)	Towards Standard Assets	9.62	18.37

9	<u>DICGC Premium</u>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	Payment of insurance premia to the DICGC, including arrears, if any		83.24	79.67

10	<u>Penalties</u>		<b>As on 31.03.2017</b>	<b>As on 31.03.2016</b>
	Penalty imposed by RBI for any violation		Nil	Nil

For **VRSK & ASSOCIATES**  
Chartered Accountants (FRN: 011199N)

**CA VINEET GUPTA** (M.NO. 089823)  
Partner

Date : 30 June 2017  
Place: New Delhi

**THE GURGAON CENTRAL COOPERATIVE BANK LIMITED GURGAON**  
**CAPITAL ADEQUACY STANDARD**

R.B.I letter No. RPCD.Co.RF.BC.40/07.38.03/2007-08 Dec 4, 2007

**Capital Funds, Risk Assets Expsures and Risk Assets ratio**

**Part: Capital Funds and Risk Assets Ratio as on 31.3.2017**

**A:**

Sr. No.	Items	Amount
A:	<b>Tier I Capital elements</b>	
a)	Paid up Share Capital	3,395.22
b)	Statutory Reserves	488.18
c)	Capital Reserves	-
d)	Other Disclosed free reserves	1,039.34
e)	Un disbursed profit	1,976.41
	<b>Total of A</b>	<b>6,899.15</b>
	Less: Intengible Assets and Losses:	-
B	<b>Tier II Capital elements</b>	
a)	Undisclosed Reserves	-
b)	Revaluation Reserves	-
c)	General Provisions and loss provision	159.27
d)	Subordinatd debts	-
	<b>Total of B</b>	<b>159.27</b>
C	<b>Grand Total (A+B)</b>	<b>7,058.42</b>
	<b>Risk Assets:</b>	
a)	Adjusted value of funded risk assets on B/S items (Part-B)	70,927.79
b)	Adjusted value of Non-funded and Off balance sheet items (Part-C)	357.48
c)	<b>Total Risk Weighted Assets (a+b)</b>	<b>71,285.27</b>
	Percentage of Capital funds to risk weighted assets	9.90

**AUDITORS' REPORT**

*As per our Seperate report of even date attached*

**For VRSK & ASSOCIATES (F.NO. 011199N)**

**CHARTERED ACCOUNTANTS**

**CA VINEET GUPTA (M.NO. 089823)**

**PARTNER**

**PLACE : NEW DELHI**

**Dated : 30.06.2017**



# THE GURGAON CENTRAL COOPERATIVE BANK LIMITED GURGAON

## Assets Classification and Provisioning statement for the year 31 March, 2017

Sr. No.	Particulars	S.A.O.		S.T. (Others)	Bills discounted purchased	Term Loan (All types)		Total amount
		Short Term	Cash Credits			Agri.	Non. Agri.	
I	<b>Amount Outstanding</b>	52,641.14	-	9,915.79	-	147.80	3,717.44	66,422.16
II	<b>Assets Classification</b>							
1	Standard	50,170.68	-	6,329.51	-	126.10	2,004.99	58,631.28
2	Sub-Standard	2,469.95	-	1,638.66	-	12.00	410.97	4,531.58
3	Doubtful	-	-	-	-	-	-	-
i)	Secured Loans	-	-	-	-	-	-	-
a)	D 1	0.50	-	457.33	-	-	222.97	680.80
b)	D 2	-	-	337.86	-	5.53	248.38	591.77
c)	D 3	-	-	1,128.14	-	-	572.70	1,700.84
ii)	Unsecured Loans	-	-	12.15	-	4.17	257.43	273.74
4	Loss Assets	-	-	12.14	-	-	-	12.14
	<b>Total</b>	52,641.14	-	9,915.79	-	147.80	3,717.44	66,422.16
III	<b>Provisioning required</b>							
1	Standard Assets (0.25,0.40%)	125.43	-	25.32	-	0.50	8.02	159.27
2	Sub-Standard 10% of item II (2)	247.00	-	163.87	-	1.20	41.10	453.16
3(i)	Doubtful Assets							
ii)	20% of item II (3) (i) (a)	0.10	-	91.47	-	-	44.59	136.16
iii)	30% of item II (3) (i) (b)	-	-	101.36	-	1.66	74.52	177.53
iv)	100% of item II (3) (i) ©	-	-	1,128.14	-	-	572.70	1,700.84
v)	100% of item II (3) (ii)	-	-	12.15	-	4.17	257.43	273.74
4	Loss assets 100% of item II (4)	-	-	12.14	-	-	-	12.14
	<b>Total of item III (1) to (4)</b>	372.52	-	1,534.44	-	7.53	998.35	2,912.84
IV.	Provision actually made by the bank for							
	(i) Standard Assets							159.27
	(ii) Impaired credits							2,753.57
	Total:							2,912.84
B.	<b>Income Recognition</b>							
(i)	Total interest/dividend on loans and advances and investments taken to P&L account							8,058.10
(ii)	Of item (i) above, interest accrued but not due							-
(iii)	Of item (i) above, overdue interest accrued and not realised.							-
(iv)	Other income taken to P&L account but not realised.							-
(v)	Provision required to be made for overdue interest and other income taken to P&L a/c							-
(vi)	Provision for overdue interest and other income actually made.							-
C.	<b>Other Assets/Liabilities</b>							
	<b>Particulars</b>					<b>Provision</b>		
i)	Depreciation on investments					<b>Required</b>	<b>Made</b>	
	(a) Govt. Securities/bonds, etc.					-	-	
	(b) Share in other Co.op. Institutions					0.01	0.28	
	(c) Other investments -shares, etc.					-	-	
	<b>Total of (i)</b>					0.01	0.28	





ii)	Frauds, embezzlements etc.					-	-
iii)	P.F., Gratuity, etc.					-	-
iv)	Other liabilities like rent, rates, taxes, etc.					-	-
v)	Contingent/off-balance sheet exposures					-	-
vi)	Interest on deposits and borrowings outstanding as liability					-	-
vii)	Depreciation on other assets like land, building, furniture, fixtures, etc.					-	0.85
viii)	Other assets					76.21	76.21
	<b>Grand Total:</b>					<b>76.22</b>	<b>77.34</b>
D.	(i) Total provision required to be made in Balance Sheet						2,990.18
	(Items III (4) (Col. 8) + B(v) + Total of Col. 2 of part)						
	(ii) Actually made						3,619.88
	(iii) Deficit (-) / Surplus (+)						<b>629.70</b>
	<b>Detail of other Assets</b>						
1	A.R. D.R. recoverable						33.83
2	Sundries recoverable						18.28
3	Books for sale						0.43
4	Secretary pay fund recoverable from Apex bank						23.66
5	Service area approach training expenses recoverable						-
6	Entry outstanding in C.B. Delhi sine long						0.01
	<b>Total:</b>						<b>76.21</b>

#### AUDITORS' REPORT

As per our Seperate report of even date attached

For VRSK & ASSOCIATES (F.NO. 011199N)

CHARTERED ACCOUNTANTS



CA VINEET GUPTA (M.NO. 089823)

PARTNER

PLACE : NEW DELHI

Dated : 30.06.2017



## Part-B:

## Risk Weighted Assets on Balance Sheet - Items

Sr. No.	Description of	Book Value	Margins and Provisions	Net Book Value of Assets	Risk Weight %	Total risk weighted assets (adjusted value)
1	Cash-in-hand	819.22	-	819.22	-	-
2	Balance with					
i) R.B.I.		-	-	-	-	-
ii) Banks (Current A/C)		5,231.06	-	5,231.06	20.00	1,046.21
3	Money at call and notice	-	-	-	-	-
4	All claims on Banks	23,798.87	-	23,798.87	22.50	5,354.75
5	Investment					
I	Investment in Govt. Guarantee & other Trustee securities	17,641.91	-	17,641.91	2.50	441.05
II	Investment in Bonds/Debentures of public financial Institutions	0.50	-	-	22.50	0.11
III	All other investments (SHARE)	533.07	0.28	532.79	102.50	546.11
6	Advances :					
I	Advances guaranteed by Govt.					
II	Advances to Staff	341.25	-	341.25	20.00	68.25
III	Advances against deposits	78.79	-	78.79	-	-
IV	Advances against LIC Policies, IVP & KVP	-	-	-	-	-
V	Advances to Banks/guaranteed by banks	-	-	-	-	-
VI	Advances guaranteed by DICGC, ECGC	-	-	-	-	-
VII	All other advances	66,002.11	2,912.84	63,089.27	100.00	63,089.27
7	Fixed assets (net of depreciation)	209.78	0.85	208.93	100.00	208.93
8	Other Assets :					
I	Tax deducted at source	34.47	-	34.47	100.00	34.47
II	Interest accrued on Govt. guaranteed loans	-	-	-	-	-
III	Claim on R.B.I.	-	-	-	-	-
IV	All other assets (including Branch adjustments, Non-banking assets, interest, accrued on Non-guaranteed loans etc.	214.85	76.21	138.64	100.00	138.64
	<b>Total of Part - B</b>	<b>1,14,905.89</b>	<b>2,990.18</b>	<b>1,11,915.21</b>		<b>70,927.79</b>

## AUDITORS' REPORT

As per our Separate report of even date attached

For VRSK &amp; ASSOCIATES (F.NO. 011199N)

CHARTERED ACCOUNTANTS

CA VINEET GUPTA (M.NO. 089823)

PARTNER

PLACE : NEW DELHI

Dated : 30.06.2017

**THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED, GURGAON**

**Part- C:**

**Off- Balance Sheet Items (Non-Funded Business and Off Balance Sheet Items)**

Sr. No.	Description of	Value of Items (Rs. In lacs)	Credit conversion factor (CCF in %)	Risk weight (%)	Total Risk weighted assets (Rs. In Lacs)
1	Financial guarantees / letter of Credit serving as financial guarantee.	-	-	-	-
2	Performance guarantees/letter of credit relating to particular	-	-	-	-
3	Other Items for which the Bank is Contingently Liable- For Outstanding Traces Demand and Appeal Filed.	357	-	100%	357

**Note:** In all the above cases value in column 3 to be indicated net of cash/deposit

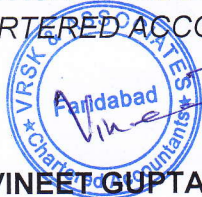
FOR THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED GURGAON

**AUDITORS' REPORT**

*As per our Seperate report of even date attached*

**For VRSK & ASSOCIATES (F.NO. 011199N)**

CHARTERED ACCOUNTANTS



**CA VINEET GUPTA (M.NO. 089823)**

PARTNER

**PLACE : NEW DELHI**

**Dated : 30.06.2017**

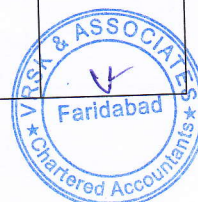


# The Gurgaon Central Co-operative Bank Ltd.

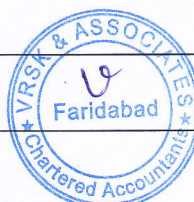
## A N N E X U R E

AUDIT CLASSIFICATION SCALE FOR DCCBs FOR THE YEAR ENDED ON 31.03.2017

Sr. No.	Parameter	Audit Classification	
		DCCBs	
1	Capital Adequacy	15	
	(i) Net worth as percentage to total assets	(i) 5	
	> 5%	5	5
	> 4% to 5%	4	
	> 2% to 4%	2.5	
	> 0.25% to 2%	1.25	
	Less than 0.25%	Nil	
	(ii) Capital to Risk-weighted Assets	(ii) 10	
	9% and above	10	
	7% to < 9%	8	10
	4% to < 7%	5	
	Less than 4%	0	
2	Asset Quality	15	
	(i) Level of NPA (Gross NPA as % to total loans & advances outstanding)	(i) 10	
	Upto 5%	10	
	>5% to 8%	8	
	>8% to 12%	5	5
	>12% to 15%	2.5	
	>15%	Nil	
	(ii) Percentage of provisions made to provisions required to be made	(ii) 5	
	100%	5	5
	76% to 99%	3	
	51% to 75%	2	
	25% to 50%	1	
	Less than 25%	Nil	
3	Management (Marks to be awarded depending on The degree of efficiency under each)	10	
	(i) Leadership Elected Board, Committees including Audit Committee, in position and work like professionals for development of the bank. Regular holding of meetings and reviews of issues like deposit mobilization, recovery performance, investments, audit report, NABARD Inspection Report and review of compliance, etc. by the Board. If the elected Board does not exist the auditor will have to assess the performance of the administrator.	(i) 2	1.5
	(ii) Top Management CEO / GM in place and well versed with the working of the bank. Efficient and effective to implement the policies of the bank which are in conformity with the guidelines of Gol / RBI / NABARD	(ii) 2	1



	(iii) 2 <sup>nd</sup> Line of Management a. Exists will groomed team with succession planning. b. One or two groomed without succession planning. c. Potential officers with some grooming d. Potential officers without grooming	(iii) 2 2 1.6 1 0.5	1.6
	(iv) Organization and job descriptions	(iv) 1	0.5
	(v) Recruitment Policy	(v) 1	0.5
	(vi) Training Full marks if training policy / plan with definite scientific training requirement and long term strategies.	(vi) 1	0.5
	(vii) Rotation of staff Full marks for periodical rotation of job is done for all staff as per policy. Otherwise, marks may be proportionately reduced. No marks for ad hoc/No rotation.	(vii) 1	0.5
4	Earnings (i) Operating Profit [Interest income on loans & advances and investments + other operating income <u>Minus</u> Interest expenses on deposits and borrowings + staff cost + other operating cost like rent, postage & stationery etc. a. If operating profit is more than the provisions required to be made. b. If operating profit cover only 75% of the provisions required to be made. c. If operating profit cover only 50% of the provisions required to be made. d. If operating profit cover only 40% of the provisions required to be made. e. If operating profit cover less than 40% of the provisions required to be made.	10 (i) 5  a. 5 b. 4 c. 2.5 d. 1.25 e. 0	5
	(ii) Net Profit [Operating profit + other income like sale of assets, transfer from reserves etc. <u>Minus</u> other costs, provisions, taxes etc.] a. If net profit is earned after making full provision required to be made and contributed to various reserves as per Bye-laws and surplus available for dividend. b. Net profit but not adequate to declare dividend. c. Net profit but not adequate to contribute to reserves. d. Net profit but not adequate to make provisions to contribute to reserves. e. Net loss	(ii) 5  a. 5  b. 4 c. 2.5 d. 1.25 e. 0	5
5	Liquidity and Funds Management (i) Maintenance of CRR / SLR a. No violation of CRR / SLR. b. No CRR violation but violated SLR not more than 3 occasions. c. No CRR violation but violated SLR on more than 3 occasions. d. CRR violated on more than 2 occasions but no SLR violations. e. Violated both CRR / SLR.	15 (i) 5 a. 5 b. 4  c. 2.5 d. 1.25 d. Nil.	5
	(ii) Timely Repayment of Borrowings a. No default.	(ii) 2 a. 2	2



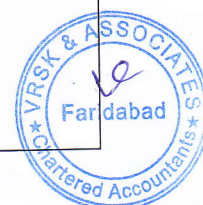


	b. Defaulted but later paid c. Single default. d. Defaulted twice. e. Defaulted more than twice.	b. 0.80 c. 0.50 d. 0.25 e. 0.00	NIL
	(iii) Cash Management Auditors may use their discretion duly examining the review and revision of cash retention limits by the bank, extent of excess retention, period of excess cash retention, etc.	(iii) 1	1
	(iv) ALM/ALCO in position ALM introduced, ALCO formed, meetings held and data on Structural Liquidity & Interest Rate Sensitivity generated  ALM introduced, ALCO formed, but required data not generated regularly ALM introduced, ALCO formed, but no meetings were held and reports generated ALM not introduced	2 2  1.6 1 0	1
	(v) Investment Management Auditors may use their discretion on the basis of bank's framing of investment policy, quality of investments, extent of non-SLR investments, obtaining of permission of RBI and RCS for non-SLR investments, quantum of investments within prescribed ceiling / limits, opening of Constituent SGL A/c etc.	(iv) 2	2
	(vi) Deposit Mobilisation Marks are to be allotted taking into account extent of increase in deposits mobilized over the previous year. a. 15% and above. b. Between 10% and 15% c. Between 5% and 10% d. Between 2% and 5% e. Less than 2%	(v) 2  a. 2 b. 1.6 c. 1 d. 0.5 e. Nil	1
	(vii) Deposit Insurance All assessable deposits properly assessed and all insurance premium paid in time.	1	1
6	Systems & Control (i) Internal Inspection and Internal Audit a. If internal inspection and internal audit system and concurrent audit is in place and implemented effectively. b. If internal inspection and internal audit system is in place but no concurrent audit. c. If any one of the system is in place but delay noticed (delay less than one year) and 75% of the branches are covered. d. If any one of the system is in place but delay more than one year was noticed and 75% of the branches are covered. e. If any one of the system is in place but delay more than one year was noticed and less than 75% of the branches are covered.	20 (i) 2 a. 2  b. 1.6  c. 1  d. 0.5  e. Nil	1
	(ii) Audit Committee of the Board (ACB) a. ACB formed and functioning effectively b. ACB formed, but meetings not held periodically and not effective	2 2 1	1





	c. ACB not formed	0	
	(iii) Loans and advances Policies a. Followed all guidelines, pre-sanction appraisal, post sanction follow-up done and sanction letter issued indicating terms and conditions. b. Sanction is in order no post sanction follow-up. c. Sanction is in order no post sanction follow-up and sanction letter also not noticed. d. Sanction letter issued but no pre-sanction appraisal and post sanction follow-up e. If none and merely allowed draws.	(v) 3 a. 3  b. 2.4 c. 1.5  d. 0.75  e. Nil	1.5
	(iv) Credit Monitoring Arrangements a. No violations of exposure norms b. Exposure norms violated	1 1 0	1
	(v) Accounting Procedure. a. Accounts finalized and financial statements prepared without waiting for audit within three months from the date of balance sheet. b. Accounts finalized and financial statements prepared without waiting for audit within four months from the date of balance sheet. c. Accounts finalized and financial statements prepared without waiting for audit within six months from the date of the balance. d. Accounts finalized with the help of auditors within six months from the date of balance sheet. e. Accounts finalized with the help of auditors and delay was more than six months from the date of balance sheet.	(iii) 2 a. 2  b. 1.5  c. 1  d. 0.5  e. Nil	2
	(vi) House Keeping. a. All books balanced with the general ledger including bank reconciliation and Debit / Credit summation done, etc., without any delay (or delay of less than one month). b. -do- within two months delay. c. Some of the books not balanced and bank reconciliation not done though accounts were closed. d. Books not balanced and waited for auditors to do the job.	(iv) 2 a. 2  b. 1 c. 0.5  d. Nil	0.5
	(vii) Risk Management Systems a. Risk Management Committee (RMC) and Fraud Risk Group formed and functioning satisfactorily b. Risk Management Committee (RMC) formed but meetings not held regularly. But bank has taken adequate steps to identify various risks. c. RMC not formed but bank has taken measures to identify various risks. d. No RMC and no risk management systems in the bank.	(v) 3 3  2.4  1.5  0	1.5
	(viii) Computerization and Core Banking System a. CBS system operational with bank providing RTGS/ NEFT services b. Fully implemented CBS, but yet to offer 'plus' services (RTGS/NEFT) c. Not introduced CBS and no action initiated in this regard.	(vi) 5 a. 5  b. 2  c. 0	2





7.	Compliance	15	
	(i) Compliance to KYC/AML instructions issued by RBI and NABARD	3	2
	(ii) Compliance on Audit Report.	3	1
	(iii) Compliance on NABARD inspection Report	3	1.5
	(iv) Submission of External Returns	2	2
	(v) Submission of OSS returns to NABARD	2	2
	(vi) Progress in implementation of Monitorable Action Plan (MAP)/ plan for improvement of CRAR	3	2.5
	<b>TOTAL:</b>		<b>75.60</b>

**Total marks obtained Seventy Five and Sixty Decimal points.**

**Audit Classification is "A"**

As per our report of even date and notes on accounts attached

For **VRSK & ASSOCIATES**

*Chartered Accountants*

Firm Regn. No. 011199N

**CA Vineet Gupta**

Partner

Membership No. 089823

Date: 30<sup>th</sup> June 2017

Place: New Delhi