



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

*FOR THE YEAR*

*2014-2015*



H. O. : 6/526, Sant Colony, Barahi Road Extn.  
Chhota Hanmman Mandir Gali  
Bahahadurgarh-124507, Haryana

Branch : 212-214, RG Complex - II, Sec.-14  
Rohini, Delhi-110 085, Phone : 2755 5371  
E-mail : sanmig\_ca@yahoo.co.in  
sanjeevkmiglani@gmail.com

**AUDITOR'S 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 31st March, 2015 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 in accordance with the requirements of the Reserve Bank of India, the provisions of the Banking Regulation Act, 1949,. 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.

**Auditor's Responsibility**

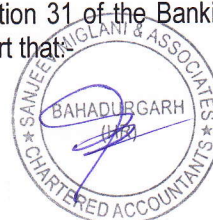
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements .We believe that our audit provides a reasonable basis for our opinion. Company'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 our audit provides a reasonable basis for our opinion.

**Opinion**

6. On the basis of audit procedure indicated above and as required by Section 31 of the Banking Regulation Act, 1949 (as applicable to State and District Central Co-operative Banks) we report that:





- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of audit and have found them to be satisfactory.
  - ii) The transactions of the bank which have come to our notice have been within the competence of the bank.
  - iii) In our opinion, proper books of account as required by law have been kept by the Bank so far, as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches of the bank, subject to else where mentioned in our report.
  - iv) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account and are drawn up in conformity with the law.
  - v) Certain items of Income & Expenditure as stated in the Para 6 of the significant accounting policies are accounted on cash basis as against accrual basis specified under Accounting Standard – 9 on 'Revenue Recognition' issued by 'The Institute of Chartered Accountants of India'.
7. On the basis of the audit as indicated in Para 1 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 explanations given to us and as shown by the books of the 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, in the manner so required for the banking companies and give a true and fair view in conformity with the accounting principles generally accepted in India.
- i) In case of Balance Sheet, of the state of affairs of the bank as on March 31, 2015.
  - ii) In case of Profit and Loss Account, of the profit of the Bank for the year ended on that date.

For **SANJEEV MIGLANI & Associates**

Chartered Accountants

Firm Registration No. 020887

CA. Sanjeev Miglani

Partner

M.No. 091022

Date: 31/ August / 2015

Place: Gurgaon



## ANNEXURE I

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 not created relating to partial amounts collected against share Capital.
2. As per the bye-laws 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 funds.

-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 2010-11. No appropriation of the profit was made of the financial year 2011-12, 2012-13, 2013-14, 2014-15. 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 30.08.2000 issued by Registrar of Co-operative Societies, CCBs to 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 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 2, 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 classification of advances.
5. **Recapitalization Assistance**

State Government wide its letter No. M&P/Instt. /200-1.0/Lg256 dated 31.3.2010 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 8.4.2010 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 adjusting or passing the amount to the PACS.




# The Gurgaon Central Co-operative Bank Limited

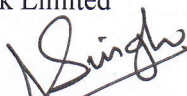
## Balance Sheet as on 31st March 2015

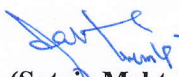
(As per The Third Schedule to the Banking Regulation Act, 1949 applicable to co-operative societies U/s 29 & 31)


	Schedule	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
<b>Capital &amp; Liabilities</b>			
Capital	1	220,098,800.00	206,941,800.00
Reserves & Surplus	2	315,967,746.68	283,519,625.63
Deposits	3	7,147,987,064.16	7,819,921,263.48
Borrowings	4	2,110,833,081.86	2,028,333,081.86
Other liabilities and provisions	5	523,082,285.31	627,024,897.44
<b>Total</b>		<b>10,317,968,978.01</b>	<b>10,965,740,668.41</b>
<b>Assets</b>			
Cash and Balances with Reserve Bank of India	6	74,124,980.24	62,343,189.04
Balances with banks and money at call and short notice	7	403,821,694.36	472,043,850.92
Investments	8	4,330,293,310.82	5,465,465,992.00
Advances	9	5,461,919,849.31	4,915,444,496.97
Fixed Assets	10	24,400,229.37	24,488,853.78
Other Assets	11	23,408,913.91	25,954,285.70
<b>Total</b>		<b>10,317,968,978.01</b>	<b>10,965,740,668.41</b>
Contingent Liabilities	12	30,550,710.00	30,550,710.00
Bills for Collection		5,186,791.00	21,673,903.38
LPO		1,900,400.00	1,930,400.00
Suspense Interest ABC Societies		658,077,141.11	606,533,492.68

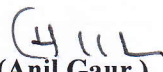
For the Gurgaon Central Co-operative Bank Limited

  
(Surender Singh)  
Junior Accountant

  
(Jitender Singh)  
A.M.(Inspection)

  
(Satvir Mehta)  
General Manager

  
(Yashpal Dahiya)  
ARCS/Administrator

  
(Anil Gaur)  
DRCS/Administrator

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

For Sanjeev Miglani & Associates  
Chartered Accountants  
Firm Regn. No. 020887  
CA Sanjeev Miglani  
Partner  
Membership No. 091022

  
  
31/8/15



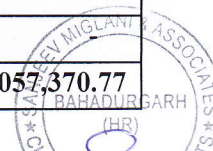
# The Gurgaon Central Co-operative Bank Limited

## Schedule 1: Capital

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
Authorised Capital		
40,00,000 Shares of Rs. 500/- Each	2,000,000,000.00	2,000,000,000.00
Issued, Subscribed and paid up Capital		
5,13,156 Shares of Rs.50/- each (Previous year 5,13,156	25,657,800.00	25,657,800.00
14,88,895 Shares of Rs.100/- each (Previous year	148,889,500.00	148,889,500.00
91103 Shares of Rs.500/- each (Previous year : 64789)	45,551,500.00	32,394,500.00
<b>Total</b>	<b>220,098,800.00</b>	<b>206,941,800.00</b>

## Schedule 2: Reserves & Surplus

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
<b>I. Statutory Reserves</b>		
Opening Balances	46,383,633.61	46,381,263.61
Additions during the year	2,780.00	2,370.00
Deductions during the year	-	-
<b>Total (I)</b>	<b>46,386,413.61</b>	<b>46,383,633.61</b>
<b>II. Agriculture Credit Stabilisation Reserve</b>		
Opening Balances	35,725,599.14	34,685,048.14
Additions during the year	1,071,767.86	1,040,551.00
Deductions during the year	-	-
<b>Total (II)</b>	<b>36,797,367.00</b>	<b>35,725,599.14</b>
<b>III. Building Fund</b>		
Opening Balances	17,660,102.14	17,660,102.14
Additions during the year	-	-
Deductions during the year	-	-
<b>Total (III)</b>	<b>17,660,102.14</b>	<b>17,660,102.14</b>
<b>IV. Share Transfer Reserve</b>		
Opening Balances	26,396,412.12	26,396,412.12
Additions during the year	-	-
Deductions during the year	550.00	-
<b>Total (IV)</b>	<b>26,395,862.12</b>	<b>26,396,412.12</b>
<b>V. Revenue and Other Reserves</b>		
Opening Balances	3,057,370.77	3,057,370.77
Additions during the year	-	-
Deductions during the year	-	-
<b>Total (V)</b>	<b>3,057,370.77</b>	<b>3,057,370.77</b>





# The Gurgaon Central Co-operative Bank Limited

## Schedule 2: Reserves & Surplus

<b>VI. Bad &amp; Doubtful Debt Reserve</b>		
Opening Balances	62,077,773.08	62,077,773.08
Additions during the year	-	-
Deductions during the year		-
<b>Total (VI)</b>	<b>62,077,773.08</b>	<b>62,077,773.08</b>
<b>VII. Balance in Profit and Loss Account</b>		
As per last Balance Sheet	92,218,734.77	3,708,379.15
Profit of the current year	31,374,123.19	88,510,355.62
<b>Total (VII)</b>	<b>123,592,857.96</b>	<b>92,218,734.77</b>
<b>Grand Total (I, II, III, IV, V, VI and VII)</b>	<b>315,967,746.68</b>	<b>283,519,625.63</b>

## Schedule 3: Deposits

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
<b>A. I. Demand Deposits</b>		
(i) From banks	1,677,142.60	1,176,222.40
(ii) From societies	353,662.92	1,120,836.07
(iii) From others	93,062,153.71	66,127,184.53
<b>Total (I)</b>	<b>95,092,959.23</b>	<b>68,424,243.00</b>
<b>II. Savings Bank Deposits</b>		
(i) From societies	308,836,015.75	193,656,474.25
(ii) From others	3,016,870,262.53	3,253,792,244.44
<b>Total (II)</b>	<b>3,325,706,278.28</b>	<b>3,447,448,718.69</b>
<b>III. Term Deposits</b>		
(i) From societies	2,059,926,184.09	2,733,437,610.94
(ii) From others	1,667,261,642.56	1,570,610,690.85
<b>Total (III)</b>	<b>3,727,187,826.65</b>	<b>4,304,048,301.79</b>
<b>Total (I, II and III)</b>	<b>7,147,987,064.16</b>	<b>7,819,921,263.48</b>
<b>B. (i) Deposits of branches in India</b>	<b>7,147,987,064.16</b>	<b>7,819,921,263.48</b>
(ii) Deposits of branches outside India	-	-
<b>Total</b>	<b>7,147,987,064.16</b>	<b>7,819,921,263.48</b>





# The Gurgaon Central Co-operative Bank Limited

## Schedule 4: Borrowings

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
I. Borrowings in India		
(i) Reserve Bank of India	-	-
(ii) Other banks		
- Short term loans	2,010,000,000.00	1,920,000,000.00
- Medium term	53,200.00	53,200.00
- Long term	99,746,800.00	107,246,800.00
(iii) State Government	1,033,081.86	1,033,081.86
II. Borrowings outside India	-	-
<b>Total (I &amp; II)</b>	<b>2,110,833,081.86</b>	<b>2,028,333,081.86</b>
Secured borrowings included in I & II above - Rs.	-	-

## Schedule 5: Other Liabilities and Provisions

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
(i) Bills payable		
(ii) Inter-office adjustments (net) (BRANCH )	93,686.97	-
(iii) Interest accrued	133,808,601.86	246,744,862.52
(iv) Others (including provisions)		
- Suspense	21,064,823.93	29,599,281.40
- Draft issued	713,526.34	713,526.34
- Contingencies	14,771.77	20,459.77
- Draft payable	2,684,790.59	2,687,799.59
- LPO payable	-	-
- Godown fund of credit societies	6,365,778.29	6,224,957.29
- Pay order payable	7,248,780.54	11,925,759.64
- Subsidy reserve fund	61,180,848.00	79,438,077.00
- Provision of gratuity	608,503.00	8,741,520.00
- Provision of leave encashment	8,219,357.00	11,050,238.00
- Income tax payable	25,722,890.00	39,438,344.00
- Recapitalisation assistance	18,523,918.00	18,523,918.00
- Provision for salary (arrear of VI pay commission)		-
- Provision for LTC	-	-
- Provision for CBS operations	-	-
- Fund received from NABARD	19,446.00	37,096.00
- Provision for loan & advances (NPAs)	212,928,944.00	149,327,445.00
- Provision for loss assets	10,137,549.74	10,137,549.74
- Provision against standard assets	13,127,752.13	12,000,219.00
(iv) Others Miscellaneous Liabilities	618,317.15	413,844.15
<b>Total</b>	<b>523,082,285.31</b>	<b>627,024,897.44</b>



# The Gurgaon Central Co-operative Bank Limited

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

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
I. Cash in hand	74,124,980.24	62,343,189.04
II. Balances with Reserve Bank of India		
(i) in Current Account	-	-
(ii) in Other Accounts	-	-
<b>Total (I &amp; II)</b>	<b>74,124,980.24</b>	<b>62,343,189.04</b>

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

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
<b>I. In India</b>		
(i) Balances with banks		
(a) in current accounts	403,821,694.36	472,043,850.92
(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>403,821,694.36</b>	<b>472,043,850.92</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>403,821,694.36</b>	<b>472,043,850.92</b>





# The Gurgaon Central Co-operative Bank Limited

## Schedule 8: Investments

	As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
I. Investments in India in		
(i) Government securities	394,451,360.82	-
(ii) Other approved securities	-	-
(iii) Shares	48,557,100.00	46,357,100.00
(iv) Debentures and Bonds	-	-
(v) Subsidiaries and/or joint ventures	-	-
(v) Other (Fixed Deposits)		
- For SLR	1,343,019,000.00	2,173,312,000.00
- Non - SLR	2,544,265,850.00	3,245,796,892.00
Total	4,330,293,310.82	5,465,465,992.00
II. Investments Outside India in		
(i) Government securities (including local authorities)	-	-
(ii) Subsidiaries and/or joint ventures abroad	-	-
(iii) Other investments (to be specified)	-	-
Total	-	-
Grand Total (I & II)	4,330,293,310.82	5,465,465,992.00

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

For Sanjeev Miglani & Associates

Chartered Accountants

Firm Regn. No. 020887

CA Sanjeev Miglani

Partner

Membership No. 091022

Date: 31 Aug 2015

Place: Gurgaon



# The Gurgaon Central Co-operative Bank Limited

## Schedule 9: Advances

		As on 31.3.2015 (Current year)	As on 31.3.2014 (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	532,146,301.00	407,351,376.00
	- Others	4,466,223,701.32	3,992,787,152.97
	(iii) Term loans		
	- Considered to be bad and doubtful of recovery	183,035,840.00	173,049,097.00
	- Others	280,514,006.99	342,256,871.00
	<b>Total</b>	<b>5,461,919,849.31</b>	<b>4,915,444,496.97</b>
B.	(i) Secured by tangible assets	1,151,467,012.66	1,025,571,379.61
	(ii) Covered by bank/Government guarantees	-	-
	(iii) Unsecured	4,310,452,836.65	3,889,873,117.36
	<b>Total</b>	<b>5,461,919,849.31</b>	<b>4,915,444,496.97</b>
C.	I. Advances in India	-	-
	(i) Priority sectors	5,424,088,515.60	4,877,164,170.26
	(ii) Public sector	-	-
	(iii) Banks	-	-
	(iv) Others (Staff)	37,831,333.71	38,280,326.71
	<b>Total</b>	<b>5,461,919,849.31</b>	<b>4,915,444,496.97</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>5,461,919,849.31</b>	<b>4,915,444,496.97</b>

## Schedule 10: Fixed Assets

		As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
I.	<b>Premises</b>		
	At cost as on 31st March of the preceding year	21,186,078.67	21,081,713.67
	Additions during the year	-	104,365.00
	Deductions during the year	-	-
	Depreciation to date	10,897,072.88	10,154,448.88
	<b>W.D.V. as on 31st March 2014</b>	<b>10,289,005.79</b>	<b>11,031,629.79</b>
II.	<b>Other Fixed Assets</b>		
	(including furniture and fixtures)		
	At cost as on 31st March of the preceding year	31,629,628.44	29,632,877.88
	Additions during the year	3,761,240.08	1,996,750.56
	Deductions during the year	-	-
	Depreciation to date	21,279,644.94	18,172,404.45
	<b>W.D.V. as on 31st March 2014</b>	<b>14,111,223.58</b>	<b>13,457,223.99</b>
	<b>Total (I &amp; II)</b>	<b>24,400,229.37</b>	<b>24,488,853.78</b>

**Schedule 11: Other Assets**

		As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
I.	Inter-Office adjustments (net)	-	-
II.	Interest accrued	22,388.89	-
III.	Tax paid in advances/tax deducted at source	3,446,934.00	3,446,934.00
IV.	Stationery and stamps	1,821,303.64	1,016,517.49
V.	Non-banking assets acquired in satisfaction of claims	-	-
VI.	Others	18,118,287.38	21,490,834.21
	<b>Total</b>	<b>23,408,913.91</b>	<b>25,954,285.70</b>

**Schedule 12: Contingent Liabilities**

		As on 31.3.2015 (Current year)	As on 31.3.2014 (Previous year)
I.	Claims against the bank not acknowledged as debt	-	-
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	30,550,710.00	30,550,710.00
	(b) Outside India	-	-
V.	Acceptances, endorsements and other Obligations	-	-
VI.	Other items for which the bank is contingently liable	-	-
	<b>Total:</b>	<b>30,550,710.00</b>	<b>30,550,710.00</b>

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

For Sanjeev Miglani & Associates

Chartered Accountants

Firm Regn. No. 020887

BAHADURGARH

CA Sanjeev Miglani

Partner

Membership No. 091022

Date: 31 Aug 2015

Place: Gurgaon



## The Gurgaon Central Co-operative Bank Limited

### Schedule 13: Interest Earned

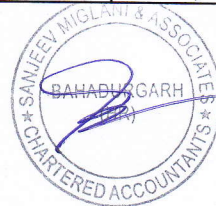
	Year ended 31.03.2015 (Current year)	Year ended 31.03.2014 (Previous year)
I. Interest/discount on advances/bills	333,505,524.25	331,791,828.48
II. Income on investments	-	-
III. Interest on balances with Reserve Bank of India and other Inter-bank funds	492,512,479.00	623,515,903.00
IV. Others	-	-
<b>Total</b>	<b>826,018,003.25</b>	<b>955,307,731.48</b>

### Schedule 14: Other Income

	Year ended 31.03.2015 (Current year)	Year ended 31.03.2014 (Previous year)
I. Commission, exchange and brokerage	2,267,093.80	3,185,510.35
II. Income earned by way of dividends etc.	2,270,848.00	4,312,997.00
III. Miscellaneous income	308,139.00	292,709.00
<b>Total</b>	<b>4,846,080.80</b>	<b>7,791,216.35</b>

### Schedule 15: Interest Expenses

	Year ended 31.03.2015 (current year)	Year ended 31.03.2014 (previous year)
I. Interest on deposits	460,434,744.97	551,559,263.62
II. Interest on Reserve Bank of India/interbank borrowings	95,813,418.00	90,478,889.00
III. Others	-	-
<b>Total</b>	<b>556,248,162.97</b>	<b>642,038,152.62</b>



## The Gurgaon Central Co-operative Bank Limited

### Schedule 16: Operating Expenses

	Year ended 31.03.2015 (Current year)	Year ended 31.03.2014 (Previous year)
I. Payments to and provisions for employees	115,769,386.49	130,352,425.00
II. Rent, taxes and lighting	3,302,988.00	3,278,568.50
III. Printing and stationery	290,206.85	785,887.19
IV. Advertisement and publicity	243,225.00	233,862.30
V. Depreciation on bank's property	3,849,864.49	6,076,096.28
VI. Directors fees, allowances and expenses	66,580.00	399,122.00
VII. Auditors fees and expenses (including branch auditors fees and expenses)	262,150.00	337,580.00
VIII. Law charges	1,136,563.00	549,660.00
IX. Postage, telegrams, telephones, etc	527,220.00	646,833.50
X. Repairs and maintenance	853,031.00	244,958.00
XI. Insurance	8,596,170.00	9,268,603.00
XII. Income Tax	30,199,260.00	42,492,344.00
XII. Other expenditure	13,416,120.93	14,291,835.82
<b>Total</b>	<b>178,512,765.76</b>	<b>208,957,775.59</b>

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

For Sanjeev Miglani & Associates

Chartered Accountants

Firm Regn. No. 020887

CA Sanjeev Miglani

Partner

Membership No. 091022

Date: 31 Aug 2015

Place: Gurgaon




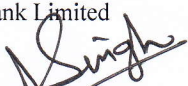
# The Gurgaon Central Co-operative Bank Limited

## Profit & Loss Account for the year ended 31st March 2015

	Schedule	Year Ended 31.3.2015 (Current year)	Year ended 31.03.2014 (Previous year)
<b>I. Income</b>			
Interest earned	13	826,018,003.25	955,307,731.48
Other income	14	4,846,080.80	7,791,216.35
<b>Total</b>		<b>830,864,084.05</b>	<b>963,098,947.83</b>
<b>II. Expenditure</b>			
Interest expended	15	556,248,162.97	642,038,152.62
Operating expenses	16	178,512,765.76	208,957,775.59
Provisions and contingencies		64,729,032.13	23,592,664.00
<b>Total</b>		<b>799,489,960.86</b>	<b>874,588,592.21</b>
<b>III. Profit/Loss</b>			
Net profit/loss (-) for the year		31,374,123.19	88,510,355.62
Profit/Loss (-) brought forward		92,018,734.77	3,508,379.15
<b>Total</b>		<b>123,392,857.96</b>	<b>92,018,734.77</b>
<b>IV. Appropriations</b>			
Transfer to statutory reserves		-	-
Transfer to agriculture credit stabilisation fund		-	-
Transfer to Bad & Doubtful Reserve		-	-
Transfer to building fund		-	-
Transfer to share transfer fund		-	-
Proposed dividend		-	-
Transfer to Employee Welfare fund		-	-
Transfer to rehabilitation fund		-	-
Balance carried over to balance-sheet		123,392,857.96	92,018,734.77
<b>Total</b>		<b>123,392,857.96</b>	<b>92,018,734.77</b>


For the Gurgaon Central Co-operative Bank Limited

  
(Surender Singh)  
Junior Accountant

  
(Jitender Singh)  
A.M.(Inspection)

  
(Satvir Mehta)  
General Manager

  
(Yashpal Dahiya)  
ARCS/Administrator

  
(Anil Gaur)  
DRCS/Administrator

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

For Sanjeev Miglani & Associates

Chartered Accountants

Firm Regn. No: 020887

CA Sanjeev Miglani

Partner

Membership No. 091022

Date: 31 Aug 2015

Place: Gurgaon



# GURGAON CENTRAL CO-OPERATIVE BANK LIMITED

## NOTES FORMING PART OF THE BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2015 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2015

### 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 accrual concept of accounting, unless otherwise stated. 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 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 2015.

#### 5. FIXED ASSETS & DEPRECIATION

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

##### (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.

##### © 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 an cash basis except to those whose provisions has been made.
- (b) Interest income is recognized in the Profit & Loss Account when it is realized as per the Prudential Norms of BARCO Bank & RCS. 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 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 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.
- (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 which is administered by a duly constituted and approved independent trust. Contribution to Provident Fund is accounted on accrual basis with corresponding contribution to recognized fund.
- (b) Bank's contributions to Pension Fund are accounted for on the basis of contribution to the Fund.
- (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.
- (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 yearend 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. are done.

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.

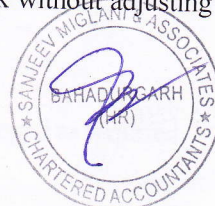
Contingent assets are not recognized in the financial statements.

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.

**B. NOTES ON ACCOUNTS**

1. **Arrears in Collection of Share Capital**  
As per the position of Linkage of Shares with the total borrowings by Societies as on 31.03.2015, there is deficit of Rs.104.03 Lacs. (The Deficit amount is as per the books of Pacs, provided by the bank.)
2. Out of total Advances of Rs.54619.20 Lacs, total NPA is Rs. 7151.83 Lacs.
3. Gross NPA has grown from 11.81% to 13.09 % of total advances and total NPA has increased from Rs.5804.00 Lacs to Rs. 7151.83 Lacs.
4. 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.
5. **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.
6. Insurance expenditure includes Deposit Insurance Premium of Rs.83,69,177/- paid to Deposit Insurance & Credit Guarantee Corporation.
7. **Recapitalization Assistance**  
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 Utilisation 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.





8. Foreign Currency Transaction  
No Foreign Currency Transactions took place during the year under audit.
9. Realizable value of Other Assets
- Current assets except doubtful in nature would realize at least the amount at which these are stated in the Balance Sheet.
  - 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.

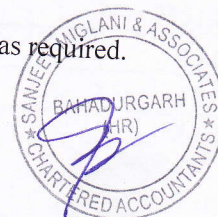
Sr. No.	Assets	Amount (in Lacs)
1.	Bank Robbery	40.00
2.	ARDD Recoverable	33.83
3.	Sundries Recoverable	2.71
4.	Books for sale	0.55
5.	Secy. Pay Fund recoverable from Apex Bank	23.66

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

Branch Name	Amount (in Lacs)
Basai	74.39
Sancholi	22.81
Badshahpur	11.98
Toaru	242.33
Nuh	311.38
Malab	226.69
Ujina	419.24
Mandikhhera	212.43
Pinangwan	2.21
Tigaon	28.50
Singar	149.07
Rawli	435.43
Punahana	339.76
Bisru	527.18
F.P. Jhirka	38.16
Jamalgarh	1144.18
<b>Total</b>	<b>4185.74</b>

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

11. The bank is a Co-operative Society, registered under the Co-operative Society Act, 1984 and there are no related parties requiring a disclosure under Accounting Standard – 18 issued by the Institute of Chartered Accountants of India, other than one Key Managerial Personnel, viz Shri Satvir Mehta, General Manager of the Bank. However, in terms of RBI circular dated 29.03.2003, he being single party coming under the category, no further details need to be disclosed.
12. The figures of the last year has been regrouped or rearranged as required.





13. Calculation of Basic E.P.S. & Diluted E.P.S.

PARTICULARS	As on 31.03.2015 (Current Year)	As on 31.03.2014 (Previous Year)
a) Net Profit after Tax (Rs.)	31374123.19	88510355.62
b) Weighted Average number of Shares	440197.6	413883.6
c) Earnings per share (a/b)	71.27	213.85

NOTE:- For the purpose calculation of weighted average no. of shares, the price of shares is taken for Rs. 500/- per share

14. Following additional disclosures are made:

		(Rs. In Lacs)	
Sr. 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	13430.19	13430.19
ii)	Government securities	3944.51	3944.51
	<b>Total</b>	<b>17374.70</b>	<b>17374.70</b>
b)	<b><u>Non S.L.R. Investment</u></b>		
i)	Shares	485.57	485.57
ii)	Fixed Deposit with Apex Bank	3870.00	3870.00
iii)	Fixed Deposit with PNB	1200.00	1200.00
iv)	Fixed Deposit with Punjab & Sindh Bank	6253.99	6253.99
v)	Fixed Deposit with IDBI Bank	5400.00	5400.00
vi)	Fixed Deposit with CORPORATION BANK	3800.00	3800.00
vii)	Fixed Deposit with Uco Bank	1133.60	1133.60
viii)	Fixed Deposit with DCB	3785.07	3785.07
	<b>Total :</b>	<b>25928.23</b>	<b>25928.23</b>
	<b>Grand Total :</b>	<b>43302.93</b>	<b>43302.93</b>
2	Advances to directors, their relatives, Companies/Firms in which they are interested.	As on 31.03.2015	As on 31.03.2014
a)	Fund-Based	Nil	Nil
b)	Non fund based (Guarantees, L/C, etc.)	Nil	Nil
3	Cost of deposits - Average cost of deposits (%)	6.44	6.92
4	NPA's		
a)	Gross NPA's	7151.83	5804
b)	Net NPA's	7151.83	5804
c)	Percentage of gross NPA's to total advances and	13.09	11.81
d)	Percentage of net NPA's to net advances	13.09	11.81





5	Movement of NPA's	1347.83	1574.52
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6	Profitability		
a)	Interest income as a percentage of working funds	8.44	9.20
b)	Non interest income as a percentage of working funds	0.05	0.07
c)	operating profit as a percentage of working funds	0.96	1.04
d)	Return on Assets	0.30	0.81
e)	Business (Deposits + Advances) per employee	907.18	860.50
f)	Profit per employee	2.25	5.98

7	<b>Provisions</b>		
a)	Provisions on NPA's required to be made	2129.29	1493.27
b)	Provisions on NPA's actually made	2857.78	2221.76
c)	Provisions required to be made in respect of overdue interest taken into income account, gratuity fund, leave encashment, provident fund arrears in reconciliation of inter-branch account etc.	88.28	197.92
d)	Provision actually made in respect of overdue interest taken into income account, Gratuity fund, provident fund, leave encashment and arrears in reconciliation of inter-branch account.	88.28	197.92
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	<b>Movement in Provisions</b>		
a)	Towards NPA's	636.02	271.97
b)	Towards Standard Assets	11.28	-36.05

9	Payment of insurance premia to the DICGC, including arrears, if any	83.69	89.59
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10	Penalty imposed by RBI for any violation	0.00	0.00
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11	Information on extent of arrears in reconciliation of inter-bank and inter-branch accounts		
	<p>Proper procedure for the reconciliation of H.O &amp; branch a/c has not been followed .it is observed that reconciliation of H.O a/c with branch a/c is done after combining the balance of intersol transaction a/c &amp; branch a/c together . Account of H.O with Gurgaon branch is still pending for reconciliation , the outstanding amount of Rs. 93686.97 is in the branch adjustment a/c. There was no periodical review of the same. It was therefore, necessary that the bank should introduce an effective system for the reconciliation of H.O &amp; branch a/c , keeping separate from intersol transaction to provide safeguard against possible irregularities &amp; fraudulent practices, in the present scenario.</p>		



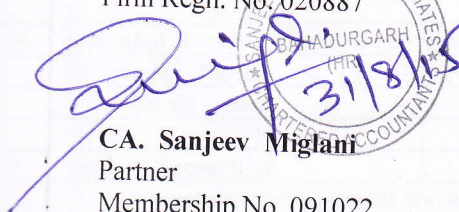


12	Internal control & checks
	The banks management had not given proper importance to systems, procedures, internal checks and controls. There was no periodical review of the same. It was therefore, necessary that the bank should introduce an effective system of checks and proper procedures, to ensure 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.

For the Gurgaon Central Co-operative Bank Limited

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

For Sanjeev Miglani & Associates  
Chartered Accountants  
Firm Regn. No. 020887

  
CA. Sanjeev Miglani  
Partner  
Membership No. 091022

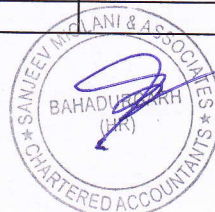
Date : 31 August, 2015

Place : Gurgaon

**THE GURGAON CENTRAL COOPERATIVE BANK LIMITED GURGAON**

**Assets Classification and Provisioning statement for the year 31 March, 2015**

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	Amount Outstanding	42072.06	0.00	7911.64	0.00	225.14	4410.36	54619.20
II	<b>Assets Classification</b>							
1	Standard	39061.32	0.00	5600.91	0.00	175.83	2629.31	47467.38
2	Sub-Standard	2399.98	0.00	935.64	0.00	44.80	843.25	4223.68
3	Doubtful							
i)	Secured Loans							
a)	D 1	421.57	0.00	213.30	0.00	0.44	141.73	777.04
b)	D 2	189.19	0.00	380.84	0.00	0.00	286.54	856.56
c)	D 3	0.00	0.00	765.46	0.00	0.00	286.02	1051.48
ii)	Unsecured Loans	0.00	0.00	3.24	0.00	4.07	223.51	230.83
4	Loss Assets	0.00	0.00	12.24	0.00	0.00	0.00	12.24
	<b>Total</b>	42072.06	0.00	7911.64	0.00	225.14	4410.36	54619.20
III	<b>Provisioning required</b>							
1	Standard Assets (0.25,0.40%)	97.65	0.00	22.40	0.00	0.70	10.52	131.28
2	Sub-Standard 10% of item II (2)	240.00	0.00	93.56	0.00	4.48	84.33	422.37
3(i)	Doubtful Assets							
ii)	20% of item II (3) (i) (a)	84.31	0.00	42.66	0.00	0.09	28.35	155.41
iii)	30% of item II (3) (i) (b)	56.76	0.00	114.25	0.00	0.00	85.96	256.97
iv)	100% of item II (3) (i) ©	0.00	0.00	765.46	0.00	0.00	286.02	1051.48
v)	100% of item II (3) (ii)	0.00	0.00	3.24	0.00	4.07	223.51	230.83
4	Loss assets 100% of item II (4)	0.00	0.00	12.24	0.00	0.00	0.00	12.24
	<b>Total of item III (1) to (4)</b>	478.72	0.00	1053.82	0.00	9.34	718.68	2260.57
IV.	Provision actually made by the bank for							
	(i) Standard Assets							131.28
	(ii) Impaired credits							2129.29
	Total:							2260.57
B.	<b>Income Recognition</b>							
(i)	Total interest/dividend on loans and advances and investments taken to P&L account							8282.889
(ii)	Of item (i) above, interest accrued but not due							0
(iii)	Of item (i) above, overdue interest accrued and not realised.							0
(iv)	Other income taken to P&L account but not realised.							0
(v)	Provision required to be made for overdue interest and other income taken to P&L a/c							0
(vi)	Provision for overdue interest and other income actually made.							0
C.	<b>Other Assets/Liabilities</b>							
	Particulars							
i)	Depreciation on investments							
						Required	Made	
	(a) Govt. Securities/bonds, etc.					0.00	0.00	
	(b) Share in other Co.op. Institutions					0.01	0.28	
	(c) Other investments -shares, etc.					0.00	0.00	
	<b>Total of (i)</b>					0.01	0.28	





ii)	Frauds, embezzlements etc.				40.00	40.00
iii)	P.F., Gratuity, etc.				0.00	0.00
iv)	Other liabilities like rent, rates, taxes, etc.				0.00	0.00
v)	Contingent/off-balance sheet exposures				0.00	0.00
vi)	Interest on deposits and borrowings outstanding as liability				0.00	0.00
vii)	Depreciation on other assets like land, building, furniture, fixtures, etc				0.00	0.85
viii)	Other assets				61.38	61.38
	<b>Grand Total:</b>				<b>101.39</b>	<b>102.51</b>
D.	(i) Total provision required to be made in Balance Sheet					2363.08
	(Items III (4) (Col. 8) + B(v) + Total of Col. 2 of part)					
	(ii) Actually made					2989.06
	(iii) Deficit (-) / Surplus (+)					625.98

	<b>Detail of other Assets</b>					
1	A.R. D.Rs recoverable					33.83
2	Sundries recoverable					40.55
3	Books for sale					7.16
4	Secretary pay fund recoverable from Apex bank					23.66
5	Service area approach training expenses recoverable					0.00
6	Entry outstanding in C.B. Delhi sine long					0.01
	<b>Total:</b>					<b>105.21</b>

As per our Report of even date and notes on account attached

For Sanjeev Miglani & Associates.

Chartered Accountants

Firm Regn. No. 020887

CA Sanjeev Miglani

Partner

Membership No. 091022

Date: 31 Aug, 2015

Place: Gurgaon

**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 Exprsures and Risk Assets ratio

Part: Capital Funds and Risk Assets Ratio as on 31.3.2015

A:

Sr. No.	Items	
A:	<b><u>Tier I Capital elements</u></b>	
a)	Paid up Share Capital	2,066.65
b)	Statutory Reserves	463.86
c)	Capital Reserves	0.00
d)	Other Disclosed free reserves	994.41
e)	Un disbursed profit	1235.93
	<b><u>Total of A</u></b>	<b>4760.85</b>
	Less: Intengible Assets and Losses:	
B	<b><u>Tier II Capital elements</u></b>	
a)	Undisclosed Reserves	
b)	Revaluation Reserves	
c)	General Provisions and loss provision	752.06
d)	Subordinatd debts	
	<b><u>Total of B</u></b>	<b>752.06</b>
C	<b><u>Grand Total (A+B)</u></b>	<b>5512.91</b>
	<b><u>Risk Assets:</u></b>	
a)	Adjusted value of funded risk assets on B/S items (Part-B)	62456.99
b)	Adjusted value of Non-funded and Off balance sheet items (Part-C)	305.51
c)	<b><u>Total Risk Weighted Assets (a+b)</u></b>	<b>62762.50</b>
	Percentage of Capital funds to risk weighted assets	8.78

As per our Report of even date and notes on account attached

Sanjeev Miglani & Associates

Chartered Accountants

CA. Sanjeev Miglani

Partner

Membership No. 091022

Firm Regn. No. 020887

Date: 31 Aug, 2015

Place : Gurgaon



## Risk Weighted Assets on Balance Sheet - Items

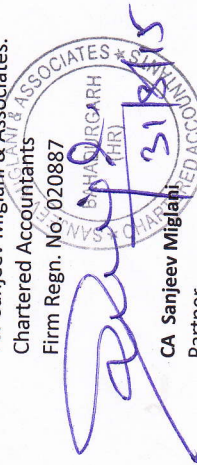
Sr. No.	Description of	Book Value	Margins and Provisions	Net Book Value of Assets	Risk Weight %	Total risk weighted assets (adjusted value)
1	Cash-in-hand	741.25	0.00	741.25	0	0.00
2	Balance with					
i)	R.B.I.					
ii)	Banks (Current A/C)	4038.22	0.00	4038.22	20	807.64
3	Money at call and notice					
4	All claims on Banks	38872.85	0.00	38872.85	22.5	8746.39
5	Investment					
I	Investment in Govt. Guarantee & other Trustee securities	3944.51	0.00	3944.51	2.5	98.61
II	Investment in Bonds/Debentures of public financial Institutions	0.50			22.5	0.11
III	All other investments (SHARE)	485.07	0.28	484.79	102.5	496.91
6	Advances :					
I	Advances guaranteed by Govt.					
II	Advances to Staff	378.31	0.00	378.31	20	75.66
III	Advances against deposits	124.52	0.00	124.52	0	0.00
IV	Advances against LIC Policies, IVP & KVP					
V	Advances to Banks/guaranteed by banks					
VI	Advances guaranteed by DICGC, ECGC					
VII	All other advances	54116.37	2260.57	51855.80	100	51855.80
7	Fixed assets (net of depreciation)	244.00	0.85	243.15	100	243.15
8	Other Assets :					
I	Tax deducted at source	34.47	0.00	34.47	100	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.	199.62	101.38	98.24	100	98.24
	<b>Total of Part - B</b>	<b>103179.69</b>	<b>2363.08</b>			<b>62456.99</b>

As per our Report of even date and notes on

For Sanjeev Miglani &amp; Associates.

Chartered Accountants

Firm Regn. No. 020887



CA Sanjeev Miglani,

Partner

Membership No. 091022

Date: 31 Aug, 2015

Place: Gurgaon

**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.	305.51	0	100	305.51
2	Performance guarantees/letter of credit relating to	0.00	0	0	0.00

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

FOR THE GURGAON CENTRAL CO-OPERATIVE BANK LIMITED GURGAON

As per our Report of even date and notes on account attached

For Sanjeev Miglani & Associates.

Chartered Accountants

Firm Regn. No. 020887

CA Sanjeev Miglani

Partner

Membership No. 091022

Date: 31 Aug, 2015

Place : Gurgaon

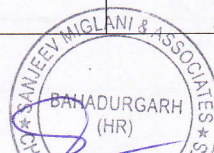


# The Gurgaon Central Co-operative Bank Ltd.

## A N N E X U R E

### AUDIT CLASSIFICATION SCALE FOR DCCBs FOR THE YEAR ENDED ON 31.03.2015

Sr. No.	Parameter	Audit Classification	
		DCCBs	
1	Capital Adequacy (i) Net worth as percentage to total assets > 5% > 4% to 5% > 2% to 4% > 0.25% to 2% Less than 0.25%	15 (i) 5 5 4 2.5 1.25 Nil	5
	(ii) Capital to Risk-weighted Assets 9% and above 7% to < 9% 4% to < 7% Less than 4%	(ii) 10 10 8 5 0	0
2	Asset Quality (i) Level of NPA (Gross NPA as % to total loans & advances outstanding) Upto 5% >5% to 8% >8% to 12% >12% to 15% >15%	15 (i) 10  10 8 5 2.5 Nil	2.5
	(ii) Percentage of provisions made to provisions required to be made 100% 76% to 99% 51% to 75% 25% to 50% Less than 25%	(ii) 5  5 3 2 1 Nil	5
3	Management (Marks to be awarded depending on The degree of efficiency under each) (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.	10  (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





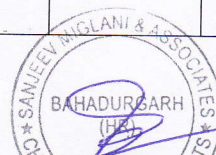
	(iii) 2 <sup>nd</sup> Line of Management a. Exists will groomed team with succession planning. b. One or two groomed without succession planning. c. Potential officers with some grooming d. Potential officers without grooming	(iii) 2 2 1.6 1 0.5	1.6
	(iv) Organization and job descriptions	(iv) 1	0.5
	(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	4
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	0
	(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	NIL
	(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 drawls.	(v) 3 a. 3  b. 2.4 c. 1.5  d. 0.75  e. Nil	2.4
(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	1
(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	1
(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	0
(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	3





7.	Compliance	15	
	(i) Compliance to KYC/AML instructions issued by RBI and NABARD	3	2
	(ii) Compliance on Audit Report.	3	1.5
	(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
	<b>TOTAL:</b>		<b>60.00</b>

**Total marks obtained sixty points as per Audit Classification . 'B'**

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

For SANJEEV MIGLANI & Associates

Chartered Accountants

Firm Regn. No. 020887

(HR)

CA Sanjeev Miglani

Partner

Membership No. 091022

Date: 31 August 2015

Place: Gurgaon