



# JAIN & KUCHHAL

Chartered Accountants

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## AUDITORS' REPORT

To  
The Shareholders

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Sarva Haryana Gramin Bank, Rohtak as at 31<sup>st</sup> March, 2017, which comprise the Balance Sheet as at March 31, 2017 and Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 23 branches audited by us and 506 branches audited by branch auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the NABARD. Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 101 branches which have not been subjected to audit.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Laws of India. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us:
  - (i) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31<sup>st</sup> March 2017 in conformity with accounting principles generally accepted in India;

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- (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account.

**Report on other Legal and Regulatory Requirements**

7. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Regional Rural Banks Act, 1976, and subject also to the limitations of disclosure required therein, 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 purposes of our audit and have found them to be satisfactory.
- (b) The transactions of the Bank, which have come to our notice have been within the powers of the Bank.
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
9. In our opinion, the Balance Sheet and Profit and Loss Account comply with the applicable accounting standards.

Rohtak  
May 08, 2017



For M/s Jain & Kuchhal  
Chartered Accountants

  
CA Sanjeev Kuchhal, Partner

(F.C.A., Membership No.087377)  
(Firm Regn. No.08783N)

# SARVA HARYANA GRAMIN BANK

HO: ROHTAK

FORM 'A'

BALANCE SHEET AS ON 31.03.2017

PARTICULARS	SCHEDULE	AS ON 31.03.2017	AS ON 31.03.2016
<b>(Rupees)</b>			
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	462,756,360	462,756,360
Reserves & Surplus	2	15,398,910,820	14,378,870,211
Deposits	3	120,305,025,736	101,236,946,897
Borrowings	4	8,474,973,298	13,115,246,673
Other Liabilities & Provisions	5	865,928,156	1,082,115,679
<b>TOTAL</b>		<b>145,507,594,370</b>	<b>130,275,935,820</b>
<b>ASSETS</b>			
Cash & balances with Reserve Bank of India	6	5,375,221,519	4,287,366,095
Balance with Banks & Money at Call & Short Notice	7	17,761,158,607	25,485,614,522
Investments	8	43,049,822,523	28,757,017,403
Advances	9	74,323,449,948	67,774,910,445
Fixed Assets	10	675,880,017	542,187,004
Other Assets	11	4,322,061,756	3,428,840,351
<b>TOTAL</b>		<b>145,507,594,370</b>	<b>130,275,935,820</b>
Contingent Liabilities	12	282,831,003	170,398,389
Bills for Collection (Contra Items)		468,488,120	358,152,090

*S. R. Singh*  
S. R. Singh  
General Manager

*S. R. Agarwal*  
S. R. Agarwal  
Director

Surender Singh  
Director

*S.K. Sharma*  
S.K. Sharma  
Director

R.S.Dhillon  
Director

*M.P. Singh*  
Dr. M. P. Singh  
Chairman

*Rachna Dikshit*  
Smt. Rachna Dikshit  
Director

*Kiran Lekha Walla*  
Kiran Lekha Walla  
Director

Place: ROHTAK  
Date: May 08, 2017



For M/s Jain & Kuchhal  
Chartered Accountants  
(Firm Regn. No. 08783N)

*Sanjeev Kuchhal*  
CA Sanjeev Kuchhal, Partner  
(FCA, M.No. 087377)


# SARVA HARYANA GRAMIN BANK

HO: ROHTAK

## FORM 'B' PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2017

PARTICULARS	SCHEDULE	(Rupees)	
		Year ended 31.03.2017	Year ended 31.03.2016
<b>1 INCOME</b>			
Interest earned	13	11,518,180,569	11,413,321,075
Other Income	14	934,346,704	397,162,024
<b>TOTAL</b>		<b>12,452,527,273</b>	<b>11,810,483,099</b>
<b>2 EXPENDITURE</b>			
Interest expended	15	6,734,643,862	6,671,720,044
Operating Expenses	16	2,856,557,187	2,649,600,108
Provision and Contingencies		1,329,799,689	953,663,266
<b>TOTAL</b>		<b>10,921,000,738</b>	<b>10,274,983,418</b>
<b>3 PROFIT/(LOSS)</b>			
Net Profit for the year before Tax		1,531,526,535	1,535,499,681
Less: Provision for Income Tax		511,485,926	523,149,149
Net Profit for the year after Tax		1,020,040,609	1,012,350,532
Add/Less: Profit/ (Loss) brought forward		-	-
<b>Profit available for Appropriation</b>		<b>1,020,040,609</b>	<b>1,012,350,532</b>
<b>4 APPROPRIATIONS</b>			
TRANSFERRED TO:			
Statutory Reserve		255,010,152	253,087,633
Capital Reserve		-	8,095,000
Special Reserve as per Income Tax Act		14,000,000	14,000,000
Revenue & other Reserves		751,030,457	736,271,510
Investment Fluctuation Reserve		-	896,389
<b>TOTAL</b>		<b>1,020,040,609</b>	<b>1,012,350,532</b>
Earning Per Share (Rs.)		22.04	21.88

The Schedules 1 to 16 form an integral part of the Accounts.

  
S. R. Singh  
General Manager

  
Dr. M. P. Singh  
Chairman

  
S. R. Agarwal  
Director

  
S.K. Sharma  
Director

  
Smt. Rachna Dikshit  
Director

  
Surender Singh  
Director

  
R.S.Dhillon  
Director

  
Kiran Lekha Walla  
Director

Place: ROHTAK  
Date: May 08, 2017



For M/s Jain & Kuchhal  
Chartered Accountants  
(Firm Regn. No. 08783N)

  
GA Sanjeev Kuchhal, Partner  
(FCA, M.No. 087377)

**SARVA HARYANA GRAMIN BANK**  
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2017	AS ON 31.03.2016
<b>SCHEDULE-1 CAPITAL</b>		
Authorised Capital ( 2,000,000,000 Shares of Rs. 10/- each)	20,000,000,000	20,000,000,000
Issued, Subscribed & Called -up Capital (46,275,636 Shares of Rs.10/- each)	<b>462,756,360</b>	<b>462,756,360</b>
<b>SCHEDULE-2 RESERVES &amp; SURPLUS</b>		
<b>1 STATUTORY RESERVES</b>		
i) Opening Balance	3,765,251,377	3,512,163,744
ii) Addition during the Year	255,010,152	253,087,633
iii) Deduction During the Year	-	-
iv) Balance	<b>4,020,261,529</b>	<b>3,765,251,377</b>
<b>2 CAPITAL RESERVES</b>		
i) Opening Balance	31,596,798	23,501,798
ii) Addition during the Year	-	8,095,000
iii) Balance	<b>31,596,798</b>	<b>31,596,798</b>
<b>3 Special Reserve under Sec.36(1)(viii) of Income Tax Act</b>		
i) Opening Balance	124,200,000	110,200,000
ii) Addition during the Year	14,000,000	14,000,000
iii) Balance	<b>138,200,000</b>	<b>124,200,000</b>
<b>4 REVENUE AND OTHER RESERVES</b>		
<b>Other Free Reserves</b>		
i) Opening Balance	10,445,581,473	9,709,309,964
ii) Addition during the Year	751,030,457	736,271,509
iii) Balance	<b>11,196,611,930</b>	<b>10,445,581,473</b>
<b>Investment Fluctuation Reserve</b>		
i) Opening Balance	12,240,563	11,344,174
ii) Addition during the Year	-	896,389
iii) Balance	<b>12,240,563</b>	<b>12,240,563</b>
<b>PROFIT &amp; LOSS A/C</b>		
i) Opening Balance	-	-
ii) Addition during the Year	751,030,457	736,271,509
iii) Transfer from Provisions	-	-
iv) Transfer to Reserves	751,030,457	736,271,509
v) Balance in Profit and Loss Account	-	-
<b>TOTAL</b>	<b>15,398,910,820</b>	<b>14,378,870,211</b>



**SARVA HARYANA GRAMIN BANK**  
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2017	AS ON 31.03.2016
<b>SCHEDULE-3 DEPOSITS</b>		
<b>1 DEMAND DEPOSITS</b>		
i) From Banks	-	-
ii) From Others	1,967,266,835	1,459,768,911
<b>2 SAVINGS BANK DEPOSITS</b>	66,498,567,618	51,261,893,102
<b>3 TERM DEPOSITS</b>		
i) From Banks	1,876,968,733	3,141,777,714
ii) From Others	49,962,222,550	45,373,507,170
<b>TOTAL (1+2+3)</b>	<b>120,305,025,736</b>	<b>101,236,946,897</b>
1) Deposits of Branches in India	120,305,025,736	101,236,946,897
2) Deposits of Branches Outside India	-	-
<b>TOTAL</b>	<b>120,305,025,736</b>	<b>101,236,946,897</b>
<b>SCHEDULE-4 BORROWINGS</b>		
<b>1 BORROWINGS IN INDIA</b>		
i) Reserve Bank of India	-	-
ii) Other Banks	1,397,024,692	2,943,395,378
iii) Other Institutions	7,077,948,606	10,171,851,295
<b>2 BORROWING FROM OUTSIDE INDIA</b>	-	-
<b>TOTAL</b>	<b>8,474,973,298</b>	<b>13,115,246,673</b>
<b>SCHEDULE-5 OTHER LIABILITIES &amp; PROVISIONS</b>		
1 Bills Payable	194,142,176	178,176,030
2 Inter Office Adjustments( Net)	10,025,251	10,030,998
3 Interest Accrued	39,723,877	221,752,864
4 Others (Including Provisions)	622,036,852	672,155,787
<b>TOTAL</b>	<b>865,928,156</b>	<b>1,082,115,679</b>



**SARVA HARYANA GRAMIN BANK**  
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2017	AS ON 31.03.2016
<b>SCHEDULE-6 CASH AND BALANCE WITH RESERVE BANK OF INDIA</b>		
1 Cash in Hand	542,208,302	451,930,051
2 Balance with Reserve Bank Of India In Current Accounts	4,833,013,217	3,835,436,044
<b>TOTAL</b>	<b>5,375,221,519</b>	<b>4,287,366,095</b>

<b>SCHEDULE-7 BALANCES WITH BANKS &amp; MONEY AT CALL &amp; SHORT NOTICES</b>		
<b>1 IN INDIA</b>		
i) Balance with Banks:		
In Current Accounts	174,403,079	339,311,663
In Other Deposit Accounts	17,586,755,528	25,146,302,859
ii) Money at Call & Short Notice		
With Banks	-	-
With Other Institutions	-	-
<b>TOTAL</b>	<b>17,761,158,607</b>	<b>25,485,614,522</b>
<b>2 OUTSIDE INDIA</b>	-	-
<b>GRAND TOTAL</b>	<b>17,761,158,607</b>	<b>25,485,614,522</b>

**SCHEDULE-8 INVESTMENT**

**INVESTMENTS IN INDIA**

1. Government Securities	30,402,754,021	21,138,496,181
2. Other Approved Securities	-	-
3. Debentures and Bonds	6,364,507,015	2,867,830,490
4. Equity Shares	1,495,987	2,574,232
5. Subsidiaries and/or Joint Ventures	-	-
6. Others	6,281,065,500	4,748,116,500
<b>TOTAL</b>	<b>43,049,822,523</b>	<b>28,757,017,403</b>



**SARVA HARYANA GRAMIN BANK**  
HO: ROHTAK

PARTICULARS	AS ON 31.03.2017	AS ON 31.03.2016
(Rupees)		
<b>SCHEDULE-9 ADVANCES</b>		
A) i) Bills Purchased & Discounted	1	-
ii) Cash credit, Overdraft & Loans repayable on Demand	55,806,251,776	42,508,649,535
iii) Term Loan	18,517,198,171	25,266,260,910
<b>TOTAL</b>	<b>74,323,449,948</b>	<b>67,774,910,445</b>
B) i) Secured by tangible assets	70,270,312,948	63,269,954,195
ii) Covered by Bank/Govt. Guarantees	89,388,000	96,674,250
iii) Unsecured	3,963,749,000	4,408,282,000
<b>TOTAL</b>	<b>74,323,449,948</b>	<b>67,774,910,445</b>
C) <b>ADVANCES IN INDIA</b>		
i) Priority Sector	68,634,785,648	54,477,821,445
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	5,688,664,300	13,297,089,000
<b>TOTAL</b>	<b>74,323,449,948</b>	<b>67,774,910,445</b>

**SCHEDULE-10 FIXED ASSETS**

**LAND AND BUILDING**

i) At Cost as on 31st March of the preceeding year	86,665,750	86,665,750
ii) Addition during the Year	157,614,805	-
iii) Deduction During the Year	-	-
iv) Depreciation to Date	(23,763,078)	(21,888,034)
v) Work in progress	-	101,678,181
<b>TOTAL (A)</b>	<b>220,517,477</b>	<b>166,455,897</b>

**OTHER FIXED ASSETS  
(INCLUDING FURNITURE AND FIXTURE)**

i) At Cost as on 31st March of the preceeding year	895,852,985	834,678,521
ii) Addition during the Year	163,387,151	73,839,127
iii) Deduction During the Year	(29,130,298)	(12,664,663)
	1,030,109,838	895,852,985
Depreciation to Date	(574,747,298)	(520,121,878)
<b>TOTAL (B)</b>	<b>455,362,540</b>	<b>375,731,107</b>

**GRAND TOTAL**

<b>675,880,017</b>	<b>542,187,004</b>
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**SARVA HARYANA GRAMIN BANK**  
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2017	AS ON 31.03.2016
<b>SCHEDULE-11 OTHER ASSETS</b>		
1 Inter Office Adjustments	-	-
2 Interest Accrued	2,247,749,540	2,106,519,448
3 Tax Paid in advance/ Tax deducted at Sources(TDS)	192,489,999	185,499,995
4 Stationery and Stamps	20,605,278	20,197,762
5 Non-Banking assets acquired in Satisfaction of Claim	80,000	62,000
6 Others	1,861,136,939	1,116,561,146
<b>TOTAL</b>	<b>4,322,061,756</b>	<b>3,428,840,351</b>

**SCHEDULE-12 CONTINGENT LIABILITIES**

1 Claims against the bank not acknowledged as debts	-	-
2 Liabilities for partly paid investments	-	-
3 Liabilities on account of outstanding forward exchange contracts	-	-
4 Guarantees given on behalf of constituents.		
a) In India	178,576,850	170,398,389
b) Outside India	-	-
5 Acceptances, endorsements and other obligations	-	-
6 Other items for which the bank is contingently liable	104,254,153	-
<b>TOTAL</b>	<b>282,831,003</b>	<b>170,398,389</b>



**SARVA HARYANA GRAMIN BANK**  
HO: ROHTAK

PARTICULARS	(Rupees)	
	Year ended 31.03.2017	Year ended 31.03.2016
<b>SCHEDULE-13 INTEREST EARNED</b>		
1 Interest /Discount on Advances/Bills	7,127,482,895	6,575,636,574
2 Income on Investments	2,650,624,912	1,858,000,049
3 Interest on Balances with Reserve Bank of India & other Inter Bank Funds	1,740,072,762	2,979,684,452
4 Others	-	-
<b>TOTAL</b>	<b>11,518,180,569</b>	<b>11,413,321,075</b>

<b>SCHEDULE-14 OTHER INCOME</b>		
1 Commission, Exchange & Brokerage	55,636,063	44,413,500
2 Profit on sale of investments	218,367,194	71,250,247
Less: Loss on sale of investments	(3,119,187)	-
3 Profit on revaluation of investment	-	-
Less: Loss on revaluation of investments	-	-
4 Profit on sale of land, building and other assets	1,750,764	739,203
Less: Loss on sale of land, building and other assets	(921,965)	(132,252)
5 Profit on Exchange Transaction	-	-
Less: Loss on Exchange Transaction	-	-
6 Income earned by way of dividends etc. from and/or Joint Ventures abroad/in India	-	-
7 Miscellaneous Income	662,633,835	280,891,326
8 Previous Year Adjustment	-	-
<b>TOTAL</b>	<b>934,346,704</b>	<b>397,162,024</b>



**SARVA HARYANA GRAMIN BANK**  
HO: ROHTAK

PARTICULARS	(Rupees)	
	Year ended 31.03.2017	Year ended 31.03.2016
<b>SCHEDULE-15 INTEREST EXPENDED</b>		
1 Interest on deposits	6,249,606,480	5,701,811,712
2 Interest on Reserve Bank of India/NABARD/ Inter Bank Borrowings	485,037,382	969,908,332
3 Others	-	-
<b>TOTAL</b>	<b>6,734,643,862</b>	<b>6,671,720,044</b>

<b>SCHEDULE-16 OPERATING EXPENSES</b>		
1 Payments to and provisions for employees	2,012,178,584	1,917,997,280
2 Rents, taxes and lighting	150,706,283	132,124,871
3 Printing and Stationery	44,732,815	26,181,718
4 Advertisement and publicity	4,120,342	4,225,023
5 Depreciation on bank's property	84,158,765	83,031,042
6 Directors' fees, allowances and expenses	41,000	25,950
7 Auditors' fees and expenses(including branch auditors)	4,025,888	4,629,977
8 Law Charges	10,828,447	13,414,866
9 Postage, telegrams, telephone etc.	63,520,689	61,446,524
10 Repairs and maintenance	17,669,106	10,133,065
11 Insurance	121,742,465	102,515,264
12 Other expenditure	342,832,803	293,874,528
13 Loss on sale of land, building and other assets	-	-
Less-Profit on sale of land, building and other assets	-	-
14 Loss on sale of Securities	-	-
<b>TOTAL</b>	<b>2,856,557,187</b>	<b>2,649,600,108</b>



## SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION AND METHOD OF ACCOUNTING:

- 1.1 The financial statements have been prepared on the historical cost basis and are in conformity with the applicable statutory provisions, regulatory norms prescribed by RBI/NABARD and prevailing practices in banking industry in India.
- 1.2 The accounts have been prepared on on-going concern basis with accrual concept and in accordance with the accounting policies and practices consistently followed, unless otherwise stated.

### 2. INVESTMENTS:

- 2.1 All investments are being made by the Bank as per Investment Policy of the Bank. The investment portfolio of the Bank is comprised of SLR securities and Non-SLR securities. Investments are classified into six categories in the Balance sheet as stipulated in Form A of the Third Schedule to the Banking Regulation Act, 1949.
- 2.2 RRBs have been advised by Reserve Bank of India vide their Circular No.RBI/2013-14/434, RPCD.CO.RRB.BC.No.74/03.05.33/2013-14 dated January 07, 2014 to introduce MTM (Mark to Market) norms in respect of SLR securities w.e.f. April 01, 2014. Accordingly the entire investment portfolio is classified under three categories viz. 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. The investments under 'Held to Maturity' category need not be marked to market and are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity. The amortised amount is reflected in Schedule 13–Interest earned: Item II–Income on Investments as a deduction. The book value of the security is reduced to the extent of the amount amortised during the relevant accounting period.

The investments under the 'Available for Sale' and 'Held for Trading' categories are marked to market at monthly intervals.

- 2.3 Investments in Debentures and Bonds are valued at Market Price, if quoted or on appropriate yield to maturity basis as per RBI / FIMMDA guidelines. Investments in Equity Shares are valued at market price and investments in Mutual Funds are valued as per their declared NAV. The investment in a particular classification is aggregated for the purpose of arriving at net depreciation/appreciation of investments under that category. Net depreciation, if any, is provided for and net appreciation, if any, is ignored. Net depreciation required to be provided for, in any one classification is not reduced on account of net appreciation in any other classification.

### 3. ADVANCES:

- 3.1 Advances are classified as performing and non-performing assets and provisions are made in accordance with prudential norms prescribed by the Reserve Bank India.
- 3.2 Advances are stated net of provisions and de-recognised interest in respect of non-performing assets. However, provision made for advances classified as Standard Assets is included under other liabilities.

### 4. FIXED ASSETS:

- (a) Fixed Assets are stated at historical cost.
- (b) Depreciation on Fixed assets is provided on straight-line method at the rates furnished below:

Particulars	Rate of Depreciation
Land	NIL
Building	02.50%
Motor Cars and Cycles	15.00%
Machinery, electrical and miscellaneous articles	15.00%
Furniture and fixtures - Steel Articles	05.00%
Furniture and fixtures - Wooden Articles	10.00%
Computers and related items	33.33%
Computer Applications Software-Intangible Assets	20.00%
Solar System	80.00%



- (c) Depreciation on addition to assets is provided from the month in which the asset is put to use and in case of assets sold/disposed off during the year, no depreciation is charged on such assets.
- (d) Depreciation on Fixed Assets has been charged on Straight Line Method.

#### **5. REVENUE RECOGNITION:**

- 5.1 The Mercantile System of Accounting is followed and income & expenditure are generally accounted for on accrual basis unless otherwise stated.
- 5.2 Interest earned on 'Loans & Advances' is accounted for as per Income Recognition and Assets Classification norms prescribed by RBI.
- 5.3 Commission, exchange, processing charges and other service charges are accounted for as income on receipt basis.
- 5.4 In case of matured Term Deposits, interest is provided as and when such deposits are renewed/paid.

#### **6. EMPLOYEES BENEFITS:**

- 6.1 **PROVIDENT FUND and PENSION:** Employees of the Bank are covered under The Employees' Provident Funds and Misc. Provisions Act, 1952. The Bank pays its contribution as required under the provisions of the said Act. The obligation of the Bank is limited to such contribution. The contributions are charged to Profit & Loss Account.
- 6.2 **GRATUITY:** Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded by the Bank and is managed through "Group Gratuity Trust" established by the Bank.
- 6.3 **COMPENSATED ABSENCES (Leave Encashment):** The Bank has adopted 'Accounting Standard (AS) - 15 (R) – Employee Benefits'. Accordingly, provision is made for compensated absences (Privilege Leaves) on the basis of actuarial valuation.

#### **7. NET PROFIT:**

- 7.1 The net profit disclosed in the Profit & Loss Account is after making:-
  - (a) Provision for bad debts (standard, sub-standard, doubtful advances and loss assets) incorporating the Memorandum of Changes as suggested by the Auditors.
  - (b) Other usual and necessary provisions.

#### **8. PROVISION FOR INCOME TAX:**

- 8.1 Provision for Income Tax is made on the basis of the estimated tax liability after due consideration of the judicial pronouncements and legal opinion.
- 8.2 Demand raised by the Income Tax Authorities is shown as contingent liability till the Bank's right to appeal under Income Tax Act, 1961 against that demand is not extinguished.



**SARVA HARYANA GRAMIN BANK, H.O. ROHTAK.**  
**SCHEDULE 18 – NOTES ON ACCOUNTS**

**1(a) CAPITAL :**

S.No.	Particulars	Current Year	Previous year
i)	CRAR (%)	18.12%	19.26%
ii)	CRAR – Tier I Capital (%)	17.87%	18.96%
iii)	CRAR – Tier II Capital (%)	0.25%	0.30%
iv)	Percentage of Shareholding of the		
a	Government of India	50%	50%
b	State Government	15%	15%
c	Sponsor Bank	35%	35%

**1(b) INVESTMENTS:**

		(Rs. lakh)	
S. No.	Particulars	Current Year	Previous year
1	<b>Value of Investments</b>		
i)	Gross Value of Investments	430498.23	287570.17
ii)	Provisions for Depreciation	9.14	12.99
iii)	Net Value of Investments	430489.09	287557.18
2	<b>Movement of provisions held towards depreciation on investments</b>		
i)	Opening Balance	12.99	31.27
ii)	Add: Provisions made during the year	0.00	0.00
iii)	Less: Write off / write back of excess provisions during the year	(3.85)	(18.28)
iv)	Closing Balance	9.14	12.99

**1(c) REPO TRANSACTIONS :**

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31 March 2015
Securities Sold under Repos	NIL	NIL	NIL	NIL
Securities purchased under Reverse Repos	NIL	NIL	NIL	NIL

**1(d) NON-SLR INVESTMENT PORTFOLIO :**

**i) Issuer composition of Non SLR Investments:** (Rs. lakh)

S.No.	ISSUER	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of Unlisted Securities
1	2	3	4	5	6	7
i)	Govt. Securities	37577.55	30000.00	---	---	---
ii)	PSUs	39536.26	5099.67	---	---	---
iii)	FIs	20208.81	7108.79	---	---	---
iv)	Banks	62210.66	23644.81	---	---	---
v)	Private Corporate	2514.96	2500.00	---	---	---
vi)	Others	2000.00	---	---	---	---
vii)	Provision held towards Depreciation	(9.14)	---	---	---	---
	<b>TOTAL</b> (i+ii+iii+iv+v+vi-vii)	<b>164039.10</b>	<b>68353.27</b>	---	---	---



ii) **Non-performing Non-SLR Investments:**

(Rs. lakh)

Particulars	Amount
Opening Balance	NIL
Additions during the year since 1 <sup>st</sup> April	NIL
Reductions during the above period	NIL
Closing Balance	NIL
Total Provisions held	NIL

**2. ASSET QUALITY:**

**2.1 Movement of NPAs:**

Particulars	Current Year (Amount in Rupees Lakh)	Previous Year (Amount in Rupees Lakh)
Gross NPAs as on 1 <sup>st</sup> April of particular year (Opening balance)	32821.09	31686.37
Additions (Fresh NPAs) during the year	25480.91	15823.89
Sub-total (A)	58302.00	47510.26
Less:		
(i) Upgradations	2407.49	222.66
(ii) Recoveries (excluding recoveries made from upgraded accounts)	8118.19	7466.90
(iii) Write-offs	15033.68	6999.61
Sub-Total (B)	25559.36	14689.17
Gross NPAs as on 31 <sup>st</sup> March of following year (closing balance) (A-B)	32742.64	32821.09

**2.2 Sector-wise NPAs**

(Rupees Crore)

S. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	6125.33	225.82	3.69	4621.23	189.61	4.10
2	Advances to industries sector eligible as priority sector lending	75.34	2.10	2.79	85.52	18.84	22.03
3	Services	496.20	50.38	10.15	458.87	13.49	2.94
4	Personal Loans	304.32	37.44	12.30	433.52	48.33	11.15
	<b>Sub-Total (A)</b>	<b>7001.19</b>	<b>315.74</b>	<b>4.51</b>	<b>5599.14</b>	<b>270.27</b>	<b>4.83</b>



S. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>B</b>	<b>Non-Priority Sector</b>						
1	Agriculture and allied activities	0.00	0.00	0.00	0.00	0.00	0.00
2	Industry	0.00	0.00	0.00	750.00	0.00	0.00
3	Services	0.00	0.00	0.00	0.00	0.00	0.00
4	Personal Loans	571.12	11.69	2.05	584.49	57.94	9.91
	<b>Sub-Total (B)</b>	<b>571.12</b>	<b>11.69</b>	<b>2.05</b>	<b>1334.49</b>	<b>57.94</b>	<b>4.34</b>
	<b>Total (A+B)</b>	<b>7572.31</b>	<b>327.43</b>	<b>4.32</b>	<b>6933.63</b>	<b>328.21</b>	<b>4.73</b>

**2.3 Details of Loan Assets subject to Restructuring:**

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
i)	Total amount of loan assets subject to restructuring, rescheduling, renegotiation	NIL	NIL
ii)	Total amount of Standard assets subject to restructuring, rescheduling, renegotiation	NIL	NIL
iii)	Total amount of Sub-Standard assets subject to restructuring, rescheduling, renegotiation	NIL	NIL
iv)	Total amount of Doubtful assets subject to restructuring, rescheduling, renegotiation	NIL	NIL

**2.4 Details of Financial Assets sold to Securitisation (SC) / Reconstruction Company (RC) for Assets Reconstruction:**

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
i)	No. of Accounts	NIL	NIL
ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	NIL	NIL
iii)	Aggregate consideration	NIL	NIL
iv)	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
v)	Aggregate gain / loss over net book value	NIL	NIL

**2.5 Details of non-performing Financial Assets purchased / sold:**

**A. Details of non-performing Financial Assets purchased:**

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1 a)	No. of Accounts / purchased during the year	NIL	NIL
b)	Aggregate outstanding	NIL	NIL
2 a)	Of these, number of account restructured during the year	NIL	NIL
b)	Aggregate outstanding	NIL	NIL





**B. Details of non-performing Financial Assets sold:**

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1	No. of Accounts sold	NIL	NIL
2	Aggregate outstanding	NIL	NIL
3	Aggregate consideration received	NIL	NIL

**2.6 Provisions on Standard Asset:**

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1	Provisions towards Standard Assets	2064.38	2232.12

**3. BUSINESS RATIO :**

S.No.	Particulars	Current Year	Previous year
i)	Interest Income as a percentage to Working Funds	8.23	8.64
ii)	Non Interest Income as a percentage to Working Funds	0.67	0.30
iii)	Operating Profit as a percentage to Working Funds	1.44	1.64
iv)	Return on Assets	0.73	0.76
v)	Business (Deposits plus Advances) per employee (Rs. Lakh)	693	640
vi)	Profit per employee (Rs. Lakh)	3.61	3.80

**4. ASSET LIABILITY MANAGEMENT – MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES :**

(Rs. crore)

Duration	Deposits	Advances	Investments (Including FDRs with Banks)	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 to 14 days	662	1167	130	140	0	0
15 to 28 days	448	325	90	0	0	0
29 days to 3 months	838	430	452	0	0	0
Over 3 months & upto 6 month	1347	731	1121	491	0	0
Over 6 months & upto 1 year	1525	1096	436	39	0	0
Over 1 year & upto 3 year	2407	1332	1094	122	0	0
Over 3 year & upto 5 year	1906	1578	619	55	0	0
Over 5 years	2897	914	2122	0	0	0
<b>Total</b>	<b>12031</b>	<b>7572</b>	<b>6064</b>	<b>847</b>	<b>0</b>	<b>0</b>



5. **EXPOSURES – EXPOSURE TO REAL ESTATE SECTOR:**

(Rs. lakh)

S.No.	Category	Current Year	Previous year
<b>A</b>	<b>Direct Exposure</b>		
i)	<b>Residential Mortgages</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
a)	Individual housing loan upto Rs. 20 Lakh	<b>25974</b>	<b>20858</b>
b)	Others	<b>13436</b>	<b>10871</b>
ii)	<b>Commercial Real Estate</b> Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.	<b>1339</b>	<b>1448</b>
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	a. Residential	<b>NIL</b>	<b>NIL</b>
	b. Commercial Real Estate	<b>NIL</b>	<b>NIL</b>
<b>B</b>	<b>Indirect Exposure</b>		
	Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	<b>NIL</b>	<b>NIL</b>

6. **Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by Bank:**

The Bank has not exceeded the prudential credit exposure limits in respect of any Single Borrower Account and / or Group Borrower Account.

7. **Miscellaneous – Amount of provisions made for Income Tax during the year:**

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1	Provision for Income Tax	<b>5036.51</b>	<b>5191.38</b>
2	Provision for Deferred Tax	<b>78.35</b>	<b>40.11</b>
	<b>TOTAL</b>	<b>5114.86</b>	<b>5231.49</b>

Provision for Deferred Tax has been made on the basis of current year's timing differences only.

8. **Penalties imposed by RBI :**

No penalty has been imposed during the year by the RBI on the Bank.

9. **Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosures items for 'Notes to Accounts':**

9.1 **AS 5 - Prior Period & Change in Accounting Policy:**

There were no material prior period income / expenditure items requiring disclosures under AS – 5.

9.2 **AS 9 – Revenue Recognition:**

Certain items of Income are recognized on realization basis as per Accounting Policy No. 5.3. However, revenue recognition has not been postponed pending the resolution of significant uncertainties.



**9.3 AS 15 – Employees Benefits:**

**Gratuity :** The Bank has made contribution of Rs.4,00,00,000/- to the Group Gratuity Fund maintained with the LIC of India during the current financial year towards the present value of past service gratuity liability and current service cost as reduced by fair value of plan assets as on the Balance Sheet date on the basis of actuarial valuation made by LIC of India.

**Compensated Absences (Leave Encashment) :** The Bank has made contribution of Rs.8,39,00,000/- towards Leave Encashment Funds maintained with LIC of India, Bajaj Allianz Life Insurance Co. Ltd. and India First Life Insurance Co. Ltd. during the current financial year towards Leave Encashment liability on the basis of actuarial valuation made by the LIC of India.

**9.4 AS 17 – Segment Reporting:**

The segment reporting is not applicable as the bank's operations are limited to Retail Banking within India.

**9.5 AS 22 – Accounting for Taxes on Income:**

The provision of Rs.78,34,877/- has been made on account of Deferred Tax Liability for timing difference of Rs.2,26,38,917/- under "Depreciation on Fixed Assets" during the year, however, no Deferred Tax Assets have been recognized.

**10. AS 18 – Related Party Transactions:**

In compliance to AS-18 issued by the ICAI, details pertaining to 'Related Party Transaction' are as under:

- i. The Bank is sponsored by Punjab National Bank and Dr. M.P.Singh, Chairman is the Key Managerial Personnel. Dr. M.P.Singh, Chairman has no liability towards the Bank as on 31.03.2017.
- ii. Particulars of remuneration of Chairman (Chief Executive), General Managers and other staff on deputation from Sponsor Bank (Punjab National Bank) for the period from 01.04.2016 to 31.03.2017 are as under :

(Rupees)

		CHAIRMAN	GENERAL MANAGERS	OTHER STAFF
a)	Salaries (including DA & Arrears)	1543631	6584239	554009
b)	Employer's contribution to Provident Fund	94051	385609	76668
c)	Monetary value of any benefit and perquisite	240000	653529	7800
	<b>TOTAL</b>	<b>1877682</b>	<b>7623377</b>	<b>638477</b>

- iii. Particulars of the related party transactions are as under:

	PARTICULARS	Amount (Rs. Lakh)
a)	Borrowings (overdraft against Term Deposits) from P.N.B.	7069.21
b)	Term Deposits with Punjab National Bank	12010.00
c)	Interest / charges paid/accrued on overdraft / IBPC with the Punjab National Bank (Sponsor Bank) for the current financial year	1996.04
d)	Interest received/accrued on deposits / IBPC with the Punjab National Bank (Sponsor Bank) for the current financial year	4814.70



11. Depositors Education and Awareness Fund Scheme:

(Rs. crore)

Particulars	Current Year	Previous year
Opening balance of amount transferred to DEAF	4.74	4.67
Add: Amount transferred to DEAF during the year	0.06	0.07
Less: Amount reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amount transferred to DEAF	4.80	4.74

12. ADDITIONAL DISCLOSURES:

12.1 Draw Down from Reserves:

There is no draw down from Reserves during the year.

12.2 Provisions and Contingencies:

Breakup of "Provisions and Contingencies" shown under the head Expenditure in Profit & Loss Account is as follows.

(Rs. Lakh)

S.No.	Particulars	Current Year	Previous year
a)	Provisions for Depreciation on Investments (Net)	(3.85)	(18.28)
b)	Provisions towards NPA (Net)	13432.34	8331.02
c)	Provisions towards Standard Assets	(167.74)	176.56
d)	Provision for loss due to fraud, dacoity, theft etc. (Net)	37.25	47.33
	<b>TOTAL</b>	<b>13298.00</b>	<b>9536.63</b>

12.3 Break-up of Contingent Liabilities is as follows:

(Rs. Lakh)

S.No.	Particulars	Current Year	Previous year
a)	Bank Guarantees issued	1785.77	1703.98
b)	Demand raised by Income Tax Authorities (appeals pending before Appellant Authorities )	1042.54	NIL
	<b>TOTAL</b>	<b>2828.31</b>	<b>1703.98</b>

12.4 Priority Sector Lending Certificates:

The Bank has issued/sold and subscribed/purchased the Priority Sector Lending Certificates (PSLCs) as under:

(Rs.crore)

S. No.	Category of PSLC	Amount issued/sold during the year ended 31.03.2017	Amount subscribed / purchased and outstanding as on 31.03.2017	Premium received / paid
1.	P.S.- Agri. (SF/MF)	1750.00	NIL	29.35
2.	P.S. - Micro Enterprises	NIL	60.00	0.24



**12.5 Concentration of Deposits, Advances, Exposures and NPAs :**

(Rupees Crore)

<b>Concentration of Deposits</b>		
	<b>Current Year</b>	<b>Previous year</b>
Total Deposits of twenty largest depositors	757.10	919.77
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	6.29%	9.09%

<b>Concentration of Advances</b>		
	<b>Current Year</b>	<b>Previous year</b>
Total Advances to twenty largest borrowers	53.31	40.96
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	0.70%	0.59%

<b>Concentration of Exposures</b>		
	<b>Current Year</b>	<b>Previous year</b>
Total Exposures of twenty largest borrowers/customers	53.31	40.96
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	0.70%	0.59%

<b>Concentration of NPAs</b>		
	<b>Current Year</b>	<b>Previous year</b>
Total Exposure to top Four NPA accounts	1.58	1.52

**12.6 Disclosure of Complaints:**

**A. Customer Complaints:**

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
a)	No. of complaints pending at the beginning of the year i.e. 01.04.2016	<b>2</b>
b)	No. of complaints received during the year (01.04.2016 to 31.03.2017)	<b>429</b>
c)	No. of complaints redressed during the year	<b>428</b>
d)	No. of complaints pending at the end of the year	<b>3</b>




**B. Award passed by the Banking Ombudsman:**

S.No.	Particulars	Details
a)	No. of unimplemented Awards at the beginning of the year	NIL
b)	No. of Awards passed by the Banking Ombudsman during the year	6
c)	No. of Awards implemented during the year	6
d)	No. of unimplemented Awards at the end of the year	NIL

- 12.7 Under Section 36(1) (vii a) of Income Tax Act, 1961, the Bank is entitled for deduction to the extent of 7.5 percent of taxable income excluding deduction under this clause and under Chapter VI A plus 10 percent of aggregate advances made by the rural branches of the Bank. The aggregate average advances (monthly average basis) made by **495** Rural Branches of the Bank amounts to **Rs.5264.24 crore**.
- 12.8 A sum of Rs.1,40,00,000/- (Rupees one crore forty lakh only) has been transferred to "Special Reserve under Section 36 (1) (viii) of Income Tax Act" being 20% amount of the profits derived from the business of providing long term finance for industrial and agricultural development and development of housing.
- 12.9 Figures of the previous year have been regrouped /rearranged /reclassified wherever necessary to conform current year classification.

  
S.R. Singh  
General Manager

  
Dr. M.P. Singh  
Chairman

  
S.R. Agarwal  
Director

  
S.K. Sharma  
Director

  
Smt. Rachna Dikshit  
Director

Surender Singh  
Director

R.S.Dhillon  
Director

  
Kiran Lekha Walla  
Director

Place: ROHTAK  
Date: MAY 08, 2017



For M/s Jain & Kuchhal  
Chartered Accountants  
(Firm Regn. No. 08783N)

  
CA Sanjeev Kuchhal, Partner  
(FCA, M.No. 087377)