



TELANGANA GRAMEENA BANK
(Sponsored by State Bank of India)
HEAD OFFICE : HYDERABAD

Balance Sheet As on 31.03.2023

(Amt in 000s)			
Particulars	Sch.	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
CAPITAL & LIABILITIES			
Capital	1	18,07,23	18,07,23
Reserves and Surplus	2	1965,97,58	1516,60,65
Deposits	3	12610,32,78	11039,78,81
Borrowings	4	5167,05,26	4011,54,95
Other Liabilities and Provisions	5	187,85,29	123,85,74
TOTAL		19949,28,14	16709,87,38
ASSETS			
Cash and Balances with Reserve Bank of India	6	514,44,07	454,81,61
Balances with Banks and Money at call and short notice	7	3822,85,40	1881,57,93
Investments	8	2572,49,27	2994,57,75
Advances	9	12629,17,16	11003,98,63
Fixed Assets	10	48,84,66	32,74,96
Other Assets	11	361,47,58	342,16,50
TOTAL		19949,28,14	16709,87,38
Contingent Liabilities	12	40,28,28	19,31,86
Bills for Collection			
Significant Accounting Policies	17		
Notes to Accounts	18		

The schedules referred to above form an integral part of the Balance Sheet.

As per our Report of even date

For M/s M. Bhaskara Rao & Co.
Chartered Accountants
F.R. No. 000459S

V. Raghunandan
CA. V. Raghunandan
Partner, M.No. 026255

Sri M. Raghunandan Rao, IAS,
Commissioner of Agri, GoT
Director

Sri V. Siva Kumar,
GM (RRB), SBI, Corporate Centre
Director

For Telangana Grameena Bank

K.P. Shobha Rani
(Smt. K.P. Shobha Rani)
General Manager-I

Sri Anil Kumar Kalbhore,
AGM, RBI
Director

Binod Kumar Sinha
Sri Binod Kumar Sinha,
DGM (ABU-GSS), SBI, LHO
Director

Smt. Y. Sobha
(Smt. Y. Sobha)
CHAIRMAN

Smt Siva Tulasi Devata,
DGM, NABARD
Director

Sri Rayi Ravi
Sri Rayi Ravi,
Addl. Sec., (Fin), GoT
Director

Date: 24.04.2023
Place: Hyderabad



TELANGANA GRAMEENA BANK
(Sponsored by State Bank of India)
HEAD OFFICE : HYDERABAD

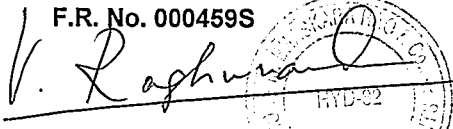
Profit & Loss as at the end of March, 2023 (31.03.2023)

(Amt in 000s)

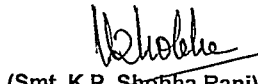
Particulars	Sch.	For the Year ended 31.03.2023	For the Year ended 31.03.2022
I. Income			
Interest earned	13	1492,34,63	1354,27,14
Other income	14	254,76,37	274,34,38
Provision return back		0	0
Total		1747,11,00	1628,61,52
II. Expenditure			
Interest expended	15	727,18,46	663,02,50
Operating expenses	16	386,90,85	328,05,06
Provisions and Contingencies		33,76,96	145,66,57
Total		1147,86,27	1136,74,13
III. Profit / Loss			
Profit / loss(-) for the year- PBT		599,24,73	491,87,39
Less:Provision for Income Tax		150,00,00	118,52,00
Less(Add):DTL / (DTA)		12,20	19,10
Profit after Tax		449,36,93	373,16,29
Appropriations of Profit			
Transfer to Statutory reserves		89,87,38	74,63,26
Transfer to capital reserve		0	0
Transfer to revenue & other reserves		0	0
Transfer to special reserves U/s 36(i)(viii) of IT Act, 1961		8,40,00	30,00,00
Balance carried over to balance sheet		351,09,55	268,53,03
TOTAL		449,36,93	373,16,29


The schedules referred to above form an integral part of the Balance Sheet.

For M/s M. Bhaskara Rao & Co.
Chartered Accountants
F.R. No. 000459S

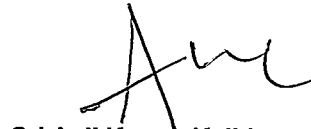

CA. V. Raghunandan
Partner, M.No. 026255


For Telangana Grameena Bank


(Smt. K.P. Shobha Rani)
General Manager-I



(Smt. Y. Susha)
CHAIRMAN
Head Office

Sri M. Raghunandan Rao, IAS,
Commissioner of Agri, GoT
Director


Sri Anil Kumar Kalbhore,
AGM, RBI
Director


Smt Siva Tulasi Devata,
DGM, NABARD
Director

Sri V. Siva Kumar,
GM (RRB), SBI, Corporate Centre
Director


Sri Binod Kumar Sinha,
DGM (ABU-GSS), SBI, LHO
Director


Sri Rayi Ravi,
Addl. Sec., (Fin), GoT
Director

Date: 24.04.2023
Place: Hyderabad

SCHEDULE-1 - CAPITAL

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Authorised Capital (2,00,00,00,000 shares of Rs.10/- each)	2000,00,00	2000,00,00
II	Issued Capital (1,80,72,295 shares of Rs.10/- each)	18,07,23	18,07,23
III	Subscribed and Paid up Capital (1,80,72,295 shares of Rs.10/- each)	18,07,23	18,07,23
	TOTAL	18,07,23	18,07,23

SCHEDULE-2 - RESERVES & SURPLUS

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Statutory Reserves		
	Opening Balance	331,50,73	256,87,47
	Additions during the year	89,87,38	74,63,26
	Deductions during the year	-	-
	Total	421,38,11	331,50,73
II	Capital Reserves		
	Opening Balance	4,91,14	4,91,14
	Additions during the year	0	0
	Deductions during the year	0	0
	Total	4,91,14	4,91,14
III	Share premium		
	Opening Balance	-	-
	Additions during the year	-	-
	Deductions during the year	-	-
	Total	-	-
IV	Special Reserve U/s 36(1)(viii)		
	Opening Balance	30,00,00	-
	Additions during the year	8,40,00	30,00,00
	Deductions during the year	-	-
	Total	38,40,00	30,00,00
IV	Revenue and other Reserves		
	Opening Balance	-	-
	Additions during the year	-	-
	Deductions during the year	-	-
	Total	-	-
V	Balance of Profit & Loss Account	1501,28,33	1150,18,78
	TOTAL (I, II, III, IV & V)	1965,97,58	1516,60,65

SCHEDULE-3 - DEPOSITS

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
A. I.	Demand Deposits		
	i. From Banks	-	-
	ii. From Others	118,82,78	104,98,88
II	Saving Bank Deposit	4168,97,92	4202,24,22
III	Term Deposits		
	i. From Banks	2434,51,72	1169,11,40
	ii. From Others	5888,00,36	5563,44,31
	TOTAL of (I II and III)	12610,32,78	11039,78,81
B.	I. Deposits of branches in India	12610,32,78	11039,78,81
	II. Deposits of branches outside India	-	-
	TOTAL	12610,32,78	11039,78,81



CHIEF MANAGER (ACCOUNTS)

SCHEDULE-4 - BORROWINGS

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Borrowing in India		
	i. Reserve Bank of India	190,00,00	-
	ii. Other Banks (SBI & APCOB)	101,21,50	58,98,03
	iii. Other institutions and agencies		
	a) NABARD	4777,86,96	3822,87,65
	b) National Housing Bank (NHB)	88,85,20	114,78,80
	c) MUDRA	-	4,42,50
	d) NSFDC	9,11,60	10,47,97
II	Borrowings outside India		
	Total (I & II)	5167,05,26	4011,54,95
	Secured Borrowings included in I & II above	5167,05,26	4011,54,95
	TOTAL OF I & II	5167,05,26	4011,54,95

SCHEDULE-5 - OTHER LIABILITIES AND PROVISIONS

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Bills payable	23,74,66	25,65,20
II	Inter-office adjustment (Net)	92,68	1,44,96
III	Interests accrued	15,60,26	13,52,82
IV	Others (including provisions)		
	General Provision on Standard Advances	42,51,70	37,70,35
	Provision for Pension & NPS	-	-
	Provision for Income Tax	-	-
	Others Liabilities	105,05,99	45,52,41
	TOTAL	187,85,29	123,85,74

SCHEDULE-6**CASH & BALANCES WITH RESERVE BANK OF INDIA**

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Cash in hand	60,66,75	60,62,37
II	Balance with Reserve Bank of India		
	i. In Current Account	453,77,32	394,19,24
	ii. In other Accounts	-	-
	TOTAL (I and II)	514,44,07	454,81,61



CHIEF MANAGER (ACCOUNTS)

SCHEDULE-7**BALANCES WITH BANKS & MONEY AT CALL and SHORT NOTICE**

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	In India:		
	i) Balances with Banks:		
	a. In current Accounts	25,56,94	28,29,39
	b. In other Deposit Accounts	3797,28,46	1853,28,54
	ii) Money at call and short notice		
	a. With Banks	-	-
	b. With other institutions	-	-
	TOTAL (i & ii)	3822,85,40	1881,57,93
II	Out side India:		
	i. In current Accounts	-	-
	ii. In other Dep.Accounts	-	-
	iii. Money at call and short notice	-	-
	TOTAL (i, ii, iii)	-	-
	GRAND TOTAL (I and II)	3822,85,40	1881,57,93

SCHEDULE-8**INVESTMENTS**

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Investments in India in		
	i. Government Securities	2512,66,87	2919,57,50
	Less: Provision /Depreciation	-	-
	Net SLR	2512,66,87	2919,57,50
	ii. Other approved securities	-	-
	iii. Shares	-	-
	iv. Debentures and Bonds	34,82,40	40,00,25
	Less: Provision	-	-
	Sub total Non-SLR	34,82,40	40,00,25
	v. Subsidiaries and/or joint ventures	-	-
	vi. Others		
	IVP / KVP etc.	-	-
	Mutual Funds	25,00,00	35,00,00
	Less: Provision	-	-
	Sub total Non-SLR	25,00,00	35,00,00
	Grand Total Non-SLR (Net)	59,82,40	75,00,25
	TOTAL-Net Investments in India	2572,49,27	2994,57,75
II	Investments outside India	-	-
	Less: Provision /Depreciation	-	-
	TOTAL Net of II	-	-
	GRAND TOTAL (I+II)	2572,49,27	2994,57,75

CHIEF MANAGER (ACCOUNTS)

SCHEDULE-9
ADVANCES

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
A	i. Bills purchased and discounted	-	-
	ii. Cash Credits, overdrafts and loans repayable on demand	8900,55,11	8026,27,58
	iii. Term Loan	3728,62,05	2977,71,05
	TOTAL	12629,17,16	11003,98,63
B	i. Secured by tangible assets	9418,72,50	10907,80,31
	ii Covered by Bank / Govt guarantees	-	-
	iii. Unsecured	3210,44,66	96,18,32
	TOTAL	12629,17,16	11003,98,63
C	I. Advances in India		
	i. Priority Sector	9914,13,34	8917,91,17
	Less: IBPC Issued	-	-
	Sub Total	9914,13,34	8917,91,17
	ii. Public Sector	-	-
	iii. Banks	-	-
	iv. Others	2715,03,82	2086,07,46
	TOTAL	12629,17,16	11003,98,63
	II. Advances Outside India:		
	i. Due from Banks	-	-
	ii. Due from others	-	-
	TOTAL	-	-
	Gross Advances	12893,00,07	11272,87,35
	Less: INCA	-	-
	Less: Provisions for B&D debts	263,82,91	268,88,72
	NET ADVANCES	12629,17,16	11003,98,63

SCHEDULE-10
FIXED ASSETS

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Premises		
	At cost as on 31st March	34,22	34,22
	i. Additions during the year	14,32,24	-
	ii. Deduction during the year	-	-
	iii. Depreciation during the year	59	59
	iv. Depreciation to date	928	869
	TOTAL I	14,57,18	25,53
II	Other Fixed Assets (including furniture and fixtures)		
	At cost as on 31st March	79,49,07	74,67,40
	i. Additions during the year	7,90,88	6,28,12
	ii. Deduction during the year	262	-1
	iii. Depreciation during the year	6,10,21	5,24,39
	iv. Depreciation to date	53,09,85	48,46,08
	TOTAL II	34,27,48	32,49,43
III	Capital work in progress		
	At cost as on 31st March	-	-
	i. Additions during the year	-	-
	ii. Deduction during the year	-	-
	TOTAL III	-	-
	TOTAL I & II	48,84,66	32,74,96

CHIEF MANAGER (ACCOUNTS)

SCHEDULE-11
OTHER ASSETS

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Inter-office adjustments (Net)	-	-
II	Interest accrued	112,01,92	97,62,70
III	Tax paid in advances / tax deducted at source *	12,61,65	13,16,61
IV	Stationery and stamps	15	116
V	Non-banking assets acquired in satisfaction of claims	-	-
VI	Others		
	a) Int Subvention Recble from GOI / NABARD	225,86,41	205,93,68
	b) Miscellaneous Assets (Frauds, Cash stolen)	-	-
	c) Others (suspense utility services etc.)	10,97,45	25,42,35
	TOTAL	361,47,58	342,16,50

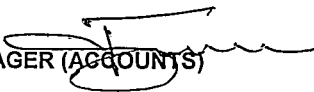
* Net of Provisions

SCHEDULE-12
CONTINGENT LIABILITIES

(Amt in 000s)

	Particulars	As on 31.03.2023 (Current year)	As on 31.03.2022 (Previous year)
I	Claims against the Bank not acknowledged as debts	4,83,16	4,83,17
II	Liability for partly paid Investments	-	-
III	Liability on account of outstanding forward exchange contracts	-	-
IV	Guarantee given on behalf of constituents	-	-
	a. In India	9,70,46	10,80,87
	b. Outside India	-	-
V	Acceptances, Endorsements and other obligations	-	-
VI	Other items for which the Bank is contingently liable (DEAF Account)	25,74,66	3,67,82
	TOTAL	40,28,28	19,31,86

CHIEF MANAGER (ACCOUNTS)



SCHEDULE-13
INTEREST EARNED

(Amt in 000s)

	Particulars	For the Year ended 31.03.2023 (Current year)	For the Year ended 31.03.2022 (Previous year)
I	Interest on advances /discount on bills	1173,45,57	1046,95,89
II	Interest on Investments	192,97,73	222,48,09
	Less: amortisation of premium	-13820	-17650
III	Interest on balances with Reserve Bank of India and other inter-bank funds	123,34,29	81,94,14
IV	Others	3,95,24	4,65,52
	TOTAL	1492,34,63	1354,27,14

SCHEDULE-14
OTHER INCOME

(Amt in 000s)

	Particulars	For the Year ended 31.03.2023 (Current year)	For the Year ended 31.03.2022 (Previous year)
I	Commission, exchange and brokerage.	129,98,53	122,66,94
II	Profit on sale of Investments	98,58	22,03,41
	Less: Loss on Sale of Investments		
III	Profit on revaluation of investments		
	Less: Loss on revaluation of Investments	-	-
IV	Profit on sale of Land, Buildings and Other Assets		
	Less: Loss on sale of Land, Buildings and Other Assets	156	-
V	Profit on exchange transactions		
	Less: Loss on exchange transactions	-	-
VI	Income earned by way of dividends etc., from subsidiaries/companies and/or joint ventures in abroad/in India	-	-
VII	Miscellaneous Income	123,77,70	129,64,03
	TOTAL	254,76,37	274,34,38

SCHEDULE-15
INTEREST EXPENDED

(Amt in 000s)

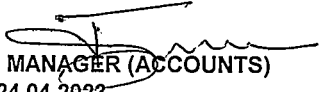
	Particulars	For the Year ended 31.03.2023 (Current year)	For the Year ended 31.03.2022 (Previous year)
I	Interest on deposits	526,87,77	485,68,38
II	Interest on Reserve Bank of India / Inter bank borrowings	-	-
III	Others		
	a. SBI / Other Banks Overdraft	2,94,35	71,35
	b. NABARD - REFINANCE	183,27,24	170,21,24
	c. NHB - REFINANCE	4,61,08	5,74,59
	d. MUDRA, NSFDC etc	3,00,68	66,94
IV	Interest on IBPC participation	6,47,34	-
	TOTAL	727,18,46	663,02,50

CHIEF MANAGER (ACCOUNTS)

SCHEDULE-16
OPERATING EXPENSES

(Amt in 000s)

	Particulars	For the Year ended 31.03.2023 (Current year)	For the Year ended 31.03.2022 (Previous year)
I	Payments to and provisions for employees	261,04,21	224,58,73
II	Rent, taxes and lighting	16,41,19	16,31,81
III	Printing and stationery	1,77,69	1,04,59
IV	Advertisement and publicity	211	258
V	Depreciation on Bank's property	6,10,81	5,24,98
VI	Director's fees, allowances and expenses	0	-
VII	Auditors fees and expenses (including branch auditors)	52,80	44,64
VIII	Law charges	302	186
IX	Postage, Telegrams, Telephones etc.	41,06	42,92
X	Repairs and maintenance	12,92,13	11,18,73
XI	Insurance	17,72,79	15,35,88
XII	Other expenditure	69,93,04	53,38,34
	TOTAL	386,90,85	328,05,06


CHIEF MANAGER (ACCOUNTS)
Date: 24.04.2023

TELANGANA GRAMEENA BANK
HEAD OFFICE::HYDERABAD

SCHEDULE-17

SIGNIFICANT ACCOUNTING POLICIES:

A. Basis of Preparation:

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on Going Concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/guidelines prescribed by the National Bank for Agriculture and Rural Development (NABARD)/ Reserve Bank of India (RBI), Banking Regulation Act 1949, Regional Rural Bank Act, 1976 and amendments thereto and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and practices prevalent in banking industry in India.

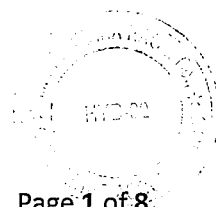
B. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable and are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Future results could differ from these estimates and the differences between the actual results and the estimates are recognized in the period in which the results are known /materialized.

C. Significant Accounting Policies:

1. Revenue Recognition:

- 1.1) Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2) Interest / Discount Income is recognized in the Profit and Loss Account as it accrues except, (i) Income from Non Performing Assets (NPAs), comprising of advances, and Investments which is recognised upon realization, as per the prudential norms prescribed by the RBI. (ii) Overdue interest on investments.
- 1.3) Profit/Loss on sale of investments is recognized in the Profit and Loss Account. However, the profit on sale of investments in the "Held to Maturity (HTM)" category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve) to "capital reserve account". The discount, if any, on acquisition of investments in Held to Maturity (HTM) category is accounted as follows:
 - a. on Interest bearing securities, it is accounted for at the time of sale/ redemption
- 1.4) Interest on investments is recognized on accrual basis.
- 1.5) Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 1.6) Commission & Exchange and locker rent are recognized on realization basis.
- 1.7) Interest on overdue term deposits is accounted for on renewal.



1.8) In case of suit filed accounts, legal and other expenses incurred are charged to Profit and Loss Account and at the time of recovery of such expenses is accounted as income.

2. Investments:

The transactions in Government Securities and other than Government Securities are recorded on "Settlement Date".

2.1) Classification:

Investments are classified into three categories viz., Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI guidelines.

2.2) Basis of Classification:

- Investments that Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)". Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)". An investment is classified as HTM /HFT /AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

2.3) Disclosure in Balance Sheet:

- Investments are classified and disclosed in Balance Sheet as Government Securities, other Approved Securities, Shares, Debentures and Bonds, Subsidiaries and Joint Ventures and Others.

2.4) Valuation: The securities in each classification are valued in accordance with RBI guidelines as detailed here under:

i. In determining the acquisition cost of an investment:

- (a) Brokerage / Commission received on subscriptions is reduced from the cost.
- (b) Brokerage, Commission, Security Transaction Tax etc paid in connection with the acquisition of investments or expensed upfront and excluded from cost.
- (c) Broken period interest paid / received on debt instruments is treated as interest expense / income and is excluded from cost or sale consideration.
- (d) Stamp duty Value paid on acquisition of Mutual Funds is considered as purchase value or capitalized in books of account.
- (e) Cost is determined on the weighted average cost method for investments under AFS and HFT category and FIFO basis (First in First Out) for investments under HTM category.

ii. Transfer of securities from HFT /AFS category to HTM category is carried out at the lower of acquisition cost /book value /market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out at acquisition price / book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.

iii. **Held to Maturity category:** Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortized over the remaining period of maturity on constant yield basis. Such amortization of premium is adjusted against income under the head "Interest on Investments".

iv. Investments in equity shares of other companies are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.

v. **Available for Sale and Held for Trading Categories:** Investments under AFS and HFT category are individually re-valued at market price or fair value determined as per regulatory guidelines, and only the net depreciation of each group for each category (viz., Government Securities, other Approved Securities, Shares, Debentures and Bonds, Subsidiaries and Joint Ventures and Others) is provided for and net appreciation, is ignored. On provision for

depreciation, the book value of the individual security remains unchanged after marking to market.

vi. Investments are classified as Performing and Non-performing, based on the guidelines issued by the RBI. Investments become non performing where:

a) Interest / installment (including maturity proceeds) is due and remains unpaid for more than 90days.

b) In the case of equity shares, in the event the investment in the shares of any company is valued at Rs.1/- per company on account of the non availability of the latest balance sheet, those equity shares will be reckoned as NPI.

c) If any credit facility availed by any entity is NPA in the books of the bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.

d) The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.

2.5. Accounting for Repo / Reverse Repo Transactions:

The Bank entered Repurchase and Reverse Repurchase Transactions with RBI under Liquidity Adjustment Facility (LAF). Repurchase Transaction represents borrowing by selling the securities with an agreement to repurchase the securities. Reverse Repo Transactions on the other hand represent lending funds by purchasing the securities.

a) Transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Collateralised Lending and Borrowing transactions.

b) Balance in Repo Account is classified under Schedule-4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule-7 (Balance with Banks and Money at call & short notice).

c) Borrowing cost of Repo transactions and Revenue on Reverse Repo transactions, with RBI is accounted for as interest expense and interest income, respectively.

3. Loans or Advances and Provisions thereon:

3.1 Loans and advances are classified as performing and non performing, based on the guidelines issued by the RBI. Loan assets become Non Performing Asset (NPA) where:

- In respect of agriculture advances:

i) For short duration crops, where the installment of principal or interest remains overdue for two crop seasons and

ii) For long duration crops, where the principal or interest remains overdue for one crop season.

- In respect of Non Agriculture advances:

i) In respect of term loans, interest and /or installment of principal remains overdue for a period of more than 90days.

ii) In respect Overdraft or Cash Credit Advances, the account remains "out of order", i.e. if the outstanding balance exceeds sanctioned limit or drawing power continuously for a period 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest due during the same period.

3.2: Provisions are made for NPAs as per the extant guidelines/directives prescribed by the

RBI:

a) All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and loss Assets.

b) Provisions on Advances are made as under:

i. **Standard Assets:** General Provision for Standard Assets at the following rates:

Direct advances to Agriculture and SME sectors at 0.25%

Commercial Real Estate sector at 1%

All other advances not included in (1) & (2) above at 0.40%

This general provision is reflected in schedule 5 of the Balance Sheet under the head "Other liabilities and provisions – other provisions" and is not considered for arriving at the net NPAs.

ii. **Sub-Standard Assets:** A loan asset that has remained non performing for a period less than or equal to 12months.

Particulars	Rates prescribed as per IRAC Norms (NABARD Guidelines)
Secured Portion	10%
Unsecured Portion	20%

iii. **Doubtful Assets:** A loan asset that has remained in the substandard category for a period of 12months.

Particulars	Rates prescribed as per IRAC Norms (NABARD Guidelines)	
Secured Portion	Up to 1 year	20%
	1 to 3 years	30%
	> 3 years	100%
Unsecured Portion		100%

iv. **Loss Assets:** A loan asset where Loss has been identified but the amount has not been fully written off. 100% Provision on outstanding advances.

3.3 Advances are net of specific loan provisions, unrealized interest, ECGC claims received.

3.4 For Restructured / rescheduled assets, provisions are made in accordance with the extant guidelines issued by the RBI.

3.5 In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset if it confirms to the guidelines prescribed by the regulators.

3.6 Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.

3.7 General provisions made for Standard Assets as per extent RBI guidelines are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions"& are not considered for arriving at the net NPAs.

3.8 Interest realized on NPAs are taken into income account provided the credits in the account towards interest are not out of fresh/additional credit facilities sanctioned to the borrower concerned.

4. Floating Provisions:

The Bank has a policy for creation and utilization of floating provisions for advances, investments and general purpose. The quantum of floating provisions to be created is assessed at the end of the each financial year.

5. Fixed Assets, Depreciation and Amortization:

5.1 Fixed Assets are carried at historical cost less accumulated depreciation / amortization.

5.2 Cost includes cost of purchase and all expenditure directly attributable to or incur in connection with acquiring the said asset before it is put to use. Subsequent expenditure incurred on the assets put to use are capitalized only when it increases the future benefits from such assets or their functioning capability.

5.3 Depreciation / amortization is provided on straight line method as per the rates stated below.

Description of Fixed Assets	Depreciation/amortization rate
Buildings	1.667%
Furniture & Fixtures other than Electrical Equipment	10%
Computers; Computer Software forming an integral part of the Computer hardware; Computer Software which does not form an integral part of Computer hardware and cost of Software Development.	33.33%
Automated Teller Machine / Cash Deposit Machine /Coin Dispenser / Coin Vending Machine and other Electrical Equipment	20.00%
Servers	25.00%
Network Equipments	20.00%
Motor Vehicles	20.00%
Safe Deposit Lockers, Fire Proof Data Safe	5.00%

5.4 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

5.5 Assets costing less than Rs.1000/- each, are charged off in the year of purchase.

6. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset

to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

7. Employee Benefits:

7.1. Short Term employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc., which are expected to be paid for the services rendered by employees, are recognised during the period when the employee renders the service.

7.2. Long Term Employee Benefits

i) Defined Benefit Plans:

a) **Gratuity:** For all the eligible employees, the bank provides for Gratuity liability based on actuarial valuation. Liability is funded by way of contribution made to SBI Life Insurance Company Limited, India First Life insurance Company Limited, Life Insurance Corporation of India-Hanmakonda, Life Insurance Corporation of India- Saifabad-Hyderabad and State Bank of India-Dilsukhnagar Branch through "Telangana Grameena Bank Employees Gratuity Fund Trust".

b) **Leave Encashment:** For all the employees who have completed five years of service, the Bank provides for Leave Encashment liability based on actuarial valuation. Bank contributes to SBI Life Insurance Company Limited and India First Life insurance Company Limited on annual basis.

c) **Pension:** The Bank provides for pension to all eligible employees who have joined the Bank on or before 31.03.2010. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contributions to the pension fund at 10% of the salary. The Bank provides for this liability based on the actuarial valuation.

ii) Defined Contribution Plans :

a) Contributions made to Provident Fund are recognized as an Expense and charged to the Profit and Loss Account on accrual basis.

National Pension Scheme (NPS): The Bank operates a new pension scheme (NPS) for all the employees who have joined the Bank after 31.03.2018. The employees who have joined the Bank between 01.04.2010 to 31.03.2018, have been given an option to join NPS voluntarily. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. Pending completion of registration procedures of the employees concerned, these contributions are retained as deposits in the Bank and earn interest at the same rate as that of the current account of Provident Fund balance. The Bank recognizes such annual contributions and interest as an expense in the year to which they relate. Upon receipt of the

Permanent Retirement Account Number (PRAN), the consolidated contribution amounts will be transferred to the NPS Trust.

8) Income Tax Expense:

The Income Tax, if any applicable, is computed in accordance with relevant tax provisions under the Income Tax Act, 1961 as applicable to Regional Rural Banks.

Income Tax expense is the aggregate amount of current tax and deferred tax. Current tax expense and deferred tax expense are determined in accordance with the provisions of the Income tax Act, 1961 and as per the Accounting Standard 22- Accounting for taxes on income respectively and tax laws prevailing in India. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the period.

Deferred tax assets and liabilities are recognized by considering the impact of the timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in Deferred tax assets and liabilities is recognized in the Profit and Loss Account. Deferred Tax assets are recognized and reassessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably / virtually certain.

9) Government Grants:

Government grants available to the enterprise are considered for:-

- I. Where there is a reasonable assurance that the enterprise will comply with the conditions attached to them.
- II. Where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made.

Grants received from the government towards specific fixed assets, are shown as deduction from the gross value of the asset concerned in arriving at its book value.

10) Contingent Liabilities & Provisions:

In conformity with AS-29 "Provisions, Contingent Liabilities and Contingent assets", issued by ICAI, the bank recognizes the provisions only when it has a present obligation as a result of a past event and would result in probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.



No provision is recognized for:

- i. Any possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the bank.
- ii. Any present obligation that arises from past events but is not recognised because
 - a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - b) A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

iii. Contingent Assets are not recognized in the financial statements.

11) Special Reserves:

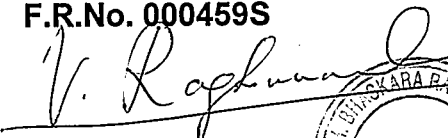
Revenue and other Reserves include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961.

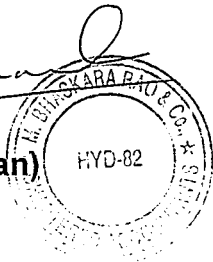
As per our report of even date

For M/s M. Bhaskara Rao & Co.

Chartered Accountants

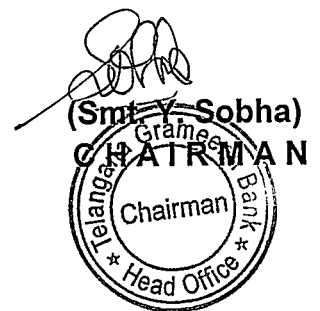
F.R.No. 000459S


(CA. V. Raghunandan)
Partner
M.No. 026255



For Telangana Grameena Bank


(K.P. Shobha Rani)
GENERAL MANAGER-I



Date: 24.04.2023



TELANGANA GRAMEENA BANK

(Sponsored by State Bank of India)

HEAD OFFICE : HYDERABAD

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SCHEDULE: 18

DISCLOSURES AS PER NABARD GUIDELINES ANNEXURE TO NOTES FORMING PART OF THE ACCOUNTS (SCHEDULE – 18)

1. Capital:

Sl.No.	Particulars	As on 31.03.2023	As on 31.03.2022
i)	CRAR (%)	17.20%	14.90%
ii)	CRAR – Tier I Capital (%)	16.84%	14.55%
iii)	CRAR – Tier II Capital (%)	0.36%	0.35%
iv)	Percentage of share holdings of the		
a.	Government of India	50%	50%
b.	State Government	15%	15%
c.	Sponsor Bank	35%	35%

2. Advances:

2.1 As per the review and the assessment by the management of the Bank, the provision required towards Bad & Doubtful Debts as on 31.03.2023 as per IRAC Norms is Rs 9499.45 lakh. The Bank has identified NPAs of Rs 26382.91 lakh inclusive of Rs. 619.83 lakh under “One NPA All NPA” norm, with the help of an in-house tool and classified them as Sub Standard. The provision made during FY2022-23 is Rs 2888.95 lakh (previous year Rs. 7181.55 lakh) thereby the total provisions comes to Rs. 26382.91 lakh which is 100% of NPAs of the bank as on 31.03.2023. However, the adjustment entries in Income/ Provision have been made only in the financial statements. The credit entries arising out of above adjustments will be made in the customers’ accounts only after One NPA All NPA norm is incorporated in to the Core Banking Solution.

2.2 As per the review and the assessment by the management of the Bank, the general provision required towards Standard Assets as on 31.03.2023 as per IRAC Norms is Rs 4251.70 lakh (Previous year Rs 3770.35 lakh). The provision made during the FY as at the year ended 31.03.2023 is Rs 481.35 lakh.

2.3 Further, as per RBI Circular No. RBI/2021-22/31 on “Resolution Framework 2.0: Resolution of Covid-19 related stress of Individuals and small business” dated 05.05.2021, the Bank has rescheduled 484 Housing Loan accounts amounting to Rs 5992.63 lakh - and created 10% provision of Rs 575.29 lakh during March, 2022, in accordance with the circular guidelines. Out of 484 accounts 40 loan accounts are closed during CFY and 10 accounts with O/s Rs 86.19 lakh are slipped into NPA for which 100% provisions created. Remaining 434 accounts are in Standard with O/s of Rs 5330.21 lakh for which Rs 533.02 lakh provision created as on 31.03.2023. Further, Bank has created additional Standard Assets provision to the tune of Rs 21.69 lakh, for rescheduled Tractor loans sanctioned to Gram Panchayaths on O/s of Rs 216.95 lakh. The same is disclosed under the head “General Provision on Standard Advances” of Schedule 5.

3. Investments:

3.1 Value of Investments.

(Amt in Lakh)

Sl. No.	Particulars	As on 31.03.2023	As on 31.03.2022
1	Value of investments		
i	Gross value of investments	257249.27	299457.75
ii	Provisions for Depreciation	0	0
iii	Net Value of investments	257249.27	299457.75
2	Movement of Provisions held for depreciation on Investments		
i	Opening Balance	0	0
ii	Add: Provisions made during the current FY 2022-23.	221.77	0
iii	Less: Write off / write back of excess provisions / adjustments during the year.	221.77	0
iv	Closing Balance as on 31.03.2023.	0	0

3.2(i) Repo Transaction:

(Amt in lakh)

	Minimum O/s during FY as on 31.03.23	Maximum O/s during FY as on 31.03.23	Daily Average O/s during FY as on 31.03.23	O/s as on 31.03.2023
Securities sold under Repos	10931.70	12994.40	11963.05	0
Securities purchased under reverse repos	0	0	0	0

3.2 (ii) Marginal Standing Facility / Standing Deposit Facility:

(Amt in lakh)

	Minimum O/s during FY as on 31.03.23	Maximum O/s during FY as on 31.03.23	Daily Average O/s during FY as on 31.03.23	O/s as on 31.03.2023
Securities pledged under MSF	224.80	20627.10	12501.99	20627.10
Invested under SDF	1000.00	61600.00	15650.00	0.00

3.3 Non – SLR investment portfolio:

(i) Issuer composition of Non SLR investments:

(Amt in lakh)

Sl. 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)	PSUs	1500.00	-	-	-	-
ii)	Fls	-	-	-	-	-
iii)	Banks	-	-	-	-	-
iv)	Private Corporate	1982.40	-	-	-	-
v)	Others (MF)	2500.00	-	-	-	-
vi)	Provisions held	-	-	-	-	-
	TOTAL	5982.40	-	-	-	-

(ii) Non – performing Non-SLR Investments

(Amt in lakh)

Particulars	Amount
Opening Balance	Nil
Additions during the year since 1 st April 2022	Nil
Reductions during the year since 1 st April 2022	Nil
Closing balance as on 31.03.2023	Nil
Total provisions held as on 31.03.2023	Nil

4. Asset Quality: In tune with guidelines issued by Reserve Bank of India, the Assets of the bank have been classified as Performing and Non-performing Assets as on 31.03.2023 and the breakup of Nonperforming assets is furnished hereunder:

4.1 Non – Performing Asset:

(Amt in Lakh)

Sl.No	Particulars	As on 31.03.2023	As on 31.03.2022
I	Net NPA to Advances (%)	0%	0%
li	Movement of NPAs		
(a)	Opening Balance	26888.72	22762.67
(b)	Additions during the current FY	47161.71	65863.19
(c)	Reductions during the current FY	47667.52	61737.14
(d)	Closing balance	26382.91	26888.72
lii	Movement of Net NPAs		
(a)	Opening balance	0.00	2270.01
(b)	Additions during the current FY		0.00
(c)	Reductions during current FY		2270.01
(d)	Closing balance	0.00	0.00
iv	Movement of provisions for NPAs		
(a)	Opening balance	26888.72	20492.67
(b)	Provisions made during the current FY	2888.95	7181.55
(c)	Write-back of excess provisions	0.00	0.00
(d)	Write-off/Compromise during the current FY	3394.76	785.50
(e)	Closing balance	26382.91	26888.72

4.2: Details of loan assets subject to restructuring:

(Amt in Lakh)

Sl.No.	Particulars	As on 31.03.2023	As on 31.03.2022
i	Total amount of loan assets subject to Restructuring, Rescheduling and Renegotiation	5629.91	6341.44
ii	The amount of Standard assets subjected to Restructuring, Rescheduling and Renegotiation.	5547.16	5992.63
iii	The amount of Sub-standard assets subjected to Restructuring, Rescheduling and Renegotiation.	-	-
iv	The amount of Doubtful assets subjected to Restructuring, Rescheduling and Renegotiation.	82.75	348.81
	NOTE [(i) = (ii) + (iii) + (iv)]		

4.3: Details of financial assets sold to Securitisation (SC) / Reconstruction Company (RC) for Assets Reconstruction:

Sl. No.	Particulars	As on 31.03.2023	As on 31.03.2022
i	No. of accounts	NIL	NIL
ii	Aggregate value (net of provisions) of accounts sold to SC/ RC	NIL	NIL
iii	Aggregate consideration realized in respect of accounts transferred in earlier years	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

4.4: Details of Non-performing financial assets purchased / sold:

A. Details of Non-performing financial assets Purchased

(Amt in Lakh)

Sl. No	Particulars	As on 31.03.2023	As on 31.03.2022
i. a)	No. of A/Cs purchased during the year	NIL	NIL
b)	Aggregate outstanding	NIL	NIL
ii. a)	Of these, number of accounts restructured	NIL	NIL
b)	Aggregate outstanding	NIL	NIL

B. Details of Non-performing financial assets Sold:

(Amt in Lakh)

Sl. No	Particulars	As on 31.03.2023	As on 31.03.2022
i)	No. of accounts sold	NIL	NIL
ii)	Aggregate outstanding	NIL	NIL
iii)	Aggregate consideration received	NIL	NIL

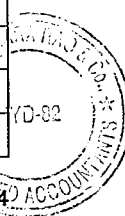
4.5: Provisions on Standard Assets:

(Amt in Lakh)

Sl. No.	Particulars	As on 31.03.2023	As on 31.03.2022
i)	Provisions for Standard Assets	4251.70	3770.35

5. Business Ratios:

Sl. No.	Particulars	As on 31.03.2023	As on 31.03.2022
i)	Interest income as a percentage to working Funds	8.71%	8.49%
ii)	Non-int income as a percentage to working Funds	1.49%	1.72%
iii)	Operating profit as a percentage to working funds	3.70%	4.00%
iv)	Returns on Assets	2.62%	2.34%
v)	Business (Deposits + Adv) per employee (<i>in lakh</i>)	1463.19	1328.13
vi)	Profit per employee (<i>in lakh</i>)	25.78	22.22



6. Asset Liability Management-Maturity pattern of certain items of assets and liabilities:
(Amt in lakh)

Particulars	1-14 days	15-28 Days	29days – 3months	Over 3 months and upto 6 months	Over 6 months and 1 yr	Over 1 yr and upto 3yrs	Over 3yrs and upto 5 yrs	Over 5 years	Total
Deposits	66953.19	17069.68	64802.95	95127.55	368676.32	616745.76	17229.51	14427.82	1261032.78
Advances	34414.38	31089.78	127655.66	205763.60	412642.02	394904.42	56830.16	26000.05	1289300.07
Investments & STDRs	2500.00	1500.00	15694.72	49819.91	312696.68	8019.18	85891.12	160856.11	636977.73
Borrowings	29121.49	0.00	6765.44	154798.99	134926.93	129939.30	61153.11	0.00	516705.26
Foreign currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

7. Exposure – Exposure to Real Estate sector:

(Amt in Lakh)

Sl. No	Category	As on 31.03.2023	As on 31.03.2022
A	Direct Exposure:		
(i)	Residential Mortgages Lending fully secured by mortgages on residential properties that is or will be occupied by the borrower or that is rented(individual housing loan up to Rs.20 lakh)	173413.20 (62328.58)	114022.91 (56076.66)
(ii)	Commercial Real Estate Lending secured by mortgages on commercial real estate's (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 ;	276.34	383.57
(iii)	Investments in Mortgage Backed Securities (MBS) and other securities exposure		
	a. Residential	NIL	NIL
	b. Commercial Real Estate	NIL	NIL
B	Indirect Exposure:	NIL	NIL
	Fund-based and Non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	NIL	NIL

7.2 Exposures to Capital Market:

(Amt in Lakh)

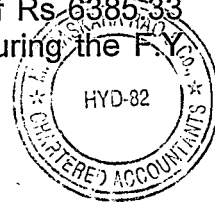
Sl. No.	Items	As on 31.03.2023	As on 31.03.2022
i.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is exclusively invested in corporate debt;	Nil	Nil
ii.	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures or units of equity oriented mutual funds;	Nil	Nil
iii.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
iv.	Advance for any other purposes to the extent secured by the collateral security of shares or convertible debentures or units of equity oriented mutual funds i.e., where the primary security other than shares/ convertible bonds/convertible debentures/ units of equity oriented mutual funds does not fully cover the advances.	Nil	Nil
v.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market shares	Nil	Nil
vi.	Loans sanctioned to corporate against the security of shares/ bonds/ debentures or others securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
vii.	Bridge loans to companies against expected equity flows/ issues;	Nil	Nil
viii.	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
ix.	Financing to stockbrokers for margin trading;	Nil	Nil
x.	All exposures to venture Capital Funds (both registered and unregistered)	Nil	Nil
Total Exposure to Capital Market		NIL	Nil

7.3 Details of Single Borrower (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

There are no sanctions over and above the prudential exposure norms applicable to single borrower and group borrowers during the year ended 31.03.2023. There are no outstanding over and above the prudential exposure norms applicable to single borrower and group borrower.

7.4 The Bank has classified the credit facilities extended to SHGs as unsecured for the accounts sanctioned upto the limit of Rs 10 lakh and for the accounts above sanction limit of Rs 10 lakh, 75% of the outstanding amount covered under CGFMU Credit Guarantee Funds for Micro Units) is classified as secured and remaining as unsecured.

7.5 Pursuant to the G.O number. 639 Dt. 27-04-2013, G.O Number: 323 dated 04-07-2015 and G.O Number: 236 dated 25-05-2016 and G.O Number: 369 dated 23-06-2017, the bank has sanctioned Vaddi Leni Runalu (VLR's) to the eligible borrowers and claimed Interest subvention from 01.04.2015 to 31.03.2018 and the bank is yet to receive Interest Subvention of Rs.6385.33 lakh out of claim of Rs. 7976.97 lakh from the State Govt of Telangana from 01-04-2015 to 31.03.2018. The Bank has made provision of Rs. 6385.33 lakhs towards VLR and written off the same from the Books of Accounts during the F.Y. 2021-22.



8. Disclosure as per Accounting Standard (AS):

8.1 Accounting Standard–5: Net Profit or Loss for the period, prior period items and changes in accounting policies.

8.1.1 There are no material prior period items included in Profit & Loss Account required to be disclosed as per AS-5 read with RBI guidelines except those disclosed elsewhere in the notes.

8.2 Accounting Standard–15: “Employee Benefits”:

Provisions for Gratuity, Leave Encashment and Other long term benefits have been made in accordance with the Revised Accounting Standard (AS-15) issued by the ICAI.

a. Gratuity:

The Bank has made no provisions during the current FY as at the end of Mar, 2023. The estimated Gratuity Liability of the Bank is Rs.5208.71 lakh as on 31.03.2023 (as per the actuarial dated 31.03.2023) and the total value of funds along with the projected interest thereon as on 31.03.2023 is Rs. 5251.27 lakh.

The above gratuity liability is funded through i) SBI Life Insurance Co., Ltd., in the name of corpus of TGB to the extent of Rs Nil (Previous year Rs. 321.59 lakh), ii) LIC held in the name of erstwhile Shathavahana Grameena Bank to the extent of Rs. 293.44 lakh (Previous year Rs. 272.15 lakh), iii) LIC held in the name of erstwhile Saraswathi Grameena Bank to the extent of Rs 587.53 lakh (Previous year Rs. 544.90 lakh), iv) Funds held with India First Insurance Co. Ltd. to the extent of Rs 4363.17 lakh (Previous year Rs 4265.81 lakh), v) Funds with TGB Nallakunta Branch in current account to the extent of Rs 2.51 lakh (Previous year Rs. 0.55 lakh), vi) Funds held with Kotak Mahindra Insurance Co. Ltd., to the extent of nil (Previous year Rs.48.00 lakh) and vii) Funds held with LIC in the name of Telangana Grameena Bank Employees’ Group Gratuity Trust to the extent of Rs 4.62 lakh (Previous year Rs.403.27 lakh).

b. Pension:

Pension (pursuant to Extra Ordinary Gazette Notification No.510 issued by Central Government dated 18.12.2018 for payment of pension for all the eligible employees who have joined on or before 31.03.2010 of Regional Rural Banks.):

The estimated net pension liability of the bank as on 31.03.2023 (as per actuarial dated 31.03.2023) is Rs. 43269.36 lakh after considering the amount receivable from Employees Provident Fund Organization of Rs. 1960.03 lakh. The total value of funds along with the projected interest thereon as on 31.03.2023 is Rs.41220.62 lakh. The Bank has made Rs 3308.50 lakh provision during the current FY as at the end of Mar, 2023.

The above pension liability is funded through i) SBI Life Insurance Co., Ltd., in the name of TGB Employees Pension Fund Trust to the extent of Rs 8051.90 lakh (Previous Year 8427.63 lakh) ii) Funds held with Aditya Birla Sun Life Insurance Co Ltd to the extent of Rs. 10072.42 lakh (Previous Year Rs 6843.43 lakh), iii) Funds held with LIC to the extent of Rs. 4302.22 lakh (Previous Year Rs 4034.60 lakh), iv) Funds with India First Insurance Co Ltd Rs 12785.52 lakh (Previous year Rs11952.72 lakh), v) Kotak Mahindra Insurance Co Limited Rs. Nil (Previous year Rs 4062.79 lakh), vi) Funds with ICICI Prudential Life Insurance Rs 4908.78 lakh (Previous year Rs 2211.42 lakh), vii) Funds held with Bajaj Allianz Life Insurance Rs 1099.10 lakh (Previous year Rs. 1025.30 lakh) and viii) Funds with TGB Nallakunta Branch Rs 0.67 lakh (Previous year Rs 0.03 lakh).

c. Leave Encashment Liability:

The Bank has made a provision of Rs. 350.88 lakh during the current FY as at the end of Mar, 2023 (Previous year Rs.1029.78 lakh) to meet the Leave Encashment Liability of the employees as on 31.03.2023 whereby the total liability of the employees as at 31.03.2023 (as per the actuarial dated 31.03.2023) stood at Rs.4107.40 lakh on estimated basis (Previous year Rs 4238.80 lakh) and total value of funds along with projected interest thereon as on 31.03.2023 is Rs 4584.02 lakh.

The above Leave Encashment Liability is funded through (i) SBI Life Insurance Co Ltd in the name of Corpus of TGB to the extent of Rs nil (Previous Year Rs.1374.16 lakh) and (ii) Funds held with India First Insurance Co Ltd to the extent of Rs nil (Previous year Rs 2904.61 lakh), (iii) Funds held with Current Account of TGB Nallakunta Branch to the extent of Rs 84.02 lakh (Previous year Rs 0.013 lakh) and balance of Rs 4328.53 lakh in Provision for Leave encashment payables, as on 31.03.2023.

8.3 Accounting Standard–17: Segment Reporting:

As per guidelines from RBI the business segments in which the bank operates has been determined as Treasury operations and other Banking operations. Since the bank has no foreign branches, it is considered to operate only in the Domestic segment.

8.4 Accounting Standard–18: Related party disclosures:

As per Para 9 of the Accounting Standard 18 issued by the ICAI on “Related party disclosures” the Bank, being a state-controlled enterprise is not required to make disclosures of related party relationships with other state-controlled enterprises and transactions with such enterprises. However, the Bank has considered the following as related parties for the purpose of disclosure under AS-18 issued by the ICAI:

Managerial Remuneration:

(Amt in Lakh)

Particulars	As on 31.03.2023 *	As on 31.03.2022
Smt Y. Sobha, Chairman	20.99	0.00
Sri V. Arvind, Chairman, Relieved to Parent Bank on 11.08.22	17.80	47.97
@Shri Naga Srinivas, General Manager –III Got relieved from the Bank on 21.06.2021	0	8.35
@Sri C. Murali Mohan-General Manager-I Got retired from the services on 31.05.2021	0	23.69
#Sri Satish Kumar General Manager-II Relieved to Parent Bank on 30.06.2022.	12.62	34.65
#Sri K Subba Rao-General Manager (Vigilance) Relieved to Parent Bank on 30.06.2022.	15.39	37.82
Sri. V. S Mahesh General Manager (IT)	28.09	39.00
Smt. K.P. Shobha Rani, General Manager-I	26.77	27.63
Sri K V Prasad, General Manager-III	25.78	29.21
Sri D. Ramesh, General Manager-II	16.30	0
Smt Bharati Thayar, General Manager (Vigilance)	17.00	0

*Reimbursement of Remuneration of Sponsor Bank staff up to Dec, 2022. Not yet claimed for the period from Jan, 2023 to Mar,2023. However, bank has made provision of Rs 59 lakh as on 31.03.2023.

Directors of the Bank:

Sl.No.	Name	Nominee
1	Smt Y. Sobha, Chairman	State Bank of India (Sponsor Bank)
2	Sri V. Siva Kumar, GM (RRB), Corporate centre	State Bank of India (Sponsor Bank)
3	Sri Binod Kumar Sinha, DGM (ABU & GSS), LHO	State Bank of India (Sponsor Bank)
4	Smt Siva Tulasi Devata, DGM, TSRO	NABARD
5	Sri Anil Kumar Kalbhore, AGM,	Reserve Bank of India
6	Sri Rayi Ravi, Addl. Secretary, Dept of Finance	Government of Telangana
7	Sri M. Raghunandan Rao, IAS, Commissioner of Agri.	Government of Telangana
8	Vacant	Government of India
9	Vacant	Government of India

Particulars of related party account transactions:

(Amt in lakh)

Particulars	For the period ended 31.03.2023	Previous Year 31.03.2022
OD facility from State Bank of India	* 7830.00	* 7830.00
Interest paid to SBI	146.06	34.85
Investments made with:		
SBI-in the form of STDRs	10128.46	9828.54
Interest received from SBI	299.91	390.19
Contribution to Gratuity fund with SBI Life Insurance Co	0	321.59
Contribution to Leave Encashment Fund with SBI Life Insurance Co Ltd.	0	1374.17
Contribution to Pension Fund with SBI Life Insurance Co.	8051.90	8427.63
Current account balance with SBI	2554.96	2827.06

*indicates the limit figure in OD against TDR

8.5 Accounting Standard- 19: Leases:

The Bank has leased premises for its operations and the lease period varies from 3 to 5 years. As and when the period of lease is ended, suitable actions will be taken for renewals based on the mutual negotiations with the owners of premises.

8.6 Accounting Standard–20: Earning Per Share:

AS-20 is not applicable to the bank, as it does not mandate an enterprise, which has neither equity shares nor potential equity shares which are so listed, to calculate and disclose earning per share.

8.7 Accounting Standard-21: Consolidated Financial Statement:

The Bank does not have any subsidiary and as such AS 21 is not applicable.

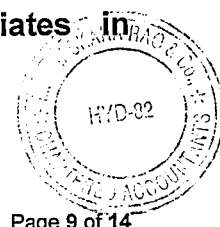
8.8 Accounting Standard–22: Accounting for Taxes on Income:

8.11.1 Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred Tax liability as on 31.03.2023 on the timing difference on account of depreciation as per book records and as per the Income Tax Act, 1961 is **Rs 57.20 lakh** (Previous Year **Rs 69.40 lakh**) and accordingly an amount of **Rs 12.20 lakh** (Previous Year **Rs 19.10 lakh**) has been credited to the Profit and Loss account during current FY as at the end of 31.03.2023.

8.9: Accounting Standard-23: Accounting for Investments in Associates in consolidated Financial Statement:

The Bank does not have any subsidiary and as such AS 23 is not applicable.



8.10: Accounting Standard–26: Intangible Assets:

The Bank is consistently following the practice of depreciating the Software which forms integral part of Hardware @ 33.33% (on SLM basis), which is in line with the AS-26 issued by ICAI.

8.11: Accounting Standard–28: Impairment of Assets:

In the opinion of Bank's Management, there is no impairment of the Assets during the year.

8.12: Accounting Standard–29: Provisions, Contingent Liability and Contingent Assets:

(a) The bank recognizes Provisions, Contingent Liability and Contingent Assets in compliance to AS-29 issued by the ICAI, and in terms of the accounting policy adopted and disclosed by the bank.

(b) Income Tax department has raised certain demands on the Bank, with regard to assessment of income of the Bank and the tax payable thereon. The Bank is contesting demands raised by the Income Tax Department and pursuing the same. An amount of Rs. 483.16 lakh being the disputed tax demand is treated as Contingent Liabilities and are shown in Schedule 12 – "Contingent Liabilities - Claims against the Banks not acknowledged as debts". The Bank paid an amount of Rs.105.31 lakh against Disputed Demand and the same is included in Schedule 11 – "Other Assets – "Tax paid in Advance" Bank is confident of resolving the dispute in its favour. Liability, if any, will be charged to Profit and Loss account in the year of settlement of these disputes / claims.

8.12.1: Provisions & Contingencies of Profit & Loss Account made during the Current FY, as at the end of 31.03.2023:

Sl. No	Particulars	(Amt in Lakh)	
		As on 31.03.2023	As on 31.03.2022
A	Provisions & Contingencies		
i)	Provision for Standard Assets		
ii)	Provision towards NPA	481.35	916.65
iii)	Provision for Others	2888.95	7181.55
iv)	Provision for Frauds/thefts	6.66	6385.33
v)	Provision for depreciation on Investments	0.00	83.04
	Total of Provisions & Contingencies	0.00	0.00
B	Tax provisions	3376.96	14566.57
	Provision for taxation		
	Total Tax Provisions	15000.00	11852.00
	Total of A and B	15000.00	11852.00
		18376.96	26418.57

8.13:

- Frauds:** i) Indurthy & Kodimiyala Branch: The employee Sri M. Manohar misappropriated the amount Rs 2,55,000/- in SB A/cs by forging customers signature. The total amount was recovered.
ii) Adilabad Branch: The employee Sri A.Yugandhar misappropriated the amount Rs 1,60,000/- in SB A/cs by forging customers signature. The total amount was recovered.

2. Thefts:

Bussapur Branch (Nirmal Region): During intervening night of 02.07.2022 (Saturday) and 03.07.2022(Sunday), theft was occurred at Bussapur Branch (413), Nirmal Region, resulting in the loss of Cash balance of Rs 7,22,821/- and theft of gold ornaments of 247 accounts with Gross Weight of 8343 Grams . FIR No. 56/2022 filed with PS, Mendora,

Nizamabad dist on 04.07.2022. The Bank has estimated the loss of Rs 4,14,75,877/- and accordingly provision has been made. Bank has assessed the Jewellery loss of Rs 3,29,88,211 & Cash Loss of Rs 7,22,821/- and written off the same in the books of account. The excess provision of Rs 77,64,844 is written back to the books of accounts during the year.

The bank has credited the saving Bank accounts of the respective borrowers to the tune of Rs 92,53,376/- after adjustment of Jewellery loan outstanding in the books of account to the tune of Rs 2,37,34,836/-.

The Bank made a claim of Rs 3,41,02,362/- with National Insurance Company Ltd by submitting required documents & the settlement of Claim is under process.

8.14: AS- 2: On Valuation of Inventory, AS -7 on Construction Contract, AS-11 on the effects of Changes in Foreign Exchange Rates, AS-14 on the accounting for the Amalgamation, AS-16 on the Borrowing Cost. Disclosures under the mentioned AS are not applicable to the Bank or there are no reportable transactions required to be reported in accordance with these Accounting Standards.

9. Additional disclosures:

9.1 Floating Provisions:

(Amt in Lakh)

Sl. No	Particulars	As on 31.03.2023	As on 31.03.2022
(a)	Opening Balance in floating provision account	0	0
(b)	The Quantum of floating Provision made during period	0	0
(c)	Amount of draw down made during the period	0	0
(d)	Closing balance in the floating provision account	0	0

9.2 Provision against Frauds/thefts: The details of Fraud and theft provision are as under:

(Amt in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Provision at the beginning of the year	340.48	344.71
Less: Provisions written-off during the current FY	0.00	0.00
Add: Provisions created during the current FY	414.76	83.04
Less: Provision reduced by payments /reversals during current FY.	414.76	87.27
Provision as at the end of 31.03.2023.	340.48	340.48
No. of fraud cases as at the end of 31.03.2023.	25	25

10. Disclosure of Complaints:

10.1 Customer Complaints:

Sl. No	Particulars	As on 31.03.2023	As on 31.03.2022
i.	No. of complaints pending at the beginning of the year	0	0
ii.	No. of complaints received during the current FY	103	52
iii.	No. of complaints redressed during the current FY.	103	52
iv.	No. of complaints pending as at the end of 31.03.2023.	0	0

10.2 Award passed by the Banking Ombudsman:

Sl. No	Particulars	As on 31.03.2023	As on 31.03.2022
i.	No. of unimplemented Awards at the beginning of the year.	0	0
ii.	No. of Awards passed by the Banking Ombudsman during the CFY.	0	0
iii.	No. of Awards implemented during the CFY.	0	0
iv.	No. of unimplemented Awards as at the end.	0	0

11. Concentration of Deposits, Advances, Exposures and NPAs:

11.1 Concentration of Deposits:

(Amt in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Total Deposits of twenty largest depositors	272023.82	146906.11
Percentage of Deposits of Twenty largest depositors to total deposits	21.57%	13.31%

11.2 Concentration of Advances:

(Amt in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Total Advances to twenty largest borrowers	2338.18	1981.58
Percentage of Advances of Twenty largest Borrowers to total advances	0.18%	0.18%

11.3 Concentration of Exposures:

(Amt in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Total Exposures of Twenty largest borrowers/Customers	2338.18	1981.58
% of Exposures of Twenty largest borrowers/ Customers to Total Exposure of the Bank on borrowers /Customers	0.18%	0.18%

11.4 Concentration on NPAs:

(Amt in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Total Exposure to top four NPA accounts	97.94	87.15

11.5 Sector wise NPAs:

(Amt in Lakh)

Sl. No	Sector*	As on 31.03.2023			As on 31.03.2022		
		Total Advances O/s	Gross NPAs	% of Gross NPAs to Total Adv	Total Advances O/s	Gross NPAs	% of Gross NPAs to Total Adv
A	Priority Sector						
i.	Agriculture & Allied activities	901955.36	22778.01	2.53	816060.06	21188.36	2.60
	KCC	534374.26	16731.57	3.13	497589.11	14185.23	2.85
	SHG	353393.07	5034.81	1.42	305349.96	5373.24	1.76

ii.	Advances to Business/Industries eligible under PS	9785.03	1484.54	15.17	11497.57	2624.60	22.83
iii.	Services	2400.47	152.79	6.37	2333.18	203.52	8.64
	Cash Credit	2391.54	145.07	6.07	2284.27	160.83	7.04
iv.	Personal Loans	101948.89	290.99	0.29	86636.09	739.81	0.83
	Housing Loan	100699.58	211.36	0.21	85805.44	634.77	0.74
	Sub-total (A)	1016089.75	24676.41	2.43	916526.90	24756.28	2.70
B	Non-priority Sector:						
i.	Agriculture and allied activities	-	-	-	-	-	-
ii.	Industry	-	-	-	-	-	-
iii.	Services	-	-	-	-	-	-
iv.	Personal Loans	273210.32	1706.50	0.62	210760.44	2132.44	1.01
	Jewellery Loan	139238.60	66.34	0.05	109271.51	95.86	0.09
	DL/CDL	20342.60	1.34	0.01	20120.16	5.42	0.03
	Sub-total (B)	273210.32	1706.50	0.62	210760.44	2132.44	1.01
	Total (A+B)	1289300.07	26382.91	2.05	1127287.35	26888.72	2.39

*Sub-sectors with outstanding balances more than 10% of the Sector total are disclosed separately.

11.6 Transfers to Depositor Education and Awareness Fund (DEAF)

(Amt in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Opening Balance of amounts transferred to DEAF	367.82	228.57
Add: Amounts transferred to DEAF during the current FY	*2248.43	140.09
Less: Amounts reimbursed by DEAF towards claims	41.59	0.84
Closing balance of amounts transferred to DEAF	2574.66	367.82

* which includes unreconciled credit balances of Rs 154.76 lakh pertaining to erstwhile Grameena banks which got amalgamated and formed as Deccan Grameena Bank (Now Telangana Grameena Bank) are outstanding for more than 10 years and details of which are not available. Hence transferred to DEAF.

12. Movement of NPAs:

(Amt in Lakh)

Particulars	As on 31.03.2023	As on 31.03.2022
Gross NPAs (Opening balance)	26888.72	22762.68
Additions (Fresh NPAs) during the FY as on 31.03.2023.	47161.71	65863.19
Sub-total (A)	74050.43	88625.87
Less:		
i) Up gradations	33012.01	30813.21
ii) Recoveries (excluding recoveries made from upgraded A/cs)	9337.83	29531.94
iii) Write-offs/compromise	5317.68	1392.00
Sub-total (B)	47667.52	61737.15
Gross NPAs (Closing Balance)(A-B)	26382.91	26888.72

13. Provisioning Coverage Ratio (PCR):

Particulars	As on 31.03.2023	As on 31.03.2022
PCR (%)	100%	100%

14. Draw Down from Reserve:

The Bank has not drawn down any amount from Statutory and General Reserve during the current financial year ended 31.03.2023.

15. Disclosure of Penalties imposed by RBI:

The Bank has maintained CRR and SLR as per RBI Act 1934 and Banking Regulation Act 1949 and not defaulted as at the financial year ended 31.03.2023.

16. PRIORITY SECTOR LENDING CERTIFICATES: The Position of PSLC trade as on 31.03.2023 is as follows:

(Amt in Lakh)

Sale of PSLC			
	Segment	Amount	Premium Earned
	PSLC SM	624000.00	11280.50
	PSLC General	60250.00	577.50
	PSLC Micro Enterprise	19000.00	82.50
	TOTAL	703250.00	11940.50
Purchase of PSLC:			
	Segment	Amount	Premium Paid
	PSLC GENERAL	305000.00	323.50
	PSLC Micro Enterprise	5000.00	3.10
	PSLC A	18000.00	3.60
	TOTAL	328000.00	330.20

17. Inter Branch Transactions & Inter Office accounts – Post CBS Period:

The outstanding entries relating to inter branch transactions, inter office accounts pertaining to the Post CBS period are in the process of reconciliation / adjustment. The management considers that the amounts involved are not material and are not suspicious in nature and substance for considering provision.

The age-wise break-up of the outstanding entries pending reconciliation is stated below:

(Amt in lakh)

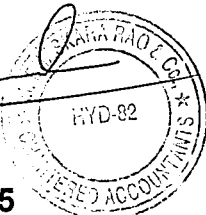
Sl. No	Time Period	No of Dr Entries	Amount of Dr entries	No of Cr entries	Amount of Cr entries	Net Dr/Cr Position
1	Up to 3 months	0	0	41	92.68	92.68
2	3 to 6 months	0	0	0	0	0
3	6 months to 1 year	0	0	0	0	0
4	1 year to 5 years	0	0	0	0	0
5	Above 5 years	0	0	0	0	0
	TOTAL	0	0	41	92.68	92.68

18. The figures of the previous year have been re-grouped/re-arranged wherever necessary except where information was not available.

For M/s M. Bhaskara Rao & Co.

Chartered Accountants

F.R/ No. 000459S

V. Raghunandan

CA. V. Raghunandan
 Partner, M.No. 026255

For Telangana Grameena Bank

(K.P. Shobha Rani)
(K.P. Shobha Rani)
 General Manager-I

(Y. Sobha)
(Y. Sobha)
CHAIRMAN


Date: 24.04.2023

TELANGANA GARMEENA BANK

HEAD OFFICE: HYDERABAD

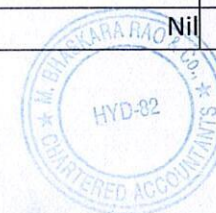
DISCLOSURE IN FINANCIAL STATEMENTS – 'NOTES TO ACCOUNTS'

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹ Crore)

Sr.No.	Particulars	CurrentYear	PreviousYear
i)	Common Equity Tier 1 capital (CET 1) / Paid up sharecapital and reserves (net of deductions, if any)	1984.05	1534.68
ii)	Additional Tier 1 capital*/ Other Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	1984.05	1534.68
iv)	Tier 2 capital	42.52	37.70
v)	Total capital (Tier 1+Tier 2)	2026.57	1572.38
vi)	Total Risk Weighted Assets (RWAs)	11783.49	10551.89
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-upshare capital and reserves as percentage of RWAs	16.84	14.55
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	16.84	14.55
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.36	0.35
x)	Capital to Risk Weighted Assets Ratio (CRAR) (TotalCapital as a percentage of RWAs)	17.20	14.90
xi)	Leverage Ratio	NA	NA
xii)	Percentage of the shareholding of		
	a) Government of India	50.00	50.00
	b) State Government (specify name)	15.00	15.00
	c) Sponsor Bank	35.00	35.00
xiii)	Amount of paid-up equity capital raised during the year	Nil	Nil



xiv)	Amount of non-equity Tier 1 capital raised during the year, <i>of which: Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.</i>	Nil	Nil
xv)	Amount of Tier 2 capital raised during the year, <i>of which: Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.</i>	Nil	Nil

Draw down from Reserves: The Bank has not drawn down any amount from Statutory and General Reserve during the current financial year ended 31.03.2023.

2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities

(Amount in ₹ Crore)

	Day 1 to 14 days	15 To 30 Days	30 days To 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	669.53	170.69	648.02	951.27	3686.76	6167.49	172.29	144.27	12610.32
Advances	344.14	310.89	1276.55	2057.63	4126.42	3949.04	568.30	260.03	12893.00
Investments	25.00	15.00	156.94	498.21	3126.96	80.19	858.91	1608.56	6369.77
Borrowings	291.21	0.00	67.68	1547.98	1349.26	1299.39	611.53	0.00	5167.05
Foreign Currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



Investments

a) Composition of Investment Portfolio as at 31.03.2023

(Amount in ₹ Crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	1856.36	0.00	0.00	0.00	0.00	0.00	1856.36	0.00	0.00	0.00	0.00	1856.36
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0
Net	1856.36	0.00	0.00	0.00	0.00	0.00	1856.36	0.00	0.00	0.00	0.00	1856.36
Available for Sale												
Gross	656.31	0.00	0.00	34.82	0.00	25.00	716.13	0.00	0.00	0.00	0.00	716.13
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	656.31	0.00	0.00	34.82	0.00	25.00	716.13	0.00	0.00	0.00	0.00	716.13
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	2512.67	0.00	0.00	34.82	0.00	25.00	2572.49	0.00	0.00	0.00	0.00	2572.49
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	2512.67	0.00	0.00	34.82	0.00	25.00	2572.49	0.00	0.00	0.00	0.00	2572.49



	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	1278.27	0.00	0.00	0.00	0.00	0.00	1278.27	0.00	0.00	0.00	0.00	1278.27
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1278.27	0.00	0.00	0.00	0.00	0.00	1278.27	0.00	0.00	0.00	0.00	1278.27
Available for Sale												
Gross	1641.31	0.00	0.00	40.00	0.00	35.00	1716.31	0.00	0.00	0.00	0.00	1716.31
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1641.31	0.00	0.00	40.00	0.00	35.00	1716.31	0.00	0.00	0.00	0.00	1716.31
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	2919.58	0.00	0.00	40.00	0.00	35.00	2994.58	0.00	0.00	0.00	0.00	2994.58
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	2919.58	0.00	0.00	40.00	0.00	35.00	2994.58	0.00	0.00	0.00	0.00	2994.58



b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a. Opening balance	0.00	0.00
b. Add: Provisions made during the year	221.77	0.00
c. Less: Write off / write back of excess provisions during the year	221.77	0.00
d. Closing balance	0.00	0.00
ii) Movement of Investment Fluctuation Reserve		
a. Opening balance	0.00	0.00
b. Add: Amount transferred during the year	0.00	0.00
c. Less: Drawdown	0.00	0.00
d. Closing balance	0.00	0.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	0.00	0.00

c) Sale and transfers to/from HTM category

Bank has not sold or transferred securities to/from HTM category in the current Financial Year.

d) Non-SLR investment portfolio

(Amount in ₹ Crore)

Sr.No.	Particulars	Current Year	Previous Year
a)	Opening balance	75.00	77.30
b)	Additions during the year since 1 st April	0.00	3.00
c)	Reductions during the above period	15.18	5.30
d)	Closing balance	59.82	75.00
e)	Total provisions held	0.00	0.00



i) Issuer composition of non-SLR investments

(Amount in ₹ Crore)

Sr.No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	PSUs	15.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b)	FIs	0.00	40.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c)	Banks	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d)	Private Corporates	19.82	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e)	Subsidiaries/ Joint Ventures	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f)	Others	25.00	35.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g)	Provision held towards depreciation	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total *	59.82	75.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

e) Repo transactions (in face value terms)

(Amount in ₹ Crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	109.32	129.94	119.63	0
b) Corporate debt securities				
c) Any other securities				
ii) Securities purchased under reverse repo				
a) Government securities	NIL	NIL	NIL	NIL
b) Corporate debt securities				
c) Any other securities				



1. Asset quality

a) Classification of advances and provisions held

(Amount in ₹ 000's)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	110039863	1215810	1386258	86804	2688872	112728735
Add: Additions during the year					4716171	
Less: Reductions during the year					4766752	
Closing balance	126291716	1141942.97	1457714.35	38633.70	2638291.02	128930007.91
Reductions in Gross NPAs due to:						4766752
i) Upgradation					3301201	
ii) Recoveries (excluding recoveries from upgraded accounts)					933783	
iii) Technical/ Prudential Write-offs					0	
iv) Write-offs other than those under (iii) above					531768	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	377035	1215810	1386258	86804	2688872	3065907
Add: Fresh provisions made during the year						
Less: Excess provision reversed/ Write-off loans						
Closing balance of provisions held	425170	1141942.97	1457714.35	38633.70	2638291	3063461
Net NPAs						
Opening Balance					0	
Add: Fresh additions during the year					0.0	
Less: Reductions during the year					0.00	
Closing Balance					0.00	



	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
						0
Floating Provisions						0
Opening Balance						0
Add: Additional provisions made during the year						0
Less: Amount drawn down during the year						0
Closing balance of floating provisions						0
						0
						0
Technical write-offs and the recoveries made thereon	0	0	0	0	0	0
Opening balance of Technical/ Prudential written-off accounts						0
Add: Technical/ Prudential write-offs during the year						0
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						0
Closing balance						

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	2.05	2.39
Net NPA to Net Advances	0.00	0.00
Provision coverage ratio	100	100



b) Sector-wise Advances and Gross NPAs

(Amounts in ₹ crore)

	Sector*	As on 31.03.2023			As on 31.03.2022		
		Total Advances O/s	Gross NPAs	% of Gross NPAs to Total Adv	Total Advances O/s	Gross NPAs	% of Gross NPAs to Total Adv
A	Priority Sector						
i.	Agriculture & Allied activities	9019.56	227.50	2.53	8160.60	211.88	2.60
	KCC	5343.74	167.31	3.13	4975.89	141.85	2.85
	SHG	3533.93	50.34	1.42	3053.49	53.73	1.76
ii.	Advances to Business/Industries eligible under PS	97.85	14.84	15.17	114.98	26.25	22.83
iii.	Services	24.00	1.52	6.37	23.33	2.03	8.64
	Cash Credit	23.91	1.45	6.07	22.84	1.61	7.04
iv.	Personal Loans	1019.49	2.91	0.29	866.36	7.40	0.83
	Housing Loan	1006.99	2.11	0.21	858.05	6.35	0.74
	Sub-total (A)	10160.90	246.76	2.43	9165.27	247.56	2.70
B	Non-priority Sector:						
i.	Agriculture and allied activities	-	-	-	-	-	-
ii.	Industry	-	-	-	-	-	-
iii.	Services	-	-	-	-	-	-
iv.	Personal Loans	2732.10	17.07	0.62	2107.60	21.32	1.01
	Jewellery Loan	1392.38	0.66	0.05	1092.71	0.96	0.09
	DL/CDL	203.42	1.34	0.01	201.20	0.05	0.03
	Sub-total (B)	2732.10	17.07	0.62	2107.60	21.32	1.01
	Total (A+B)	12893.00	263.83	2.05	11272.87	268.88	2.39

*Sub-sectors with outstanding balances more than 10% of the Sector total are disclosed separately.



a) Overseas assets, NPAs and revenue

Particulars	Current Year	Previous Year
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL



a) Particulars of resolution plan and restructuring

i) Details of accounts subjected to restructuring

(Amount in ₹ Crore)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail agriculture and MSME (excluding and)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard	Number of borrowers	Nil	Nil	Nil	Nil	71	Nil	434	484	505	484
	Gross Amount (₹ crore)	Nil	Nil	Nil	Nil	2.17	Nil	53.30	59.93	55.47	59.93
	Provision held (₹ crore)	Nil	Nil	Nil	Nil	0.22	Nil	5.33	5.99	5.55	5.99
Sub-standard	Number of borrowers	Nil	Nil	Nil	Nil	Nil	Nil	10	Nil	10	Nil

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail agriculture and MSME (excluding and)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Gross Amount (₹ crore)	Nil	Nil	Nil	Nil	Nil	Nil	0.86	Nil	0.86	Nil
	Provision held (₹ crore)	Nil	Nil	Nil	Nil	Nil	Nil	0.86	Nil	0.86	Nil
Doubtful	Number of borrowers	205	974	Nil	Nil	Nil	Nil	Nil	Nil	205	974
	Gross Amount (₹ crore)	0.83	3.49	Nil	Nil	Nil	Nil	Nil	Nil	0.83	3.49
	Provision held (₹ crore)	0.83	3.49	Nil	Nil	Nil	Nil	Nil	Nil	0.83	3.49
Total	Number of borrowers	205	974	Nil	Nil	71	Nil	444	484	720	1458
	Gross Amount (₹ crore)	0.83	3.49	Nil	Nil	2.17	Nil	54.16	59.93	57.16	63.42
	Provision held (₹ crore)	0.83	3.49	Nil	Nil	0.22	Nil	6.19	5.99	7.24	9.48



a) Disclosure of transfer of loan exposures

- (i) In the case of stressed loans transferred or acquired, the following disclosures should be made:

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)			
(all amounts in ₹ crore)	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	NA	NA	NA
Aggregate principal outstanding of loans transferred	NA	NA	NA
Weighted average residual tenor of the loans transferred	NA	NA	NA
Net book value of loans transferred (at the time of transfer)	NA	NA	NA
Aggregate consideration	NA	NA	NA
Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	NA
Details of loans acquired during the year			
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFs, SFBs and NBFCs including Housing Finance Companies (HFCs)		From ARCs
Aggregate principal outstanding of loans acquired	NA		NA
Aggregate consideration paid	NA		NA
Weighted average residual tenor of loans acquired	NA		NA

a) Fraud accounts

Banks shall make disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

	Current year	Previous year
Number of frauds reported	2	4
Amount involved in fraud (₹ crore)	0.04	3.45
Amount of provision made for such frauds (₹ crore)	0.00	*1.48
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	0	0

* After Rs 1.97 crore recovery.



b) Disclosure under Resolution Framework for COVID-19-related Stress

as per RBI Circular No. RBI/2021-22/31 on "Resolution Framework 2.0: Resolution of Covid-19 related stress of Individuals and small business" dated 05.05.2021, the Bank has rescheduled 484 Housing Loan accounts amounting to Rs 5992.63 lakh - and created 10% provision of Rs 575.29 lakh during March, 2022, in accordance with the circular guidelines. Out of 484 accounts 40 loan accounts are closed during CFY and 10 accounts with O/s Rs 86.19 lakh are slipped into NPA for which 100% provisions created. Remaining 434 accounts are in Standard with O/s of Rs 5330.21 lakh for which Rs 533.02 lakh provision created as on 31.03.2023. Further, Bank has created additional Standard Assets provision to the tune of Rs 21.69 lakh, for rescheduled Tractor loans sanctioned to Gram Panchayaths on O/s of Rs 216.95 lakh. The same is disclosed under the head "General Provision on Standard Advances" of Schedule 5.

Format for disclosures to be made half year ending March,

(Amounts in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrower s during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this half-year
Personal Loans	59.92	0.86	0	5.76	53.30
Corporate persons*	0	0	0	0	0
Of which MSMEs	0	0	0	0	0
Others	0	0	0	0	0
Total	0	0	0	0	0

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016



a. Exposures

a) Exposure to real estate sector

(Amount in ₹ Crore)

Category	Current year	Previous Year
<i>i) Direct exposure</i>		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	1734.13	1140.22
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily 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;	2.76	3.83
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate	NIL	NIL
<i>ii) Indirect Exposure</i> Fund based and non-fund-based exposures on National Housing Bankand Housing Finance Companies.		
Total Exposure to Real Estate Sector	1736.89	1144.05



b) Exposure to capital market

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	NIL	NIL
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	NIL	NIL
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
vii) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
ix) Financing to stockbrokers for margin trading;	NIL	NIL
x) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total exposure to capital market	NIL	NIL



c) Risk category-wise country exposure

(Amount in ₹ Crore)

Risk Category	Exposure (net)as at March,22 (Current Year)	Provision heldas at March,21 (Current Year)	Exposure (net)as at March,22 (Current Year)	Provision heldas at March,21 (Current Year)
Insignificant	NA	NA	NA	NA
Low	NA	NA	NA	NA
Moderately Low	NA	NA	NA	NA
Moderate	NA	NA	NA	NA
Moderately High	NA	NA	NA	NA
High	NA	NA	NA	NA
Very High	NA	NA	NA	NA
Total	NA	NA	NA	NA

d) Unsecured advances

The Bank has classified the credit facilities extended to SHGs as unsecured for the accounts sanctioned upto the limit of Rs 10 lakh and for the accounts above sanction limit of Rs 10 lakh, 75% of the outstanding amount covered under CGFMU Credit Guarantee Funds for Micro Units) is classified as secured and remaining as unsecured

(Amounts in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	3272.90	114.97
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

e) Factoring exposures

Factoring exposures shall be separately disclosed.



f) Intra-group exposures

The following is the summary of significant related party transactions:

(Amounts in ₹ lakh)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Refinance received from State Bank of India	NIL	NIL
Interest paid to SBI	146.06	34.85
Investments made with:		
SBI - in the form of STDRs	10128.46	9828.54
SBI Fund Management Private Limited	0.00	0.00
Interest received from SBI	299.91	390.19
Profit on sale of Investments on SBI	0.00	0.00
Contributions to Gratuity Fund with SBI Life Insurance Company Limited	0.00	321.59
Contributions to Group Leave Encashment Policy with SBI Life Insurance Company Limited	0.00	1374.17
Contributions to Pension Trust Policy with SBI Life Insurance Company Limited on behalf of Trust	8051.90	8427.63
Current Account Balance with SBI	2554.96	2827.06
Breach of limits on intra-group exposures and regulatory action thereon, if any	NIL	NIL

b. Concentration of deposits, advances, exposures and NPAs**a) Concentration of deposits**

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	2720.23	1469.06
Percentage of deposits of twenty largest depositors to total deposits of the bank	21.57%	13.31%

(Amount in ₹ Crore)

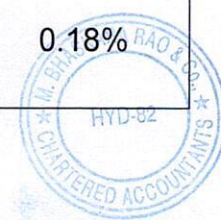
b) Concentration of advances

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	23.38	19.81
Percentage of advances to twenty largest borrowers to total advances of the bank	0.18%	0.18%

c) Concentration of exposures

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	23.38	19.81
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	0.18%	0.18%



d) Concentration of NPAs

(Amount in ₹ Crore)

	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	0.98	0.87
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	0.37	0.32



c. Derivatives

a) Forward rate agreement/Interest rate swap

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
i) The notional principal of swap agreements	Not entered into	Not entered into
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	any transactions in derivatives in the	any transactions in derivatives in the
iii) Collateral required by the bank upon entering into swaps	current and	current and
iv) Concentration of credit risk arising from the swaps	previous years.	previous years
v) The fair value of the swap book		



b) Exchange traded interest rate derivatives

Sr. No.	Particulars	Current Year	Previous Year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	Not entered into any transactions in derivatives in the current and previous years	Not entered into any transactions in derivatives in the current and previous years
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March, 2022 (instrument wise)		
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		

c) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

Bank has not entered into any transactions in derivatives in the current and previous years.

Quantitative disclosures

Bank has not entered into any transactions in derivatives in the current and previous years.

d) Credit default swaps

Not Applicable

d. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ Crore)

Sr.No	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	3.68	2.28
ii)	Add: Amounts transferred to DEA Fund during the year	*22.48	1.40
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.41	0.00
iv)	Closing balance of amounts transferred to DEA Fund	25.75	3.68

* which includes unreconciled credit balances of Rs 154.76 lakh pertaining to erstwhile Grameena banks which got amalgamated and formed as Deccan Grameena Bank (Now Telangana Grameena Bank) are outstanding for more than 10 years and details of which are not available. Hence transferred to DEAF.



e. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman³¹

Sr.No		Particulars	2020-21	2021-22	2022-23
		Complaints received by the bank from its customers			
1.		Number of complaints pending at beginning of the year	0	0	0
2.		Number of complaints received during the year	14	52	103
3.		Number of complaints disposed during the year	14	52	103
	3.1	Of which, number of complaints rejected by the bank	0	0	0
4.		Number of complaints pending at the end of the year	0	0	0
		Maintainable complaints received by the bank from Office of Ombudsman			
5.		Number of maintainable complaints received by the bank from Office of Ombudsman	30	52	38
	5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	30	52	38
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0	0
	5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0	0
6.		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0	0
Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.					



b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
FY 2022-23					
Ground – 1	0	3	-73%	0	0
Ground - 2	0	11	-39%	0	0
Ground - 3	0	25	733%	0	0
Ground - 4	0	1	0	0	0
Ground - 5	0	5	66.66%	0	0
Others	0	58	262.50%	0	0
Total	0	103	98.07%	0	0
FY 2021-22					
Ground - 1	0	11	450%	0	0
Ground - 2	0	18	800%	0	0
Ground - 3	0	3	50%	0	0
Ground - 4	0	1	100%	0	0
Ground - 5	0	3	66.66%	0	0
Others	0	16	128.57%	0	0
Total	0	52	271.43%	0	0

Ground-1: ATM/DEBIT CARDS RELATED

Ground-2: Mobile/Internet/Electronic Banking Related

Ground-3: Loans and Advances

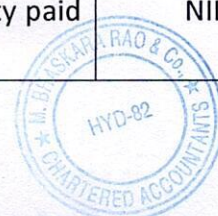
Ground-4: Levy of Charges

Ground-5: UPI Related

Others: Sought for information (Forgot MPIN/Reset of MPIN/ATM Card lost/IFS CODE ENQ, etc..)

f. Disclosure of penalties imposed by the Reserve Bank of India

Sl.No	Penalties imposed by the Reserve Bank of India under the provisions of	Penalties
(i)	Banking Regulation Act, 1949	NIL
(ii)	Payment and Settlement Systems Act, 2007	NIL
(iii)	Government Securities Act, 2006 (for bouncing of SGL)	NIL
(iv)	REPO- number of instances of default as well as the quantum of penalty paid to the Reserve Bank of India	NIL



g. Disclosures on remuneration

Particulars of Managerial Remuneration:

(Amount in ₹ lakhs)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Smt Y. Sobha, Chairman	20.99	0.00
Sri V. Arvind, Chairman, Relieved to Parent Bank on 11.08.22	17.80	47.97
@Shri Naga Srinivas, General Manager –III Got relieved from the Bank on 21.06.2021	0	8.35
@Sri C. Murali Mohan-General Manager-I Got retired from the services on 31.05.2021	0	23.69
#Sri Satish Kumar General Manager-II Relieved to Parent Bank on 30.06.2022.	12.62	34.65
#Sri K Subba Rao-General Manager (Vigilance) Relieved to Parent Bank on 30.06.2022.	15.39	37.82
Sri. V. S Mahesh General Manager (IT)	28.09	39.00
Smt. K.P. Shobha Rani, General Manager-I	26.77	27.63
Sri K V Prasad, General Manager-III	25.78	29.21
Sri D. Ramesh, General Manager-II	16.30	0
Smt Bharati Thayar, General Manager (Vigilance)	17.00	0

*Reimbursement of Remuneration of Sponsor Bank staff up to Dec, 2022. Not yet claimed for the period from Jan, 2023 to Mar,2023. However, bank has made provision of Rs 59 lakh as on 31.03.2023.

h. Other Disclosures:

a) Business Ratios

Particular	Current Year	Previous Year
i) Interest income as a percentage to working Funds	8.71%	8.49%
ii) Non-interest income as a percentage to Working Funds	1.49%	1.72%
iii) Cost of Deposits	4.78%	4.68%
iv) Net Interest Margin	4.66%	4.58%
v) Operating Profit as a percentage to Working Funds	3.70%	4.00%
vi) Return on Assets	2.62%	2.34%
vii) Business (deposits plus advances) per employee(in ₹ crore)	14.63	13.28
viii) Profit per employee (in ₹ crore)	0.26	0.22

b) Bancassurance business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by them shall be disclosed for both the current year and previous year.

(Amount in ₹ lakh)

2021-22	2022-23
578.49	896.04



c) Marketing and distribution

Banks shall disclose the details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken by them.

2021-22	2022-23
172.56	186.70

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The bank has sold and purchased following priority sector advances through Priority sector lending certificate (PSLC) in RBI's e-Kuber platform during the Financial Year 2022-23 on various dates.

(Amt in Lakh)

Sale of PSLC			
	Segment	Amount	Premium Earned
	PSLC SM	624000.00	11280.50
	PSLC General	60250.00	577.50
	PSLC Micro Enterprise	19000.00	82.50
	TOTAL	703250.00	11940.50
Purchase of PSLC:			
	Segment	Amount	Premium Paid
	PSLC GENERAL	305000.00	323.50
	PSLC Micro Enterprise	5000.00	3.10
	PSLC A	18000.00	3.60
	TOTAL	328000.00	330.20

e) Provisions and contingencies

(Amt in Crore)

Sl. No	Provision debited to Profit and Loss Account	Current Year	Previous Year
i.	Provisions for NPI	-	-
ii.	Provision towards NPA	28.89	71.81
iii.	Provision made towards Income tax	150.00	118.52
iv.	Provision for Others	0.06	63.85
v.	Provision on Standard Assets	4.81	9.17
vi.	Provision on Frauds	0.00	0.83
	TOTAL	18.76	264.18

f) Payment of DICGC Insurance Premium

(Amount in ₹ Crore)

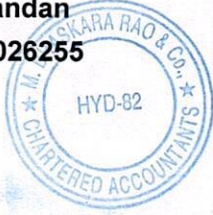
Sr.No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	13.65	13.05
ii)	Arrears in payment of DICGC premium	NIL	NIL



g) *Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks: Nil*

For M/s M. Bhaskara Rao & Co.
Chartered Accountants
F.R.No. 000459S

CA. V.Raghunandan
Partner, M.No.026255



For Telangana Grameena Bank

(Smt. K.P. Shobha Rani)
GENEREAL MANAGER

(Smt. Y. Sobha)
CHAIRMAN



TELANGANA GRAMEENA BANK
HEAD OFFICE: HYDERABAD

CASH FLOW STATEMENT AS AT THE YEAR ENDED 31.03.2023

(Amt in 000's)

PARTICULARS	As at the end of March- 2023	As at the end of March- 2022
Cash Flows from Operating Activities:		
Net Profit after Tax	4493693	3731629
Add:		
Depreciation debited to P&L	61081	52498
Provision for Income Tax	1500000	1185200
Deferred Tax Liability Adjustment	0	0
Provision for Std debts	48135	91666
Provision for B & D	288895	718155
Provision for VLR / Investments	0	638533
Amortization of HTM investments	13820	17650
Interest Paid on Funds. received from SBI, NABARD, MUDRA	1938335	1773412
Provision for Gratuity, Pension, Leave Encashment & NPS / Others	4,32,853	0
Less:		
Income on Investments	3202726	3090775
Deferred Tax Asset Adjustment	1220	1910
Operating profit before working capital changes	5572867	5115978
Working Capital Changes:		
Increase / (Decrease) in Deposits	15705397	9306374
Increase / (Decrease) in Liabilities and Provisions	-1785955	-3210942
(Increase) / Decrease in Advances	-16251853	-11051551
(Increase) / Decrease in Other Assets	-561916	50125
Cash generated from Operations	2678540	209984
Less: Income Tax Paid	-1490220	-1264200
Net cash from Operating Activities	A 4168760	1474184
Cash Flows from Investing Activities:		
Sale/(Purchase) of Fixed assets	-222050	-62811
Sale/(Purchase) of Investments	4207027	3605060
Income from Investments	2082534	2114505
Net cash from Investing Activities	B 6067511	5656753
Cash Flows from Financing Activities:		
Funds from SBI, NABARD, NHB and other agencies	11555031	771274
Interest paid to SBI, NABARD, NHB	-1782309	-1638130
Net cash from Financing Activities	C 9772722	-866856
Effect of Foreign Exchange Rate Changes		
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	20008993	6264082
Add: Opening cash and cash equivalents		
i) Cash on hand	606237	620785
ii) Balances with Reserve Bank of India & Other banks	4224862	3874412
iii) Term Deposits	18532854	12604674
Total	23363954	17099871
Note:		
Closing Cash and Cash Equivalents		
i) Cash on hand	606675	606237
ii) Balances with Reserve Bank of India & other banks	4793426	4224862
iii) Term Deposits	37972846	18532854
Total	43372947	23363954

0

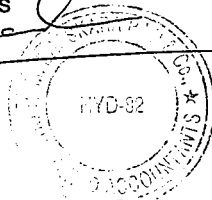
As per our Report of even date

For M/s M. Bhaskara Rao & Co.

Chartered Accountants

F.R. No. 000459S

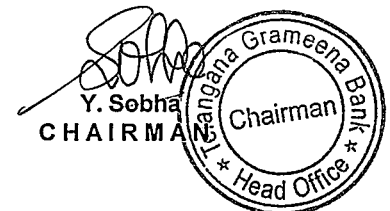
CA. V. Raghunandan
Partner, M.No. 026255



Date: 24.04.2023
Place: Hyderabad

For Telangana Grameena Bank

K.P. Shebha Rani
General Manager-I



**TELANGANA GRAMEENA BANK**

(Sponsored by State Bank of India)

HEAD OFFICE : HYDERABAD**Statement of Capital Funds, Risk Assets / Exposures and Risk Asset Ratio****As on 31.03.2023****Part A – Capital Funds and Risk Assets Ratio****(Rs. in 000's)**

1	Capital Funds		
A	Tier I Capital elements		
	(a) Paid-up capital & Capital Deposit		18,07,23
	Less : Intangible assets and losses		0
	Total		18,07,23
	(b) Reserves & surplus		
	1. Statutory		421,38,11
	2. Capital reserve		4,91,14
	3. Other Reserves		38,40,00
	4. Surplus in Profit & Loss Account		1501,28,33
	Total		1965,97,58
	Total of A		1984,04,81
B	Tier II capital elements		
(i)	General provisions and loss reserves		0
(ii)	Revenue and other reserves		0
(iii)	General provisions for Standard assets		42,51,70
(iv)	Excess of provision on account of bad and doubtful debts		0
	Total of B		42,51,70
	1.25% of Risk weighted assets as per eligibility		147,29,37
	Total of B i.e. Tier II Capital (Total of other reserves & surplus reserve) OR 1.25% of Risk Weighted assets which ever is less)		42,51,70
	Grand Total (A+B)		2026,56,51
II	Risk Assets		
	Adjusted value of funded risk assets i.e., on Balance Sheet items (to tally with Part 'B')		11768,95,92
	Adjusted value of non-funded and off-Balance Sheet items (to tally with Part 'C')		14,53,62
(c)	Total risk-weighted assets (a+b)		11783,49,54
III	Percentage of capital funds to risk-weighted assets [I :		17.20

As per our Report of even date

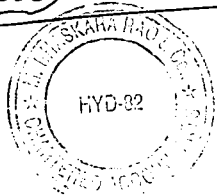
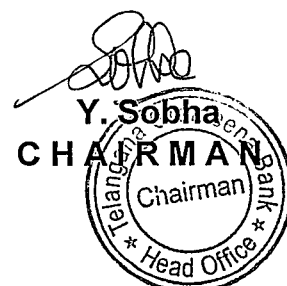
For M/s M. Bhaskara Rao & Co.**Chartered Accountants**

F.R. No. 000459S

CA. V. Raghunandan
Partner, M.No. 026255

Date: 24.04.2023

Place: Hyderabad

**For Telangana Grameena Bank**K.P. Shobha Rani
General Manager-I

**TELANGANA GRAMEENA BANK**

(Sponsored by State Bank of India)

HEAD OFFICE : HYDERABAD**Part B – Weighted Assets i.e., on Balance Sheet Items as on 31.03.2023**

(Rs. in 000's)

Sl.No.	Particulars	Book value	Risk weight	Adjusted Value
I	Cash & Bank Balance			
(a)	Cash in hand (including foreign currency notes)	606675	0	0
(b)	Balances with banks in India			
i)	Balances with RBI	4537732	0	0
ii)	Balances with banks			
	1. Current account (in India and outside India)	255694	20	51139
	2. Other accounts (in India and outside India)	37972846	22.50	8543890
	3. Current account balances with other RRBs	0		
II	Money at Call and Short Notice	0	20.00	0
III	Investments			
(a)	Government and other approved securities*	25126687	2.50	628167
(b)	Others Bonds(net of depreciation provided)	348240	102.50	356946
	Others Mutual Funds(net of depreciation provided)	250000	127.50	318750
IV	Advances 20 TO 125%	126291716		106525145
	Loans and advances, bills purchased and discounted and other credit facilities.			
(a)	Claims guaranteed by Government of India			
(b)	Claims guaranteed by State Governments			
(c)	Claims on public sector undertakings of Government of India			
(d)	Claims on public sector undertakings of State Governments			
(e)	Others (Net) \$		0-100	
	Outstanding Rs			
	Less : Cash Margin			
V	Premises (net of depreciation provided)	145718	100	145718
VI	Furniture and fixtures (net of depreciation provided)	342748	100	342748
VII	Other Assets (Breakup sheet enclosed)	3614758	0-100	777088
	Total	199492814		117689592

\$, # - Details of Break-up enclosed

Part C – Weighted Non-funded Exposures / Off-Balance Sheet Items

Each off-Balance Sheet item may be submitted in the format indicated below:

Nature of item	Book value	Conversion Factor	Equivalent value	Risk Weight	Adjusted Value
BG's	97046	100	97046	100	97046
DEAF	257466	100	257466	0	0
Claims against	48316	100	48316	100	48316
	402828		402828		145362

As per our Report of even date

For M/s M. Bhaskara Rao & Co.

Chartered Accountants

F.R. No. 000459S

CA. V. Raghunandan
Partner, M.No. 026255

For Telangana Grameena Bank

K.P. Shobha Rani
GENERAL MANAGER-IY. Sobha Rani
CHAIRMAN
Chairman
Telangana Grameena Bank
Head Office

Date: 24.04.2023

Place: Hyderabad

**TELANGANA GRAMEENA BANK**

(Sponsored by State Bank of India)

HEAD OFFICE : HYDERABAD**CALCULATION OF CAPITAL ADEQUACY NORMS DETAILS OF ADVANCES AS ON 31.03.2023**

(Rs.in 000s)

	Total O/s	Total Margin and Provisions	Net Book value	% of Risk weight	Adjusted value
Loans & Advances					
Housing loans to individuals against the mortgage of residential house, properties upto 20 lakhs.	623,28,58	2,76,13	620,52,45	50	310,26,23
Housing loans to individuals against the mortgage of residential house, properties above Rs 20 lakh & upto 75 lakh	1055,28,08	83,29	1054,44,79	50	527,22,40
Housing loans to individuals against the mortgage of residential house, properties above Rs.75 lakh	55,56,54	0	55,56,54	75	41,67,41
Consumer credit including Personal loans and credit cards.	108,00,58	2,27,22	105,73,36	100	105,73,36
# Loans upto Rs.1.00 lakh against gold and silver ornaments.	596,03,96	42,29	595,61,67	50	297,80,84
Educational loans	14,83,78	49,70	14,34,08	100	14,34,08
\$ Advances against term deposits, life policies, NSCs, IVPs and KVP where adequate margin is available.	247,82,94	147	247,81,47	0	0
@ Loans of staff of banks, which are fully covered by superannuation benefits and mortgage of flat / house.	232,36,56	33,24	232,03,32	20	46,40,66
ECLGS/NGCTC/PMSVA/CGFMU	380,95,24	0	380,95,24	0	0
CGTMSE	13,65,87	58,12	13,07,75	0	0
Other Advances (other than the advances mentioned in column No.a, b, c, d & e of II)	95651794	256,11,45	9309,06,49	100	9309,06,49
TOTAL	12893,00,07	263,82,91	12629,17,16		10652,51,45

As per our Report of even date

For M/s M. Bhaskara Rao & Co.

Chartered Accountants

F.R. No. 000459S

V. Raghunandan

CA. V. Raghunandan
Partner, M.No. 026255

177D-82

Date:24.04.2023
Place: Hyderabad

For Telangana Grameena Bank

K.P. Shobha Rani

K.P. Shobha Rani
GENERAL MANAGER - I

Y. Sobha

Y. Sobha
CHAIRMAN

Chairman

Telangana Grameena Bank
Head Office

**TELANGANA GRAMEENA BANK**

(Sponsored by State Bank of India)

HEAD OFFICE : HYDERABAD**BREAK UP OF OTHER ASSETS AS ON 31.03.2023**

(Rs. In 000's)

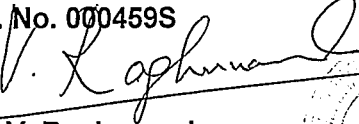
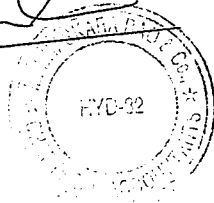
Particulars	Book value	Total Provisions	Net Book value	Risk weighed	Risk weighted value
Stationary & Stamps	15	0	15	100%	15
Inter office Adjustments	0	0	0	100%	0
TDS / Advance Tax	12,61,65	0	12,61,65	0	0
Int recble on TDRS	68,52,44	0	68,52,44	100%	68,52,44
int recble on Bonds	1,62,13	0	1,62,13	100%	1,62,12
Int.receivable on Govt.Securities	41,87,34	0	41,87,34	0%	0
Int subvention receivable from GOI	225,86,41	0	225,86,41	0%	0
Int.receivable on Advances	0	0	0	100%	0
Others(SUSPENSE)	10,97,45	3,41,29	7,56,16	100%	7,56,16
TOTAL	361,47,58	3,41,29	358,06,29		77,70,88

As per our Report of even date

For M/s M. Bhaskara Rao & Co.

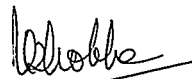
Chartered Accountants


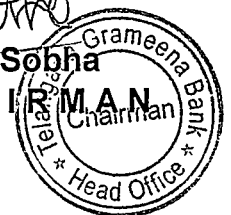
F.R. No. 000459S



CA. V. Raghunandan
 Partner, M.No. 026255

Date: 24.04.2023
Place: Hyderabad

For Telangana Grameena Bank



K.P. Shobha Rani
GENERAL MANAGER - I



Y. Sobha
CHAIRMAN

Independent Auditor's Report

To
The President of India

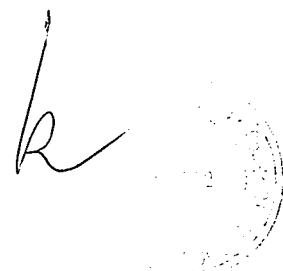
Report on Financial Statements

1. Opinion

We have audited the accompanying financial statements of Telangana Grameena Bank ('the Bank'), which comprise the Balance Sheet as at 31st March 2023, the Profit and Loss Account and the cash flow statement for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of 25 branches audited by us and 279 branches audited by other statutory 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 National Bank for Agriculture and Rural Development (NABARD). Also included in the Balance Sheet, the Profit and Loss Account and the cash flow statement are the returns from 123 branches which have not been subjected to audit. These unaudited branches account for 24.60 percent of advances, 22.83 per cent of deposits and 20.67 per cent of interest income.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Regional Rural Bank Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') and National Bank for Agriculture and Rural Development ('NABARD') from time to time and in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- a. 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 the state of affairs of the Bank as at 31st March 2023;
- b. The Profit and Loss Account read with the notes thereon shows a true balance of profit/loss; and
- c. The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.



2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matters

- i. Note No.2.1 of Schedule-18 regarding provision towards Bad and doubtful debts and One NPA All NPA.
- ii. Note No.7.4 of Schedule-18 regarding the classification of Self Help Group loans as secured loans and unsecured loans.
- iii. Note No.7.5 of Schedule-18-regarding write off of Rs.63.85 Crores during the financial year 2021-22, receivable from the Government of Telangana towards interest subvention (Vaddi Leni Runalu).
- iv. Without qualifying our opinion, we draw attention to Note No-8.13.2 of Schedule 18. of the financial statement regarding burglary of cash and gold ornaments at Bussapur Branch in respect of which the insurance claim settlement is under process.
- v. Note No.11.6 of schedule-18-regarding transfer of certain balances aggregating to Rs.1.54Cr to 'Deposit Education & Awareness Fund' (DEAF maintained by RBI).

Our opinion is not qualified in respect of these matters.

4. Key Audit Matters

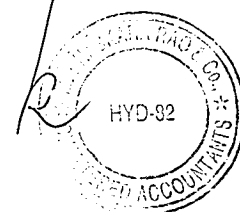
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How it has been Addressed
<u>Classification of Loans and advances, provision thereon and income recognition:</u> Classification of Loans and advances and Identification of non-performing-	Our Audit approach towards advance with reference to the IRAC norms and other related circulars /directives issued by RBI/NABARD and internal policies and procedure of the -

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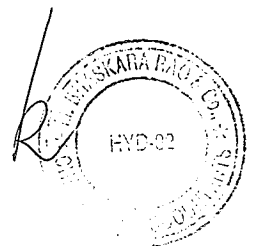


<p>-Advances constitute 64.63% of the Bank's total assets. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI/NABARD from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA). The bank classifies these advances based on IRAC norms detailed in accounting policy No.5.</p> <p>Identification of performing and non-performing Advances involves establishment of proper mechanism. The bank accounts for all the transactions related to advances in its Information Technology System (IT System) viz. Core Banking Solutions (CBS) which also identifies whether the advances are performing or non-performing. Further, NPA classification is done through IT System (CBS) and Provisioning on advances (Performing and Non-Performing) as per the Income Recognition and Asset Classification Norms is being done outside the system using tools like Microsoft Excel.</p>	<p>-Bank includes the testing of the following:</p> <ul style="list-style-type: none"> ✓ The Accuracy of the data input in the system for income recognition, classification into performing and non-performing advances and provisioning in accordance with the IRAC Norms in respect of the branches allotted to us. However, in respect of One NPA all NPA norm, the bank is utilizing an internal tool to classify certain assets as Non-performing assets. However, the adjustment entries in Income/Provisions have been made only in the financial statements. The credit entries arising out of above adjustments will be made in the customers' accounts only after One NPA All NPA norm is incorporated into the Core Banking Solution. ✓ Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, Credit Audit, Snap Audit and Concurrent Audit as per the policies and procedures of the Bank; ✓ We have examined the efficacy of various internal controls over advances to determine the nature, timing and extent of the substantive procedures and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank and NABARD Inspection.
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	<p>✓ In carrying out substantive procedures at the branches allotted to us, we have examined all large advances while other advances have been examined on a sample basis</p> <p>✓ Reliance is also placed on Audit Reports of other Statutory Branch Auditors.</p> <p>✓ We have also relied on the reports of External IT System Audit experts with respect to the business logics / parameters inbuilt in CBS for tracking, identification and stamping of NPAs.</p>
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<p>The income recognition asset classification and provisioning if not done properly as per the IRAC norms issued by reserve bank of India may materially impact the financial statements of the bank. Hence same was taken as Key Audit Matter.</p>	<p>✓ We have performed extensive procedures for verification of the procedure of computation of Provisions outside the IT system, its correctness and the reconciliation of the same with the books of accounts.</p>
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Classification and Valuation of Investments, Identification of provisioning for Non-Performing Investments.

Investments include investments made by the Bank in various Government Securities, Bonds, Debentures and other approved securities.

Investments constitute 12.90% of the Bank's total assets.

These are governed by the circulars and directives of the RBI/NABARD. These directions, inter-alia, cover valuation of investments, classification of investments, identification of non-investments, the corresponding non-recognition of income and provision there against.

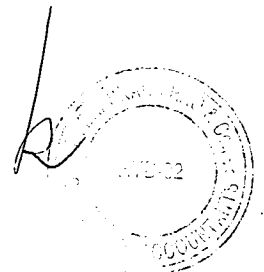
The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by RBI/NABARD which involves collection of data/information from various sources such as FIMMDA rates, rates quoted on BSE/NSE. Considering the complexities and extent of judgement in the Valuation, volume of transactions, investments on hand and degree of-

✓ Our audit approach towards Investments with reference to the RBI/ NABARD Circulars /directives included the review and testing of the design, operating effectiveness of internal controls and substantive audit procedures in relation to the valuation, classification, identification of Non-Performing Investments.

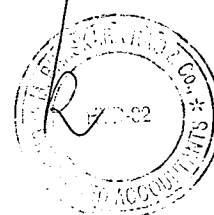
✓ We evaluated and understood the Bank's internal control system to comply with relevant RBI/NABARD guidelines regarding valuation, classification, identification of Non-Performing Investments

✓ We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments.

✓ For the selected samples of investments in hand, we tested accuracy and compliance with the RBI Master Circulars/NABARD and directions by re-performing valuation of each category of the security. Samples were selected after ensuring that all the categories of the investments (based on nature of security) were covered in the sample.



<p>-regulatory focus, this has been determined as a Key Audit Matter. Accordingly, our audit was focused on Valuation of investments, Classification, Identification of Non-Performing Investments.</p> <p>Further, the bank has been compiling the investment register in Excel tool and has been making all the calculations using the same tool.</p>	<p>✓ We tested the mapping of Investments between Investments (Excel Tool) and the financial statements to ensure compliance with the presentation and disclosed requirements as per the aforesaid RBI/NABARD directions.</p>
<p>Assessment of Provisions and Contingent Liabilities in respect of certain litigations including direct taxes</p> <p>There is high level of judgement in required in estimating the level of provisioning. The Banks assessment is supported by the facts of matter, their own judgement, past experience, and advices from legal and independent tax consultants wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the Bank's reported profit and the Balance sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgement in interpretation of law. Accordingly, our audit was focused on analyzing the facts of the subject matter under consideration and judgements/ interpretation of law involved.</p>	<p>Our audit approach involved:</p> <ul style="list-style-type: none"> ✓ Understanding the status of litigations/tax assessments. ✓ Examining recent orders and/or communications received from the various Tax Authorities/Judicial forums and follow up action thereon. ✓ Evaluating the merit of the status of the subject matter under consideration with reference to the grounds presented therein and available independent legal/tax advice; and ✓ Review and analysis of evaluation of the contentions of the bank through discussions, collection of the details of the subject matters under consideration, the likely outcome and consequent potential outflows on those issues.



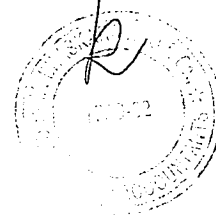
Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

2. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Regional Rural Bank Act, 1976, Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') and National Bank for Agriculture and Rural Development ('NABARD') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise our professional judgment and maintain professional skepticism throughout the audit. We also:



- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6.Other Matter

We did not audit the financial statements / information of 279 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of Rs 8139.89 Crores as at 31st March 2023 and total revenue of Rs. 838.33 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on thereport of such branch auditors.

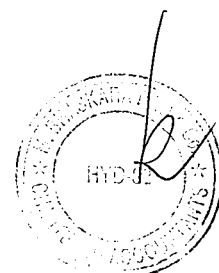
Our opinion is not modified in respect of this matter.

7.Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in Form A and Form B respectively of the Third Schedule to the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs 5 and 6 above and as required by the Regional Rural Bank Act, 1976, and subject also to the limitations of disclosure required therein, we report that:

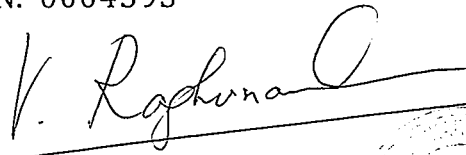
- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.



8. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- b) The Balance Sheet, the Profit and Loss Account and the cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report; and
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss Account and the Cash flow statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M. Bhaskara Rao & Co.
Chartered Accountants
FRN: 000459S

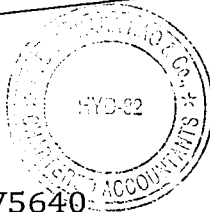


(CA. V. Raghunandan)

PARTNER

M. No: 026255

UDIN: 23026255BGQGDV5640



Place: Hyderabad

Date: 24th April 2023.