

ELLAQUAI DEHATI BANK, SRINAGAR				
Balance Sheet as on March 2024 (Audited)				
		Form A	(Amt. in Rs.)	
	Capital & Liabilities	Schedule	Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	Capital			
	Share Capital	1	3,98,90,92,360.00	3,23,76,56,470.00
	Share Capital Deposit		0.00	0.00
	Perpetual Bonds	1-A	4,10,93,000.00	4,10,93,000.00
2	Reserve & Surplus	2	0.00	0.00
3	Deposits	3	14,46,99,34,265.87	13,77,83,41,130.41
4	Borrowings	4	1,41,44,00,000.00	50,00,00,000.00
5	Other Liabilities & Provisions	5	72,25,78,933.24	68,63,61,463.23
		TOTAL	20,63,70,98,559.11	18,24,34,52,063.64
	Assets			
1	Cash & Balances with Reserve Bank of India	6	69,64,66,761.11	65,61,54,854.11
2	Balance with Banks & Money at Call & Short Notice	7	2,57,73,52,754.64	1,63,01,72,394.15
3	Investments	8	5,92,80,44,939.04	6,06,73,29,314.62
4	Advances	9	7,23,01,35,933.81	6,15,41,29,606.44
5	Fixed Assets	10	3,62,78,312.00	3,05,67,656.00
6	Other Assets	11	4,16,88,19,858.51	3,70,50,98,238.32
		TOTAL	20,63,70,98,559.11	18,24,34,52,063.64
	Contingent Liabilities Bills for Collection	12	15,27,71,216.10	14,43,83,351.10
	Significant Accounting Policies	17	0.00	0.00
	Other Assets	11	0.00	0.00
		TOTAL	0.00	0.00

In terms of our report of even date annexed

FOR M/s R.K. Deepak & Co.

Chartered Accountants

FRN: 003145N

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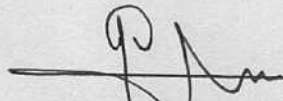
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Partner

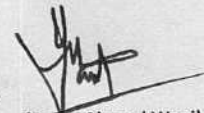
Membership Number: 548347

Place: Srinagar

Date: 30-04-2024


(Mushiq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager


(Fayaz Ahmad Wani)
Chairman



ELLAQUAI DEHATI BANK, SRINAGAR				
Profit & Loss upto the March 2024 (Audited)				
Form B				
		Schedule	Current Year as at 31.03.2024	Previous Year as at 31.03.2023
I.	INCOME			
1	Interest Earned	13	1,14,38,82,468.05	1,04,12,84,143.91
	Other Income	14	5,57,43,100.74	5,11,43,539.44
	TOTAL		1,19,96,25,568.79	1,09,24,27,683.35
II.	EXPENDITURE			
1	Interest Expended	15	71,24,76,575.04	54,33,94,997.24
2	Operating Expenses	16	50,39,59,694.91	46,44,75,123.81
3	Provisions & Contingencies		47,73,06,544.51	49,96,94,134.76
	TOTAL		1,69,37,42,814.46	1,50,75,64,255.81
III.	Profit/ Loss		-49,41,17,245.67	-41,51,36,572.46
1	MISC		0.00	0.00
2	Net Profit/ Loss for the year		-49,41,17,245.67	-41,51,36,572.46
	SUB TOTAL		-49,41,17,245.67	-41,51,36,572.46
	Provisions for fringe benefit tax		0.00	0.00
	Provision for income tax		0.00	0.00
	Profit brought forward		0.00	0.00
	Loss brought forward		-3,42,08,16,576.95	-3,00,56,80,004.49
	SUB TOTAL		-3,42,08,16,576.95	-3,00,56,80,004.49
	TOTAL		-3,91,49,33,822.62	-3,42,08,16,576.95
	Appropriations			
	Transfer to Statutory Reserves		0.00	0.00
	Transfer to Capital Reserves		0.00	0.00
	Transfer to Other Reserves		0.00	0.00
	Transfer to Govt./ Proposed Dividend		0.00	0.00
	Balance Carried Over to Balance Sheet		-3,91,49,33,822.62	-3,42,08,16,576.95
	TOTAL		-3,91,49,33,822.62	-3,42,08,16,576.95
	Significant Accounting Policies	17		
	Notes to Accounts	18		

In terms of our report of even date annexed

FOR M/s R.K. Deepak & Co.
Chartered Accountants

FRN: 003145N

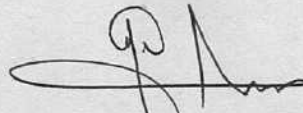
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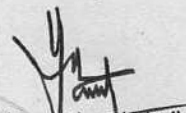
Partner

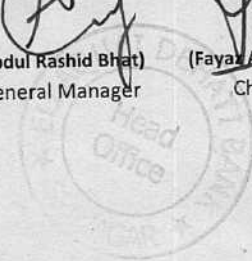
Membership Number: 548347

Date: 30-04-2024


(Mushtaq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager

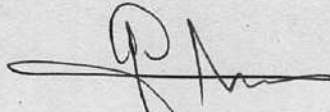

(Fayaal Ahmad Wani)
Chairman

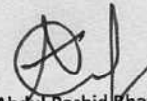



ELLAQUI DEHATI BANK, SRINAGAR			
SCHEDULE - 1 CAPITAL			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	SHARE CAPITAL		
a.	AUTHORISED CAPITAL		
	2000000000 shares of Rs10/- each (Previous Year 2000000000 shares of Rs. 10/- each)	20,00,00,00,000.00	20,00,00,00,000.00
b.	ISSUED CAPITAL		
	323765647 shares of R10/- each (Previous Year 223984300 shares of Rs. 10/- each)	3,98,90,92,360.00	3,23,76,56,470.00
	By Govt. of India - 161878247 shares of Rs. 10/- each (Previous Year 111989900 shares of Rs. 10/- each)	1,99,45,46,180.00	1,61,87,82,470.00
	By Govt. of Jammu & Kashmir - 48568000 shares of Rs. 10/- each (Previous Year 33598000 share of Rs. 10/- each)	59,83,63,850.00	48,56,80,000.00
	By State Bank of India - 113319400 shares of Rs. 10/- each (Previous Year 78396400 share of Rs. 10/- each)	1,39,61,82,330.00	1,13,31,94,000.00
	TOTAL	3,98,90,92,360.00	3,23,76,56,470.00
SCHEDULE 1-A			
SHARE CAPITAL DEPOSIT			
	By Govt. of India	0.00	0.00
	By Govt. of Jammu & Kashmir	0.00	0.00
	By State Bank of India	0.00	0.00
	TOTAL	0.00	0.00
PERPETUAL BONDS			
	By Govt. of India	0.00	0.00
	By Govt. of Jammu & Kashmir	0.00	0.00
	By State Bank of India	4,10,93,000.00	4,10,93,000.00
	TOTAL	4,10,93,000.00	4,10,93,000.00

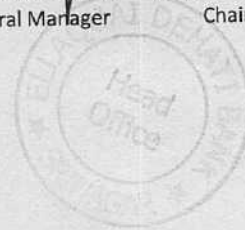
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(Mushtaq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager


(Fayaz Ahmad Wani)
Chairman




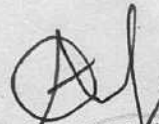
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 2 RESERVES AND SURPLUS			
(Amt. in Rs.)			
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	STATUTORY RESERVES		
	Opening Balance	0.00	0.00
	Additions during the year	0.00	0.00
	Deductions during the year	0.00	0.00
2	CAPITAL RESERVERS		
	Opening Balance	0.00	0.00
	Additions during the year	0.00	0.00
	Deductions during the year	0.00	0.00
3	SHARE PREMIUM		
	Opening Balance	0.00	0.00
	Additions during the year	0.00	0.00
	Deductions during the year	0.00	0.00
4	REVENUE AND OTHER RESERVES		
	Opening Balance	0.00	0.00
	Additions during the year	0.00	0.00
	Deductions during the year	0.00	0.00
	Balance in Profit and Loss A/c	0.00	0.00
	(TOTAL 1,2,3, & 4)	0.00	0.00

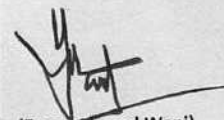
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 3 DEPOSITS			
(Amt. in Rs.)			
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	DEMAND DEPOSITS		
	From Bank	0.00	0.00
	From Others	59,26,42,477.89	56,70,63,440.67
2	SAVING BANK DEPOSIT	5,77,29,22,070.31	5,81,34,13,026.59
3	TERM DEPOSITS		
	From Bank	0.00	0.00
	From Others	8,10,43,69,717.67	7,39,78,64,663.15
	TOTAL (1+2+3)	14,46,99,34,265.87	13,77,83,41,130.41
	Deposit of Branches in India	14,46,99,34,265.87	13,77,83,41,130.41
	Deposit of Branches outside India	0.00	0.00
	TOTAL	14,46,99,34,265.87	13,77,83,41,130.41

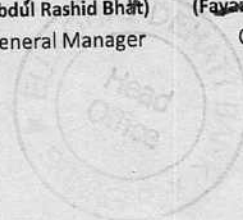
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(Mushtaq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager


(Fayaz Ahmad Wani)
Chairman





ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 4 BORROWINGS			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	BORROWINGS IN INDIA		
	Reserve Bank of India	0.00	0.00
	Other Banks (SBI)	0.00	0.00
	Other Institutions & Agencies	0.00	0.00
	NABARD	1,41,44,00,000.00	50,00,00,000.00
2	BORROWING FROM OUTSIDE INDIA		
	TOTAL	1,41,44,00,000.00	50,00,00,000.00

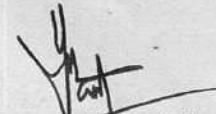
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	Bills payable	1,19,56,213.08	1,30,12,908.54
2	Inter Office Adjustments (Net)	0.00	0.00
3	Interest Accrued (Deposits)	44,18,50,384.47	30,16,04,283.28
4	Others (Including Provisions)	26,87,72,335.69	37,17,44,271.41
	TOTAL	72,25,78,933.24	68,63,61,463.23

ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 6 CASH & BALANCES WITH RBI			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	Cash in Hand (Including Foreign Currency Notes)	2,08,99,070.00	2,04,87,163.00
2	BALANCES WITH RESERVE BANK OF INDIA		
	In Current Accounts	67,55,67,691.11	63,56,67,691.11
	In Other Accounts	0.00	0.00
	TOTAL	69,64,66,761.11	65,61,54,854.11

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(Mushtaq Ahmad Malik)
General Manager

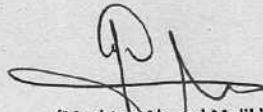

(Abdu Rashid Bhat)
General Manager



(Fayaz Ahmad Wani)
Chairman

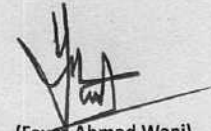


ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 7 BALANCE WITH BANKS & MONEY AT CALL & SHORT NOTICE			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	IN INDIA		
i.	BALANCES WITH BANKS		
A	In Current Accounts	14,74,01,709.64	7,66,14,250.15
	In Remittance in Transit		
B	In Other Deposit Accounts	2,42,99,51,045.00	1,55,35,58,144.00
ii.	Money at Call & Short Notices	0.00	0.00
A	With Banks	0.00	0.00
B	With Other Institutions	0.00	0.00
	TOTAL (I&II)	2,57,73,52,754.64	1,63,01,72,394.15
2	OUTSIDE INDIA		
i.	In Current Accounts	0.00	0.00
ii.	In Other Deposit Accounts	0.00	0.00
iii.	In Other Deposit Accounts	0.00	0.00
	TOTAL	0.00	0.00
	GRAND TOTAL (1&2)	2,57,73,52,754.64	1,63,01,72,394.15

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(Mushtaq) Ahmad Malik
General Manager


(Abdul Bashid Bhat)
General Manager

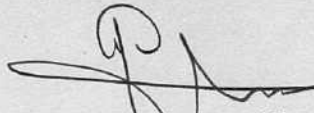

(Fayaz Ahmad Wani)
Chairman

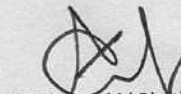


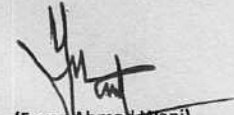
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 8 INVESTMENTS			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	INVESTMENTS IN INDIA		
i.	Govt. Securities	5,92,70,44,939.04	6,06,68,29,314.62
ii.	Other approved securities(T-Bill)	0.00	0.00
iii.	Shares	0.00	0.00
iv.	DEBENTURES & BONDS		
v.	Subsidiaries and/or joint ventures	0.00	0.00
vi.	Others (to be specified)	0.00	0.00
	(a) With Post Office	0.00	0.00
	(b) With Other Banks	0.00	0.00
	Mutual Fund	10,00,000.00	5,00,000.00
	Gratuity Trust Fund	0.00	0.00
	TOTAL	5,92,80,44,939.04	6,06,73,29,314.62
2	INVESTMENTS OUTSIDE INDIA		
i.	Govt. Securities	0.00	0.00
	(Including local authorities)		
	Subsidiaries and/or joint ventures	0.00	0.00
	Other Investment (to be specified)	0.00	0.00
	TOTAL	0.00	0.00
	GRAND TOTAL	5,92,80,44,939.04	6,06,73,29,314.62
	(A) Held to Maturity	3,18,64,01,092.84	2,47,15,95,637.95
	(B) Held for Trading	0.00	0.00
	(C) Available for Sale	2,74,06,43,846.20	3,59,52,33,676.67
	(D) Others(MF)	10,00,000.00	5,00,000.00
	TOTAL	5,92,80,44,939.04	6,06,73,29,314.62

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(Abdul Rashid Bhat)
General Manager

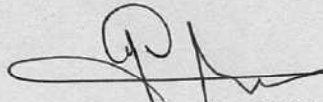

(Fayaz Ahmad Wani)
Chairman

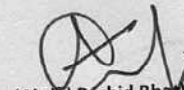


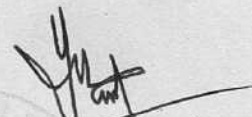
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 9 ADVANCES			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	A		
i.	Bills Purchased & Discounted	0.00	0.00
ii.	Cash Credit Overdrafts & Loans repayable on demand	3,80,94,42,338.97	3,61,03,25,880.08
iii.	Term Loans	3,42,06,93,594.85	2,54,38,03,726.36
	TOTAL	7,23,01,35,933.82	6,15,41,29,606.44
2	B		
i.	Standard	6,89,97,08,013.99	5,79,27,80,164.38
ii.	Sub-Standard	17,74,00,995.00	12,53,09,590.43
iii.	Doubtful	15,30,26,924.83	23,60,39,851.63
iv.	Loss	0.00	0.00
	TOTAL	7,23,01,35,933.82	6,15,41,29,606.44
	C		
	Advance in India		
i.	Priority Sector	5,16,48,09,939.44	5,29,52,74,067.61
ii.	Public Sector	0.00	0.00
iii.	Banks	0.00	0.00
iv.	Others	2,06,53,25,994.38	85,88,55,538.83
	TOTAL	7,23,01,35,933.82	6,15,41,29,606.44
	D		
	Advance Outside India	0.00	0.00
i.	Due from Banks	0.00	0.00
ii.	Due from Others	0.00	0.00
iii.	Bills purchased & discounted	0.00	0.00
iv.	Syndicated Loans	0.00	0.00
v.	Others	0.00	0.00
	TOTAL	0.00	0.00
	Additional Information		
i.	Secured by tangible assets	5,69,11,55,773.59	5,59,95,04,364.48
ii.	Covered by Bank/ Government Guarantees	0.00	0.00
iii.	Unsecured	1,53,89,80,160.92	55,46,25,241.96
	GRAND TOTAL (C&D)	7,23,01,35,934.51	6,15,41,29,606.44

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(Mushtaq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager

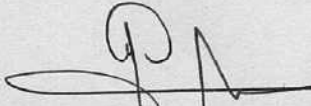

(Fayaz Ahmad Wani)
Chairman


ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 10 FIXED ASSETS			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
1	PREMISES		
i.	At cost as on 31st March of the preceding year	0.00	0.00
ii.	Additions during the year	0.00	0.00
iii.	Deductions during the year	0.00	0.00
iv.	Depreciation to date	0.00	0.00
	OTHER FIXED ASSETS		
	Including furniture & fixture		
i.	At cost as on 31st March of the preceding year	12,20,51,427.26	11,68,37,729.96
ii.	Additions during the year	1,24,59,804.00	52,13,697.30
iii.	Deductions during the year	0.00	0.00
	TOTAL	13,45,11,231.26	12,20,51,427.26
iv.	Depreciation to date	9,82,32,919.26	9,14,83,771.26
	TOTAL	3,62,78,312.00	3,05,67,656.00

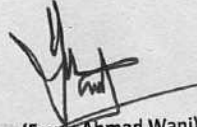
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 11 OTHER ASSETS			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
i.	Inter Office Adjustment Net	0.00	0.00
ii.	Interest Accrued (Inv.)	14,85,22,213.25	14,17,10,741.42
iii.	Tax paid on Advance/ Tax deducted at source	0.00	0.00
iv.	Stationery & Stamps	11,43,576.36	5,91,088.00
v.	Non Banking Assets required in Claims	0.00	0.00
vi.	Others	0.00	0.00
	a) Accumulated losses	3,91,49,33,822.62	3,42,08,16,576.95
	b) Others	10,42,20,246.28	14,19,79,831.95
	TOTAL	4,16,88,19,858.51	3,70,50,98,238.32

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(Mushfaq Ahmad Malik)
General Manager

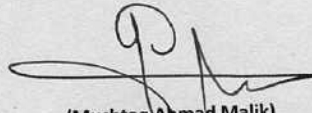

(Abdul Rashid Bhat)
General Manager

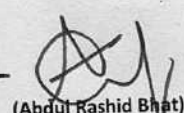

(Fayaz Ahmad Wani)
Chairman

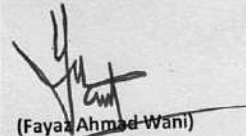
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 12 CONTINGENT LIABILITIES			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
i.	Claims against the Banks not acknowledge as debts	0.00	0.00
ii.	Liability for partly paid investments.	0.00	0.00
iii.	Liability on account of outstanding forward exchange contracts.	0.00	0.00
iv.	Guarantees given on behalf of constituents	0.00	0.00
v.	In India	0.00	0.00
	Outside India	0.00	0.00
vi.	Acceptances endorsements and other obligations	0.00	0.00
vii	Other items for which the bank is contingently liable	15,27,71,216.10	14,43,83,351.10
	TOTAL	15,27,71,216.10	14,43,83,351.10

ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 13 INTEREST EARNED			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
i.	Interest/ discount on advances/bills	61,64,80,294.45	56,83,13,529.65
ii.	Income on Investments	40,92,62,623.58	41,18,18,636.42
iii.	Interest on balances with Reserve Bank of India	0.00	0.00
	Other inter bank funds	11,81,39,550.02	4,09,01,977.84
iv.	Others	0.00	2,02,50,000.00
	TOTAL	1,14,38,82,468.05	1,04,12,84,143.91

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(Mushtaq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager


(Fayaz Ahmad Wani)
Chairman

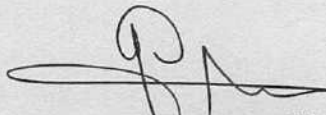


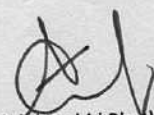
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 14 OTHER INCOME			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
	Commission; exchange & brokerage	5,30,68,331.74	4,78,93,101.11
	Profit on Sale of Investments	0.00	0.00
	less: loss on sale of investments	0.00	0.00
	Profit on revaluation of Investments	0.00	0.00
	less: loss on revaluation of investments	0.00	0.00
	Profit on sale of land, building & other assets	0.00	0.00
	less: loss on sale of land, building & other assets	0.00	0.00
	Profit on exchange transactions	0.00	0.00
	less: loss on exchange transactions	0.00	0.00
	Income earned by way of dividends etc. from subsidiaries companies & joint ventures abroad/ in India	0.00	0.00
	Miscellaneous Income	0.00	0.00
	Locker Rent	26,74,769.00	32,50,438.33
	TOTAL	5,57,43,100.74	5,11,43,539.44

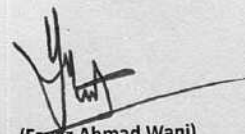
ELLAQUAI DEHATI BANK, SRINAGAR			
SCHEDULE - 15 INTEREST EXPENDED			
		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
i.	Interest on deposit	67,04,86,092.04	54,14,10,970.24
ii.	Interest on Reserve Bank of India	0.00	0.00
iii.	Inter Bank Borrowings	0.00	0.00
iv.	Others (NABARD)	4,19,90,483.00	19,84,027.00
	TOTAL	71,24,76,575.04	54,33,94,997.24

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(Mushtaq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager


(Fayaz Ahmad Wani)
Chairman

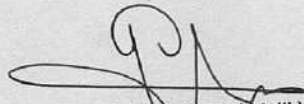


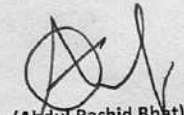
ELLAQUAI DEHATI BANK, SRINAGAR

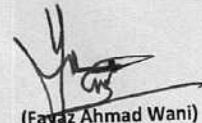
SCHEDULE - 16 OPERATING EXPENSES

		(Amt. in Rs.)	
		Current Year as at 31.03.2024	Previous Year as at 31.03.2023
i.	Payment to and provisions for employees	33,43,89,055.00	31,84,05,739.40
ii.	Rent, Taxes & Lighting	3,51,74,851.40	3,19,83,454.30
iii.	Printing & Stationery	26,02,659.28	29,65,385.00
iv.	Advertisement & Publicity	5,15,590.00	2,06,918.00
v.	Depreciation on Bank's Property	54,25,090.00	61,57,549.13
vi.	Director's Fee allowances & Exp.	0.00	0.00
vii.	Auditor's Fee & Expenses (Including Branch auditors)	13,20,219.00	11,47,600.00
viii.	Law Charges	8,95,777.00	10,24,902.00
ix.	Postage, Telegrams, Telephone, etc.	5,62,680.33	5,92,674.28
x.	Repair & Maintenance	15,03,589.00	5,16,978.00
xi.	Insurance	2,52,76,994.80	2,25,80,121.00
xii.	Other Expenditure	9,62,93,189.10	7,88,93,802.70
	TOTAL	50,39,59,694.91	46,44,75,123.81
ADDITIONAL INFORMATION			
		0.00	0.00
a)	Misc.		
b)	Provisions for Pension	22,43,15,566.00	27,10,00,119.00
c)	NPA Provisions during the year.	18,27,49,796.71	5,24,44,999.21
d)	NPA Loan Provisions	56,56,32,615.64	45,14,78,984.39
e)	Investment Provisions (MTM)	3,33,30,112.76	17,62,49,016.55
f)	Amortization on securities	18,57,653.49	36,53,516.50
g)	Other provisions	0.00	0.00

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(Mushtaq Ahmad Malik)
General Manager


(Abdul Rashid Bhat)
General Manager


(Faraz Ahmad Wani)
Chairman



EllaquaiDehati Bank
Head Office: Barzulla, Srinagar

SCHEDULE-17

Significant Accounting Policies

1. Basis of Preparation

The financial statements have been prepared under the historical cost convention conforming to Generally Accepted Accounting Principles (GAAP) in India, which comprises statutory provisions of applicable laws including that of Banking Regulation Act and RRB Act 1976, regulatory/RBI & Sponsor Bank (SBI) guidelines, Accounting Standards/guidelines, notes issued by the Institute of Chartered Accountants of India (ICAI).

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period management believes that the estimates used in the preparation of the financial statements are prudent & reasonable.

3. Income Recognition

Income and expenditure are accounted for on accrual basis unless otherwise stated.

- (a) Interest and other income on advances classified as non-performing assets are recognized to the extent realized in accordance with guidelines issued by Reserve Bank of India.
- (b) Recovery in non-performing advances is appropriated first towards the interest including the derecognized interest & thereafter towards
 - i) Arrear in installments of Term loan
 - ii) Irregularities in other accounts.
- (c) Deposits on maturity are auto renewed by the system and interest is paid at applicable rates less by penal interest at the time of premature encashment.
- (d) Income from sale of Mutual Funds, fees, commission, locker rent and insurance claims are recognized on realization basis.
- (e) Unforeseen expenses are accounted for in the year of payment.
- (f) Stationery issued to branches has been considered as consumed.
- (g) The expenses on account of Insurance on assets are not distinguished between pre-paid and paid, as per the consistent policy followed by the Bank. The effect of the same is not material on the financial statements as per the management.

4. Profit And Loss Account

The net profit/ loss disclosed in the profit and loss account is after providing for

- a) Provision against advances
- b) Amortization on Investments
- c) Other usual and necessary provisions.

5. Advances and Provisions thereon

- a) Loans and Advances are classified as performing and non-performing, based on the guidelines issued by RBI. Non Performing Assets (NPA) is classified into sub-standard, doubtful and loss assets, based on the criteria stipulated by RBI.
 - i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
 - ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 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 debited during the same period;
 - iii. In respect of bills purchased/ discounted, the bill remains overdue for a period of more than 90 days;
 - iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- b) Provisions are made for NPAs as per the guidelines prescribed by the regulatory/ supervisory authorities at rates as stipulated by NABARD.
- c) NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
 - i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
 - ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
 - iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.
- d) Advances are shown net of provisions and interest not collected (INC) provisions on Non-performing Assets (NPAs)
- e) In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- f) A general provision of 0.40% is made on Standard Assets on Loan portfolio excluding SME and Direct Agricultural Advances, where provision of 0.25% is made.
- g) Amounts recovered against debts written off in earlier years are recognised as revenue for the year.

- h) In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- i) Appropriation of recoveries in NPAs (not out of fresh/additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority:
 - a. Charges,
 - b. Unrealized Interest/ Interest,
 - c. Principal.

6. Investments

- a) Keeping in view the statutory obligations of the Bank, investments have been made as per the guidelines of Reserve Bank of India, NABARD and Sponsor Bank.
- b) All Government securities are held in 'Held to Maturity' category & AFS category in conformity with the guidelines of the Reserve Bank of India for purpose of SLR. Also guidelines for classifications and valuation of investments complied by the Bank. The Income on these investments have been computed/ provided for on the basis of accrued interest, at the applicable rate of interest.
- c) 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 on acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.
- d) Investments under AFS and HFT category: 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., (i) Government securities (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and debentures, and (v) others) is provided for and net appreciation, is ignored.
- e) Investments have been valued at their original cost less amortization wherever these are purchased at premium and where they have been purchased at a discount, the discount value is considered as income at the time of maturity.
- f) Investments in Mutual Funds (SBI Fixed Maturity Plan (FMP) – Series 92 (91 days) – Regular Plan – Growth and SBI Dividend Yield Fund – Regular Plan – Growth) have been valued at NAV declared at the close of the day.

7. Fixed Assets & Depreciation

- a) Fixed assets are carried at cost less accumulated depreciation.

- b) Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefits from such assets or their functioning capability.
- c) Depreciation on assets and additions therein, is charged off after applying SLM rates and where the asset has been put to use for less than 182 days, depreciation at 50% of the applicable rate has been charged. The computer software, not forming an integral part of computers has been depreciated at the normal rate applicable to computers.
- d) The depreciation rates are based on useful life of the assets on the SLM are as under:

Nature of Assets	Rate	Estimated Useful Life(years)
Vehicles	20%	5
Safe Deposits lockers , fire proof data safe, Strong room, strong room doors	5%	20
Furniture and Fixtures other than Electrical fittings and fixtures	10%	10
Electrical fittings and fixtures	20%	5
Computers	33.33%	3
Computer Software forming integral part of Hardware	33.33%	3
Other Computer Software	33.33%	3

- e) Items costing less than 1,000/- each are charged off in the year of purchase.

8. Staff Benefits

- a) Short term employee benefits are charged to revenue in the year in which the related service is rendered.
- b) Long term employee benefits :
- Provident Fund:** Provident fund is a defined contribution scheme as the Bank pays fixed contribution at predetermined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit and Loss account
 - Gratuity:** The Bank is providing for gratuity liability in the books as per the Accounting Standard 15 - Employee Benefits, issued by the Institute of Chartered Accountants of India (ICAI), the Bank recognized in its books of accounts the liability on the basis of actuarial valuation carried out by an independent external actuarial valuer.
 - Leave Salary:** The Bank provides for this on the basis of an actuarial valuation carried out by an independent external actuarial valuer.

9. Disclosures as per Accounting Standard in terms of RBI Guidelines

a) Accounting Standard -1 Disclosure of Accounting Policies

The same are disclosed as per Schedule -17

b) Accounting Standard-5, Prior Period Items and changes

There are no material prior period expenses included in profit & loss account.

c) Accounting Standard – 6

Depreciation on assets and additions therein, is charged off after applying SLM rates and where the asset has been put to use for less than 182 days, depreciation at 50% of the applicable rate has been charged. The computer software, not forming an integral part of computers has been depreciated at the normal rate applicable to computers.

d) Accounting Standard-9 Revenue Recognition

Revenue have been accounted for on accrual basis except income on non-performing assets comprising of advances which is recognized upon realization as per the prudential norms prescribed by RBI and income on investments purchased on discounted value, which is accounted for in the year of maturity of investment.

e) Accounting Standard-15, Employee Benefits

The disclosures required under the Accounting Standard 15-"Employee Benefits" in line with the Accounting Policy are under:

Table Showing Changes in Present Value of Obligations:

	Gratuity (Rs.)	Leave Salary (Rs.)
Present value of the obligation at the beginning of the period	14,16,32,224	8,08,35,076
Interest cost	1,02,68,336	58,60,543
Current service cost	89,25,542	58,84,811
Past Service Cost	0	0
Benefits paid (if any)	1,97,82,792	99,43,948
Actuarial (gain)/loss	94,270	98,77,359
Present value of the obligation at the end of the period	14,11,37,580	7,27,59,123

Key results (The amount to be recognized in the Balance Sheet):

	Gratuity (Rs)	Leave Salary (Rs.)
Present value of the obligation at the end of the period	14,11,37,580	7,27,59,123
Fair value of plan assets at end of period	0	0
Net liability/(asset) recognized in Balance Sheet and related analysis	14,11,37,580	7,27,59,123
Funded Status	14,11,37,580	7,27,59,123

Expense recognized in the statement of Profit and Loss:

	Gratuity (Rs)	Leave Salary (Rs.)
Interest cost	1,02,68,336	58,60,543
Current service cost	89,25,542	58,84,811
Past Service Cost	0	0
Expected return on plan asset	0	0
Net actuarial (gain)/ loss recognized in the period	94,270	98,77,359
Expenses to be recognized in the statement of profit and loss accounts	1,92,88,148	18,67,995

The assumptions employed for the calculations are tabulated:

Discount rate	7.25% per annum
Salary Growth Rate	6.00% per annum
Mortality	IALM 2012-14
Expected rate of return	0
Withdrawal rate (Per Annum)	5.00%p.a.(18 to 30 years)
Withdrawal rate (Per Annum)	5.00% p.a. (30 to 44 years)
Withdrawal rate (Per Annum)	5.00% p.a. (44 to 60 years)

Assumptions made for Benefits valued: (For Gratuity Valuation and Leave Salary Valuation)

	Gratuity	Leave Salary
Normal Retirement Age	60 Years	60 Years
Salary	Last drawn qualifying salary	As per rule of the bank
Vesting Period	5 years of service	
Benefits on Normal Retirement	15/26*salary*past service (year)	1/30*Salary*Number of leaves
Benefit on early exit due to death and disability	As above except that no vesting conditions apply	As above, subject to rule of the bank
Limit	Without Limit	As above, subject to rule of the bank

Current liability:

	Gratuity(Rs)	Leave Salary(Rs)
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Projections for next Period:

Best estimate for contribution during next year	1,03,13,934	-
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Accounting Standard -18 Related party Disclosure

Related Party	State Bank of India (₹ in Lakh)	NABARD (₹ in Lakh)
Deposits		
Current A/c	1022	0
Fixed Deposit	12568	0
Loan Repayment (Refinance)	0.00	14144

f) Accounting Standard 19- Leases

The Bank has taken premises only on rental basis and are on cancellable lease only having no impact on the future years.

g) Accounting Standard -22 Accounting for taxes on Income.

In view of the accumulated losses, the management does not see any reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized. Hence, deferred tax is not provided in the books of accounts.

h) Accounting Standard-28- Impairments of Assets

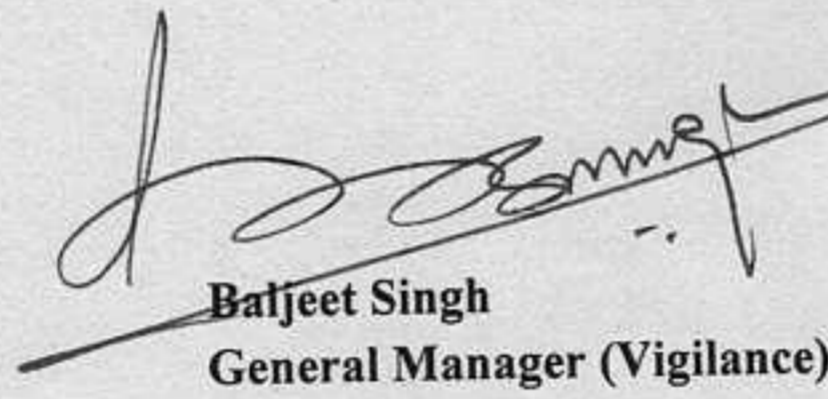
There is no material impairment in the Cash generating assets of the Bank and hence, no provision is required.


i) Accounting Standard-29 -Provisions, Contingent Liabilities and Contingent Assets

a) The Bank recognises provisions only when it has a present obligation as a result of a past event, it is probable that an 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.

For R K Deepak & Co.
Chartered Accountants
FRN: 003145N

(CA Ketan Khanna)
Partner
Membership Number: 548347
Place: Srinagar
Date: 01st May 2024


Baljeet Singh
General Manager (Vigilance)


Abdul Rashid Bhat
General Manager (GB/IT)

Fayaz Ahmad Wani
Chairman



SCHEDULE-18

NOTES ON ACCOUNTS

1. **Note on Fraudulent Activity in Lohrgam Branch**

During the audit process for the financial year 2023-24, it has come to the attention from the top management of EllaquaiDehati Bank that a significant fraudulent activity occurred at the Lohrgam branch. This activity occurred within the unique operational framework of a branch, where the sole individual in control had unfettered authority over branch operations.

Specifically, it was discovered that the branch manager, operating without adequate oversight, engaged in the unauthorized opening of 17 fictitious demand loan accounts. Notably, these accounts were opened without the requisite consent from customers and devoid of the necessary execution of loan documentation. Furthermore, no collateral or security was obtained, with transactions limited to mere entries within the CBS system.

This fraudulent scheme involved the disbursement of funds through various channels, including cash disbursements and routing through intermediary banks, ultimately culminating in the transfer of funds to the personal accounts of the branch manager and their spouse.

The total financial impact of this fraudulent activity amounted to a substantial sum of 79 lakhs.

Such actions represent a flagrant breach of trust and a fundamental violation of established banking protocols and regulatory standards. Immediate remedial measures have been instituted, including the suspension of the implicated branch manager and the implementation of robust internal controls and oversight mechanisms to mitigate future risks of similar malfeasance.

EllaquaiDehati Bank is unwavering in its commitment to upholding the highest standards of integrity and accountability. As such, we remain steadfast in our dedication to fortifying internal controls and risk management frameworks to safeguard the interests of our stakeholders.

This matter has been expeditiously reported to the relevant regulatory authorities by the bank, and the bank is fully cooperating with ongoing investigative efforts.

2. **Inter office account:** Inter Office Accounts between branches and Head Office is being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year.

3. **Inter Bank Participation Certificate (IBPC)/ PSLC**
Bank hasn't issued/ participated in IBPC/PSLC this year.

4. Other assets in Schedule -11 to the Balance Sheet include unsecured staff festival advance of ₹ 45.80Lakh and Dacoity & theft claims of Rs 36.51 Lakh at various branches as on 31.03.2024.

5. **Contingent Liabilities**

Claims against the Bank not acknowledged as debts	The Bank is a party to various proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows.
Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial Banking the Bank issues endorsements and other documentary credits and guarantees obligations on behalf of its customer's on the basis of credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfil its financial or performance obligations.
Other items for which the Bank is contingently liable	The Bank is a party to various taxation matters in respect of which appeals are pending. These are contested by the Bank and not provided for due to uncertainty of the amount involved. The Bank has provided an amount of Rs. 1438.94 Lakh to gratuity trust fund as per valuation carried out by actuarial as on 31.03.2024.
The Depositors Education and Awareness Fund Scheme 2014-Selection 26A of B.R. Act 1949	Bank has calculated the cumulative balances in all eligible accounts and transferred the amounts as per guidelines issued by RBI. As on 31.03.2024 and amount of Rs 88.77 Lakh is outstanding in this account
Secured Bank Guarantee	Bank has not issued any Bank Guarantees.

6. Depreciation of ₹71.19Lakh on fixed assets has been made in the year 2023-24. The amount of depreciation has been arrived at in line with the accounting policies followed by the State Bank of India.
An amount of ₹13.24 Lakh has been adjusted against liability of Rs. ₹76.00 lakh received under FIF from NABARD for six mobile vans purchased during the financial year 2018-19 & 2021-22 (3each).
7. Various other expenses amounting to ₹ 680.00Lakh pertaining to the Wage Revision ending 31.03.2024 have been provided for.
8. As per the schedule-8 Bank has invested the new investments to TDR's with other Bank's under Non-SLR category, which is provided for in the investment policy.

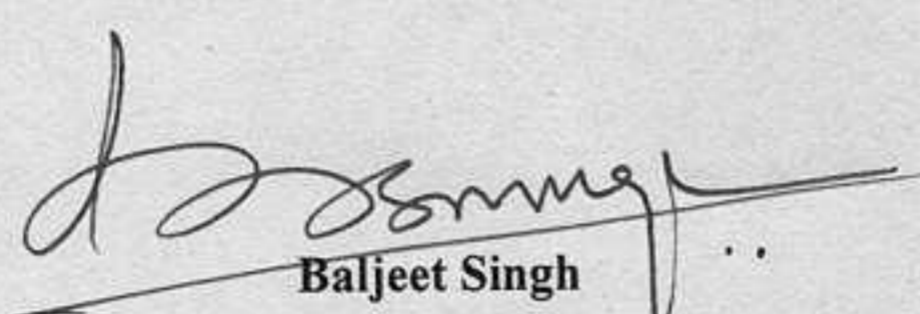
(Amount in Rupees)


Particulars	FY 2023-24	FY 2022-23	FY 2021-22
TDR with Banks	2429951045.00	1553558144.00	1203502385.00
Govt. Securities (after amortisation)	5927044939.04	6066829314.62	6131102703.08
Liquid Mutual Fund	1000000.00	500000.00	0.00
Gratuity Fund Trust	0.00	0.00	0.00

- The interest income from investments in Govt. Securities is 4092.63Lakh as 31.03.2024.
- Accordingly the interest income from term deposits is 1181.40Lakh as 31.03.2024.
- 9. The gratuity and leave salary provisions have been created on the basis of Actuarial calculation made by M/S Ashok Kumar Garg (Actuary). The details of calculations are provided under Schedule-17.
- 10. Bank has made a provision of ₹22,43,15,566/- on account of pension liability that has accrued as a result of adoption of Pension Scheme in the Bank and publishing of the same as GOI Gazette notification during the financial year 2018-19
- 11. Previous year's figures have been re-grouped and reclassified, wherever necessary and determinable, to make them comparable with current year's figures.

For R K Deepak & Co.
Chartered Accountants
FRN: 003145N

(CA Ketan Khanna)
Partner
Membership Number: 548347
Place: Srinagar
Date: 01st May 2024


Baljeet Singh
General Manager (Vigilance)


Abdul Rashid Bhat
General Manager (GB/IT)

Fayaz Ahmad Wani
Chairman



ENCLOSURE TO THE NOTES ON ACCOUNTS

(A) Prudential guidelines on management of the Non-SLR Investment Portfolio by RRBs Disclosures requirements.(vide Paragraph 15 of the Guidelines)

A. Capital

Sr. No.	Particulars	Financial year (2022-23)	Financial year (2022-23)	Financial year (2021-22)
i)	CRAR (%)	-1.70	-2.83	-1.21
ii)	Percentage of Shareholding of the Government of India	50%	50%	50%
a.	State Government (Jammu and Kashmir Govt.)	15%	15%	15%
b.	Sponsor Bank (State Bank of India)	35%	35%	35%

B. Investments:

(In Lakh)

Sr. No.	Particulars	Financial year (2023-24)	Financial year (2022-23)	Financial year (2021-22)
1	Value of Investments (including SLR, Term Deposits and Mutual Fund)	83580	76209	73346
i)	Gross Value of Investments	83850	76209	73346
ii)	Provisions for Depreciation	333	1762	NIL
iii)	Net Value of Investments	83517	74447	73346
2.	Movement of provision held towards depreciations on investments	NIL	NIL	NIL
i)	Opening Balance	1762	0.00	NIL
ii)	Add : Provisions made during the year	0.00	1762	NIL
iii)	Less : Write off/ write back of excess provision during the Year	1429	0.00	NIL
iv)	Closing Balance	333	1762	NIL

C. Maintenance of S.L.R. under "Held To Maturity" Category at the end of Year:

(InLakh)

Sr. No.	Particulars	Amount
1.	NDTL as on 31.03.2024	152159
2.	Required S L R (18.00% of NDTL) to be kept under HTM w.e.f.27.03.2020)	27389
3.	Investment under Held to Maturity as on 31.03.2024	31864
4.	Percentage to NDTL held in HTM Category	20.94
5.	Investment under AFS as on 31.03.2024	27406

D. Repo Transactions:

NIL

NIL

E.Non SLR Investment Portfolio:

(i) Issuer composition of Non SLR Investment:

(In Lakh)

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	-	-	-	-	-
ii)	FLS	-	-	-	-	-
iii)	Banks	-	-	-	-	-
iv)	Private Corporate	-	-	-	-	-
v)	NABARD	0.00				
	SBI Mutual Fund (Dividend Yield Fund)	5.00				
	SBI Mutual Fund (Fixed Maturity Plan)	5.00	-	-	-	-
	Gratuity Trust Fund (SBI)	0.00				
vi)	Provisions held towards depreciation	333.30	-	-	-	-
	Total	343.30	-	-	-	-

(ii) Non-performing Non-SLR Investments:

NIL

NIL

6. ASSETS QUALITY:

6.1 Non-Performing Assets:

(InLakh)

Sr. No.	Particulars	Financial Year (2023-24)	Financial Year (2022-23)	Financial Year (2021-22)
i)	Net NPAs to Net Advances (%)	4.57	5.87	7.59
ii)	Movement of NPAs (Gross)			
(a)	Opening balance	8128	8221	8913
(b)	Additions during the year	2111	3345	9439
(c)	Reductions during the year	1278	3438	10131
(d)	Closing balance	8961	8128	8221
(iii)	Movements of Net NPAs			
(a)	Opening balance	3613	3971	4973
(b)	Additions during the year	1900	3011	8495
(c)	Reductions during the year	2209	3369	9497
(d)	Closing balance	3304	3613	3971
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)			
(a)	Opening balance	4515	4251	3940
(b)	Provisions made during the year	1762	1097	1048
(c)	Write-off/ Write-back of excess provisions	-621	-833	-737
(d)	Closing balance	5656	4515	4251

- 6.2 Details of Loan Assets subject to Restructuring upto 31.03.2024: NIL
6.3 Details of financial assets sold Securitization (SC)/ Reconstruction Company (RC): Nil
6.4 Details of non-performing financial assets purchased/ Sold:
(A) Details on non performing financial assets purchased : Nil
(B) Details of non-performing financial assets sold : Nil

6.5 Provision on Standard Asset : (In Lakh)

Sr. No.	Particulars	Current year (2023-24)	Previous year (2022-23)
1.	Provisions towards Standard Assets	196	153

7. Business Ratio: (In Lakh)

Sr. No.	Particulars	Current year (2023-24)	Previous year (2022-23)
(i)	Interest Income as a percentage to working Funds.	6.04	7.64
(ii)	Non-interest income as a percentage of working funds.	0.29	0.37
(iii)	Operating Profit as a percentage of working funds	-0.08	0.62
(iv)	Returns on Assets	-2.61	-3.84
(v)	Business (Deposits plus advances) per employee	742	675
(vi)	Profit per employee	-16.47	-13.75

(In Lakh)

Particulars	1 to 14 days	15 to 28 days	29 to 3 months	3-6 months	Over 6 month and upto 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Over 5 year	Total
Deposits	7861.71	1931.42	16665.96	16736.43	25946.88	15528.40	58672.60	1355.94	144699.34
Gross Advances	9392.44	566.85	6129.60	8792.73	15248.04	5521.94	11388.09	20918.00	77957.69
Investments (SLR + Non SLR)	1000.00	0.00	110.00	4291.19	14832.35	4996.59	4779.83	53570.00	83579.96
Borrowings	0.00	0.00	0.00	0.00	4144.00	10000.00	0.00	0.00	14144.00
Foreign Currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

9. Exposures – Exposure to Real Estate Sector: Nil
10. Details of Single Borrower (SGL) Group Limit (GBL) exceeded by the bank: Nil
11. Miscellaneous – Amount of provisions made for Income-tax during the year.

Sr. No.	Particulars	Current year (2023-24)	Previous year (2022-23)
	Provision for Income Tax	NIL	NIL

12. Disclosure of Penalties imposed by RBI:Nil

13. Draw Down from Reserve:Nil

14. Disclosure of Complaints:

A. Customer Complaints

Sr.	Particulars	Details
A	No. of complaints pending at the beginning of the year	00
B	No. of complaints received during the year.	14
C	No. of complaints redressed during the year.	13
D	No. of complaints pending at the end of the year.	01

B. Award passed by the Banking Ombudsman

Sr.	Particulars	Details
A	No. of unimplemented Awards at the beginning of the year.	NIL
B	No. of Awards passed by the Banking Ombudsman during the year.	NIL
C	No. of Awards implemented during the year.	NIL
D	No. of unimplemented Awards at the end of the year.	NIL

15. Disclosure of DEAF Accounts: Quarter ended upto 31.03.2023

With reference to Reserve Bank of India Circular RBI/2013-14/614 DBOD.No.DEAFCell.BC114/30.01.002/2013-14 dated 27.05.2014 banks have been calculating the cumulative balance of all eligible unclaimed deposit accounts along with earliest accrued and remitting the same under Portal facility of the E-Kuber through State Bank of India (Sponsor Bank) to a designated account "DEAF Account 16/00/006009 maintained with Reserve Bank Of India.

The amounts transferred to DEAF Accounts are as under:

(In Lakh)

Particulars	Current year (2023-24)	Previous year (2022-23)
Opening Balance and transferred to DEAF	27.51	22.32
Add : Amount transferred to DEAF during the year	61.67	5.19
Less Amount reimbursed by DEAF towards claim during the year	0.41	0.00
Closing Balance of Amounts transferred to DEAF as on	88.77	27.51

16. Concentration of Deposits

(In Lakh)

Total Deposits of Fifty largest depositors	4725.73
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	3.27%

17. Concentration of Advances

Total Advances to twenty largest borrowers	911.83
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	1.17

18. Concentration of Exposures**(In Lakh)**

Total Exposures of twenty largest borrowers/customers	944.36
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	1.21

19. Concentration of NPAs**(in Lakh)**

Total Exposure to top four NPA accounts	327.16
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20. Sector-wise N P A**(In Lakh)**

Sl No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	24845	3760	15.13	24636	3144	12.76
2	Advances to industries sector eligible as priority sector lending	29198	4839	16.57	28942	4633	16.01
3	Services	0	0	0.00	0	0	0.00
4	Personal loans	3490	68	1.93	3626	50	1.38
	Sub-total (A)	57533	8667	15.06	57204	7827	13.68

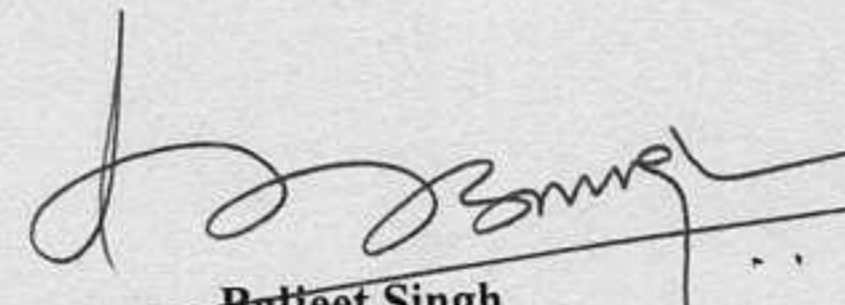
B	Non-Priority Sector						
1	Agriculture and allied activities	0	0	0	0	0	0
2	Industry	0	0	0	0	0	0
3	Services	0	0	0	0	0	0
4	Personal loans	20425	294	1.44	8852	301	3.40
	Sub-total (B)	20425	294	1.44	8852	301	3.40
	Total (A+B)	77958	8961	11.49	66056	8128	12.30

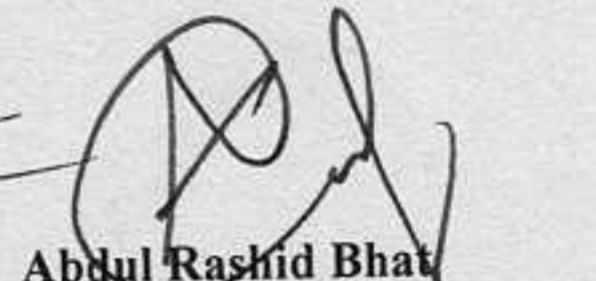
21. Movement of NPAs

Particulars	Amount (In Lakh) (2023-24)	Amount (In Lakh) (2022-23)
Gross NPAs as on 1st April of particular year (Opening balance)	8128	8221
Additions (Fresh NPAs) during the year	2111	3345
Sub-total (A)	10239	11566
Less:		
(i) Upgradation	305	2357
(ii) Recoveries (Excluded recoveries made from upgraded accounts)	375	944
(iii) Write-offs	598	137
Sub Total (B)	1278	3438
Gross NPA as on 31 st March 2024 (A-B)	8961	8128

For R K Deepak & Co.
Chartered Accountants
FRN: 003145N

(CA Ketan Khanna)
Partner
Membership Number: 548347
Place: Srinagar
Date: 01st May 2024


Baljeet Singh
General Manager (Vigilance)


Abdul Rashid Bhat
General Manager (GB/IT)

Fayaz Ahmad Wani
Chairman





R.K. DEEPAK & CO.

**CHARTERED ACCOUNTANTS
A PEER REVIEWED FIRM ***

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Independent Auditor's Report

To
The Members
Ellaquai Dehati Bank
Nirmaan Complex, 3rd Floor
I.G Road, Barzulla
Srinagar (J&K)

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the standalone financial statements of Ellaquai Dehati Bank **except Statement of Cash Flows**, which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss and the **Statement of Cash Flows (not provided)** 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 returns for the year ended on that date of **21** branches audited by us and **72** branches audited by 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 Reserve Bank of India. Also included in the Balance Sheet, the Statement of Profit and Loss and Statement of Cash Flows (not provided) are the returns from **20** branches which have not been subjected to audit. These unaudited branches account for **14.96** percent of advances, **9.59** percent of deposits, **8.86** per cent of interest income and **7.77** per cent of interest expenses.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements except **Statement of Cash Flows** give the information required by the Banking Regulation Act, 1949 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, 2024;

- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit/loss (as applicable); and
- c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.**(Not provided)**

Basis for Opinion

3. 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 evidences we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- 4. The Bank need to improve the automation system to downgraded the accounts automatically if it not fulfils the requirement of Standard Assets.

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

5. 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 Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (RBI) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds 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 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 but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

6. 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 professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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 communicate 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.

Other Matter

7. We did not audit the financial statements / information of **20 branches** included in the standalone financial statements of the Bank whose financial statements / financial information reflect total assets of Rs. **11680 lakhs** as at 31st March 2024 and total revenue of **Rs. 1078.59 lakhs** for the year ended on that date, as considered in the standalone financial statements. Also, We did not audit financial statements / information of 72 branches included in the standalone financial statements of the bank whose financial statements / financial information reflect total assets of **Rs. 40,024 lakhs** as at 31st March 2024 and total revenue of **Rs. 3392.64 lakhs** for the year ended on that date, as considered in standalone financial statements. The financial statements / information of these **72 branches** have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.

8. The opinion expressed in the present report is based on the limited information, facts and inputs made available to us through electronic means by the bank management-

- Inspection, observation, examination and verification of the original documents/ files
- Physical verification of cash/ gold/stationery items including adequate internal controls thereof
- Examination of the various documents with regard to primary and collateral security
- Verification of the valuation and legal reports of the Immovable properties charged to the bank branch
- Scrutiny of the cash credit facility documents files / Stock statements and other QIS submitted by borrowers
- Scrutiny of the Sanction / Renewals / Review / appraisal / disbursement / compliance and detailed documentation as per laid down procedures including execution of requisite documentation
- Examination of the Inspection / visit reports of the branch officials
- Observation with regard to dual custody of cash in hand / ATM
- Examination of the FA register, physical verification process / Stationery movements records

- Verification of various bank records in relation to bank guarantees / Letter of credit / letter of comforts etc.
- Adequate audit procedures for various assertions specified in Ghosh & Jilani Committee Reports
- Observation with regard to access controls and data security
- Verification for timely receipt of the stock / book statements / FSs / QIR from borrowers and scrutiny thereof
- Physical verification of investments (If applicable).

9. The following observations require immediate attention:

- KCC loans granted by the bank needs to be monitored closely and periodically for their repayment and recovery. These loans amounts to major exposure of the bank thus require urgent attention.
- Demand loans against FDRs & Gold, should be regulated through a uniform circular, also the interest recovery on the same shall be done either quarterly, half yearly or annually.
- Observed major operational inefficiency in bank. CKYC of numerous accounts still pending to be updated this number accounts for approx. 18%. Risk categorization updation in CIF is automated during the FY.
- Bank should discourage single control oriented branches to avoid risk of frauds.
- Cash Management at branch level should be closely monitored.
- Closing Cash in hand, as on 31st March, 2024 is as certified by the Management.
- Interest on various Investments (SLR, TDR and Mutual Fund) as certified by the Management have been relied upon.
- NPA management and provision should be properly monitored.

Report on Other Legal and Regulatory Requirements

10. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

11. Subject to the limitations of the audit indicated in paragraphs 5 to 9 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, 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.

12. As required by the RBI's letter no. DOS.ARG.NO.6270 /08.91.001/2019-20 dated March 17, 2020 as amended ("RBI Directives"), we report that:

- a) The observation or comments on financial transactions or matters which have any adverse effect on the functioning of the Bank / Branch,

During the audit process for the financial year 2023-24, it has come to the attention from the top management of Ellaquai Dehati Bank that a significant fraudulent activity occurred at the Lohrgam branch. This activity occurred within the unique operational framework of a branch, where the sole individual in control had unfettered authority over branch operations.

Specifically, it was discovered that the branch manager, operating without adequate oversight, engaged in the unauthorized opening of 17 fictitious demand loan accounts. Notably, these accounts were opened without the requisite consent from customers and devoid of the necessary execution of loan documentation. Furthermore, no collateral or security was obtained, with transactions limited to mere entries within the CBS system.

This fraudulent scheme involved the disbursement of funds through various channels, including cash disbursements and routing through intermediary banks, ultimately culminating in the transfer of funds to the personal accounts of the branch manager and their spouse.

The total financial impact of this fraudulent activity amounted to a substantial sum of 79 lakhs.

Such actions represent a flagrant breach of trust and a fundamental violation of established banking protocols and regulatory standards. Immediate remedial measures have been instituted, including the termination of the implicated branch manager and the implementation of robust internal controls and oversight mechanisms to mitigate future risks of similar malfeasance.

Ellaquai Dehati Bank is unwavering in its commitment to upholding the highest standards of integrity and accountability. As such, we remain steadfast in our dedication to fortifying internal controls and risk management frameworks to safeguard the interests of our stakeholders.

This matter has been expeditiously reported to the relevant regulatory authorities by the bank, and the bank is fully cooperating with ongoing investigative efforts.

- b) The qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith, if any.

13. We further report **except for the Statement of Cash Flows** 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 Statement of Cash Flows (**not provided**) 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 under section 29 of the Banking Regulation Act, 1949 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 Profit and Loss Account and the Statement of Cash Flows **(not provided)** comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

FOR R.K. DEEPAK & CO.
Chartered Accountants
FRN: 003145N

KETAN KHANNA
Partner
Membership No:548347
Place: Srinagar
Date: 30th April 2024
UDIN: 24548347BKALXD5027