



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


Balance Sheet As on 31.03.2024

(Amt in 000s)

Particulars	Sch.	As on 31.03.2024	As on 31.03.2023
CAPITAL AND LIABILITIES			
Capital	1	18,07,23	18,07,23
Reserves and Surplus	2	2495,05,12	1965,97,58
Deposits	3	14194,81,38	12610,32,78
Borrowings	4	6456,97,30	5167,05,26
Other Liabilities and Provisions	5	260,24,37	187,85,29
TOTAL		23425,15,40	19949,28,14
ASSETS			
Cash and Balances with Reserve Bank of India	6	566,24,07	514,44,07
Balances with Banks and Money at call and short notice	7	5368,10,34	3822,85,40
Investments	8	2383,81,52	2572,49,27
Advances	9	14576,01,69	12629,17,16
Fixed Assets	10	50,19,33	48,84,66
Other Assets	11	480,78,45	361,47,58
TOTAL		23425,15,40	19949,28,14
Contingent Liabilities	12	69,77,28	40,28,28
Bills for Collection			

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

As per our Report of even date
for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No. 000459S


M.V. Ramana Murthy
Partner
Membership No. 206439



For Telangana Grameena Bank


Sri.T.Chandra Sekhar
General Manager-I



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

Sri.Umesh Ramling Swami
AGM, RBI
Director

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

Date: 30.04.2024
Place: Hyderabad




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

Profit and Loss for the year ended on 31.03.2024

Particulars	Sch.	(Amt in 000s)	
		Year ended on 31.03.2024	Year ended on 31.03.2023
I. Income			
Interest earned	13	1925,01,54	1492,34,63
Other income	14	269,95,23	254,76,37
Provision return back		0	0
Total		2194,96,77	1747,11,00
II. Expenditure			
Interest expended	15	1056,36,06	727,18,46
Operating expenses	16	400,10,65	386,90,85
Provisions and Contingencies			
		29,83,98	33,76,96
Total		1486,30,69	1147,86,27
III. Profit / Loss			
Profit for the year before Tax		708,66,08	599,24,73
Less:Provision for Income Tax		-1780000	-1500000
Less(Add):DTL / (DTA)		-15,854	,12,20
Profit after Tax		529,07,54	449,36,93
Profit brought forward from previous year		1501,28,33	1150,18,78
Appropriations of Profit			
Transfer to Statutory reserves		105,81,51	89,87,38
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		12,80,00	8,40,00
Balance carried over to balance sheet		1911,74,36	1501,28,23

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

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DGM (ABU-GSS), SBI, I
Director

Date: 30.04.2024
Place: Hyderabad

SCHEDULE-1 - CAPITAL

(Amt in 000s)

	Particulars	As on 31.03.2024	As on 31.03.2023
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 AND SURPLUS

(Amt in 000s)

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Statutory Reserves		
	Opening Balance	421,38,12	331,50,73
	Additions during the year	105,81,51	89,87,38
	Deductions during the year	-	-
	Total	527,19,63	421,38,11
II	Capital Reserves		
	Opening Balance	4,91,14	4,91,14
	Additions during the year	-	-
	Deductions during the year	-	-
	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	38,40,00	30,00,00
	Additions during the year	12,80,00	8,40,00
	Deductions during the year	-	-
	Total	51,20,00	38,40,00
IV	Revenue and other Reserves		
	Opening Balance	-	-
	Additions during the year	-	-
	Deductions during the year	-	-
	Total	-	-
V	Balance of Profit & Loss Account	1911,74,35	1501,28,33
	TOTAL (I, II, III, IV & V)	2495,05,12	1965,97,58

SCHEDULE-3 - DEPOSITS

(Amt in 000s)

	Particulars	As on 31.03.2024	As on 31.03.2023
A. I.	Demand Deposits		
	i. From Banks	-	-
	ii. From Others	148,69,69	118,82,78
II	Saving Bank Deposit	4993,33,97	4168,97,92
III	Term Deposits		
	i. From Banks	2622,05,59	2434,51,72
	ii. From Others	6430,72,13	5888,00,36
	TOTAL of (I II and III)	14194,81,38	12610,32,78
B.	I. Deposits of branches in India	14194,81,38	12610,32,78
	II. Deposits of branches outside India	-	-
	TOTAL	14194,81,38	12610,32,78


CHIEF MANAGER (ACCOUNTS)


SCHEDULE-4 - BORROWINGS

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Borrowing in India		
	i. Reserve Bank of India	210,00,00	190,00,00
	ii. Other Banks (SBI & APCOB)	679,16,14	101,21,50
	iii. Other institutions and agencies		
	a) NABARD	5321,85,86	4777,86,96
	b) National Housing Bank (NHB)	230,52,80	88,85,20
	c) NSFDC	15,42,50	9,11,60
II	Borrowings outside India	-	-
	Total (I & II)	6456,97,30	5167,05,26
	Borrowings included in I & II above	6456,97,30	5167,05,26
	TOTAL OF I & II	6456,97,30	5167,05,26

SCHEDULE-5 - OTHER LIABILITIES AND PROVISIONS

(Amt in 000s)

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Bills payable	25,06,68	23,74,66
II	Inter-office adjustment (Net)	,19,91	,92,68
III	Interests accrued	19,74,26	15,60,26
IV	Others (including provisions)		
	General Provision on Standard Advances	47,84,69	42,51,70
	Provision for Pension & NPS	-	-
	Provision for Income Tax	-	-
	Others Liabilities	167,38,83	105,05,99
	TOTAL	260,24,37	187,85,29

SCHEDULE-6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

(Amt in 000s)

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Cash in hand	46,95,52	60,66,75
II	Balance with Reserve Bank of India		
	i. In Current Account	519,28,55	453,77,32
	ii. In other Accounts	-	-
	TOTAL (I and II)	566,24,07	514,44,07



CHIEF MANAGER (ACCOUNTS)



SCHEDULE-7 BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

	Particulars	As on 31.03.2024	As on 31.03.2023
I	In India:		
	i) Balances with Banks:		
	a. In current Accounts	23,44,66	25,56,94
	b. In other Deposit Accounts	5344,65,68	3797,28,46
	ii) Money at call and short notice		
	a. With Banks	-	-
	b. With other institutions	-	-
	TOTAL (i & ii)	5368,10,34	3822,85,40
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)	5368,10,34	3822,85,40

SCHEDULE-8 INVESTMENTS

(Amt in 000s)

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Investments in India in		
	i. Government Securities	2368,81,52	2512,66,87
	Less: Provision /Depreciation	-	-
	Net SLR	2368,81,52	2512,66,87
	ii. Other approved securities	-	-
	iii. Shares	-	-
	iv. Debentures and Bonds	15,00,00	34,82,40
	Less: Provision	-	-
	Sub total Non-SLR	15,00,00	34,82,40
	v. Subsidiaries and/or joint ventures	-	-
	vi. Others		
	IVP / KVP etc.	-	-
	Mutual Funds	-	25,00,00
	Less: Provision	-	-
	Sub total Non-SLR	-	25,00,00
	Total Non-SLR (Net)	15,00,00	59,82,40
	TOTAL-Net Investments in India	2383,81,52	2572,49,27
II	Investments outside India	0	0
	Less: Provision /Depreciation	0	0
	TOTAL Net of II	0	0
	GRAND TOTAL (I+II)	2383,81,52	2572,49,27

CHIEF MANAGER (ACCOUNTS)



SCHEDULE-9 ADVANCES

	Particulars	As on 31.03.2024	As on 31.03.2023
A	i. Bills purchased and discounted	-	-
	ii. Cash Credits, overdrafts and loans repayable on demand	9983,51,69	8900,55,11
	iii. Term Loan	4592,50,00	3728,62,05
	TOTAL	14576,01,69	12629,17,16
B	i. Secured by tangible assets	11738,32,67	9418,72,50
	ii Covered by Bank / Govt guarantees	-	-
	iii. Unsecured	2837,69,02	3210,44,66
	TOTAL	14576,01,69	12629,17,16
C	I. Advances in India		
	i. Priority Sector	11144,32,52	9914,13,34
	Less: IBPC Issued	-	-
	Sub Total	11144,32,52	9914,13,34
	ii. Public Sector	-	-
	iii. Banks	-	-
	iv. Others	3431,69,17	2715,03,82
	TOTAL	14576,01,69	12629,17,16
	II. Advances Outside India:		
	i. Due from Banks	-	-
	ii. Due from others	-	-
	TOTAL	-	-
	GROSS ADVANCES	14840,69,44	12893,00,07
	Less: INCA	0	0
	Less: Provisions for B&D debts	264,67,75	263,82,91
	NET ADVANCES	14576,01,69	12629,17,16

SCHEDULE-10 FIXED ASSETS

(Amt in 000s)

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Premises		
	At cost as on 31st March	14,66,46	,34,22
	i. Additions during the year	-	14,32,24
	ii. Deduction during the year	-	-
	iii. Depreciation during the year	80	59
	iv. Depreciation to date	,10,08	928
	TOTAL I	14,56,38	14,57,18
II	Other Fixed Assets (including furniture and fixtures)		
	At cost as on 31st March	85,05,05	79,49,07
	i. Additions during the year	8,45,95	7,90,88
	ii. Deduction during the year	378	262
	iii. Depreciation during the year	7,06,70	6,10,21
	iv. Depreciation to date	57,84,27	53,09,85
	TOTAL II	35,62,95	34,27,48
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.	50,19,33	48,84,66



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CHIEF MANAGER (ACCOUNTS)

SCHEDULE-11 OTHER ASSETS

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Inter-office adjustments (Net)	-	-
II	Interest accrued	189,17,42	112,01,92
III	Tax paid in advances / tax deducted at source *	6,28,58	12,61,65
IV	Stationery and stamps	25	15
V	Non-banking assets acquired in satisfaction of claims	-	-
VI	Others		
	a) Int Subvention Recble from GOI / NABARD	272,46,76	225,86,41
	b) Miscellaneous Assets (Frauds, Cash stolen)	-	-
	c) Others (suspense utility services etc.)	12,85,44	10,97,45
	TOTAL	480,78,45	361,47,58

* Net of Provisions

SCHEDULE-12 CONTINGENT LIABILITIES

	Particulars	As on 31.03.2024	As on 31.03.2023
I	Claims against the Bank not acknowledged as debts	4,83,16	4,83,16
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	6,76,05	9,70,46
	b. Outside India	-	-
V	Acceptances, Endorsments and other obligations	-	-
VI	Other items for which the Bank is contingently liable (DEAF Account)	58,18,07	25,74,66
	TOTAL	69,77,28	40,28,28



CHIEF MANAGER (ACCOUNTS)




SCHEDULE-13 INTEREST EARNED

(Amt in 000s)

	Particulars	Year ended on 31.03.2024	Year ended on 31.03.2023
I	Interest on advances /discount on bills	1368,12,71	1173,45,57
II	Interest on Investments	174,90,35	192,97,73
	Less: amortisation of premium	-13,055	-13,820
III	Interest on balances with Reserve Bank of India and other inter-bank funds	381,56,27	123,34,29
IV	Others	1,72,76	3,95,24
	TOTAL	1925,01,54	1492,34,63

SCHEDULE-14 OTHER INCOME

(Amt in 000s)

	Particulars	Year ended on 31.03.2024	Year ended on 31.03.2023
I	Commission, exchange and brokerage.	137,84,59	129,98,53
II	Profit on sale of Investments		
	Less: Loss on Sale of Investments	1,54,70	,98,58
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	-21.49749	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	130,56,15	123,77,70
	TOTAL	269,95,23	254,76,37

SCHEDULE-15 INTEREST EXPENDED

(Amt in 000s)

	Particulars	Year ended on 31.03.2024	Year ended on 31.03.2023
I	Interest on deposits	740,86,25	526,87,77
II	Interest on Reserve Bank of India / Inter bank borrowings	-	-
III	Others		
	a. SBI / Other Banks Overdraft	27,66,51	2,94,35
	b. NABARD - REFINANCE	265,45,93	183,27,24
	c. NHB - REFINANCE	11,14,16	4,61,08
	d. MUDRA, NSFDC etc	11,23,21	3,00,68
IV	Interest on IBPC participation	-	6,47,34
	TOTAL	1056,36,06	727,18,46



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CHIEF MANAGER (ACCOUNTS)

SCHEDULE-16 OPERATING EXPENSES

(Amt in 000s)

	Particulars	Year ended on 31.03.2024	Year ended on 31.03.2023
I	Payments to and provisions for employees	306,17,45	261,04,21
II	Rent, taxes and lighting	17,25,50	16,41,19
III	Printing and stationery	1,82,52	1,77,69
IV	Advertisement and publicity	92.6414	210.93482
V	Depreciation on Bank's property	7,06,92	6,10,81
VI	Director's fees, allowances and expenses	-	-
VII	Auditors fees and expenses (including branch auditors)	,39,20	,52,80
VIII	Law charges	558.78	301.6
IX	Postage, Telegrams, Telephones etc.	,38,72	,41,06
X	Repairs and maintenance	13,63,59	12,92,13
XI	Insurance	15,81,12	17,72,79
XII	Other expenditure	37,49,12	69,93,04
	TOTAL	400,10,65	386,90,85


CHIEF MANAGER (ACCOUNTS)
Date: 30.04.2024



TELANGANA GRAMEENA BANK
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 recognized 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 Interest bearing securities, on acquisition of investments in Held to Maturity (HTM) category is accounted for at the time of sale / redemption
- 1.4. Dividend is accounted on an accrual basis where the right to receive the dividend is established.
- 1.5. Commission & Exchange and locker rent are recognized on realization basis.
- 1.6. Interest on overdue term deposits is accounted for on renewal.



- 1.7. 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-6 (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 90 days.
 - 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 and advised by NABARD:

All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and loss Assets. Provisions on Advances are made as under:

- a) **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.
- b) **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%

- c) **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%

- d) **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 extant 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 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.

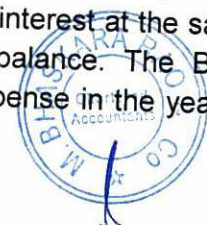
7.2. Long Term Employee Benefits

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 a fund administered by "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.
- 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. The pension liability is reckoned based on an independent actuarial valuation carried out annually and bank makes such additional contributions periodically to the fund as may be required to secure payment of the benefits under the Pension Regulations.

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.
- b) **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 which are based on the tax laws prevailing in India.

Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year. 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 certain. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

9. Government Grants:

Government grants available to the enterprise are considered for:

- a) Where there is a reasonable assurance that the enterprise will comply with the conditions attached to them.
- b) 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:

- 10.1. 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:

- a) 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.
- b) Any present obligation that arises from past events but is not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - 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.

10.2. 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.

12. Leases:

Leases where the Lessor effectively retains substantially all risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account.

As per our report of even date
for **M. Bhaskara Rao & Co.**
Chartered Accountants
Firm Registration No.000459S

For Telangana Grameena Bank

M.V. Ramana Murthy

Partner

Membership No206439



Sri. T. Chandra Sekhar

GENERAL MANAGER-I

Smt. Y. Sobha

CHAIRMAN

Place : Hyderabad

Date : 30.04.2024

TELANGANA GARMEENA BANK
HYDERABAD

SCHEDULE-18-DISCLOSURE IN FINANCIAL STATEMENTS – ‘NOTES TO ACCOUNTS’-MARCH-2024

1. Regulatory Capital

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31.03.2024	As on 31.03.2023
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	2513.12	1984.05
ii)	Additional Tier 1 capital*/ Other Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	2513.12	1984.05
iv)	Tier 2 capital	47.85	42.52
v)	Total capital (Tier 1+Tier 2)	2560.97	2026.57
vi)	Total Risk Weighted Assets (RWAs)	12691.74	11783.49
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	19.80	16.84
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	19.80	16.84
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.38	0.36
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.18	17.20
xi)	Leverage Ratio	NA	NA
xii)	Percentage of the shareholding of	50.00	50.00
	a) Government of India	15.00	15.00
	b) State Government (specify name)	35.00	35.00
	c) Sponsor Bank		
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:</i> 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.	Nil	Nil
xv)	Amount of Tier 2 capital raised during the year, <i>of which:</i> 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.	Nil	Nil



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	743.85	306.02	1165.25	826.23	4272.05	6656.15	118.05	107.21	14194.81
Advances	188.56	383.41	1390.80	1881.31	5683.51	3985.36	607.70	455.36	14576.02
Investments	0.00	101.00	615.21	182.22	4411.09	272.37	701.41	1445.18	7728.47
Borrowings	889.16	0.00	269.19	1548.96	1242.77	1644.91	832.77	29.21	6456.97
Foreign Currency assets	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Currency liabilities	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



2. Investments

a) Composition of Investment Portfolio as at 31.03.2024

(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	1427.82	0.00	0.00	0.00	0.00	0.00	1427.82	0.00	0.00	0.00	0.00	1427.82
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	1427.82	0.00	0.00	0.00	0.00	0.00	1427.82	0.00	0.00	0.00	0.00	1427.82
Available for Sale												
Gross	941.00	0.00	0.00	15.00	0.00	0.00	956.00	0.00	0.00	0.00	0.00	956.00
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	941.00	0.00	0.00	15.00	0.00	0.00	956.00	0.00	0.00	0.00	0.00	956.00
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	2368.82	0.00	0.00	15.00	0.00	0.00	2383.82	0.00	0.00	0.00	0.00	2383.82
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	2368.82	0.00	0.00	15.00	0.00	0.00	2383.82	0.00	0.00	0.00	0.00	2383.82



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	0.00	0.00	0.00	0.00	0.00	0.00
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



b) **Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(Amount in ₹ lakhs)

Particulars	As on 31.03.2024	As on 31.03.2023
i) Movement of provisions held towards depreciation on investments		
a. Opening balance	0.00	0.00
b. Add: Provisions made during the year	0.00	221.77
c. Less: Write off / write back of excess provisions during the year	0.00	221.77
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 securities to/from HTM category in the current Financial Year
- Bank has transferred to/from HTM category to the tune of Rs.427.24 crores (previous year Rs.711.40 Crores) during the year ended 31.03.2024.

d) **Non-SLR investment portfolio**

i) Non performing non-SLR investments

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31.03.2024	As on 31.03.2023
a)	Opening balance	59.82	75.00
b)	Additions during the year since 1 st April	35.00	0.00
c)	Reductions during the above period	79.82	15.18
d)	Closing balance	15.00	59.82
e)	Total provisions held	0.00	0.00



ii) 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	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
		As on 31.03.24	As on 31.03.23	As on 31.03.24	As on 31.03.23	As on 31.03.24	As on 31.03.23	As on 31.03.24	As on 31.03.23	As on 31.03.24	As on 31.03.23
a)	PSUs	15.00	15.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b)	FIs	0.00	0.00	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	0.00	19.82	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	0.00	25.00	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	15.00	59.82	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 31.03.2024
i) Securities sold under repo				
a) Government securities				
b) Corporate debt securities	11.94	224.83	193.60	223.80
c) Any other securities				
ii) Securities purchased under reverse repo				
a) Government securities	62.29	267.17	21.96	--
b) Corporate debt securities				
c) Any other securities				



3. Asset quality

a) Classification of advances and provisions held as on 31 March 2024

(Amount in ₹ 000's)

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	126291716.00	1141942.97	1457714.35	38633.70	2638291.01	128930007.01
Add: Additions during the year					6284756.52	
Less: Reductions during the year					6276273.03	
Closing balance	145760168.71	1169083.48	1438967.63	38723.39	2646774.50	148406943.21
Reductions in Gross NPAs due to:						
i) Up gradation					5088073.22	
ii) Recoveries (excluding recoveries from upgraded accounts)					894149.68	
iii) Technical/ Prudential Write-offs					294050.13	
iv) Write-offs other than those under (iii) above					0.00	6276273.03
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	425169.94	1141942.97	1457714.35	38633.70	2638291.01	
Add: Fresh provisions made during the year					245099.04	
Less: Excess provision reversed/ Write-off loans					236615.55	
Closing balance of provisions held	478469.19	1169083.48	1438967.63	38723.39	2646774.50	
Net NPAs						
Opening Balance		0.00	0.00	0.00	0.00	
Add: Fresh additions during the year					0.00	
Less: Reductions during the year					0.00	
Closing Balance		0.00	0.00	0.00	0.00	



	Standard	Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
Floating Provisions					
Opening Balance					0.00
Add: Additional provisions made during the year					0.00
Less: Amount drawn down during the year					0.00
Closing balance of floating provisions					0.00
Technical write-offs and the recoveries made thereon					
Opening balance of Technical/ Prudential written-off accounts					0.00
Add: Technical/ Prudential write-offs during the year					0.00
Less: Recoveries made from previously technical/ prudential written-off accounts during the year					0.00
Closing balance					0.00

Ratios (in per cent)	As on 31.03.2024	As on 31.03. 23
Gross NPA to Gross Advances	1.78	2.05
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 31.03.2024			As on 31.03.2023		
		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	9223.56	223.49	2.42	9019.56	227.50	2.53
	KCC	5593.95	185.76	3.32	5343.74	167.31	3.13
	SHG	3421.69	31.70	0.93	3533.93	50.34	1.42
ii.	Advances to Business/Industries eligible under PS	121.35	8.54	7.03	97.85	14.84	15.17
iii.	Services	928.12	16.63	1.79	24.00	1.52	6.37
	Cash Credit	928.12	16.63	1.79	23.91	1.45	6.07
iv.	Personal Loans	1122.57	2.62	0.23	1019.49	2.91	0.29
	Housing Loan	1106.98	2.38	0.21	1006.99	2.11	0.21
	Sub-total (A)	11395.60	251.28	2.20	10160.90	246.76	2.43
B	Non-priority Sector:						
i.	Agriculture and allied activities	-	-	-	-	-	-
ii.	Industry	-	-	-	-	-	-
iii.	Services	-	-	-	-	-	-
iv.	Personal Loans	3445.09	13.40	0.39	2732.10	17.07	0.62
	Jewellery Loan*	1672.46	0.31	0.02	1392.38	0.66	0.05
	DL/CDL*	282.55	1.16	0.41	203.42	1.34	0.01
	Sub-total (B)	3445.09	13.40	0.39	2732.10	17.07	0.62
	Total (A+B)	14840.69	264.68	1.78	12893.00	263.83	2.05

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

c) Overseas assets, NPAs and revenue

Particulars	As on 31.03.2024	As on 31.03.2023
Total Assets	NIL	NIL
Total NPA	NIL	NIL
Total Revenue	NIL	NIL



d) 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 (excluding agriculture and MSME)		Total	
		As on 31.03.2024	As on 31.03.2023	As on 31.03.2024	As on 31.03.2023	As on 31.03.2024	As on 31.03.2023	As on 31.03.2024	As on 31.03.2023	As on 31.03.2024	As on 31.03.2023
Standard	Number of borrowers	Nil	Nil	Nil	Nil	48	71	397	434	445	505
	Gross Amount (₹ crore)	Nil	Nil	Nil	Nil	1.19	2.17	46.34	53.30	47.53	55.47
	Provision held (₹ crore)	Nil	Nil	Nil	Nil	0.12	0.22	4.63	5.33	4.75	5.55
Sub-standard	Number of borrowers	Nil	Nil	Nil	Nil	23	Nil	6	10	29	10
	Gross Amount (₹ crore)	Nil	Nil	Nil	Nil	0.69	Nil	0.54	0.86	1.23	0.86
	Provision held (₹ crore)	Nil	Nil	Nil	Nil	0.69	Nil	0.54	0.86	1.23	0.86
Doubtful	Number of borrowers	127	205	Nil	Nil	0	Nil	1	Nil	128	205
	Gross Amount (₹ crore)	0.52	0.83	Nil	Nil	0	Nil	0.03	Nil	0.55	0.83
	Provision held (₹ crore)	0.52	0.83	Nil	Nil	0	Nil	0.03	Nil	0.55	0.83
Total	Number of borrowers	127	205	Nil	Nil	71	71	404	444	602	720
	Gross Amount (₹ crore)	0.52	0.83	Nil	Nil	1.88	2.17	46.91	54.16	49.31	57.16
	Provision held (₹ crore)	0.52	0.83	Nil	Nil	0.81	0.22	5.20	6.19	6.53	7.24



e) **Disclosure of transfer of loan exposures**

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

<i>Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)</i>			
(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
<i>Details of loans acquired during the year</i>			
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, 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	

f) **Fraud accounts**

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

	As on 31.03.2024	As on 31.03.2023
Number of frauds reported	6	2
Amount involved in fraud (₹ crore)	1.42	0.04
Amount of provision made for such frauds (₹ crore)	0.78	0.00
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	0	0

* Out of Rs 1.42 crores of amount involved in fraud, Rs0.64 crores have been recovered and 100% provision is made for the remaining amount.



- ii) **Thefts: Bussapur Branch (Nirmal Region):** Theft occurred at Bussapur Branch (413), Nirmal Region, on 03.07.2022 (Sunday) in FY 2022-23 resulting in the loss of Cash balance of Rs.0.07 Crores and theft of gold ornaments of 247 accounts with Gross Weight of 8343 Grams. The banks has estimated the loss of Rs 4.14 Crores and accordingly provision has been made. Bank has assessed the Jewellery loss of Rs.3.29 Crores & Cash Loss of Rs.0.07 Crores and written off the same in the books of account. The excess provision of Rs.0.77 Crores 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.0.92 Crores after adjustment of Jewellery loan outstanding in the books of account to the tune of Rs.2.37 Crores. The Bank made a claim of Rs.3.41 Crores with National Insurance Company Ltd by submitting required documents. National Insurance Company Limited has made payment of Rs.2.29 Corres which is 75% of the net adjusted loss amount sanctioned as per surveyor report. Remaining 25% will be paid by the insurance company after submission of the final investigation report by the police department.

g) 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 515 Housing Loan and Tractor Loan accounts amounting to Rs.5633.35 Lakh - and created 10% provision of Rs.563.35 Lakh during March 2023, in accordance with the circular guidelines. Out of 515 accounts 40 loan accounts are closed during CFY and 30 accounts with O/s Rs.126.47 lakh are slipped into NPA for which 100% provisions created. Remaining 445 accounts are in Standard with O/s of Rs.4752.28 Lakh for which Rs.475.23 Lakh provision created as on 31.03.2024.

Format for disclosures to be made for year ending 31 March 2024

(Amounts in ₹ lakh)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the year 31.03.2024 (A)	Of (A), aggregate debt that slipped into NPA during the year	Of (A) amount written off during the year	Of (A) amount paid by the borrowers during the year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this year
Personal Loans	5416.40	57.34	NIL	725.09	4633.97
Corporate persons*	NIL	NIL	NIL	NIL	NIL
<i>Of which MSMEs</i>	216.95	69.13	NIL	29.51	118.31
Others	NIL	NIL	NIL	NIL	NIL
Total	5633.35	126.47	NIL	754.60	4752.28

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



4. Exposures

a) Exposure to real estate sector

(Amount in ₹ Crore)

Category	As on 31.03.24	As on 31.03.23
i) Direct exposure		
a) Residential Mortgages:	2229.11	1734.13
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.		
b) Commercial Real Estate	1.93	2.76
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;		
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures		
i. Residential	NIL	NIL
ii. Commercial Real Estate		
ii) Indirect Exposure		
Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
Total Exposure to Real Estate Sector	2231.04	1736.89



b) **Exposure to capital market**

(Amount in ₹ Crore)

Particulars	As on 31.03.2024	As on 31.03.2023
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 on 31.03.2024	Provision held as on 31.03.2024	Exposure (net) as on 31.03.2024	Provision held as on 31.03.2024
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	As on 31.03.2024	As on 31.03.2023
Total unsecured advances of the bank	2837.69	3272.90
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**

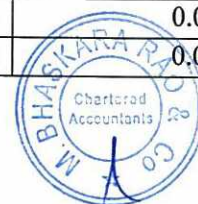
Factoring exposures shall be separately disclosed.

f) **Intra-group exposures**

The following is the summary of significant related party transactions:

(Amounts in ₹ lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Refinance received from State Bank of India	NIL	NIL
Interest paid to SBI	1682.89	146.06
Investments made with:		
SBI - in the form of STDRs	104600.82	10128.46
SBI Fund Management Private Limited	0.00	0.00
Interest received from SBI	5.72	299.91
Profit on sale of Investments on SBI	0.00	0.00
Contributions to Gratuity Fund with SBI Life Insurance	1589.12	0.00



Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Company Limited		
Contributions to Group Leave Encashment Policy with SBI Life Insurance Company Limited	0.00	0.00
Contributions to Pension Trust Policy with SBI Life Insurance Company Limited on behalf of Trust	15404.81	8051.90
Current Account Balance with SBI	3341.95	2554.96
Breach of limits on intra-group exposures and regulatory action thereon, if any	NIL	NIL

5. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ Crore)

Particulars	As on 31.03.2024	As on 31.03.2023
Total deposits of the twenty largest depositors	3026.53	2720.23
Percentage of deposits of twenty largest depositors to total deposits of the bank	21.32%	21.57%

b) Concentration of advances

(Amount in ₹ Crore)

Particulars	As on 31.03.2024	As on 31.03.2023
Total advances to the twenty largest borrowers	26.35	23.38
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	As on 31.03.2024	As on 31.03.2023
Total exposure to the twenty largest borrowers/customers	26.35	23.38
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)

Particulars	As on 31.03.2024	As on 31.03.2023
Total Exposure to the top twenty NPA accounts	3.10	0.98
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	1.17%	0.37%



6. Derivatives

a) Forward rate agreement / Interest rate swap

(Amount in ₹ Crore)

Particulars		As on 31.03.2024	As on 31.03.2023
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 current year	any transactions in derivatives in the current year
iii)	Collateral required by the bank upon entering into swaps	as on	as on
iv)	Concentration of credit risk arising from the swaps	31.03.2024.	31.03.2023.
v)	The fair value of the swap book		

b) Exchange traded interest rate derivatives

Sr. No.	Particulars	As on 31.03.2024	As on 31.03.2023
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 March 2024 (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
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 as on 31.03.2024.

ii) Quantitative disclosures

Bank has not entered into any transactions in derivatives as on 31.03.2024.

d) Credit default swaps

Not Applicable



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

(Amount in ₹ Crore)

Sr. No	Particulars	As on 31.03.2024	As on 31.03.2023
i)	Opening balance of amounts transferred to DEA Fund	25.75	3.68
ii)	Add: Amounts transferred to DEA Fund during the year	33.76	*22.48
iii)	Less: Amounts reimbursed by DEA Fund towards claims	1.33	0.41
iv)	Closing balance of amounts transferred to DEA Fund	58.18	25.75

* 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.

8. Disclosure of complaints

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

Sr. No	Particulars	2022-23	2023-24
	Complaints received by the bank from its customers		
1.	Number of complaints pending at beginning of the year	0	0
2.	Number of complaints received during the year	103	558
3.	Number of complaints disposed during the year	103	549
	3.1 Of which, number of complaints rejected by the bank	0	0
4.	Number of complaints pending at the end of the year	0	9
	Maintainable complaints received by the bank from Office of Ombudsman		
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	38	32
	5.1. Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	38	32
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	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 beginningof the year	Number of complaints received during the year	% increase/ decrease in thenumber of complaints received over the As on 31.03.2023	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 2023-24					
Ground - 1	0	81	2600%	0	0
Ground - 2	0	150	1264%	1	0
Ground - 3	0	67	168%	4	0
Ground - 4	0	0	-100%	0	0
Ground - 5	0	129	2480%	3	0
Others	0	131	126%	1	0
Total	0	558	442%	9	0
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

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..)

9. 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



10. Disclosures on remuneration

Particulars of Managerial Remuneration:

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2024*	For the year ended 31 March 2023
Smt Y. Sobha, Chairman	37.68	33.05
Sri V. Arvind, Chairman, Relieved to Parent Bank on 11.08.22	0.00	17.80
#Sri Satish Kumar General Manager-II Relieved to Parent Bank on 30.06.2022.	0.00	12.62
#Sri K Subba Rao-General Manager (Vigilance) Relieved to Parent Bank on 30.06.2022.	0.00	15.39
Sri. V. S Mahesh General Manager (IT)	18.17	39.34
Smt. K.P. Shobha Rani, General Manager-IT	35.26	36.60
Sri K V Prasad, General Manager-III	34.12	35.77
Sri D. Ramesh, General Manager-II	27.45	25.53
Smt Bharati Thayar, General Manager (Vigilance)	29.08	29.76
Sri. T. Chandra Sekhar, General Manager-I	15.78	0.00

*Reimbursement of Remuneration of Sponsor Bank staff up to December 2023. Not yet claimed for the period from January 2024 to March 2024. However, bank has made provision of Rs.1.02 crore for Q4 as on 31.03.2024.

11. Other Disclosures:

a) **Business Ratios**

Particular	As on 31.03.2024	As on 31.03.2023
i) Interest income as a percentage to working Funds	8.81%	8.71%
ii) Non-interest income as a percentage to Working Funds	1.23%	1.49%
iii) Cost of Deposits	5.51%	4.78%
iv) Net Interest Margin	4.16%	4.66%
v) Operating Profit as a percentage to Working Funds	3.38%	3.70%
vi) Return on Assets	2.42%	2.62%
vii) Business (deposits plus advances) per employee(in ₹ crore)	15.71	14.63
viii) Net Profit per employee (in ₹ crore)	0.29	0.26

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 years as on 31.03.2024 and as on 31.03.2023.

(Amount in ₹ lakh)

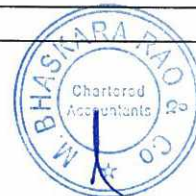
2023-24	2022-23
1175.15	896.04

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.

(Amount in ₹ lakh)

2023-24	2022-23
160.34	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 year ended 31.03.2024 on various dates.

(Amount in ₹ lakh)

Sale of PSLC			
Segment	Amount	Premium Earned	
PSLC SM	686500.00	12307.00	
PSLC Agri	40000.00	80.00	
PSLC Micro Enterprise	-	-	
TOTAL	726500.00	12387.00	
Purchase of PSLC:			
Segment	Amount	Premium Paid	
PSLC GENERAL	255000.00	25.50	
PSLC Micro Enterprise	59500.00	91.20	
PSLC A	-	-	
TOTAL	314500.00	116.70	

e) **Provisions and contingencies**

(Amount in ₹ Crore)

Sl. No	Provision debited to Profit and Loss Account	As on 31.03.2024	As on 31.03.2023
i.	Provisions for NPI	-	-
ii.	Provision towards NPA	24.51	28.89
iii.	Provision made towards Income tax	178.00	150.00
iv.	Provision for Others	0.00	0.06
V	Provision on Standard Assets	5.33	4.81
Vi	Provision on Frauds	0.00	0.00
	TOTAL	207.84	183.76

f) **Payment of DICGC Insurance Premium**

(Amount in ₹ Crore)

Sr. No.	Particulars	As on 31.03.2024	As on 31.03.2023
i)	Payment of DICGC Insurance Premium	14.82	13.65
ii)	Arrears in payment of DICGC premium	NIL	NIL

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

As per our report of even date

for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No.000459S



M.V. Ramana Murthy
Partner,
Membership No206439



For Telangana Grameena Bank



Sri. T. Chandra Sekhar)

GENEREAL MANAGER



(Smt. Y. Sobha)

CHAIRMAN



TELANGANA GRAMEENA BANK
HYDERABAD

STATEMENT OF CASH FLOWS AS AT THE YEAR ENDED 31st MARCH 2024

(Amt in 000's)

PARTICULARS	Year ended 31st March 2024	Year ended 31st March 2023
A Cash Flows from Operating Activities:		
Net Profit before Tax	70,86,608	59,92,473
Adjustments for:		
Depreciation on fixed assets	70,692	61,081
(Profit) / Loss on sale of fixed assets	(21)	156
Provision for Standard assets	53,299	48,135
Provision for Non performing assets	2,45,099	2,88,895
Amortization of HTM investments	13,055	13,820
Less:		
Deferred Tax Asset Adjustment	0	1,220
Operating profit before working capital changes (subtotal of A)	74,68,732	64,05,781
Working Capital Changes:		
Increase / (Decrease) in Deposits	1,58,44,860	1,57,05,397
Increase / (Decrease) in Borrowings	1,28,99,204	1,15,55,031
Increase / (Decrease) in Liabilities and Provisions	7,23,909	6,39,954
(Increase) / Decrease in Advances	(1,97,66,852)	(1,65,88,884)
(Increase) / Decrease in Investments	11,02,170	30,86,836
(Increase) / Decrease in Other Assets	(3,58,678)	10,53,249
Cash generated from Operations	1,79,13,344	2,18,57,364
Less: Income Tax Paid	(18,58,712)	(16,24,945)
Net cash from Operating Activities	1,60,54,632	2,02,32,419
B Cash Flows from Investing Activities:		
Purchase of Fixed assets	(84,595)	(79,088)
Proceeds from sale of fixed assets	457	(1,44,338)
Net cash from Investing Activities (subtotal of B)	(84,138)	(2,23,426)
C Cash Flows from Financing Activities:		
Net cash from Financing Activities (subtotal of C)	0	0
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)	1,59,70,494	2,00,08,993
Opening cash and cash equivalents	4,33,72,947	2,33,63,954
Closing Cash and Cash Equivalents	5,93,43,441	4,33,72,497
Note on closing cash and cash equivalents		
i) Cash on hand	4,69,552	6,06,675
ii) Balances with Reserve Bank of India & other banks	54,27,321	47,93,426
iii) Term Deposits	5,34,46,568	3,79,72,846
Total	5,93,43,441	4,33,72,497

As per our Report of even date
for M. Bhaskara Rao & Co.
Chartered Accountants
Firm Registration No. 000459S



M.V. Ramana Murthy
Partner
Membership No. 206439



For Telangana Grameena Bank


T. Chandra Sekhar
General Manager-I


Y. Sobha
Chairman

Date: 30.04.2024
Place: Hyderabad

Independent Auditor's Report

To
The President of India

Report on Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Telangana Grameena Bank** ('the Bank'), which comprise the Balance Sheet as at 31 March 2024, the Profit and Loss Account and the Statement of Cash Flows 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:
 - i) Head Office;
 - ii) 29 branches audited by us; and
 - iii) 235 domestic 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 Bank by the National Bank for Agriculture and Rural Development ("NABARD"). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 165 branches which have not been subjected to audit. These unaudited branches account for 24.96 per cent of advances, 24.78 per cent of deposits, 24.45 per cent of interest income and 22.87 per cent of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Regional Rural Bank Act, 1976 ("the Act") and circulars, guidelines and directions issued by the Reserve Bank of India ('RBI') and NABARD from time to time in the manner so required for the 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 31 March 2024;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit; and
- c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (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 ICAI together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, as amended from time to time subject to Directions/Guidelines issued by the NABARD and RBI, and provisions of the Act and circulars and guidelines issued by the NABARD and RBI from time to time 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.



Emphasis of Matter

- 3. Note no.18.5.d regarding the manner of classification of advances to self-help groups as secured and unsecured loans.

Key Audit Matters

- 4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended 31 March 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Key Audit Matters	
<p>Advances : Identification of Non-Performing Advances (“NPA”) and provisioning of advances including compliance with Income Recognition and Asset Classification norms (“IRAC”) issued by NABARD and RBI.</p> <p>Loans and advances constitute 62.22% of the Bank’s total assets. Refer Note no.9 of Financial Statements.</p> <p>The classification and provisioning of these advances, in terms of Bank’s accounting policy (Refer note no.17.C.2 of the financial statements), are governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the NABARD / RBI.</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 CBS and Provisioning on advances (Performing and Non-Performing) as per the IRAC norms is being made outside the system using tools like Microsoft Excel.</p> <p>Since the identification of NPAs and provisioning for advances require significant level of estimation / judgement and given its significance to the overall</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars / directives issued by NABARD / RBI and internal policies and procedures of the Bank includes the following:</p> <ul style="list-style-type: none"> ▪ Read the Bank’s policies for NPA identification and provisioning and assessing compliance with the IRAC norms. ▪ Understood the design and operating effectiveness of key controls (including application controls) around identification of non-performing accounts based on the extant guidelines on IRAC. ▪ 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 (Internal audit / concurrent audit / information systems audit / cybersecurity audit etc.) of the Bank and NABARD Inspection. ▪ Reviewed the reports, MOC, certificates and observations in L FAR issued by the statutory branch auditors. ▪ Performed audit procedures on test check for income recognition, classification into performing and non-performing advances in respect of the branches allotted to us. ▪ Performed 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.



Key Audit Matters	
<p>audit due to regulatory focus, we have considered identification and provisioning for NPAs and advances as a key audit matter.</p>	<ul style="list-style-type: none"> ▪ Assessed disclosure requirements for classification and provisioning of NPAs in accordance with RBI circulars including those issued specifically issued for Covid 19 related matters.
<p>Investments: Classification and Valuation of Investments, Identification of provisioning for Non-Performing Investments.</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures and other approved securities. Refer Note no. 8 of the Financial Statements.</p> <p>Investments constitute 10.18% of the Bank's total assets.</p> <p>These are governed by the circulars and directives of the NABARD / RBI. These directions, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be made as per the method prescribed in circulars and directives issued by NABARD / RBI which involves collection of data / information from various sources such as FBIL rates, rates quoted on BSE / NSE.</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>Considering the complexities and extent of judgement involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.</p>	<p>Our audit approach towards Investments with reference to the RBI / NABARD Circulars / directives included the following:</p> <ul style="list-style-type: none"> ▪ Read the Bank's policies for making Investments. ▪ Understood the design and operating effectiveness of key controls (including application controls) around investments, its valuation, classification, shifting between categories and identification of Non-Performing Investments. ▪ Evaluated and understood the Bank's internal control system to comply with relevant NABARD / RBI guidelines regarding valuation, classification, identification of Non-Performing Investments. ▪ Assessed and evaluated the process adopted for collection of information from various sources for determining book value of these investments. ▪ Tech checked accuracy and compliance with the NABARD / RBI and directions by re-performing valuation of each category of the security. ▪ 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 NABARD / RBI directions. ▪ Test checked the amortization of the premium on HTM category of investments. ▪ Test checked the valuation of investments for shift in the category of investments between HTM and AFS.



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

5. The Bank's Board of Directors is responsible with respect to the preparation of these 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 applicable Accounting Standards, and provisions of Regional Rural Banks Act, 1976 and circulars and guidelines issued by the NABARD and RBI 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 standalone 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.

Those Board of Directors are also responsible for overseeing the Bank's financial reporting process.

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.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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.

Other Matters

7. We did not audit the financial statements / information of 235 branches, included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of Rs.9228,76,28 thousands as at 31 March 2024 and total revenue of Rs.1049,72,87 Thousands for the year ended on that date, as considered in the standalone financial statements. These branches cover 24.96% of advances, 24.78% of deposits and 64.90% of Non-performing assets as at 31 March 2024 and 75.55% of revenue for the year ended 31 March 2024. 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 the report of such branch auditors.

Our opinion is not modified in respect of this matter.



Report on Other Legal and Regulatory Requirements

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

Subject to the limitations of the audit indicated in paragraphs 5 to 7 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.
9. 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 Statement of Cash Flows 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 Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by NABARD and RBI.

*for M. Bhaskara Rao & Co.,
Chartered Accountants*

Firm Registration No.000459S



M V Ramana Murthy
M V Ramana Murthy
Partner

Membership No.206439

UDIN: 24206439BKACXE4874

Hyderabad, 30 April 2024