

18th ANNUAL REPORT 2022-23



CHAITANYA GODAVARI GRAMEENA BANK

(A Government Undertaking Sponsored By Union Bank of India)

|| **HEAD OFFICE** ||

Raghu Mansion, 4/1, Brodipet, GUNTUR - 522 002,
ANDHRA PRADESH - INDIA

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CHAITANYA GODAVARI GRAMEENA BANK

BOARD OF DIRECTORS



Shri T KAMESWARA RAO
CHAIRMAN



Central Government
Nominee Director - I



Central Government
Nominee Director - II



Shri M Udai Krishna
Asst. General Manager,
Department of Supervision, AP-RO
Reserve Bank of India, Hyderabad



Smt. B Swati
Dy. General Manager,
AP-RO, NABARD, Hyderabad



Shri A Ravi Kumar
Dy. General Manager
Dy. Zonal Head,
Union Bank of India
New Delhi



Shri S Srinivas
Dy. General Manager,
Agri. Business Dept.,
Central Office,
Union Bank of India, Mumbai



Dr. K V V Satyanarayana
I.R.A.S.
Secretary to Government (B & IF),
Finance Department, AP Secretariat,
Amaravati, Guntur Dist.



State Government
Nominee Director - II



Shri T. KAMESWARA RAO
CHAIRMAN
CHAITANYA GODAVARI GRAMEENA BANK



CHAITANYA GODAVARI GRAMEENA BANK

OUR MENTORS



Ms. A MANIMEKHALAI
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER
UNION BANK OF INDIA



SHRI NITESH RANJAN
EXECUTIVE DIRECTOR , UBI



SHRI RAJNEESH KARNATAK
EXECUTIVE DIRECTOR , UBI



SHRI NIDHU SAXENA
EXECUTIVE DIRECTOR , UBI



SHRI RAMASUBRAMANIAN S.
EXECUTIVE DIRECTOR , UBI



STATUTORY AUDITORS FOR 2022-23

Statutory Central Auditors

M/s N G RAO & ASSOCIATES

Chartered Accountants, Hyderabad



STATUTORY BRANCH AUDITORS

M/s K K Chowdary Associates
Chartered Accountants, Bapulapadu

M/s Ramesh & Co
Chartered Accountants, Vijayawada

M/s SPKR & Associates
Chartered Accountants, Vijayawada

M/s Suresh Siva & Co
Chartered Accountants, Vijayawada

M/s Ramineni & Associates
Chartered Accountants, Guntur

M/s K L N Murthy & Co
Chartered Accountants, Guntur

M/s Smitha Sharma & Associates
Chartered Accountants, Nizamabad

M/s Mohi & Associates
Chartered Accountants, Rajahmundry

M/s Ratna & Associates
Chartered Accountants, Nizampatnam

M/s TPK & Associates
Chartered Accountants, Kakinada

M/s Challa & Associates
Chartered Accountants, Guntur

M/s S S V M & Co
Chartered Accountants, Tirupati

M/s MSKN & Co
Chartered Accountants, Kadapa

M/s SNMR & Associates
Chartered Accountants, Tadepalligudem

M/s MASB & Associates
Chartered Accountants, Vijayawada

M/s T Nehru & Co
Chartered Accountants, Vijayawada

M/s Panchakshari & Co
Chartered Accountants, Tadepalligudem

M/s Chinta Krishna Rao & Co
Chartered Accountants, Guntur



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CHAITANYA GODAVARI GRAMEENA BANK

HEAD OFFICE

GUNTUR - 522 002, ANDHRA PRADESH

LETTER OF TRANSMITTAL

**The Secretary
Department of Financial Services
Ministry of Finance
Government of India
Parliament Street
NEW DELHI - 110 001**

Dear Sir,

In accordance with the provisions of section 20 of the Regional Rural Banks Act 1976, I forward herewith the following documents:

A Report of Board of Directors as to the Bank's working and its activities during the period 1st April 2022 to 31st March 2023.

A copy of the Audited Balance sheet and Profit and Loss Account for the year ended 31st March 2023.

A copy of the Auditor's report in relation to the Bank's accounts for the period 1st April 2022 to 31st March 2023.

Yours Sincerely

Sd/- *7. Kameswara Rao*

Chairman

Place : Guntur

Date : 24.04.2023

INTRODUCTION

Government of India, Ministry of Finance has announced the amalgamation of Chaitanya Grameena Bank and Godavari Grameena Bank sponsored by Andhra Bank into a single Regional Rural Bank with its Head Office at Guntur, Andhra Pradesh, vide Notification bearing F.No.1/26/2005-RRB, Dated 01.03.2006.

Thus Chaitanya Godavari Grameena Bank has emerged as a new entity effective from 01.03.2006. The Head Office of the new Bank is situated at Guntur, Andhra Pradesh.

Union Bank of India (UBI) is our sponsor bank w.e.f. 01.04.2020, consequent upon merger of Andhra Bank with UBI



VISION

Chaitanya Godavari Grameena Bank is committed to usher in prosperity & plenty by care & concern to the financial needs of cross section of rural populace in Guntur, East Godavari & West Godavari Districts #
[# before reorganization of districts in A.P. State]



MISSION

To leverage technology for according utmost customer satisfaction & providing credit & credit plus financial services to the rural people



BOARD OF DIRECTORS AS ON 31.03.2023

- Chairman
Section 11 of Regional Rural Banks
Act, 1976 : **1 Shri T Kameswara Rao**
Deputy General Manager,
on deputation from Union Bank of India
- Nominees of Central Government under
section 9(1)(a) of the Regional Rural Banks
Act, 1976 : **2 vacant**
: **3 vacant**
- Nominee of Reserve Bank of India
section 9(1)(b) of the Regional Rural Banks
Act, 1976 : **4 Shri M Udai Krishna**
Asst. General Manager,
Department of Supervision, AP-RO
Reserve Bank of India, Hyderabad
- Nominee of NABARD under
section 9(1)(c) of the Regional Rural Banks
Act, 1976 : **5 Smt. B Swati**
Dy. General Manager,
AP-RO, NABARD, Hyderabad
- Nominees of Union Bank of India under
section 9(1)(d) of the Regional Rural Banks
Act, 1976 : **6 Shri A Ravi Kumar**
Dy. General Manager, Dy. Zonal Head,
Union Bank of India, New Delhi
- : **7 Shri S Srinivas**
Dy. General Manager, Agri. Business Dept.,
Central Office,
Union Bank of India, Mumbai
- Nominees of State Government under
section 9(1)(e) of the Regional Rural Banks
Act, 1976 : **8 Dr K V V Satyanarayana** I.R.A.S.
Secretary to Government (B & IF),
Finance Department, AP Secretariat,
Amaravati, Guntur Dist.
- : **9 Vacant**



PERFORMANCE HIGHLIGHTS 2022-23

- Bank is operating in eight districts, viz. Guntur, Bapatla, Palnadu, East Godavari, Kakinada, Dr. B R Ambedkar Konaseema, Eluru and West Godavari (erstwhile Guntur, East Godavari and West Godavari districts) and is sponsored by Union Bank of India
- Bank is having network of 249 branches, 87 ATMs and 245 Business Correspondents
- Business stood at ₹ 17582 crore as on 31st March 2023 registering a growth rate of 20% over the previous year
- Deposits stood at ₹ 8559 crore as on 31st March 2023 registering a growth rate of 17% over the previous year
- Advances stood at ₹ 9823 crore as on 31st March 2023 registering a growth rate of 21% over the previous year. ₹ 800 crore advances were issued under IBPC during the year FY 2023
- per-branch business of ₹ 71 crore and per-employee business of ₹ 13 crore are indices for Management of the bank
- Gross Non-Performing Assets (NPAs) were pegged at ₹ 57 crore, i.e. 0.63% of Advances and the Net NPAs were reported as NIL with 100% Provision Coverage Ratio
- Operating Profit increased to ₹ 321 crore during FY2023 from ₹ 268 crore during the preceding year, registering growth rate of 19.50%
- Net Profit after Tax increased to ₹ 232 crore as against ₹ 162 crore during the preceding year, registering growth rate of 43.12%
- Net Worth soared to ₹ 1001 crore at the end of March 2023 from ₹ 768 crore at the end of March 2022
- Return on Assets (RoA) at 1.80% and Return on Equity (RoE) at 23.22% at the end of FY2023 reflect the financial performance of the bank during FY2023
- Book Value per Share (BVPS) increased to ₹ 1344.51 as on 31st March 2023 from ₹ 1032.32 as on 31st March 2022



Chairman's Message

T KAMESWARA RAO
CHAIRMAN

Greetings from Chaitanya Godavari Grameena Bank

It is my pleasure to present this Annual Report for FY 2023 to all the stakeholders of the Bank.

The Indian economy has performed well with GDP growth rate for FY 2023 at 7.20% and correspondingly the Indian Banking Industry also performed better than the preceding year.

As regards to Regional Rural Banks (RRBs) in the country, FY 2023 brought in a very significant change in its outlook with the introduction of 'Operational and Governance Reforms' by DFS, Government of India. As a part of it, a Viability Plan or a 3-year Strategic Roadmap is prepared by our Bank in an aspirational tone but with realistic projections. I am sure that our Bank is poised for growth in business with enhanced level of profitability and also technology upgradation in a big way under this Roadmap.

In line with the aspirations of the stakeholders, our Bank posted a growth rate of 19.77% in aggregate business during FY 2023.

Increase of Deposits by 17.45% and Advances by 21.38% during the year under reference stands testimony to the commitment of the Bank to garner the resources and utilize the same for credit expansion in its area of operation itself, augmenting with borrowings by way of refinance.

The consistency in business growth of our Bank is evident from the CAGR figures for the five-year period ending FY 2023: Aggregate Business – 17.82%; Deposits – 16.98% and Advances – 18.58%.

Our Bank could post Net NPA as NIL for three successive years ending March 2023 which is a reflection of sound asset quality management all through the year.

Our Bank posted good growth of 19.50% in operating profit for FY 2023 and Performance Linked Incentive (PLI) of 15 days to all the eligible staff members is paid. This is the third year in succession to pay PLI of 15 days to the staff for having achieved growth in operating profit of more than 15%.

The CRAR of the Bank continued to improve over the past four years and now stood at a comfortable figure of 14.53% as on 31st March 2023 which is a good augury to tap future growth opportunities. In fact, the growth in capital is on account of plough back of profit only.

I am optimistic on the growth path in FY 2024 as envisaged under the Roadmap, with the continued support of all the stakeholders of our Bank.

Yours sincerely

T Kameswara Rao



CHAITANYA GODAVARI GRAMEENA BANK

DIRECTORS' REPORT

The Board of Directors of **CHAITANYA GODAVARI GRAMEENA BANK** have pleasure in presenting the Directors' Report of the Bank together with the audited Balance Sheet as on 31st March 2023, Profit & Loss account and Cash Flow Statement for the financial year ended 31st March 2023, in terms of Section 20 of the Regional Rural Banks Act, 1976.

Operational Area

The operational area of the bank is spread across eight districts, viz. Guntur, Bapatla, Palnadu, East Godavari, Kakinada, Dr. B R Ambedkar Konaseema, Eluru and West Godavari districts, which are located in the coastal belt of Andhra Pradesh.

The geographical area of Guntur district is 2443 sq. km., consisting of 18 mandals spread over 267 gram panchayats. The population of the district as per 2011 census is 20.91 lakh.

The geographical area of Bapatla district is 3829 sq. km., consisting of 25 mandals spread over 459 gram panchayats. The population of the district as per 2011 census is 15.87 lakh.

The geographical area of Palnadu district is 7298 sq. km., consisting of 28 mandals spread over 527 gram panchayats. The population of the district as per 2011 census is 20.42 lakh.

The geographical area of East Godavari district is 2561 sq. km., consisting of 19 mandals spread over 300 gram panchayats. The population of the district as per 2011 census is 18.32 lakh.

The geographical area of Kakinada district is 3020 sq. km., consisting of 21 mandals spread over 385 gram panchayats. The population of the district as per 2011 census is 20.92 lakh.

The geographical area of Dr. B R Ambedkar Konaseema district is 2081 sq. km., consisting of 22 mandals spread over 384 gram panchayats. The population of the district as per 2011 census is 17.19 lakh.

The geographical area of Eluru district is 6679 sq. km., consisting of 28 mandals spread over 580 gram panchayats. The population of the district as per 2011 census is 20.03 lakh.

The geographical area of West Godavari district is 2178 sq. km., consisting of 19 mandals spread over 384 gram panchayats. The population of the district as per 2011 census is 17.80 lakh.

Share Capital

The authorized share capital of RRBs was raised from ₹ 5 crore to ₹ 2000 crore in terms of the amendment made to RRB Act in 2015.



CHAITANYA GODAVARI GRAMEENA BANK

The paid-up share capital of the bank as on 31st March 2023 is as under:

Central Government (50%)	:	₹ 3,72,11,000
Sponsor Bank, i.e. UBI (35%)	:	₹ 2,60,47,700
State Government (15%)	:	₹ 1,11,63,300
Total	:	₹ 7,44,22,000

Reserves & Surplus

The Net Profit after Tax of ₹ 23234.33 lakh for the year ended 31st March 2023 is appropriated to Reserves & Surplus as under:

₹ 4700.00 lakh is transferred to Statutory Reserves thus fulfilling the statutory minimum requirement of 20%. The rest of the profit, i.e. ₹ 18534.33 lakh is transferred to Revenue and Other Reserves. The retained surplus continued to be the same, i.e. ₹ 1.00 lakh at the end of the year.

Accordingly, Statutory Reserves increased to ₹ 19921.53 lakh during the year from ₹ 15221.53 lakh as on 31st March 2022.

The total reserves and surplus increased to ₹ 99317.15 lakh during the year from ₹ 76082.82 lakh as on 31st March 2022.

Thus, Own funds increased to ₹ 100061.37 lakh during the year from ₹ 76827.04 lakh as on 31st March 2022.

Investment Fluctuation Reserve (IFR) continues to be maintained at ₹ 1180.00 lakh as on 31st March 2023 also.

Network of Branches

The bank is operating through 249 branches. The district-wise break up of branches is as under:

S.No.	District/Category	Rural	Semi-Urban	Urban	Total
1	Guntur	25	12	16	53
2	Bapatla	11	7	0	18
3	Palnadu	44	21	2	67
4	East Godavari	9	6	3	18
5	Kakinada	14	10	3	27
6	Dr. B R Ambedkar Konaseema	11	10	0	21
7	Eluru	15	7	2	24
8	West Godavari	13	6	2	21
	Total	142	79	28	249

The bank has 85 ATMs and 2 Cash Recyclers as on 31st March 2023. Thirteen ATMs are off-site and the rest are on-site.



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Tier - wise allocation of branches is presented hereunder:

Region \ Tier	I	II	III	IV	V	VI	Total
Guntur	16	5	1	14	23	14	73
Narasaraopet	2	4	2	14	34	9	65
Rajahmundry	6	4	7	9	22	9	57
Eluru	4	2	6	11	18	13	54
Total	28	15	16	48	97	45	249

The Bank has opened 7 branches in Palnadu district, 3 branches each in Guntur, Eluru & Kakinada districts and one branch each in East Godavari, West Godavari and Dr. B R Ambedkar Konaseema districts, i.e. total of 19 branches, during FY2023.

The opening of these 19 branches, centre tier-wise is as under:

Tier-I – 5 branches, Tier-III – 1 branch, Tier-IV – 2 branches, Tier-V – 8 branches and Tier-VI – 3 branches

Regional Offices

The bank is having four Regional Offices, viz. Guntur, Narasaraopet, Rajahmundry and Eluru. The branches are organized under the Regional Offices as under:

Regional Office	No. of Branches
Guntur	73
Narasaraopet	65
Rajahmundry	57
Eluru	54
Total	249

Aggregate Business

The aggregate business of the bank, region-wise, as on 31st March 2023 is given hereunder:

Amt ₹ lakh

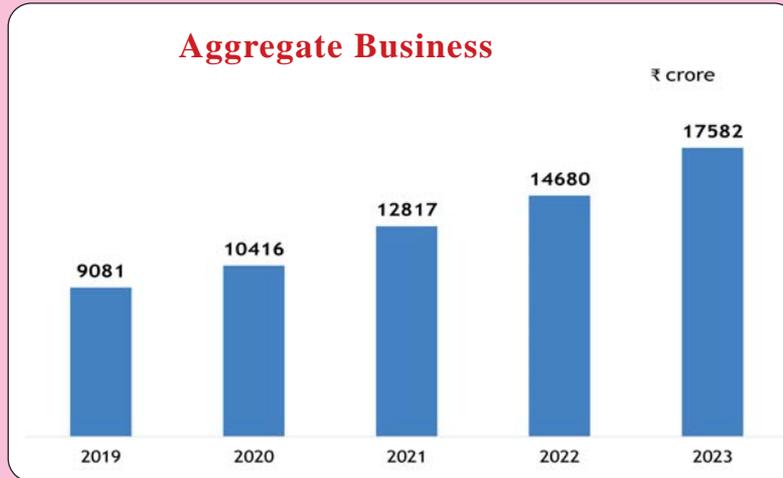
Region	No. of Branches	Deposits	Advances	Aggregate Business	Region Share of Aggr. Business
Guntur	73	374489.83	279481.12	653970.95	35.58%
Narasaraopet	65	182140.06	376567.12	558707.18	30.39%
Rajahmundry	57	175912.65	172965.99	348878.64	18.98%
Eluru	54	123335.17	153328.36	276663.53	15.05%
Total	249	855877.71	982342.59	1838220.30	100.00%

The aggregate business increased to ₹ 1838220.30 lakh as on 31st March 2023 from ₹ 1538020.43 lakh as on 31st March 2022 registering an increase of ₹ 300199.87 lakh [19.52%].



CHAITANYA GODAVARI GRAMEENA BANK

However, as IBPC of ₹ 80000.00 lakh and ₹ 70000.00 lakh were issued during FY 2023 and FY 2022 respectively, the aggregate business net of IBPC stood at ₹ 1758220.30 lakh as on 31st March 2023 as against ₹ 1468020.43 lakh as on 31st March 2022, registering an increase of ₹ 290199.87 lakh [19.77%].



Categorization of Branches

The categorization of branches is undertaken as per the applicable norms and the position as on 31st March 2023 is as under:

Category of Branch	No. of Branches
Scale V	6
Scale IV	85
Scale III	122
Scale II	17
Scale I	19
Total	249

Deposits

The total Deposits of the Bank as on 31st March 2023 stood at ₹ 855877.71 lakh. The net accretion of Deposits during FY 2023 is ₹ 127191.71 lakh registering a growth rate of 17.45%. The percentage of low-cost deposits to total deposits is 29.84% as on 31st March 2023. Cost of deposits during FY 2023 stood at 5.28%.

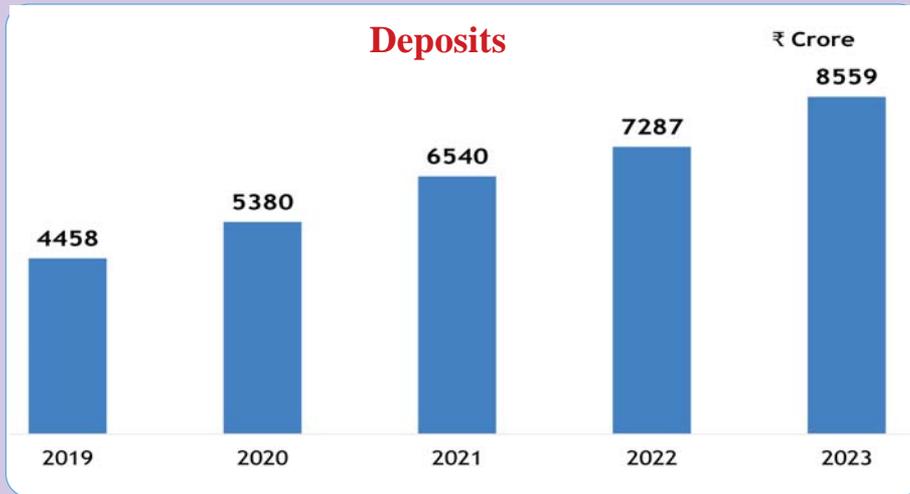
per-Branch deposits increased to ₹ 3437.26 lakh during the year from ₹ 3168.20 lakh and per-Employee deposits increased to ₹ 654.91 lakh during the year from ₹ 620.00 lakh.



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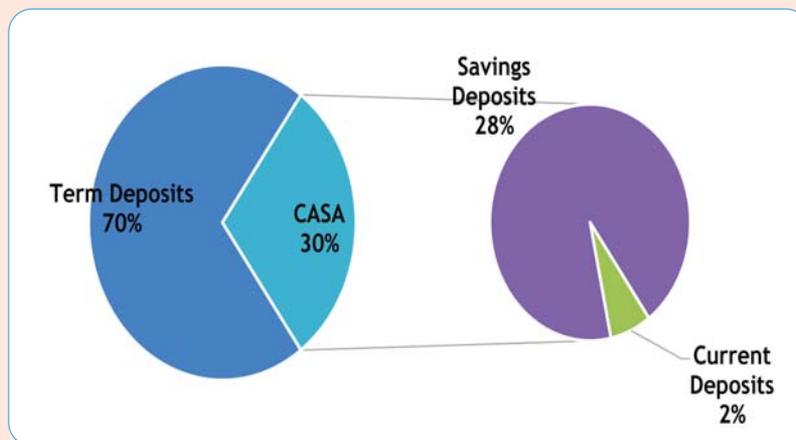


CHAITANYA GODAVARI GRAMEENA BANK



The category-wise break-up of deposits as on 31st March 2023 is as under:

Type of Deposit	No. of Accounts	Amount (₹ lakh)	% to Total Deposits
Current Deposits	14157	12027.43	1.41
Savings Deposits	1932807	243366.78	28.43
Term Deposits	239240	600483.50	70.16
Total Deposits	2186204	855877.71	100.00



Increase of deposits base is given its due throughout FY 2023.



CHAITANYA GODAVARI GRAMEENA BANK

A ‘recognition & reward model’ captioned ‘**GARNER THE REWARDS**’ is continued during FY 2023. Under this initiative, branches will be reviewed and ranked in terms of growth in total deposits & retail deposits every fortnight. Branch Managers of top 25 branches under both the criteria will be issued ‘e-appreciation certificate’ at the end of each fortnight.

A new contest captioned ‘**MY CASA - MY PRIDE**’ is launched during the current year to encourage growth in the CASA deposits i.e. mobilization of Savings Bank (SB) and Current Account (CA) deposits on a sustainable basis.

A non-callable term deposit scheme captioned ‘**UJWALA TERM DEPOSIT-II**’ wherein the advantage of additional interest rate of 15 basis points is provided to deposits from individuals who could park funds for a period of one year in the range of ₹ 15.10 - ₹ 99.00 lakh. Loan/overdraft facility against the deposit is also provided in the scheme this year.

Customer Base

During the current year, there has been an increase in the number of accounts as furnished hereunder, registering a growth rate of 4.68% in customer base.

	March 2022	March 2023	Growth
Deposits	2110602	2186204	75602
Advances	571783	621796	50013
Total	2682385	2808000	125615

Customer Service

The bank has been extending good customer service through its network of branches duly taking care of their required banking needs. A policy for Grievance Redressal Mechanism is put in place in the bank with the approval of the Board. Accordingly, a three-tier Grievance Redressal Mechanism, i.e. Branches, Regional Offices and Head Office is in vogue. It is acknowledged that in the present scenario of stressful competitive environment in banking industry, good customer service is the most important tool to sustain the business growth and attract new business.

Borrowings

National Bank for Agriculture and Rural Development (NABARD) is the only source of borrowings for the Bank during the current year. Bank has adopted a judicious approach on borrowings considering the cost of borrowings.

Bank is prompt in repaying the installments and interest on refinance throughout the year under report.

Cost of borrowings during FY 2023 stood at 5.11%.



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The details of outstanding borrowings from NABARD, sector-wise, as on 31st March 2023 are given hereunder:

Sector	Amount (₹ Lakh)
STL (SAO)	28754.30
STL (DTP)	888.00
STL (Addl.)	35000.00
ST (Others)	110000.00
MT (SCH)	201351.47
Total	375993.77

Cash & Balances with Banks

Cash management has been given utmost importance and cash retention limits were fixed to the branches. Cash balances maintained by branches are being monitored regularly to ensure that minimum cash balances are maintained subject to constraints.

Adequate balances are maintained with Reserve Bank of India in the current account, as per the requirement of CRR throughout the year under report.

The Bank is maintaining current accounts with Sponsor Bank, i.e. Union Bank of India to have effective cash remittances from the branches. Apart from Sponsor Bank, bank is also maintaining current accounts with State Bank of India, Indian Bank, IDBI Bank Ltd., Kotak Mahindra Bank Ltd., Axis Bank Ltd., ICICI Bank Ltd., CSB Bank Ltd. and Equitas Small Finance Bank Ltd. to facilitate cash & other transactions.

Our bank is a sub-member (type – II) of Axis Bank Ltd. for CTS clearing with “520 702 102” as its common MICR code for all the branches.

The details of cash on hand (including those held with ATMs) and balances held by the bank in current account with Reserve Bank of India and current accounts and other accounts with other banks are as under:

	₹ lakh
Average Deposits	748159.47
Average Cash Holdings	7269.75
Average Cash Holding to Average Total deposits (%)	0.97
Average Balances held with Reserve Bank of India	33615.56
Average Balances with Sponsor Bank/Other Banks	46337.05
Average Balances with Sponsor Bank/Other Banks in Other Accounts	58979.54
Income received on the balances in other accounts	3132.47
Income received on the balances maintained in Variable Reverse Repo / Standing Deposit Facility (SDF)	3970.21



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Bank maintained surplus funds arrived on day-wise basis under Variable Reverse Repo and/or Standing Deposit Facility (SDF) account with RBI throughout FY 2023 with a daily average outstanding of ₹ 726.58 crore. Income earned on balances held under Variable Reverse Repo account stood at ₹ 1147.60 lakh and income earned on balances held under SDF account stood at ₹ 2822.61 lakh during the current year.

Investments

The bank has invested its surplus funds in approved securities as per the Investment Policy of the bank approved by the Board, after carefully considering the various options available by the Investment Committee at Head Office, to earn maximum possible return.

Investments in Government Securities are made through Sponsor Bank only and necessary guidance is taken from Treasury Department, Union Bank of India, Central Office, Mumbai.

The premium paid for the purchase of Government Securities is being amortized over the remaining period of currency of the Investment as per policy of the bank.

The details of investments and income thereon are furnished hereunder:

₹ lakh

Particulars	Investments		
	SLR	Non-SLR	Total
Total Gross Investments	158810.90	7857.82	166668.72
Less : Amortization	262.95	2.42	265.37
Net Investments	158547.95	7855.40	166403.35
Break-up of Investments:			
HTM Category	148181.07	0.00	148181.07
AFS Category	10366.88	7855.40	18222.28
HFT Category	0.00	0.00	0.00
Total	158547.95	7855.40	166403.35
Interest Earned #	11472.18	516.68	11988.86

Gross interest amount, i.e. before netting with amortization amount of ₹ 265.37 lakh

The investments in HTM category in excess of the 25% of the total investments as on 31st March 2023 stood at ₹ 106580.23 lakh. As the total investments in HTM category is less than 19.50% of NDTL applicable, the same is within the guidelines in terms of RBI circular dated 04.10.2017 and relevant extant guidelines therefor.

Yield on investments during FY 2023 stood at 7.34%. Investments to Deposits Ratio stood at 19.44% only.

The Bank has earned profit of ₹ 58.25 lakh on maturity of SLR securities and ₹ 460.70 lakh on sale of SLR securities from AFS category and ₹ 7.75 lakh on sale/maturity of non-SLR securities during the year under report. Thus total reported profit for FY 2023 on sale of investments stood at ₹ 526.70 lakh.



CHAITANYA GODAVARI GRAMEENA BANK

The Bank had shifted the SLR securities of ₹ 20044.51 lakh from HTM category to AFS Category and no securities are shifted from AFS category to HTM category during FY 2023.

There were no Mark to Market (MTM) losses under SLR category as at the end of the financial year.

However, the bank incurred MTM loss of ₹ 8.25 lakh under non-SLR category and provision for the total amount is made as at the end of the financial year.

It is desired to mention that by the end of ninth year on initiating sale of investments from AFS category by the bank for making profit from investments portfolio (i.e. since FY 2015), a cumulative profit of ₹ 4404.03 lakh could be garnered by FY 2023.

The Non-SLR investments, outstanding as on 31st March 2023, of ₹ 7855.40 lakh consisted of Bonds & Debentures only.

Investments in mutual funds were made as per the extant guidelines and the total amount outstanding was within the stipulated 5% (of incremental deposits during the preceding financial year) limit, throughout the year under report.

However, there were no investments under mutual funds, equity and convertible debentures category of non-SLR investments as on 31st March 2023.

Loans & Advances

Bank has made significant progress in meeting the integrated credit needs of customers especially in rural areas by intensive expansion & diversification of credit portfolio during FY 2023.

The aggregate loans and advances of the bank as on 31st March 2023 stood at ₹ 982342.59 lakh. The net accretion of advances during FY 2023 was ₹ 173008.16 lakh registering a growth rate of 21.38% over the previous financial year.

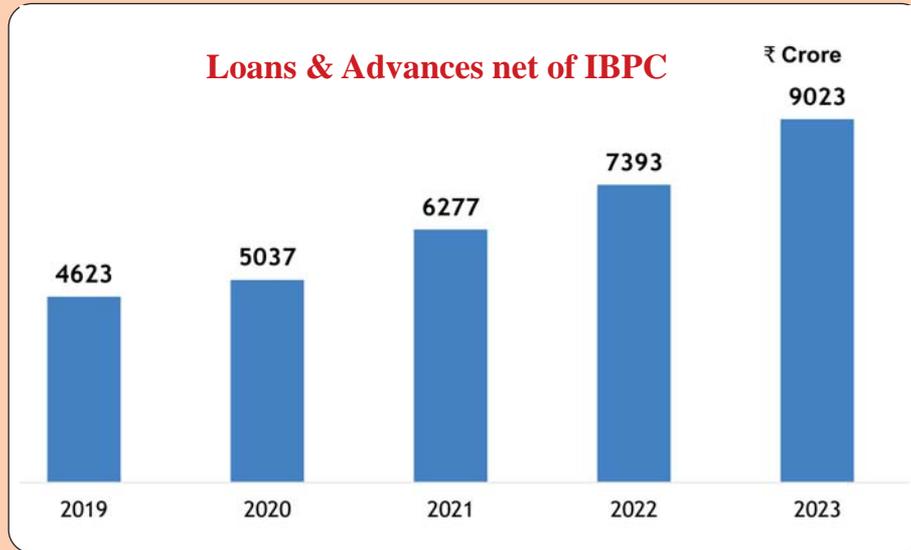
Yield on advances during FY 2023 stood at 9.70%.

The advances reported in the balance sheet are net advances as detailed hereunder:

	₹ lakh
Total Loans & Advances	982342.59
Less: IBPC sold	80000.00
Loans & Advances net of IBPC	902342.59
Less: Provision for NPAs	5708.63
Net Loans & Advances reported in the balance sheet	896633.96



CHAITANYA GODAVARI GRAMEENA BANK



The scheme-wise break-up of outstandings as on 31st March 2023 are as under:

Particulars	No. of accounts	Amount(₹ lakh)
Short Term Agricultural Loans	478341	560504.60
Agricultural Term Loans	25675	16500.17
CCMTL	104	2.99
MSME	59852	46918.78
Other Priority Sector Loans	46524	272105.08
Total Priority Sector Loans	610496	896031.62
Non-Priority Sector Loans	11300	86310.97
TOTAL LOANS & ADVANCES	621796	982342.59

Disbursements of Loans & Advances

The total disbursements of loans and advances during FY 2023 are ₹ 842343.33 lakh against MoU target of ₹ 710000.00 lakh.

The details of achievement during the year under report are furnished hereunder:

Particulars	Amount (₹ lakh)
Short Term Agricultural Loans	581611.49
Medium Term Agricultural Loans	8138.94
MSME	5216.07
Self Help Groups	178747.61
Other Priority Sector Loans	16637.38
Total Priority Sector Loans	790351.49
Non-Priority Sector Loans	51991.84
Total Disbursements	842343.33



CHAITANYA GODAVARI GRAMEENA BANK

An overview of advances portfolio is given hereunder:

Particulars	Amount (₹ lakh)
Total Advances	982342.59
Advances to Priority Sector	896031.62
% to Total Advances	91.21
% of Priority Sector Advances to Total Advances (net of IBPC)	90.43
Priority Sector Advances (%) (net of PSLC)	78.24
Advances to Non-Priority Sector	86310.97
% of Non-Priority Sector Advances to Total Advances (net of IBPC)	9.57
Credit to Deposit Ratio	105.43
Average Yield on Advances (%)	9.70
per- Branch Advances	3623.87
per- Employee Advances	694.64

SHG-Bank Linkage

The Bank's exposure to SHGs (Outstanding Credit Linkage & SHG COVID loans) as on 31st March 2023 is at ₹ 268209.04 lakh spread over 47,356 Self Help Groups (SHGs) accounts, as against ₹ 223658.64 lakh spread over 41,741 SHG accounts as on 31st March 2022, thus registering an accretion of ₹ 44,550.40 lakh & increase of 19.92% during the year under report and it reflects the focus of the Bank on SHG-Bank Linkage. Bank has extended credit linkage to 20,158 SHGs to the tune of ₹ 178747.61 lakh during FY 2023.

The size-wise break-up of credit linkage to SHGs during the year under report is as under:

Size of Credit Linkage	No. of A/cs	Amount (₹ lakh)
Up to ₹ 5.00 lakh	3,245	10213.00
Above ₹ 5.00 lakh to ₹ 7.50 lakh	2,454	12987.48
Above ₹ 7.50 lakh to ₹ 10.00 lakh	6,033	46409.81
Above ₹ 10.00 lakh	8,426	109137.32
Total	20,158	178747.61

In line with RBI guidelines, vide circular reference no.FIDD.GSSD.CO.BC.No. 09/09.01.003/2021-2022 dt.09.08.2021, our Bank increased collateral free lending limit to SHGs, under NRLM scheme, from ₹ 13.00 lakh per group to ₹ 20.00 lakh per group with the approval of the Board.

The said collateral free lending limit, up to ₹ 20.00 lakh per group, was subsequently extended to all SHGs in our area of operation during FY 2023 with the approval of the Board.



CHAITANYA GODAVARI GRAMEENA BANK

Finance to Joint Liability Groups (Farm and Non-Farm Sectors)

During the financial year, the Bank promoted 56 new JLGs and out of these, financed 20 JLGs with a financial outlay of ₹ 51.40 lakh.

The Bank financed 1158 JLGs (both farm sector & non-farm sector) with a total disbursement of ₹ 4180.33 lakh during FY 2023.

The bank has financed to 10,267 tenant farmers with a credit outflow of ₹ 97.49 crore through RMGs, JLGs, & CCRCs during the current year.

New Initiatives in Credit Outreach

- ⇒ Our Bank successfully on-boarded the National Portal for Credit Linked Government Schemes (Jan-Samarth) portal for processing & sanctioning proposals under eight selective loan schemes of Government of India (GoI) during the year and the Bank sanctioned a total of 233 proposals to the tune ₹ 2337.26 lakh across different categories during FY 2023.
- ⇒ per-borrower limit of collateral free KCC loan is enhanced from ₹ 2.00 Lakh to ₹ 3.00 Lakh.
- ⇒ Loan to Value (LTV) under agricultural gold loans is enhanced from 75% to 80% of market value of gold for sanction limit up to ₹ 5.00 lakh per-borrower.
- ⇒ With a view to effectively monitor & improve existing client base, our Bank tied up with Credit Information Bureau (India) Ltd. [CIBIL] for generation of triggers pertaining to new loan enquiries, change in score of borrowers, change in credit utilization, aggregate of trades, change in delinquency threshold, new loan accounts opened with other Banks/FI, address update & contact number updates made by existing borrowers at the time of approaching other Banks for availing credit facilities. The said alerts are since being sent to respective branches for sourcing new business proposition & for monitoring & review purposes.
- ⇒ KCC ISS Portal is introduced where in Interest Subvention is updated daily and credit is done to beneficiaries' accounts through Direct Benefit Transfer (DBT).
- ⇒ Credit Guarantee Coverage for loans under Credit Guarantee Coverages for Micro Units (CGFMU) Scheme is being implemented w.e.f. 01.07.2022. During the initial phase, our Bank has covered credit linkage to Non-Farm Sector Self Help Groups under the scheme.

With a view to provide hassle-free flow of credit to farmers for meeting emergency agricultural & domestic credit requirements, our Bank has introduced Chaitanya Godavari Rythanna Nestham Loan (CGRNL) to existing KCC borrowers during FY 2023.

Our Bank has disbursed ₹ 6130.44 lakh under 8810 CGRNL accounts during the current year.



CHAITANYA GODAVARI GRAMEENA BANK

Diversification of Business/Processes

With a view to improve footprint under retail lending, social infrastructure & other commercial projects, our Bank provided special thrust to lending under property loans, personal loans, term loans for investment needs & vehicle loans.

The following is a summary of our Bank's disbursements under the aforementioned schemes during FY 2023:

S.No	Loan Product	No. of Accounts	Amount (₹ Lakh)
1	Chaitanya Godavari Property Term Loan (CGPTL)	332	6717.03
2	Chaitanya Godavari Property Overdraft (CGPOD)	92	2251.66
3	Personal Loans to Salaried Individuals (PLEMP)	802	12485.97
4	Personal Loans to Non-Salaried Individuals (PLNEM)	16	128.37
5	Vehicle Loans to General Public – Two Wheelers (CGVL2)	21	19.72
6	Vehicle Loans to General Public – Four Wheelers (CGVL4)	16	180.98
7	Vehicle Loans to Agriculturists – (ATLVL)	40	174.04
8	Other Term Loans – Social Infrastructure (OTLSI)	2	182.95
9	Other Term Loans – Commercial Constructions (OTLCO)	3	232.72
10	Other Term Loans – Machinery Purchase (OTLMP)	1	168.71
11	CGGB Welcome Doctor (CGDPL)	2	120.29
	Total	1327	22662.44

Retail Credit as a percentage of total credit stood at 9.33% as on 31st March 2023. Investment Credit as a percentage of total credit stood at 1.54% as on 31st March 2023.

Disbursement of Housing Loans stood at ₹ 8862.61 lakh during FY 2023. Growth in overall housing loan portfolio for FY 2023 over FY 2022 is 10.87%.

Disbursement of Education Loans stood at ₹ 7774.76 lakh during FY 2023 as against ₹ 3538.55 lakh during FY 2022 registering a growth of 119.72% in Y-o-Y disbursements. Growth of outstanding education loan portfolio for FY 2023 over FY 2022 is 166.98%.

Government Sponsored Schemes

With a view to assist Street Vendors, Women Entrepreneurs etc., Govt. of Andhra Pradesh launched various Govt. Sponsored Schemes like Jagananna Thodu & Govt. of India launched PM SVANidhi Scheme, during FY 2021. Phase VI of Jagananna Thodu scheme & 3rd tranche of PM SVANidhi scheme were launched during FY 2023.



CHAITANYA GODAVARI GRAMEENA BANK

Our bank made the following disbursements in the aforementioned schemes during FY 2023. Details are summarized below:

Sl.No	Loan Scheme	No of accounts	Amount Disbursed (₹ Lakh)
1	JaganannaThodu	14887	1490.29
2	PM SVANidhi	742	85.10
	TOTAL	15629	1575.39

In addition to the above schemes, the following schemes were launched by Govt. of India & Govt. of Andhra Pradesh during FY 2022:

1. KCC to Animal Husbandry & Fisheries by Govt. of India
2. PM Formalization of Micro Food Processing Enterprises Scheme (PMFME) by Govt. of India
3. PMAY (U) AHP – APTIDCO – JAGANANNA NAGAR jointly by Govt. of India & Govt. of Andhra Pradesh

Our bank made the following disbursements in the aforementioned schemes during FY 2023:

Sl.No	Loan Scheme	No of accounts	Amount Disbursed (₹ Lakh)
1	KCC to Animal Husbandry	1375	1292.58
2	KCC to Fisheries	9	26.05
3	PM Formalization of Micro Food Processing Enterprises (PMFME)	6	6.75
4	PMAY (U) AHP – APTIDCO – JAGANANNA NAGAR	1005	1517.13
	Total	2395	2842.51

A brief snapshot of interest subvention & interest incentive/subsidy reimbursed to the Bank & the borrowers during FY 2023 is given hereunder:

KCC ISS INTEREST SUBVENTION SCHEME				
				Amount ₹ lakh
S.No.	Scheme year	2% Interest Subvention reimbursed to Bank	3% Prompt Repayment Incentive to Farmers	Total Claim received
1	2020-21	3640.54	4395.19	8035.73
2	2021-22	2077.71	4681.24	6758.95



CHAITANYA GODAVARI GRAMEENA BANK

DAY NRLM ISS SCHEME				
				Amount ₹ lakh
S.No.	Scheme year	5.50% Interest Subvention reimbursed to Bank	3% Prompt Repayment Incentive to SHG	Total Claim received
1	2021-22	1952.21	1064.89	3017.10

AC SIS EDUCATION LOAN INTEREST SUBSIDY			
			Amount ₹ lakh
S.No.	Scheme year	Quarter	Education Loan Interest Subsidy passed on to students
1	2021-22	Q3	34.74
2	2021-22	Q4	39.40

Further, PMAY (CLSS) claim amount received from 1st April 2022 to 31st March 2023 is ₹ 279.11 lakh for 177 beneficiaries.

Non-Fund Business

The Bank has 256 outstanding Bank Guarantees with a business of ₹ 1860.55 lakh as on 31st March 2023.

Inter Bank Participation Certificate [IBPC]

The Bank has sold Inter Bank Participation Certificate (IBPC) of ₹ 80000.00 lakh, on risk sharing basis, with the participation of HDFC Bank Ltd. and Axis Bank Ltd. during the current year, in multiple tranches, covering Priority Sector Advances – Direct Agri. at a competitive interest rate. However, as on 31st March 2023, the participation for the total amount of ₹ 80000.00 lakh is with HDFC Bank Ltd. only.

Accordingly, advances are reported in the balance sheet as net of IBPC of ₹ 80000.00 lakh.

Priority Sector Lending Certificates [PSLC]

The Bank has undertaken sale of PSLC-Agri. of ₹ 90000.00 lakh and PSLC-SF & MF of ₹ 180000.00 lakh, making it to total of ₹ 270000.00 lakh during FY 2023. The fee income earned is ₹ 4521.25 lakh.

The Bank has undertaken purchase of PSLC-General of ₹ 120000.00 lakh and PSLC-Micro Enterprises of ₹ 40000.00 lakh, making it to total of ₹ 160000.00 lakh during FY 2023. The fee expenditure incurred is ₹ 235.00 lakh.

Thus, the PSLC trading on E-Kuber platform of RBI resulted in earning of net income of ₹ 4286.25 lakh.

Asset Quality & Classification

In tune with the guidelines given by Reserve Bank of India/NABARD, assets of the bank as on 31st March 2023 are classified into Standard, Sub-standard, Doubtful and Loss Assets and provisions are made as per the extant guidelines applicable therefor.



CHAITANYA GODAVARI GRAMEENA BANK

The break-up of Non-Performing Assets (NPAs) as on 31st March 2023 is as under:

	₹ lakh
Sub-standard Assets	2290.07
Doubtful Assets	2950.81
Loss Assets	467.75
TOTAL NPAs	5708.63

Provisions

Bank made provision for NPAs over and above the required provision as per IRAC norms. The Provision Coverage Ratio (PCR) stood at 100% as on 31st March 2023. The details are mentioned hereunder:

Total NPAs	₹ 5708.63 lakh
Cumulative Provision against NPAs	₹ 5708.63 lakh
% of Provision to NPAs	100

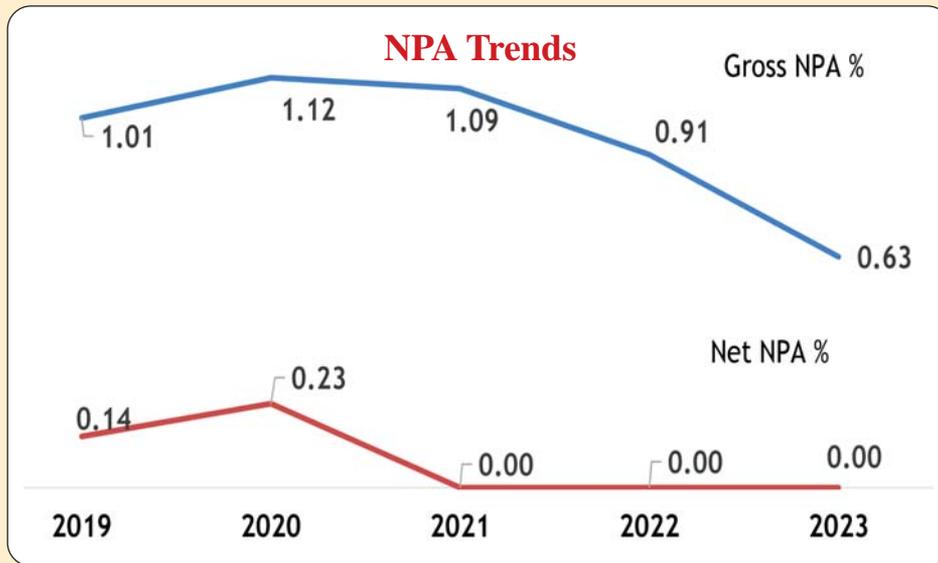
The classification of assets and provisions made are detailed hereunder:

	₹ lakh		
Particulars	Amount Outstanding	Provision to be made	Provision Made
Standard assets	976633.96	2636.84	2636.84
Sub-standard assets	2290.07	414.59	
Doubtful assets	2950.81	1647.68	
Loss assets	467.75	467.75	
Non-Performing assets	5708.63	2530.02	5708.63
Total Advances	982342.59	5166.86	8345.47
Total Advances less IBPC	902342.59		
Cumulative provision against NPAs	5708.63		
% of Gross NPA to Advances	0.63		
% of Net NPA to Net Advances	0.00		
COVID-19 Regulatory Package			(-)829.89
Resolution framework-2.0			(-)3.60
Excess Provision for NPAs retained [#]	1619.16		

[#] ₹ 1619.16 lakh of excess provision (over and above PCR at 100%) is retained for considering as Tier-II capital under General Reserves & Provisions as on 31st March 2023.



CHAITANYA GODAVARI GRAMEENA BANK



Movement of NPA

Consistent and strategic efforts are made throughout the financial year to recover NPAs and contain addition of fresh NPAs. There is a net decrease in NPAs of ₹ 10.12 crore as against net increase in advances of ₹ 1730.08 crore during the year under report. The details of movement of NPAs are given hereunder:

Particulars	₹ Crore
Gross NPA as on 1 st April 2022 (Opening Balance)	67.21
Additions (Fresh NPAs) during the year	23.36
Sub-total (A)	90.57
Less :	
(i) Upgradations	5.86
(ii) Recoveries (excluding recoveries made from upgraded a/cs)	17.26
(iii) Write-offs	10.36
Sub-total (B)	33.48
Gross NPA as on 31 st March 2023 (Closing Balance) [(A-B)]	57.09



CHAITANYA GODAVARI GRAMEENA BANK

Interest Derecognized

In accordance with IRAC norms, the bank has not booked income and has derecognized interest and other charges to the extent of unrealized amounts under NPAs. The details are furnished hereunder:

	₹ lakh
Derecognized income at the beginning of the year	3327.51
Additions during the year	1338.71
Recovery during the year	1440.67
Derecognized income at the end of the year	3225.55

Recovery of Loans

The Bank continued its thrust on recovery of loans through various modes with focus on reduction of both NPAs and overdue accounts. Efforts for recovery of 'Written-off Accounts' to improve the profitability was given due emphasis during the current financial year.

Intensive recovery efforts made included the following channels:

1. Comprehensive Compromise Settlement
2. One-Time Settlement (OTS) Scheme for Real Account Balances up to ₹ 3.50 lakh per borrower (other than accounts covered under A.P. Debt Redemption Scheme 2014)
3. Special Recovery Drives
4. Enforcement of SARFAESI Act
5. Suit Filing of Accounts

The recovery to total demand as on 30th June 2022 stood at 73.10% for the period under report and the break-up for farm and non-farm sectors is given hereunder:

	₹ lakh		
Parameter	Farm Sector	Non-Farm Sector	Total
Demand	188509.78	32710.71	221220.49
Recovery	134274.21	27434.45	161708.66
Overdue	54235.57	5276.26	59511.83
% of recovery	71.23	83.87	73.10



CHAITANYA GODAVARI GRAMEENA BANK

Write-Off Loans

The details of written-off loans and recoveries made there under are mentioned hereunder:

Amount ₹ lakh

Particulars	FY 2022	FY 2023
Amount written-off (technical write-off)	654.12	1036.42
Number of accounts written-off	1491	1649
Total Recovery made in written-off accounts	81.11	158.67

Achievements Made under MoU with Sponsor Bank

The Bank has achieved major parameters under MoU entered with Sponsor Bank, for FY 2023.

The details of performance vis-à-vis the MoU targets are furnished hereunder:

Amount ₹ lakh

Parameter	31 st March 2022	Target FY 2023	Achievement as on 31 st March 2023	
Own Funds	76827.04	95827.04	100061.37	✓
Total Business	1468020.43	1685000.00	1758220.30	✓
Deposits	728686.00	820000.00	855877.71	✓
Advances	739334.43	865000.00	902342.59	✓
Borrowings	304657.85	376000.00	375993.77	
Operating Profit	26838.35	31500.00	32073.00	✓
Net Profit After Tax	16233.92	19000.00	23234.33	✓
NPA	6721.18	7560.00	5708.63	✓
Investments	143108.13	156600.00	166403.35	✓
Loans Issued	704454.99	710000.00	842343.33	✓
per-Branch Business	6382.70	6740.00	7061.13	✓
per-Employee Business	1256.26	1300.00	1349.55	✓
CD Ratio (%)	101.46	105.49	105.43	✓
Cost of Deposits (%)	5.30	5.40	5.28	✓
Yield on Advances (%)	9.98	10.06	9.70	
Recovery to Demand (%)	75.34	80.00	73.10	



CHAITANYA GODAVARI GRAMEENA BANK

Operational and Governance Reforms in RRBs

In order to make RRBs competitive, operationally efficient and viable, Government of India (GoI) initiated Operational and Governance Reforms for RRBs during FY 2023. As part of it, a Viability Plan or 3-year Strategic Roadmap is proposed to be prepared by each RRB. It is stated that capital infusion for RRBs, hereafter, will be based on the achievement of milestones set on operational aspects, in the said Roadmap, *inter alia*:

- ⇒ Credit expansion
- ⇒ Business diversification
- ⇒ NPA reduction
- ⇒ Cost rationalization
- ⇒ Technology adoption
- ⇒ Improvement in corporate governance

Accordingly, our bank has prepared the Roadmap in an aspirational tone but at the same time the projections made are realistic. 34 out of 46 given metrics are chosen by our bank as per such flexibility given in the extant guidelines.

In addition to growth in Deposits and Advances, the key metrics include Total Income, Net Interest Margin, Cost to Income Ratio, Operating Profit to Total Assets Ratio and Share of R-M [i.e. Retail and MSME] in Total Advances.

Further, notable changes are envisaged in the Roadmap under technology upgradation which include _____

- i. increase in digital financial transactions in a big way
- ii. introduction of Loan Originating System
- iii. implementation of end-to-end digital journeys in a phased manner

The Roadmap of our bank, duly approved by our sponsor bank and Board, is submitted to Department of Financial Services, Ministry of Finance, GoI, within the timeline of 30th September 2022.

The bank is poised for growth in business with enhanced level of profitability and also technology upgradation on the lines of Roadmap.

Cross Selling of Insurance Products of IFLIC

Bank is functioning as a corporate agent for selling life insurance products of India First Life Insurance Company Ltd. (IFLIC). Bank could secure business worth of ₹ 614.85 lakh from 6939 applications during FY 2023.

Bank had earned non-interest income of ₹ 143.13 lakh towards commission received from IFLIC on account of the said business during the current year.



CHAITANYA GODAVARI GRAMEENA BANK

Other Channel Partners for Insurance Business

Bank has an agreement with Shriram General Insurance Co. Ltd., United India Insurance Company Ltd. and SBI General Insurance Company Ltd. under general insurance and business of ₹ 80.61 lakh, ₹ 196.22 lakh & ₹ 146.87 lakh respectively is procured during FY 2023. The corresponding income to the Bank stood at ₹ 9.88 lakh, ₹ 19.78 lakh and ₹ 19.69 lakh respectively.

Bank also has an agreement with Star Health and Allied Insurance Co. Ltd. under health insurance and business of ₹ 64.97 lakh from 1135 applications is sourced during FY 2023. The business led to an income of ₹ 9.77 lakh to the Bank.

Bank has inked a pact with Star Union Dai-ichi Life Insurance Co. Ltd. as a channel partner for coverage under life insurance category during FY 2023.

Income Earned

The details of the income earned are furnished below:

Particulars	₹ lakh
	FY 2023
Interest received on loans and advances	85517.92
Income on investments	11723.49
Interest on RBI balances and other inter-bank funds	7102.68
Non-interest income	15828.49
Total	120172.58

The share of non-interest income to the total income stood at 13.17%.

Expenditure Incurred

The details of the expenditure incurred are furnished below:

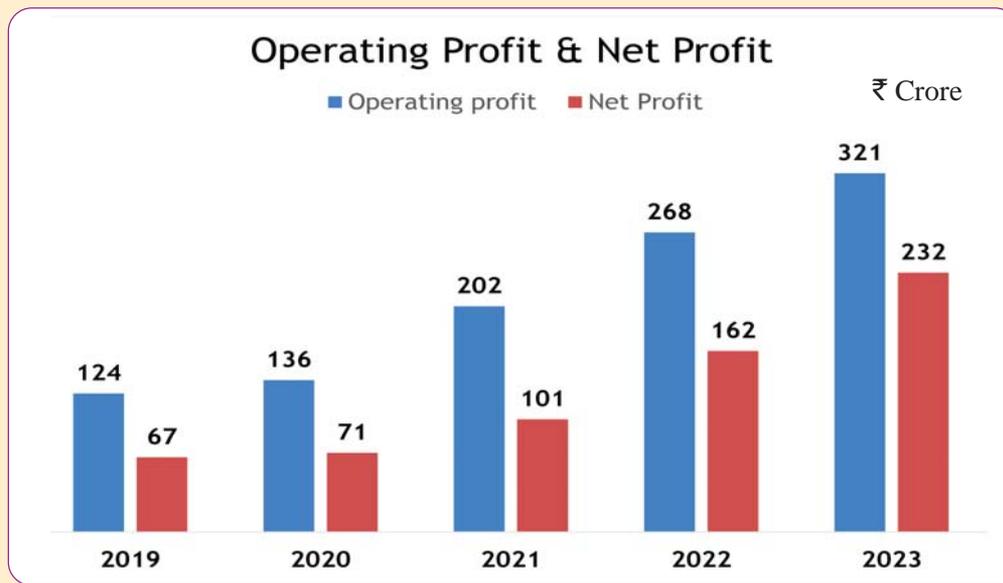
Particulars	₹ lakh
	FY 2023
Interest paid on deposits	39510.88
Interest paid on refinance availed	17136.75
Interest paid on Inter Bank Participation Certificates issued	2620.09
Other expenditure	28831.86
Total	88099.58



CHAITANYA GODAVARI GRAMEENA BANK

Operating Profit and Net Profit

The Bank has earned operating profit of ₹ 32073.00 lakh and net profit after tax of ₹ 23234.33 lakh during FY 2023, as against ₹ 26838.35 lakh and ₹ 16233.92 lakh respectively during the preceding FY 2022.



Financial Ratios

Important financial ratios for the current year vis-à-vis that for the previous year are mentioned hereunder:

	FY 2023	FY 2022
Average Working Funds (₹ Lakh)	1291342.22	1087461.98
Financial Return (% of interest income to average working funds)	8.08	8.23
Financial Cost (% of interest expended to average working funds)	4.59	4.51
Financial Margin (Financial Return – Financial Cost)	3.49	3.72
Operating Cost (% of operating expenses to average working funds)	2.23	2.42
Miscellaneous Income (% of non-interest income to average working funds)	1.22	1.17
Operating Profit (Financial Margin + Miscellaneous Income – Operating Cost)	2.48	2.47
Risk Cost (% of loss provisions made to average working funds)	0.00	0.40
Net Margin (Return on Assets) [% of net profit after tax to average working funds]	1.80	1.49



CHAITANYA GODAVARI GRAMEENA BANK

The Cost to Income Ratio stood at 47.34% as on 31st March 2023 as against 49.55% as on 31st March 2022. On similar computation, the Staff Cost to Income Ratio is worked out to be 34.37% as on 31st March 2023 as against 34.44% as on 31st March 2022.

Capital Adequacy Ratio

The Capital Adequacy Ratio (CRAR) of the Bank stood at 14.53% as on 31st March 2023, as against the mandatory requirement of 9.00% (Previous year: 13.68%)

Out of the above, the Tier I Capital and Tier II Capital stood at 13.61% and 0.92% respectively.

Income Tax

Advance tax of ₹ 6490.00 lakh was paid to Income Tax Department during FY 2023.

Provision for income tax of ₹ 8109.33 lakh was made for FY 2023. The total estimate of provision for income tax as on 31st March 2023 stood at ₹ 8622.02 lakh. Deferred Tax Asset of ₹ 122.57 lakh is also taken into account towards the provision made for pay revision arrears. Thus, the provision for current year tax worked out to ₹ 8499.45 lakh.

Human Resources

The Bank has committed staff strength of 1299 comprising 785 Officers, 355 Office Assistants and 159 Office Attendants.

The cadre-wise and grade-wise break-up of manpower in the Bank, as on 31st March 2023, is given hereunder:

Cadre	Grade	No. of staff
Officer	Senior Management Grade - Scale V	2
	Senior Management Grade - Scale IV	30
	Middle Management Grade - Scale III	80
	Middle Management Grade - Scale II	212
	Junior Management Grade - Scale I	461
	Total	785
OAS (Office Assistant)		355
OAT (Office Attendant)		159
	Grand Total	1299



CHAITANYA GODAVARI GRAMEENA BANK

Human Resource Development

Bank recruited 4 Middle Management Grade - Scale III Officers, 32 Middle Management Grade - Scale II Officers, 56 Junior Management Grade - Scale I Officers and 104 Office Assistants (OAS) through IBPS – RRB – CRP X recruitment during FY 2023.

It is pertinent to mention that 28 Officers and 1 OAT got retired during FY 2023. Further, 16 Officers, 2 Office Assistants and 3 Office Attendants are due for retirement from service during FY 2024.

During FY 2023, Bank has effected promotions to 82 staff members in different cadres, viz. 1 Officer from Scale IV to Scale V, 7 Officers from Scale III to Scale IV, 12 Officers from Scale II to Scale III, 29 Officers from Scale I to Scale II and 33 Office Assistants to Officer-Scale I cadre.

Further Bank has given appointment under Compassionate Appointment Scheme to one applicant as Office Attendant (OAT) during FY 2023.

Bank has been imparting need-based training to all staff members for enhancing their knowledge and skills. Bank had conducted in-house training programs for 293 Office Assistants & 474 Officers and nominations were made to premier external training institutes for 59 Officers for training in specialized areas in on-line mode. Further nominations were made for 28 Officers for off-line training programs in specialized areas during FY 2023.

Other Allowances / Benefits to Officers and Employees

DFS had issued an order vide F.No.8/1/2021-RRB dated 14th September 2022 conveying the approval of GoI to extend the 'other allowances/benefits' introduced for the first time in the 11th Bi-partite Settlement for Employees/8th Joint Note for Officers and the Bank implemented the same with the approval of the Board on 21st September 2022.

The 'other allowances/benefits' that got extended to all the eligible officers and employees are mentioned hereunder:

- Location Allowance (Non-CCA Centers), Learning Allowance with effect from 01.11.2017
- Annual encashment of Privilege Leave from the calendar year 2020
- Performance Linked Incentive Scheme from FY 2020-21

Staff Welfare

Pension Fund for payment of pension to employees in terms of the CGGB (Employees') Pension Regulations, 2018 (as notified in the official gazette by Government of India on 12.12.2018) is created and ₹ 14817.00 lakh was provided for, in Schedule 11 of the balance sheet as on 31st March 2019.

Bank charged ₹ 2963.40 lakh to P&L account during the current financial year, i.e. fifth year. This amortization of pension liability for a period of five years commencing from FY 2019 is in accordance with the guidelines issued by NABARD and the same is since completed by 31st March 2023. Thus the un-amortized Pension Fund is NIL as on 31st March 2023.



CHAITANYA GODAVARI GRAMEENA BANK

Bank appointed LIC of India as Fund Manager for the pension fund.

The total payment made to LIC of India during FY 2023 towards pension fund stood at ₹ 4217.00 lakh.

This is in addition to the payment of entire balance amount of ₹ 13742.00 lakh by the end of FY 2022.

Bank made payment of ₹ 5.86 lakh to LIC of India, ₹ 460.00 lakh to Star Union Dai-ichi Life Insurance, ₹ 200.00 lakh to Aditya Birla Capital, ₹ 100.00 lakh to Pramerica Life Insurance and ₹ 300.00 lakh to India First Life Insurance Co. Ltd. (IFLIC) towards Group Gratuity, as per the actuarial valuation, during the current year.

Bank made payment of ₹ 0.15 lakh to LIC of India, ₹ 177.00 lakh to IFLIC and ₹ 200.00 lakh to Star Union Dai-ichi Life Insurance towards Group Leave Encashment Scheme (GLES), during the current financial year.

Bank also made contributions of ₹ 678.87 lakh through Stock Holding Corporation of India Ltd., the Fund Manager for NPS, to NSDL in respect of the employees covered under National Pension System (NPS).

The bank had Group Term Plan with India First Life Insurance Company Ltd. (IFLIC) as a staff welfare measure in lieu of EDLI. The annual premium is being paid for coverage of ₹ 7.00 lakh insurance to all staff members, in case of death.

The Medical Insurance Scheme for Staff is renewed, during the year under report, with New India Assurance Company Ltd. on 6th April 2022, as per Ministry of Finance, GoI, letter dated 20th October 2016 issued in terms of 7th Joint Note dated 25th May 2015 on Salary revision and 10th Bi-Partite Settlement between IBA and Employees' Unions of PSBs. The coverage for Officers, Office Assistants and Office Attendants, along with their dependents, is ₹ 4.00 lakh, ₹ 3.00 lakh and ₹ 3.00 lakh respectively.

Enhancement of Family Pension

In terms of 11th Bipartite Settlement and 8th Joint Note dated 11th May 2020 on Wage Revision, the enhancement of family pension provided therein is to be extended to the RRB Employees and Officers also.

DFS, MoF, GoI vide its file no. 8/1/2022-RRB dated 28th December 2022 advised that Central Government had accorded its approval for payment of family pension in respect of RRBs, at a uniform rate of 30% of pay of the deceased employees of RRBs, without any ceiling on family pension, effective from 1st April 2021.

Our Board approved adoption of the same in its Board meeting dated 13th January 2023. The pension fund maintained with LIC of India is adequate to take care of the increased family pension liability.

Industrial Relations

The industrial relations atmosphere in the Bank during the year under report has been healthy and very cordial.

SC/ST Welfare

A separate SC/ST cell is functioning at Head Office as per guidelines. The General Manager is the Liaison Officer. Structural Meetings are held with SC/ST Employees' Welfare Association during the year under report as required. The representation of SCs and STs stood at 228 and 86 respectively, among the total staff strength of 1299 in the Bank.



CHAITANYA GODAVARI GRAMEENA BANK

International Women's Day Celebrations

International Women's Day celebrations were conducted at Branches, Regional Offices and Head Office on 8th March 2023.

IBPS – RRB – CRP XI – Interviews

The Bank has successfully conducted interviews under Common Recruitment Process (CRP)-XI, for all RRBs in Andhra Pradesh state, on behalf of Institute of Banking Personnel Selection (IBPS), as Nodal Bank, for Officer – Scale I, II and III posts, during the year under reference.

Risk Management

The Bank has put in place a comprehensive “Asset Liability Management Policy” for the management of liquidity and market risks as per the NABARD/RBI guidelines.

Asset-Liability Committee [ALCO] oversees the ALM in the Bank and deliberates on liquidity and interest rate scenario in the market. ALCO regularly monitors the identification, measurement, monitoring and mitigation of market risk in liquidity and interest rates.

Asset Liability Committee [ALCO] meets at regular intervals to provide guidance and directions in implementing the risk management initiatives of the Bank. The Management Information System (MIS) required for ALM is being tracked from CBS to the maximum extent.

The ‘liquidity risk’ is measured and managed through gap analysis for maturity mismatches based on residual maturity. The liquidity position of the bank is assessed by means of Structural Liquidity Statement and projections made in Short Term Dynamic Liquidity Statement. For assets and liabilities, which are of non-maturity nature, Bank is conducting behavioral studies and factoring the observations in the gap analysis. Prudential limits are fixed as per NABARD guidelines and these limits are measured and monitored regularly.

The ‘interest rate risk’ is also managed through gap analysis.

The ALM status note is being put up to the Board for approval every quarter regularly and the board resolution is submitted to NABARD. However, ALM status note is being prepared by Integrated Risk Management Department (IRMD) on monthly basis and put up to top management of the Bank.

Operational Risk Management

To have a consistent and effective operational risk management framework which can help achieve organizational objectives with enhanced performance, a booklet in the form of “Dos and Don'ts” on Operational Risk Management is brought out. The booklet is supplied to all the staff members of the Bank. Further, new recruits are provided with the same at the time of joining the bank.

Credit transactions in staff accounts of ₹ 50,000/- and above in cash and ₹ 1 lakh and above by transfer are monitored on monthly basis regularly.



CHAITANYA GODAVARI GRAMEENA BANK

Security Arrangements

Bank has drawn up plans and taken up measures to strengthen the security arrangements at all our branches. Security Officer is posted at Head Office to monitor security arrangements at the branches. Lapses in security arrangements are being identified by the said officer and rectified.

As a part of enhancing security and ambience, 14 branches are shifted to new premises with strong room during FY 2023.

As a part of strengthening the Security Alarm system, the new GSM SIM / Land Line enabled auto dialer control panel Security Alarm Systems are introduced. The new alarm system is installed in our newly opened 19 branches and 11 existing branches during FY 2023. For the remaining branches, installation of the new alarm system will be carried out in a phased manner.

Technology Upgradation

Several technology upgradations are undertaken by the bank during the year under report and notable ones are highlighted hereunder:

1	CTS through Mobile App	To process the Cheques in T+1 Basis, CTS participation through mobile app has been made live
2	Implementation of UDIR for UPI	For implementation of online dispute mechanism for Unified Payments Interface (UPI) transactions, Unified Disputes and Issue Resolution (UDIR) mechanism has been put in place
3	IMPS XML Migration	For implementation of security features for message communication amongst the Immediate Payment Service (IMPS) stakeholders, messaging system has been migrated from ISO to XML
4	e-Circulars Portal	Bank has launched e-Circulars portal to facilitate the branches to access the Circulars, Annual Reports, UPI transaction details search, Job cards, FAQs on various IT products, Mobile Banking module etc.more easily and conveniently
5	Expanding and Deepening of Digital Payment Ecosystem	We have achieved 100% digitization in our Palnadu, Bapatla, Eluru and East Godavari districts under “Expanding and Deepening of Digital Payment Ecosystem 2.0” program (for the Savings Bank & Current Accounts opened as on 31 st August 2022)
6	AEPS XML Migration	For implementation of security features for message communication amongst the Aadhaar Enabled Payment System (AePS) stakeholders, messaging system has been migrated from ISO to XML
7	UPI on boarding through Aadhaar authentication	UPI registration through Aadhaar based OTP authentication is enabled
8	Missed Call Balance Inquiry	The service of “Balance inquiry through missed call on 9090290912” is implemented



CHAITANYA GODAVARI GRAMEENA BANK

Financial Inclusion Initiative

The Financial Inclusion (FI) is in operation in 245 villages, viz. Guntur District : 16, Bapatla District : 18, Palnadu District : 115, East Godavari District : 5, Kakinada District : 31, Dr. B.R. Ambedkar Konaseema District : 20, Eluru District : 16 and West Godavari District : 24.

M/s Tekplay Systems Pvt. Ltd. and M/s Magnot Consultancy Services Pvt. Ltd. are the Technical Service Providers (TSPs).

Implementation of FI during FY 2023 is summarized as here under :

Sl. No.	Parameter	Target 31 st March 2023	Achievement as on 31 st March 2023
1	Deployment of Business Correspondents	245	245
2	No. of transactions from 1 st April 2022 to 31 st March 2023	21,34,679	27,51,130
3	Volume of business	₹ 56855.34 Lakh	₹ 147104.31 Lakh

All BC outlets are active and the details of transactions during the current year and previous year are as under:

Parameter	FY 2022	FY 2023
Total transactions	28,52,755	27,51,130
Volume of business (₹ crore)	1373.39	1471.04
Average no. of transactions per BC per month	994	975
Average remuneration to BC (₹)	10,170	10,104
Transaction cost (₹)	15.33	15.37

Progress under PM's Social Security Schemes:

Sl.No.	Name of the Scheme	No. of Accounts/Enrolments	
		FY 2022	FY 2023
1	PMJDY	2,22,828	2,35,635
		No. of a/cs transacted : 2,09,315	No. of a/cs transacted : 2,19,352
		Zero balance a/cs : 6.06%	Zero balance a/cs : 6.91%
2	PMJJBY	2,90,397	3,27,068
3	PMSBY	6,12,789	6,62,897
4	PMAPY	84,882	1,06,547



CHAITANYA GODAVARI GRAMEENA BANK

Balances held in PMJDY accounts as on 31st March 2023 stood at ₹ 6935.05 Lakh.

In respect of PMJDY accounts, the percentage of active Rupay Cards vis-à-vis total Rupay Cards issued by the bank stood at 75% as on 31st March 2023.

Overdraft facility disbursed to eligible PMJDY accounts stood at 2.89% as on 31st March 2023.

Aadhaar Seeding of bank accounts is completed to an extent of 95.89% as on 31st March 2023.

Bank registered disbursements under Pradhan Mantri Mudra Yojana (PMMY) of ₹ 275.01 Crore as against the target of ₹ 450.00 Crore for FY 2023.

Pradhan Mantri Jan Suraksha Scheme (PMJSS) :

The main aim of the scheme is to achieve saturation in coverage of eligible persons under the three Prime Minister's Jan Suraksha Schemes (PMJSS), viz. Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY).

Bank has risen to the occasion and achieved 59%, 64% and 29% of coverage of eligible account holders under PMJJBY, PMSBY and APY schemes respectively till 31st March 2023.

S.No.	Name of the Scheme	No. of Enrolments		
		Total Eligible Customers	No. of Enrolments	% of Coverage
1	PMJJBY	5,53,983	3,27,068	59
2	PMSBY	10,43,229	6,62,897	64
3	APY	3,65,295	1,06,547	29

PMJSS Drive - 1st and 2nd Rounds:

Name of the scheme	Progress under PMJSS Drive 1 st Round (from 2 nd October 2021 to 30 th September 2022)	Progress under PMJSS Drive 2 nd Round (from 1 st October 2022 to 31 st March 2023)
PMJDY	19,937	7,275
PMJJBY	22,167	25,955
PMSBY	41,496	35,006
APY	21,209	12,232

Bank has also conducted special camps on PMJSS for achieving the above progress.



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Atal Pension Yojana (APY):

In respect of cumulative average performance under APY, our RRB stood **FIRST** among RRBs in Andhra Pradesh and Telangana States for the last **Eight** years i.e. from FY 2016 to FY 2023. Our Bank stood **FIRST** among RRBs in South India for the current financial year in this regard.

Our Bank has received 'Annual APY Award of Excellence' for surpassing the APY target given by PFRDA during FY 2023. It is apposite to mention that the bank posted a figure of APY enrolments of **91 per branch** as against the prescribed target of **80** per branch given by PFRDA leading to the said award.

Financial Literacy Centers (FLCs):

Bank has appointed four counselors for the three Financial Literacy Centers (FLCs) viz. two counselors at Guntur FLC and one each at Rajahmundry & Bhimavaram FLCs and they are conducting Financial Literacy Awareness Camps (FLACs) as per the target given by RBI at a satisfactory level. 1,134 FLACs are conducted by the FLCs, out of which 180 are Special Camps on 'Going Digital' and 954 are 'Target Group' specific camps through rural branches, during the year under report.

NABARD has sanctioned ₹ 37.30 lakh as grant assistance under Financial Inclusion Fund (FIF) to conduct 746 FLACs during FY 2023 and all the camps are conducted during the said period.

Bank has also successfully conducted 33 Street Plays (NUKKAD NATAK) during December 2022 & March 2023 with the support of NABARD under Financial Inclusion Fund (FIF) to the tune of ₹ 4.09 lakh.

All the above programmes are conducted in 800 villages and through these FLAC programmes, a total of 1,16,356 citizens are covered and educated on Financial Literacy.

Aadhaar Enrolment Centres (AECs):

Bank has opened a total of 22 Aadhaar Enrolment Centres (AECs) for taking up enrolment as well as updation activity at the Branches.

The Enrolment & Updation process was initiated by the Bank from February 2018 and the total Aadhaar Enrolments & Updates carried out by the Bank stood at 4,37,787 by 31st March 2023.

Internal Inspection

As on 31st March 2023, out of 198 branches eligible for inspection, Regular Internal Inspection of all the branches was completed.

Out of these 198 branches, 158 branches have got 'A' rating, 39 branches have got 'B' rating and 1 branch has got 'C' rating.

Necessary follow-up action is taken up on continuous basis for rectification of lapses and deviations that got reported in the inspection reports.



CHAITANYA GODAVARI GRAMEENA BANK

Concurrent Audit

Concurrent audit of branches, by independent chartered accountant firms and a few retired officers of our Bank, was undertaken for 77 branches during FY 2023.

Statutory Inspection by NABARD

NABARD has conducted XII statutory inspection under section 35(6) of Banking Regulation Act 1949, from 26th October 2022 to 9th November 2022, with reference to the financial position of the bank as on 31st March 2022.

Management Audit by Sponsor Bank

Sponsor Bank, i.e. Union Bank of India has conducted the Management Audit (MAD) of the Bank from 17th October 2022 to 21st October 2022.

MoU Review by Sponsor Bank

The performance of the bank is reviewed by Executives of Union Bank of India, with reference to Memorandum of Understanding (MoU) with sponsor bank for FY 2023, once in a quarter, which provided valuable insights for the growth of the Bank.

A detailed report for review by sponsor bank, on the performance of the bank under various parameters, is also submitted every quarter to Agri. Business Department, Central Office, Union Bank of India, Mumbai.

Fraud Cases

During the year under report, three fraud incidents at branches were identified. Wherever applicable, loan accounts are categorized as Loss Assets and 100% provision is thus made for them. 100% provision is made separately for the remaining amount of loss to the bank as on 31st March 2023.

Preventive Vigilance

The concept of Preventive Vigilance is spread among the entire workforce of the bank by conducting awareness programs in a significant way throughout the current year. One session on 'Preventive Vigilance' topic is made mandatory in all the internal training programs conducted for different cadres of staff.

Preventive Vigilance Committees

As advised by Central Vigilance Commission (CVC) through its Vigilance Manual, Preventive Vigilance Committees (PVCs) are established during the previous year, i.e. FY 2022 with the approval of the Board. PVCs are primarily intended at branches with a view to educate the operating staff for curbing the non-observance of the laid down procedures or other malpractices in order to inculcate a culture of alertness at the ground level. These committees are constituted at each branch having staff strength of 4 or more (from officer and OAS cadres) with a defined agenda for discussion. The said committees are working as intended by the bank.



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Vigilance Awareness Week

Our bank has observed the Vigilance Awareness Week-2022 (VAW-2022) from 31st October 2022 to 6th November 2022 with the theme “Corruption Free India for a Developed Nation”, as per the guidelines issued by Central Vigilance Commission. Various activities like plantation drives, blood donation camps, rangoli competitions, drawing competitions, walkathons, SHG meetings, Gramsabhas are undertaken by the bank as part of the awareness week throughout the network of branches in its area of operation.

A short film is also made during VAW-2022 to spread the message among all the staff and general public with the concept “SAY NO TO CORRUPTION” and the same is uploaded to the social media of the bank.

Social Responsibility

The Bank has always been known to make a meaningful and measurable impact to the lives of Economically, Physically and Socially challenged communities of the country and has always been mindful of its obligation to the Society.

The bank is committed to identify and support programs aimed at bringing a positive impact to those at the bottom of the pyramid, in tune with the avowed objectives of RRBs.

In FY 2023, bank had stood for various social causes, in the form of financial support of ₹ 26.64 lakh towards promoting ecofriendly agricultural practices among the farmers, conduct of inter school painting competition to the differently abled, donating essential food items to the needy during festivals etc.

Internship opportunity of short duration is provided by the bank to the select undergraduate and postgraduate students belonging to its area of operation and a total of 96 students derived the benefit out of it.

Awards and Accolades

During the year under reference, a good number of awards and accolades were received by the bank for its performance under various parameters set by the shareholders and notable among them are mentioned hereunder:

I] Financial Inclusion – APY:

1. APY Weekly Winners of Winning Wednesday - 01st & 02nd Jun 2022
2. APY Weekly Winners of Winning Wednesday - 08th & 09th Jun 2022
3. APY Weekly Winners of Winning Wednesday - 20th & 21st Jul 2022
4. APY Weekly Winners of Winning Wednesday - 27th & 28th Jul 2022
5. APY Weekly Winners of Winning Wednesday - 28th & 29th Sep 2022
6. APY Rise Above the Rest Campaign - 15th Nov - 31st Dec 2022
7. APY Weekly Winners of Winning Wednesday - 08th & 09th Feb 2023



CHAITANYA GODAVARI GRAMEENA BANK

8. APY Big Believers Campaign - 15th Feb - 31st Mar 2023
9. APY Wondrous Warriors/Warriors of Winning - 27th, 28th & 29th Mar 2023
Wednesday
10. Amazing Achievers of APY(AAA) - 2nd Mar - 31st Mar 2023
 - **1 branch** has qualified for the target under Silver Club (150 - 239 accounts per branch)
 - **42 branches** have qualified for the target under Bronze Club (60 - 149 accounts per branch)
11. **APY Annual Award of Excellence for FY 2023 – for enrolling 21,655 subscribers as against the target of 18,400**

II] Credit Portfolio :

- ❖ Our bank has been adjudged as “Best Regional Rural Bank - Winner” at MSME Banking Excellence Awards, 2022” organized by Chamber of Indian Micro Small and Medium Enterprises (CIMSME), New Delhi on 23.02.2023.

Board Meetings

Seven board meetings were convened by the Bank during the calendar year 2022 and a minimum of one meeting was held during each quarter thus meeting the stipulated number for conduct of board meetings.

The number of board meetings held during FY 2023 were eight in number.

9 Circular Resolutions were passed by the Board of Directors owing to urgency of business and statutory requirements, during the year under reference. All these resolutions are since confirmed by the Board in its next meetings.

Two board level committees, viz. Audit Committee and Special Committee of the Board to monitor Fraud Cases of ₹ 20.00 lakh and above (SCBF) have met three times during FY 2023.

The following Directors have assumed Office during the year under report:

- a) Shri M Udai Krishna, Asst. General Manager, Department of Supervision, Reserve Bank of India, AP-RO, Hyderabad - RBI Nominee Director
- b) Smt. B Swati, Dy. General Manager, NABARD, AP-RO, Hyderabad – NABARD Nominee Director
- c) Shri S Srinivas, Dy. General Manager, Agri. Business Dept., Union Bank of India, Central Office (Annex.), Hyderabad - Sponsor Bank Nominee Director



CHAITANYA GODAVARI GRAMEENA BANK

The following Directors have vacated office during the year under Report:

- a) Shri G Chandrakanth, Asst. General Manager, Issue Department, Reserve Bank of India, Hyderabad – RBI Nominee Director
- b) Shri R Inigo Arul Selvan, General Manager, NABARD, AP-RO, Hyderabad - NABARD Nominee Director
- c) Shri C Prabu, Dy. General Manager, Agri. Business Dept., Union Bank of India, Central Office (Annex.), Hyderabad - Sponsor Bank Nominee Director

The Board wishes to place on record its appreciation and gratitude for the valuable services and advice rendered by the Directors who have demitted office during the year under report.

Grateful Acknowledgements

The Board wishes to place on record its appreciation for the patronage extended by its valued customers, which has enabled the Bank to show good business performance during the current year. The Board thanks its clientele for the confidence reposed in the Bank at all times. The Bank renews its obligation for rendering a better customer service in the years to come.

The Board ardently wishes to thank the shareholders of the Bank, viz. Government of India, Union Bank of India and Government of Andhra Pradesh for their significant support at all levels for the growth and development of the Bank.

The Board also expresses its sincere gratitude to Reserve Bank of India (RBI), National Bank for Agriculture and Rural Development (NABARD), Union Bank of India (UBI) for their valuable guidance and encouragement extended to the Management from time to time.

The Board of the Bank also conveys its sincere thanks to the Collector and District Magistrate, District Administration in the eight districts of Guntur, Bapatla, Palnadu, Kakinada, East Godavari, Dr. B R Ambedkar Konaseema, Eluru & West Godavari, for their continued support extended to the Bank.

The Board places on record the cooperation and guidance extended by Statutory Central Auditors, M/s N G Rao & Associates, Hyderabad for timely completion of statutory audit of the bank for the current year and expresses its acknowledgement to their valued inputs for scaling up the efficiency in operations of the bank at various functional levels and also complying with the disclosures in the balance sheet in accordance with RBI's Master Direction dated 30.08.2021.

The Board also thanks the 18 Statutory Branch Auditors, viz. M/s K K Chowdary Associates, Bapulapadu, Krishna District, M/s Ramesh & Co, Vijayawada, M/s S P K R & Associates, Vijayawada, M/s Suresh Siva & Co, Vijayawada, M/s Ramineni & Associates, Guntur, M/s K L N Murthy & Co, Guntur, M/s Smita Sharma & Associates, Nizamabad,



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M/s Mohi & Associates, Rajahmundry, M/s Ratna & Associates, Nizampatnam, M/s T P K & Associates, Kakinada, M/s Challa & Associates, Guntur, M/s SSVM & Co, Tirupati, M/s MSKN & Co, Kadapa, M/s SNMR & Associates, Tadepalligudem, M/s MASB & Associates, Vijayawada, M/s T Nehru & Co, Vijayawada, M/s Panchakshari & Co, Tadepalligudem and M/s Chinta Krishna Rao & Co, Guntur for their cooperation and completion of the statutory audit within the given timeline.

The Board records its admiration for all the staff members for their enthusiastic involvement in the growth and development of the Bank. It is due to their unstinted efforts that the Bank could post good performance during this year and could surpass the targets under the MoU under many parameters. The Board looks forward for their impressive drive and lasting efforts for the overall development of the Bank in upcoming years also.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

T Kameswara Rao

Chairman

Rajesh M Deshmukh

Nominee Director,
RBI

B Swati

Nominee Director,
NABARD

A Ravi Kumar

Nominee Director,
Union Bank of India

S Srinivas

Nominee Director,
Union Bank of India

Place : Guntur

Date : 24.04.2023



CHAITANYA GODAVARI GRAMEENA BANK

KEY PERFORMANCE INDICATORS

Sl. No.	KEY Performance Indicator	FY 2021	FY 2022	FY 2023
(Amount ₹ lakh)				
1	No. of Districts covered	3	3	8
2	No. of Branches	222	230	249
	a) Rural	125	131	142
	b) Semi-Urban	75	76	79
	c) Urban	22	23	28
3	Total Staff	1053	1162	1299
	a) Officers	619	698	785
	b) Office Assistants	272	305	355
	c) Office Attendants	162	159	159
4	Deposits	653966.86	728686.00	855877.71
	Growth %	21.56	11.43	17.45
5	Loans & Advances	687732.89	809334.43	982342.59
	Growth %	27.67	17.68	21.38
	Loans & Advances net of IBPC of ₹ 60000 lakh, ₹ 70000 lakh and ₹ 80000 lakh	627732.89	739334.43	902342.59
	Growth %	24.63	17.78	22.05
6	Borrowings Outstanding	228060.58	304657.85	375993.77
	Growth %	29.41	33.59	23.42
7	CD Ratio	95.99	101.46	105.43
8	Investments Outstanding	168458.24	143108.13	166403.35
	Growth %	27.41	(-)15.05	16.28
9	Average Deposits	601310.22	664482.70	748159.47
	Growth %	27.28	10.51	12.59
10	Average Loans & Advances	594881.15	742880.27	882063.91
	Growth %	16.45	24.88	18.74
11	Average Borrowings	194688.18	254674.37	335486.08
	Growth %	37.83	30.81	31.73
12	Average Investments	165819.93	157253.75	166990.48
	Growth %	37.78	(-)5.17	6.19
13	Average Working Funds	935205.60	1087461.98	1291342.22



CHAITANYA GODAVARI GRAMEENA BANK

Sl. No.	Performance Indicator	FY 2021	FY 2022	FY 2023
(Amount ₹ lakh)				
14	Loans Issued during the year			
	a) Loans to Priority sector	578205.10	639789.46	790351.49
	b) Loans to Non-Priority Sector	16763.83	64665.53	51991.84
	c) Total Loans issued	594968.93	704454.99	842343.33
15	per-Branch Business	5773.42	6382.70	7061.13
16	per-Employee Business	1208.64	1256.26	1349.55
17	Recovery Performance (% of Collection to Demand)	67.59	75.34	73.10
18	Classification of Advances			
	a) Standard Assets	680863.65	802613.25	976633.96
	b) Sub-standard Assets	2921.84	3077.78	2290.07
	c) Doubtful Assets	3583.34	3266.08	2950.81
	d) Loss Assets	364.06	377.32	467.75
	Total NPAs	6869.24	6721.18	5708.63
	Total Advances	687732.89	809334.43	982342.59
19	% of Standard Assets to Gross Advances Outstanding	99.00	99.17	99.42
20	Interest Paid on			
	a) Deposits	35282.47	35184.86	39510.88
	b) Borrowings	10185.24	12574.72	17136.75
21	Salary & Allowances	12606.19	18323.27	20935.87
22	Other Operating Expenses	5062.76	8038.08	7895.99
23	Provisions made against Loans and Advances			
	a) Against NPA	6870.00	6721.18	5708.63
	b) Other Provisions	1915.20	5440.11	4736.11
	Total	8785.20	12161.29	10444.74
24	Interest Received on			
	a) Loans & Advances	60353.11	74163.52	85517.92
	b) Investments	11598.42	11260.39	11723.49
25	Other Income	8547.15	12770.48	15828.49
26	Profit Before Tax	13281.92	22661.59	31733.78
27	Profit After Tax	10108.65	16233.92	23234.33
28	Cost to Income Ratio	46.60	49.55	47.34



CHAITANYA GODAVARI GRAMEENA BANK

AUDITOR'S REPORT

Independent Auditor's Report on the Financial Statements

To
The Shareholders
Chaitanya Godavari Grameena Bank

Opinion

1. We have audited the accompanying financial statements of Chaitanya Godavari Grameena Bank ("the Bank") as at 31st March 2023, which comprises of Balance Sheet as at 31st March, 2023, Profit and Loss Account and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of:

- i. The Head Office and 21 Branches audited by us
- ii. 210 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 National Bank for Agriculture and Rural Development ("NABARD"). Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 18 branches which have not been subjected to audit. These unaudited branches account for 0.51 % of deposits, 0.25% of advances, 0.04% of interest income and 0.10% of interest expenses.

2. In our opinion, as shown by books of the bank, and to the best of our information and according to the explanations given to us:
- i. The Balance Sheet, read with the significant accounting policies and the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, and is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March 2023 in conformity with accounting principles generally accepted in India;
 - ii. The Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of profit, is in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - iii. The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") prescribed by the Central Government, based on the recommendations of 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



CHAITANYA GODAVARI GRAMEENA BANK

Financial Statements section of our report. We are independent of the Bank in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

4. Without qualifying our opinion, we bring to your attention the following:

We did not audit the financial statements / information of 210 Branches included in the financial statements of the Bank whose financial statements / financial information reflect total advances of ₹ 779175.6 Lakhs as at 31st March 2023 and interest income of ₹ 86499.98 Lakhs for the year ended on that date. The financial statements / information of these branches has been audited by the other 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, is based solely on the report of such other auditors.

Responsibility of the Management and those charged with Governance for the Financial Statements

5. The Bank's Management and Board of Directors are responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of Bank in accordance with the applicable provisions of Regional Rural Banks Act, 1976, Banking Regulations Act, 1949, complying with the guidelines issued by Reserve Bank of India ("RBI") and NABARD from time to time and recognized accounting policies and practices generally accepted in India, including the Accounting Standards issued by ICAI. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for audit of financial statements

6. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed by the Central Government, based on the recommendations of Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we



CHAITANYA GODAVARI GRAMEENA BANK

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements 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 scepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We also:

- (i) 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.
- (ii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iii) 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.
- (iv) 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.



CHAITANYA GODAVARI GRAMEENA BANK

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms “A” and “B” respectively of the Third Schedule to the Banking Regulation Act, 1949. Subject to the limitations of the audit indicated in paragraph 4 to 7 above and as required by the Regional Rural Banks Act, 1976 and the Banking Companies (Regulation) Act, 1949, and subject also to the limitations of disclosure required therein, we report that:
- 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.
 - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
 - The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
 - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account and the Returns.
 - In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.
 - The report on the financial statements of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.

In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

for N G RAO & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm's Registration No: 009399S

(CA Parsa Kiran)

Partner

Membership No: 220629

UDIN: 23220629BGXFFV3313

Place : Guntur

Date : 24th April, 2023



CHAITANYA GODAVARI GRAMEENA BANK

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BALANCE SHEET AS ON 31st MARCH 2023

₹ in '000

PARTICULARS	SCHEDULE	31.03.2023	31.03.2022
CAPITAL & LIABILITIES			
Capital	1	74422	74422
Reserves and Surplus	2	9931715	7608282
Deposits	3	85587771	72868600
Borrowings	4	37599377	30465785
Other Liabilities and Provisions	5	2430959	2482760
TOTAL		135624244	113499849
ASSETS			
Cash and Balances with Reserve Bank of India	6	6197523	4593566
Balances with banks and money at call and short notice	7	19579092	16353796
Investments	8	16640335	14310813
Advances*	9	89663396	73261325
Fixed Assets	10	264525	255322
Other Assets	11	3279373	4725027
TOTAL		135624244	113499849
Contingent Liabilities	12	372005	312220
Bills for Collection		148837	185222
*Advances are netted of IBPC of ₹ 800 crore as on 31.03.2023 and ₹ 700 crore as on 31.03.2022			



CHAITANYA GODAVARI GRAMEENA BANK

As per our report of even date
For N G RAO & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm's Registration No: 009399S

(CA Parsa Kiran)

Partner

Membership No: 220629

UDIN: 23220629BGXFFV3313

BOARD OF DIRECTORS

T Kameswara Rao

Chairman

Rajesh M Deshmukh

Nominee Director,
RBI

B Swati

Nominee Director,
NABARD

A Ravi Kumar

Nominee Director,
Union Bank of India

S Srinivas

Nominee Director,
Union Bank of India

Place : Guntur

Date : 24th April, 2023



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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2023

₹ in '000

PARTICULARS	SCHEDULE	31.03.2023	31.03.2022
1. INCOME			
Interest earned	13	10434409	8948706
Other Income	14	1582849	1277048
TOTAL		12017258	10225754
2. EXPENDITURE			
Interest Expended	15	5926772	4905784
Operating Expenses	16	2883186	2636135
Provisions and contingencies		883867	1060443
TOTAL		9693825	8602362
3. PROFIT/LOSS			
Net Profit/Loss(-) for the year		2323433	1623392
Profit/Loss(-) brought forward		100	100
TOTAL		2323533	1623492
4. APPROPRIATIONS			
Transfer to Statutory Reserves		470000	325000
Transfer to Other Reserves		1853433	1298392
Transfer to Government/proposed dividend		0	0
Balance carried over to balance sheet		100	100
TOTAL		2323533	1623492



CHAITANYA GODAVARI GRAMEENA BANK

As per our report of even date
For N G RAO & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm's Registration No: 009399S

(CA Parsa Kiran)

Partner

Membership No: 220629

UDIN: 23220629BGXFFV3313

BOARD OF DIRECTORS

T Kameswara Rao

Chairman

Rajesh M Deshmukh

Nominee Director,
RBI

B Swati

Nominee Director,
NABARD

A Ravi Kumar

Nominee Director,
Union Bank of India

S Srinivas

Nominee Director,
Union Bank of India

Place : Guntur

Date : 24th April, 2023



CHAITANYA GODAVARI GRAMEENA BANK

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SCHEDULE-1 CAPITAL

₹ in '000

	31.03.2023	31.03.2022
Authorised Capital (200,00,00,000 Shares of ₹ 10 each)	20000000	20000000
Issued Capital (74,42,200 shares of ₹ 10/- each)	74422	74422
Subscribed Capital (74,42,200 shares of ₹ 10/- each)	74422	74422
Called-up Capital (74,42,200 shares of ₹ 10/- each)	74422	74422
Less: Calls unpaid	0	0
Add: Forfeited shares	0	0
Paid up Capital	74422	74422
Total	74422	74422



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-2 RESERVES and SURPLUS

₹ in '000

	31.03.2023	31.03.2022
I- Statutory Reserves		
A. Opening balance	1522153	1197153
B. Additions during the year	470000	325000
C. Deductions during the year	0	0
II- Capital Reserves		
A. Opening balance	24000	24000
B. Additions during the year	0	0
C. Deductions during the year	0	0
III- Share Premium		
A. Opening balance	0	0
B. Additions during the year	0	0
C. Deductions during the year	0	0
IV- Revenue and Other Reserves		
A. Opening balance	6062029	4763637
B. Additions during the year	1853433	1298392
C. Deductions during the year	0	0
V- Balance in Profit & Loss A/c	100	100
Total(I,II,III,IV and V)	9931715	7608282

SCHEDULE-3 DEPOSITS

₹ in '000

	31.03.2023	31.03.2022
A. I- Demand Deposits		
i) From Banks	0	0
ii) From Others	1202743	1303305
II- Savings Bank Deposits	24336678	21018513
III- Term Deposits		
i) From Banks	514959	824159
ii) From Others	59533391	49722623
Total (I,II and III)	85587771	72868600
B. (i) Deposits of branches in India	85587771	72868600
(ii) Deposits of branches outside India	0	0
Total (i and ii)	85587771	72868600



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-4 BORROWINGS

₹ in '000

	31.03.2023	31.03.2022
I. Borrowings in India		
(a) Reserve Bank of India	0	0
(b) Other Banks	0	0
(c) Other Institutions & Agencies - NABARD	37599377	30465785
II. Borrowings outside India	0	0
Total (I and II)	37599377	30465785
Secured borrowings included in I and II above	37599377	30465785

SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

₹ in '000

	31.03.2023	31.03.2022
I. Bills payable	46899	35995
II. Inter-office adjustments (net)	0	0
III. Interest accrued	82939	79413
IV. Others (including provisions)	2301121	2367352
Total (I, II, III and IV)	2430959	2482760

SCHEDULE-6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

₹ in '000

	31.03.2023	31.03.2022
I. Cash in hand	1034870	1069928
II. Balances with Reserve Bank of India		
i) In Current Account	3512653	2773638
ii) In Other Accounts	1650000	750000
Total (I and II)	6197523	4593566



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-7

BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

₹ in '000

	31.03.2023	31.03.2022
I. IN INDIA		
(i) Balances with Banks		
a) in Current Accounts	14762980	4970354
b) in Other Deposit Accounts	4816112	7383442
(ii) Money at Call & Short Notice		
a) with Banks	0	0
b) with Other Institutions	0	4000000
Total (i and ii)	19579092	16353796
II. OUTSIDE INDIA		
i) in current accounts	0	0
ii) in other deposit accounts	0	0
iii) money at call and short notice	0	0
Total (i, ii and iii)	0	0
Grand Total (I and II)	19579092	16353796

SCHEDULE-8 INVESTMENTS

₹ in '000

	31.03.2023	31.03.2022
I. INVESTMENTS IN INDIA IN		
i) Government Securities	15854795	13757831
ii) Other approved Securities	0	0
iii) Shares	0	0
iv) Debentures & Bonds	785540	552982
v) Subsidiaries and/or joint ventures	0	0
vi) Others - Mutual Funds	0	0
Total (i, ii, iii, iv, v and vi)	16640335	14310813
II. INVESTMENTS OUTSIDE INDIA IN		
i) Government securities (including local authorities)	0	0
ii) Subsidiaries and/or joint ventures abroad	0	0
iii) Others investments (to be specified)	0	0
Total (i, ii and iii)	-	-
Grand Total (I and II)	16640335	14310813



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-9 ADVANCES

₹ in '000

	31.03.2023	31.03.2022
A. (i) Bills Purchased and discounted	12575	28890
(ii) Cash Credits, Overdrafts & Loans repayable on demand*	76709448	62842102
(iii) Term Loans	12941373	10390333
Total (i,ii and iii)	89663396	73261325
B. (i) Secured by Tangible Assets*	87271830	71953717
(ii) Covered by Bank/Government Guarantees	0	0
(iii) Unsecured	2391566	1307608
Total (i,ii and iii)	89663396	73261325
C. I. Advances in India		
(i) Priority Sector*	81082210	67483406
(ii) Public Sector	0	0
(iii) Banks	0	0
(iv) Others	8581186	5777919
Total (i, ii, iii and iv)	89663396	73261325
*Advances are netted of IBPC of ₹ 800 crore as on 31.03.2023 and ₹ 700 crore as on 31.03.2022		
C. II. Advances outside India		
(i) Due from banks	0	0
(ii) Due from others	0	0
(a) Bills Purchased and discounted	0	0
(b) Syndicated loans	0	0
(c) Others	0	0
Total (i and ii)	0	0
Grand Total (C I and II)	89663396	73261325



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-10 FIXED ASSETS

₹ in '000

	31.03.2023	31.03.2022
I. Premises	0	0
At cost as on 31 st March of the preceding year	0	0
Additions during the year	0	0
Deductions during the year	0	0
Depreciation to date	0	0
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31 st March of the preceding year	255322	324170
Additions during the year	109580	68571
Deductions during the year	579	363
Depreciation to date	99798	137056
Total (I and II)	264525	255322

SCHEDULE-11 OTHER ASSETS

₹ in '000

	31.03.2023	31.03.2022
I. Inter office adjustments (net)	0	0
II. Interest accrued	918905	990016
III. Tax paid in advance / tax deducted at source	649000	1040000
IV. Stationery and stamps	17813	12246
V. Non banking assets acquired in satisfaction of claims	0	0
VI. Others		
(i) Pension Fund	0	296340
(ii) Deferred Tax assets	12257	0
(iii) Others	1681398	2386425
Total (I, II, III, IV, V and VI)	3279373	4725027



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SCHEDULE-12 CONTINGENT LIABILITIES

₹ in '000

	31.03.2023	31.03.2022
I. Claims against the banks not acknowledged as debts	0	0
II. Liability for partly paid investments	0	0
III. Liability on account of outstanding forward exchange contracts	0	0
IV. Guarantees given on behalf of constituents	0	0
(a) In India	186055	136299
(b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	0	0
VI. Other items for which the bank is contingently liable (DEAF Account)	185950	175921
Total (I, II, III, IV, V and VI)	372005	312220

SCHEDULE-13 INTEREST EARNED

₹ in '000

	31.03.2023	31.03.2022
I. Interest/ discount on advances/bills	8551792	7416352
II. Income on investments	1172349	1126039
III. Interest on balances with Reserve Bank of India and other inter-bank funds	710268	406315
IV. Others	0	0
Total (I, II, III and IV)	10434409	8948706

SCHEDULE-14 OTHER INCOME

₹ in '000

	31.03.2023	31.03.2022
I. Commission, exchange and brokerage	38448	33964
II. Profit on sale of Investments	52670	9471
Less: Loss on sale of investments	0	0
III. Profit on revaluation of Investments	0	0
Less: Loss on revaluation of investments	0	0
IV. Profit on sale of land, buildings and other assets	949	185
Less: Loss on sale of land, buildings and other assets	0	0
V. Profit on exchange transactions	0	0
Less: Loss on exchange transactions	0	0
VI. Income earned by way of dividends, etc. from subsidiaries/ companies and/or joint ventures abroad/in India	0	0
VII. Miscellaneous Income	1490782	1233428
Total (I, II, III, IV, V, VI and VII)	1582849	1277048



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-15 INTEREST EXPENDED

₹ in '000

	31.03.2023	31.03.2022
I. Interest on deposits	3951088	3518486
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	1713675	1257472
III. Others	262009	129826
Total (I, II and III)	5926772	4905784

SCHEDULE-16 OPERATING EXPENSES

₹ in '000

	31.03.2023	31.03.2022
I. Payments to and provisions for employees	2093587	1832327
II. Rent, taxes and lighting	81031	68268
III. Printing and stationery	14125	9745
IV. Advertisement and publicity	8638	4219
V. Depreciation on Bank's property	99798	137056
VI. Directors' fees, allowances and expenses	0	0
VII. Auditors' fees and expenses (including branch auditors)	3920	3389
VIII. Law charges	374	881
IX. Postage, telegrams, telephones etc	3011	2139
X. Repairs and maintenance	15200	14577
XI. Insurance	134964	125819
XII. Other Expenditure	428538	437715
Total (I, II, III, IV, V, VI, VII, VIII, IX, X, XI and XII)	2883186	2636135

previous year figures are re-grouped wherever necessary



CHAITANYA GODAVARI GRAMEENA BANK

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SCHEDULE 17

SIGNIFICANT ACCOUNTING POLICIES

Section I

Reserve Bank of India (RBI) issued a Master Direction on Financial Statements – Presentation and Disclosures vide reference no. DOR.ACC.REC.No.46/21.04.018/2021-22 [RBI/DOR/2021-22/83] dated 30.08.2021 (as updated on 20.02.2023).

The said Master Direction is applicable to Regional Rural Banks to the extent that they are relevant having regard to their business operations.

2. Part B of Annexure II of the said Master Direction provides guidance on specific issues with respect to certain Accounting Standards.
3. The following Accounting Standards are adopted as provided in the Master Direction by the Bank:
 - (i) Accounting Standard 5 – Net Profit or Loss for the period, Prior period items and Changes in Accounting Policies
 - (ii) Accounting Standard 9 – Revenue Recognition
 - (iii) Accounting Standard 17 – Segment Reporting
 - (iv) Accounting Standard 18 – Related Party Disclosures
 - (v) Accounting Standard 24 – Discontinuing Operations
 - (vi) Accounting Standard 25 – Interim Financial Reporting
 - (vii) Accounting Standard 26 – Intangible Asset
 - (viii) Accounting Standard 28 – Impairment of Assets

The guidance notes as provided by RBI on the above Accounting Standards are given hereunder:

1. Accounting Standard 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

The objective of this standard is to prescribe the classification and disclosure of certain items in the statement of profit and loss so that all enterprises prepare and present such a statement on a uniform basis. Accordingly, this Standard requires the classification and disclosure of extraordinary and prior period items, and the disclosure of certain items within profit or loss from ordinary activities. It also specifies the accounting treatment for



CHAITANYA GODAVARI GRAMEENA BANK

changes in accounting estimates and the disclosures to be made in the financial statements regarding changes in accounting policies. Paragraph 4.3 of Preface to the Statements on Accounting Standards issued by the ICAI states that Accounting Standards are intended to apply only to items which are material. Since materiality is not objectively defined, it has been decided that all banks should ensure compliance with the provisions of the Accounting Standard in respect of any item of prior period income or prior period expenditure which exceeds one per cent of the total income / total expenditure of the bank if the income / expenditure is reckoned on a gross basis or one per cent of the net profit before taxes or net losses as the case may be if the income is reckoned net of costs. Since the format of the profit and loss accounts of banks prescribed in Form B under Third Schedule to the Banking Regulation Act, 1949 does not specifically provide for disclosure of the impact of prior period items on the current year's profit and loss, such disclosures, wherever warranted, may be made in the 'Notes on Accounts' to the balance sheet of banks.

2. Accounting Standard 9 – Revenue Recognition

Non-recognition of income by the banks in case of non-performing advances and non-performing investments, in compliance with the regulatory prescriptions of the Reserve Bank of India, shall not attract a qualification by the statutory auditors as this would be in conformity with provisions of the standard, as it recognizes postponement of recognition of revenue where collectability of the revenue is significantly uncertain.

3. Accounting Standard 17 – Segment Reporting

The indicative formats for disclosure under 'AS 17 - Segment Reporting' are provided in the Master Direction under reference

[The format given is adopted and disclosure is made in "Schedule 18 – Disclosure to financial statements - Notes to Accounts"]

Note :

- The business segment shall ordinarily be considered as the primary reporting format and geographical segment would be the secondary reporting format.
- The business segments will be 'Treasury', 'Corporate/Wholesale Banking', 'Retail Banking' and 'Other banking operations'.
- 'Domestic' and 'International' segments will be the geographic segments for disclosure.
- Banks shall adopt their own methods, on a reasonable and consistent basis, for allocation of expenditure among the segments.
- 'Treasury' shall include the entire investment portfolio.
- Retail Banking shall include exposures which fulfil the four criteria of orientation, product, granularity, and low value of individual exposures for retail exposures laid down in Master Directions on Basel III : Capital Regulations (modified from time to time). Individual housing loans will also form part of Retail Banking segment for the purpose of reporting under AS-17.



CHAITANYA GODAVARI GRAMEENA BANK

- g) Corporate / Wholesale Banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under 'Retail Banking'.
- h) Other Banking Business includes all other banking operations not covered under 'Treasury,' Wholesale Banking' and 'Retail Banking' segments. It shall also include all other residual operations such as para banking transactions/activities.
- i) Besides the above-mentioned segments, banks shall report additional segments within "Other Banking Business" which meet the quantitative criterion prescribed in the AS 17 for identifying reportable segments.

4. Accounting Standard 18 – Related Party Disclosures

An indicative format for disclosure under AS18 – Related Party Disclosures is provided in the Master Direction under reference.

The guidance note provided therein is as under:

- i) Related parties for a bank are its parent, subsidiary (ies), associates /joint ventures, Key Management Personnel (KMP) and relatives of KMP. KMP are the whole-time directors for an Indian bank and the Chief Executive Officer (CEO) for a foreign bank having branches in India. Relatives of KMP would be on the lines indicated in section 45S of the RBI Act, 1934
- ii) The name and nature of related party relationship shall be disclosed, irrespective of whether there have been transactions, where control exists within the meaning of the Standard. Control would normally exist in case of parent-subsidiary relationship. The disclosures may be limited to aggregate for each of the above related party categories and would pertain to the year-end position as also the maximum position during the year.
- iii) The Accounting Standards is applicable to all nationalised banks. The accounting standard exempts state-controlled enterprises i.e., nationalised banks from making any disclosures pertaining to their transactions with other related parties which are also state controlled enterprises. Thus, nationalised banks need not disclose their transactions with the subsidiaries as well as the RRBs sponsored by them. However, they will be required to disclose their transactions with other related parties
- iv) Secrecy provisions : If in any of the above category of related parties there is only one related party entity, any disclosure would tantamount to infringement of customer confidentiality. In terms of AS 18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of statute, by regulator or similar competent authority. Further, incase a statute or regulator governing an enterprise prohibits the enterprise from disclosing certain information, which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the Accounting Standards. On account of the judicially recognized common law duty of the banks to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party.



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5. Accounting Standard 24 - Discontinuing operations

This Standard establishes principles for reporting information about discontinuing operations. Merger/ closure of branches of banks by transferring the assets/liabilities to the other branches of the same bank may not be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger / closure of branches of banks by transferring the assets/liabilities to the other branches of the same bank. Disclosures shall be required under the Standard only when: (i) discontinuing of the operation has resulted in shedding of liability and realisation of the assets by the bank or decision to discontinue an operation which will have the above effect has been finalised by the bank and (ii) the discontinued operation is substantial in its entirety.

6. Accounting Standard 25 – Interim Financial Reporting

This Standard prescribes the minimum content of an interim financial report and the principles for recognition and measurement in a complete or condensed financial statements for an interim period. The disclosures required to be made by listed banks in terms of the listing agreements would not tantamount to interim reporting as envisaged under AS 25 and as such AS 25 is not mandatory for the quarterly reporting prescribed for listed banks.

The recognition and measurement principles laid down under AS 25 shall however, be complied with in respect of such quarterly reports. Half yearly review of accounts shall be applicable for all commercial banks irrespective of whether such banks are listed or not. Banks shall follow the format prescribed by the Department of Supervision, Reserve Bank of India (or National Bank for Agriculture and Rural Development for RRBs) for the purpose.

7. Accounting Standard 26 – Intangible asset

This Standard prescribes the accounting treatment for intangible assets that are not dealt with specifically in another accounting standard. With respect to computer software which has been customized for the bank's use and is expected to be in use for some time, the detailed recognition and amortization principle in respect of computer software prescribed in the Standard adequately addresses these issues and may be followed by banks. It may be noted that intangible assets recognized and carried in the balance sheet of banks in compliance with AS 26 shall attract provisions of section 15(1) of the Banking Regulation Act 1949, in terms of which banks are prohibited from declaring any dividend until any expenditure not represented by tangible assets is carried in the balance sheet. Banks desirous of paying dividend while carrying any intangible assets in its books must seek exemption from section 15(1) of the Banking Regulation Act, 1949 from the Central Government.

8. Accounting Standard 28 – Impairment of assets

This standard prescribes the procedures that an enterprise applies to ensure that its assets are carried at no more than their recoverable amount. It is clarified that the standard shall not apply to inventories, investments and other financial assets such as loans and advances and shall generally be applicable to banks in so far as it relates to fixed assets. The Standard shall generally apply to financial lease assets and non-banking assets acquired in settlement of claims only when the indications of impairment of the entity are evident.



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Section II

The significant accounting policies as approved by our Board and followed by our bank are given hereunder.

The application of these accounting policies is in adherence with the guidance notes detailed in Section I above, from FY 2021-22.

1. General

1.1 Basis of preparation

The Bank's financial statements are prepared on historical cost convention and on accrual basis of accounting, unless otherwise stated, by following going concern assumption 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 Reserve Bank of India (RBI)/ National Bank for Agriculture and Rural Development (NABARD), Banking Regulation Act, 1949, Regional Rural Banks Act, 1976 as amended up to date, Accounting Standards, Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevailing in the banking industry in India.

1.2 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 of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in 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. Any revision in the accounting estimates is recognized in the period in which the results are known / materialized.

2. Revenue Recognition:

2.1 Income and Expenditure are generally recognized on accrual basis, except the following:

- i. Interest on non-performing advances and non-performing investments is recognized based on realization as per prudential norms laid down by Reserve Bank of India, in view of uncertainties of collection of income in such cases.
- ii. Income by way of commission, exchange, brokerage, fee and interest on overdue bills are accounted for on realization.
- iii. Locker rent and commission on bank guarantees are recognized on realization basis.
- iv. In case of suit filed accounts, related legal and other expenses incurred are charged to Profit and Loss account and on recovery the same are accounted as income.

2.2 Partial recoveries in non-performing advances are appropriated in the following order of priority:

- i. Expenditure/out of pocket expenses incurred for recovery
- ii. Interest irregularities/accrued interest



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iii. Principal irregularities i.e., Principal outstanding in the account

In case of non-performing advances involving compromise settlements, the recoveries are first adjusted towards principal.

3. Investments:

The guidelines issued by RBI for Investment Portfolio of RRBs are adopted by our Bank.

3.1 Categorization

The entire investment portfolio of the RRBs comprising SLR securities and non-SLR securities are classified under three categories viz. 'Held to Maturity', 'Available for Sale' and 'Held for Trading'.

However, in the Balance Sheet, the investments will continue to be disclosed as per the existing five classifications viz. (1) Government Securities (2) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Others like Mutual Fund Units, etc.

RRBs should decide the category of the investment at the time of acquisition and the decision should be recorded on the investment proposals.

3.2 Definitions

- (i) The securities acquired by the RRBs with the intention to hold them up to maturity will be classified under Held to Maturity (HTM).
- (ii) The securities acquired by the RRBs with the intention to trade by taking advantage of the short-term price/interest rate movements will be classified under Held for Trading (HFT).
- (iii) The securities which do not fall within the above two categories will be classified under Available for Sale (AFS).

3.3 Valuation

- A. In determining the acquisition cost of an investment,
 - (i) Brokerage, commission, securities transaction tax and stamp duty paid in connection with acquisition of investments is treated as revenue expenditure.
 - (ii) Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
 - (iii) Cost is determined on the weighted average cost method for all the categories of investments.
- B. The investments are valued in accordance with the guidelines issued by Reserve Bank of India on the following basis:
 - i. Investments classified under Held to Maturity category need not be marked to market and will be carried at acquisition cost unless it is more than the face value, in which case the premium should be amortized over the period remaining to maturity.



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The banks should reflect the amortized amount in schedule 13-Interest earned: Item II – Income on investments as a deduction.

However, the deduction need not be disclosed separately. The book value of the security should continue to be reduced to the extent of the amount amortized during the relevant accounting period.

- ii. The individual scrips in the Available for Sale category will be marked to market at quarterly or at more frequent intervals. The book value of the individual securities would not undergo any change after the revaluation.
- iii. The individual scrips in the Held for Trading category will be marked to market at monthly or at more frequent intervals. The book value of individual securities in this category would not undergo any change after marking to market.

3.4 Accounting Procedure:

Investment entries are to be passed at cost price of a Security. Where the cost price of a Security is more than the face value (purchased at premium), the premium has to be amortized over the remaining maturity period of the Security. On the other hand, where the cost price is less than the face value, the difference should be ignored and should not be taken to income since the amount represents un-realized gain. Profit / Loss on sale of Investments should be treated as per the accounting principles.

3.5 Prudential Norms:

Investments are classified as Performing and Non-Performing, based on the guidelines issued by the Reserve Bank of India.

4. Fixed Assets:

- (a) Fixed assets are stated at historical cost net of depreciation.
- (b) Depreciation on fixed assets has been provided as per written down value method as under:
 - (i) Rates of depreciation:
 - ❖ 10% on Wooden & Steel furniture items and electrical installations etc.
 - ❖ 15% on Plant & Machinery, Motor Vehicles (Car & Jeep) and Cycles
 - ❖ 60% on Computers, Computer equipment and Software
 - ❖ 10% on Library
 - (ii) Assets having original cost less than or equal to Rs. 5,000/- will be depreciated 100% leaving a residual value of Rs. 1/- only.
 - (iii) In respect of assets purchased during the year, depreciation is provided proportionately as per the number of days the asset is put to use by the bank during the year.



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- (iv) Depreciation is calculated in furniture module of the system and the same is provided manually in respect of Library.

5. Impairment of Assets:

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent the carrying amount of assets exceeds their estimated recoverable amount.

6. Deposits:

The Bank provides interest at the rate applicable to SB accounts towards interest on overdue deposits in terms of the RBI guidelines.

7. Advances:

- a. All advances of the Bank have been classified into Performing (Standard) and Non-Performing Assets (Sub-standard, Doubtful and Loss Assets).
- b. Provision in respect of Non-Performing Assets is made as per the Prudential Norms issued by RBI/NABARD and the provisions are as under:
 - (i) Sub-standard Assets: 15% on secured portion and 25% on unsecured portion
 - (ii) Doubtful Assets under D1 category: 25% on secured portion and 100% on unsecured portion
 - (iii) Doubtful Assets under D2 category: 40% on secured portion and 100% on unsecured portion
 - (iv) Doubtful Assets under D3 category and loss assets: 100 %
- c. Provision in respect of Non-performing Assets has been deducted from the advances.
- d. A general provision on Standard Advances (Performing Assets) and floating provision on advances have not been deducted from advances, but are shown under the head “Other Liabilities & Provisions” in the liabilities side of the Balance Sheet.
- e. Unrealized Interest on Non-Performing assets is not recognized as income.
- f. Partial recoveries in non-performing assets are apportioned first to the charges & interest and thereafter to the principal.

8. Employee Benefits:

8.1 Short Term Employee Benefits

The undiscounted amounts of employee benefits payable wholly within twelve months of rendering the service by employees are classified as short term and are recognized during the period in which the employee renders the related service.



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8.2 Long Term Employee Benefits

(i) Defined Contribution Plans

Government of India accorded approval for grant of pension to the employees of RRBs vide its letter F.No. 8/20/2010-RRB dated 23.10.2018. Board vide its resolution no. 2714 dated 30.10.2018 approved adoption of Chaitanya Godavari Grameena Bank (Employees') Pension Regulations, 2018.

Contributions to the recognized provident fund and/or National Pension Scheme (NPS) shall be made in terms of the said pension regulations.

The accounting shall be made as per the extant guidelines applicable there for, as communicated by GoI/NABARD/Sponsor Bank from time to time.

(ii) Defined Benefit Plans

Employees' gratuity, pension and leave encashment are defined benefit plans

a. Gratuity:

Bank has formulated a trust and the trustees have obtained a Group Gratuity policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees.

The present value of the Bank's obligations under Gratuity is recognized on the basis of an actuarial valuation as at the year end and the fair value of the Plan Assets is reduced from the gross obligations to recognize the obligation on a net basis.

As per the actuarial valuation given by LIC, the Bank shall make payment to the LIC. The trust shall also make investments with other companies towards gratuity.

b. Pension:

Government of India issued notification on CGGB (Employees') Pension Regulations, 2018 in its official gazette on 12.12.2018 and accordingly "CGGB (Employees') Pension Fund" is constituted by the Bank.

The contribution to the pension fund shall be in terms of the aforesaid regulations. Pension Fund is maintained with LIC of India only.

The accounting shall be made as per the extant guidelines applicable there for, as communicated by GoI/NABARD/Sponsor Bank from time to time.

c. Leave Encashment:

- i. Encashment of Earned Leaves during the tenure of service on account of LFC/LTC is charged to Profit & Loss Account as and when it arises.
- ii. Towards encashment of earned leave at the time of retirement etc., Bank is maintaining a fund with LIC of India which makes actuarial valuation and accordingly amounts are invested in the fund every year. Funds are invested under Group Leave Encashment Scheme (GLES) with other companies also.



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9. Accounting Standard 17: Segment Reporting

In terms of the compliance to the accounting standard, bank has adopted the following:

- i. The business segment is considered as the only reporting format.
- ii. The business segments will be Retail Banking and Treasury only.
- iii. The allocation of expenditure among the segments will be made on a reasonable and consistent basis.

10. Accounting Standard 22: Accounting For Taxes On Income

The standard is applied in accounting for taxes on income. This includes the determination of the amount of the expenses or saving related to taxes on income in determination of the amount period and the disclosure of such an amount in the financial statement. This accounting standard provides for creation of either a 'Deferred Tax Asset (DTA)' or a 'Deferred Tax Liability (DTL)' in the books of accounts of the bank.

11. Taxes On Income:

1. Income tax expenses is the aggregate amount of
 - a. current tax provision and
 - b. deferred tax charge
2. Current tax provision is the amount of tax for the period which is determined in accordance with the provisions of Income Tax Act, 1961 and the rules made there under.
3. Deferred tax charge is determined in accordance with the provisions of Income Tax Act, 1961 and as per Accounting Standard 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India and is the net change in the deferred tax asset or liability during the year. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of earlier years.
4. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.
5. Deferred tax assets are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.
6. Deferred tax assets are recognized and reassessed at each reporting date, based upon the management's judgement as to whether realization is considered as reasonably/virtually certain.

12. Accounting Standard 25: Interim Financial Reporting

There shall be a quarterly review by Statutory Central Auditors (SCA) for the period ended 30th June, 30th September and 31st December. Such exercise of quarterly review shall be made with major thrust on the verification of income and expenditure items and not on balance sheet items except to the extent that such items have an impact on the income and expenditure of the bank.



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13. Provisions & Contingent Liabilities:

- 1) In conformity with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” issued by the Institute of Chartered Accountants of India, the Bank shall recognize provisions only when:
 - a. it has a present obligation as a result of a past event.
 - b. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
 - c. when a reliable estimate of the amount of the obligation can be made.
- 2) No provision is recognized for:
 - a. any possible obligation that arises from past events and the 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; or
 - b. any present obligation that arises from past events but is not recognized because
 - i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - ii. 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.
- 3) All unclaimed liabilities, where amount due has been transferred to Depositor Education and Awareness Fund Scheme [DEAF] of RBI, are reflected as “Contingent Liability – Others, items for which the bank is contingently liable” under Schedule 12 of the annual financial statements.
- 4) Contingent Assets are not recognized in the financial statements.

14. Net Profit:

The Net Profit disclosed in the Profit and Loss Account is after__

- a. Provision on standard assets
- b. Provision on loan losses
- c. Provision for non-performing investments
- d. Provision for depreciation on investments
- e. Provision for taxation
- f. Other usual and necessary provisions



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15. Cash Flow Statement:

Cash Flow statement of the Bank is prepared as per AS - 3. Cash Flow statement is mainly classified as:

15.1 Cash Flow from operating activities: This activity includes cash flow generated from operational activities.

15.2 Cash Flow from investing activities: This activity includes cash flow generated by investments.

15.3 Cash Flow from financial activities: This activity includes cash flow generated from financial instruments.

**As per our report of even date
For N G RAO & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm's Registration No: 009399S

(CA Parsa Kiran)

Partner

Membership No: 220629

UDIN: 23220629BGXFFV3313

BOARD OF DIRECTORS

T Kameswara Rao

Chairman

Rajesh M Deshmukh

Nominee Director,
RBI

B Swati

Nominee Director,
NABARD

A Ravi Kumar

Nominee Director,
Union Bank of India

S Srinivas

Nominee Director,
Union Bank of India

Place : Guntur

Date : 24th April, 2023



CHAITANYA GODAVARI GRAMEENA BANK

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Sponsored by Union Bank of India

HEAD OFFICE :: GUNTUR

SCHEDULE 18

DISCLOSURE TO FINANCIAL STATEMENTS – NOTES TO ACCOUNTS

{ Prepared in accordance with RBI's Master Direction No. DOR.ACC.REC.No.46/21.04.018/2021-22 [RBI/DOR/2021-22/83] dated 30.08.2021 (as updated on 20.02.2023) – Reserve Bank of India (Financial Statements – Presentation and Disclosures) Directions, 2021 }

1. Regulatory Capital

(a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	987.59	756.47
ii)	Additional Tier 1 capital/ Other Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	987.59	756.47
iv)	Tier 2 capital	66.86	65.56
v)	Total capital (Tier 1+Tier 2)	1054.45	822.03
vi)	Total Risk Weighted Assets (RWAs)	7256.76	6010.12
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	13.61	12.59
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.61	12.59
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.92	1.09
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	14.53	13.68
xi)	Leverage Ratio	N.A.	N.A.
xii)	Percentage of the shareholding of		
	(a) Government of India	50.00	50.00
	(b) State Government – <i>Government of Andhra Pradesh</i>	15.00	15.00
	(c) Sponsor Bank – <i>Union Bank of India</i>	35.00	35.00
xiii)	Amount of paid-up equity capital raised during the year	-	-
xiv)	Amount of non-equity Tier 1 capital raised during the year	-	-
xv)	Amount of Tier 2 capital raised during the year	-	-



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(b) **Draw down from Reserves:** Bank has not drawn any amount from Reserves during the current financial year 2022-23.

2. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at 31.03.2023

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	over 2 months and upto 3 months	over 3 months and upto 6 months	over 6 months and upto 1 year	over 1 year and upto 3 years	over 3 years and upto 5 years	Over 5 years	Total
Deposits	70.06	65.62	74.62	127.08	457.12	291.38	771.70	2412.27	4219.62	30.51	38.80	8558.78
Advances	457.83	39.61	35.76	126.38	372.96	553.88	1480.64	2733.42	469.56	2468.18	1085.21	9823.43
Investments	10.00	0.00	41.80	0.00	49.21	0.00	0.00	0.00	0.00	40.41	1522.61	1664.03
Borrowings	0.00	0.00	0.00	0.00	0.00	95.01	772.25	1651.77	556.97	558.69	125.25	3759.94
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-

As at 31.03.2022

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	over 2 months and upto 3 months	over 3 months and upto 6 months	over 6 months and upto 1 year	over 1 year and upto 3 years	over 3 years and upto 5 years	Over 5 years	Total
Deposits	107.33	30.90	174.50	103.33	312.93	244.49	1002.88	2170.55	3068.22	30.90	40.83	7286.86
Advances	464.93	144.20	641.78	24.60	27.17	101.98	1327.17	2031.86	446.56	2166.20	716.89	8093.34
Investments	0.00	0.00	0.00	5.00	47.43	0.00	9.96	70.00	156.37	84.48	1057.84	1431.08
Borrowings	0.00	0.00	0.00	0.00	0.00	225.18	454.78	1200.36	889.98	276.28	0.00	3046.58
Foreign Currency assets	-	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-	-	-	-



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3. Investments

(a) Composition of Investment Portfolio

As at 31.03.2023

(Amount in ₹ crore)

	Investments in India						Investments outside India					Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	1481.81	0.00	0.00	0.00	0.00	0.00	1481.81	0.00	0.00	0.00	0.00	1481.81
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	1481.81	0.00	0.00	0.00	0.00	0.00	1481.81	0.00	0.00	0.00	0.00	1481.81
Available for Sale												
Gross	103.67	0.00	0.00	78.55	0.00	0.00	182.22	0.00	0.00	0.00	0.00	182.22
Less: Provision for depreciation and NPI	0.00	0.00	0.00	10.08	0.00	0.00	10.08	0.00	0.00	0.00	0.00	10.08
Net	103.67	0.00	0.00	68.47	0.00	0.00	172.14	0.00	0.00	0.00	0.00	172.14
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	1585.48	0.00	0.00	78.55	0.00	0.00	1664.03	0.00	0.00	0.00	0.00	1664.03
Less: Provision for non- performing investments	0.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
Less: Provision for depreciation (MTM losses)	0.00	0.00	0.00	0.08	0.00	0.00	0.08	0.00	0.00	0.00	0.00	0.08
Net	1585.48	0.00	0.00	68.47	0.00	0.00	1653.95	0.00	0.00	0.00	0.00	1653.95



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As at 31.03.2022

(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	1260.40	0.00	0.00	0.00	0.00	0.00	1260.40	0.00	0.00	0.00	0.00	1260.40
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	1260.40	0.00	0.00	0.00	0.00	0.00	1260.40	0.00	0.00	0.00	0.00	1260.40
Available for Sale												
Gross	115.38	0.00	0.00	55.30	0.00	0.00	170.68	0.00	0.00	0.00	0.00	170.68
Less: Provision for depreciation and NPI	0.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
Net	115.38	0.00	0.00	45.30	0.00	0.00	160.68	0.00	0.00	0.00	0.00	160.68
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	1375.78	0.00	0.00	55.30	0.00	0.00	1431.08	0.00	0.00	0.00	0.00	1431.08
Less: Provision for non- performing investments	0.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
Less: Provision for depreciation (MTM losses)	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	1375.78	0.00	0.00	45.30	0.00	0.00	1421.08	0.00	0.00	0.00	0.00	1421.08



CHAITANYA GODAVARI GRAMEENA BANK

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

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	10.00	25.22
b) Add: Provisions made during the year	0.08	0.00
c) Less: write off/write back of excess provisions during the year	0.00	15.22
d) Closing balance	10.08	10.00
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	11.80	11.80
b) Add: Amount transferred during the year	0.00	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	11.80	11.80
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/current category	6.48	6.91

(c) Sale and transfers to/from HTM category

There is no direct sale of securities from HTM category during the current year (Amount in ₹ crore)

	Current Year	Previous Year
The one-time transfer of securities to/from HTM category with the approval of Board of Directors undertaken by banks at the beginning of the accounting year	200.45	390.32
Direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirements by RBI	Nil	Nil
Sales to the Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government Securities Acquisition Programme (GSAP)	Nil	Nil
Repurchase of Government Securities by Government of India from banks under buyback/switch operations	Nil	Nil
Repurchase of State Development Loans by respective state governments under buyback/switch operations	Nil	Nil
Additional shifting of securities explicitly permitted by the Reserve Bank of India	Nil	Nil



CHAITANYA GODAVARI GRAMEENA BANK

(d) Non –SLR investment portfolio

(i) Non-performing non-SLR investments

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening balance	10.00	10.00
b)	Additions during the year since 1 st April	0.00	0.00
c)	Reductions during the above period	0.00	0.00
d)	Closing balance	10.00	10.00
e)	Total provisions held	10.00	10.00

(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	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	PSUs	21.50	21.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	1.80	1.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	Banks	55.25	32.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	Private Corporates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Less : Provision held towards depreciation (MTM losses)	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	78.47 [#]	55.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total before item (g) stood at ₹ 78.55 crore and tallies with corresponding figures in Schedule 8



CHAITANYA GODAVARI GRAMEENA BANK

**(e) Repo transactions (in face value terms)
As at 31.03.2023**

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31 st
i) Securities sold under repo				
a) Government securities	0.00	0.00	0.00	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	75.00	925.00	241.45	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00

* Transactions in Standing Deposit Facility (SDF) of RBI are excluded from the above disclosure

As at 31.03.2022

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31 st
i) Securities sold under repo				
a) Government securities	0.00	0.00	0.00	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	1.00	560.00	176.66	475.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00



CHAITANYA GODAVARI GRAMEENA BANK

4. Asset Quality

(a) Classification of advances and provisions held

As at 31.03.2023

(Amount in ₹ lakh)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	802613.25	3077.78	3266.08	377.32	6721.18	809334.43
Add: Additions during the year					2335.67	2335.67
Less: Reductions during the year*					3348.22	3348.22
Closing balance	976633.96	2290.07	2950.81	467.75	5708.63	982342.59
*Reductions in Gross NPAs due to:					3348.22	3348.22
i) Upgradation					586.07	586.07
ii) Recoveries (excluding recoveries from upgraded accounts)					1725.73	1725.73
iii) Technical/Prudential Write-offs					1036.42	1036.42
iv) Write-offs other than those under (iii) above					0.00	0.00
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	2200.00	3077.88	3266.08	377.32	8647.69	10847.69
Add: Fresh provisions made during the year					0.00	0.00
Less: Excess provision reversed / Write-off loans					1319.90	1319.90
Closing balance of provisions held	2636.84	2290.07	2950.81	467.75	7327.79*	9964.63 [#]
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	0.00



CHAITANYA GODAVARI GRAMEENA BANK

(Amount in ₹ lakh)

	Standard	Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
Floating Provisions					
Opening Balance					1250.00
Add: Additional provisions made during the year					0.00
Less: Amount drawn down during the year					0.00
Closing balance of floating provisions					1250.00
Technical write-offs and the recoveries made thereon					
Opening balance of Technical/Prudential written-off accounts					2518.91
Add: Technical/Prudential write-offs during the year					1036.42
Less: Recoveries made from previously technical/prudential written-off accounts during the year					158.67
Closing balance					3396.66

* ₹ 1619.16 lakh of excess provision (over and above PCR at 100%) is retained for considering as Tier – II capital under General Reserves & Provisions for March 2023

Fresh provision of ₹ 436.84 lakh towards Standard Assets is made during FY 2023. Thus the said provision increased from ₹ 2200.00 lakh to ₹ 2636.84 lakh as on March 2023. The breakup for Closing Provision of ₹ 9964.63 lakh is as under:

Provision for Standard Assets	- ₹ 2636.84 lakh
Provision for NPAs	- ₹ 5708.63 lakh
Excess Provision for NPAs as cited above	- ₹ 1619.16 lakh
Total	- ₹ 9964.63 lakh



CHAITANYA GODAVARI GRAMEENA BANK

As at 31.03.2022

(Amount in ₹ lakh)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	680863.65	2921.84	3583.34	364.06	6869.24	687732.89
Add: Additions during the year					3260.10	3260.10
Less: Reductions during the year*					3408.16	3408.16
Closing balance	802613.25	3077.78	3266.08	377.32	6721.18	809334.43
*Reductions in Gross NPAs due to:					3408.16	3408.16
i) Upgradation					819.29	819.29
ii) Recoveries (excluding recoveries from upgraded accounts)					1934.75	1934.75
iii) Technical/Prudential Write-offs					654.12	654.12
iv) Write-offs other than those under (iii) above					0.00	0.00
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	1850.00	2921.84	3584.10	364.06	6870.00	8720.00
Add: Fresh provisions made during the year					2690.00	2690.00
Less: Excess provision reversed/ Write-off loans					912.31	912.31
Closing balance of provisions held	2200.00	3077.88	3266.08	377.32	8647.69*	10847.69 [#]
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	0.00



CHAITANYA GODAVARI GRAMEENA BANK

(Amount in ₹ lakh)

	Standard	Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
Floating Provisions					
Opening Balance					1250.00
Add: Additional provisions made during the year					0.00
Less: Amount drawn down during the year					0.00
Closing balance of floating provisions					1250.00
Technical write-offs and the recoveries made thereon					
Opening balance of Technical/Prudential written-off accounts					1945.90
Add: Technical/Prudential write-offs during the year					654.12
Less: Recoveries made from previously technical/prudential written-off accounts during the year					81.11
Closing balance					2518.91

* ₹ 1926.51 lakh of excess provision (over and above PCR at 100%) is retained for considering as Tier – II capital under General Reserves & Provisions for March 2022

Fresh provision of ₹ 350.00 lakh towards Standard Assets is made during FY 2022. Thus the said provision increased from ₹ 1850.00 lakh to ₹ 2200.00 lakh as on March 2022. The breakup for Closing Provision of ₹ 10847.69 lakh is as under:

Provision for Standard Assets	-	₹ 2200.00 lakh
Provision for NPAs	-	₹ 6721.18 lakh
Excess Provision for NPAs as cited above	-	₹ 1926.51 lakh
Total	-	₹ 10847.69 lakh



CHAITANYA GODAVARI GRAMEENA BANK

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	0.63	0.91
Net NPA to Net Advances	0.00	0.00
Provision coverage ratio	100.00	100.00

(b) Sector-wise Advances and Gross NPAs

(Amount in ₹ crore)

Sr. 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
i)	Priority Sector						
	a) Agriculture and allied activities	5195.08	35.51	0.68	4199.08	40.64	0.97
	b) Advances to industries sector eligible as priority sector lending	5.93	0.14	2.36	5.21	0.10	1.92
	c) Services	105.15	9.49	9.03	135.02	14.20	10.52
	d) Personal loans	2992.08	6.87	0.23	2547.29	6.96	0.27
	Subtotal (i)	8298.24	52.01	0.63	6886.60	61.90	0.90
ii)	Non-priority Sector						
	a) Agriculture and allied activities	-	-	-	-	-	-
	b) Industry	-	-	-	-	-	-
	c) Services	-	-	-	-	-	-
	d) Personal loans	725.19	5.08	0.70	506.74	5.31	1.05
	Sub-total (ii)	725.19	5.08	0.70	506.74	5.31	1.05
	Total (i + ii)	9023.43	57.09	0.63	7393.34	67.21	0.91

Sub sectors where the outstanding advance exceeds 10% of the outstanding total advances to that sector for the FY 2021-22 are

: NIL

Sub sectors where the outstanding advance exceeds 10% of the outstanding total advances to that sector for the FY 2022-23 are

: NIL



CHAITANYA GODAVARI GRAMEENA BANK

c) Particulars of resolution plan and restructuring
(i) Details of accounts subjected to restructuring

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard	Number of borrowers	22433	59624	0	0	6137	11426	1942	2383	30512	73433
	Gross Amount (₹ crore)	935.36	2197.57	0.00	0.00	146.63	291.97	144.96	183.73	1226.95	2673.26
	Provision held (₹ crore)	0.79	4.71	0.00	0.00	0.62	1.30	3.40	6.95	4.81	12.96
Sub-standard	Number of borrowers	480	208	0	0	452	1705	31	56	963	1969
	Gross Amount (₹ crore)	6.28	2.20	0.00	0.00	1.48	7.96	2.05	3.68	9.81	13.84
	Provision held (₹ crore)	6.28	2.20	0.00	0.00	1.48	7.96	2.05	3.68	9.81	13.84
Doubtful	Number of borrowers	166	60	0	0	1111	245	28	19	1305	324
	Gross Amount (₹ crore)	1.86	0.89	0.00	0.00	5.45	0.97	2.34	1.48	9.65	3.34
	Provision held (₹ crore)	1.86	0.89	0.00	0.00	5.45	0.97	2.34	1.48	9.65	3.34
Total	Number of borrowers	23079	59892	0	0	7700	13376	2001	2458	32780	75726
	Gross Amount (₹ crore)	943.50	2200.66	0.00	0.00	153.56	300.90	149.35	188.89	1246.41	2690.44
	Provision held (₹ crore)	8.93	7.80	0.00	0.00	7.55	10.23	7.79	12.11	24.27	30.14

There are no accounts in respect of which applications for restructuring are under process, but the restructuring packages have not yet been approved.



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(d) Fraud accounts

Disclosure on the number and amount of frauds as well as the provisioning thereon is given below :

	Current year	Previous year
Number of frauds reported	3	4
Amount involved in fraud (₹ crore)	1.43 [@]	1.07
Amount of provision made for such frauds (₹ crore)	0.98 [#]	1.07 [*]
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	0.00	0.00

@ Out of the above, ₹ 0.45 crore was recovered.

Out of the above, loan accounts of ₹ 0.57 crore were treated as loss assets and 100% provision was made there for

* Out of the above, loan accounts of ₹ 0.15 crore were treated as loss assets and 100% provision was made there for

(e) Disclosure under Resolution Framework for COVID-19 related Stress

As on March 31, 2023

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half - year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	0.47	0.06	0.00	0.17	0.27
Corporate persons	0	0	0	0	0
<i>Of which MSMEs</i>	0	0	0	0	0
Others	1788.02	6.31	0.02	635.42	1226.68
Total	1788.49	6.37	0.02	635.59	1226.95



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As on September 30, 2022

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half - year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	0.69	0.03	0	0.49	0.47
Corporate persons	0	0	0	0	0
<i>Of which MSMEs</i>	0	0	0	0	0
Others	2672.57	9.96	0	2083.41	1788.02
Total	2673.26	9.99	0	2083.90	1788.49

As on March 31, 2022

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half - year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	0.97	0.01	0.00	0.33	0.69
Corporate persons	0.00	0.00	0.00	0.00	0.00
<i>Of which MSMEs</i>	0.00	0.00	0.00	0.00	0.00
Others	2493.53	3.35	0.03	891.98	2672.57
Total	2494.50	3.36	0.03	892.31	2673.26



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As on September 30, 2021

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half - year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	1.55	0.16	0.00	0.53	0.97
Corporate persons	0.00	0.00	0.00	0.00	0.00
<i>Of which MSMEs</i>	0.00	0.00	0.00	0.00	0.00
Others	2421.75	29.21	0.00	1061.41	2493.53
Total	2423.30	29.37	0.00	1061.94	2494.50



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5. Exposures

(a) Exposure to real estate sector

(Amount in ₹ crore)

Category	Current year	Previous Year
i) Direct exposure		
a) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	362.18	334.67
Individual housing loans eligible for inclusion in priority sector advances. (Exposure also includes non-fund based (NFB) limits)	330.33	304.61
b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). [Exposure also includes non-fund based (NFB) limits;]	23.05	27.05
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	NIL	NIL
ii. Commercial Real Estate	NIL	NIL
ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
Total Exposure to Real Estate Sector	715.56	666.33



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(b) Exposure to capital market:

The bank has no exposure to capital market in both the current and previous years

(c) Risk category-wise country exposure:

The bank has no exposure to country risk in both the current and previous years

(d) Unsecured advances

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	239.16	130.76
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) Intra-group exposures: NIL

(f) Unhedged foreign currency exposure: NIL

6. Concentration of deposits, advances, exposures and NPAs

(a) Concentration of deposits

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total deposits of the twenty largest depositors	1437.74	976.47
Percentage of deposits of twenty largest depositors to total deposits of the bank	16.80	13.40

(b) Concentration of advances

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total advances to the twenty largest borrowers	97.44	49.99
Percentage of advances to twenty largest borrowers to total advances of the bank	0.99	0.62

(c) Concentration of exposures

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total exposure to the twenty largest borrowers/customers	160.90	94.43
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	1.62	1.16



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(d) Concentration of NPAs

(Amount in ₹ crore)

	Current year	Previous Year
Total Exposure to the top twenty NPA accounts	5.43	4.39
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	9.51	6.53

7. Derivatives:

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

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

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	17.59	16.56
ii)	Add: Amounts transferred to DEA Fund during the year	1.13	1.39
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.13	0.36
iv)	Closing balance of amounts transferred to DEA Fund	18.59	17.59

9. Disclosure of complaints

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

Sr No	Particulars	Previous Year	Current Year
Complaints received by the bank from its customers			
1.	Number of complaints pending at beginning of the year	5	12
2.	Number of complaints received during the year	1481	690
3.	Number of complaints disposed during the year	1474	686
	3.1 Of which, number of complaints rejected by the bank	0	0
4.	Number of complaints pending at the end of the year	12	16
Maintainable complaints received by the bank from Office of Ombudsman			
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	25	22
	5.1 Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	25	21
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	1
	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



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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1	11	648	(-)55.37	3	0
Ground - 2	0	4	33.33	1	1
Ground - 3	0	41	46.43	10	3
Ground - 4	0	5	(-)28.57	1	0
Ground - 5	0	1	0.00	0	0
Others	1	13	(-)13.33	1	0
Total	12	712	(-)52.72	16	4
Previous Year					
Ground - 1	5	1452	(-)45.43	11	6
Ground - 2	0	3	-	0	0
Ground - 3	0	28	21.74	0	0
Ground - 4	0	7	-	0	0
Ground - 5	0	1	(-)66.67	0	0
Others	0	15	-	1	0
Total	5	1506	(-)44.01	12	6

Ground 1 : ATM / Debit Cards

Ground 2 : Internet / Mobile / Electronic Banking

Ground 3 : Loans and advances

Ground 4 : Staff behaviour

Ground 5 : Levy of charges without prior notice / excessive charges / foreclosure charges

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

During the financial year ended with 31st March 2023, no penalty has been imposed by RBI



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11. Related Party Disclosures:

- a. Our Bank is an Associate for Union Bank of India. Accordingly, Union Bank of India is a related party.
- b. Salaries and Allowances paid to the officers on deputation from Union Bank of India (i.e. our Sponsor Bank) are charged to the Profit & Loss account of the Bank.
- c. The Bank is having transactions with Union Bank of India, but details are not given under this head as Accounting Standard 18 on 'Related Party Disclosures' exempts the Bank from disclosing the transactions with Other State Controlled Enterprises.

Particulars of Managerial Remuneration:

(₹ Lakh)

Particulars	Current year	Previous Year
Mr. T Kameswara Rao, Chairman (Deputy General Manager, on deputation from Union Bank of India)	25.18	23.09

12. Accounting Standard 17 – Segment Reporting

Part A: Business Segments

(Amount in ₹ crore)

Business Segments →	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Business		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	122.50	113.55	-	-	1079.23	909.03	-	-	1201.73	1022.58
Result	32.34	25.16	-	-	285.00	201.45	-	-	317.33	226.61
Unallocated expenses										-
Operating profit									320.73	268.38
Income taxes									84.99	64.27
Extraordinary profit / loss	-	-	-	-	-	-	-	-	-	-
Net profit									232.34	162.34
Other information:										
Segment assets	1664.03	1431.08	-	-	8966.34	7326.13	-	-	10630.37	8757.21
Unallocated assets									2932.05	2592.77
Total assets									13562.42	11349.98
Segment liabilities	-	-	-	-	12318.71	10333.44	-	-	12318.71	10333.44
Unallocated liabilities									1243.71	1016.54
Total liabilities									13562.42	11349.98

Part B: Geographic Segment

There is only one segment, i.e. Domestic segment



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13. CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

(₹ '000)

S. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
A	Cash Flow from Operating Activities		
	Net profit before tax	3139456	1848483
	Adjustments for:		
	Depreciation on Fixed Assets	99798	137056
	Provision for Investments	0	0
	Provision for Non-Performing Assets	0	262480
	Provision for Standard Assets	43684	35000
	Provision for staff related expenditures	87700	-21010
	Provision for other items (Net)	-97462	141206
	(Profit)/Loss on Sale or Disposal of Fixed Assets	-949	-185
	Interest on Borrowings: Capital Instruments	0	0
	Dividend received from investments	0	0
	Sub total	132771	554547
	Adjustments for:		
	Increase/(Decrease) in Deposits	12719171	7471914
	Increase/(Decrease) in Borrowings	7133592	7659727
	Increase/(Decrease) in Other Liabilities and provisions	-51801	168207
	(Increase)/Decrease in Investments	-2329522	2535011
	(Increase)/Decrease in Advances	-16402071	-11175036
	(Increase)/Decrease in Other Assets	1445654	-460839
	Direct Taxes paid (Net of Refund)	-849945	-642767
	Sub total	1665078	5556217
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)	4937305	7959247



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13. CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2023 (Contd.)

(₹ '000)

S. No.	Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
B	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	-109580	-68571
	Proceeds from sale/Adjustment of Fixed Asset	1528	548
	(Increase)/Decrease in investment in subsidiary	0	0
	Sale of stake in subsidiary	0	0
	Dividend received from investments	0	0
	NET CASH FLOW FROM INVESTING ACTIVITIES (B)	-108052	-68023
C	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from issue of Equity share capital including Share Premium (Net)	0	0
	Proceeds from issue of Capital Instruments	0	0
	Repayments of Capital Instruments	0	0
	(Decrease)/Increase in Borrowings other than capital instruments	0	0
	Interest paid on Borrowings: Capital Instruments	0	0
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	0	0
	Net increase/(Decrease) in Cash Flow during the period (A)+(B)+(C)	4829253	7891224
	Cash & Cash Equivalents at the beginning of the year	20947362	13056138
	Cash & Cash equivalents at the end of the year	25776615	20947362
	Net Increase/(Decrease) in Cash & Cash Equivalents during the period	4829253	7891224
	Components of Cash & Cash Equivalents		
D	Cash & Cash Equivalents	1069928	917051
	Cash and Balances with RBI	3523638	2223319
	Balances with Banks and Money at call	16353796	9915768
	Net cash and cash equivalents at the beginning of the year	20947362	13056138
E	Cash & Cash equivalents	1034870	1069928
	Cash and Balances with RBI	5162653	3523638
	Balances with Banks and Money at call	19579092	16353796
	Net cash and cash equivalents at the end of the year	25776615	20947362



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14. Other Disclosures

(a) Business ratios

Sl.No.	Particulars	Current Year	Previous Year
i)	Interest Income as a percentage to Working Funds	8.08	8.23
ii)	Non-interest income as a percentage to Working Funds	1.22	1.17
iii)	Cost of Deposits	5.28	5.30
iv)	Net Interest Margin	3.49	3.72
v)	Operating Profit as a percentage to Working Funds	2.48	2.47
vi)	Return on Assets	1.80	1.49
vii)	Business (deposits plus advances) per employee (in ₹ crore)	13.50	12.56
viii)	Profit per employee (in ₹ crore)	0.18	0.14

(b) Bancassurance business

The details of commission earned in respect of insurance agency business undertaken by the bank are disclosed hereunder:

(Amount in ₹ lakh)

Current Year	Previous Year
202.25	149.23

(c) Marketing and Distribution

No fee/remuneration is received by the bank in respect of the marketing and distribution function

(d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Sales during FY2023:

Sl.No.	Category	Face Value (₹ Lakh)	Premium Rate(%)	Premium Received (₹ Lakh)
1	PSLCSM (PSLC-SF&MF)	50000.00	2.51	1255.00
2	PSLCSM (PSLC-SF&MF)	40000.00	2.51	1004.00
3	PSLCA (PSLC-Agri)	20000.00	1.20	240.00
4	PSLCA (PSLC-Agri)	20000.00	1.10	220.00
5	PSLCA (PSLC-Agri)	50000.00	1.00	500.00
6	PSLCSM (PSLC-SF&MF)	20000.00	1.78	356.00
7	PSLCSM (PSLC-SF&MF)	20000.00	2.00	400.00
8	PSLCSM (PSLC-SF&MF)	20000.00	2.00	400.00
9	PSLCSM (PSLC-SF& MF)	11250.00	0.50	56.25
10	PSLCSM (PSLC-SF& MF)	18750.00	0.48	90.00
	TOTAL	270000.00		4521.25



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Purchases during FY2023:

Sl.No.	Category	Face Value (₹ Lakh)	Premium Rate(%)	Premium Paid (₹ Lakh)
1	PSLCG (PSLC-General)	20000.00	0.29	58.00
2	PSLCG (PSLC-General)	10000.00	0.18	18.00
3	PSLCG (PSLC-General)	10000.00	0.18	18.00
4	PSLCG (PSLC-General)	45000.00	0.15	67.50
5	PSLCG (PSLC-General)	15000.00	0.15	22.50
6	PSLCG (PSLC-General)	10000.00	0.01	1.00
7	PSLCME (PSLC-Micro Enterprises)	10000.00	0.42	42.00
8	PSLCG (PSLC-General)	10000.00	0.05	5.00
9	PSLCME (PSLC-Micro Enterprises)	10000.00	0.01	1.00
10	PSLCME (PSLC-Micro Enterprises)	10000.00	0.01	1.00
11	PSLCME (PSLC-Micro Enterprises)	10000.00	0.01	1.00
	TOTAL	160000.00		235.00

(e) Provisions and contingencies

(Amount in ₹ crore)

Sl.No.	Provision debited to Profit and Loss Account	Current Year	Previous Year
i)	Provisions for NPI	0.00	0.00
ii)	Provision towards NPA	0.00	26.25
iii)	Provision made towards Income tax	86.22	64.27
	(-) less Deferred Tax Asset	1.23	64.27
	Current Year Tax	84.99	0.00
iv)	Other Provisions and Contingencies		
	a. Standard Assets	4.37	3.50
	b. Covid regulatory package	(-)8.30	12.96
	c. Pay revision arrears	4.87	(-)2.10
	d. MTM losses	0.08	(-)0.99
	e. Erosion in assets etc.	(-)1.24	1.43
	f. Frauds	(-)0.25	0.54
	g. Resolution framework_2.0	(-)0.04	0.18
	h. PLI	3.90	0.00
	Total	3.39	15.52
	Total (i,ii,iii and iv)	88.38	106.04



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(f) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	9.75	8.81
ii)	Arrears in payment of DICGC premium	0.00	0.00

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

The revision in family pension consequent to the 11th Bipartite Settlement and Joint Note dated 11.11.2020 is extended to the RRB employees and officers.

Central government had accorded its approval for payment of family pension in respect of RRBs at a uniform rate of 30% of pay of the deceased employees of RRBs, without any ceiling on family pension, effective from 01.04.2021, vide its order dated 28.12.2022.

Our Board approved adoption of the same in its Board meeting dated 13.01.2023.

The Pension Fund maintained with LIC of India is adequate to take care of the increased family pension liability. Hence there is no amount of unamortised expenditure, on account of enhancement in family pension of employees and officers of our Bank, as on 31.03.2023.

h) Pension Fund – Amortization:

Pension Fund for payment of pension to employees in terms of the CGGB (Employees’) Pension Regulations, 2018 (as notified in the official gazette by Government of India on 12.12.2018) was created and ₹ 14817.00 lakh was provided for, in ‘Schedule 11 – Other Assets’ of the Balance Sheet as on 31.03.2019.

The said pension liability was to be amortized in a period of five years in accordance with the guidelines issued by NABARD. Accordingly, the amortization is completed as at the end of the financial year 2022-23.

i) Particulars of items under the subhead “Miscellaneous income” under the head “Schedule 14 – Other Income” that exceeds one percent of total income:

Total Income: ₹ 120172.58 lakh

1% of Total Income: ₹ 1201.72 lakh



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Items in excess of ₹ 1201.72 lakh are disclosed hereunder:

Sr. No.	Particulars	Amount (₹ lakh)
1	Fee income from PSLC	4521.25
2	Appraising charges	2359.36
3	Processing charges	3962.76
	Total	10843.37

j) Particulars of items under the subhead “Other expenditure” under the head “Schedule 16 – Operating expenses” that exceeds one percent of total income:

Total Income: ₹ 120172.58 lakh

1% of Total Income: ₹ 1201.72 lakh

Items in excess of ₹ 1201.72 lakh are NIL

k) Particulars of items under the subhead “Others (including provisions)” under the head “Schedule 5 – Other Liabilities and Provisions” that exceeds one percent of total assets:

Total Assets: ₹ 1356242.44 lakh

1% of Total Assets: ₹ 13562.42 lakh

Items in excess of ₹ 13562.42 lakh are NIL

l) Particulars of items under the subhead “Others” under the head “Schedule 11 – Other Assets” that exceeds one percent of total assets:

Total Assets: ₹ 1356242.44 lakh

1% of Total Assets: ₹ 13562.42 lakh

Items in excess of ₹ 13562.42 lakh are NIL



CHAITANYA GODAVARI GRAMEENA BANK

As per our report of even date
For N G RAO & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm's Registration No: 009399S

(CA Parsa Kiran)

Partner

Membership No: 220629

UDIN: 23220629BGXFFV3313

BOARD OF DIRECTORS

T Kameswara Rao

Chairman

Rajesh M Deshmukh

Nominee Director,
RBI

B Swati

Nominee Director,
NABARD

A Ravi Kumar

Nominee Director,
Union Bank of India

S Srinivas

Nominee Director,
Union Bank of India

Place : Guntur

Date : 24th April, 2023