



CHAITANYA GODAVARI GRAMEENA BANK

(A Govt. undertaking sponsored by Union Bank of India)

చైతన్య గోదావరి గ్రామీణ బేంక్
చైతన్య గోదావరి గ్రామీణ బ్యాంక్

19th

ANNUAL REPORT
== 2023-24 ==





CHAITANYA GODAVARI GRAMEENA BANK

BOARD OF DIRECTORS



Shri T KAMESWARA RAO
CHAIRMAN



Central Government
Nominee Director - I



Central Government
Nominee Director - II



Shri Rajesh M Deshmukh
Assistant General Manager,
AP-RO Reserve Bank of India,
Hyderabad



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



Shri A Ravi Kumar
Dy.General Manager
Union Bank of India Zonal
Office, Hyderabad



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 K. PRAMOD KUMAR REDDY

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 RAMASUBRAMANIAN S.

EXECUTIVE DIRECTOR , UBI



SHRI SANJAY RUDRA

EXECUTIVE DIRECTOR , UBI



SHRI PANKAJ DWIVEDI

EXECUTIVE DIRECTOR , UBI

STATUTORY AUDITORS FOR 2023-24

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 S P K R & 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 Smita 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 M S K N & Co
Chartered Accountants, Kadapa

M/s S N M R & Associates
Chartered Accountants, Tadepalligudem

M/s MASB & Associates
Chartered Accountants, Vijayawada

M/s T Nehru & Co
Chartered Accountants, Vijayawada

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
Ministry of Finance
Department of Financial Services
Banking Division, 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 2023 to 31st March 2024.

A copy of the Audited Balance sheet and Profit and Loss Account for the year ended 31st March 2024.

A copy of the Auditor's report in relation to the Bank's accounts for the period 1st April 2023 to 31st March 2024.

Yours Sincerely

Sd/- *K Pramod Kumar Reddy*

Chairman

Place : Guntur

Date : 24.04.2024



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

MISSION

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





BOARD OF DIRECTORS

AS ON 31.03.2024

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 Rajesh M Deshmukh**
Asst. General Manager,
AP-RO, RBI, 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, Union Bank of India
Zonal Office, Hyderabad

: **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 2023-24

- 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 265 branches, 88 ATMs and 227 Business Correspondents
- Business stood at ₹ 21444 crore as on 31st March 2024 registering a growth rate of 22% over the previous year
- Deposits stood at ₹ 10029 crore as on 31st March 2024 registering a growth rate of 17% over the previous year
- Advances stood at ₹ 12415 crore as on 31st March 2024 registering a growth rate of 26% over the previous year. ₹ 1000 crore advances were issued under IBPC during the year FY 2024
- per-branch business of ₹ 81 crore and per-employee business of ₹ 17 crore are indices for Management of the bank
- Gross Non-Performing Assets (NPAs) were pegged at ₹ 77 crore, i.e. 0.68% of Advances and the Net NPAs were reported as NIL with 100% Provision Coverage Ratio
- Operating Profit increased to ₹ 356 crore during FY2024 from ₹ 321 crore during the preceding year, registering growth rate of 11.11%.
- Net Profit after Tax increased to ₹ 252 crore as against ₹ 232 crore during the preceding year, registering growth rate of 8.42%
- Net Worth soared to ₹ 1253 crore at the end of March 2024 from ₹ 1001 crore at the end of March 2023
- Return on Assets (RoA) at 1.60% and Return on Equity (RoE) at 20.11% at the end of FY2024 reflect the financial performance of the bank during FY2024
- Book Value per Share (BVPS) increased to ₹ 1683.01 as on 31st March 2024 from ₹ 1344.51 as on 31st March 2023



K Pramod Kumar Reddy
CHAIRMAN



Chairman's Message



It gives me immense pleasure to present this Annual Report for FY 2023-24 to all the stakeholders of the Bank. I am happy to note that the Regional Rural Banks (RRBs), more or less, have performed well during FY2024, the second year after introduction of 'Operational and Governance Reforms' by DFS for RRBs in July 2022 and implementation of 'Roadmap- FY2025' as a part thereof and our RRB is no exception.

The business growth in FY2024 of our Bank may be considered as exceptional in the recent past of CGGB, with Deposits growth at 17.18%, Advances growth at 26.38% and Aggregate Business growth at 21.96%. In fact, the business growth had been consistent for the past five-year period as evident from the CAGR numbers for the said period: Deposits -17.61%, Advances – 19.37% and Aggregate Business – 18.75%.

Our Bank could post Net NPA as NIL for FY 2024 also, being the fourth consecutive year on this count and it reflects not only sound asset quality management but also good credit portfolio management and well-placed credit review and monitoring mechanism in the Bank.

One of the most notable achievements of CGGB in FY 2024 is technology adoption in a big way and at a faster pace than ever before. The initiatives taken, with proactive guidance and support of our sponsor bank, Union Bank of India, have enabled the Bank to provide enhanced level of customer service amidst stiff competition in the financial ecosystem.

Introduction of Loan Origination System (LOS), new version of Mobile Banking with more features, Internet Banking, Video KYC, WhatsApp Banking, advanced payment solutions like BePG and BBPS and integration with six Account Aggregators during FY 2024 have transformed the digital landscape of our Bank conspicuously.

It is pertinent to mention that reduction in Cost to Income Ratio and Staff Cost to Income Ratio, in comparison to the previous year, are indicative of improved operational efficiency and higher staff productivity of the Bank during the financial year under reference.

I earnestly hope that the customers of CGGB will get much better service way forward at the backdrop of the digital onboarding initiatives taken and may even get connected to the Bank at all times as '24x7 call center' is also enabled during FY 2024.

I am hopeful on the growth path in FY 2025 as envisaged under the Roadmap under various metrics, with the continued support of all the stakeholders of our Bank.

Yours sincerely

K Pramod Kumar Reddy



CHAITANYA GODAVARI GRAMEENA BANK

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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 2024, Profit & Loss account and Cash Flow Statement for the financial year ended 31st March 2024, 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.

The paid-up share capital of the bank as on 31st March 2024 is as under:

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



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Reserves & Surplus

The Net Profit after Tax of ₹ 25191.47 lakh for the year ended 31st March 2024 is appropriated to Reserves & Surplus as under:

₹ 5100.00 lakh is transferred to Statutory Reserves thus fulfilling the statutory minimum requirement of 20%. The rest of the profit, i.e. ₹ 20091.47 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 ₹ 25021.53 lakh during the year from ₹ 19921.53 lakh as on 31st March 2023.

The total reserves and surplus increased to ₹ 124508.62 lakh during the year from ₹ 99317.15 lakh as on 31st March 2023.

Thus, Own funds increased to ₹ 125252.84 lakh during the year from ₹ 100061.37 lakh as on 31st March 2023.

Investment Fluctuation Reserve (IFR) continues to be maintained at ₹ 1180.00 lakh as on 31st March 2024 also.

Network of Branches

During FY 2024, the Bank has opened 3 branches each in Palnadu, Guntur & East Godavari districts, 2 branches each in Bapatla, Kakinada & Dr. B R Ambedkar Konaseema districts and one branch in Eluru District, i.e. total of 16 branches.

The opening of these 16 branches, centre tier-wise is as under:

Tier-I – 3 branches, Tier-II – 2 branches, Tier-III – 1 branch, Tier-IV – 5 branches, Tier-V – 1 branch and Tier-VI – 4 branches

The bank is operating through 265 branches as on 31.03.2024.

The district - wise break up of branches is as under :

| S.No. | District/Category | Rural | Semi-Urban | Urban | Total |
|-------|----------------------------|------------|------------|-----------|------------|
| 1 | Guntur | 26 | 12 | 18 | 56 |
| 2 | Bapatla | 12 | 7 | 1 | 20 |
| 3 | Palnadu | 44 | 24 | 2 | 70 |
| 4 | East Godavari | 10 | 8 | 4 | 22 |
| 5 | Kakinada | 16 | 10 | 3 | 29 |
| 6 | Dr. B R Ambedkar Konaseema | 12 | 11 | 0 | 23 |
| 7 | Eluru | 15 | 8 | 2 | 25 |
| 8 | West Godavari | 12 | 6 | 2 | 20 |
| | Total | 147 | 86 | 32 | 265 |

The bank has 86 ATMs and 2 Cash Recyclers as on 31st March 2024. Fifteen 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 | 18 | 6 | 1 | 14 | 23 | 15 | 77 |
| Narasaraopet | 2 | 4 | 3 | 16 | 34 | 10 | 69 |
| Rajahmundry | 7 | 5 | 7 | 10 | 23 | 11 | 63 |
| Eluru | 4 | 2 | 6 | 13 | 18 | 13 | 56 |
| Total | 31 | 17 | 17 | 53 | 98 | 49 | 265 |

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 | 77 |
| Narasaraopet | 69 |
| Rajahmundry | 63 |
| Eluru | 56 |
| Total | 265 |

Aggregate Business

The aggregate business of the bank, region-wise, as on 31st March 2024 is given hereunder:

| Region | No. of Branches | Deposits | Advances | Aggregate Business | Region Share of Aggr. Business |
|--------------|-----------------|-------------------|-------------------|--------------------|--------------------------------|
| Guntur | 77 | 432204.64 | 342351.14 | 774555.78 | 34.51% |
| Narasaraopet | 69 | 221045.46 | 469101.15 | 690146.61 | 30.75% |
| Rajahmundry | 63 | 207168.20 | 226075.33 | 433243.53 | 19.30% |
| Eluru | 56 | 142473.79 | 203987.53 | 346461.32 | 15.44% |
| Total | 265 | 1002892.09 | 1241515.15 | 2244407.24 | 100.00% |

Amt ₹ lakh

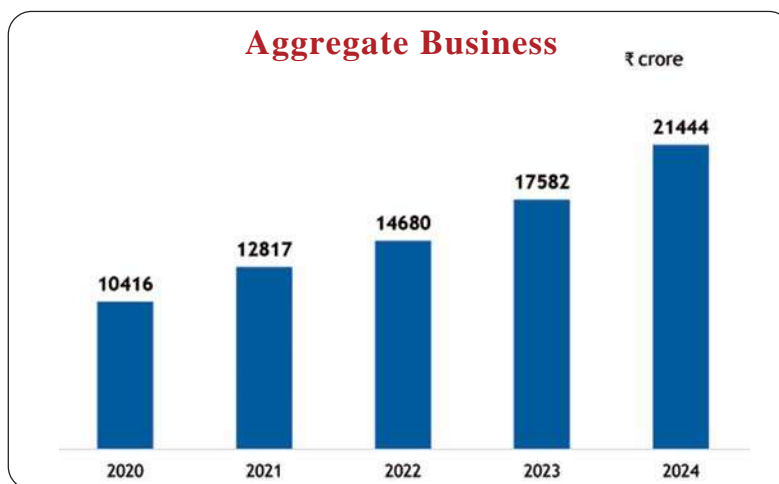
The aggregate business increased to ₹ 2244407.24 lakh as on 31st March 2024 from ₹ 1838220.30 lakh as on 31st March 2023 registering an increase of ₹ 406186.94 lakh [22.10%].



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However, as IBPC of ₹ 100000.00 lakh and ₹ 80000.00 lakh were issued during FY 2024 and FY 2023 respectively, the aggregate business net of IBPC stood at ₹ 2144407.24 lakh as on 31st March 2024 as against ₹ 1758220.30 lakh as on 31st March 2023, registering an increase of ₹ 386186.94 lakh [21.96%].



Categorization of Branches

The categorization of branches is undertaken as per the applicable norms and the position as on 31st March 2024 is as under:

| Category of Branch | No. of Branches |
|--------------------|-----------------|
| Scale V | 12 |
| Scale IV | 119 |
| Scale III | 90 |
| Scale II | 27 |
| Scale I | 17 |
| Total | 265 |

Deposits

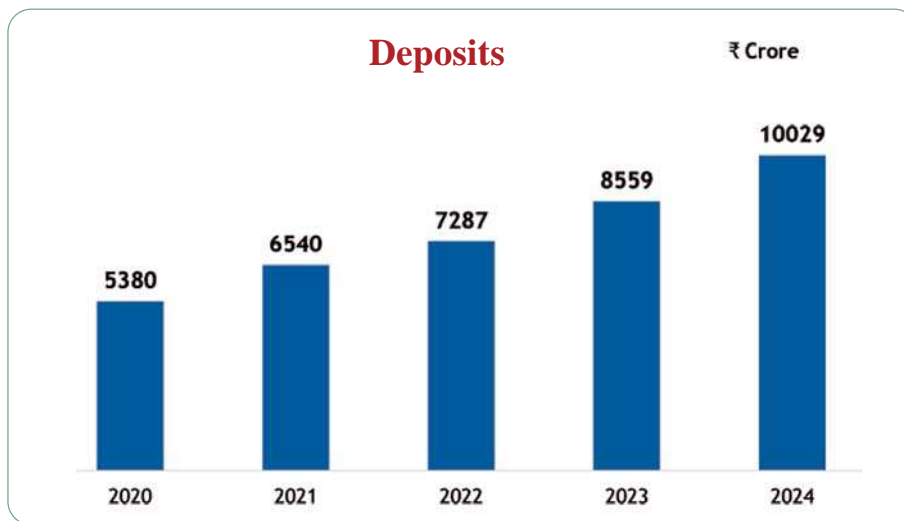
The total Deposits of the Bank as on 31st March 2024 stood at ₹ 1002892.09 lakh. The net accretion of Deposits during FY 2024 is ₹ 147014.38 lakh registering a growth rate of 17.18%. The percentage of low-cost deposits to total deposits is 28.37% as on 31st March 2024. Cost of deposits during FY 2024 stood at 6.38%.

Per-Branch deposits increased to ₹ 3784.50 lakh during the year from ₹ 3437.26 lakh and per-Employee deposits increased to ₹ 789.50 lakh during the year from ₹ 654.91 lakh.



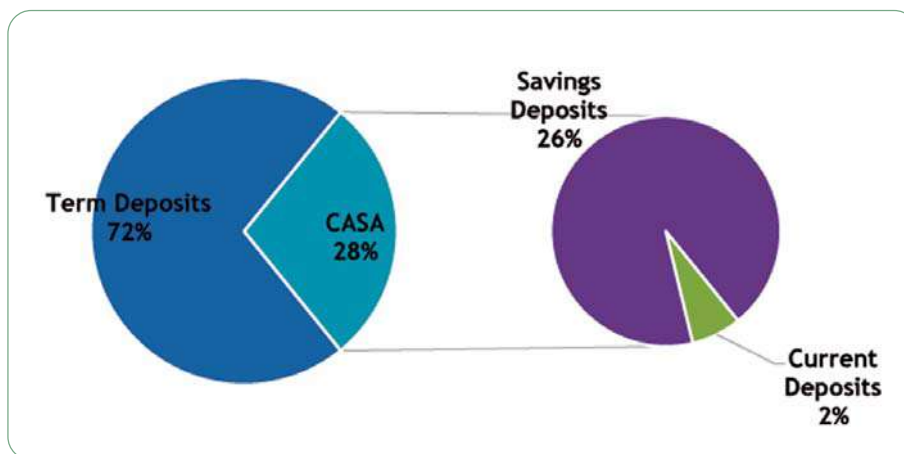
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The category-wise break-up of deposits as on 31st March 2024 is as under:

| Type of Deposit | No. of Accounts | Amount (₹ lakh) | % to Total Deposits |
|-----------------------|-----------------|-------------------|---------------------|
| Current Deposits | 16646 | 20805.94 | 2.08 |
| Savings Deposits | 1973411 | 263702.36 | 26.29 |
| Term Deposits | 277128 | 718383.79 | 71.63 |
| Total Deposits | 2267185 | 1002892.09 | 100.00 |



Increase of deposits base is given its due throughout FY 2024.



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A 'recognition & reward model' captioned '**GARNER THE REWARDS**' is continued during FY 2024 also. Under this initiative, branches are reviewed and ranked in terms of growth in total deposits & retail deposits every fortnight. Branch Managers of top 25 branches under both the criteria are issued 'e-appreciation certificate' at the end of each fortnight.

A new trimester contest captioned '**DEPOSITS DELIGHT DRIVE**' is launched during the current year to encourage growth in the Retail deposits and CASA i.e. mobilization of Savings Bank (SB) and Current Account (CA) on a sustainable basis. Achieving both monthly and trimonthly target is the key requisite in the campaign. Category wise and Percentage wise achievement of the Targets for all the three months is considered for declaring the final champions of the campaign.

With a special emphasis on bolstering both the number of savings accounts and their associated balances, we have launched weekly SB Campaign. Realistic and Achievable targets are given to the Branches based on the Business Classification. Weekly qualifiers are accredited with e – appreciation certificate and Top 3 final qualifiers are rewarded under this campaign.

Customer Base

During the current year, there has been an increase in the number of accounts as furnished hereunder, registering a growth rate of 4.88% in customer base.

| | March 2023 | March 2024 | Growth |
|--------------|----------------|----------------|---------------|
| Deposits | 2186204 | 2267185 | 80981 |
| Advances | 621796 | 677947 | 56151 |
| Total | 2808000 | 2945132 | 137132 |

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

Refinance from National Bank for Agriculture and Rural Development (NABARD) continues to be the major source of borrowings of the Bank.

Bank has adopted a judicious approach on borrowings considering the cost of borrowings.



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

The details of outstanding borrowings from NABARD, sector-wise, as on 31st March 2024 are given hereunder:

| Sector | Amount (₹ Lakh) |
|--------------|------------------|
| STL (SAO) | 29645.60 |
| STL (DTP) | 931.40 |
| STL (Addl.) | 45000.00 |
| ST (Others) | 150000.00 |
| MT (SCH) | 212963.99 |
| LT- DAY NRLM | 16000.00 |
| Total | 454540.99 |

In addition, Bank has also availed Clean Overdraft facility of ₹ 250 Cr, w/w WCDL of ₹ 150 Cr, from the sponsor bank, i.e. Union Bank of India during the current year so as to act as a contingency fund in case of unforeseen liquidity mismatch for the Bank. Outstandings in this account stood at ₹ 5413.37 lakh as on 31st March 2024.

The total Outstanding Borrowings of the Bank as on 31st March 2024 stood at ₹ 459954.36 lakh.

Cost of borrowings during FY 2024 stood at 6.15%.

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., Bank of Baroda., Kotak Mahindra Bank Ltd., Axis Bank Ltd., ICICI Bank Ltd., Equitas Small Finance Bank Ltd., Karur Vysya Bank Ltd., IDFC First Bank Ltd and ESAF Small Finance Bank 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.



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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 | 908060.04 |
| Average Cash Holdings | 8076.21 |
| Average Cash Holding to Average Total deposits (%) | 0.89 |
| Average Balances held with Reserve Bank of India | 42013.98 |
| Average Balances with Sponsor Bank/Other Banks | 49512.61 |
| Average Balances with Sponsor Bank/Other Banks in Other Accounts | 12900.96 |
| Income received on the balances in other accounts | 402.17 |
| Income received on the balances maintained in Variable Reverse Repo/ Standing Deposit Facility (SDF) of RBI | 5641.39 |

Bank maintained surplus funds arrived on day-wise basis under Variable Reverse Repo and/or Standing Deposit Facility (SDF) account with RBI throughout FY 2024 and derived maximum benefit out of these facilities. Income earned on balances held under Variable Reverse Repo account stood at ₹ 719.71 lakh and income earned on balances held under SDF account stood at ₹ 4921.68 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 only through Sponsor Bank 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.



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The details of investments and income thereon are furnished hereunder:

₹ lakh

| Particulars | Investments | | |
|------------------------------|-------------|---------|-----------|
| | SLR | Non-SLR | Total |
| Total Gross Investments | 202698.37 | 9726.25 | 212424.62 |
| Less : Amortization | 232.42 | 0.00 | 232.42 |
| Net Investments | 202465.95 | 9726.25 | 212192.20 |
| Break-up of Investments: | | | |
| HTM Category | 180422.64 | 0.00 | 180422.64 |
| AFS Category | 22043.31 | 9726.25 | 31769.56 |
| HFT Category | 0.00 | 0.00 | 0.00 |
| Total | 202465.95 | 9726.25 | 212192.20 |
| Interest Earned [#] | 15923.56 | 682.66 | 16606.22 |

Gross interest amount, i.e. before netting with amortization amount of ₹ 232.42 lakh

The Investments in HTM category (which stood at Rs.180422.64 lakh) in excess of the 25% of the total investments as on 31st March 2024 stood at Rs. 127374.59 lakh. As the total investments in HTM category is less than 19.50% of NDTL applicable (which stood at Rs. 189894.03 lakh), the same is within the guidelines in terms of RBI circular dated 04.10.2017 and relevant extant guidelines there for.

Yield on investments during FY 2024 stood at 7.17%. Investments to Deposits Ratio stood at 21.16% only.

The Bank has earned profit of Rs. 320.95 lakh on sale of SLR security from AFS category and incurred a loss of Rs. 23.08 lakh on sale of non-SLR securities during the year under report. Thus the total reported profit for FY 2024 on sale of investments stood at Rs. 297.87 lakh. The Bank has not earned any profit on maturity of SLR securities during FY 2024.

The Bank had shifted the SLR securities of ₹ 15533.64 lakh from HTM category to AFS Category and ₹ 5056.28 lakh are shifted from AFS category to HTM category during FY 2024.

There was a Mark to Market (MTM) loss of ₹ 0.42 lakh under SLR category as at the end of the financial year.

However, the bank has not incurred any MTM loss under non-SLR category.

It is desired to mention that by the end of tenth year on initiating sale of investments from AFS category by the bank for making profit from investments portfolio (i.e. since FY2015), a cumulative profit of ₹ 4701.91 lakh could be garnered by FY 2024.

The non-SLR investments, outstanding as on 31st March 2024, of ₹ 9726.25 lakh consisted of ₹ 8326.32 lakh of Bonds & Debentures and ₹ 1399.93 lakh of mutual funds.



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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 equity and convertible debentures category of non-SLR investments as on 31st March 2024.

Loans & Advances

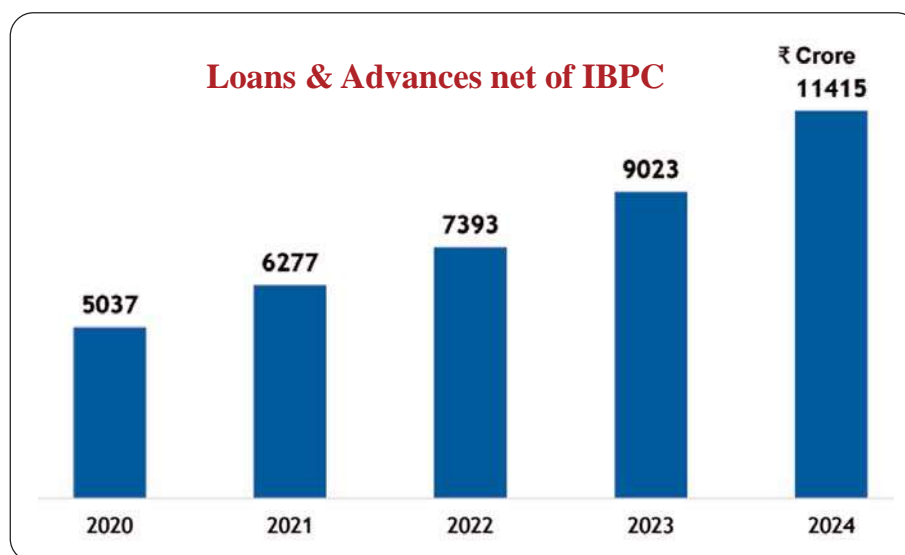
Bank has made significant progress in meeting the integrated credit needs of customers especially in rural areas by intensive expansion & diversification of credit portfolio during FY 2024.

The aggregate loans and advances of the bank as on 31st March 2024 stood at ₹ 1241515.15lakh. The net accretion of advances during FY 2024 was ₹ 259172.56 lakh registering a growth rate of 26.38% over the previous financial year.

Yield on advances during FY 2024 stood at 9.78%.

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

| | ₹ lakh |
|--|------------|
| Total Loans & Advances | 1241515.15 |
| Less: IBPC sold | 100000.00 |
| Loans & Advances net of IBPC | 1141515.15 |
| Less: Provision for NPAs | 7736.19 |
| Net Loans & Advances reported in the balance sheet | 1133778.96 |





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The scheme-wise break-up of outstandings as on 31st March 2024 are as under:

| Particulars | No. of accounts | Amount (₹ lakh) |
|------------------------------------|-----------------|-------------------|
| Short Term Agricultural Loans | 544631 | 692079.41 |
| Agricultural Term Loans | 31424 | 21488.36 |
| CCMTL | 102 | 2.99 |
| MSME | 45485 | 61564.41 |
| Other Priority Sector Loans | 42663 | 357403.96 |
| Total Priority Sector Loans | 664305 | 1132539.13 |
| Non-Priority Sector loans | 13642 | 108976.02 |
| TOTAL LOANS & ADVANCES | 677947 | 1241515.15 |

Disbursements of Loans & Advances

The total disbursements of loans and advances during FY 2024 are ₹ 1051756.54 lakh against MoU target of ₹ 852000.00 lakh.

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

| Particulars | Amount (₹ lakh) |
|------------------------------------|-------------------|
| Short Term Agricultural Loans | 693454.73 |
| Medium Term Agricultural Loans | 12537.97 |
| MSME | 5198.31 |
| Self Help Groups | 261955.38 |
| Other Priority Sector Loans | 7265.49 |
| Total Priority Sector Loans | 980411.88 |
| Non-Priority Sector Loans | 71344.66 |
| Total Disbursements | 1051756.54 |



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An overview of advances portfolio is given hereunder:

| Particulars | Amount (₹ lakh) |
|---|-------------------|
| Total Advances | 1241515.15 |
| Advances to Priority Sector | 1132539.13 |
| % to Total Advances | 91.22 |
| % of Priority Sector Advances to Total Advances (net of IBPC) | 90.45 |
| Priority Sector Advances (%) (net of PSLC) | 79.07 |
| Advances to Non-Priority sector | 108976.02 |
| % of non-Priority sector Advances to Total Advances (net of IBPC) | 9.55 |
| Credit to Deposit Ratio | 113.82 |
| Average Yield on Advances (%) | 9.78 |
| per- Branch Advances | 4307.60 |
| per- Employee Advances | 905.25 |

SHG-Bank Linkage

The Bank's exposure to SHGs (Outstanding Credit Linkage & SHG COVID loans) as on 31st March 2024 is at ₹ 367650.48 lakh spread over 42,815 Self Help Groups (SHGs) accounts, as against ₹ 268209.04 lakh spread over 47,356 SHG accounts as on 31st March 2023, thus registering an accretion of ₹ 99441.44 lakh & increase of 37.08% during the year under report and it reflects the focus of the Bank on lending to SHGs. Bank has extended credit linkage to 23,668 SHGs to the tune of ₹ 261955.38lakh during FY 2024.

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 | 1,373 | 8119.16 |
| Above ₹ 5.00 lakh to ₹ 7.50 lakh | 5,416 | 45321.99 |
| Above ₹ 7.50 lakh to ₹ 10.00 lakh | 15,341 | 203600.47 |
| Above ₹ 10.00 lakh | 1,538 | 4913.76 |
| Total | 23,668 | 261955.38 |

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.



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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 and the same is continued in FY 2024 also.

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

During the financial year, the Bank promoted 52 new JLGs and out of these, financed 48 JLGs with a financial outlay of ₹ 169.90 lakh.

The Bank financed 1070 JLGs (both farm sector & non-farm sector) with a total disbursement of ₹ 4059.29 lakh during FY 2024.

The bank has financed to 12,942 tenant farmers with a credit outflow of ₹ 8750.22 lakh through RMGs, JLGs, & CCRCs during the current year.

New Initiatives in Credit Outreach

1. Integration with Jan-Samarth Portal:

- Our bank successfully on boarded the National Portal for Credit Linked Government Schemes (Jan-Samarth) to streamline the processing and sanctioning of proposals under eight selective loan schemes of the Government of India (GoI). As of March 31st 2024, Bank had sanctioned a total of 494 proposals, amounting to ₹ 2790.00 lakh, across different categories through the portal since its implementation.

2. Implementation of Loan Origination System (LOS) for Gold Loans:

- In the FY 2023-24, our bank successfully integrated a Loan Origination System (LOS) for processing gold loan applications. This system facilitated sanctioning of 15,812 gold loan applications, amounting to cumulative sanction limit of ₹ 194.29 crore.

3. Introduction of Gold Loan Policy:

- Our bank formulated and implemented its exclusive Gold Loan Policy during the FY 2023-24. This policy provided comprehensive guidelines for lending under the gold loan category, ensuring streamlined operations and enhanced customer service.

4. Partnership with Credit Information Bureau (India) Ltd. (CIBIL):

- To enhance client monitoring and improve credit assessment processes, our bank had partnered with Credit Information Bureau (India) Ltd. (CIBIL). Through this collaboration, Bank implemented a system for generating triggers related to various loan-related activities such as new loan enquiries, changes in borrower credit scores, change in credit utilization, aggregate of trades, change in delinquency threshold, new loan accounts opened with other Banks/FI and updates to borrower contact information. These alerts are now systematically disseminated to respective branches for proactive business sourcing and effective monitoring.



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5. Portfolio Review (PR) Segmentation with CIBIL:

- In addition, our bank had engaged in Portfolio Review (PR) Segmentation in collaboration with CIBIL. This initiative significantly enhanced our bank's credit monitoring capabilities across diverse portfolios, ensuring better risk management and portfolio optimization.

6. Credit Guarantee Coverage under CGFMU Scheme:

- Our bank had taken strides in enhancing credit accessibility for Micro Units through the implementation of Credit Guarantee Coverage for Micro Units (CGFMU) Scheme, effective from July 1st 2022. Bank successfully covered credit linkage to Non-Farm Sector Self Help Groups (SHGs) under this scheme, with a total exposure of ₹ 331.88 crore as of 31st March 2024. This initiative had played a pivotal role in fostering financial inclusion and supporting the growth of micro-enterprises in our operational areas.

Diversification of Business/Processes

To enhance our presence in retail lending, social infrastructure, and various commercial ventures, our bank has placed special emphasis on expanding lending services across property loans, personal loans, term loans for investment purposes, and vehicle loans.

The following is a summary of our Bank's disbursements under the aforementioned schemes during FY 2024:

| S.No | Loan Product | No. of Accounts | Amount (₹ Lakh) |
|------|---|-----------------|-----------------|
| 1 | Chaitanya Godavari Property Term Loan (CGPTL) | 398 | 5927.59 |
| 2 | Chaitanya Godavari Property Overdraft (CGPOD) | 115 | 3502.05 |
| 3 | Personal Loans to Salaried Individuals (PLEMP) | 457 | 7207.76 |
| 4 | Personal Loans to Non-Salaried Individuals (PLNEM) | 9 | 235.88 |
| 5 | Vehicle Loans to General Public – Two Wheelers (CGVL2) | 22 | 18.47 |
| 6 | Vehicle Loans to General Public – Four Wheelers (CGVL4) | 28 | 307.94 |
| 7 | Vehicle Loans to Agriculturists (ATLVL) | 53 | 304.06 |
| 8 | Other Term Loans – Social Infrastructure (OTLSI) | 1 | 7.05 |
| 9 | Other Term Loans – Commercial Constructions (OTLCO) | 5 | 93.50 |
| 10 | Other Term Loans – Machinery Purchase (OTLMP) | 1 | 12.50 |
| 11 | CGGB Welcome Doctor (CGDPL) | 3 | 283.69 |
| | Total | 1092 | 17900.49 |

As of March 31st, 2024, Retail Credit accounted for 8.93% of the total credit portfolio, while Investment Credit constituted 1.64% of the total credit portfolio, reflecting a diversified lending approach.



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During FY 2024, Disbursement of Housing Loans stood at ₹ 9435.54 lakh marking 6.46% growth compared to the previous Financial Year.

Simultaneously, Education Loans recorded disbursements totaling ₹ 8,464.87 lakh reflecting an 8.88% year-on-year increase from the previous fiscal year. Additionally, the outstanding education loan portfolio for FY 2024 witnessed a substantial growth of 43.61% over FY 2023.

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 VII of Jagananna Thodu scheme & 3rd tranche of PM SVANidhi scheme were implemented during FY 2024.

Our bank made the following disbursements in the aforementioned schemes during FY 2024. Details are summarized below:

| Sl.No | Loan Scheme | No of accounts | Amount Disbursed (₹ Lakh) |
|-------|-----------------|----------------|-------------------------------|
| 1 | Jagananna Thodu | 4714 | 473.83 |
| 2 | PM SVANidhi | 3703 | 449.80 |
| | TOTAL | 8417 | 923.63 |

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 2024:

| Sl.No | Loan Scheme | No. of accounts | Amount Disbursed (₹ Lakh) |
|-------|---|-----------------|-------------------------------|
| 1 | KCC to Animal Husbandry | 2536 | 2790.74 |
| 2 | KCC to Fisheries | 17 | 22.10 |
| 3 | PM Formalization of Micro Food Processing Enterprises (PMFME) | 6 | 5.18 |
| 4 | PMAY (U) AHP – APTIDCO – JAGANANNA NAGAR | 174 | 361.85 |
| | Total | 2733 | 3179.87 |



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A brief snapshot of interest subvention & interest incentive/subsidy reimbursed to the Bank & the borrowers during FY 2024 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 | 2021-22 | 1289.10 | 132.78 | 1421.88 |
| 2 | 2022-23 | 751.78 | 3129.26 | 3881.04 |

| DAY NRLM ISS SCHEME | | | | |
|---------------------|-------------|---|---|----------------------|
| | | | | Amount ₹ lakh |
| S.No. | Scheme year | 4.5% Interest Subvention reimbursed to Bank | 5% Interest Subvention reimbursed to Bank | Total Claim received |
| 1 | 2022-23 | 2810.85 | 1481.80 | 4292.65 |

| ACSIS EDUCATION LOAN INTEREST SUBSIDY | | | |
|---------------------------------------|-------------|---------|---|
| | | | Amount ₹ lakh |
| S.No. | Scheme year | Quarter | Education Loan Interest Subsidy passed on to students |
| 1 | 2022-23 | Q1 | 49.18 |
| 2 | 2022-23 | Q2 | 46.44 |
| 3 | 2022-23 | Q3 | 53.59 |
| 4 | 2022-23 | Q4 | 48.39 |
| 5 | 2023-24 | Q1 | 46.91 |
| 6 | 2023-24 | Q2 | 47.79 |
| 7 | 2023-24 | Q3 | 37.13 |



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Non-Fund Business

The Bank has 272 outstanding Bank Guarantees with a business of ₹ 1817.04 lakh as on 31st March 2024.

Inter Bank Participation Certificate [IBPC]

The Bank has sold Inter Bank Participation Certificate (IBPC) of ₹ 100000.00 lakh, on risk sharing basis, with the participation of HDFC Bank Ltd. and Yes 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 2024, out of the participation for the total amount of ₹ 100000.00 lakh, ₹ 90000.00 lakh is with HDFC Bank Ltd. and ₹ 10000.00 lakh is with YES Bank Ltd.

Accordingly, advances are reported in the balance sheet as net of IBPC of ₹ 100000.00 lakh.

Priority Sector Lending Certificates [PSLC]

The Bank has undertaken sale of PSLC-Agri. of ₹ 100000.00 lakh and PSLC-SF&MF of ₹ 250000.00 lakh, making it to total of ₹ 350000.00 lakh during FY 2024. The fee income earned is ₹ 5380.00 lakh.

The Bank has undertaken purchase of PSLC-General of ₹ 180000.00 lakh and PSLC-Micro Enterprises of ₹ 40000.00 lakh, making it to total of ₹ 220000.00 lakh during FY 2024. The fee expenditure incurred is ₹ 46.00 lakh.

Thus, the PSLC trading on E-Kuber platform of RBI resulted in earning of net income of ₹ 5334.00 lakh.

Asset Quality & Classification

In tune with the guidelines given by Reserve Bank of India/NABARD, assets of the bank as on 31st March 2024 are classified into Standard, Sub-standard, Doubtful and Loss Assets and provisions are made as per the extant guidelines applicable there for.

The break-up of Non-Performing Assets (NPAs) as on 31st March 2024 is as under:

| | ₹ lakh |
|---------------------|----------------|
| Sub-standard Assets | 4217.59 |
| Doubtful Assets | 2981.92 |
| Loss Assets | 536.68 |
| TOTAL NPAs | 7736.19 |

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 2024. The details are mentioned hereunder:

| | |
|-----------------------------------|----------------|
| Total NPAs | ₹ 7736.19 lakh |
| Cumulative Provision against NPAs | ₹ 7736.19 lakh |
| % of Provision to NPAs | 100 |



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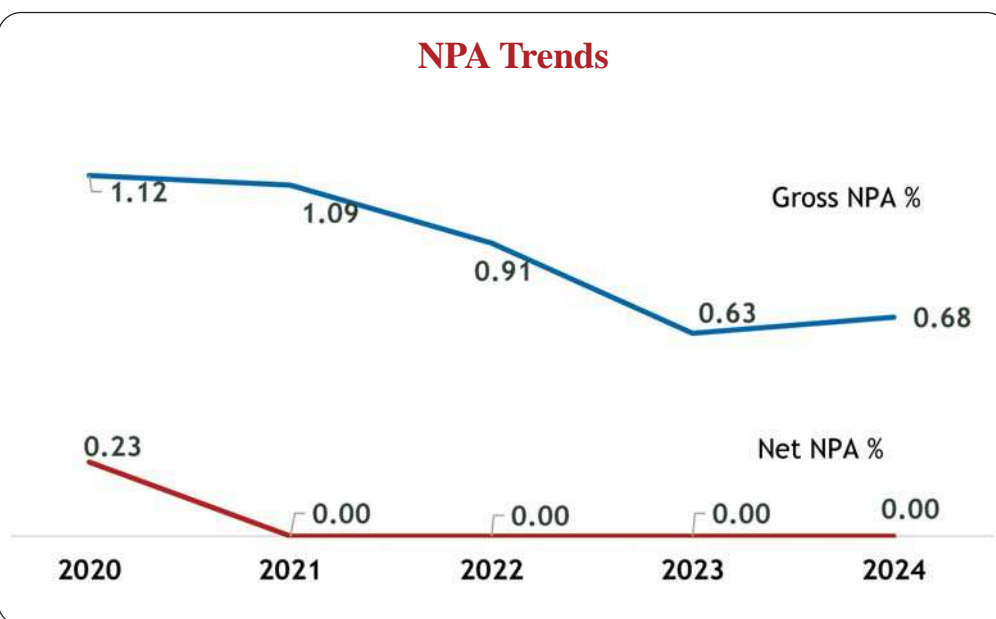
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The classification of assets and provisions made are detailed hereunder:

₹ lakh

| Particulars | Amount Outstanding | Provision to be made | Provision Made |
|-----------------------------------|-----------------------|-------------------------|-------------------|
| Standard assets | 1233778.96 | 3313.87 | 3313.87 |
| Sub-standard assets | 4217.59 | 677.21 | |
| Doubtful assets | 2981.92 | 1878.89 | |
| Loss assets | 536.68 | 536.68 | |
| Non-Performing assets | 7736.19 | 3092.78 | 7736.19 |
| Total Advances | 1241515.15 | 6406.65 | 11050.06 |
| Total Advances less IBPC | 1141515.15 | | |
| Cumulative provision against NPAs | 7736.19 | | |
| % of Gross NPA to Advances | 0.68 | | |
| % of Net NPA to Net Advances | 0.00 | | |

NPA Trends





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Movement of NPA

Consistent and strategic efforts are made throughout the financial year to recover NPAs. The details of movement of NPAs are given hereunder:

| ₹ Crore | |
|---|--------------|
| Particulars | Amount |
| Gross NPA as on 1 st April 2023 (Opening Balance) | 57.09 |
| Additions (Fresh NPAs) during the year | 43.46 |
| Sub-total (A) | 100.55 |
| Less : | |
| (i) Upgradations | 3.19 |
| (ii) Recoveries (excluding recoveries made from upgraded a/cs) | 10.74 |
| (iii) Write-offs | 9.26 |
| Sub-total (B) | 23.19 |
| Gross NPA as on 31 st March 2024 (Closing Balance) [(A-B)] | 77.36 |

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 | 3225.55 |
| Additions during the year | 1548.78 |
| Recovery during the year | 1062.06 |
| Derecognized income at the end of the year | 3712.27 |

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.



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Intensive recovery efforts made included the following channels:

1. Comprehensive Compromise Settlement
2. One-Time Settlement (OTS) Scheme for Real Account Balances up to ₹ 5.00 lakh(Agri) & ₹ 3.50 lakh(others) per borrower (including 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 2023 stood at 73.69% 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 | 254176.57 | 38061.99 | 292238.56 |
| Recovery | 182558.29 | 32784.32 | 215342.61 |
| Overdue | 71618.28 | 5277.67 | 76895.95 |
| % of recovery | 71.82 | 86.13 | 73.69 |

Write-Off Loans

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

| Amount ₹ lakh | | |
|--|---------|---------|
| Particulars | FY 2023 | FY 2024 |
| Amount written-off (technical write-off) | 1036.42 | 926.32 |
| Number of accounts written-off | 1649 | 1127 |
| Total Recovery made in written-off accounts (Amount) | 158.67 | 312.73 |



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Achievements Made under MoU with Sponsor Bank

The Bank has achieved major parameters under MoU entered with Sponsor Bank, for FY 2024.

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

Amount ₹ lakh

| Parameter | 31 st March 2023 | Target FY 2024 | Achievement as on 31 st March 2024 | |
|------------------------|-----------------------------|-------------------|--|---|
| Own Funds | 100061.37 | 127061.37 | 125252.84 | |
| Total Business | 1758220.30 | 1970000.00 | 2144407.24 | ✓ |
| Deposits | 855877.71 | 960000.00 | 1002892.09 | ✓ |
| Advances | 902342.59 | 1010000.00 | 1141515.15 | ✓ |
| Borrowings | 375993.77 | 446000.00 | 459954.36 | ✓ |
| Operating Profit | 32073.00 | 38500.00 | 35637.92 | |
| Net Profit After Tax | 23234.33 | 27000.00 | 25191.47 | |
| NPA | 5708.63 | 7500.00 | 7736.19 | |
| Investments | 166403.35 | 211000.00 | 212192.20 | ✓ |
| Loans Issued | 842343.33 | 852000.00 | 1051756.54 | ✓ |
| per-Branch Business | 7061.13 | 7323.42 | 8092.10 | ✓ |
| per-Employee Business | 1349.55 | 1513.47 | 1694.75 | ✓ |
| CD Ratio (%) | 105.43 | 105.21 | 113.82 | |
| Cost of Deposits (%) | 5.28 | 5.45 | 6.38 | |
| Yield on Advances (%) | 9.70 | 9.75 | 9.78 | ✓ |
| Recovery to Demand (%) | 73.10 | 75.00 | 73.69 | |

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*:



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- ⇒ 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.

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

It is pertinent to mention that all the 46 given metrics are chosen by our bank as per the revised guidelines made applicable for FY2024, i.e. from second year onwards.

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

The progress under Roadmap is reviewed by the Board and AP-RO, NABARD at the end of each quarter during FY2024.

Cross Selling of Insurance Products

1. Life Insurance Business:

Bank is functioning as a corporate agent for selling life insurance products of India First Life Insurance Company Ltd. (IFLIC)&Star Union Dai-ichi Life Insurance Co. Ltd.

With regard to the IFLI, Bank could secure business worth of ₹ 599.35 lakh from 6296 applications and had earned ₹ 141.22 lakh during FY 2024.

With regard to the SUD Life Insurance, Bank could secure business worth of ₹ 121.19 lakh from 841 applications and had earned ₹ 26.50 lakh during FY 2024.

In total, Bank had earned non-interest income of ₹ 167.72 lakh towards commission received from Life insurance business during the current year.



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2. Non-Life Insurance Business:

Under General Insurance category, Bank has tied up with Shriram General Insurance Co. Ltd., United India Insurance Company Ltd. and SBI General Insurance Company Ltd.

Bank could secure business of worth ₹ 128.95 Lakh, ₹ 36.80 Lakh, ₹ 216.50 Lakh during FY 2024 and corresponding income of ₹ 19.78 Lakh, ₹ 4.02 Lakh, ₹ 32.97 Lakh is received from Shriram General Insurance Co. Ltd., United India Insurance Company Ltd. and SBI General Insurance Company Ltd. respectively.

3. Health Insurance:

Under Health Insurance Category, Bank has inked pact with Star Health and Allied Insurance Co. Ltd. and could secure business of ₹ 77.31 lakh from 1095 applications during FY 2024. The business led to an income of ₹ 11.70 lakh to the Bank.

Income Earned

The details of the income earned are furnished below:

| ₹ lakh | |
|---|------------------|
| Particulars | FY 2024 |
| Interest received on loans and advances | 110456.00 |
| Income on investments | 16381.64 |
| Interest on RBI balances and other inter-bank funds | 6043.56 |
| Non-interest income | 17780.16 |
| Total | 150661.36 |

The share of non-interest income to the total income stood at 11.80%.

Expenditure Incurred

The details of the expenditure incurred are furnished below:

| ₹ lakh | |
|---|------------------|
| Particulars | FY 2024 |
| Interest paid on deposits | 57955.99 |
| Interest paid on borrowings | 25296.55 |
| Interest paid on Inter Bank Participation Certificates issued | 4844.94 |
| Other expenditure | 26925.96 |
| Total | 115023.44 |

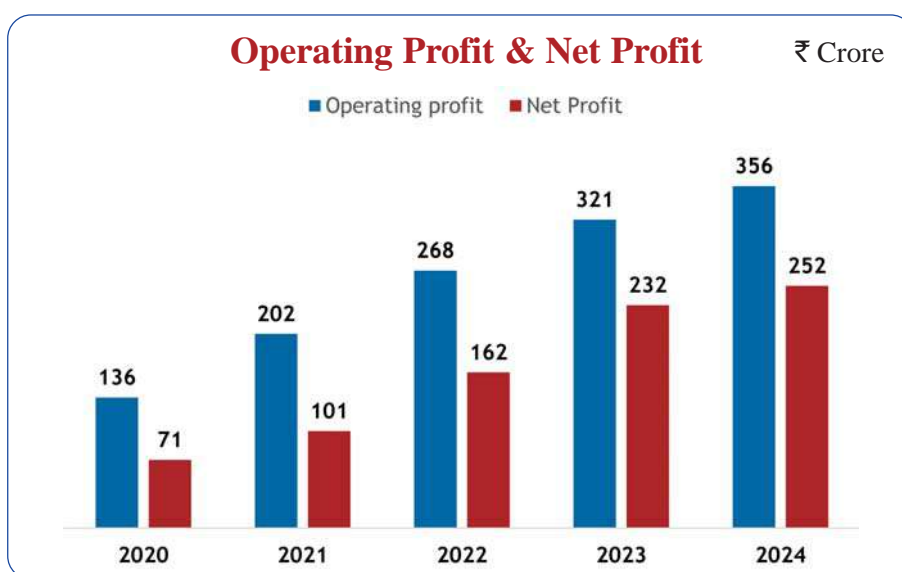


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Operating Profit and Net Profit

The Bank has earned operating profit of ₹ 35637.92lakh and net profit after tax of ₹ 25191.47lakh during FY 2024, as against ₹ 32073.00 lakh and ₹ 23234.33 lakh respectively during the preceding FY 2023.



Financial Ratios

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

| | FY 2024 | FY 2023 |
|--|------------|------------|
| Average Working Funds (₹ Lakh) | 1578462.36 | 1291342.22 |
| Financial Return (% of interest income to average working funds) | 8.42 | 8.08 |
| Financial Cost (% of interest expended to average working funds) | 5.58 | 4.59 |
| Financial Margin (Financial Return – Financial Cost) | 2.84 | 3.49 |
| Operating Cost (% of operating expenses to average working funds) | 1.71 | 2.23 |
| Miscellaneous Income (% of non-interest income to average working funds) | 1.13 | 1.22 |
| Operating Profit (Financial Margin + Miscellaneous Income-Operating Cost) | 2.26 | 2.48 |
| Risk Cost (% of loss provisions made to average working funds) | 0.13 | 0.00 |
| Net Margin (Return on Assets) [% of net profit after tax to average working funds] | 1.60 | 1.80 |



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The Cost to Income Ratio has come down to 43.04% as on 31st March 2024 from 47.34% as on 31st March 2023. On similar computation, the Staff Cost to Income Ratio is worked out to be 29.16% as on 31st March 2024 as against 34.37% as on 31st March 2023.

Capital Adequacy Ratio

The Capital Adequacy Ratio (CRAR) of the Bank stood at 13.93% as on 31st March 2024, as against the mandatory requirement of 9.00% (Previous year: 14.53%)

Out of the above, the Tier I Capital and Tier II Capital stood at 13.31% and 0.62% respectively.

Income Tax

Advance tax of ₹ 9500.00 lakh was paid to Income Tax Department during FY 2024.

Provision for income tax of ₹ 9056.91lakh was made for FY 2024. The total estimate of provision for income tax as on 31st March 2024 stood at ₹ 9002.08 lakh. Deferred Tax Asset of ₹ 600.00 lakh is also taken into account towards the provision made for pay revision arrears. Thus, the provision for current year tax worked out to ₹ 8402.08 lakh

Human Resources

The Bank has committed staff strength of 1261 comprising 784 Officers, 320 Office Assistants and 157 Office Attendants.

The cadre-wise and grade-wise break-up of manpower in the Bank, as on 31st March 2024, is given hereunder:

| Cadre | Grade | No. of staff |
|------------------------|-------------------------------------|--------------|
| Officer | Senior Management Grade - Scale V | 3 |
| | Senior Management Grade - Scale IV | 31 |
| | Middle Management Grade - Scale III | 84 |
| | Middle Management Grade - Scale II | 235 |
| | Junior Management Grade - Scale I | 431 |
| | Total | 784 |
| OAS (Office Assistant) | | 320 |
| OAT (Office Attendant) | | 157 |
| | Grand Total | 1261 |



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Human Resource Development

During FY 2024, Bank has effected promotions to 111 staff members in different cadres, viz. 1 Officer from Scale IV to Scale V, 10 Officers from Scale III to Scale IV, 19 Officers from Scale II to Scale III, 49 Officers from Scale I to Scale II and 32 Office Assistants to Officer-Scale I cadre.

Further Bank has given appointment under Compassionate Appointment Scheme to eight applicants as Office Assistants and one applicant as Office Attendant (OAT) during FY 2024.

It is also to be mentioned that 16 Officers, 2 OAS and 3 OAT got retired during FY 2024.

Learning & Development

Bank has been imparting need-based training to all staff members for enhancing their knowledge and skills. Bank has conducted in-house training programs for 730 Officers, 240 Office Assistants (OAS) and 155 Office Attendants (OAT).

Union Learning Academy (ULA), Hyderabad, a training center of our sponsor bank, has imparted online training programs on various important topics to officers of our Bank for the first time in FY2024.

As part of requirement under Roadmap- FY2025, Bank has imparted training program through ULA, UBI, Hyderabad on 'New Age Skills' like blockchain technology, digital banking, agile project management, data analytics and cloud computing for 64 officers during FY2024. It has covered 8% of the officers of the Bank as against 5% desired under the said Roadmap.

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 appointed LIC of India as Fund Manager for the pension fund. The total payment made to LIC of India during FY 2024 towards pension fund stood at ₹ 235.00 lakh.

Bank made payment of ₹ 251.22 lakh to LIC of India, ₹ 50.00 lakh to Aditya Birla Capital and ₹ 126.65 lakh to Pramerica Life Insurance towards Group Gratuity, as per the actuarial valuation, during the current financial year.

Bank made payment of ₹ 106.32 lakh to LIC of India, ₹ 200.00 lakh to IFLIC, ₹ 100.00 lakh to Reliance Nippon Life Insurance, ₹ 100.00 lakh to Bajaj Allianz, ₹ 50.00 lakh to Kotak Mahindra, ₹ 100.00 lakh to HDFC Life and ₹ 225.48 lakh to Star Union Dai-ichi Life Insurance towards Group Leave Encashment Scheme (GLES), during the current financial year.

Bank also made contributions of ₹ 757.86 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).



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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 National Insurance Company Ltd. on 6th April 2023, 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.

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 in charge of HR department is currently 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 223 and 85 respectively, among the total staff strength of 1261 in the Bank.

IBPS – RRB – CRP XII – Interviews

The Bank has successfully conducted interviews under Common Recruitment Process (CRP)-XII, 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



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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) every month 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.

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.

Our Bank is a member of Group Risk Management Committee (GRMC) of Union Bank of India, our sponsor bank, as its Associate. The risk appetite, risk profile, risk impact, probability of risk and also the direction of risk are assessed at half-yearly intervals by the said committee and guidance is provided to our RRB for risk mitigation wherever necessary. Reputation risk and Concentration risk are also monitored and guided by the sponsor bank.

The meetings of the Risk Management Committee (RMC) of the Bank are conducted once in a quarter with the participation of senior level functionaries of the sponsor bank as invitees, for effective review and enhanced level of risk assessment in varied dimensions.

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, one Regional Office and 5 branches are shifted to new premises during FY 2024.

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 16 branches and 5 existing branches during FY 2024. For the remaining branches, installation of the new alarm system is being carried out in a phased manner.



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Technology Adoption

Over the past year, the Information Technology Department has spearheaded numerous initiatives aimed at advancing the bank's technological capabilities, ensuring robust security and enhancing customer experience. These initiatives reflect our unwavering commitment to maintaining our leadership in digital banking, improving operational efficiencies and safeguarding customer trust.

Various technological innovations and enhancements that transformed the digital landscape of our Bank during FY2024 are detailed hereunder:

1. Contactless Cards:

This year, we introduced contactless cards to facilitate secure and rapid transactions, significantly reducing the need for physical contact and enhancing user convenience. Since their launch on December 26, 2023, we have issued a total of 2,732 contactless cards by March 31, 2024, reflecting strong customer adoption.

2. Advanced Payment Solutions:

Bharat Electronic Payment Gateway (BePG) and Bharat Bill Payment System (BBPS) are successfully implemented. These platforms have streamlined our payment processes, ensuring high reliability and security across all transactional activities.

Bharat Electronic Payment Gateway (BePG): Launched on September 1, 2023, BePG has shown remarkable performance with 36,269 transactions completed by March 31, 2024, amounting to a transaction value of ₹ 988.08 lakh.

Bharat Bill Payment System (BBPS): Introduced on July 2, 2023, BBPS has facilitated 924 transactions by March 31, 2024. This unified platform for bill payments is gaining traction and is expected to grow significantly as more users adopt this service for their bill payment needs.

3. Comprehensive Upgrades to Digital Banking Platforms:

Our Mobile Banking App received significant upgrades, incorporating advanced features such as NEFT/RTGS, cheque operations, account statements, and direct functionalities for managing loans and deposits. These enhancements have made digital banking more intuitive and accessible, promoting greater customer engagement.

Launched on July 31, 2023, the upgraded Mobile Banking_v2.0 has seen 89,579 registrations up to March 31, 2024. We have made 22 services available through this platform, catering to a wide range of customer needs. The app has processed a total of 671,549 requests, both financial and non-financial, showcasing its extensive usage and customer reliance on digital banking solutions.



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4. Implementation of Internet Banking:

This year marks a significant milestone for our bank with the inaugural launch of our Internet Banking platform on 02nd January, 2024.

The new platform is engineered with cutting-edge technology, featuring a user-friendly interface that ensures ease of navigation and accessibility across all digital devices. We have implemented robust security measures, including multi-factor authentication and end-to-end encryption, to protect customer data and transactions against cyber threats. Additionally, the platform offers extensive functionalities, allowing customers to perform a variety of financial transactions such as fund transfers, bill payments, and loan applications seamlessly.

We have made 22 services available, providing a broad range of functionalities to meet diverse customer needs.

5. Introduction of 24x7 Call Center:

Recognizing the importance of continuous support, we have established a 24x7 call center. This facility ensures that our customers have access to assistance anytime, enhancing the overall customer service experience and supporting our goal to provide exceptional and uninterrupted customer care.

Launched on October 21, 2023, the call center has handled 29,283 inbound calls and 40,994 outbound calls by March 31, 2024. We offer different services through this center, providing comprehensive support to our customers. This initiative demonstrates our commitment to delivering high-quality customer service and ensuring that our customers' needs are met promptly and efficiently.

6. Security Measures and Compliance:

With the increasing importance of digital security, we have set up a dedicated Cybersecurity Operations Center. The CSOC, launched on December 15, 2023, continuously monitors, assesses and defends against cyber threats, ensuring the protection of our digital assets and the personal information of our customers. The CSOC is equipped with advanced threat detection capabilities to identify and mitigate potential security risks in real-time.

7. Video KYC:

The introduction of Video KYC has transformed the customer verification process by enabling remote and efficient identity verification, which accelerates account activation.

Launched on December 28, 2023, this service has facilitated the opening of 20 accounts by March 31, 2024. Video KYC enables customers to complete their KYC process remotely, making it more convenient and efficient.



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8. WhatsApp Banking:

Furthermore, WhatsApp Banking has been launched to offer our customers a familiar platform to perform basic banking operations, thereby integrating banking into their daily digital interactions seamlessly.

Launched on September 11, 2023, WhatsApp Banking has seen 53,779 registrations by March 31, 2024. This service allows customers to perform various banking operations through a platform they use daily, making banking more accessible and integrated into their everyday activities.

9. Strategic Collaborations and System Integrations:

This year, we successfully integrated six account aggregators into the AA ecosystem, a move that enhances financial transparency and empowers customers to manage their financial data more effectively across financial institutions.

Launched on September 29, 2023, we have on boarded six account aggregators by March 31, 2024. The system has seen 2,116 fetches from Financial Information Providers (FIPs) and 1,109 fetches from Financial Information Users (FIUs).

10. Loan Origination System (LOS):

We implemented a state-of-the-art Loan Origination System that automates and optimizes the loan application process. The LOS enhances the speed and accuracy of loan processing, significantly improving the customer application experience and supporting our strategic goals of operational efficiency and customer satisfaction.

Launched on December 21, 2023, the LOS has processed 15,812 loan accounts with a total loan amount of ₹ 194.24 crore by March 31, 2024. This system is primarily focused on gold loans, providing a streamlined and efficient process for our customers.

It is apt to mention that it was acknowledged that out of 43 RRBs, only four RRBs have successfully made live 21 out of the total 22 essential digital services, in the Record of Discussion (RoD) for the review meeting on Digital Onboarding for RRBs held on January 19, 2024 by DFS, MoF, GoI. It is really an honor to Chaitanya Godavari Grameena Bank to be one among the said four RRBs in the country and it stands testimony to the strides made by our Bank in various technological innovations and enhancements made during FY2024.

Financial Inclusion Initiative

The Financial Inclusion (FI) is in operation in 227 villages, viz. Guntur District: 13, Bapatla District: 16, Palnadu District: 105, East Godavari District: 6, Kakinada District: 27, Dr. B.R. Ambedkar Konaseema District: 20, Eluru District: 15 and West Godavari District: 25.

M/s Magnot Consultancy Services Pvt. Ltd. is the Technical Service Provider (TSP).



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Implementation of FI during FY 2023-24 is summarized as hereunder:

| Sl. No. | Parameter | Target for 31 st March 2024 | Achievement as on 31 st March 2024 |
|---------|--|--|---|
| 1 | Deployment of Business Correspondents | 255 | 227 |
| 2 | No. of transactions from 1 st April 2023 to 31 st March 2024 | 23,46,012 | 25,47,594 |
| 3 | Volume of business | ₹ 61022.85 Lakh | ₹ 153808.39 Lakh |

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

| Parameter | FY 2023 | FY 2024 |
|--|-----------|-----------|
| Total transactions | 27,51,130 | 25,47,594 |
| Volume of business (₹ crore) | 1471.04 | 1538.08 |
| Average no. of transactions per BC per month | 975 | 928 |
| Average remuneration to BC (₹) | 10,104 | 9,660 |
| Transaction cost (₹) | 15.37 | 15.28 |

Progress under PM's Social Security Schemes:

| Sl.No. | Name of the Scheme | No. of Accounts/Enrolments | |
|--------|--------------------|--------------------------------------|--------------------------------------|
| | | FY 2023 | FY 2024 |
| 1 | PMJDY | 2,35,635 | 2,69,753 |
| | | No. of a/cs transacted : 2,19,352 | No. of a/cs transacted : 2,48,967 |
| | | Zero balance a/cs : 6.91% | Zero balance a/cs : 7.71% |
| 2 | PMJJBY | 3,27,068 | 4,14,145 |
| 3 | PMSBY | 6,62,897 | 7,70,892 |
| 4 | PMAPY | 1,06,547 | 1,37,559 |

Balances held in PMJDY accounts as on 31st March 2024 stood at ₹ 7942.89 Lakh.



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In respect of PMJDY accounts, the percentage of active Rupay Cards vis-à-vis total Rupay Cards issued by the bank stood at 73% as on 31st March 2024.

Overdraft facility disbursed to eligible PMJDY accounts stood at 2.07% as on 31st March 2024.

Aadhaar Seeding of bank accounts is completed to an extent of 96.55% as on 31st March 2024.

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 71%, 71% and 35% of coverage of eligible account holders under **PMSBY, PMJJBY** and **APY** schemes respectively till 31st March 2024.

| S.No. | Name of the Scheme | No. of Enrolments | | |
|-------|--------------------|--------------------------|-------------------|---------------|
| | | Total Eligible Customers | No. of Enrolments | % of Coverage |
| 1 | PMSBY | 10,93,147 | 7,70,892 | 71 |
| 2 | PMJJBY | 5,80,431 | 4,14,145 | 71 |
| 3 | APY | 3,92,643 | 1,37,559 | 35 |

PMJSS Drive - (from 02.10.2021 to 31.03.2024) :

| Name of the scheme | Progress under PMJSS Drive 1 st Round (from 02.10.2021 to 30.09.2022) | Progress under PMJSS Drive 2 nd Round (from 01.10.2022 to 31.03.2023) | Progress under PMJSS Drive 3 rd Round (from 01.04.2023 to 31.03.2024) |
|--------------------|--|--|--|
| PMJDY | 19,937 | 7,275 | 35,265 |
| PMJJBY | 22,167 | 25,955 | 85,898 |
| PMSBY | 41,496 | 35,006 | 1,02,776 |
| APY | 21,209 | 12,232 | 31,012 |

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 Telugu speaking States, i.e. Andhra Pradesh and Telangana for the last **Nine** years i.e. from FY 2016 to FY 2024. Our Bank stood **FIRST** among RRBs in South India also for the current financial year in this regard.

Our Bank has received ‘**APY Annual Award of Visionary Achiever**’ for surpassing the APY target given by PFRDA during FY 2024. It is apposite to mention that the bank posted a figure of APY enrolments of **128 per branch** as against the prescribed target of **100 per branch** given by PFRDA leading to the said award.

Financial Literacy Centers (FLCs):

Bank has appointed three counsellors at the 2 FLCs viz., 2 Counsellors at Guntur FLC and 1 at Rajahmundry FLC and they are conducting Financial Literacy Awareness Camps (FLACs) as per the target given by RBI at a satisfactory level. A total of **1,369** FLCs are conducted from Apr’23 to Mar’24 and the details are as under:

| S.No. | Type of camps | No. of camps conducted |
|-------|------------------------------------|------------------------|
| 1 | Going Digital | 136 |
| 2 | Target Specific Camps | 339 |
| 3 | Rural Camps | 879 |
| 4 | Nukkad Natak(Special Campaign 3.0) | 15 |

NABARD has sanctioned an amount of Rs.50.00 lakh as grant assistance under Financial Inclusion Fund (FIF) to conduct 1000 FLCs during FY 2023-24. Accordingly, we have successfully completed total camps by December’23 by utilizing kalajatha teams.

Bank has also successfully conducted 15 street plays (NUKKAD NATAK) in the month of October 2023 as per the instructions of DFS, MoF, Govt. of India and NABARD under special campaign 3.0 in 15 remote area villages of our Bank.

All the above programs are conducted in **812 villages** and through these FLAC programs a total of **97,036 citizens are covered and educated on Financial Literacy**.

Aadhaar Enrollment Centres (AECs):

Bank had 22 Aadhaar Enrollment Centres (AECs) for taking up enrollment as well as updation activity at the Branches. The Enrollment & Updation process was initiated by the Bank from February 2018 and the total Aadhaar Enrollments & Updates carried out by the Bank stood at 5,00,106 by 31st March 2024.



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Internal Inspection

As of March 31st 2024, all 198 branches eligible for inspection have undergone Regular Internal Inspection.

Among these branches, an impressive 159 have been awarded an 'A' rating, signifying exceptional performance, while 39 branches have earned a 'B' rating.

Continuous efforts are underway to address any identified lapses or deviations highlighted in the inspection reports, ensuring stringent adherence to compliance standards set for branches.

Concurrent Audit

Concurrent audit of branches, by independent chartered accountant firms and a few retired officers of our Bank, was undertaken for 197 branches during the year under review.

Statutory Inspection by NABARD

NABARD has conducted XIII statutory inspection under section 35(6) of Banking Regulation Act 1949, from 04th December 2023 to 29th December 2023, with reference to the financial position of the bank as on 31st March 2023.

Management Audit by Sponsor Bank

Sponsor Bank, i.e. Union Bank of India has conducted the Management Audit (MAD) of the Bank from 23th August 2023 to 28th August 2023.

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 2024, 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 2024.

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.



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Preventive Vigilance Committees

As advised by Central Vigilance Commission (CVC) through its Vigilance Manual, Preventive Vigilance Committees (PVCs) are established in 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.

Vigilance Awareness Week

Our bank has observed the Vigilance Awareness Week-2023 (VAW-2023) from 30th October 2023 to 5th November 2023 with the theme “Say No to Corruption; Commit to the Nation”, as per the guidelines outlined by the Central Vigilance Commission. Various activities like plantation drives, blood donation camps, rangoli competitions, drawing competitions, walkathons, SHG meetings, Grama Sabhas are undertaken by the bank as part of the awareness week across our branch network, all aimed at fostering awareness and engagement in our communities.

An honorable guest, Shri Bal Mukund Sharma Ji, Additional Chief Vigilance Officer, Union Bank of India, Mumbai graced our celebrations. He actively participated in events such as the Blood Donation Campaign, Plantation Drive, and Integrity pledge ceremonies held at our Guntur Regional Office and Head Office, further accentuating the significance of our collective commitment to vigilance and ethical conduct.

In a bid to amplify our message, we produced a short film during VAW-2023, encapsulating the theme “SAY NO TO CORRUPTION – COMMIT TO THE NATION.” This cinematic endeavor serves as a potent medium to disseminate our values not only to our esteemed staff but also to the wider public, as we strive to foster a culture of transparency and integrity in all our endeavors.

Social Responsibility

As an integral part of our corporate ethos, social responsibility has always been at the forefront of our bank’s operations. We firmly believe that our success as a financial institution is intertwined with the well-being and progress of the communities we serve. Therefore, we have consistently endeavored to fulfill our social obligations by engaging in various initiatives aimed at uplifting Society and fostering sustainable development.

In FY 2024, Bank continued its steadfast support for various social causes, in the form of financial support of ₹ 28.04 lakh towards promotion of Agricultural Technologies, Sponsoring community development programs, 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 45 students derived the benefit out of it.



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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 - on 17th & 18th May, 2023
2. APY Weekly Winners of Winning Wednesday - on 24th & 25th May, 2023
3. APY Warriors of Winning Wednesday Award - for the month of June, 2023
4. APY Shine & Succeed Campaign - from 2nd to 30th June, 2023
5. APY Weekly Winners of Winning Wednesday - on 19th & 20th July, 2023
6. APY RISE ABOVE THE REST Award - from 01st July to 16th Aug, 2023
7. APY Warriors of Winning Wednesday Award - for the month of August 2023
8. APY Wondrous Warriors of Winning Wednesday Award - for the month of September 2023
9. Old Age "FINANCIAL FREEDOM FIGHTERS" Campaign - from 17th August to 30th September 2023 –
"Exemplary freedom fighters Award"
10. APY Wondrous Warriors of Winning Wednesday Award - for the month of October 2023
11. APY Wondrous Warriors of Winning Wednesday Award - for the month of November 2023
12. APY Wondrous Warriors of Winning Wednesday Award - for the month of December 2023
13. APY "Leadership Pinnacle" Campaign - from 20th Nov to 31st Dec, 2023
14. Amazing Achievers of APY(AAA) Campaign - from 01st Jan to 31st Mar, 2024
 - 1 branch has qualified for the target under Gold Club(151 to 239 accounts per branch)
 - 8 branches have qualified for the target under Bronze Club (60 to 149 accounts per branch)
15. **APY Annual Award of Visionary Achiever** for FY 2023-24 for enrolling 31,012 APY enrollments as against the target of 25,400

II] SKOCH AWARD

Our Nomination titled "Performance in Financial Inclusion" under BFSI {Banking, Financial Services and Insurance Sectors} category got **SKOCH Corporate Excellence GOLD** Award in the 97th SKOCH Summit held at India Habitat Centre, New Delhi

III] Credit Portfolio :

Our bank has been adjudged as "**Best Regional Rural Bank - Winner**" at MSME Banking Excellence Awards, 2023" organized by Chamber of Indian Micro Small and Medium Enterprises (CIMSME), New Delhi on 29.02.2024



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Board Meetings

Eight board meetings were convened by the Bank during the calendar year 2023 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 2024 were seven in number.

13 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 one time each in three quarters of FY2024.

Two newly constituted board level committees, viz. IT Sub-Committee and IT Strategy Committee have met once during FY2024.

The following Director has assumed Office during the year under report:

Mr. Rajesh M Deshmukh, Asst. General Manager, Department of Supervision, Reserve Bank of India, AP-RO, Hyderabad - RBI Nominee Director

The following Director has vacated office during the year under Report:

Mr. M Udai Krishna, Asst. General Manager, Department of Supervision, Reserve Bank of India, AP-RO, Hyderabad - RBI Nominee Director

The Board wishes to place on record its appreciation and gratitude for the valuable services and advice rendered by the Director who has 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 way forward.

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.



CHAITANYA GODAVARI GRAMEENA BANK

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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 17 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, 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, and M/s Chinta Krishna Rao & Co, Guntur for their cooperation and completion of the statutory audit within the given timeline.

The Board places on record its appreciation 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 and also under 'Roadmap – FY2025' 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

K PRAMOD KUMAR REDDY

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 : 24.04.2024



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CHAITANYA GODAVARI GRAMEENA BANK

KEY PERFORMANCE INDICATORS

| S. No. | Key Performance Indicators | FY 2022 | FY 2023 | FY 2024 |
|-----------------|--|------------|------------|------------|
| (Amount ₹ lakh) | | | | |
| 1 | No. of Districts covered | 3 | 8 | 8 |
| 2 | No. of Branches | 230 | 249 | 265 |
| | a) Rural | 131 | 142 | 147 |
| | b) Semi-Urban | 76 | 79 | 86 |
| | c) Urban | 23 | 28 | 32 |
| 3 | Total Staff | 1162 | 1299 | 1261 |
| | a) Officers | 698 | 785 | 784 |
| | b) Office Assistants | 305 | 355 | 320 |
| | c) Office Attendants | 159 | 159 | 157 |
| 4 | Deposits | 728686.00 | 855877.71 | 1002892.09 |
| | Growth % | 11.43 | 17.45 | 17.18 |
| 5 | Loans & Advances | 809334.43 | 982342.59 | 1241515.15 |
| | Growth % | 17.68 | 21.38 | 26.38 |
| | Loans & Advances net of IBPC of ₹ 70000 lakh, ₹ 80000 lakh and ₹ 100000 lakh | 739334.43 | 902342.59 | 1141515.15 |
| | Growth % | 17.78 | 22.05 | 26.51 |
| 6 | Borrowings Outstanding | 304657.85 | 375993.77 | 459954.36 |
| | Growth % | 33.59 | 23.42 | 22.33 |
| 7 | CD Ratio | 101.46 | 105.43 | 113.82 |
| 8 | Investments Outstanding | 143108.13 | 166403.35 | 212192.20 |
| | Growth % | (-)15.05 | 16.28 | 27.52 |
| 9 | Average Deposits | 664482.70 | 748159.47 | 908060.04 |
| | Growth % | 10.51 | 12.59 | 21.37 |
| 10 | Average Loans & Advances | 742880.27 | 882063.91 | 1129494.48 |
| | Growth % | 24.88 | 18.74 | 28.05 |
| 11 | Average Borrowings | 254674.37 | 335486.08 | 411233.67 |
| | Growth % | 30.81 | 31.73 | 22.58 |
| 12 | Average Investments | 157253.75 | 166990.48 | 232557.00 |
| | Growth % | (-)5.17 | 6.19 | 39.26 |
| 13 | Average working Funds | 1087461.98 | 1291342.22 | 1578462.36 |



CHAITANYA GODAVARI GRAMEENA BANK

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| S. No. | Key Performance Indicators | FY 2022 | FY 2023 | FY 2024 |
|-----------------|---|----------------|----------------|----------------|
| (Amount ₹ lakh) | | | | |
| 14 | Loans Issued during the year | | | |
| | a) Loans to Priority sector | 639789.46 | 790351.49 | 980411.88 |
| | b) Loans to Non-Priority Sector | 64665.53 | 51991.84 | 71344.66 |
| | c) Total Loans issued | 704454.99 | 842343.33 | 1051756.54 |
| 15 | per-Branch Business | 6382.70 | 7061.13 | 8092.10 |
| 16 | per-Employee Business | 1256.26 | 1349.55 | 1694.75 |
| 17 | Recovery Performance (% of Collection to Demand) | 75.34 | 73.10 | 73.69 |
| 18 | Classification of Advances | | | |
| | a) Standard Assets | 802613.25 | 976633.96 | 1233778.96 |
| | b) Sub-standard assets | 3077.78 | 2290.07 | 4217.59 |
| | c) Doubtful Assets | 3266.08 | 2950.81 | 2981.92 |
| | d) Loss Assets | 377.32 | 467.75 | 536.68 |
| | Total NPAs | 6721.18 | 5708.63 | 7736.19 |
| | Total Advances | 809334.43 | 982342.59 | 1241515.15 |
| 19 | % of Standard Assets to Gross Advances Outstanding | 99.17 | 99.42 | 99.38 |
| 20 | Interest Paid on | | | |
| | a) Deposits | 35184.86 | 39510.88 | 57955.99 |
| | b) Borrowings | 12574.72 | 17136.75 | 25296.55 |
| 21 | Salary & Allowances | 18323.27 | 20935.87 | 18241.37 |
| 22 | Other Operating expenses | 8038.08 | 7895.99 | 8684.59 |
| 23 | Provisions made against Loans and Advances | | | |
| | a) Against NPA | 6721.18 | 5708.63 | 7736.19 |
| | b) Other Provisions | 5440.11 | 4736.11 | 4717.48 |
| | Total | 12161.29 | 10444.74 | 12453.67 |
| 24 | Interest Received on | | | |
| | a) Loans & Advances | 74163.52 | 85517.92 | 110456.00 |
| | b) Investments | 11260.39 | 11723.49 | 16381.64 |
| 25 | Other Income | 12770.48 | 15828.49 | 17780.16 |
| 26 | Profit Before Tax | 22661.59 | 31733.78 | 33593.55 |
| 27 | Profit After Tax | 16233.92 | 23234.33 | 25191.47 |
| 28 | Cost to Income Ratio | 49.55 | 47.34 | 43.04 |



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CHAITANYA GODAVARI GRAMEENA BANK

INDEPENDENT AUDITOR'S REPORT

To

The Shareholders of

CHAITANYA GODAVARI GRAMEENA BANK

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Chaitanya Godavari Grameena Bank ("the Bank"), which comprise the Balance Sheet as at 31 March 2024, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Central Office and
 - i. 37 branches audited by us and
 - ii. 142 branches audited by statutory branch auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 86 branches which have not been subjected to audit. These unaudited branches account for 16.34% of advances, 20.28% of deposits, 15.57% of interest income and 20.58% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for the bank and are in conformity with accounting principles generally accepted in India and :

- a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2024;
- b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit/loss (as applicable); and
- c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally



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accepted in India, including the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time subject to Directions/Guidelines issued by the Reserve Bank of India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (“RBI”) from time to time 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 Matters

3. We did not audit the financial statements / information of 142 branches, included in the standalone financial statements of the Bank whose financial statements / financial information reflect total business of Rs. 13654.46 crores as at 31st March 2024 and total revenue of Rs. 853.10 crores for the year ended on that date, as considered in the standalone financial statements. These branches and processing centers cover 60.14% of advances, 61.71% of deposits and 60.84% of non-performing assets as at 31st March 2024 and 48.58% of revenue for the year ended 31st March 2024. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

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

4. The Bank’s Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India (‘RBI’) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the bank’s financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



CHAITANYA GODAVARI GRAMEENA BANK

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

Subject to the limitations of the audit indicated in paragraphs 5, 7 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
7. As required by letter No. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17th, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:
 - (a) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
 - (b) The observation or comments on financial transactions or matters which have any adverse effect on the functioning of the bank are - **Nil** -



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- (c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
- (d) The qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith are - **Nil** -
- (e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting with reference to standalone financial statements is given in Annexure A to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to standalone financial statements as at 31st March 2024.
8. We further report that:
- in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us]
 - the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account [and with the returns received from the branches not visited by us];
 - the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

As per our report of even date
For N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

(CA M V V Sivaramayya)
Partner

M No. 229564
UDIN : 24229564BKBLKD8249

Place : Guntur
Date : 24.04.2024



CHAITANYA GODAVARI GRAMEENA BANK

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ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 9(e) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date) Report on the Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements as required by the Reserve Bank of India (the “RBI”) Letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the “RBI communication”)

Opinion

We have audited the internal financial controls over financial reporting with reference to standalone financial statements of CHAITANYA GODAVARI GRAMEENA BANK (“the Bank”) as at March 31, 2024 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting with reference to standalone financial statements of the Bank’s branches.

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements and such Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on

[for example, “the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India”].

Management’s Responsibility for Internal Financial Controls

The Bank’s management is responsible for establishing and maintaining internal financial controls based on Banking Regulation Act, 1949. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Bank’s internal financial controls over financial reporting with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (the “ICAI”) and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate



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CHAITANYA GODAVARI GRAMEENA BANK

internal financial controls over financial reporting with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

A Bank's internal financial controls over financial reporting with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal



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financial controls over financial reporting with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report insofar as it relates to the operating effectiveness of internal financial controls over financial reporting with reference to standalone financial statements of 142 (number, specify scoped in / IFCoFR reporting branches) branches is based on the corresponding reports of the respective branch auditors of those branches.

Our opinion is not modified in respect of this matter.

As per our report of even date
For N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

(CA M V V Sivaramayya)
Partner
M No. 229564
UDIN : 24229564BKBLKD8249

Place : Guntur
Date : 24.04.2024



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CHAITANYA GODAVARI GRAMEENA BANK

CHAITANYA GODAVARI GRAMEENA BANK

Sponsored by Union Bank of India

HEAD OFFICE :: GUNTUR



BALANCE SHEET AS ON 31st MARCH 2024

Rs in '000

| PARTICULARS | SCHEDULE | 31.03.2024 | 31.03.2023 |
|--|----------|------------------|------------------|
| CAPITAL & LIABILITIES | | | |
| Capital | 1 | 74422 | 74422 |
| Reserves and Surplus | 2 | 12450862 | 9931715 |
| Deposits | 3 | 100289209 | 85587771 |
| Borrowings | 4 | 45995436 | 37599377 |
| Other Liabilities and Provisions | 5 | 2367634 | 2430959 |
| TOTAL | | 161177563 | 135624244 |
| ASSETS | | | |
| Cash and Balances with Reserve Bank of India | 6 | 7710215 | 6197523 |
| Balances with banks and money at call and short notice | 7 | 14948465 | 19579092 |
| Investments | 8 | 21219220 | 16640335 |
| Advances* | 9 | 113377897 | 89663396 |
| Fixed Assets | 10 | 263100 | 264525 |
| Other Assets | 11 | 3658666 | 3279373 |
| TOTAL | | 161177563 | 135624244 |
| Contingent Liabilities | 12 | 381268 | 372005 |
| Bills for Collection | | 466617 | 148837 |
| *Advances are netted of IBPC of Rs 1000 crore as on 31.03.2024 and Rs 800 crore as on 31.03.2023 | | | |



CHAITANYA GODAVARI GRAMEENA BANK

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As per our report of even date
For N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

(CA M V V Sivaramayya)
Partner
M No. 229564
UDIN : 24229564BKBLKD8249

BOARD OF DIRECTORS

K PRAMOD KUMAR REDDY

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 : 24.04.2024



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CHAITANYA GODAVARI GRAMEENA BANK

CHAITANYA GODAVARI GRAMEENA BANK

Sponsored by Union Bank of India

HEAD OFFICE :: GUNTUR

FORM- B

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2024

Rs in '000

| PARTICULARS | SCHEDULE | 31.03.2024 | 31.03.2023 |
|--|-----------|-----------------|-----------------|
| I. INCOME | | | |
| Interest earned | 13 | 13288120 | 10434409 |
| Other Income | 14 | 1778016 | 1582849 |
| TOTAL | | 15066136 | 12017258 |
| II. EXPENDITURE | | | |
| Interest Expended | 15 | 8809748 | 5926772 |
| Operating Expenses | 16 | 2692596 | 2883186 |
| Provisions and contingencies | | 1044645 | 883867 |
| TOTAL | | 12546989 | 9693825 |
| III. PROFIT/LOSS | | | |
| Net Profit/Loss(-) for the year | | 2519147 | 2323433 |
| Profit/Loss(-) brought forward | | 100 | 100 |
| TOTAL | | 2519247 | 2323533 |
| 4. APPROPRIATIONS | | | |
| Transfer to Statutory Reserves | | 510000 | 470000 |
| Transfer to Other Reserves | | 2009147 | 1853433 |
| Transfer to Government/proposed dividend | | 0 | 0 |
| Balance carried over to balance sheet | | 100 | 100 |
| TOTAL | | 2519247 | 2323533 |



CHAITANYA GODAVARI GRAMEENA BANK

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As per our report of even date
For N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

(CA M V V Sivaramayya)
Partner
M No. 229564
UDIN : 24229564BKBLKD8249

BOARD OF DIRECTORS

K PRAMOD KUMAR REDDY
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 : 24.04.2024



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CHAITANYA GODAVARI GRAMEENA BANK

CHAITANYA GODAVARI GRAMEENA BANK

Sponsored by Union Bank of India

HEAD OFFICE :: GUNTUR

SCHEDULE - 1

CAPITAL

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--------------------------------------|-----------------|-----------------|
| Authorised Capital | 20000000 | 20000000 |
| (200,00,00,000 Shares of Rs.10 each) | | |
| Issued Capital | 74422 | 74422 |
| (74,42,200 shares of Rs.10/- each) | | |
| Subscribed Capital | 74422 | 74422 |
| (74,42,200 shares of Rs.10/- each) | | |
| Called-up Capital | 74422 | 74422 |
| (74,42,200 shares of Rs.10/- each) | | |
| Less: Calls unpaid | 0 | 0 |
| Add: Forfeited shares | 0 | 0 |
| Paid up Capital | 74422 | 74422 |
| Total | 74422 | 74422 |



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SCHEDULE - 2 RESERVES & SURPLUS

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|-----------------|----------------|
| I- Statutory Reserves | | |
| A. Opening balance | 1992153 | 1522153 |
| B. Additions during the year | 510000 | 470000 |
| 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 | 7915462 | 6062029 |
| B. Additions during the year | 2009147 | 1853433 |
| C. Deductions during the year | 0 | 0 |
| V- Balance in Profit & Loss A/c | 100 | 100 |
| Total (I, II, III, IV and V) | 12450862 | 9931715 |

SCHEDULE - 3 DEPOSITS

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|---|------------------|-----------------|
| A. I - Demand Deposits | | |
| i) From Banks | 0 | 0 |
| ii) From Others | 2080594 | 1202743 |
| II - Savings Bank Deposits | 26370236 | 24336678 |
| III - Term Deposits | | |
| i) From Banks | 733159 | 514959 |
| ii) From Others | 71105220 | 59533391 |
| Total (I, II and III) | 100289209 | 85587771 |
| B. (i) Deposits of branches in India | 100289209 | 85587771 |
| (ii) Deposits of branches outside India | 0 | 0 |
| Total (i and ii) | 100289209 | 85587771 |



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SCHEDULE - 4 BORROWINGS

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|---|-------------------|-------------------|
| I. Borrowings in India | | |
| (a) Reserve Bank of India | 0 | 0 |
| (b) Other Banks | 541337 | 0 |
| (c) Other Institutions & Agencies - NABARD | 45454099 | 37599377 |
| II. Borrowings outside India | 0 | 0 |
| Total (I and II) | 45995436 | 37599377 |
| Secured borrowings included in I and II above | 45995436 | 37599377 |

SCHEDULE - 5 OTHER LIABILITIES AND PROVISIONS

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|---|-------------------|-------------------|
| I. Bills payable | 39127 | 46899 |
| II. Inter-office adjustments (net) | 0 | 0 |
| III. Interest accrued | 103364 | 82939 |
| IV. Others (including provisions) | 2225143 | 2301121 |
| Total (I, II, III and IV) | 2367634 | 2430959 |

SCHEDULE - 6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|-------------------|-------------------|
| I. Cash in hand | 901675 | 1034870 |
| II. Balances with Reserve Bank of India | | |
| i) In Current Account | 4398540 | 3512653 |
| ii) In Other Accounts | 2410000 | 1650000 |
| Total (I and II) | 7710215 | 6197523 |



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SCHEDULE - 7

BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| I. IN INDIA | | |
| (i) Balances with Banks | | |
| a) in Current Accounts | 14792881 | 14762980 |
| b) in Other Deposit Accounts | 155584 | 4816112 |
| (ii) Money at Call & Short Notice | | |
| a) with Banks | 0 | 0 |
| b) with Other Institutions | 0 | 0 |
| Total (i and ii) | 14948465 | 19579092 |
| 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) | 14948465 | 19579092 |

SCHEDULE - 8

INVESTMENTS

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|-----------------|-----------------|
| I. Investments in India in | | |
| i) Government Securities | 20246595 | 15854795 |
| ii) Other approved Securities | 0 | 0 |
| iii) Shares | 0 | 0 |
| iv) Debentures and Bonds | 832632 | 785540 |
| v) Subsidiaries and/or joint ventures | 0 | 0 |
| vi) Others - Mutual Funds | 139993 | 0 |
| Total (i, ii, iii, iv, v and vi) | 21219220 | 16640335 |
| 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) | 21219220 | 16640335 |



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SCHEDULE - 9 ADVANCES

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|------------------|-----------------|
| A. (i) Bills Purchased and discounted | 76678 | 12575 |
| (ii) Cash Credits, Overdrafts & Loans repayable on demand* | 98188903 | 76709448 |
| (iii) Term Loans | 15112316 | 12941373 |
| Total (i, ii and iii) | 113377897 | 89663396 |
| B. (i) Secured by Tangible Assets* | 110200760 | 87271830 |
| (ii) Covered by Bank/Government Guarantees | 0 | 0 |
| (iii) Unsecured | 3177137 | 2391566 |
| Total (i, ii and iii) | 113377897 | 89663396 |
| C. I. Advances in India | | |
| (i) Priority Sectors* | 102669028 | 81082210 |
| (ii) Public Sector | 0 | 0 |
| (iii) Banks | 0 | 0 |
| (iv) Others | 10708869 | 8581186 |
| Total (i, ii, and iii, iv) | 113377897 | 89663396 |
| *Advances are netted of IBPC of Rs 1000 crore as on 31.03.2024 and Rs 800 crore as on 31.03.2023 | | |
| 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) | 113377897 | 89663396 |



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Rs in '000

| | | 31.03.2024 | 31.03.2023 |
|-------------------------|--|---------------|---------------|
| 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 | 264525 | 255322 |
| | Additions during the year | 73439 | 109580 |
| | Deductions during the year | 412 | 579 |
| | Depreciation to date | 74452 | 99798 |
| Total (I and II) | | 263100 | 264525 |

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|----------------|----------------|
| I. Inter office adjustments (net) | 0 | 0 |
| II. Interest accrued | 1252645 | 918905 |
| III. Tax paid in advance / tax deducted at source | 956662 | 649000 |
| IV. Stationery and stamps | 22012 | 17813 |
| V. Non banking assets acquired in satisfaction of claims | 0 | 0 |
| VI. Others | | |
| (i) Pension Fund | 0 | 0 |
| (ii) Deferred Tax assets | 72257 | 12257 |
| (iii) Others | 1355090 | 1681398 |
| Total (I, II, III, IV, V and VI) | 3658666 | 3279373 |



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SCHEDULE - 12 CONTINGENT LIABILITIES

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|---------------|---------------|
| 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 | 181704 | 186055 |
| (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) | 199564 | 185950 |
| Total (I, II, III, IV, V and VI) | 381268 | 372005 |

SCHEDULE - 13 INTEREST EARNED

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|---|-----------------|-----------------|
| I. Interest/ discount on advances/bills | 11045600 | 8551792 |
| II. Income on investments | 1638164 | 1172349 |
| III. Interest on balances with Reserve Bank of India and other inter-bank funds | 604356 | 710268 |
| IV. Others | 0 | 0 |
| Total (I, II, III and IV) | 13288120 | 10434409 |

SCHEDULE - 14 OTHER INCOME

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|----------------|----------------|
| I. Commission, exchange and brokerage | 47165 | 38448 |
| II. Profit on sale of Investments | 29787 | 52670 |
| 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 | 726 | 949 |
| 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 | 1700338 | 1490782 |
| Total (I, II, III, IV, V, VI and VII) | 1778016 | 1582849 |



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SCHEDULE - 15 INTEREST EXPENDED

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|---|----------------|----------------|
| I. Interest on deposits | 5795599 | 3951088 |
| II. Interest on Reserve Bank of India/Inter-Bank Borrowings | 2529655 | 1713675 |
| III. Others | 484494 | 262009 |
| Total (I, II and III) | 8809748 | 5926772 |

SCHEDULE - 16 OPERATING EXPENSES

Rs in '000

| | 31.03.2024 | 31.03.2023 |
|--|----------------|----------------|
| I. Payments to and provisions for employees | 1824137 | 2093587 |
| II. Rent, taxes and lighting | 92343 | 81031 |
| III. Printing and stationery | 14859 | 14125 |
| IV. Advertisement and publicity | 8659 | 8638 |
| V. Depreciation on Bank's property | 74452 | 99798 |
| VI. Director's fees, allowances and expenses | 0 | 0 |
| VII. Auditor's fees and expenses (including branch auditors) | 4264 | 3920 |
| VIII. Law charges | 1304 | 374 |
| IX. Postage, telegrams, telephones etc | 3986 | 3011 |
| X. Repairs and maintenance | 15706 | 15200 |
| XI. Insurance | 165913 | 134964 |
| XII. Other Expenditure | 486973 | 428538 |
| Total (I, II, III, IV, V, VI, VII, VIII, IX, X, XI and XII) | 2692596 | 2883186 |

previous year figures are re-grouped wherever necessary



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CHAITANYA GODAVARI GRAMEENA BANK

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HEAD OFFICE :: GUNTUR

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 01.04.2024)

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



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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 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.



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- 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 45 S 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, in case 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



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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.

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:

- 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.
- Income by way of commission, exchange, brokerage, fee and interest on overdue bills are accounted for on realization.
- Locker rent and commission on bank guarantees are recognized on realization basis.
- 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:

- Expenditure/out of pocket expenses incurred for recovery



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- ii. Interest irregularities/accrued interest
- 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:

- All advances of the Bank have been classified into Performing (Standard) and Non-Performing Assets (Sub-standard, Doubtful and Loss Assets).
- Provision in respect of Non-Performing Assets is made as per the Prudential Norms issued by RBI/NABARD and the provisions are as under:
 - Sub-standard Assets: 15% on secured portion and 25% on unsecured portion
 - Doubtful Assets under D1 category: 25% on secured portion and 100% on unsecured portion
 - Doubtful Assets under D2 category: 40% on secured portion and 100% on unsecured portion
 - Doubtful Assets under D3 category and loss assets: 100 %
- Provision in respect of Non-performing Assets has been deducted from the advances.
- 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.
- Unrealized Interest on Non-Performing assets is not recognized as income.
- 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:

- The business segment is considered as the only reporting format.
- The business segments will be Retail Banking and Treasury only.
- 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:

- Income tax expenses is the aggregate amount of
 - current tax provision and
 - deferred tax charge
- 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.
- 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.
- Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.
- 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.
- 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
FRN: 009399S

(CA M V V Sivaramayya)
Partner
M No. 229564
UDIN : 24229564BKBLKD8249

BOARD OF DIRECTORS

K PRAMOD KUMAR REDDY

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 : 24.04.2024



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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 01.04.2024) – Reserve Bank of India (Financial Statements – Presentation and Disclosures) Directions, 2021]

1. Regulatory Capital

(a) Composition of Regulatory Capital

(Amount in Rs. 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) | 1233.50 | 987.59 |
| ii) | Additional Tier 1 capital/ Other Tier 1 capital | - | - |
| iii) | Tier 1 capital (i + ii) | 1233.50 | 987.59 |
| iv) | Tier 2 capital | 57.44 | 66.86 |
| v) | Total capital (Tier 1+Tier 2) | 1290.94 | 1054.45 |
| vi) | Total Risk Weighted Assets (RWAs) | 9265.76 | 7256.76 |
| vii) | CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid up share capital and reserves as percentage of RWAs | 13.31 | 13.61 |
| viii) | Tier 1 Ratio (Tier 1 capital as a percentage of RWAs) | 13.31 | 13.61 |
| ix) | Tier 2 Ratio (Tier 2 capital as a percentage of RWAs) | 0.62 | 0.92 |
| x) | Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs) | 13.93 | 14.53 |
| 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 2023-24.

2. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As at 31.03.2024

(Amount in Rs. 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 | 154.62 | 76.73 | 71.59 | 182.48 | 310.99 | 414.03 | 1104.99 | 3195.58 | 4443.83 | 30.49 | 43.59 | 10028.92 |
| Advances | 682.43 | 62.01 | 81.81 | 183.65 | 590.61 | 678.52 | 1789.07 | 3063.85 | 607.54 | 3434.33 | 1241.33 | 12415.15 |
| Investments | 24.00 | 48.87 | 146.53 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 119.77 | 1782.75 | 2121.92 |
| Borrowings | 54.13 | 0.00 | 0.00 | 0.00 | 0.00 | 513.11 | 325.01 | 2287.21 | 663.40 | 660.68 | 96.00 | 4599.54 |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Foreign Currency Liabilities | - | - | - | - | - | - | - | - | - | - | - | - |

As at 31.03.2023

(Amount in Rs. 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 | - | - | - | - | - | - | - | - | - | - | - | - |



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3. Investments

(a) Composition of Investment Portfolio

As at 31.03.2024

(Amount in Rs. 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 investment outside India | |
| Held to Maturity | | | | | | | | | | | | |
| Gross | 1804.23 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1804.23 | 0.00 | 0.00 | 0.00 | 0.00 | 1804.23 |
| 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 | 1804.23 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1804.23 | 0.00 | 0.00 | 0.00 | 0.00 | 1804.23 |
| Available for Sale | | | | | | | | | | | | |
| Gross | 220.43 | 0.00 | 0.00 | 83.26 | 0.00 | 14.00 | 317.69 | 0.00 | 0.00 | 0.00 | 0.00 | 317.69 |
| Less: Provision for depreciation and NPI | 0.01 | 0.00 | 0.00 | 10.00 | 0.00 | 0.00 | 10.01 | 0.00 | 0.00 | 0.00 | 0.00 | 10.01 |
| Net | 220.42 | 0.00 | 0.00 | 73.26 | 0.00 | 14.00 | 307.68 | 0.00 | 0.00 | 0.00 | 0.00 | 307.68 |
| 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 | 2024.66 | 0.00 | 0.00 | 83.26 | 0.00 | 14.00 | 2121.92 | 0.00 | 0.00 | 0.00 | 0.00 | 2121.92 |
| 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) | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 |
| Net | 2024.65 | 0.00 | 0.00 | 73.26 | 0.00 | 14.00 | 2111.91 | 0.00 | 0.00 | 0.00 | 0.00 | 2111.91 |



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As at 31.03.2023

(Amount in Rs. 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 investment 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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(b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in Rs. crore)

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| i) Movement of provisions held towards depreciation on investments | | |
| a) Opening balance | 10.08 | 10.00 |
| b) Add: Provisions made during the year | 0.01 | 0.08 |
| c) Less: write off/write back of excess provisions during the year | 0.08 | 0.00 |
| d) Closing balance | 10.01 | 10.08 |
| 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 | 3.71 | 6.48 |

(c) Sale and transfers to/from HTM category

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

| Particulars | 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 | 205.90 | 200.45 |
| 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 |



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(d) Non –SLR investment portfolio

(i) Non-performing non-SLR investments

(Amount in Rs. 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 Rs. crore)

| Sr. No. | Issuer | Amount | | Extent of Private Placement | | Extent of 'Below Investment Grade' Securities | | Extent of 'Unrated' Securities | | Extent of 'Unlisted' Securities | |
|---------|---|--------------------|---------------|-----------------------------|---------------|---|---------------|--------------------------------|---------------|---------------------------------|---------------|
| (1) | (2) | (3) | | (4) | | (5) | | (6) | | (7) | |
| | | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| 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 | 59.96 | 55.25 | 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 | 14.00 | 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) | 0.00 | 0.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total | 97.26 [#] | 78.47 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Total tallies with corresponding figures in Schedule 8



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(e) Repo transactions (in face value terms)

As at 31.03.2024

(Amount in Rs. 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 | 368.00 | 1615.00 | 110.59 | 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 31.03.2023

(Amount in Rs. 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 |



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**(f) Government Security Lending (GSL) transactions (in market value terms)
As at 31.03.2024**

(Amount in Rs. crore)

| | Minimum outstanding during the year | Maximum outstanding during the year | Daily average outstanding during the year | Total volume of transactions during the year | Outstanding as on March 31 st |
|--|-------------------------------------|-------------------------------------|---|--|--|
| Securities lent through GSL transactions | | | | | |
| Securities borrowed through GSL transactions | | | NIL | | |
| Securities placed as collateral under GSL transactions | | | | | |
| Securities received as collateral under GSL transactions | | | | | |

As at 31.03.2023

(Amount in Rs. crore)

| | Minimum outstanding during the year | Maximum outstanding during the year | Daily average outstanding during the year | Total volume of transactions during the year | Outstanding as on March 31 st |
|--|-------------------------------------|-------------------------------------|---|--|--|
| Securities lent through GSL transactions | | | | | |
| Securities borrowed through GSL transactions | | | NIL | | |
| Securities placed as collateral under GSL transactions | | | | | |
| Securities received as collateral under GSL transactions | | | | | |



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4. Asset Quality

(a) Classification of advances and provisions held

As at 31.03.2024

(Amount in Rs. lakh)

| | Standard | Non-Performing | | | | Total |
|--|-------------------------------|------------------|----------|--------|--------------------------------------|-----------------------|
| | Total Standard Advances | Sub- standard | Doubtful | Loss | Total Non- Performing Advances | |
| Gross Standard Advances and NPAs | | | | | | |
| Opening Balance | 976633.96 | 2290.07 | 2950.81 | 467.75 | 5708.63 | 982342.59 |
| Add: Additions during the year | | | | | 4346.46 | 4346.46 |
| Less: Reductions during the year* | | | | | 2318.90 | 2318.90 |
| Closing balance | 1233778.96 | 4217.59 | 2981.92 | 536.68 | 7736.19 | 1241515.15 |
| *Reductions in Gross NPAs due to: | | | | | | |
| i) Upgradation | | | | | 319.38 | 319.38 |
| ii) Recoveries (excluding recoveries from upgraded accounts) | | | | | 1073.20 | 1073.20 |
| iii) Technical/Prudential Write-offs | | | | | 926.32 | 926.32 |
| iv) Write-offs other than those under (iii) above | | | | | 0.00 | 0.00 |
| Provisions (excluding Floating Provisions) | | | | | | |
| Opening balance of provisions held | 2636.84 | 2290.07 | 2950.81 | 467.75 | 7327.79 | 9964.63 |
| Add: Fresh provisions made during the year | | | | | 1527.42 | 1527.42 |
| Less: Excess provision reversed / Write-off loans | | | | | 1119.02 | 1119.02 |
| Closing balance of provisions held | 3313.87 | 4217.59 | 2981.92 | 536.68 | 7736.19 | 11050.06 [#] |
| Net NPAs | | 0.00 | 0.00 | 0.00 | 0.00 | |
| Opening Balance | | | | | 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 | |



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(Amount in Rs. lakh)

| | Standard | Non-Performing | | | | Total |
|---|-------------------------|----------------|----------|------|-------------------------------|---------|
| | Total Standard Advances | Sub-standard | Doubtful | Loss | Total Non-Performing Advances | |
| Floating Provisions | | | | | | 1250.00 |
| Opening Balance | | | | | | 0.00 |
| Add: Additional provisions made during the year | | | | | | 0.00 |
| Less: Amount drawn down during the year | | | | | | 0.00 |
| Closing balance of floating provisions | | | | | | 1250.00 |
| Technical write-offs and the recoveries made thereon | | | | | | |
| Opening balance of Technical/Prudential written-off accounts | | | | | | 3396.66 |
| Add: Technical/Prudential write-offs during the year | | | | | | 926.32 |
| Less: Recoveries made from previously technical/prudential written-off accounts during the year | | | | | | 312.73 |
| Closing balance | | | | | | 4010.25 |

Fresh provision of Rs. 677.03 lakh towards Standard Assets is made during FY2024. Thus the said provision increased from Rs. 2636.84 lakh to Rs. 3313.87 lakh as on March 2024. The breakup for Closing Provision of Rs. 11050.06 lakh is as under:

| | | |
|-------------------------------|---|-------------------|
| Provision for Standard Assets | : | Rs. 3313.87 lakh |
| Provision for NPAs | : | Rs. 7736.19 lakh |
| Total | : | Rs. 11050.06 lakh |



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As at 31.03.2023

(Amount in Rs. 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 |



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(Amount in Rs. 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 |

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

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



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| Ratios (in per cent) | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| Gross NPA to Gross Advances | 0.68 | 0.63 |
| 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 Rs. 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 | 7035.71 | 37.15 | 0.53 | 5195.08 | 35.51 | 0.68 |
| | b) Advances to industries sector eligible as priority sector lending | 8.72 | 0.10 | 1.15 | 5.93 | 0.14 | 2.36 |
| | c) Services | 610.47 | 6.62 | 1.08 | 105.15 | 9.49 | 9.03 |
| | d) Personal loans | 2669.07 | 13.74 | 0.51 | 2992.08 | 6.87 | 0.23 |
| | Subtotal (i) | 10323.97 | 57.61 | 0.56 | 8298.24 | 52.01 | 0.63 |
| ii) | Non-priority Sector | | | | | | |
| | a) Agriculture and allied activities | - | - | - | - | - | - |
| | b) Industry | - | - | - | - | - | - |
| | c) Services | 64.55 | 8.08 | 12.52 | - | - | - |
| | d) Personal loans | 1026.63 | 11.67 | 1.14 | 725.19 | 5.08 | 0.70 |
| | Subtotal (ii) | 1091.18 | 19.75 | 1.81 | 725.19 | 5.08 | 0.70 |
| | Total (i + ii) | 11415.15 | 77.36 | 0.68 | 9023.43 | 57.09 | 0.63 |

Sub sectors where the outstanding advance exceeds 10% of the outstanding total advances to that sector for FY2022-23 are

: NIL

Sub sectors where the outstanding advance exceeds 10% of the outstanding total advances to that sector for FY2023-24 are

: NIL



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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 | 3 |
| Amount involved in fraud (Rs. crore) | 3.39 [@] | 1.43 |
| Amount of provision made for such frauds (Rs. crore) | 2.66 [#] | 0.98 |
| Amount of Unamortised provision debited from 'other reserves' as at the end of the year (Rs. crore) | 0.00 | 0.00 |

@ Out of the above, Rs. 0.73 crore was recovered.

Out of the above, loan accounts of Rs. 0.85 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, 2024

(Amount in Rs. 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 | 0.11 | 0.00 | 0.00 | 0.01 | 0.10 |
| Corporate Loans | 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 | 701.40 | 1.47 | 4.41 | 272.50 | 423.02 |
| Total | 701.51 | 1.47 | 4.41 | 272.51 | 423.12 |



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As on September 30, 2023

(Amount in Rs. 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 | 0.27 | 0.04 | 0.00 | 0.12 | 0.11 |
| Corporate Loans | 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 | 1226.68 | 11.12 | 0.00 | 514.16 | 701.40 |
| Total | 1226.95 | 11.16 | 0.00 | 514.28 | 701.51 |

As on March 31, 2023

(Amount in Rs. 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 Loans | 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 | 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 Rs. 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 | 0.00 | 0.49 | 0.47 |
| Corporate Loans | 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 | 2672.57 | 9.96 | 0.00 | 2083.41 | 1788.02 |
| Total | 2673.26 | 9.99 | 0.00 | 2083.90 | 1788.49 |

As on March 31, 2022

(Amount in Rs. 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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(Amount in Rs. 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 Loans | 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 Rs. 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 | 320.43 | 362.18 |
| Individual housing loans eligible for inclusion in priority sector advances (Exposure also includes non-fund based (NFB) limits) | 345.16 | 330.33 |
| 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] | 24.53 | 23.05 |
| 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 | 690.12 | 715.56 |



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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 Rs. crore)

| Particulars | Current year | Previous Year |
|---|--------------|---------------|
| Total unsecured advances of the bank | 317.71 | 239.16 |
| Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. have been taken | NIL | NIL |
| Estimated value of such intangible securities | NIL | NIL |

(e) Factoring exposures : NIL

(f) Intra-group exposures: NIL

(g) Unhedged foreign currency exposure: NIL

6. Concentration of deposits, advances, exposures and NPAs

(a) Concentration of deposits

(Amount in Rs. crore)

| Particulars | Current year | Previous Year |
|---|--------------|---------------|
| Total deposits of the twenty largest depositors | 1058.55 | 1437.74 |
| Percentage of deposits of twenty largest depositors to total deposits of the bank | 10.55 | 16.80 |

(b) Concentration of advances

(Amount in Rs. crore)

| Particulars | Current year | Previous Year |
|--|--------------|---------------|
| Total advances of twenty largest borrowers | 68.45 | 97.44 |
| Percentage of advances of twenty largest borrowers to total advances of the bank | 0.55 | 0.99 |

(c) Concentration of exposures

(Amount in Rs. crore)

| Particulars | Current year | Previous Year |
|--|--------------|---------------|
| Total exposure to the twenty largest borrowers/customers | 151.61 | 160.90 |
| Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers | 1.21 | 1.62 |



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(d) Concentration of NPAs

(Amount in Rs. crore)

| Particulars | Current year | Previous Year |
|--|--------------|---------------|
| Total Exposure to the top twenty NPA accounts | 16.94 | 5.43 |
| Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs | 21.90 | 9.51 |

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 Rs. crore)

| Sr. No. | Particulars | Current Year | Previous Year |
|--|--|--------------|---------------|
| i) | Opening balance of amounts transferred to DEA Fund | 18.59 | 17.59 |
| ii) | Add: Amounts transferred to DEA Fund during the year | 1.68 | 1.13 |
| iii) | Less: Amounts reimbursed by DEA Fund towards claims | 0.32 | 0.13 |
| iv) | Closing balance of amounts transferred to DEA Fund | 19.95 | 18.59 |
| The closing balance of the amount transferred to DEA Fund, as disclosed above, is also included under 'Schedule 12 - Contingent Liabilities - Other items for which the bank is contingently liable' | | | |

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 | 12 | 16 |
| 2. | Number of complaints received during the year | 690 | 588 |
| 3. | Number of complaints disposed during the year | 686 | 602 |
| | 3.1 Of which, number of complaints rejected by the bank | 0 | 0 |
| 4. | Number of complaints pending at the end of the year | 16 | 2 |
| Maintainable complaints received by the bank from Office of Ombudsman | | | |
| 5. | Number of maintainable complaints received by the bank from Office of Ombudsman | 22 | 24 |
| | 5.1 Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman | 21 | 23 |
| | 5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman | 1 | 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 - FY 2023 - 24 | | | | | |
| Ground - 1 | 3 | 548 | (-) 15.43 | 2 | 0 |
| Ground - 2 | 1 | 5 | 25.00 | 0 | 0 |
| Ground - 3 | 10 | 22 | (-) 46.34 | 0 | 0 |
| Ground - 4 | 1 | 6 | 20.00 | 0 | 0 |
| Ground - 5 | 0 | 2 | 100.00 | 0 | 0 |
| Others | 1 | 29 | 123.08 | 0 | 0 |
| Total | 16 | 612 | (-) 14.04 | 2 | 0 |
| Previous Year - FY 2022 - 23 | | | | | |
| 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 |

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 2024, no penalty has been imposed by RBI



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11. Related Party Disclosures:

- Our Bank is an Associate for Union Bank of India. Accordingly, Union Bank of India is a related party
- 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
- 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:

(Amount Rs. lakh)

| Particulars | Current Year | Previous Year |
|--|--------------|---------------|
| Mr. T Kameswara Rao, Chairman (Deputy General Manager, on deputation from Union Bank of India) | 27.71 | 25.18 |

12. Accounting Standard 17 – Segment Reporting

Part A: Business Segments

(Amount in Rs. crore)

| Business Segments → | Treasury | | Corporate / Wholesale Banking | | Retail Banking | | Other Banking Business | | Total | |
|-----------------------------|--------------|---------------|-------------------------------|---------------|----------------|---------------|------------------------|---------------|-----------------|-----------------|
| Particulars ↓ | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Revenue | 166.79 | 122.50 | - | - | 1339.82 | 1079.23 | - | - | 1506.61 | 1201.73 |
| Result | 37.19 | 32.34 | - | - | 298.74 | 284.99 | - | - | 335.93 | 317.33 |
| Unallocated expenses | | | | | | | | | | - |
| Operating Profit | | | | | | | | | 356.38 | 320.73 |
| Income taxes | | | | | | | | | 84.02 | 84.99 |
| Extraordinary profit / loss | - | - | - | - | - | - | - | - | - | - |
| Net Profit | | | | | | | | | 251.91 | 232.34 |
| Other information: | | | | | | | | | | |
| Segment assets | 2121.92 | 1664.03 | - | - | 11337.79 | 8966.34 | - | - | 13459.71 | 10630.37 |
| Unallocated assets | | | | | | | | | 2658.05 | 2932.05 |
| Total Assets | | | | | | | | | 16117.76 | 13562.42 |
| Segment liabilities | - | - | - | - | 14628.46 | 12318.71 | - | - | 14628.46 | 12318.71 |
| Unallocated liabilities | | | | | | | | | 1489.30 | 1243.71 |
| Total Liabilities | | | | | | | | | 16117.76 | 13562.42 |

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 2024

(Rs. '000)

| Sr. No. | Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|----------|---|--|--|
| A | Cash Flow from Operating Activities | | |
| | Net profit before tax | 3154918 | 3139456 |
| | Adjustments for: | | |
| | Depreciation on Fixed Assets | 74452 | 99798 |
| | Provision for Investments | 0 | 0 |
| | Provision for Non-Performing Assets | 152742 | 0 |
| | Provision for Standard Assets | 67703 | 43684 |
| | Provision for staff related expenditures | 0 | 87700 |
| | Provision for other items (Net) | -16008 | -97462 |
| | (Profit)/Loss on Sale or Disposal of Fixed Assets | -726 | -949 |
| | Interest on Borrowings: Capital Instruments | 0 | 0 |
| | Dividend received from investments | 0 | 0 |
| | Sub total | 278163 | 132771 |
| | Adjustments for: | | |
| | Increase/(Decrease) in Deposits | 14701438 | 12719171 |
| | Increase/(Decrease) in Borrowings | 8396059 | 7133592 |
| | Increase/(Decrease) in Other Liabilities and Provisions | -63325 | -51801 |
| | (Increase)/Decrease in Investments | -4578885 | -2329522 |
| | (Increase)/Decrease in Advances | -23714501 | -16402071 |
| | (Increase)/Decrease in Other Assets | -379293 | 1445654 |
| | Direct Taxes paid (Net of Refund) | -840208 | -849945 |
| | Sub total | -6478715 | 1665078 |
| | Net Cash Flow from Operating Activities (A) | -3045634 | 4937305 |



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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024 (Contd.)

(Rs. '000)

| Sr. No. | Particulars | Year ended 31 st March 2024 | Year ended 31 st March 2023 |
|----------|---|--|--|
| | Cash Flow from Investing Activities | | |
| B | Purchase of Fixed Assets | -73439 | -109580 |
| | Proceeds from sale/Adjustment of Fixed Asset | 1138 | 1528 |
| | (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 Operating Activities (B) | -72301 | -108052 |
| | Cash Flow from Financing Activities (C) | | |
| C | 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 |
| | Net Cash Flow from Financing Activities (C) | 0 | 0 |
| | Net increase/(Decrease) in Cash Flow during the period (A)+(B)+(C) | -3117935 | 4829253 |
| | Cash & Cash Equivalents at the beginning of the year | 25776615 | 20947362 |
| | Cash & Cash equivalents at the end of the year | 22658680 | 25776615 |
| | Net Increase/(Decrease) in Cash & Cash Equivalents during the period | -3117935 | 4829253 |
| | Components of Cash & Cash Equivalents | | |
| | Cash & Cash Equivalents | 1034870 | 1069928 |
| D | Cash and Balances with RBI | 5162653 | 3523638 |
| | Balances with Banks and Money at call | 19579092 | 16353796 |
| | Net cash and cash equivalents at the beginning of the year | 25776615 | 20947362 |
| | Cash & Cash Equivalents | 901675 | 1034870 |
| E | Cash and Balances with RBI | 6808540 | 5162653 |
| | Balances with Banks and Money at call | 14948465 | 19579092 |
| | Net cash and cash equivalents at the end of the year | 22658680 | 25776615 |



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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 | 8.42 | 8.08 |
| ii) | Non-interest income as a percentage to Working Funds | 1.13 | 1.22 |
| iii) | Cost of Deposits | 6.38 | 5.28 |
| iv) | Net Interest Margin [#] | 2.84 | 3.49 |
| v) | Operating Profit as a percentage to Working Funds | 2.26 | 2.48 |
| vi) | Return on Assets | 1.60 | 1.80 |
| vii) | Business (deposits plus advances) per employee (in Rs. crore) | 16.95 | 13.50 |
| viii) | Profit per employee (in Rs. crore) | 0.20 | 0.18 |

computed based on average working funds (for uniformity)

(b) Bancassurance business

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

(Amount in Rs. lakh)

| S.No. | Nature of Income | Current Year | Previous Year |
|-------|-----------------------------|---------------|---------------|
| 1 | Life Insurance Policies | 167.72 | 143.13 |
| 2 | Non Life Insurance Policies | 56.77 | 49.35 |
| 3 | Health Insurance | 11.70 | 9.77 |
| | Total | 236.19 | 202.25 |

(c) Marketing and Distribution

No fee/remuneration is received by the bank in respect of the marketing and distribution function (excluding bancassurance business).

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

Sales during FY2024:

| Sl.No. | Category | Face Value (Rs. Lakh) | Premium Rate (%) | Premium Received (Rs. Lakh) |
|--------|----------------------|--------------------------|---------------------|-----------------------------------|
| 1 | PSLCSM (PSLC-SF&MF) | 100000.00 | 2.05 | 2050.00 |
| 2 | PSLCSM (PSLC-SF&MF) | 12500.00 | 2.05 | 256.25 |
| 3 | PSLCSM (PSLC-SF&MF) | 10000.00 | 2.01 | 201.00 |
| 4 | PSLCSM (PSLC-SF&MF) | 22500.00 | 2.01 | 452.25 |
| 5 | PSLCSM (PSLC-SF&MF) | 17500.00 | 2.01 | 351.75 |
| 6 | PSLCSM (PSLC-SF&MF) | 42500.00 | 2.01 | 854.25 |
| 7 | PSLCSM (PSLC-SF&MF) | 45000.00 | 2.01 | 904.50 |
| 8 | PSLCA (PSLC-AGRI) | 50000.00 | 0.30 | 150.00 |
| 9 | PSLCA (PSLC-AGRI) | 5000.00 | 0.32 | 16.00 |
| 10 | PSLCA (PSLC-AGRI) | 45000.00 | 0.32 | 144.00 |
| | Total | 350000.00 | | 5380.00 |



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Purchases during FY2024:

| Sl.No. | Category | Face Value (Rs. Lakh) | Premium Rate(%) | Premium Paid (Rs. Lakh) |
|--------|---------------------------------|--------------------------|--------------------|-------------------------------|
| 1 | PSLCG(PSLC-General) | 100000.00 | 0.01 | 10.00 |
| 2 | PSLCG(PSLC-General) | 50000.00 | 0.01 | 5.00 |
| 3 | PSLCG(PSLC-General) | 12500.00 | 0.01 | 1.25 |
| 4 | PSLCG(PSLC-General) | 17500.00 | 0.01 | 1.75 |
| 5 | PSLCME(PSLC-Micro Enterprises) | 40000.00 | 0.07 | 28.00 |
| | Total | 220000.00 | | 46.00 |

Sales during FY2023:

| Sl.No. | Category | Face Value (Rs. Lakh) | Premium Rate(%) | Premium Received (Rs. 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 (Rs. Lakh) | Premium Rate(%) | Premium Paid (Rs. 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 Rs. 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 | 15.27 | 0.00 |
| iii) | Provision made towards Income tax | 90.02 | 86.22 |
| | (-) less Deferred Tax Asset | 6.00 | 1.23 |
| | Current Year Tax | 84.02 | 84.99 |
| iv) | Other Provisions and Contingencies | | |
| | a. Standard Assets | 6.77 | 4.37 |
| | b. Covid Regulatory Package | (-)3.13 | (-)8.30 |
| | c. Erosion in assets | (-)0.02 | (-)1.24 |
| | d. Frauds | 1.52 | (-)0.25 |
| | e. Resolution framework_2.0 | (-)0.14 | (-)0.04 |
| | f. Theft | 0.02 | - |
| | g. VLRPV | 0.08 | - |
| | h. Other Provisions | 0.05 | 8.85 |
| | Total | 5.15 | 3.39 |
| | Total (i, ii, iii and iv) | 104.44 | 88.38 |



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(f) Payment of DICGC Insurance Premium

(Amount in Rs. crore)

| Sr. No. | Particulars | Current Year | Previous Year |
|---------|-------------------------------------|--------------|---------------|
| i) | Payment of DICGC Insurance Premium | 12.37 | 9.75 |
| 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 31.03.2024.

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

Total Income: Rs. 150661.36 lakh

1% of Total Income: Rs. 1506.61 lakh

Items in excess of Rs.1506.61 lakh are disclosed hereunder:

| Sr. No. | Particulars | Amount (Rs. lakh) |
|---------|----------------------|-------------------|
| 1 | Fee income from PSLC | 5380.00 |
| 2 | Appraising charges | 2833.78 |
| 3 | Processing charges | 4679.91 |
| | Total | 12893.69 |

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

Total Income: Rs.150661.36 lakh

1% of Total Income: Rs.1506.61 lakh

Items in excess of Rs.1506.61 lakh are NIL



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- (j) 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: Rs.1611775.63 lakh

1% of Total Assets: Rs.16117.76 lakh

Items in excess of Rs.16117.76 lakh are NIL

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

Total Assets: Rs.1611775.63 lakh

1% of Total Assets: Rs.16117.76 lakh

Items in excess of Rs.16117.76 lakh are NIL

As per our report of even date
For N G RAO & ASSOCIATES
Chartered Accountants
FRN: 009399S

(CA M V V Sivaramayya)
Partner
M No. 229564
UDIN : 24229564BKBLKD8249

BOARD OF DIRECTORS

K PRAMOD KUMAR REDDY

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 : 24.04.2024



Hon'ble Executive Director, UBI, **Shri NITESH RANJAN** launched CGGB 24*7 Call Center at Head Office, CGGB



Financing SHG's at Palnadu area on the hands of Hon'ble District Collector, **Shri SHIVA SHANKAR LOTHETI**



Chief Vigilance Officer, UBI, Mumbai, **Shri AJAY KUMAR SINGH**
visit to Head office, Guntur



Shri BAL MUKUND SHARMA, ACVO, UBI, Mumbai
visited Head office, Guntur



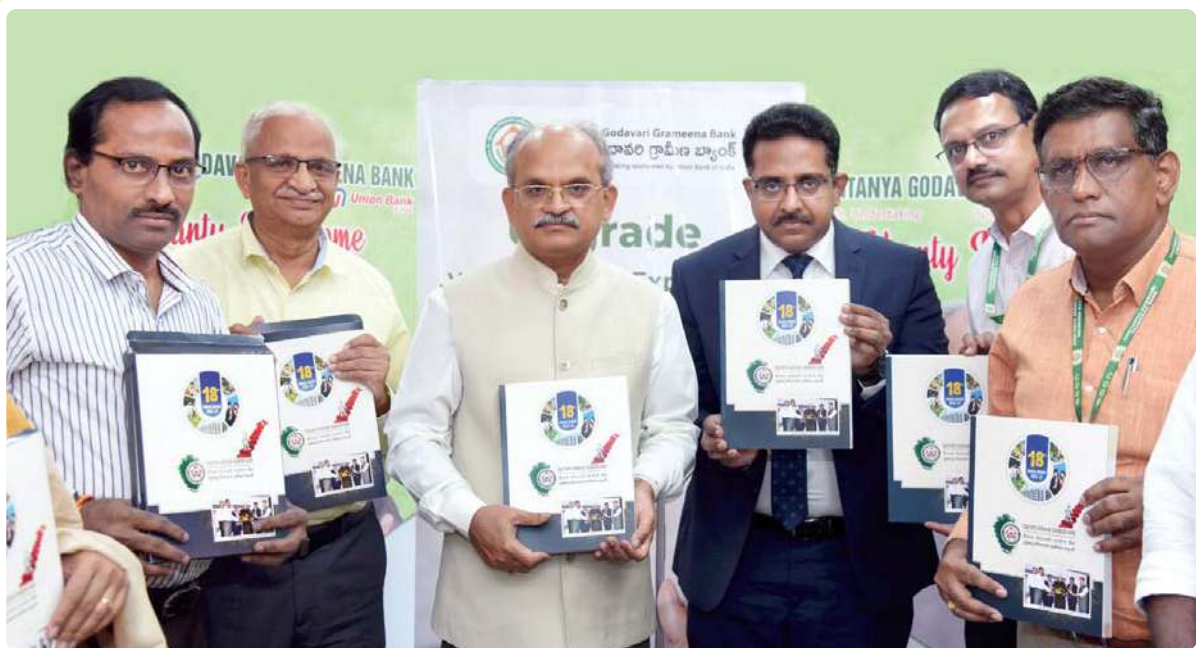
A nursery financed by CGGB at Kadiyam was visited by
CGM, NABARD, **Shri M.R. GOPAL**



Cleanliness and plantation drive at Vishnu Walkers track,
Guntur as a part of Swachhata Campaign 3.0,
Chairman, CGGB, **Shri T. KAMESWARA RAO** and staff participated in the event



Launch of CGGB **MONEY 2.0 App** by
Dr. K.S. JAWAHAR REDDY, Chief Secretary, Gov. of A.P



Dr. K.S. JAWAHAR REDDY, Chief Secretary,
Gov. of A.P. has Launched **CGGB ANNUAL REPORT F.Y. 2022-23**



General Manager, ABD, UBI, **Shri GUNA NAND GAMI**
visit to Head office, Guntur



Observance of Vigilance Awareness Week 2023 at Regional Office Rajahmundry
in the presence of Regional Manager, **Shri PARLA SRINIVAS**



APY felicitation to Chairman, CGGB, **Shri T. KAMESWARA RAO** by PFRDA Chairman, **Shri DEEPAK MOHANTY**



Atal Pension Yojana (APY) **BIG BELIEVERS AWARD** given by PFRDA Chairman, **Shri DEEPAK MOHANTY**, Regional Manager, Eluru, **Shri G.S.N. SATISH** received the award



Chief guest **Shri BAL MUKUND SHARMA**, ACVO,UBI, Mumbai with CGGB team at VVIT, Namburu on observance of Vigilance Awareness Week 2023



Observance of Vigilance Awareness Week 2023 at VVIT Group of Institutions, Namburu, Guntur District



CGGB bagged Best RRB Award from chamber of Indian Micro Small and Medium Enterprises (CIMSME) presented to General Manager, CGGB, **Shri P. MARUTHI RAM**



Observance of Vigilance Awareness Week 2023 at Regional Office Narasaraopet in the presence of Regional Manager, **Shri CH. SRINIVAS**



BLOOD DONATION CAMP conducted at Regional Office, Guntur on the occasion of Vigilance Awareness Week 2023



Observance of Vigilance Awareness Week 2023 at Regional Office, Guntur in the presence of Regional Manager, **Shri P. VEERA REDDY**



General Manager, CGGB, **Dr. B.V. RAMANA RAO**
Inaugurated the **263rd Branch** at Old Guntur, Guntur District



Observance Of Vigilance Awareness Week 2023 at Regional Office, Eluru
in the presence of Regional Manager, **Shri A. MALLESWAR**