

## **SCHEDULE NO - 19**

### **NOTES TO ACCOUNTS & DISCLOSURES IN TERMS OF RBI GUIDELINES AS PER MASTER DIRECTION ON FINANCIAL STATEMENTS – PRESENTATION AND DISCLOSURE**

Reference: RBI/DOR/2021-22/83 DOR. ACC. REC.No.45/21.04.018/2021-22 dated August 30<sup>th</sup> 2021(Updated as on 20<sup>th</sup> February, 2023)

**Note:**

Previous year figures in Schedules of Balance Sheet are regrouped wherever required in the Current Year as per RBI Master Directions Circular on Financial Statements RBI/DOR/2021-22/83

DOR.ACC.REC. No.45/21.04.018/2021-22 dated 30.08.2021 updated on 20.02.2023.

### **Regulatory Capital**

#### **a) Composition of Regulatory Capital**

(Amount in ₹ crore)			
<b>Sr.No.</b>	<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
i)	Common Equity Tier 1 capital (CET 1)* / Paid up share capital and reserves@ (net of deductions, if any)	376.95	286.86
ii)	Additional Tier 1 capital*/ Other Tier 1 capital@	0.00	0.00
iii)	Tier 1 capital (i + ii)	376.95	286.86
iv)	Tier 2 capital	66.98	54.79
v)	Total capital (Tier 1+Tier 2)	443.93	341.66
vi)	Total Risk Weighted Assets (RWAs)	4298.57	3609.82
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs)* / Paid-up share capital and reserves as percentage of RWAs@	8.77	8.17
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	8.77	8.17
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.56	1.52
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	10.33	9.46
xi)	Leverage Ratio	0.00	0.00
xii)	Percentage of the shareholding of		
	a. Government of India	0.00	0.00
	b. State Government (Andhra Pradesh)	0.00	0.00
	c. Sponsor Bank	0	0
xiii)	Amount of paid-up equity capital raised during the year	0	0
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which: Give list7 as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	0	0
	Amount of Tier 2 capital raised during the year, of which	0	0

xv)	Give list8 as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.		
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**Note:** Fixed asset has been revaluated in earlier years, of which, 45% has been considered under Tier-II capital.

**Note:** As per GB Resolution No.6/15-02-2023, resolved to enhance authorized share capital to Rs.500.00 crores and to amend Bank Bye-law No.7. Proposals submitted to Deputy Registrar, Tenali for amendment waiting for orders.



## 1. Asset liability management

**a) Maturity pattern of certain items of assets and liabilities**

(Amount in ₹ crore)

	Day1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 Months to 3 months	Over 3 Months to 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
<b>Deposits</b>	0.00	24.57	23.82	60.82	143.92	106.68	212.75	288.15	262.46	137.12	12.37	<b>1272.65</b>
<b>Advances</b>	0.00	0.00	0.00	0.00	16.11	25.36	38.25	1280.46	1326.65	1287.18	155.18	<b>4129.19</b>
<b>Investments*</b>	0.00	0.00	0.00	0.00	0.00	0.00	1.00	258.95	45.83	20.97	373.49	<b>700.24</b>
<b>Borrowings</b>	26.98	0.00	0.00	0.00	23.00	34.00	627.58	1328.91	741.79	219.01	63.65	<b>3064.93</b>

**\*Includes TDRs with other Banks.**

## 2. Investments

### a) Composition of Investment Portfolio

(Amount in ₹ crore)

[illegible]

Net	321.14	275.38	100.47	0.0000	3.25	700.24	279.85	91.19	83.14	0	4.10	458.28
Total Investments												
Less: Provision for non-performing investments												
Less: Provision for depreciation and NPI												
Net	321.14	275.38	100.47	0.0000	3.25	700.24	279.85	91.19	83.14	0	4.10	458.28

**b) Movement of Provision s for Depreciation and Investment Fluctuation Reserve**

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments.	0.00	0.00
a. Opening balance	0.00	0.00
b. Add: Provisions made during the year	0.00	0.00
c. Less: Write off / write back of excess provisions during the year	0.00	0.00
d. Closing balance	0.00	0.00
ii) Movement of Investment Fluctuation Reserve	0.00	0.00
a. Opening balance	4.39	3.56
b. Add: Amount transferred during the year	1.22	0.83
c. Less: Drawdown	0.00	0.00
d. Closing balance	5.61	4.39
iii) Closing balance in IFR as a percentage of closing balance of investments <sup>13</sup> in AFS and HFT/Current category		

**c) Sale and transfers from Permanent category**

During the Financial Year there are no *Sale and transfers from Permanent category*.

**d) Non –SLR investment portfolio**

**i) Non- performing non-SLR investments**

(Amount in crore)

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

**ii) Issuer composition of non-SLR investments**

(Amount in ₹ crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
a)	PSUs	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs										
c)	Banks*	104.00	83.14	0.00	0.00	0.00	0.00	104.00	83.14	104.00	83.14
d)	Private Corporates	0.0000	0.0000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Subsidiaries/ Joint Ventures	0.0000	0.0000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f)	Others										
g)	Provision held towards depreciation										
	Total *	104.00	83.14	0	0	0	0	104.00	83.14	104.00	83.14

*\*The above Share Capital are invested with Apex State Co-Op Bank as per loan linkage, and there is no violation of RBI Circular Reference no: RBI/2016-17/14/DCBR.BPD.BC. No.01/19.51.026/2016-17, Dated:14/07/2016.*

**e) Repo transactions (in face value terms): Nil**

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	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	0.00	0.00	0.00	0.00
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

### 3. Asset Quality

*a) Classification of Advances and provisions held for the F. Y. 2022-23*

(Amount in Lakh.)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	358654.49	12043.66	1968.07	470.81	14482.54	373137.03
Add: Additions during the year					4452.29	
Less: Reductions during the year					4246.21	
Closing balance*	398230.33	12030.93	2125.35	532.34	14688.62	412918.95
*Reductions in Gross NPAs due to:						
i) Upgradation					0	
ii) Recoveries (excluding recoveries from upgraded accounts)					4246.21	
iii) Technical/ Prudential <sup>17</sup> Write-offs					0	
iv) Write-offs other than those under (iii) above					0	

<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	953.25	2098.65	1141.91	470.81	3711.37	4664.62
Add: Fresh provisions made during the year					1000.00	
Less: Excess provision reversed/ Write-off loans					0.00	
Closing balance of provisions held	1253.25	2894.11	1284.92	532.34	4711.37	5964.62
<b>Net NPAs<sup>18</sup></b>						
Opening Balance					9817.92	
Add: Fresh additions during the year					4007.06	
Less: Reductions during the year					3847.73	
Closing Balance					9977.25	
<b>Floating Provisions</b>						
Opening Balance						
Add: Additional provisions made during the year						
Less: Amount drawn down <sup>19</sup> during the year						
Closing balance of floating provisions						
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts				0.00	0.00	0.00
Add: Technical/ Prudential write-offs during the year				0.00	0.00	0.00
Less: Recoveries made from previously technical/ prudential written-off accounts during the year				0.00	0.00	0.00
Closing balance				0.00	0.00	0.00

**\*INCA Amount of Rs.337.22lakh was excluded.**

*Classification of Advances and provisions held for the F.Y. 2021-22*

(Amount in Lakh.)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	219912.92	6642.60	1099.72	400.24	8142.56	228055.48
Add: Additions during the year					8506.84	6339.98
Less: Reductions during the year*					2166.86	0.00
Closing balance	358654.49	12043.66	1968.07	470.81	14482.54	373137.03
*Reductions in Gross NPAs due to:						
i) Upgradation					0.00	
ii) Recoveries (excluding recoveries from upgraded accounts)					2166.86	
iii) Technical/ Prudential <sup>17</sup> Write-offs					0	
iv) Write-offs other than those under (iii) above					0	
Provisions (excluding Floating Provisions)						



Opening balance of provisions held	453.25	1677.78	753.35	400.24	2831.37	4664.62
Add: Fresh provisions made during the year					1230.00	
Less: Excess provision reversed/ Write-off loans					0	
Closing balance of provisions held	953.25	2098.65	1141.91	470.81	4664.62	
<b>Net NPAs<sup>18</sup></b>						
Opening Balance					4707.94	
Add: Fresh additions during the year					7655.40	
Less: Reductions during the year					2545.42	
Closing Balance					9817.92	
<b>Floating Provisions</b>						
Opening Balance						
Add: Additional provisions made during the year						
Less: Amount drawn down <sup>19</sup> during the year						
Closing balance of floating provisions						
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						
Add: Technical/ Prudential write-offs during the year						
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						
Closing balance						



Total	Number of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amount (₹ crore)	-	-	-	-	-	-	-	-	-	-
	Provision held (₹ crore)	-	-	-	-	-	-	-	-	-	-

d) *Disclosure of transfer of loan exposures*

<b>Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)</b>			
(all amounts in ₹ crore)	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	0.00	0.00	0.00
Aggregate principal outstanding of loans transferred	0.00	0.00	0.00
Weighted average residual tenor of the loans transferred	0.00	0.00	0.00
Net book value of loans transferred (at the time of transfer)	0.00	0.00	0.00
Aggregate consideration	0.00	0.00	0.00
Additional consideration realized in respect of accounts transferred in earlier years	0.00	0.00	0.00
<b>Details of loans acquired during the year</b>			
(all amounts in ₹ crore)	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs(Asset Reconstruction Company)	
Aggregate principal outstanding of loans acquired	0.00	0.00	
Aggregate consideration paid	0.00	0.00	
Weighted average residual tenor of loans acquired	0.00	0.00	

e) *Fraud accounts*

	In Crores	
	Current year	Previous year
Number of frauds reported	4	2
Amount involved in fraud (₹ crore)	4.36	0.019
Amount of provision made for such frauds (₹ crore)	0.00	0.00
Amount of Unamortized provision debited from 'other reserves' as at the end of the year (₹ crore)	0.00	0.00

## 4. Exposures

### a) Exposure to Real estate sector

(Amount in ₹ crore)

Category	Current year	Previous Year
<i>i) Direct exposure</i>  a) Residential Mortgages –  Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.  b) Commercial Real Estate –  Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;  c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate	92.30	100.87
<i>ii) Indirect Exposure</i>  Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
Total Exposure to Real Estate Sector	92.30	100.87

### b) Exposure to capital Market

Particulars	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.00	0.00
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	0.00	0.00

iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	0.00	0.00
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	0.00	0.00
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	0.00	0.00
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	0.00	0.00
vii) Bridge loans to companies against expected equity flows / issues;	0.00	0.00
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix) Financing to stockbrokers for margin trading;	0.00	0.00
x) All exposures to Venture Capital Funds (both registered and unregistered)	0.00	0.00
Total exposure to capital market	0.00	0.00

### c) Unsecured Loans

(Amounts in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	551.60	633.86
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	0.00	0.00
Estimated value of such intangible securities	0.00	0.00

### d) Factoring Exposure

The Bank doesn't hold any factoring business and its exposure is **NIL**.

### e) Exposure of Central Cooperative Banks

Sl. No	Exposure to	Current year			Previous year		
		Gross Exposure (₹ crore)	Advances (₹ crore)	Out of which gross non-performing advances (₹ crore)	Gross Exposure (₹ crore)	Advances (₹ crore)	Out of which gross non-performing advances (₹ crore)
1.	Primary Agricultural Credit Societies (PACS) – on lending	Not Applicable	2984.34	5.76	Not Applicable	2531.79	0.36
2.	PACS- other exposure	0.00	0.00	0.00	0.00	0.00	0.00
3.	Other credit societies	0.00	0.00	0.00	0.00	0.00	0.00
4.	Other non-credit co-operative societies	0.00	0.00	0.00	0.00	0.00	0.00
5.	Companies	0.00	0.00	0.00	0.00	0.00	0.00
6.	Public Sector Undertakings	0.00	0.00	0.00	0.00	0.00	0.00

\*As per CMA Norms of NABARD Circular No.68/DoS-10/2008 dated 12.05.2008, the above loans extended to Primary Agricultural Credit Societies (PACS), finance extended towards agriculture activities does not come under Exposure.

## 5. Concentration of deposits, advances, exposures and NPAs

### a) Concentration of Deposits

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	122.07	83.24
Percentage of deposits of twenty largest depositors to total deposits of the bank	9.59	6.53

### b) Concentration of advances

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	891.99	764.37
Percentage of advances to twenty largest borrowers to total advances of the bank	21.60	18.51

### c) Concentration of exposures

(Amount in ₹ crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	Not Applicable	Not Applicable
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	0.00	0.00

\*As per CMA Norms of NABARD Circular No.68/DoS-10/2008 dated 12.05.2008, the above loans extended to Primary Agricultural Credit Societies (PACS), finance extended towards agriculture activities does not come under Exposure.

d) *Concentration of NPAs*

(Amount in ₹ crore)

	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	3.76	3.62
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	2.56	2.50

6. **Transfers to Depositor Education and Awareness Fund (DEA Fund)**

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	1.99	1.91
ii)	Add: Amounts transferred to DEA Fund during the year	0.36	0.08
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.00	0.00
iv)	Closing balance of amounts transferred to DEA Fund	2.35	1.99

7. **Disclosure of complaints**

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

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

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Current Year					
Ground - 1	0	1	0	0	0
Ground - 2	0	0	0	0	0
Ground - 3	0	0	0	0	0
Ground - 8	1	0	0	1	1
Ground - 16	0	1	0	0	0
Others	0	05	0	05	0
Total	0	05	0	05	0
Previous Year					
Ground - 1					
Ground - 2					
Ground - 3	0	0	0	0	0
Ground - 4	0	0	0	0	0
Ground - 8	0	1	0	1	1
Others	0	0	0	0	0
Total	0	0	0	0	0

**8. Disclosure of penalties imposed by the Reserve Bank of India**

There are no penalties imposed by the RBI for the FY:2022-23.

**9. Other Disclosures**

**a) Business ratios**

Particulars	2022-23	2021-22
Interest income as % of average working funds	6.95	5.35
Non-interest income as % of average working funds	0.09	0.84
Cost of Deposits	5.90	6.11
Net Interest Margin(%)	2.32	1.74
Operating profit as % of average working funds	0.67	0.57
Return on assets (%)	0.66	0.56
Business per employee (Deposit + Advances) (Rs. In crore)	17.37	21.67
Profit per employee (Rs. in crore)	0.11	0.11
Credit Deposit Ratio(%)	324.46	292.54

**b) Bancassurance Business**

**Corporate agency- Insurance:**

In order to diversify the banks business portfolio, the bank has initiated to undertake insurance business as corporate agent without risk participation. On obtaining approval from the Board vide resolution No:245, Dt:04.03.2014, the bank has sought permission from RBI in this regard. RBI permitted for undertaking Insurance business as corporate agent without



risk participation vide letter Lr.No. RPCD(H)/CO-OP/1319/05.06.2004/2013-14 Dt:13.01.2014. In order to take up the insurance business registration with IRDAI is required and the Bank has obtained Certificate of Registration (CoR) from IRDAI. Bank has entered into agreement with 2 companies under life, viz., Exide Life and LIC vide Dated: 30.09.2016 and 23.01.2017 respectively.

(Amount in Rs.)

Commission Type	Current Year	Previous year
Corporate Agent commission	9,46,614.03	13,11,759.52
Insurance commission(PMJJB and PMSBY)	32,082.00	1,39,438.00

**c) Provisions and contingencies**

(Amount in ₹ crore)

Provision debited to Profit and Loss Account(Created During the year)	Current Year	Previous Year
i) Provisions for NPI	0.00	0.00
ii) Provision towards NPA	10.00	8.80
iii) Provision made towards Income tax	10.00	7.00
iv) Other Provisions and Contingencies (with details)	28.70	0.00

**d) Payment of DICGC Insurance Premium**

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	1.48	1.33
ii)	Arrears in payment of DICGC premium	0.00	0.00

**e) Disclosure of facilities granted to directors and their relatives**

The Government of Andhra Pradesh has nominated Person-In-Charge as Managing Committee and also permitted the bank to appoint two Professional Directors to the Managing Committee. As such there is one Chairman/Person-In-charge, six (6) Directors and 2 Professional Directors Constituting the Board of Management.

loan facilities were granted to some of the directors or their relatives during the year and are regular.

**f) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks**

Not applicable to the Bank as the Bank has not adopted the scheme.

**g) Accounting Standard 5: Net Profit or loss for the period, prior period items and changes in accounting policies**

The Net Profit of the Bank for the F.Y 2022-23 is Rs.33.53 crore. There are no changes in the accounting policies in the F.Y.2022-23.

During the current financial year 2022-23, There is a change in accounting estimate w.r.to method of depreciation of computers from written Down Value method to Straight line method which results in increase in the profit an amount of Rs:29,02.073/-

**h) Accounting Standard 26 – Intangible assets**

**i) Accounting Standard 28 – Impairment of assets**

The Fixed assets are verified regularly, and the record is duly maintained by the Bank. Hence there is no Impairment of Assets for the current Financial Year.

**j) Cost Of Deposits**

YEAR	2022-23	2021-22
Average cost of deposits for the year	5.90%	6.11%

**k) Non-Performing Assets (NPAs)**

(Rs. in Crore)

Particulars	2022-23	2021-22
a) Gross NPAs	146.89	144.82
b) Net NPAs	99.77	98.18
c) % of Gross NPAs to total advances	3.56	3.88
d) % of net NPAs to net advances	2.44	2.66

**l) Movement of NPAs**

(Rs. in Crore)

Particulars	2022-23	2021-22
a) Gross NPAs at the beginning of the year	144.82	81.42
b) Additions during the Year	44.52	85.07
c) Collections / up gradation/written off during year	42.46	21.67
d) Gross NPAs at the end of the year	146.88	144.82

**m) Provisions**

**A) (Rs. in Crore)**

Particulars	2022-23	2021-22
A Provision for NPA	38.21	28.21
B. Provision for Standard Assets	12.53	9.53
C i) Provision for overdue interest	28.99	28.99
ii) Provision for Inter Branch reconciliation	3.43	0.00
iii) Provision for Inter Bank reconciliation	0.46	0.46
D Provision for other Assets (Due to )	2.48	0.00
E Provision for Draft Payable A/c	0.90	0.00
F Gold Loan auction deficit amount	0.47	0.00

G	194N EXCESS CASH DRWL TDS AMT PROVISION CREATED	0.23	0.00
H	Provision for Leave Encashment	8.08	0.00
I	Provision for Employee Gratuity	10.67	0.00
J	Provision for Special Reserve	2.44	0.00

Due to Non-Creation of new BGLs in CBS the below said provisions are kept in "other liabilities" and will transfer the respected provision amounts to concerned BGLs in the Year FY: 2023-24.CGL No: 2406035050 (8,08,78,024/-, 10,66,79,102/-, 2,43,70,000/-, 51,45,914.99/-.

Provision for Other Assets CGL no:2405255050(Rs:47,10,257.27/-, 2,48,39,243.25/- ;3,43,52,136.05).

- B) The Bank is holding the excess provision of Rs.49.61 Crore over the years for the following with a view to strengthen the financial stability of the Bank in terms of the Reserve Bank of India Guidelines.

(Rs. in Crore)

Sl. No.	Particulars	Amt Available	Amt Required	Excess
i	Prov for Standard Assets	12.53	11.76	0.77
ii	Prov for N P A	47.11	30.20	16.91
iii	Prov for OD Interest	28.99	0.00	28.99
iv	Prov for other Assets(Due to)	5.42	2.48	2.94
v	Prov for Inter Bank Recon.	0.46	0.46	0.00
	<b>Total</b>	<b>84.51</b>	<b>44.90</b>	<b>49.61</b>

#### n) Movement In Provisions

##### 1) Movement in provisions towards NPAs

(Rs. in Crore)

S. No.	Particulars	2022-23	2021-22
I	Opening Balance	28.21	19.41
ii	Provision made during the year	10.00	8.80
iii	Less: Provision / write off during the year	0.00	0.00
iv	Closing Balance	38.21	28.21

##### 2) Movement in provisions towards depreciation on Investments

(Rs. in Crore)

S. No.	Particulars	2022-23	2021-22
i	Opening balance	0.00	0.00
ii	Provision made during the year	0.00	0.00
iii	Provision write off during the year	0.00	0.00
iv	Provision written back during the year	0.00	0.00
v	Closing balance	0.00	0.00

##### 3) Contingent provision on Standard Assets

(Rs. in Crore)

S. No.	Particulars	2022-23	2021-22
i	Opening Balance	9.53	6.03
ii	Provision made during the year	3.00	3.50
iii	Provision Less during the year	0.00	0.00
iv	Closing Balance	<b>12.53</b>	<b>9.53</b>

#### 4) Movement in provision for OD interest

(Rs. in Crore)

Sl. No.	Particulars	2022-23	2021-22
i	Opening Balance	28.99	27.83
ii	Provision made during the year	0.00	1.16
iii	Provision used to write off interest receivable	0.00	0.00
iv	Closing Balance	<b>28.99</b>	<b>28.99</b>

#### 5) Provision for Other Assets

(Rs. in Crore)

Sl. No.	Particulars	2022-23	2021-22
i	Opening Balance	0.00	0.00
ii	Add: Provision made during the year	0.00	0.00
iii	Provision write off during the year	0.00	0.00
iv	Closing Balance	0.00	0.00

#### o) CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)

Year	2022-23	2021-22
CRAR	10.33%	9.46%

#### p) Information on Extent of Arrears in Reconciliation of Inter-Bank and Inter Branch Accounts.

:

(In Lakhs.)

Age-wise break up of Unreconciled Entries in Inter Bank Reconciliation Statement					
S. No.	Time Period	No. of debit entries	Amount of debit entries	No. of credit entries	Amount of credit entries
1	Up to 3 months	25	5.52	21	344.34
2	3 to 6 months	1	0.00	0	0.00
3	6 months to 1 year	0	0.00	23	16.19
4	1 year to 3 years	5	2.90	15	80.60
5	Above 3 years	306	236.85	573	142.45
	<b>Total</b>	<b>337</b>	<b>245.27</b>	<b>632</b>	<b>583.58</b>

(In Lakhs.)

Age-wise break up of Unreconciled Entries in Inter Branch Reconciliation Statement					
S. No.	Time Period	No. of debit entries	Amount of debit entries	No. of credit entries	Amount of credit entries
1	Up to 3 months	41	15.47	0	0.00
2	3 to 6 months	1	0.09	0	0.00
3	6 months to 1 year	2	1.04	0	0.00
4	1 year to 3 years	71	22.09	0.00	0.00
5	Above 3 years	2745	516.56	322	343.52
	<b>Total</b>	<b>2860</b>	<b>555.25</b>	<b>322</b>	<b>343.52</b>

**q) Deferred Tax Asset and Liabilities****(Rs. in Lakhs)**

S. No.	Particulars	Opening Bal	Additions/(Deletions) in the year	Closing Bal
<b>A.</b>	<b>DTL on account of:</b>			
1	Depreciation on Bank Asset	0.00	7.68	7.68
2	Special Reserve u/s 36(1)(viii)	0.00	61.33	61.33
	<b>TOTAL (A)</b>	<b>0.00</b>	<b>69.01</b>	<b>69.01</b>
<b>B.</b>	<b>DTA on account of:</b>			
1	Depreciation on valuation of securities	0.00	17.55	17.55
2	Provision for Other Liabilities	0.00	0.00	0.00
3	Leave Encashment*	0.00	0.00	0.00
	<b>TOTAL (B)</b>	<b>0.00</b>	<b>17.55</b>	<b>17.55</b>
<b>C.</b>	<b>Net Deferred Tax Asset/ (Liability)</b>	<b>0.00</b>	<b>51.46</b>	<b>51.46</b>
For 2022-23, DTL				

**r) Investments in Government Securities amounting to Rs.77,98,20,000/- has been earmarked against Reserves as under:****(Amount in Rs.)**

Sl.No	Name of the Fund	Amt. O/s under the Head after appropriation of Net Profit	Amt of securities earmarked
1	Statutory Reserve Fund	61,42,91,532.01	65,00,80,000.00
2	Agricultural Credit Stabilization Fund	3,78,17,673.00	4,00,00,000.00
3	Bad & Doubtful Debts Reserve	8,84,35,614.39	8,97,40,000.00

Bank was migrated from Polaris (Old CBS) to New CBS (TCS Bancs 24) on 09/07/2022. In the migration process some of the old GLs are mapped to one to one CGL, some of the old GLs are bifurcated to many CGLs (One to Many) and some of the old GLs are merged to single CGL (Many to One) as such balances' are also merged and De-merged as per CGLs (Old to New) mapping. In Migration Process Interest receivables and payables are merged with Interest Received (Income) and Interest Paid(Expenditure) respectively. Due to this process some of the Interest received and paid CGLs prior to CBS migration are showing negative balances and after adjustment/netting the figure is Rs:16.84 crores. However, item wise (GL wise) negative balances is not quantified accurately in CBS on account of Old CBS legacy issues.

**s) Employee Benefits:**

With regard to the Employee Benefits, the Bank is maintaining the Gratuity fund with LIC of India. For the year 2022 – 2023, bank has paid an amount of Rs: 7,59,87,623.00 towards gratuity premium and the fund value as on 31.03.2023 is Rs:18,02,44, 703/-.Further in the year 2022-23 provision was made to an amount of Rs:8,08,78,024/- towards leave encashment and Rs:10,66,79,102/- towards group gratuity payable, which resulted with a net provision amount of Rs:73,12,423/- in profit and loss account.

**The Guntur District Co-Operative Central Bank Ltd.,**

**For MGR&Co  
Chartered Accountants  
FRN:012787S.**

**Chief Executive Officer.**

**M.G. Rao  
Partner  
M.No:029893**

**Place: Guntur  
Date: 23-May-2023**

# **THE GUNTUR DIST. CO-OP. CENTRAL BANK LTD., TENALI**

## **SCHEDULE 18**

### **SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDING ON 31<sup>ST</sup> MARCH 2023**

#### **GENERAL:**

The accompanying financial statements have been prepared under the historical cost convention on going concern basis following the accrual concept of accounting, unless otherwise stated. The financial statements comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act, 1949(AACS), circulars and guidelines issued by the Reserve Bank of India (RBI) and NABARD from time to time, Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) and current practices prevailing within the banking industry in India.

#### **USES OF ESTIMATES:**

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

#### **RECOGNITION OF INCOME AND EXPENDITURE:**

The method of accounting followed was accrual basis except interest on Non-Performing Assets, other miscellaneous income and Locker rent on realization basis.

#### **FIXED ASSETS:**

Premises and other fixed assets are stated at historical cost less depreciation.

#### **DEPRECIATION:**

Depreciation is provided on the Written down value generally at the rates specified in the Income Tax Rules, 1962. Depreciation with respect to computers has been calculated at straight line method considering useful life of Three (3) Years, as per specified by RBI guidelines.

#### **INVESTMENTS:**

- Investments being fixed deposits, Government Securities and NABARD Bonds are classified in accordance with the guidelines issued by the Reserve Bank of India in to "Held to Maturity Category".

- “Each investment under Held to Maturity category is carried at its acquisition cost or at amortized cost, if acquired at a premium over the face value. Any premium on acquisition is amortized over the remaining maturity period of the security. Such amortization of premium charged to ‘P & L A/c’.”
- In case of Government Securities and NABARD Bond they are valued at cost.

#### ADVANCES:

- Advances including Non-Performing Assets are stated in the Balance Sheet at gross figures, and provisions made thereon as per prudential norms of Income Recognition and Asset classification prescribed by Reserve Bank of India / NABARD are shown separately.
- Provision for Agricultural Standard Assets of 0.25% and Non- Agricultural Standard Assets of 0.40% is made.
- Provisions for Sub-Standard Assets were made at 10%, Doubtful Assets (D1) at 20% Doubtful Assets (D2) at 30% and 100% on Doubtful Assets (D3) & Loss assets for the financial year 2022-23.
- Partial recoveries in Non-Performing Assets are apportioned first towards charges and interest and thereafter towards principal.

#### STAFF BENEFITS:

- Gratuity to Employees is provided with Group Gratuity Policy of Life Insurance Corporation of India and Provident Fund is managed by Bank’s Registered Trust Board.

#### NET PROFIT:

The net profit in the profit and loss account is before appropriations to Reserve fund, Risk Fund, Investment Fluctuation Reserve, Building Fund, Dividend Equalization Reserve, Common Good Fund, Technology Fund, etc., which are done at the immediately following annual General Body meeting and then give effect in the accounts.

#### CONTINGENT ASSETS AND LIABILITIES:

Contingent Liabilities are disclosed in Scheduled-XII.

The Guntur District Co-Operative  
Central Bank Ltd.,

Chief Executive Officer

Statutory Auditor  
M.G. Rao  
(Partner)  
M.No:029893