

THE THIRD SCHEDULE
Section 29 Banking Regulation Act 1949
Form 'A'
MADHYANCHAL GRAMIN BANK
HEAD OFFICE, SAGAR

BALANCE SHEET AS ON 31st March 2024

| Particulars | Schedule | In Rs. Thousands | |
|--|----------|------------------------------|-----------------------------|
| | | 31.03.2024 Current Period | 31.03.2023 Previous Year |
| Capital & Liabilities | | | |
| Capital / Share Capital Deposit | 1 | 9412956 | 8757585 |
| Reserves & Surplus | 2 | 416928 | 416928 |
| Deposits | 3 | 114349123 | 104164298 |
| Borrowings | 4 | 3691617 | 5183485 |
| Other Liabilities & Provisions | 5 | 4029007 | 11177357 |
| TOTAL | | 131899631 | 129699653 |
| Assets | | | |
| Cash & Balances with R.B.I. | 6 | 5527275 | 5442174 |
| Balances with Banks Money at call & Short Notice | 7 | 13579821 | 13735193 |
| Investments | 8 | 64543540 | 66473962 |
| Advances | 9 | 42596359 | 35436054 |
| Fixed Assets | 10 | 91180 | 88843 |
| Other Assets | 11 | 5561456 | 8523427 |
| TOTAL | | 131899631 | 129699653 |
| Contingent Liabilities | 12 | 69678 | 82862 |

Approved:-

Date:- 27.04.2024

Directors :



For Dassani & Associates
Chartered Accountants
IN-00909GC/C400365

(Vishal Jain)
Partner
MRN- 402060
UDIN- 24402060BKBTGC7959

Ram Chandra Regar

General Manager (Admin)

Rajeev Kumar Agarwal

General Manager (Operation)

Shyam Singh

General Manager (IT)

For Madhyanchal Gramin Bank

Abdhesh Chandra Saxena

Chairman



Form 'B'
MADHYANCHAL GRAMIN BANK
HEAD OFFICE, SAGAR

Profit & Loss Account For the Period ended, 31st March 2024

| | | In Rs Thousands | |
|---|----------|---------------------|---------------------|
| Particulars | Schedule | 31.03.2024 | 31.03.2023 |
| | | ended on 31 03 2024 | ended on 31 03 2023 |
| 1 Interest Earned | 13 | 9144999 | 8514971 |
| a Interest / Discount on Advances / Bills | | 3417679 | 2971861 |
| b Interest on Investments | | 5055436 | 5149775 |
| c Interest on Balances with RBI and Other Inter Bank Funds | | 625365 | 355772 |
| d Others | | 46519 | 37563 |
| 2 Other Income | 14 | 750751 | 769956 |
| a Commission, Exchange & Brokerage | | 704278 | 722589 |
| b Miscellaneous Income | | 46473 | 47367 |
| 3 TOTAL | | 9895750 | 9284927 |
| 4 Interest Expended | 15 | 4384700 | 3713479 |
| 5 Operating Expenses (a+b) | 16 | 2965924 | 3939635 |
| a Employees Cost | | 2159231 | 3169418 |
| b Other Operating Expenses | | 806693 | 770217 |
| 6 Total Expenditure (Excluding Provision & Contingencies) (4+5) | | 7350624 | 7653114 |
| 7 Operating Profit / Loss before Provision and Contingencies (3-6) | | 2545126 | 1631813 |
| 8 Provision (Other than tax) and Contingencies | | 548738 | 880970 |
| 9 Prior period Expenses | | 0 | 0 |
| 10 Profit from Ordinary Activities before Tax (7-8) | | 1996388 | 750843 |
| 11 Tax Expenses | | | |
| a Provision for taxation-Current Year | | 0 | 0 |
| b Deferred Tax Liabilities | | 959 | 1368 |
| c Earlier year adjustments (Excess / IT Refund) | | 0 | 0 |
| 12 Net Profit / Loss for the period from Ordinary activities after tax | | 1995429 | 749475 |
| APPROPRIATIONS | | | |
| Net Profit / Loss for the period | | 1995429 | 749475 |
| Brought forward Profit / Loss | | -5272016 | -6021491 |
| Transfer to Statutory Reserves | | 0 | 0 |
| Special Reserve u/s 36 (1) (viii) of IT act, 1961 | | 0 | 0 |
| Carried over to balance sheet | | -3276587 | -5272016 |

Approved:-

Date:- 27.04.2024

Directors:



For Dassani & Associates
Chartered Accountants
RN- 009096C/C400365

(CA Vishal Jain)
Partner
MRN- 402060
UDIN- 24402060BKBTGC7959



Ram Chandra Regar
General Manager (Admin)



Rajeev Kumar Agarwal
General Manager (Operation)



Shyam Singh
General Manager (IT)



Abdhes Chandra Saxena
Chairman

MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024


Schedule 1 (Capital)

| Particulars | In Rs. Thousands | |
|----------------------------------|------------------|----------------|
| | 31.03.2024 | 31.03.2023 |
| | Current Period | Previous Year |
| Authorised Capital | | |
| 2000000000 share of Rs.10/- each | 20000000 | 20000000 |
| Issued Capital | | |
| 941295546 share of Rs.10/- each | 9412956 | 8757585 |
| Subscribed Capital | | |
| 941295546 share of Rs.10/- each | 9412956 | 8757585 |
| Called-up Capital | | |
| 941295546 share of Rs.10/- each | 9412956 | 8757585 |
| Less : Call unpaid | | |
| Add : Forfeited Share | | |
| TOTAL | 9412956 | 8757585 |
| Share Capital Deposit | | |
| Amt. received from GOI | 0 | 0 |
| Amt. received from M.P. Govt | 0 | 0 |
| Amt. received from Spon. Bank | 0 | 0 |
| TOTAL | 0 | 0 |
| TOTAL | 9412956 | 8757585 |


 Ram Chandra Regar
 General Manager (Admin)


 Rajeev Kumar Agarwal
 General Manager (Operation)


 Bhayam Singh
 General Manager (IT)


 Abdhesh Chandra Saxena
 Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 2 (Reserves & Surplus)

| Particulars | In Rs. Thousands | |
|--|------------------|---------------|
| | 31.03.2024 | 31.03.2023 |
| | Current Period | Previous Year |
| I. Statutory Reserve | | |
| Opening Balance | 363663 | 363663 |
| Addition during the Year | 0 | 0 |
| Deduction during the Year | 0 | 0 |
| TOTAL | 363663 | 363663 |
| II. Capital Reserve | | |
| Opening Balance | 0 | 0 |
| Addition during the Year | 0 | 0 |
| Deduction during the Year | 0 | 0 |
| TOTAL | 0 | 0 |
| III. Share Premium | | |
| Opening Balance | 0 | 0 |
| Addition during the Year | 0 | 0 |
| Deduction during the Year | 0 | 0 |
| TOTAL | 0 | 0 |
| IV. Special Reserve u/s 36 (1) (viii) of IT act, 1961 | | |
| Opening Balance | 0 | 0 |
| Addition during the Year | 0 | 0 |
| Deduction during the Year | 0 | 0 |
| TOTAL | 0 | 0 |
| V. Revenue and Other Reserve | | |
| Opening Balance | 53265 | 53265 |
| Addition during the Year | 0 | 0 |
| Deduction during the Year | 0 | 0 |
| TOTAL | 53265 | 53265 |
| Balance in Profit and Loss Account | 0 | 0 |
| TOTAL | 416928 | 416928 |



Ram Chandra Regar

General Manager (Admin)



Rajeev Kumar Agarwal

General Manager (Operation)



Shyam Singh

General Manager (IT)



Abdhesh Chandra Saxena

Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 3 (Deposits)

In Rs. Thousands

| Particulars | 31.03.2024 | 31.03.2023 |
|--|------------------|------------------|
| | Current Period | Previous Year |
| A. I. Demand Deposits | | |
| i) From Banks | 0 | 0 |
| ii) From Others | 1603995 | 1737647 |
| II. Saving Bank Deposits | 71391489 | 64781795 |
| III. Term Deposits | | |
| i) From Banks | | |
| ii) From Others | 41353639 | 37644856 |
| TOTAL | 114349123 | 104164298 |
| B. i) Deposits of Branches in India | 114349123 | 104164298 |
| ii) Deposits of Branches Out Side India | 0 | 0 |
| TOTAL | 114349123 | 104164298 |

Schedule 4 (Borrowings)

| Particulars | 31.03.2024 | 31.03.2023 |
|--|----------------|----------------|
| | Current Period | Previous Year |
| I. Borrowing in India | | |
| i) Reserve Bank of India | 0 | 0 |
| ii) Other Banks | 0 | 0 |
| iii) Other Institutions and agencies | | |
| a) NABARD | 3691617 | 5183485 |
| b) NHB | 0 | 0 |
| c) Other Agency | 0 | 0 |
| II. Borrowing outside India | 0 | 0 |
| TOTAL | 3691617 | 5183485 |
| Secured borrowings included in I and II | 0 | 0 |



Ram Chandra Regar
General Manager (Admin)



Rajeev Kumar Agarwal
General Manager (Operation)



Shyam Singh
General Manager (IT)



Abdhesh Chandra Saxena

Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 5 (Other Liabilities & Provisions)

| Particulars | In Rs. Thousands | |
|---|------------------|-----------------|
| | 31.03.2024 | 31.03.2023 |
| | Current Period | Previous Year |
| I. Bills Payable | 80099 | 95486 |
| II. Inter Office Adjustment (net) | 6650 | 2730 |
| III. Interest Accrued on Deposit | 2316105 | 2029312 |
| IV. General Provision | | |
| a) Provisions for Standard Assets | 436236 | 436236 |
| b) Provisions for Rescheduling on Advances | 0 | 261870 |
| c) Provisions of Frauds / Other | 29638 | 28771 |
| d) Income Tax Provision/DTL | 2327 | 1368 |
| e) Bonus Provision | 0 | 0 |
| f) Provision for Pension | 0 | 7336900 |
| g) Depreciation on SLR securities under AFS Category | 0 | 0 |
| h) Provision for Leave Encashment | 362111 | 388853 |
| i) Provision for Arrear of Salary/Allowances Revision | 195379 | 115000 |
| j) Provision for Gratuity | 45453 | 0 |
| k) Provision for NPI | 0 | 2500 |
| V. Adjusting Account | 32543 | 52789 |
| VI. TDS On Bank Term Deposits/Other | 125923 | 41857 |
| VII. Other Liabilities | 396543 | 383685 |
| TOTAL | 4029007 | 11177357 |



Ram Chandra Regar
General Manager (Admin)



Rajeev Kumar Agarwal
General Manager (Operation)



Shyam Singh
General Manager (IT)



Abdhesh Chandra Saxena
Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 6 (Cash & Balances with Reserve Bank of India)

In Rs. Thousands

| Particulars | 31.03.2024 | 31.03.2023 |
|--|----------------|----------------|
| | Current Period | Previous Year |
| I Cash In Hand | 293558 | 345823 |
| Including Foreign Currency Notes | | |
| II. Balances with Reserve Bank of India | | |
| i) In Current Account | 5233717 | 5096351 |
| ii) In Other Accounts | 0 | 0 |
| TOTAL | 5527275 | 5442174 |

Schedule 7 (Balances with Banks & Money at Call and Short Notice)

| Particulars | 31.03.2024 | 31.03.2023 |
|----------------------------------|-----------------|-----------------|
| | Current Period | Previous Year |
| I In India | | |
| i. Balance with Banks | | |
| a) In Current Accounts | 255683 | 553739 |
| b) In Other Deposit Accounts | 13324138 | 13181454 |
| ii. Money at Call & Short Notice | | |
| a) With Banks | 0 | 0 |
| b) With Other Institutions | 0 | 0 |
| TOTAL | 13579821 | 13735193 |
| II. Out Side India | | |
| a) In Current Accounts | 0 | 0 |
| b) In Other Deposit Accounts | 0 | 0 |
| c) Money at Call & Short Notice | 0 | 0 |
| TOTAL | 0 | 0 |
| GRAND TOTAL | 13579821 | 13735193 |



Ram Chandra Regar

General Manager (Admin)



Rajeev Kumar Agarwal

General Manager (Operation)



Shyam Singh

General Manager (IT)




Abdhesh Chandra Saxena

Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 8 (Investments)

| Particulars | In Rs. Thousands | |
|--|------------------|-----------------|
| | 31.03.2024 | 31.03.2023 |
| | Current Period | Previous Year |
| I. Investments in India | | |
| i) Government Securities | 63919644 | 65824972 |
| ii) Other Approved Securities | 0 | 0 |
| iii) Shares | 0 | 0 |
| iv) Debenture & Bonds | 0 | 2500 |
| v) Subsidiary and / or Joint Venture | 0 | 0 |
| vi) Investment in Equity shares of National Payment Corporation of India (Long Term) | 0 | 0 |
| vii) Others | 623896 | 646490 |
| TOTAL | 64543540 | 66473962 |
| II. Investments outside India | | |
| i) Government Securities (Including Local Authorities) | 0 | 0 |
| ii) Subsidiary and / or Joint Venture | 0 | 0 |
| iii) Other Investments (To Be Specified) | 0 | 0 |
| TOTAL | 0 | 0 |
| Grand Total | 64543540 | 66473962 |



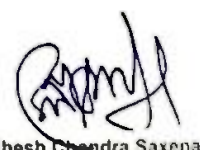
Ram Chandra Regar
General Manager (Admin)



Rajeev Kumar Agarwal
General Manager (Operation)



Shyam Singh
General Manager (IT)



Abdhesh Chandra Saxena
Chairman



MADHYANCHAL GRAMIN BANK

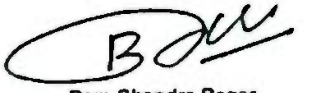
HEAD OFFICE, SAGAR


Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 9 (Loans & Advances)

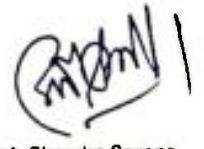
| Particulars | In Rs. Thousands | |
|---|------------------|-----------------|
| | 31.03.2024 | 31.03.2023 |
| | Current Period | Previous Year |
| A) 1. Bills purchased & discounted | 0 | 0 |
| 2. Cash Credit, Overdrafts & Loan repayable on demand | 28876820 | 23776724 |
| 3. Term Loans | 13719539 | 11659330 |
| TOTAL (A) | 42596359 | 35436054 |
| B. 1. Secured by tangible assets | 39479127 | 33534115 |
| 2. Covered by Bank / Govt. Guarantees | | |
| 3. Unsecured | 3117232 | 1901939 |
| TOTAL (B) | 43234968 | 35436054 |
| C. I. Advances in India | | |
| 1. Priority Sector | 34458265 | 29374993 |
| 2. Public Sector | | |
| 3. Banks | | |
| 4. Others | 8138094 | 6061061 |
| TOTAL (C.I) | 42596359 | 35436054 |
| C. II. Advances Outside India | | |
| 1. Due from Banks | | |
| 2. Due from Others | | |
| TOTAL (C.II) | | |
| Grand Total (C.I+C.II) | 42596359 | 35436054 |

Loans & Advances arrived after reducing NPA Provision of Rs 4103503 Thousands


 Ram Chandra Regar
 General Manager (Admin)


 Rajeev Kumar Agarwal
 General Manager (Operation)


 Shyam Singh
 General Manager (IT)


 Abdhesh Chandra Saxena
 Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 10 (Fixed Assets)

In Rs. Thousands

| Particulars | 31.03.2024 | 31.03.2023 |
|--|----------------|---------------|
| | Current Period | Previous Year |
| I. Land | | |
| At cost as on the 31st March of the Preceding Year | 0 | 0 |
| Addition during the Year | 0 | 0 |
| Deduction during the Year | 0 | 0 |
| TOTAL | 0 | 0 |
| II. Building | | |
| At cost as on the 31st March of the Preceding Year | 0 | 0 |
| Additions during the Year | 0 | 0 |
| Deductions during the Year | 0 | 0 |
| Depreciation to Date | 0 | 0 |
| TOTAL | 0 | 0 |
| III. Other Fixed Assets | | |
| (Including Furniture Fixture) | | |
| At cost as on the 31st March of the Preceding Year | 566728 | 556356 |
| Additions during the Year | 26029 | 10372 |
| Deductions during the Year | 0 | 0 |
| Depreciation to Date | 501577 | 477885 |
| TOTAL | 91180 | 88843 |
| IV. Capital Work In Progress | | |
| At cost as on the 31st March of the Preceding Year | 0 | 0 |
| Additions during the Year | 0 | 0 |
| Deletions during the Year | 0 | 0 |
| TOTAL | 0 | 0 |
| Grand Total (I+II+III+IV) | 91180 | 88843 |



Ram Chandra Regar

General Manager (Admin)

Rajeev Kumar Agarwal

General Manager (Operation)



Shyam Singli

General Manager (IT)



Abdhesh Chandra Saxena

Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Balance Sheet As on 31st March 2024

Schedule 11 (Other Assets)

| Particulars | In Rs. Thousands | |
|---|------------------|----------------|
| | 31.03.2024 | 31.03.2023 |
| | Current Period | Previous Year |
| 1 Inter Office Adjustment (net) | 0 | 0 |
| 2. Interest Accrued | | |
| i) Advances | 543002 | 1608031 |
| ii) Interest Accrued on G-sec's | 1035148 | 1071507 |
| iii) Interest Accrued on STDRs | 84377 | 131498 |
| 3. Advance Tax Paid | 39111 | 39114 |
| 4. Tax Deducted at Source | 8814 | 7859 |
| 5. Stationery & Stamps | 5969 | 5565 |
| 6. Suspense | 0 | 0 |
| 7. PB / RD Miscellaneous | 20924 | 20924 |
| 8. Subvention / Int. Incentive receivable from NABARD | 324181 | 184474 |
| 9. Prepaid Expenses - Insurance | 8831 | 7787 |
| 10. Income Tax paid against Disputed Demand | 0 | 0 |
| 11. Others / Adjusting account | 214512 | 174652 |
| Accumulated Losses as per the Last Balance Sheet | 3276587 | 5272016 |
| Losses during the current period | 0 | 0 |
| TOTAL | 5561456 | 8523427 |

Schedule 12 (Contingent Liabilities)

| Particulars | In Rs. Thousands | |
|---|------------------|---------------|
| | 31.03.2024 | 31.03.2023 |
| | Current Period | Previous Year |
| 1. Claims against the bank not acknowledged as debts. | 5046 | 0 |
| 2. Liability for partly paid investments | 0 | 0 |
| 3. Liability on account of outstanding forward exchange contracts | 0 | 0 |
| 4. Guarantees given on behalf of constituents | | |
| a) In India | 22242 | 46838 |
| b) Outside India | 0 | 0 |
| 5. Acceptances, Endorsements & other Obligations | 0 | 0 |
| 6. Other items for which the Bank is contingently liable / DEA Fund | 42390 | 36024 |
| TOTAL | 69678 | 82862 |



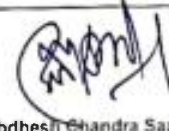
Ram Chandra Regar
General Manager (Admin)



Rajeov Kumar Agarwal
General Manager (Operation)




Shyam Singh
General Manager (IT)



Abhesh Chandra Saxena
Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedules forming Part of Profit and Loss year ended, 31st March 2024

Schedule 13 (Interest Earned)

| Particulars | In Rs. Thousands | |
|--|---------------------|---------------------|
| | 31.03.2024 | 31.03.2023 |
| | ended on 31.03.2024 | ended on 31.03.2023 |
| Interest / Discount on Advances / Bills | 3417679 | 2971861 |
| Interest on Investments | 5055436 | 5149775 |
| Interest on Balances with RBI and Other Inter Bank Funds | 625365 | 355772 |
| Others | 46519 | 37563 |
| TOTAL | 9144999 | 8514971 |

Schedule 14 (Other Income)

| Particulars | In Rs. Thousands | |
|--|---------------------|---------------------|
| | 31.03.2024 | 31.03.2023 |
| | ended on 31.03.2024 | ended on 31.03.2023 |
| Commission, Exchange & Brokerage | 704278 | 722589 |
| Profit on Sale of Investment | 0 | 0 |
| Profit on Revaluation of Investment | 0 | 0 |
| Profit on Sale of Land, Building & other Assets | 75 | 0 |
| Profit on Exchange Transactions | 0 | 0 |
| Income Earned by way of Dividends etc. from Subsidiary Companies and / or Joint Ventures Abroad / in India | 0 | 0 |
| Miscellaneous Income | 46398 | 47367 |
| TOTAL | 750751 | 769956 |

Schedule 15 (Interest Expended)

| Particulars | In Rs. Thousands | |
|--|---------------------|---------------------|
| | 31.03.2024 | 31.03.2023 |
| | ended on 31.03.2024 | ended on 31.03.2023 |
| Interest on Deposits | 4167352 | 3632590 |
| Interest on RBI / Inter Bank Borrowings / Others | 272 | 204 |
| NABARD | 217076 | 80685 |
| TOTAL | 4384700 | 3713479 |



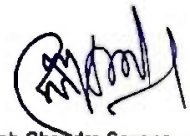
Ram Chandra Regar
General Manager (Admin)



Rajeey Kumar Agarwal
General Manager (Operation)



Shyam Singh
General Manager (Accounts)



Abdhesh Chandra Saxena
Chairman



MADHYANCHAL GRAMIN BANK

HEAD OFFICE, SAGAR

Schedule 16 Operating Expenses

Schedules forming Part of Profit and Loss year ended, 31st March 2024

| Particulars | In Rs Thousands | |
|--|---------------------|---------------------|
| | 31.03.2024 | 31.03.2023 |
| | ended on 31.03.2024 | ended on 31.03.2023 |
| Salary Payments and Provision to Employees | 1590026 | 1434515 |
| Pension payment and Provision | 336725 | 1483633 |
| Gratuity Contribution | 49082 | 54667 |
| Leave Encashment | 109455 | 132457 |
| Medical Expenses | 9958 | 11911 |
| Leave Fare Concession | 10744 | 6097 |
| Travelling and Halting Expenses | 53241 | 46138 |
| Rent, Taxes, Lighting & Fuel | 113133 | 100127 |
| Printing & Stationery | 11361 | 8754 |
| Advertisement & Publicity | 1 | 6 |
| Director's Fee, Allowance & Expenses | 0 | 0 |
| Depreciation on Bank's Property | 23693 | 19094 |
| Auditor's Fee & Expenses | 8303 | 4996 |
| Legal Charges | 2920 | 8258 |
| Postage, Telegrams, Telephone etc | 2470 | 2958 |
| Repairs & Maintenance | 4718 | 5015 |
| Insurance / D I C G C Premium | 151795 | 151735 |
| AMC for Software and Hardware | 112448 | 110851 |
| Books and Periodicals | 3459 | 3192 |
| Computerization | 1711 | 1795 |
| Vehicle and Fuel Expenses | 10582 | 11565 |
| Entertainment | 1576 | 1487 |
| GST | 62625 | 68465 |
| Amortization | 0 | 27353 |
| Sundry Expenses | 69334 | 39116 |
| AEPS Charges | 50528 | 52856 |
| Payment to Outsourced Agencies | 109634 | 97504 |
| Other Expenses | 66322 | 55052 |
| TOTAL | 2965924 | 3939635 |



Srijam Singh
General Manager (IT)

Abdresh Chandra Sagar

Abdresh Chandra Sagar
Chairman



Ram Chandra Regar
General Manager (Admin)

Rajesh Kumar Agarwal
General Manager (Operation)

SCHEDULE 17-

SIGNIFICANT ACCOUNTING POLICIES FOR FY 2023-24:

A. Basis of Preparation:

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act 1949, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

B. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Significant Accounting Policies:

1. Revenue recognition:

Income and expenditure are accounted on accrual basis, except otherwise the below income which are accounted on Cash basis:

- 1.1 Income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI and other regulatory authorities.
- 1.2 Overdue interest on investments and bills discounted. Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised only at the time of sale/ redemption.
- 1.3 Dividend income is recognised when the right to receive the dividend is established.
- 1.4 Commission on BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & 'Upfront fee on restructured account' are recognised on accrual basis proportionately for the period. All other commission and fee income are recognised on their realisation.
- 1.5 Insurance Claims
- 1.6 Locker rent.
- 1.7 Commission on Cross Selling business, DBT Commission, PSLC Commission etc



2. Investments:

The transactions in all securities are recorded on Settlement Date other than Government Securities are recorded on Trade Date.

2.1 Classification

Investments are classified into three categories, viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines.

2.2 Basis of classification:

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- v. Investments in subsidiaries, joint ventures and associates are classified as HTM.

2.3 Valuation:

- i. In determining the acquisition cost of an investment:
 - (a) Brokerage / commission received on subscriptions is reduced from the cost.
 - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc., paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - (c) Broken period interest paid / received on debt instruments is treated as interest expense / income and is excluded from cost / sale consideration.
 - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.
- ii. Transfer of securities from HFT / AFS category to HTM category is carried out at the lower of acquisition cost/book value / market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price / book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at



iv. Held to Maturity category:

- a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is debited to charges account.
- b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
- c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

v. Available for Sale and Held for Trading categories:

Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Bonds and Debentures (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.

vi. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI.

- (a) Interest / installment (including maturity proceeds) is due and remains unpaid for more than 90 days.
- (b) In the case of equity shares, in the event the investment in the shares of any company is valued at Re. 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
- (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
- (d) The investments in debentures / bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.



3. Advances and Provisions:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines / directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

- i. In respect of term loans, interest and / or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit / drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of bills purchased / discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances:
 - (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and
 - (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

i. Standard Assets:

General Provision for Standard Assets at the following rates:

- Direct Advances to Agriculture and SME sectors at 0.25%
- Commercial real Estate sector at 1%
- All other advances not included in (1) & (2) above at 0.40%



ii. Sub-Standard Assets:

A loan asset that has remained non-performing for a period less than or equal to 12 months is a Sub Standard Asset General Provision of 10% on the total outstanding

iii. Doubtful Assets:

A loan asset that has remained in the substandard category for 12 months is Doubtful Asset

| | |
|-------------------|----------------------------|
| Secured Portion | Up to One Year 20% |
| | One to three years 30% |
| | More than three years 100% |
| Unsecured Portion | 100% |

- 3.4 Advances are net of specific loan less provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.5 For restructured / rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans/ advances before and after restructuring is provided for, in addition to provision for the respective loans/ advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.
- 3.6 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.7 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.8 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.
- 3.9 Appropriation of recoveries in NPAs (not out of fresh / additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority.
 - a. Charges
 - b. Unrealized Interest/ Interest
 - c. Principal



4. Fixed Assets, Depreciation and Amortisation:

- 4.1 Fixed Assets are carried at cost less accumulated depreciation / amortisation.
- 4.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.
- 4.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

| Sl. No. | Description of Fixed Assets | Method | Depreciation / amortisation rate |
|---------|--|--------|----------------------------------|
| 1 | Premises including building used for the Bank's business, guest house and residential purpose. | SLM | 1.6667 % every year |
| 2 | Vehicle (Motor Cars) | SLM | 20.00 % every year |
| 3 | Safe Deposit Lockers, Fire proof Data Safe, Strong Room and Strong room Doors | SLM | 5.00 % every year |
| 4 | Furniture and fixtures other than electrical fitting and fixtures | SLM | 10.00 % every year |
| 5 | electrical fitting and fixtures | SLM | 20.00 % every year |
| 6 | Items provided at residence of officials | SLM | |
| | a. Electrical equipment | | 20.00 % every year |
| | b. Wooden and Steel Furniture | | 10.00 % every year |
| | c. Carpets and Curtains | | 33.33 % every year |
| 7. | Computer and ATM | SLM | 33.33 % every year |
| 8 | Computer software forming an integral part of hardware | SLM | 33.33 % every year |
| 9 | Computer software which does not forming an integral part of hardware | SLM | 100.00 % every year |

- 4.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- 4.5 Assets costing less than ₹ 1,000 each are charged off in the year of purchase.



5. Impairment of Assets:

As per Accounting Standard 28, Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

6. Employee Benefits and Retirement benefits to Employee:

6.1 Short Term Employee Benefits:

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service.

6.2 Long Term Employee Benefits:

i. Defined Benefit Plan

- a. The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment. Vesting occurs at different stages as per rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- b. New Pension Scheme which is applicable to employees who joined Bank on or after 01.04.2010 is a defined contribution scheme, Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.
- c. The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic



contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- d. Liability of Leave encashment provision to employees is provided as per actuarial valuation as per AS 15, Accounting for Retirement Benefit issued by ICAI.

7. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

8. Provisions, Contingent Liabilities and Contingent Assets:

8.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

8.2 No provision is recognised for:

- i. 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
- ii. any present obligation that arises from past events but is not recognised because:



- a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- b. 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.

8.3 Contingent Assets are not recognised in the financial statements.

9. Stationery and Stamps:

Stock of Stationery items and Stamps has been valued at Cost.

Ram Chandra Regar

General Manager (Admin)

Rajeev Kumar Agarwal

General Manager (Operation)

Shyam Singh

General Manager(IT)

Abdhesh Chandra Saxena

Chairman



Madhyanchal Gramin Bank

Head Office Sagar (M.P.)

SCHEDULE – 18

DISCLOSURES & NOTES TO ACCOUNTS AS ON 31 MARCH, 2024

I. DISCLOSURES AS PER NORMS FOR RRB

1. Capital

| Sl. No | Particulars | Current year (%) | Previous year (%) |
|--------|--------------------------------------|------------------|-------------------|
| i) | CRAR (%) | 16.20 | 11.60 |
| ii) | CRAR – Tier I Capital (%) | 15.17 | 10.42 |
| iii) | CRAR – Tier II Capital (%) | 1.03 | 1.18 |
| iv) | Percentage of Shareholding of the :- | | |
| A | Government of India | 50 | 50 |
| B | Government of Madhya Pradesh | 15 | 15 |
| C | State Bank of India (Sponsor Bank) | 35 | 35 |

2. Investment

(Rs in '000s)

| S. No | Particulars | Current year | Previous year |
|-------|---|--------------|---------------|
| 1 | Value of Investment | | |
| i) | Gross value of Investment | 64543540 | 66473962 |
| ii) | Provision for Depreciation | 0 | 2500 |
| iii) | Net Value of Investments | 64543540 | 66471462 |
| 2 | Movement of Provision held towards Depreciation on investment (NPI) | | |
| i) | Opening Balance | 2500 | 2500 |
| ii) | Add : Provision made during the year | 0 | 0 |
| iii) | Less : Write off / Write back of excess provision during the year | 2500 | 0 |
| iv) | Closing Balance | 0 | 2500 |

3. Repo Transactions

(Rs in '000s)

| Item | Minimum Outstanding during the year | Maximum outstanding during the year | Daily Average outstanding during the year | As on 31 st March, 2021 |
|--|-------------------------------------|-------------------------------------|---|------------------------------------|
| Securities Sold under Repos | Nil | Nil | Nil | Nil |
| Securities Purchased under Reverse Repos | Nil | Nil | Nil | Nil |



4. Non-SLR Investment Portfolio

i) Issuer composition of Non SLR Investments

(Rs in '000s)

| S.N | Issuer | Amount | Extent of Private Placement | Extent of below Investment grade securities | Extent of unrated securities | Extent of unlisted securities |
|------|--------------------------------------|--------|-----------------------------|---|------------------------------|-------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| i) | PSUs | Nil | Nil | Nil | Nil | Nil |
| ii) | FIs / Other institution | 623896 | Nil | Nil | Nil | Nil |
| iii) | Banks | Nil | Nil | Nil | Nil | Nil |
| iv) | Private Corporates | Nil | Nil | Nil | Nil | Nil |
| v) | Other (MF) & Equity Shares of NPCI | Nil | Nil | Nil | Nil | Nil |
| vi) | Provisions held towards depreciation | Nil | Nil | Nil | Nil | Nil |
| | Total | 623896 | Nil | Nil | Nil | Nil |

(ii) Non-Performing Non-SLR Investments

(Rs in '000s)

| Particulars | Nil |
|---|------|
| Opening Balance | 2500 |
| Additions during the year since 1 st April | 00 |
| Reductions during the above period | 2500 |
| Closing Balance | 00 |
| Total Provisions held | 00 |

5. Asset Quality

5.1 Non-Performing Assets

(Rs in '000s)

| No | Particulars | Current year | Previous year |
|-----|--|--------------|---------------|
| i o | Net NPAs to Net Advances (%) | 1.21% | 3.32% |
| ii | Movement of NPAs (Gross) | | |
| (a) | Opening balance | 5158342 | 5771371 |
| (b) | Additions during the year | 928849 | 828513 |
| (c) | Reductions during the year | 1467854 | 1441543 |
| (d) | Closing balance | 4619336 | 5158342 |
| iii | Movement of Net NPAs | | |
| (a) | Opening balance | 1179832 | 2530126 |
| (b) | Additions during the year | 642974 | 718985 |
| (c) | Reductions during the year | 1312752 | 2069279 |
| (d) | Closing balance | 510054 | 1179832 |
| iv | Movement of provisions for NPAs (Excluding provisions on standard assets) | | |
| (a) | Opening balance | 3978510 | 3239178 |
| (b) | Provisions made during the year | 812143 | 835483 |
| (c) | Write-off / Write-back of excess provisions | 687150 | 96151 |
| (d) | Closing balance | 4103503 | 3978510 |



5.2 Details of Loan Assets subject to Restructuring

(Rs in '000s)

| S. No | Particulars | Current year | Previous year |
|-------|---|--------------|---------------|
| i | Total amount of loan assets subject to restructuring, rescheduling, renegotiation | Nil | Nil |
| ii | The amount of Standard assets subjected to restructuring, rescheduling, renegotiation | Nil | Nil |
| iii | The amount of Sub-Standard assets subjected to restructuring, rescheduling, renegotiation | Nil | Nil |
| iv | The amount of Doubtful assets subjected to restructuring, rescheduling, renegotiation | Nil | Nil |
| | (i) = (ii) + (iii) + (iv) | Nil | Nil |

5.3 Details of financial assets sold to Securitization (SC) / Reconstruction Company (RC) for Assets Reconstruction

(Rs in '000s)

| S. No | Particulars | Current year | Previous year |
|-------|---|--------------|---------------|
| i | No. of accounts | Nil | Nil |
| ii | Aggregate value (net of provisions) of accounts sold to SC/RC | Nil | Nil |
| iii | Aggregate consideration | Nil | Nil |
| iv | Additional consideration realized in respect of accounts transferred in earlier years | Nil | Nil |
| v | Aggregate gain / loss over net book value | Nil | Nil |

5.4 Details on non-performing assets purchased / sold

A. Details of non-performing financial assets purchased :

(Rs in '000s)

| S. No | Particulars | Current year | Previous year |
|-------|--|--------------|---------------|
| 1 (a) | No. of accounts / purchased during the year | Nil | Nil |
| (b) | Aggregate outstanding | Nil | Nil |
| 2 (a) | Of these, number of account restructured during the year | Nil | Nil |
| (b) | Aggregate outstanding | Nil | Nil |

B. Details of non-performing financial assets sold :

(Rs in '000s)

| S. No | Particulars | Current year | Previous year |
|-------|----------------------------------|--------------|---------------|
| 1 | No. of accounts sold | Nil | Nil |
| 2 | Aggregate outstanding | Nil | Nil |
| 3 | Aggregate consideration received | Nil | Nil |



| S. No | Particulars | Current year | Previous year |
|-------|-----------------------------------|--------------|---------------|
| 1 | Provision towards Standard Assets | 436236 | 436236 |

Note: - Provision towards Standard Assets need not be netted from Gross advances bur shown separately as "provision against standard Assets, under "Liability and Provisions-Others in Schedule No. 5 of the Balance Sheet.

6. Business Ratios

| S. No | Particulars | Current year | Previous year |
|-------|--|--------------|---------------|
| i | Interest income as a percentage to Working Funds | 7.20% | 7.22% |
| ii | Non-Interest Income as a percentage to Working Funds | 0.59% | 0.65% |
| iii | Operating profit as a percentage to Working Funds (Before Provisions) | 2.01% | 1.38% |
| iv | Returns on Assets (%) | 1.57% | 0.64% |
| v | Business per Employee (Dep +Adv) (Rs'000) | 119917 | 110786 |
| vi | Net profit per Employee (Rs'000) | 1485 | 578 |

7. Asset Liability Management – Maturity pattern of certain terms of Assets and Liabilities

(In Rs Lakhs)

| Particulars | 1 – 14 Days | 15 – 28 Days | 29 days- 3 Months | > 3-6 Month | > 6 Month- 1 Year | > 1-3 Year | > 3-5 Year | > 5 Year | Total |
|------------------------------|-------------|--------------|-------------------|-------------|-------------------|-------------|-------------|-------------|--------------|
| Deposits | 82,491.26 | 6,638.69 | 42,200.44 | 65,888.35 | 1,06,851.55 | 8,13,808.79 | 18,321.97 | 7,288.32 | 11,43,489.37 |
| Advances | 59,108.70 | 389.09 | 2,354.35 | 1,510.48 | 14,078.64 | 2,59,892.76 | 72,822.28 | 56,842.00 | 4,67,980.00 |
| Investments in G Sec | 0 | 0 | 0 | 2,820.21 | 7,516.26 | 57,911.77 | 3,04,968.50 | 2,65,979.70 | 6,39,196.44 |
| Investments in STDR | 61,825.00 | 17,235.00 | 11,980.00 | 5,535.57 | 26,227.47 | 10,413.33 | 25.00 | 0.00 | 1,33,241.37 |
| Borrowings | 0.00 | 0.00 | 0.00 | 15,293.36 | 20,345.42 | 1,009.59 | 267.81 | 0.00 | 36,916.18 |
| Foreign Currency Assets | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Foreign Currency Liabilities | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |



8. Exposures – Exposure to Real Estate Sector

(Rs in '000s)

| S. No | Particulars | Current year | Previous year |
|-------|--|--------------|---------------|
| a | Direct exposure | | |
| i | Residential Mortgages above Rs. 20.00 lakhs lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (individual housing loan up to Rs. 20 lakh may be shown separately) | 1212477 | Nil |
| | Up to Rs.20.00 lakhs | 1969176 | 4977564 |
| ii | Commercial Real Estate Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premise, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits. | Nil | Nil |
| iii | Investments in Mortgage Backed Securities (MBS) and other Securitized exposures | Nil | Nil |
| | a. Residential | Nil | Nil |
| | b. Commercial Real Estate | Nil | Nil |
| b. | Indirect Exposures | Nil | Nil |
| | Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | Nil | Nil |

9. Details of Single Borrower (SGL), Group Borrower Limit (GBL) exceeded by the Bank:

The bank had not exceeded the single borrower limit, group borrower limit fixed by the Board

10. Miscellaneous – Amount of provisions made for Income tax during the year

(Rs in '000s)

| Particulars | Current year | Previous year |
|-------------------------|--------------|---------------|
| Provision of Income Tax | Nil | Nil |
| Deferred Tax Liability | 959 | 1368 |

11. Disclosure of Penalties imposed by RBI

The Bank has maintained CRR and SLR as per RBI Act 1934 and Banking Regulation Act 1949 and not defaulted during the financial year under report.



12. Additional Disclosures as per Accounting Standards applicable to the Bank

12.1 Accounting Standard 5:- Net profit or Loss for the period, prior period items and changes in accounting policy.

Prior period expenses has been charged to Profit & Loss Account as prescribed in point No 9 of Profit & Loss Account. To reflect the correct position of books Current year profits has been adjusted to the extent needed to rectify errors committed during previous years related to interest income anomaly.

12.2 Accounting Standard 18:- Related party disclosure

a) Related parties where control / significant influence exists or with whom transaction have taken place during the year.

Sponsor Bank their Subsidiaries and Associates: **State Bank of India**

12.2.1 Key Management Personnel

| Name of Personnel | Designation |
|------------------------|--------------------------------|
| Abdhesh Chandra Saxena | Chairman |
| Ram Chandra Regar | General Manager Admin |
| Shyam Singh | General Manager IT & Vigilance |
| Rajeev Kumar Agarwal | General Manager Operation |

12.2.2 Particulars of related party accounts transactions

The following is the summary of significant related party transactions:

(Rs in '000s)

| Particulars | Current year | Previous year |
|---|--------------|---------------|
| Equity received from State Bank of India | 327693 | Nil |
| Refinance received from State Bank of India | Nil | Nil |
| Interest paid to SBI | 272 | 204 |
| Salary/Allowances paid to SBI Staff on Deputation | 31395 | 24384 |
| Investments made with: | | |
| SBI - in the form of STDRs | 9224138 | 5231454 |
| SBI Fund Management Private Limited | Nil | Nil |
| SBI Mutual Fund | Nil | Nil |



| | | |
|--|---------|--------|
| Interest received from SBI | 354152 | 174011 |
| Profit on sale of Investments on SBI | Nil | Nil |
| Contributions to Gratuity Fund with SBI Life Insurance Company Limited | Nil | 85065 |
| Contributions to Group Leave Encashment Policy with SBI Life Insurance Company Limited | Nil | 91807 |
| Contribution to Pension Trust Policy with SBI Life Insurance Company Limited | 5086900 | Nil |
| Current Account Balance with SBI | 236236 | 522884 |

12.2.3 Particulars of Managerial Remuneration:

(Rs in '000s)

| Particulars | Current year | Previous year |
|--|--------------|---------------|
| Abdhesh Chandra Saxena , Chairman | 3503 | 2604 |
| Ram Chandra Regar, General Manager (Admin) | 2786 | 2107 |
| Shyam Singh , (General Manager, IT & Vigilance) | 2929 | 2236 |
| Rajeev Kumar Agrawal | 1919 | - |
| Satish Fulwani , (General Manager Operation - Ex) | 1122 | 2140 |

13. Provisions on Rural Advances

(Rs in '000s)

| S. No | Particulars | Current year | Previous year |
|-------|---|--------------|---------------|
| a | Opening balance in the Rural Advances Provision Account | Nil | Nil |
| b | The quantum of Rural Advances Provision made in the accounting year | Nil | Nil |
| c | i. Amount of Draw down made during the accounting year | Nil | Nil |
| | ii. Provision written back to profit and Loss account | Nil | Nil |
| | Total of Draw down | | |
| d | Closing balance in the Rural Advances Provision Account | Nil | Nil |

14. Disposal of Complaints:



14.1 Customer Complaints:

| S.No | Particulars | Nos. |
|------|--|------|
| A | No. of complaints pending at the beginning of the year | 0 |
| B | No. of complaints received during the year | 1073 |
| D | No. of complaints redressed during the year | 1073 |
| E | No. of complaints pending at the end of the year | 0 |

14.2 Award Passed by the Banking Ombudsman:

| S.No | Particulars | Nos |
|------|--|-----|
| A | No. of unimplemented awards at the beginning of the year | 0 |
| B | No. of awards passed by Banking Ombudsman during the year. | 0 |
| C | No of awards implemented during the year | 0 |
| D | No. of unimplemented awards at the end of the year | 0 |

15. Concentration of Deposits, Advances, Exposures and NPAs

15.1 Concentration of Deposits

| | (Rs. in Cr) |
|---|-------------|
| Total Deposits of Twenty largest depositors | 142.51 |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank | 1.25 |
| | |

15.2 Concentration of Advances

| | (Rs. in Cr) |
|--|-------------|
| Total Advances of Twenty largest Borrowers | 20.23 |
| Percentage of Advances of twenty largest borrowers to Total Advances of the Bank | 0.43 |



u

15.3 Concentration of Exposure

| | (Rs. in Cr) |
|---|-------------|
| Total Exposures of Twenty Borrowers / Customers | 20.23 |
| Percentage of Exposures to twenty largest Borrowers/Customers to Total Exposure of the Bank | 0.43 |

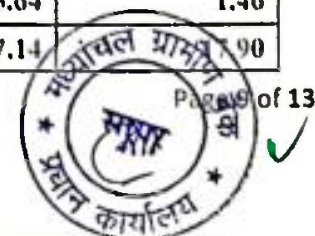
15.4 Concentration of NPAs

| | (Rs. in Cr) |
|---|-------------|
| Total Exposure to top four NPA Accounts | 0.98 |

16. Sector wise NPAs

(Rs. In crore)

| Sl. No. | Sector * | Current Year | | | Previous Year | | |
|----------|---|----------------------------|---------------|---|----------------------------|---------------|---|
| | | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector | Outstanding Total Advances | Gross NPAs | Percentage of Gross NPAs to Total Advances in that sector |
| A | Priority Sector | | | | | | |
| 1 | Agriculture and allied activities | 2481.53 | 278.21 | 11.21 | 2243.97 | 320.95 | 14.30 |
| 2 | Advances to industries sector eligible as priority sector lending | 806.62 | 50.71 | 6.29 | 563.52 | 51.24 | 9.09 |
| 3 | Services | Nil | Nil | Nil | 523.97 | 128.97 | 24.61 |
| 4 | Personal Loans | 565.37 | 125.77 | 22.25 | Nil | Nil | Nil |
| | Sub-Total (A) | 3853.52 | 454.69 | 11.80 | 3331.46 | 508.55 | 15.26 |
| B | Non-Priority Sector | | | | Nil | Nil | Nil |
| 1 | Agriculture and allied activities | Nil | Nil | Nil | Nil | Nil | Nil |
| 2 | Industry | Nil | Nil | Nil | Nil | Nil | Nil |
| 3 | Services | Nil | Nil | Nil | Nil | Nil | Nil |
| 4 | Personal loans | 816.47 | 7.24 | 0.89 | 610.00 | 7.28 | 1.19 |
| | Sub-Total (B) | 816.47 | 7.24 | 0.89 | 388.15 | 5.64 | 1.46 |
| | Total (A+B) | 4669.99 | 461.93 | 9.84 | 3719.63 | 577.14 | 1.90 |



17. Movement of NPAs

| Particulars | Rs. in Cr |
|--|---------------|
| Gross NPAs as on 1 st April 2023 (Opening Balance) | 515.83 |
| Additions (Fresh NPAs) during the year | 92.88 |
| Sub-Total (A) | 608.72 |
| Less : | |
| (i) Up gradations | 56.83 |
| (ii) Recoveries (excluding recoveries made from upgraded accounts) | 21.24 |
| (iii) Write-Offs | 68.72 |
| Sub-Total(B) | 146.73 |
| Gross NPAs as on 31st March 2024 (Closing Balance) (A-B) | 461.93 |

18. Disclosures regarding Priority Sector Lending Certificates (PSLC)

The Bank has sold and purchased following priority sector advances through Priority Sector Lending Certificates (PSLC) in RBI's e-Kuber platform during the FY 2023-24 on various dates.

A. Sale of PSLC

in Rs Lakhs

| S.No. | Segment | Amount | Premium Earned |
|--------------|---------|--------|----------------|
| 1 | PSLC A | 78000 | 170.50 |
| 2 | PSLC SM | 31000 | 569.30 |
| Total | | | 739.80 |

B. Purchase of PSLC

in Rs Lakhs

| S.No. | Segment | Amount | Premium Paid |
|--------------|---------|--------|--------------|
| 1 | PSLC G | 80500 | 16.55 |
| Total | | | 16.55 |

19. Payment of DICGC Insurance Premium

in Rs Lakhs

| S.No. | Particulars | Current Year | Previous Year |
|-------|------------------------------------|--------------|---------------|
| 1 | Payment of DICGC Insurance Premium | 1281.26 | 1180.78 |



NOTES TO ACCOUNTS

1. Area of Operations of the Bank:

This Bank covers 15 districts of M.P. i.e. Damoh, Sagar, Shivpuri, Guna, Tikamgarh, AshokNagar, Niwari, Chhatarpur, Panna , Satna, Maihar. Rewa , Mauganj , Sidhi and Singrauli.

2. Going Concern Disclosure:

The bank's has posted Net Profit of Rs 199.54 Cr compared to Rs 74.94Cr Last Year . The Bank's CRAR has improved to 16.20 % as of 11.60% Last Year.

The Bank is well capitalized.

3. Classification of Assets (Advances) as on 31stMarch, 2024

(Rs in '000s)

| Clarification | Gross Advances | Net Advances |
|---|----------------|--------------|
| Standard Assets | 42080525 | 41957073 |
| Sub Standard Assets | 501658 | 447717 |
| Bad & Doubtful Assets | 4117678 | 62337 |
| Total | 46699861 | 42302665 |
| Add : Provision on Sub-Standard and Doubtful Assets | | 4103503 |
| Subsidy | 5780 | 293694 |
| Total | 42080525 | 89166989 |

4. Depositors Education and Awareness Fund (DEA Fund) Scheme:

Disclosure as required under Depositor Education and Awareness Fund Scheme – 2014 notified by the Reserve Bank of India under DBOD No. DEAF Cell.BC.114/30.01.002/ 2013-14 dated 27th May 2014:-

(Rs in '000s)

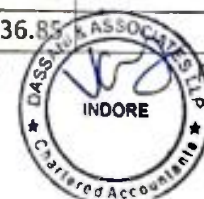
| S. No | Particulars | Current year | Previous year |
|-------|--|--------------|---------------|
| 1 | Opening Balance of Amount transferred to DEA Fund | 36024 | 30604 |
| 2 | Add: Amount transferred to DEAF during the Year | 6409 | 5420 |
| 3 | Less: Amounts reimbursed by DEAF towards Claim | 43 | 00 |
| 4 | Closing balance of amounts transferred to DEA Fund | 42390 | 36024 |

The closing balance of the amount transferred to DEA Fund , as disclosed above , are also included under Schedule 12 – Contingent Liabilities – Other items for which the bank is contingently liable.

5. Fraud Cases:

Details of Fraud Cases are as under:

| Particulars | Current year | Previous year |
|---|--------------|---------------|
| Number of Fraud Reported | 01 | 01 |
| Amount involved in fraud (Amount in Rs Lakhs) | 36.85 | 84.30 |



| | | |
|--|------|-----|
| Amount of Provision made for such frauds (Amount in Rs Lakhs) | 8.67 | Nil |
| Amount of Unamortized provision debited from 'other reserve' as at the end of the Year | - | - |

6. Capital Infusion:-

The Government of India vide their letter no DO.No. /3/9/2020-RRB Dated 29.03.2023 has approved recapitalization of Amount Rs 65,53,70,690 for the Bank . The Bank has received the amount from all 03 stake holder as follows:

| S.No. | Stakeholder | Amount (Rs) |
|-------|------------------------------------|-------------|
| 1 | Government of India | 327693210 |
| 2 | State Bank of India | 229361660 |
| 3 | State Government of Madhya Pradesh | 98315820 |
| | Total | 655370690 |

7. Retirement Benefits to Employees:

i) Leave Encashment

Liability for Leave Encashment to employees has been fully provided on the basis of actuarial valuation done as on 31.03.2024. Actuarial valuation given by Actuary is Rs. 36.21 Cr as on 31.03.2024.

ii) Gratuity

Liability for Gratuity is Rs. 51.41 Cr based on the Actuarial Valuation . The Fund Balance of Gratuity Trust is Rs 46.87 Cr , The Bank has provided for Shortfall of Rs 4.54 Cr in books.

8. In view of materiality, Income earned in respect of Bank Guarantee Commission is accounted for in the year in which Bank Guarantee is opened/created

9. The figures mentioned in Balance Sheet, Profit & Loss Account and Schedules 1 to 16 have been rounded off to the nearest thousands of rupees.

10. Previous Year's figures have been regrouped/reclassified/recast wherever necessary to confirm the current year classification.

11. CASH & CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with SBI, and balances with other banks (Subject to reconciliation in few cases).



12. Net profit & Consistency Fund

Net profit is arrived at after accounting for the following "Provisions and Contingencies"

- i. Provision for NPAs
- ii. Provision for Standard Assets and
- iii. Other usual and necessary provisions and transfer to contingencies



Ram Chandra Regar

General Manager (Admin)



Rajeev Kumar Agarwal

General Manager (Operation)



Shyam Singh

General Manager (IT)



Abdhesh Chandra Saxena

Chairman



Dassani & Associates LLP

Chartered Accountants

FRN -009096C/C400365



INDEPENDENT AUDITORS' REPORT

To,

The Members of Madhyanchal Gramin Bank

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Madhyanchal Gramin Bank (the Bank") which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account, Cash Flow Statement for the year then ended, and Notes to the Standalone Financial Statements including Significant Accounting Policies and other explanatory information, in which are included the returns for the year ended on that date of Head office, 70 branches audited by us, 221 branches audited by the respective Statutory Branch Auditors. The branches audited by us and those audited by other Statutory Branch Auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India ("RBI").

Also incorporated in the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement are the returns from 163 branches which have not been subjected to audit. These unaudited branches account for 27.15% of advances, 31.85% of deposits, 23.22% of interest income and 29.31% of interest expenses.

In our opinion and to the best of our information and according to explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act 1949 (the "Act") in the manner so required for the Bank and are in conformity with the accounting principles generally accepted in India and give:

- a) true and fair view in case of the Balance sheet, of the state of affairs of the Bank as at March 31, 2024;
- b) true balance of Profit in case of Profit and Loss Account for the year ended on that date; and
- c) true and fair view of the cash flows in case of cash flow statement for the year ended on that date.

**Branches: New Delhi, Mumbai, Pune, Nagpur, Bhopal, Patna, Kota, Ahmedabad, Rath (UP), Orai (UP),
Dassani & Associates a partnership firm converted into Dassani & Associates LLP with Identification No.
ACG-5891 with effect from April 12, 2024**



Basis for Opinion

2. We conducted our audit in accordance with the Standards of Auditing (“SAs”) issued by the Institute of Chartered Accountants of India (“the ICAI”). Our responsibility under those standards is further described in the Auditors’ 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 the ethical requirements that are relevant to our audit of the Standalone Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters of the Bank to be communicated in our report:

I. Classification of Advances, Income Recognition, Identification of and provisioning for non-performing Advances (Refer Schedule 9 read with Note 3 of Notes on Accounts to the financial statements)

The net advances of the Bank constitute of 32.29% the total assets, which is the significant part of the financial statements. They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI from time to time which provides guidelines related to classification of Advances into performing and non-performing Advances (NPA). Identification of performing and non-performing Advances involves establishment of proper mechanism. The Bank accounts for all the transactions related to Advances in its Information Technology System (IT System) viz. Core Banking Solution (CBS). In case of restructured accounts, provision is made in accordance with the RBI guidelines. We identified NPA identification and provision on loans and advances as



a key audit matter because of the significant efforts involved by the management in identifying NPAs based on the RBI Guidelines, the level of management judgment involved in determining the provision (including the provisions on assets which are not classified as NPAs), the valuation of security of the NPAs and on account of the significance of these estimates to the financial statements of the Bank

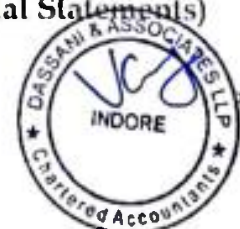
Auditors' Responses

Principal Audit Procedures

We assessed the Bank's system in place to identify and provide for non-performing assets. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- a) We had obtained understanding from the Bank about the controls built in the system, checks and balances incorporated with respect to adherence to the RBI guidelines and related Bank's Policies for identification of non-performing assets, provisioning and had accordingly planned our audit procedures.
- b) The accuracy of the data input in the system for income recognition, classification into performing and nonperforming Advances and provisioning in accordance with the IRAC norm in respect of the 70 branches allotted to us. We have also relied on the work done by the Statuary Branch Auditors for other branches selected by the Bank.
- c) Existence and effectiveness of monitoring mechanisms such as Internal Audit, Systems Audit, and Concurrent Audit as per the policies and procedures of the Bank;
- d) Test checked the identification and provisioning of non-performing assets in accordance with RBI Guidelines issued from time to time.
- e) Evaluated and tested the management estimates and judgements for the purpose of identification of NPA and adequacy of provision required as per RBI's Prudential norms.
- f) Ensured exceptions noticed during our audit procedures are duly corrected.

II. Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments (Schedule 8 to the financial Statements)



Investment portfolio of the Bank comprises of Investments in Government Securities, Bonds, Receipts, and other approved securities which are classified under three categories, Held to Maturity, Available for Sale and Held for Trade. Investments comprise a substantial portion of the Banks total assets.

Investments constitute 48.93% of the Bank's total assets. These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non-recognition of income and provision there against.

Accordingly, our audit was focused on valuation of investments, classification, identification of non-performing investments and provisioning related to investments.

Considering the complexities and extent of judgment involved in the valuation, volume of transactions, investments on hand and degree of regulatory focus, we determined the above area as a Key Audit Matter.

Auditors' Responses

Principal Audit Procedures

Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/depreciation related to Investments.

Our audit procedures with respect to audit of Investments, focused on -

- a) We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments.
- b) For the selected sample of investments in hand, we tested accuracy and compliance with the RBI Master Circulars and directions by re-performing valuation for each category of the security. Samples were selected after ensuring that all the categories of investments (based on nature of security) were covered in the sample.



- c) We assessed and evaluated the process of identification of NPIs and corresponding reversal of income and creation of provision.

4. Other Matters

- a) We did not audit the financial Statements/financial information of 163 branches whose financial statements reflects total Assets of ₹ 1214.22 Crores and total revenue of ₹ 119.55 Crores for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been unaudited. The Financial statements of these branches have been furnished to us by the Banks' management. In our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the financial statements produced before us by the Banks' management.
- b) We did not audit the financial Statements/financial information of 221 branches, these were audited by other Statutory Branch Auditors, whose financial statements reflects total Assets of ₹ 6014.02 Crores and total revenue of ₹ 208.80 Crores for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the Bank's Statutory Branch Auditors. The financial statements/information of these branches have been audited by the Bank's Statutory Branch Auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the reports of such branch auditors.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditors' Report thereon

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

1. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') and National Bank for Agriculture and Rural Development ('NABARD') 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements



5. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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 the provisions of Section 29 of the Banking Regulation Act, 1949.
7. As required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and subject also to the limitations of disclosure required therein and as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949 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.

8. We further report that:

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Balance Sheet and Profit and Loss account and Cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us;
- c) The reports on the accounts of the 221 branch offices audited by branch auditors of the Bank as per the provisions of section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

For : DASSANI & ASSOCIATES LLP

Chartered Accountants

Membership No.: 009096C/C400365



Vishal Jain

Partner

Membership No.: 402060

UDIN : 24402060BKBTGC7959