



## SAURASHTRA GRAMIN BANK

₹ in '000

BALANCE SHEET as on MARCH 31, 2024

Particulars	Schedule No.	Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
<b>CAPITAL &amp; LIABILITIES</b>			
Capital	1	245343	245343
Reserves & Surplus	2	10298795	8016642
Deposits	3	98408159	86374140
Borrowings	4	7685197	8550397
Other liabilities and provisions	5	2713934	2263844
<b>TOTAL</b>		<b>119351428</b>	<b>105450366</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	6614528	4555551
Balance with banks and money at call & short notice	7	12397371	12179131
Investments	8	26682553	22767370
Advances	9	71319609	62863682
Fixed Assets	10	132201	133814
Other Assets	11	2205166	2950818
<b>TOTAL</b>		<b>119351428</b>	<b>105450366</b>
Contingent liabilities	12	1113085	837626
Bills for collection		0	0
Significant Accounting Policies	17		
Notes on Accounts	18		
<b>For, SAURASHTRA GRAMIN BANK</b>			
As per our report of even date			
Manubhai & Shah LLP			
Chartered Accountants			
ICAI FRN 106041W / W100136			
			
H. U. DHALANI	VINOD KUMAR	SURENDRA KUMAR SUMAN	S. SATYANARAYANA RAO
CHIEF MANAGER (F&A)	G.M. (O)	G.M. (P&D)	CHAIRMAN
(Hitesh Pomal)			
Partner			
Membership No.:106137			
Place: Rajkot	Place: Rajkot		
Date: April 30, 2024	Date: April 30, 2024		



## Schedule 1

## Capital

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
Authorised Capital 2,00,00,00,000 Shares of Rs.10 each		20000000	20000000
Issued, Subscribed and paid up Capital 2,45,34,280 Shares of Rs. 10 each		245343	245343
	<b>Total</b>	<b>245343</b>	<b>245343</b>

## Schedule 2

## Reserves &amp; Surplus

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
<b>I.</b>	<b>Statutory Reserves</b>		
	Opening Balance	1634234	1277168
	Additions during the year	456431	357066
	Deduction during the year	0	0
	<b>Total</b>	<b>2090665</b>	<b>1634234</b>
<b>II.</b>	<b>Capital Reserves</b>		
	Opening Balance	0	0
	Additions during the year	0	0
	Deduction during the year	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>Special Reserve under Section 36(1)(viii) of Income Tax Act</b>		
	Opening Balance	510000	450000
	Additions during the year	60000	60000
	Deduction during the year	0	0
	<b>Total</b>	<b>570000</b>	<b>510000</b>
<b>IV</b>	<b>Investment Fluctuation Reserve (IFR)</b>		
	Opening Balance	110785	50735
	Additions during the year	54687	99112
	Deduction during the year	3860	39062
	<b>Total</b>	<b>161612</b>	<b>110785</b>
<b>V</b>	<b>Balance of Profit and Loss Account</b>	<b>7476518</b>	<b>5761623</b>
	<b>Total (I,II,III,IV and V)</b>	<b>10298795</b>	<b>8016642</b>



Schedule 3  
Deposits

Particulars			Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
<b>A</b>	<b>I</b>	<b>Demand Deposits</b>		
	(i)	From Banks	41163	14335
	(ii)	From Others	1179879	1169424
		<b>TOTAL</b>	<b>1221042</b>	<b>1183759</b>
	<b>II</b>	<b>Savings Bank Deposits</b>	<b>42589580</b>	<b>37765316</b>
	<b>III</b>	<b>Term Deposits</b>		
	(i)	From Banks	526544	294905
	(ii)	From Others	54070993	47130160
		<b>TOTAL</b>	<b>54597537</b>	<b>47425065</b>
		<b>Total (I, II and III)</b>	<b>98408159</b>	<b>86374140</b>
<b>B</b>	(i)	Deposits of Branches in India	98408159	86374140
	(ii)	Deposits of Branches outside India	0	0
		<b>Total</b>	<b>98408159</b>	<b>86374140</b>

Schedule 4  
Borrowings

Particulars			Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
<b>I</b>	<b>Borrowings in India</b>			
	(i)	Reserve Bank of India : MSF	0	0
	(ii)	Other Banks	809742	1307768
	(iii)	Other Institutions and agencies	6875455	7242629
		<b>TOTAL</b>	<b>7685197</b>	<b>8550397</b>
<b>II</b>	<b>Borrowings Outside India</b>		<b>0</b>	<b>0</b>
		<b>Total (I &amp; II)</b>	<b>7685197</b>	<b>8550397</b>

Secured Borrowings included in I and II above ₹ 80,97,42 thousand I (P.Y. ₹ 1,30,77,68 thousand) against pledge of Fixed Deposits

Schedule 5  
Other Liabilities and Provisions

Particulars			Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
<b>I</b>	Bills payable		949	0
<b>II</b>	Inter-Office adjustment (net)		29	0
<b>III</b>	Interest accrued		252116	184654
<b>IV</b>	Deferred Tax Liability		142811	129958
<b>V</b>	Others (including Provisions) *		2318029	1949232
	<b>Total</b>		<b>2713934</b>	<b>2263844</b>



SAURASHTRA GRAMIN BANK

₹ in '000

* Details of Schedule - 5 V			
a.	Provision for Pension Funds	49900	65116
b.	Provisions against Standard Assets	227216	213856
c.	Additional Provisions for Bad & Doubtful Debts	1288059	1443796
d.	Income Tax Liability (Net of advance tax and TDS)	31108	7790
e.	Others	721746	218674
	Sub-Total	2318029	1949232

Schedule 6

Cash and Balances with Reserve Bank of India

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
I	Cash in Hand	373604	503775
II	Balances with Reserve Bank of India		
	(i) in Current Account	4380924	3851776
	(ii) in other deposit Accounts (Standing Deposit Facility)	1860000	200000
	TOTAL	6240924	4051776
	Total (I & II)	6614528	4555551

Schedule 7

Balances with Banks and Money at Call & Short Notice

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
I	In India		
	(i) Balance with Banks		
	(a) in Current Accounts	76102	65807
	(b) in other Deposit Accounts	12321269	12113324
	(ii) Money at Call and Short Notice		
	(a) With banks	0	0
	(b) with other institutions	0	0
	Total (i & ii)	12397371	12179131
II	Outside India		
	(i) in Current accounts	0	0
	(ii) in other Deposit accounts	0	0
	(iii) Money at call and short Notice	0	0
	Total (i, ii & iii)	0	0
	Grand Total (I & II)	12397371	12179131



Schedule 8  
Investments

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
<b>I</b>	<b>Investments in India in</b>		
	(i) Government securities	25432959	21769795
	(ii) Other approved Securities	0	0
	(iii) Shares	0	0
	(iv) Debenture and Bonds	1249594	997575
	(v) Others - Commercial Papers	0	0
	<b>Total</b>	<b>26682553</b>	<b>22767370</b>
<b>II</b>	<b>Investments outside India in</b>		
	(i) Government Securities (including local authorities)	0	0
	(ii) Subsidiaries and/ or joint ventures abroad	0	0
	(iii) Other Investments (to be specified)	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
	<b>Grand Total (I &amp; II)</b>	<b>26682553</b>	<b>22767370</b>

Schedule 9  
Advances

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
<b>A</b>	(i) Bills Purchased and Discounted	0	0
	(ii) Cash Credits, Overdrafts and Loans repayable on demand	55554267	47693776
	(iii) Term Loans	15765342	15169906
	<b>Total</b>	<b>71319609</b>	<b>62863682</b>
<b>B</b>	(i) Secured by tangible assets	69698994	61167673
	(ii) Covered by Bank / Govt. Guarantees	1094951	1197112
	(iii) Unsecured	525664	498897
	<b>Total</b>	<b>71319609</b>	<b>62863682</b>
<b>C</b>	<b>I</b>	<b>Advances in India</b>	
	(i) Priority Sector	67753375	59873556
	(ii) Public Sector	0	0
	(iii) Banks	0	0
	(iv) Others	3566234	2990126
	<b>Total</b>	<b>71319609</b>	<b>62863682</b>
	<b>II</b>	<b>Advances outside India</b>	
	(i) Due from Banks	0	0
	(ii) Due from others	0	0
	(a) Bills purchased and Discounted	0	0
	(b) Syndicated Loans	0	0
	(c) Others	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>
	<b>Grand Total ( CI &amp; CII)</b>	<b>71319609</b>	<b>62863682</b>



Schedule 10  
Fixed Assets

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
I	Premises		
	At cost as on 31 <sup>st</sup> March of the preceding year	0	0
	Addition during the year	0	0
	Deduction during the year	0	0
	Depreciation to date	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>
II	Other Fixed Assets (including furniture and fixtures)		
	At cost as on 31 <sup>st</sup> March of the preceding year	441349	416765
	Addition during the year	37144	35210
	Deduction during the year	1722	10626
	Depreciation to date	344570	307535
	<b>TOTAL</b>	<b>132201</b>	<b>133814</b>
	<b>Total (I &amp; II)</b>	<b>132201</b>	<b>133814</b>

Schedule 11  
Other Assets

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
I	Inter Office adjustment (net)	0	145348
II	Interest accrued	423217	412664
III	Tax paid in advance / tax deducted at source	154091	86329
IV	Stationery and stamps	4671	4965
V	Non-banking assets acquired in satisfaction of claims	0	0
VI	Others	1623187	2301512
	<b>Total</b>	<b>2205166</b>	<b>2950818</b>

Schedule 12  
Contingent Liabilities

Particulars		Amount ₹ As on March 31, 2024	Amount ₹ As on March 31, 2023
I	Claims against bank not acknowledged as debts	0	0
II	Liability for partly paid investments	0	0
III	Liability on account of outstanding forward exchange contracts	0	0
IV	Guarantees given on behalf of constituents	559656	605785
	(a) In India	559656	605785
	(b) Outside India	0	0
V	Acceptances, endorsements and other obligations (DEAF)	242202	89270
VI	Other items for which bank is contingently liable : Income Tax	311227	142571
	<b>Total</b>	<b>1113085</b>	<b>837626</b>



Profit and Loss Account for the Year Ended March 31<sup>st</sup>, 2024

Particulars		Schedule No.	Year ended on March 31, 2024	Year ended on March 31, 2023
I	Income			
	Interest earned	13	8912045	7446193
	Other Income	14	953175	740172
	Total		9865220	8186365
II	Expenditure			
	Interest expended	15	4736501	3666588
	Operating Expenses	16	2153947	1804770
	Provisions and contingencies		692619	929681
	Total		7583067	6401039
III	PROFIT			
	Net profit for year		2282153	1785326
	Profit brought forward		5761623	4453413
	Total		8043776	6238739
IV	Appropriations			
	Transfer to Statutory Reserves		456431	357066
	Transfer to other Reserve (Special Reserve)		60000	60000
	Transfer to Investment Fluctuation Reserve (Net)		50827	60050
	Balance Carried over to Balance Sheet		7476518	5761623
	Total		8043776	6238739
V	Earning per Equity Share			
	Basic (in ₹)		93.02	72.77
	Significant Accounting Policies	17		
	Notes to accounts	18		

For, SAURASHTRA GRAMIN BANK

As per our report of even date

Manubhai & Shah LLP  
Chartered Accountants  
ICAI FRN 106041W / W100136

*(Hitesh Pomal)*

(Hitesh Pomal)

Partner

Membership No.:106137

Place: Rajkot

Date: April 30, 2024



*H. U. Dhalani*  
H. U. DHALANI  
CHIEF MANAGER (F&A)

*Vinod Kumar*  
VINOD KUMAR  
G.M. (O)

*Surendra Kumar Suman*  
SURENDRA KUMAR SUMAN  
G.M. (P&D)

*S. Satyanarayana Rao*  
S. SATYANARAYANA RAO  
CHAIRMAN

Place: Rajkot

Date: April 30, 2024



Schedule 13  
Interest Earned

Particulars		Year ended on March 31, 2024	Year ended on March 31, 2023
I	Interest / discount on advances / bills	6182640	5488888
II	Income on Investments	1769219	1364240
III	Interest on balances with RBI and other inter-bank funds	952945	593065
IV	Others : interest received on Call, Notice and Term Money	7241	0
Total		8912045	7446193

Schedule 14  
Other Income

Particulars		Year ended on March 31, 2024	Year ended on March 31, 2023
I	Commission, exchange and brokerage	565489	502302
II	Profit on sale of Investments Less : Loss on sale of investment	(22322)	(4049)
III	Profit on revaluation of investments Less : Loss on revaluation of investments	0	0
IV	Profit on sale of land, buildings and other assets Less : Loss on sale of land, buildings and other assets	0	0
V	Profit on exchange transactions Less : Loss on exchange transactions	0	0
VI	Income earned by way of dividends etc. from subsidiaries/companies and/or joint ventures abroad/in India	0	0
VII	Miscellaneous Income **	410008	241919
Total		953175	740172

Under item No. II, Loss figures are shown in brackets.

\*\* Details of Schedule - 14 VII

a.	Recovery in write off account	44656	37920
b.	Miscellaneous (Interest on income tax refund)	0	4618
c.	Profit on Sale of Dead Stock Items	48	650
d.	Income earned on PSLC	365304	198731
Sub-Total		410008	241919

Schedule 15  
Interest expended

Particulars		Year ended on March 31, 2024	Year ended on March 31, 2023
I	Interest on deposits	4405488	3387536
II	Interest on Reserve Bank of India/Inter-bank borrowings	23774	39536
III	Others (Interest payable on borrowings from other institutions)	307239	239516
Total		4736501	3666588





Schedule 16  
Operating Expenses

Particulars		Year ended on March 31, 2024	Year ended on March 31, 2023
I	Payments to and provisions for employees	1521662	1185798
II	Rent, Taxes and Lighting	119112	112704
III	Printing and stationery	15353	14783
IV	Advertisement, Newspaper and Publicity	4838	3417
V	Depreciation on Bank's Property	38723	32469
VI	Directors' fees, Allowances and expenses	0	0
VII	Auditors' fees and expenses	8914	10459
VIII	Law Charges	6160	3430
IX	Postage, telegrams, telephones etc.	10529	11298
X	Repairs and Maintenance	8623	8797
XI	Insurance	134345	127293
XII	Others ***	285688	294322
<b>Total</b>		<b>2153947</b>	<b>1804770</b>

\*\*\* Details of Schedule - 16 XII

a.	Computer Expenses	108295	114972
b.	PSLC Expenses	15374	33560
c.	Cash Delivery and Pickup Services (CDPS) van Expenses	33243	34972
d.	Outsourcing expenses for housekeeping and driver	47987	49898
e.	Other expenditure	80789	60920
<b>Sub-Total</b>		<b>285688</b>	<b>294322</b>

Schedule 16A

Provisions & Contingencies :

Particulars	Year ended on March 31, 2024	Year ended on March 31, 2023
Provision for Bad & Doubtful	-100000	271000
Provision on Standard Assets	13361	9776
Investment Depreciation Reserve	4299	43500
<b>Total</b>	<b>-82340</b>	<b>324276</b>

Schedule 16B

Payments / Provision / Refund towards Income Tax & Deferred Tax

Particulars	Year ended on March 31, 2024	Year ended on March 31, 2023
Income Tax payable / refund(-) for the current year	31108	7790
Tax Deducted at Source by SBI / others & TCS	8827	3475
Advance Tax paid in current year	720000	580000
Earlier year Income Tax payment/refund receipt	2171	-67
Deferred Tax Liabilities on Special Reserve	15101	15101
Deferred tax on Gratuity / Leave Encashment	0	0
Deferred Tax Assets (-)/Liabilities on Depreciation	-2248	-894
<b>Total</b>	<b>774959</b>	<b>605405</b>



## SAURASHTRA GRAMIN BANK

Cash Flow Statement for the Year Ended March 31<sup>st</sup>, 2024

₹ in '000

(A)	Cash Flow from operating activities	March 31 <sup>st</sup> , 2024		March 31 <sup>st</sup> , 2023	
	Net Profit before Taxation and Extraordinary items:		3057112		2390731
	Direct Tax paid				
	Direct Tax payable /(Refund+) and Deferred Tax	(728827)		(583475)	
	<b>Net Profit</b>	(46132)	(774959)	(21930)	(605405)
			<b>2282153</b>		<b>1785326</b>
	Adjustments for:				
	i) Depreciation on Fixed Assets				
	ii) Provisions & Contingencies	38757		32469	
	iii) Profit/(Loss) on sale of Fixed Assets	(82340)		324276	
	iv) Amortization of premium HTM	48		650	
		48457		52287	
	<b>Operating Profit before Working Capital Changes</b>		<b>4922</b>		<b>409682</b>
			<b>2287075</b>		<b>2195008</b>
	Adjustments for Increase/Decrease in:				
	i) Advances				
	ii) Other Assets	(8369288)		(7701051)	
	iii) Investments	745065		520088	
	iv) Other Liabilities	(3963640)		(5414884)	
	v) Deposits SB+CD	406129		(9950)	
	vi) Fixed Deposit	4861547		2674059	
		7172472		6205140	
			<b>852285</b>		<b>(3726598)</b>
	<b>Cash Flow Generated from Operations</b>		<b>3139360</b>		<b>(1531590)</b>
	Deferred Tax				
	Income tax refund received	12853		14207	
	Direct Taxes payable	587		0	
		31108		7790	
	Cash Flow before extraordinary item		<b>44548</b>		<b>21997</b>
	<b>Extra Ordinary Items:</b>		<b>3183908</b>		<b>(1509593)</b>
	Investment depreciation reserve				
	5% Additional Prov COVID-19 Regulatory Package	(4299)		(43500)	
	Provision for 11th Bipartite Wage Revision	0		0	
		0			
			<b>(4299)</b>		<b>(43500)</b>
	<b>Net Cash Flow from / (used in) operating activities</b>		<b>3179609</b>		<b>(1553093)</b>
(B)	<b>Cash Flow from investing activities</b>				
	Purchase of Fixed Assets & Addition on account of Merger (net of sales)	(37192)		(35591)	
	Net cash flow from / (used in) investing activities		<b>(37192)</b>		<b>(35591)</b>
(C)	<b>Cash Flow from Financing Activities</b>		<b>3142417</b>		<b>(1588684)</b>
	Increase in Share Capital & Nominal Mem.				
	Dividend				
	Borrowings				
	Payment for Scholarships/Member Incentives	(865200)		5163501	
	Entrance fee				
	Reserves of Merged Bank				
	Net Cash Flow From / (used in) financing activities		<b>(865200)</b>		<b>5163501</b>
	<b>Net Increase in cash and cash equivalents</b>		<b>2277217</b>		<b>3574817</b>
	Cash & Cash equivalents as at (Opening)		16734682		13159865
	<b>Cash &amp; Cash equivalents as at (Closing)</b>		<b>19011899</b>		<b>16734682</b>

For, SAURASHTRA GRAMIN BANK

As per our report of even date  
Manubhai & Shah LLP  
Chartered Accountants  
ICAI FRN 106041W / W100136

(Hitesh Pomal)  
Partner  
Membership No.:106137  
Place: Rajkot  
Date: April 30, 2024



H. U. DHALANI  
CHIEF MANAGER (F&A)

VINOD KUMAR  
G.M. (O)

SURENDRA KUMAR SUMAN  
G.M. (P&D)

S. SATYANARAYANA RAO  
CHAIRMAN

Place: Rajkot  
Date: April 30, 2024



# Saurashtra Gramin Bank

Head Office: Rajkot

## SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES

### **A. Basis of Preparation:**

The accompanying financial statements have been 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), directives of National Bank for Agriculture and Rural Development (NABARD) and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the prevalent accounting practices in the banking industry in India.

### **B. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions that are 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 the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates. The impact of any revision in these estimates is recognized prospectively from the period of change.

### **C. Significant Accounting Policies:**

#### **1. Revenue recognition:**

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. Interest income is recognised in the Profit & Loss Account as it accrues except (i) income from Non-Performing Assets (NPAs), comprising of advances and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/NABARD (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted (iii) Insurance, Law Charges, electricity, telephone and postage expenses. All other commission and fee income are recognised on their realisation including Commission on Guarantees and Locker Rent.
- 1.2 Profit or Loss on sale of investments in AFS category is recognised in the Profit & Loss Account.
- 1.3 Income (other than interest) on investments in "Held to Maturity" (HTM) category acquired at a discount to the face value, is recognised as follows
  - 1.3.1 On Interest bearing securities, it is recognised only at the time of sale/ redemption.
  - 1.3.2 On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
  - 1.3.3 Dividend income is recognised when the right to receive the dividend is established.



# Saurashtra Gramin Bank

Head Office: Rajkot

## 2. Investments:

The transactions in all securities are recorded on "Settlement Date".

### 2.1 Classification

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

### 2.2 Basis of classification:

- 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 the 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.

### 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 of investment under AFS and HFT category is determined on FIFO basis (first in first out) for investments.
- 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 re-valued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. Held to Maturity category: Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "Interest on investments".



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- v. Available for Sale and Held for Trading categories: Investments held under AFS and HFT categories are individually re-valued 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 and (v) 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/NABARD. Investments become non-performing where Interest/installment (including maturity proceeds) is due and remains unpaid for more than 90 days.

### 3. Loans/Advances and Provisions thereon:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/directives issued by the RBI/ NABARD. 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 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period;
- iii. 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 the 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.



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

Sub-standard Assets:	i. A general provision of 15% on the total outstanding; ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
Doubtful Assets:	
-Secured portion:	i. Up to one year – 25% ii. One to three years – 40% iii. More than three years – 100%
-Unsecured portion	100%
Loss Assets:	100%

- 3.4 Advances shown in the Balance Sheet are net of specific NPA provisions.
- 3.5 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI. Under Resolution Framework guidelines released by RBI, additional 10.00% provision has been carried out in all restructured account.
- 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 are made in order of priority as under :
- Charges, Costs, Commission etc.
  - Unrealized Interest / Interest
  - Principal
- 3.10 However, in Compromise and Resolution/ Settlement through National Company Law Tribunal (NCLT) cases, the recoveries are appropriated as per the terms of respective compromise/ resolution/ settlement. In case of suit filed accounts, recovery is appropriated as per directives of respective courts.



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## 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 Straight line method is used for charging depreciation and rates of depreciation are as under:

Sr. No.	Description of Fixed Assets	Rate of Depreciation
1	Computers and Software	33.33%
2	Automated Teller Machine/Cash Deposit Machine/Coin Dispenser/Coin Vending Machine	20.00%
3	Servers	25.00%
4	Network Equipment	20.00%
5	Electrical Fitting	20.00%
6	Air condition and CCTV	12.50%
7	Office Equipments such as calculator, cell phone, clock	33.33%
8	Office Equipment such as camera, Fake note detector, fax machine, inverter, cheque scanner, R.O. System, Sign Board, telephone instrument, wall mount screen, water filter, Modem	20.00%
9	Office Equipment such as Curtain, Cheque Scanner, Fax Machine	10.00%
10	Other fixed assets	On the basis of estimated useful life of the assets
10a)	Vehicles	20.00%
10b)	Safe, Lockers & strong room doors	5.00%
10c)	Furniture and fixtures (Incl. Wooden and Steel)	10.00%

4.4 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

4.5 Assets costing less than Rs.1,000 each are charged off in the year of purchase.

4.6 In respect of leasehold premises, the lease rent is charged in the respective year.



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## 5. Impairment of Assets:

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

## 6. Employee Benefits:

### 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. Bank provides for a Medical Insurance policy, a group personal accident insurance policy and Term Plan policy for the staff.

### 6.2 Long Term Employee Benefits:

#### i. Defined Benefit Plan

- a. The Bank provides for gratuity to all eligible employees. Vesting occurs upon completion of ten years of service. The bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually
- b. The Bank provides for pension to all eligible employees through Saurashtra Gramin Bank [Employees'] Pension Fund Trust. The benefits are in the form of monthly payments as per rules to vested employees on retirement or on death while in employment. Vesting occurs upon completion of 10 years of service. The bank makes monthly contribution to the pension fund at 10% of pay in terms of Saurashtra Gramin Bank [Employees'] Pension Regulation, 2018. The pension liability is reckoned based on an independent actuarial valuation carried out annually and the Bank makes such additional contributions periodically to the fund as may be required to secure payment of the benefits.
- c. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial losses are immediately recognised in the Profit & Loss Account and are not deferred.





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## ii. Defined Contribution Plans:

All the officers/employees who have joined the bank on or after 01.04.2010 are being covered under the NPS in terms of NABARD instruction vide letter No. NB.HO.IDD.RRB/1056/316(Pension)/2019-2020 dated 05.02.2020. In the NPS, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the bank. The bank recognizes such annual contributions as expenses in the year to which they relate.

## iii. Other Long Term Employee benefits:

- a. All eligible employees of the Bank are eligible for compensated absences, silver jubilee award, leave travel concession, retirement award. The costs of such long term employee benefits are internally funded by the Bank.
- b. In terms of Regulation 5[1] [b] of Saurashtra Gramin Bank [Employees] Pension Regulation, 2018, the Bank has setup Saurashtra Gramin Bank [Employees] Provident Fund Trust. The bank needs to deduct compulsory subscription of 10% of pay from eligible employees on monthly basis. An eligible employee may at his/her option, voluntarily subscribe to the Fund a sum inclusive of the compulsory subscription any amount up to 100% of the basic payable to him for the month. However, Income-tax rebate on such will be subject to Section 88 of Income Tax Act, 1961. Trustees might fix interest rate from time to time having regard to the interest earned on investment from the Fund and market value of investments and the redemption period of investments and on the monies deposited with the bank.
- c. The cost of providing other long term benefits is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Past service cost is immediately recognised in the Profit & Loss Account and is not deferred.

## 7. Outsourcing:

The Bank resorts to outsourcing for its activities either on continuous basis or for specific jobs / assignment. While doing so, besides the cost consideration, compliance of legal obligations, supervisory requirements and assessment of risk associated with outsourcing, assume prime importance. Outsourcing may be defined as a bank's use of a third party (either an affiliated entity within a corporate group or an entity that is external to the corporate group) to perform activities on a continuing basis that would normally be under taken by the bank itself, now or in the future. "Continuing basis" would include agreements for a limited period. Reserve Bank of India has issued guidelines on Outsourcing of Financial Services by banks, facilitating adoption of sound and responsive risk management practices while outsourcing the activities.



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## 8. Segment Reporting:

The bank recognizes the business segment as the primary reporting segment and Treasury as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard AS-17 "Segment Reporting" issued by Institute of Chartered Accountants of India. Moreover, as per Regulation 31(2) of the IRDAI (Registration of Corporate Agents) Regulations-2015, in the case of corporate agent whose principal business is other than insurance intermediation, they shall maintain Segment-wise Reporting capturing the revenues received for Insurance Intermediations and other income from insurers.

## 9. 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 AS-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 recognized 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 recognized in the profit and loss account. Deferred tax assets/liabilities are recognized and re-assessed at each reporting date, based upon management's judgment as to whether their realization is considered as reasonably certain.

Deferred Tax Assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future profits.

## 10. Earnings per Share:

The Bank reports basic earnings per share in accordance with Accounting Standard AS-20 'Earnings per Share' issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.



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## 11. Provisions, Contingent Liabilities and Contingent Assets:

11.1 In conformity with Accounting Standard 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.

11.2 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.
- iii. 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.
- iv. Contingent Assets are not recognised nor disclosed in the financial statements.

<p>As per our report of even date</p> <p>Manubhai &amp; Shah LLP Chartered Accountant ICAI FRN 106041W / W100136</p> <p> Hitesh Pomal Partner Membership No. 106137</p> <p>Place: RAJKOT Date: April 30, 2024</p>	<p style="text-align: center;"><b>For Saurashtra Gramin Bank</b></p> <p> H U Dhalani Chief Manager (F&amp;A)</p> <p> Vinod Kumar G.M. (O)</p> <p> Surendra Kumar Suman G.M. (P&amp;D)</p> <p> S Satyanarayana Rao Chairman</p> <p style="text-align: center;"></p> <p>Place: RAJKOT Date: April 30, 2024</p>
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# Saurashtra Gramin Bank

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## SCHEDULE 18: NOTES FORMING PART OF ACCOUNTS

1. Books of Accounts have been balanced and tallied up to 31<sup>st</sup> March 2024.

### 2. Employees' Benefits:

a) The Bank has classified the various benefits provided to employees as under:

i. **Defined Contribution Plans:** "Employees' Provident Fund / Pension Fund."  
(₹ in thousand)

Employer's Contribution	2023-24 Amount	2022-23 Amount
Pension Fund & National Pension Fund	68475	60704

The above amount is included in Schedule 16- Operating Expenses, **Payments to and provisions for employees.**

ii. **Defined Benefit Plans & Long term employment benefit:** Bank has recognized expense of Gratuity & Leave encashment on **actuarial valuation basis** using **projected unit credit** method.

In accordance with Accounting Standard AS-15, -"Employee Benefits." Relevant disclosures are as under.

### a) Changes in Defined Benefit Obligation:

(₹ in thousand)

Particulars	2023-24		2022-23	
	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]
Defined Benefit Obligation as at the beginning of the year	586538	492657	570748	475897
Current Service Cost	52615	48798	46014	42825
Interest Cost	40109	34228	39895	33756
Benefit Paid	(58937)	(34521)	(40929)	(20582)
Actuarial (gain)/loss on Obligations	(63109)	(49072)	(29190)	(39239)
<b>Defined Benefit Obligation as at the end of the year</b>	<b>557216</b>	<b>492090</b>	<b>586538</b>	<b>492657</b>



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## b) Change in Fair value of Plan Assets:

(₹ in thousand)

Particulars	2023-24		2022-23	
	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]
Fair Value of Plan Assets at the beginning of the year	586538	492657	570748	475897
Expected Actual Return on plan Assets	42231	35471	41379	34503
Actuarial Gains/(Losses)	(31757)	(6541)	(37791)	(49572)
Contributions made during F.Y.	18994	4320	34849	48735
Contributions to be made in Section 43B	0	0	18282	3676
Benefit Paid	(58937)	(34521)	(40929)	(20582)
<b>Fair Value of Plan Assets</b>	<b>557069</b>	<b>491386</b>	<b>586538</b>	<b>492657</b>

## c) Amount recognized in the Balance Sheet:

(₹ in thousand)

Particulars	2023-24		2022-23	
	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]
Defined Benefit Obligation as at the end of the year	557216	492090	586538	492657
Fair Value of Plan Assets as at the end of the year	557069	491386	568256	488980
<b>Liability / (Asset) recognized in the Balance Sheet included in other liabilities or other assets respectively.</b>	<b>147</b>	<b>704</b>	<b>18282</b>	<b>3677</b>



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## d) Expenses recognized in the Profit & Loss Account:

(₹ in thousand)

Particulars	2023-24		2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	52615	48798	46014	42824
Interest Cost	40109	34228	39895	33756
Expected Return on Plan Assets	(42231)	(35471)	(41379)	(34503)
Net actuarial (gain)/ Loss recognized in the period	(31352)	(42531)	8601	10334
<b>Total Expenses recognized in the P&amp;L A/c.</b>	<b>19141</b>	<b>5024</b>	<b>53131</b>	<b>52411</b>

- e) **Category of Plan Assets:** The Bank's plan Assets in respect of Gratuity & Leave encashment are funded through the Scheme of **Life Insurance Corporation of India, SBI Life Insurance Company Ltd., India First Life insurance Company Ltd. and Aditya Birla Sun life Insurance Company Ltd.**
- f) **Actuarial Assumptions:** In accordance with Accounting Standard AS-15, actuarial valuation as at the end of the year was performed in respect of the aforesaid Defined Benefit Plans based on the following assumptions.

Particulars	2023-24		2022-23	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (per annum)	7.20%	7.20%	7.25%	7.25%
Annual increase in Salary Cost	9.00%	9.00%	9.00%	9.00%

- g) Mortality rates considered are as per the published rates in the Indian Individual Annuitants Mortality (2012-15) Ultimate.
- h) The estimates of future salary increases are considered in the actuarial valuation, taken on account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.
- i) To implement defined Pension scheme as per SGB (Employees) Pension Regulation, 2018, Bank has obtained actuarial valuation as on 31.03.2024 which comes to ₹ 31455 lakh. Bank has made full provision for the same. The actuarial valuation as on 31.03.2023 stood at ₹ 30073 lakh.



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### 3. Deferred Tax Assets / Liabilities:

(₹ in thousand)

Particular	Deferred tax (Liability) / Asset as on 01/04/2023	Current year (Charge)/ Credit to profit and loss account	Deferred tax (Liability) / Assets as on 31/03/2024
<b>Depreciation</b> : Difference between book value and as per Income Tax Act	(1601)	2248	647
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	(128357)	(15101)	(143458)
<b>Deferred Tax Liability (Net)</b>	(129958)	(12853)	(142811)

### 4. Capital:

Sr.	Particulars	2023-24	2022-23
1	CRAR (%)	18.80%	16.74%
2	CRAR-Tier I Capital (%)	17.28%	15.28%
3	CRAR-Tier II Capital (%)	1.52%	1.46%
4	<b>Percentage of Share holding of</b>		
A	Government of India	50.00%	50.00%
B	State Government	15.00%	15.00%
C	Sponsor Bank	35.00%	35.00%

### 5. Investment:

(₹ in thousand)

Sr.	Particulars	2023-24	2022-23
1	Value of investment	26686852	22810870
A	Gross value of investment	26686852	22810870
B	Provision for depreciation	4299	43500
C	Net value of investment	26682553	22767370
2	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	8153	43500
C	Less: Write-off / write-back of excess provisions during the year (Book value reduced)	3854	43500
D	Closing Balance	4299	0.00

5.1 At the beginning of the year, the bank has shifted SLR investments having book value of ₹3746499 thousand from Held to Maturity (HTM) to Available for Sale (AFS) at lower of acquisition cost or Book value or Market value as per RBI Guidelines. There was no any shifting of security from Available for Sale (AFS) to Held to Maturity (HTM) category during the year.



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## 5.1a Investment Fluctuation Reserve:

In terms of Circular No.RBI/2013-14/434 RPCD.CO.RRB.BC.No./ 74 /03.05.33/2013-14 January 07, 2014, a provision required to be created on account of depreciation in the AFS category was debited to the Profit and Loss account 'Expenditure - Provisions & Contingencies' for ₹4299 thousand. An equivalent amount (net of tax benefit and net of consequent reduction in the transfer to Statutory Reserve) for ₹3860 thousand (₹3217 thousand and ₹643 thousand) was transferred from the IFR Account to the accumulated balance of Profit and Loss Account.

Further, in terms of RBI/DOR/2021-22/81 DOR.MRG.42/21.04.141/2021-22 August 25, 2021 (Revised on September 12, 2023), the required Investment Fluctuation Reserve (IFR) stood at ₹161612 thousand @2% of the AFS portfolio of ₹8080612 thousand. The bank has provided for IFR for Rs.54687 thousand during the year. The Balance in the IFR as at 31-Mar.-2024 is ₹161612 thousand.

## 5.2 Repo Transaction:

(₹ in thousand)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31.03.2024
Securities sold under repos	0	0	0	0
Securities purchased under reverse repos	41,0000	100,0000	6110	0

## 5.3 Issuer composition of Non SLR Investment:

(₹ in thousand)

Sr	Issuer	Amount	Extent of private placement	Extent of "below investment grade" securities already invested	Extent of "unrated securities" already invested	Extent of "unlisted securities"
1		3	4	5	6	7
A	PSUs	-	-	-	-	-
B	Private Corporate	-	-	-	-	-
C	Public Sector Banks	1000000	1000000	-	-	-
D	Private Sector Banks	249594	249594	-	-	-
E	Liquid Mutual Fund	-	-	-	-	-
F	Less: Provision held towards depreciation	4299	4299	-	-	-
	<b>Total</b>	<b>1245295</b>	<b>1245295</b>	<b>-</b>	<b>-</b>	<b>-</b>





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## 5.4 Non-Performing Non SLR investments:

(₹ in thousand)

Particulars	Amount
Opening Balance	0.00
Addition during the year since 1st April	0.00
Reductions during the above period	0.00
Closing Balance	0.00
Total provisions held	0.00

## 5.5 Standing Deposit Facility (SDF) and Marginal Standing Facility (MSF):

RBI permitted RRBs to access Liquidity Adjustment Facility (LAF) in the form SDF and MSF. The bank opened SGL, Repo & Reverse Repo accounts to participate in these facilities.

The bank started parking overnight surplus fund in SDF from 11.07.2022. Further to manage overnight liquidity requirement, the bank has also started availing overnight fund from RBI, through MSF by borrowing against Government Securities parked under Repo Account from 17.10.2022. Figures relating SDF and MSF are given hereunder:

(₹ in thousand)

Particulars	No. of day facility availed	Daily average outstanding during the year	Interest earned / paid(-) during the year	Average Yield / Cost	As on 31.03.2024
Amount parked Under SDF-LAF	270	773781	48361	6.25%	1860000
Amount borrowed Under MSF	144	178247	-12032	6.75%	0

## 6. Asset Quality

### 6 A. Provisions On Advances

- Total provision required for NPA as per the RBI guidelines as at 31.03.2024 is ₹6886.21 lakh against which the Bank has made aggregate provision of ₹19766.80 lakh.
- As per RBI guidelines, the bank has made provision of ₹2272.16 lakh on standard assets of which ₹133.61 lakh has been made during the year. Further, total provision for Bad and Doubtful Debts at the end of the financial year stood at ₹19766.80 lakh. Out of total provision for Bad and Doubtful Debts, provision of ₹12880.59 lakh is additional provision for bad and doubtful advances. The provision of standard assets and additional provision for Bad & Doubtful advances is shown under the head "Other Liabilities and Provisions-Others" in Schedule No.5 of the Balance Sheet.



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## 6 B. i Non-Performing Assets:

(₹ in thousand)

Sr.	Particulars	2023-24	2022-23
1	Net NPAs to Net Advances (%)	0.00%	0.00%
2	<b>Movement of NPAs (Gross)</b>		
A	Opening Balance	1820820	1225932
B	Addition during the year	1101057	1410288
C	Reduction during the year (C1 + C2 + C3)	<b>1360707</b>	<b>815400</b>
C1	Reduction due to up-gradation	561988	426913
C2	Reduction due to Recoveries	775907	341378
C3	Reduction due to write off	28812	47109
D	Closing Balance (A + B - C)	1561170	1820820
3	<b>Net NPA Closing Balance</b>	<b>0</b>	<b>0</b>
4	<b>Movement of Provision for NPAs</b>		
A	Opening Balance	1817901	1220210
B	Provisions made during the year	-231177	644800
C	Write off of Bad Advances	28812	47109
D	Closing Balance* (A + B - C)	1557912	1817901

\* Closing balance is arrived after netting of subsidy reserve fund of ₹3258 thousand for FY 2023-24, ₹2919 thousand for FY 2022-23.

## 6B.ii Non Performing Assets:

(₹ in thousand)

Sr.	Sector	Current Year 31-03-2024			Previous Year 31-03-2023		
		Advances O/s.	Gross NPAs	% of Gross NPAs to Advances	Advances O/s.	Gross NPAs	% of Gross NPAs to Advances
A	<b>Priority Sector</b>						
1	Agriculture and allied activities	54603937	404956	0.74%	45722594	272556	0.60%
2	Industries Sector	4955633	1026137	20.71%	6317515	1437507	22.75%
3	Services Sector	905278	42699	4.72%	1194068	58769	4.92%
4	Personal Loans	7974821	82773	1.04%	7292866	47448	0.65%
	<b>Sub-total (A)</b>	<b>68439669</b>	<b>1556565</b>	<b>2.27%</b>	<b>60527043</b>	<b>1816280</b>	<b>3.00%</b>



# Saurashtra Gramin Bank

Head Office: Rajkot

Sr.	Sector	Current Year 31-03-2024			Previous Year 31-03-2023		
		Advances O/s.	Gross NPAs	% of Gross NPAs to Advances	Advances O/s.	Gross NPAs	% of Gross NPAs to Advances
<b>Non-Priority Sector</b>							
1	Agriculture and allied activities	0	0	0.00%	0	0	0.00%
2	Industry Sector	744508	0	0.00%	1198778	0	0
3	Services Sector	0	0	0.00%	273	0	0
4	Personal Loans	2824054	4605	0.16%	1793284	4540	0.25%
	<b>Sub-total (B)</b>	<b>3568562</b>	<b>4605</b>	<b>0.13%</b>	<b>2992335</b>	<b>4540</b>	<b>0.15%</b>
	<b>Total (A+B)</b>	<b>72008231</b>	<b>1561170</b>	<b>2.17%</b>	<b>63519378</b>	<b>1820820</b>	<b>2.87%</b>

\*This includes provision required on NPA for ₹686821 thousand, (P.Y. ₹655697 thousand)

## 6C. Details of Loan Assets subject to Restructuring:

(₹ in thousand)

Sr.	Particulars	2023-24	2022-23
1	Total amount of loan assets subjected to restructuring, rescheduling and renegotiation	449971	660271
2	Total amount of Standard assets subjected to restructuring, rescheduling and renegotiation	317788	434012
3	Total amount of Sub Standard assets subjected to restructuring, rescheduling and renegotiation	38162	9939
4	Total amount of Doubtful assets subjected to restructuring, rescheduling and renegotiation	94021	216320

## 6D. Details of financial assets sold to Securitization / Reconstruction Company for Asset Reconstruction:

(₹ in thousand)

Sr.	Particulars	2023-24	2022-23
1	No. of accounts	0	0
2	Aggregate value (net of provisions) of accounts sold to SC/RC	0	0
3	Aggregate consideration	0	0
4	Additional consideration realized in respect of accounts transferred in earlier years	0	0
5	Aggregate gain/loss over net book value	0	0



# Saurashtra Gramin Bank

Head Office: Rajkot

## 6E.Details of Non-performing financial assets purchased/ sold:

### 6E-I Details of Non-performing financial assets purchased: (₹ in thousand)

Sr	Particulars	2023-24	2022-23
1	A No of accounts purchased during year	0	0
	B Aggregate outstanding	0	0
2	A Of these No. of a/cs. restructured during the year	0	0
	B Aggregate outstanding	0	0

### 6E-II Details of Non-performing financial assets sold: (₹ in thousand)

Sr.	Particulars	2023-24	2022-23
1	No of accounts sold	0	0
2	Aggregate outstanding	0	0
3	Aggregate consideration received	0	0

### 6F.Provision on Standard Asset: (₹ in thousand)

Particulars	2023-24	2022-23
Provisions towards standard assets	227216	213855

### 7.Business Ratio: (₹ in thousand)

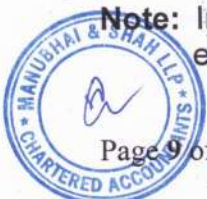
Sr.	Particulars	2023-24	2022-23
1	Interest income as a percentage of Working Fund	7.95%	7.64%
2	Non-interest income as a percentage of working fund	0.85%	0.76%
3	Operating profit as a percentage to working fund	2.65%	2.85%
4	Return on assets	2.04	1.83%
5	Business (Deposits & Advances) per employee	160467	150647
6	Profit per employee	2149	1794

### 8 .Asset Liability Management:

Residual Maturity pattern of certain items of assets and liabilities: (₹ in thousand)

Sr.	Tenure	Deposits	Borrowings	Investments	Advances
1	1 day - 14 days	5748566	809742	0	9971051
2	15 days - 28 days	1347300	0	0	8194120
3	29 days to 3 months	8853196	95375	0	25648664
4	Above 3 months to 6 months	12849670	155629	100416	8915873
5	Above 6 months to 1 year	18383873	5252009	150000	6368964
6	Above 1 years up to 3 years	48001947	805251	3720688	3143167
7	Above 3 years up to 5 years	2743484	520044	4322317	2445656
8	Above 5 years	480123	47147	18389132	7320735
9	<b>Total</b>	<b>98408159</b>	<b>7685197</b>	<b>26682553</b>	<b>72008230</b>

**Note:** In compiling the above data, certain assumptions as per RBI guidelines and estimates have been made and relied upon.



# Saurashtra Gramin Bank

Head Office: Rajkot

## 9. Exposure to Real Estate Sector:

(₹ in thousand)

Sr.	Particulars	2023-24	2022-23
1	Direct exposure		
A	Residential Mortgages - Lending fully secured by mortgages on residential property: that is or will be occupied by the borrower or that is rented.	8495768	7452617
	Of which Individual Housing Loan up to ₹ 25 Lakh	7490162	6776491
B	Commercial Real Estate - lending secured by mortgages (office building, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse, Hotels, land acquisition, development and construction, etc. exposure would include non-fund based (NFB) limits.	198435	118503
	Investment in mortgage based Securities (MBS) and other securitized exposures.	Nil	Nil
C	a. Residential & b. Commercial Real Estate		
	Indirect Exposure		
2	Fund based and Non-Fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

## 10. Single Borrower Limit (SGL), Group Borrower Limit (GBL) exceeded by Bank:

During the year the bank has not exceeded the prudential credit exposure limit in respect of any Group account/single borrower.

## 10A. Concentration of Deposits, Advances, Exposures and NPAs:

(₹ in thousand)

(i)	<b>Concentration of Deposits</b>	<b>2023-24</b>	<b>2022-23</b>
	Total Deposits of twenty largest depositors	2515880	3748846
	Percentage of twenty largest depositors to Total Deposits of the bank	2.56%	4.34%
ii)	<b>Concentration of Advances</b>		
	Total Advances to twenty largest borrowers	2615763	3711756
	Percentage of Advances to twenty largest borrowers to Total Advances of the bank	3.63%	5.84%
iii)	<b>Concentration of Exposures</b>		
	Total Exposures of twenty largest borrowers/customers	3076903	4109224
	Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	4.06%	6.47%
iv)	<b>Concentration of NPAs</b>		
	Total Exposures to top four NPA accounts	490969	784110



# Saurashtra Gramin Bank

Head Office: Rajkot

## 11. Provisions and Contingencies debited to Profit & loss A/c. during the year:

(₹ in thousand)

Sr.	Particulars	2023-24	2022-23
1	Provision on NPA Assets	-100000	122897
2	Provision on Standard Assets	13361	9776
3	Additional Provision for Bad & Doubtful / Debts	0	148103
4	Provision for Investment (Mark to Market)	4299	43500
	Total	-82340	324276

Due to recovery in NPA accounts during the year, the bank has written back the provision of ₹1000 lakh.

## 12. Penalties Imposed by RBI:

The bank was not subjected to any penalty by Reserve Bank of India during the year.

## 13. Disclosure as per Accounting Standards (AS):

**13.1 Accounting Standard AS-17 Segment Reporting:** As per the guidelines, bank's operations are classified into Treasury, insurance and other banking Operations as follows. (₹ in thousand)

Particulars	2023-24				2022-23			
	Treasury	Other Banking Operations	Insurance	Total	Treasury	Other Banking Operations	Insurance	Total
Segment Revenue	2707083	7088616	69521	9865220	1953256	6177407	55702	8186365
Less : Segment Expenses	1557241	5223305	27562	6808108	1103123	4670886	21625	5795634
Segment Profit	1149842	1865311	41959	3057112	850133	1506521	34077	2390731
Income Tax				774959				605405
<b>Net Profit</b>				<b>2282153</b>				<b>1785326</b>
Segment Assets	41287039	76154910	0	117441949	35493358	67435353	0	102928711
Unallocated Assets				1909479				2521655
<b>Total Assets</b>	<b>41287039</b>	<b>76154910</b>	<b>0</b>	<b>119351428</b>	<b>35493358</b>	<b>67435353</b>	<b>0</b>	<b>105450366</b>
Segment Liabilities	38240221	70534983	0	108775204	33511208	63669383	0	97180591
Unallocated Liabilities			0	31108			0	7790
<b>Total liabilities</b>	<b>38240221</b>	<b>70534983</b>	<b>0</b>	<b>108806312</b>	<b>33511208</b>	<b>63669383</b>	<b>0</b>	<b>97188381</b>
Capital Employed (Segment Assets – Segment Liabilities)	3046818	5619927	0	8666745	1982150	3765970	0	5748120
Unallocated				1877393				2513865
<b>Total Capital Employed</b>	<b>3046818</b>	<b>5619927</b>	<b>0</b>	<b>10544138</b>	<b>1982150</b>	<b>3765970</b>	<b>0</b>	<b>8261985</b>

## 13.2 Accounting Standard AS-18 - "Related Party Disclosure":

Related parties where control/significant influence exist or with whom transactions have taken place during the year.



# Saurashtra Gramin Bank

Head Office: Rajkot

Sr.	Name of the Bank	Nature of relationship
i.	State bank of India	Sponsor bank
ii.	Yes Bank	Group Entity of Sponsor
iii.	SBI Cap Securities Limited	Group Entity of Sponsor
iv.	SBI Life Insurance Company Limited	Group Entity of Sponsor
v.	SBI General Insurance Company Limited	Group Entity of Sponsor
vi.	SBI Funds Management Private Limited	Group Entity of Sponsor
vii.	Telangana Gramin bank	Group Entity of Sponsor
viii.	Andhra Pradesh Gramin Vikas Bank	Group Entity of Sponsor
ix.	Employee' Pension Trusts with Bank	Group Entity of Sponsor

Following is the summary of the significant related party transactions:

i. Sponsor Bank: State Bank of India		(₹ in thousand)	
Particulars	Amount 2023-24	Amount 2022-23	
Investment in Term Deposits with SBI as at the end of year	2175100	2273100	
Current Account with SBI as at the end of year	75869	65703	
Overdraft against FDR with SBI as at the end of year	809636	640972	
Interest expenses on overdraft from SBI during the year	11743	19989	
Interest income on FDR with SBI during the year	167494	115557	
Managerial Remuneration	14903	15071	

ii. Group Entity of Sponsor Bank: YES Bank		(₹ in thousand)	
Particulars	Amount 2023-24	Amount 2022-23	
Investment in Term Deposits with Yes Bank during the year	1010000	770000	
Interest income on FDR with Yes Bank during the year	66975	29447	

iii. Group Entity of Sponsor Bank: SBI Cap Securities Limited		(₹ in thousand)	
Particulars	Amount 2023-24	Amount 2022-23	
Brokerage paid during the year as Home Loan Consultant	191	140	

iv. Group Entity of Sponsor Bank: SBI Life Insurance Limited		(₹ in thousand)	
Particulars	Amount 2023-24	Amount 2022-23	
Commission received (SBI Life Insurance & PMJJBY)	50148	38399	

v. Group Entity of Sponsor Bank: SBI General Insurance Co. Limited		(₹ in thousand)	
Particulars	Amount 2023-24	Amount 2022-23	
Commission received (SBI General Insurance & PMSBY)	19373	17099	

# Saurashtra Gramin Bank

Head Office: Rajkot

vi. **Group Entity of Sponsor Bank: SBI Fund Management Private Limited** (₹ in thousand)

Particulars	Amount 2023-24	Amount 2022-23
Agency arrangement expenses for Investment portfolio management	3277	2472
Commission received from SBI Mutual Fund Business	844	953

vii. **Group Entity of Sponsor Bank: Telangana Gramin Bank** (₹ in thousand)

Particulars	Amount 2023-24	Amount 2022-23
Investment in Term Deposits with Telangana Gramin Bank as at the end of year	750000	500000
Interest income on FDR with TGB during the year	42926	13687

viii. **Group Entity of Sponsor Bank: Andhra Pradesh Gramin Vikas Bank** (₹ in thousand)

Particulars	Amount 2023-24	Amount 2021-22
Investment in Term Deposits with Andhra Pradesh Gramin Vikas Bank (APGVB) as at the end of year	350000	400000
Interest income on FDR with APGVB during the year	21849	5943

ix. **Employees' Pension Trusts with Bank** (₹ in thousand)

Particulars	Amount 2023-24	Amount 2021-22
FDR of Saurashtra Gramin Bank (Employees') Pension Trust with the Bank	77597	73472
Overdraft Limit of Saurashtra Gramin Bank (Employees') Pension Trust by the Bank as at the end of year	55800	55800
Overdraft outstanding of Saurashtra Gramin Bank (Employees') Pension Trust by the Bank as at the end of year	34941	33006
Interest paid of FDRs during the year	4125	3631
Interest received on Overdraft during the year	1287	346

## 14. Accounting Standard AS-20 "Earnings per Share"

Particulars	2023-24	2022-23
Number of Equity Shares outstanding at the end of the year	24534280	24534280
Net profit (₹ in crore)	228.22	178.53
Basic Earnings per share (₹)	93.02	72.77





# Saurashtra Gramin Bank

Head Office: Rajkot

## 15. Income Tax Appeal Status:

(Amt. in ₹)

A.Y.	Appeal Before	Order date	Against Order	Demand raised by I.T. Dept.	Tax Paid by bank	Appeal Filed by us on Date
2017-18	ITAT	24-Jan-2022	u/s 263	15,73,76,783	----	25-Feb-2022
2017-18	C.I.T.(A)	28-Mar-2023	u/s 143 (3) r.w.s. 263	13,09,54,653	2,61,91,000 17-Apr-23	06-Apr-2023
2015-16	C.I.T.(A)	21-Mar-2022	u/s 143 (3) r.w.s. 263	(Resolved in favour of bank on 07-12-2023)	i) 61,91,000 31-Mar-22 ii) 1,52,88,440 03-Nov-22 Adj.21-22 iii) +3,05,768 17-Apr-21 Adj.21-22	21-Apr-2022 (Resolve order dtd.13-02-2024, refund pending)
2015-16	ITAT	26-May-2023	250	2,74,59,190	2,74,59,190 29-Jan-18	05-Jul-2023
2021-22	C.I.T.(A)	31-Dec-2023	246A	19,77,52,437	3,96,00,000 01-Feb-24	25-Jan-2024
2014-15	ITAT	09-Feb-2024	250	5,91,51,000	3,72,62,566 Adj.17-May-22	29-Mar-2024

## 16. Inter Bank participation Certificate (IBPC):

The bank did not participated in any fresh IBPC contract with the sponsor bank or any other Bank during the year.

## 17. Priority Sector Lending Certificate (PSLC):

The bank participated in PSLC trade on E-Kuber platform. Total O/s stood at ₹ 23100000 thousand as on 31.03.2024. Bank earned ₹349930 thousand from PSLC as other Income during FY 2023-24. Bank purchased the following PSLCs during the year.

(₹ in thousand)

Sr.	Category	Purchase	Commission Paid
1	PSLC General	16500000	2670
2	PSLC Micro Enterprise	3850000	12704
	<b>Total</b>	<b>20350000</b>	<b>15374</b>

The Bank has sold the following PSLCs during the year:

(₹ in thousand)

	Category	Sales	Earnings
1	PSLC Agriculture	26250000	65785
2	PSLC Small & Marginal Farmer	17200000	299519
	<b>Total</b>	<b>43450000</b>	<b>365304</b>



# Saurashtra Gramin Bank

Head Office: Rajkot

## 18. Customer Complaints:

- a) In terms of RBI guidelines, details of various complaints received from customers during the financial year 2023-24 are as under:

Sr.	Particulars	No. of Digital Transactions Complaints	No. of Other Complaints	Total Complaints
1	No. of complaints pending at the beginning of year	55	2	57
2	No. of complaints received during the year	2323	127	2450
3	No. of complaints redressed during the year (The position is updated up to date of report)	2297	127	2424
4	No. of complaints pending at the end of the year	81	2	83

## b) Awards passed by the Banking Ombudsman

Sr.	Particulars	No. of Complaints
1	No. of unimplemented Awards at beginning of the year	0
2	No. of Awards passed by Banking Ombudsmen during year	0
3	No. of Awards implemented during the year	0
4	No. of unimplemented Awards at the end of the year	0

## 19. Depositor Education And Awareness Scheme (DEAF):

Amount transferred to DEAF is given here below:

(₹ in thousand)

Particulars	Current Year 31-03-2024	Current Year 31-03-2023
Opening balance of amounts transferred to DEAF	89270	66317
Add: Amounts transferred to DEAF during the year	158923	23970
Less: Amounts transferred by DEAF towards claims	5991	1017
Closing balance of amounts transferred to DEAF	242202	89270



# Saurashtra Gramin Bank

Head Office: Rajkot

## 20. Details of Insurance Income:

(₹ in thousand)

Particulars	2023-24	2022-23
Life Insurance (SBI Life Insurance & PMJJBY)	50148	38399
General Insurance (SBI General Insurance & PMSBY)	19373	17099
Crop Insurance (PMFBY)	0	204
Total	69521	55702

## 21. Special reserve:

Reserve and Surplus includes Special Reserve created under section 36(1)(viii) of the Income Tax Act, 1961.

## 22. Provision for Wage Revision as on 31.03.2024:

As per 12<sup>th</sup> Bipartite Settlement and 9<sup>th</sup> Joint Note, in the current F.Y. the Bank has made provision for Rs.23.68 crore at 17% increase in pay slip cost.

23. The previous years' figures have been re-grouped / recast, wherever considered necessary.

As per our report of even date	<b>For Saurashtra Gramin Bank</b>			
Manubhai & Shah LLP Chartered Accountant ICAI FRN 106041W / W100136	 H U Dhalani Chief Manager (F&A)	 Vinod Kumar G.M. (O)	 Surendra Kumar Suman G.M. (P&D)	 S Satyanarayana Rao Chairman
 Hitesh Pomal Partner Membership No. 106137				
Place: RAJKOT Date: April 30, 2024	Place: RAJKOT Date: April 30, 2024			

**Independent Auditor's Report**

To,  
The Members  
Saurashtra Gramin Bank  
Rajkot

**Opinion**

1. We have audited the accompanying financial statements of **Saurashtra Gramin Bank ('the Bank')**, which comprise the Balance Sheet as at 31 March 2024, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Head Office and

- i) 25 branches audited by us
- ii) 152 branches audited by statutory branch auditors
- iii) 81 unaudited branches and 5 unaudited Regional offices

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the National Bank for Agriculture and Rural Development (NABARD). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 81 branches and 5 Regional offices which have not been subjected to audit. These unaudited branches account for 24.64% of advances, 27.32% of deposits, 16.79% of interest income and 25.52% of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 and Regional Rural Bank Act, 1976 in the manner so required for the bank and are in conformity with accounting principles generally accepted in India and:

- a. the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March, 2024;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit for the year ended on that date and

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c. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (the ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the 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 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence, we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matters

3. We did not audit the financial statements on of 81 Branches of the Bank whose financial statements reflect total assets of Rs. 1,82,644 Lakhs as at 31<sup>st</sup> March 2024 and total revenue of Rs. 16,547 Lakhs for the year ended on that date, as considered in the financial statements. These branches cover 24.64% of advances, 27.32% of deposits and 10.55% of Non-performing assets as at 31<sup>st</sup> March 2024 and 16.77% of revenue for the year ended 31<sup>st</sup> March 2024. The financial statements of these branches have been audited by the statutory branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such statutory branch auditors.

### Information Other than the Financial Statements and Auditor's Report Thereon

4. The Bank's Board of Directors is responsible for the Other Information. The Other Information comprises of Directors' Report including annexures in Annual Report, but does not include the financial statements and our Auditors' Report thereon, which is expected to be made available to us after the date of this Auditors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

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inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact to Those Charged with Governance. We have nothing to report in this regard.

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

5. The Bank's Board of Directors is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949, provisions of Regional Rural Bank Act, 1976 and circulars and guidelines issued by the RBI / 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.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

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accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

Subject to the limitations of the audit indicated in paragraphs 3,5 and 6 above and subject also to the limitations of disclosure required therein, we report that we report that:

- a) We have sought and 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, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) the reports on the accounts of the branch offices audited by statutory branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

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# Manubhai & Shah LLP

Chartered Accountants

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 RBI.

For Manubhai & Shah LLP  
Chartered Accountants  
ICAI FRN: 106041W/W100136



Hitesh Pomal  
Partner  
Membership No. 106137  
UDIN: 24106137BKJKUU4105



Place : Rajkot  
Date : 30.04.2024

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