



## SAURASHTRA GRAMIN BANK

₹ in '000

BALANCE SHEET as at 31st March-2023			
Particulars	Schedule No.	Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
<b>CAPITAL &amp; LIABILITIES</b>			
Capital	1	245343	245343
Reserves & Surplus	2	8016642	6231316
Deposits	3	86374140	77494941
Borrowings	4	8550397	3386896
Other liabilities and provisions	5	2263844	2251797
<b>TOTAL</b>		<b>105450366</b>	<b>89610293</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	4555551	3460810
Balance with banks and money at call & short notice	7	12179131	9699055
Investments	8	22767370	17404773
Advances	9	62863682	55443407
Fixed Assets	10	133814	131342
Other Assets	11	2950818	3470906
<b>TOTAL</b>		<b>105450366</b>	<b>89610293</b>
Contingent liabilities	12	837626	1043015
Bills for collection		0	0
Significant Accounting Policies	17		
Notes on Accounts	18		
<p style="text-align: right;">For, SAURASHTRA GRAMIN BANK</p> <p>As per our report of even date</p> <div style="display: flex; justify-content: space-between; align-items: flex-start; margin-top: 20px;"> <div style="width: 30%;"> <p>Manubhai &amp; Shah LLP Chartered Accountants ICAI FRN 106041W / W100136</p> <p><i>H. U. Dhalani</i> H. U. DHALANI CHIEF MANAGER (F&amp;A)</p> <p><i>Hitesh Pomal</i> Hitesh Pomal Partner Membership No.:106137 Place: Rajkot DATE: 25-04-2023</p> </div> <div style="width: 30%;"> <p><i>Y. K. Saxena</i> Y. K. SAXENA G.M. (O)</p> </div> <div style="width: 30%;"> <p><i>K. R. Zala</i> K. R. ZALA G.M. (P&amp;D)</p> <p><i>M. B. Kalamthekar</i> M.B.KALAMTHEKAR CHAIRMAN</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;">   </div>			
<p style="text-align: center;">Place: Rajkot DATE: 25-04-2023</p>			

## Schedule 1

## Capital

Particulars		Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
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
Total		245343	245343

## Schedule 2

## Reserves &amp; Surplus

Particulars		Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
I.	Statutory Reserves		
	Opening Balance	1277168	907083
	Additions during the year	357066	370085
	Deduction during the year	0	0
	Total	1634234	1277168
II.	Capital Reserves		
	Opening Balance	0	0
	Additions during the year	0	0
	Deduction during the year	0	0
	Total	0	0
III.	Special Reserve under Section 36(1)(viii) of Income Tax Act		
	Opening Balance	450000	380000
	Additions during the year	60000	70000
	Deduction during the year	0	0
	Total	510000	450000
IV	Investment Fluctuation Reserve (IFR)		
	Opening Balance	50735	50735
	Additions during the year	99112	0
	Deduction during the year	39062	0
	Total	110785	50735
V	Balance of Profit and Loss Account	5761623	4453413
Total (I,II,III,IV and V)		8016642	6231316



## Schedule 3

## Deposits

Particulars			Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
<b>A</b>	<b>I</b>	<b>Demand Deposits</b>		
	(i)	From Banks	14335	22392
	(ii)	From Others	1169424	1066530
		<b>TOTAL</b>	<b>1183759</b>	<b>1088922</b>
	<b>II</b>	<b>Savings Bank Deposits</b>	<b>37765316</b>	<b>35186094</b>
	<b>III</b>	<b>Term Deposits</b>		
	(i)	From Banks	294905	328569
	(ii)	From Others	47130160	40891356
		<b>TOTAL</b>	<b>47425065</b>	<b>41219925</b>
		<b>Total (I, II and III)</b>	<b>86374140</b>	<b>77494941</b>
<b>B</b>	(i)	Deposits of Branches in India	86374140	77494941
	(ii)	Deposits of Branches outside India	0	0
		<b>Total</b>	<b>86374140</b>	<b>77494941</b>

## Schedule 4

## Borrowings

Particulars			Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
<b>I</b>	<b>Borrowings in India</b>			
	(i)	Reserve Bank of India : MSF	0	0
	(ii)	Other Banks	1307768	682876
	(iii)	Other Institutions and agencies	7242629	2704020
		<b>TOTAL</b>	<b>8550397</b>	<b>3386896</b>
<b>II</b>	<b>Borrowings Outside India</b>		<b>0</b>	<b>0</b>
		<b>Total (I &amp; II)</b>	<b>8550397</b>	<b>3386896</b>

Secured Borrowings included in I and II above ₹ Nil (P.Y. ₹ Nil)





## Schedule 5

## Other Liabilities and Provisions

Particulars		Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
I	Bills payable	0	0
II	Inter-Office adjustment (net)	0	0
III	Interest accrued	184654	174552
IV	Deferred Tax Liability	129958	115751
V	Others (including Provisions) *	1949232	1961494
	Total	2263844	2251797
* Details of Schedule - 5 V			
a.	Provision for Pension Funds	65116	116776
b.	Provisions against Standard Assets	213856	204080
c.	Additional Provisions for Bad & Doubtful Debts	1443796	1342802
d.	Income Tax Liability (Net of advance tax and TDS)	7790	17303
e.	Others	218674	280533
	Sub-Total	1949232	1961494

## Schedule 6

## Cash and Balances with Reserve Bank of India

Particulars			Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
I	Cash in Hand		503775	391932
II	Balances with Reserve Bank of India			
	(i)	In Current Account	3851776	3068878
	(ii)	in other deposit Accounts (Standing Deposit Facility)	200000	0
		TOTAL	4051776	3068878
		Total (I & II)	4555551	3460810

## Schedule 7

## Balances with Banks and Money at Call &amp; Short Notice

Particulars				Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
I	In India				
	(i)	Balance with Banks			
		(a)	in Current Accounts	65807	112461
		(b)	in other Deposit Accounts	12113324	9586594
	(ii)	Money at Call and Short Notice			
		(a)	With banks	0	0
		(b)	with other institutions	0	0
			Total (i & ii)	12179131	9699055
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)	12179131	9699055



Schedule 8  
Investments

Particulars			Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
<b>I</b>	<b>Investments in India in</b>			
	(i)	Government securities	21769795	17179025
	(ii)	Other approved Securities	0	0
	(iii)	Shares	0	0
	(iv)	Debenture and Bonds	997575	0
	(v)	Others - Commercial Papers	0	225748
		<b>Total</b>	<b>22767370</b>	<b>17404773</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>22767370</b>	<b>17404773</b>

Schedule 9  
Advances

Particulars				Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
<b>A</b>	(i)	Bills Purchased and Discounted		0	0
	(ii)	Cash Credits, Overdrafts and Loans repayable on demand		47693776	40875727
	(iii)	Term Loans		15169906	14567680
		<b>Total</b>		<b>62863682</b>	<b>55443407</b>
<b>B</b>	(i)	Secured by tangible assets		61167673	53800457
	(ii)	Covered by Bank / Govt. Guarantees		1197112	1254375
	(iii)	Unsecured		498897	388575
		<b>Total</b>		<b>62863682</b>	<b>55443407</b>
<b>C</b>	<b>I</b>	<b>Advances in India</b>			
		(i)	Priority Sector	59873556	53142845
		(ii)	Public Sector	0	0
		(iii)	Banks	0	0
		(iv)	Others	2990126	2300562
		<b>Total</b>		<b>62863682</b>	<b>55443407</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 (C I &amp; II)</b>		<b>62863682</b>	<b>55443407</b>





## Schedule 10

## Fixed Assets

Particulars			Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
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	416765	401183
		Addition during the year	35210	30241
		Deduction during the year	10626	14660
		Depreciation to date	307535	285422
		<b>TOTAL</b>	<b>133814</b>	<b>131342</b>
		<b>Total (I &amp; II)</b>	<b>133814</b>	<b>131342</b>

## Schedule 11

## Other Assets



Particulars			Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
I	Inter Office adjustment (net)		145348	96633
II	Interest accrued		412664	282553
III	Tax paid in advance / tax deducted at source		86329	85426
IV	Stationery and stamps		4965	4270
V	Non-banking assets acquired in satisfaction of claims		0	0
VI	Others		2301512	3002024
	<b>Total</b>		<b>2950818</b>	<b>3470906</b>

## Schedule 12

## Contingent Liabilities

Particulars			Amount ₹ As on 31st Mar.,2023	Amount ₹ As on 31st Mar.,2022
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		605785	906304
	(a)	In India	605785	906304
	(b)	Outside India	0	0
V	Acceptances, endorsements and other obligations (DEAF)		89270	66317
VI	Other items for which bank is contingently liable Taxes		142571	70394
	<b>Total</b>		<b>837626</b>	<b>1043015</b>

## Profit and Loss Account for the year ended 31st March-2023

Particulars		Schedule No.	Year ended on 31st Mar.,2023	Year ended on 31st Mar.,2022
I	Income			
	Interest earned	13	7446193	6603626
	Other Income	14	740172	1202043
	Total		8186365	7805669
II	Expenditure			
	Interest expended	15	3666588	3225846
	Operating Expenses	16	1739654	1667394
	Provisions and contingencies		994797	1062005
	Total		6401039	5955245
III	PROFIT			
	Net profit for the period / year		1785326	1850424
	Profit brought forward		4453413	3043074
	Total		6238739	4893498
IV	Appropriations			
	Transfer to Statutory Reserves		357066	370085
	Transfer to other Reserve (Special Reserve)		60000	70000
	Transfer to Investment Fluctuation Reserve (Net)		60050	0
	Balance Carried over to Balance Sheet		5761623	4453413
	Total		6238739	4893498
V	Earning per Equity Share			
	Basic (in ₹)		72.77	75.42
	Significant Accounting Policies	17		
	Notes to accounts	18		
<p style="text-align: right;">For, SAURASHTRA GRAMIN BANK</p> <p>As per our report of even date</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="width: 30%;"> <p>Manubhai &amp; Shah LLP Chartered Accountants ICAI FRN 106041W / W100136</p> <p><i>H. U. DHALANI</i> H. U. DHALANI CHIEF MANAGER (F&amp;A)</p> <p><i>Hitesh Pomal</i> Hitesh Pomal Partner Membership No.:106137 Place: Rajkot DATE: 25-04-2023</p> </div> <div style="width: 30%;"> <p><i>Y. K. SAXENA</i> Y. K. SAXENA G.M. (O)</p> </div> <div style="width: 30%;"> <p><i>K. R. ZALA</i> K. R. ZALA G.M. (P&amp;D)</p> <p><i>M.B.KALAMTHEKAR</i> M.B.KALAMTHEKAR CHAIRMAN</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;">   </div> <p style="text-align: center; margin-top: 10px;">Place: Rajkot DATE: 25-04-2023</p>				



## Schedule 13

## Interest Earned

Particulars		Year ended on 31st Mar.,2023	Year ended on 31st Mar.,2022
I	Interest / discount on advances / bills	5488888	5050789
II	Income on Investments	1364240	1068214
III	Interest on balances with RBI and other inter-bank funds	593065	484623
IV	Others	0	0
Total		7446193	6603626

## Schedule 14

## Other Income

Particulars		Year ended on 31st Mar.,2023	Year ended on 31st Mar.,2022
I	Commission, exchange and brokerage	502302	460714
II	Profit on sale of Investments Less : Loss on sale of investment	-4049	27535
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 **	241919	713794
Total		740172	1202043

## \*\* Details of Schedule - 14 VII

a.	Recovery in write off account	37920	24933
b.	Miscellaneous (Interest on income tax refund)	4618	2588
c.	Profit on Sale of Dead Stock Items	650	108
d.	Income earned on PSLC	198731	686165
	Sub-Total	241919	713794

## Schedule 15

## Interest expended

Particulars		Year ended on 31st Mar.,2023	Year ended on 31st Mar.,2022
I	Interest on deposits	3387536	3075071
II	Interest on Reserve Bank of India/Inter-bank borrowings	39536	18802
III	Others (Interest payable on borrowings from other institutions)	239516	131973
Total		3666588	3225846





Schedule 16  
Operating Expenses

Particulars		Year ended on 31st Mar.,2023	Year ended on 31st Mar.,2022
I	Payments to and provisions for employees	1120682	1040630
II	Rent, Taxes and Lighting	112704	111191
III	Printing and stationery	14783	12028
IV	Advertisement, Newspaper and Publicity	3417	2957
V	Depreciation on Bank's Property	32469	31260
VI	Directors' fees, Allowances and expenses	0	0
VII	Auditors' fees and expenses	10459	9300
VIII	Law Charges	3430	1865
IX	Postage, telegrams, telephones etc.	11298	7119
X	Repairs and Maintenance	8797	6781
XI	Insurance	127293	116088
XII	Others ***	294322	328175
Total		1739654	1667394

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

a.	Computer Expenses	114972	79349
b.	PSLC Expenses	33560	173908
c.	Other expenditure	145790	74918
	Sub-Total	294322	328175

Schedule 16A  
Provisions & Contingencies :

Particulars	Year ended on 31st Mar.,2023	Year ended on 31st Mar.,2022
Provision for Bad & Doubtful	271000	300000
Provision on Standard Assets	9776	31313
Investment Depreciation Reserve	43500	0
Provision for Pension funds	65116	116777
Total	389392	448090

Schedule 16B  
Payments / Provision /Refund towards Income Tax & Deferred Tax

Particulars	Year ended on 31st Mar.,2023	Year ended on 31st Mar.,2022
Income Tax payable / refund(-)for the current year	7790	17303
Tax Deducted at Source by SBI / others & TCS	3475	12777
Advance Tax paid in current year	580000	581200
Earlier year Income Tax payment/refund receipt	-67	-14218
Deferred Tax Liabilities on Special Reserve	15101	17618
Deferred tax on Gratuity / Leave Encashment	0	0
Deferred Tax Assets (-)/Liabilities on Depreciation	-894	-765
Total	605405	613915



# Saurashtra Gramin Bank

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### **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.
- 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.





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- 1.4 All other commission and fee income are recognised on their realisation including Commission on Guarantees and Locker Rent.

### 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 percentab-initio);
Doubtful Assets:	
-Secured portion:	i. Upto 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.





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

### 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 the Employees Deposit Linked Insurance (EDLI) 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 Regulation-5 of Saurashtra Gramin Bank [Officers and Employees] Service [Amendment] Regulation, 2018. 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 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 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 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.

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

11.1 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.





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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.

### 12. Special reserve:

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

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# Saurashtra Gramin Bank Rajkot

## SCHEDULE 18:NOTES FORMING PART OF ACCOUNTS

1. Books of Accounts have been balanced and tallied up to 31<sup>st</sup> March 2023.

### 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	2022-23 Amount	2021-22 Amount
Pension Fund & National Pension Fund	60704	66167

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 15, -"Employee Benefits." Relevant disclosures are as under.

#### a) **Changes in Defined Benefit Obligation:**

(₹ in thousands)

Particulars	2022-23		2021-22	
	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]
Defined Benefit Obligation as at the beginning of the year	570748	475897	534816	415520
Current Service Cost	46014	42825	40852	33431
Interest Cost	39895	33756	33762	26651
Benefit Paid	(40929)	(20582)	(30800)	(10986)
Actuarial (gain)/loss on Obligations	(29190)	(39239)	-7880	11281
<b>Defined Benefit Obligation as at the end of the year</b>	<b>586538</b>	<b>492657</b>	<b>570748</b>	<b>475897</b>





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

(₹ in thousand)

Particulars	2022-23		2021-22	
	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]
Fair Value of Plan Asset as at the beginning of the year	570748	475897	534816	415520
Expected Actual Return on plan Assets	41379	34503	26447	20098
Actuarial Gains/(Losses)	(37791)	(49572)	4119	2492
Contributions made during F.Y.	34849	48735	1318	39
Contributions to be made in Section 43B	18282	3676	34848	48734
Benefit Paid	(40929)	(20582)	(30800)	(10986)
<b>Fair Value of Plan Assets</b>	<b>586538</b>	<b>492657</b>	<b>570748</b>	<b>475897</b>

## c) Amount recognized in the Balance Sheet:

(₹ in thousand)

Particulars	2022-23		2021-22	
	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]	Gratuity [Funded Scheme]	Leave Encashment [Funded Scheme]
Defined Benefit Obligation as at the end of the year	586538	492657	570748	475897
Fair Value of Plan Assets as at the end of the year	568256	488980	535900	427163
<b>Liability / (Asset) recognized in the Balance Sheet included in other liabilities or other assets respectively.</b>	<b>18282</b>	<b>3677</b>	<b>34848</b>	<b>48734</b>



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

(₹ in thousand)

Particulars	2022-23		2021-22	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	46014	42824	40852	33431
Interest Cost	39895	33756	33762	26651
Expected Return on Plan Assets	(41379)	(34503)	(26447)	(20098)
Net actuarial (gain)/ Loss recognized in the period	8601	10332	-6043	-24681
<b>Total Expenses recognized in the P&amp;L A/c.</b>	<b>53131</b>	<b>52411</b>	<b>42124</b>	<b>15303</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 – 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	2022-23		2021-22	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate (per annum)	7.25%	7.25%	6.50%	6.50%
Annual increase in Salary Cost	9.00%	9.00%	8.75%	8.75%

g) Mortality rates considered are as per the published rates in the Indian Assured Lives Mortality (2012-14) 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 31.03.2023 which comes to ₹30073 lakh. Bank has made full provision for the same. The actuarial valuation as on 31.03.2022 stood at ₹ 28113 lakh.





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### 3. DEFERRED TAX ASSETS / LIABILITIES:

(₹ In thousand)

Particular	Deferred tax (Liability) / Asset as on 01/04/2022	Current year (Charge)/ Credit to profit and loss account	Deferred tax (Liability) / Assets as on 31/03/2023
<b>Depreciation</b> : Difference between book value and as per IncomeTax Act	(2495)	894	(1601)
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961	(113256)	(15101)	(128357)
<b>Deferred Tax Liability (Net)</b>	<b>(115751)</b>	<b>(14207)</b>	<b>(129958)</b>

### 4. CAPITAL:

Sr.	Particulars	2022-23	2021-22
1	CRAR (%)	16.74%	15.59%
2	CRAR-Tier I Capital (%)	15.28%	14.23%
3	CRAR-Tier II Capital (%)	1.46%	1.36%
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	2022-23	2021-22
1	Value of investment	22810870	17404773
A	Gross value of investment	22810870	17404773
B	Provision for depreciation	43500	-
C	Net value of investment	22767370	17404773
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	43500	0.00
C	Less: Write-off / write-back of excess provisions during the year (Book value reduced)	43500	0.00
D	Closing Balance	0.00	0.00

**5.1** At the beginning of the year, the bank has shifted SLR investments having book value of ₹2084825 thousand from Held to Maturity (HTM) to Available for Sale (AFS) & SLR investments having book value of ₹1615697 thousand from Available for Sale (AFS) to Held to Maturity (HTM) at lower of acquisition cost or Book value or Market value as per RBI Guidelines.



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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, during the year, the shifting from HTM to AFS category required Investment Depreciation Reserve (IDR). Accordingly 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 ₹43500 thousand. An equivalent amount (net of tax benefit and net of consequent reduction in the transfer to Statutory Reserve) for ₹39062 thousand (₹32552 thousand and ₹6510 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 (Updated as on December 8, 2022), the required Investment Fluctuation Reserve (IFR) stood at ₹110785 thousand @2% of the AFS portfolio of ₹5539246 thousand. The bank has provided for IFR for Rs.99112 thousand during the year. The Balance in the IFR as at 31-Mar.-2023 is ₹110785 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 31.03.2023
Securities sold under repos	0.00	0.00	0.00	0.00
Securities purchased under reverse repos	0.00	0.00	0.00	0.00

### 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	250000	250000	-	-	-
B	Private Corporate	747575	747575	-	-	-
C	Public Sector Banks	-	-	-	-	-
D	Private Sector Banks	-	-	-	-	-
E	Liquid Mutual Fund	-	-	-	-	-
F	Less: Provision held towards depreciation	-	-	-	-	-
	<b>Total</b>	<b>997575</b>	<b>997575</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 31.03.2023
Amount parked Under SDF-LAF	252	941746	38851	5.99%	200000
Amount borrowed Under MSF	52	84808	-746	6.18%	0

## 6. Asset Quality

### 6 A. PROVISIONS ON ADVANCES

i) Total provision required for NPA as per the RBI guidelines as at 31.03.2023 is ₹6556.97 lakh against which the Bank has made aggregate provision of ₹20994.93 lakh.

ii) As per RBI guidelines, the bank has made provision of ₹2138.56 lakh on standard assets of which ₹97.76 lakh has been made during the year. Further, total provision for Bad and Doubtful Debts at the end of the financial year stood at ₹20994.93 lakh out of which ₹2710.00 lakh made during the year under report. Out of total provision for Bad and Doubtful Debts, provision of ₹14437.96 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	2022-23	2021-22
1	Net NPAs to Net Advances (%)	0.00%	0.00%
2	Movement of NPAs (Gross)		
A	Opening Balance	1225932	1254763
B	Addition during the year	1410288	1073538
C	Reduction during the year	815400	1102369
C1	Reduction due to up-gradation	426913	623293
C2	Reduction due to Recoveries	341378	425292
C3	Reduction due to write off	47109	53784
D	Closing Balance	1820820	1225932
3	Net NPA Closing Balance	0	0
4	Movement of Provision for NPAs		
A	Opening Balance	1220210	1244556
B	Provisions made during the year	644800	29438
C	Write off of Bad Advances	47109	53784
D	Closing Balance*	1817901	1220210

\*Closing balance is arrived after netting of subsidy reserve fund of ₹2919 thousand for FY 2022-23 and ₹5722 thousand for FY 2021-22.

### 6B.ii Non Performing Assets:

(₹ in thousand)

Sr.	Sector	Current Year 31-03-2023			Previous Year 31-03-2022		
		Advances O/s.	Gross NPAs	% of Gross NPAs to Advances	Advances O/s.	Gross NPAs	% of Gross NPAs to Advances
A	Priority Sector						
1	Agriculture and allied activities	45722594	272556	0.60%	38388201	244082	0.64%
2	Industries Sector	6317515	1437507	22.75%	7043977	852048	12.10%
3	Services Sector	1194342	58769	4.92%	1651561	37991	2.30%
4	Personal Loans	7292866	47448	0.65%	6586811	75889	1.15%





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Sr.	Sector	Current Year 31-03-2023			Previous Year 31-03-2022		
		Advances O/s.	Gross NPAs	% of Gross NPAs to Advances	Advances O/s.	Gross NPAs	% of Gross NPAs to Advances
4	Personal Loans	7292866	47448	0.65%	6586811	75889	1.15%
	<b>Sub-total (A)</b>	<b>60527317</b>	<b>1816280</b>	<b>3.00%</b>	<b>53670550</b>	<b>1210010</b>	<b>2.25%</b>
<b>B</b>	<b>Non-Priority Sector</b>						
1	Agriculture and allied activities	0	0	0	0	0	0.00%
2	Industry Sector	1198778	0	0	970525	0	0.00%
3	Services Sector	0	0	0	20394	0	0.00%
4	Personal Loans	1793284	4540	0.25%	1314737	15922	1.21%
	<b>Sub-total (B)</b>	<b>2992062</b>	<b>4540</b>	<b>0.15%</b>	<b>2305656</b>	<b>15922</b>	<b>0.69%</b>
	<b>Total (A+B)</b>	<b>63519379*</b>	<b>1820820</b>	<b>2.87%</b>	<b>55976206*</b>	<b>1225932</b>	<b>2.19%</b>

\*This includes provision required on NPA for ₹655697 thousand, (P.Y. ₹532799 thousand)

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

(₹ in thousand)

Sr.	Particulars	2022-23	2021-22
1	Total amount of loan assets subjected to restructuring, rescheduling and renegotiation	660271	721894
2	Total amount of Standard assets subjected to restructuring, rescheduling and renegotiation	434012	485582
3	Total amount of Sub Standard assets subjected to restructuring, rescheduling and renegotiation	9939	39657
4	Total amount of Doubtful assets subjected to restructuring, rescheduling and renegotiation	216320	196655

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

(₹ in thousand)

Sr.	Particulars	2022-23	2021-22
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



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

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

Sr	Particulars	2022-23	2021-22
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	2022-23	2021-22
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	2022-23	2021-22
Provisions towards standard assets	213856	204080

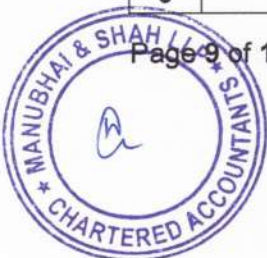
### 7.Business Ratio: (₹ in thousand)

Sr.	Particulars	2022-23	2021-22
1	Interest income as a percentage of Working Fund	7.64%	7.74%
2	Non-interest income as a percentage of working fund	0.76%	1.41%
3	Operating profit as a percentage to working fund	2.85%	3.41%
4	Return on assets	1.83%	2.17%
5	Business (Deposits & Advances) per employee	150647	141389
6	Profit per employee	1794	1960

### 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	6954805	1307768	0	9104297
2	15 days - 28 days	1121117	0	50020	5100722
3	29 days to 3 months	7681837	78045	850358	23743283
4	Above 3 months to 6 months	10172871	2963248	768456	7887508
5	Above 6 months to 1 year	14768209	2458056	1977268	5225128
6	Above 1 years up to 3 years	41824745	848279	2267375	3177331
7	Above 3 years up to 5 years	3363789	595062	2678926	2993903
8	Above 5 years	486767	299939	14174967	6287206
9	Total	86374140	8550397	22767370	63519378





# Saurashtra Gramin Bank

## Rajkot

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

### 9. Exposure to Real Estate Sector:

(₹ in thousand)				
Sr.	Particulars	2022-23	2021-22	2020-21
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.	7452617	6610574	5572960
	Of which Individual Housing Loan up to ₹ 25 Lakh	6776491	6105384	5142751
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.	118503	Nil	Nil
C	Investment in mortgage based Securities (MBS) and other securitized exposures.	Nil	Nil	Nil
	a. Residential & b. Commercial Real Estate			
2	Indirect Exposure			
	Fund based and Non-Fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	Nil	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>2022-23</b>	<b>2021-22</b>
	Total Deposits of twenty largest depositors	3748846	2407001
	Percentage of twenty largest depositors to Total Deposits of the bank	4.34%	3.11%
ii)	<b>Concentration of Advances</b>		
	Total Advances to twenty largest borrowers	3711756	4227255
	Percentage of Advances to twenty largest borrowers to Total Advances of the bank	5.84%	7.55%



## Saurashtra Gramin Bank Rajkot

iii)	<b>Concentration of Exposures</b>		
	Total Exposures of twenty largest borrowers/customers	4109224	4710869
	Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	6.47%	7.85%
iv)	<b>Concentration of NPAs</b>		
	Total Exposures to top four NPA accounts	784110	465465

### 11. Details of Provisions and Contingencies debited to Profit and loss Account during the year:

(₹ in thousand)

Sr.	Particulars	2022-23	2021-22
1	Provision on NPA Assets	122897	29438
2	Provision on Standard Assets	9776	31313
3	Additional Provision for Bad & Doubtful / Debts	148103	270562
4	Provision for Investment (Mark to Market)	43500	0
5	Provision for Pension funds	65116	116776
	<b>Total</b>	<b>389392</b>	<b>448089</b>

### 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 17 - Segment Reporting:** As per the guidelines, bank's operations are classified into Treasury, insurance and other banking Operations as follows.

(₹ in thousand)

Particulars	2022-23				2021-22			
	Treasury	Other Banking Operations	Insurance	Total	Treasury	Other Banking Operations	Insurance	Total
Segment Revenue	1953256	6177407	55702	8186365	1580372	6186797	38500	7805669
Less : Segment Expenses	1103123	4670886	21625	5795634	1022222	4317636	1472	5341330
Segment Profit	850133	1506521	34077	2390731	558150	1869161	37028	2464339
Income Tax				605405				613915
<b>Net Profit</b>				<b>1785326</b>				<b>1850424</b>
Segment Assets	35493358	67435353	0	102928711	27273791	58150373	0	85424164
Unallocated Assets				2521655				4186129





## Saurashtra Gramin Bank Rajkot

Total Assets	35493358	67435353	0	105450366	27273791	58150373	0	89610293
Segment Liabilities	33511208	63669383	0	97180591	26536958	56579373	0	83116331
Unallocated Liabilities			0	7790			0	17303
Total liabilities	33511208	63669383	0	97188381	26536958	56579373	0	83133634
Capital Employed (Segment Assets– Segment Liabilities)	1982150	3765970	0	5748120	736833	1571000	0	2307833
Unallocated				2513865				4168826
Total Capital Employed	1982150	3765970	0	8261985	736833	1571000	0	6476659

### 13.2 Accounting Standard 18 - “Related Party Disclosure”:

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

Name of the Bank	Nature of relationship
State bank of India	Sponsor bank
Yes Bank	Group Entity of Sponsor Bank
Jharkhand Gramin Bank	Group Entity of Sponsor Bank
Telangana Gramin bank	Group Entity of Sponsor Bank
Andhra Pradesh Gramin Vikas Bank	Group Entity of Sponsor Bank

#### Sponsor Bank: State Bank of India

Following is the summary of the significant related party transactions:

(₹ in thousand)

Particulars	Amount 2022-23	Amount 2021-22
Investment in Term Deposits with SBI as at 31-03-2023	2273100	3335433
Current Account with SBI as at 31-03-2023	65703	98916
Overdraft against FDR with SBI as at 31-03-2023	640972	682875
Interest expenses on overdraft from SBI during the year	19989	18706
Interest income on FDR with SBI during the year	115557	103550
Managerial Remuneration	15071	11462

#### Group Entity of Sponsor Bank: YES Bank

(₹ in thousand)

Particulars	Amount 2022-23	Amount 2021-22
Investment in Term Deposits with Yes Bank as at 31 <sup>st</sup> Mar-2023	770000	560000
Interest income on FDR with Yes Bank during the year	29447	31005



## Saurashtra Gramin Bank Rajkot

### Group Entity of Sponsor Bank: Jharkhand Gramin Bank

(₹ in thousand)

Particulars	Amount 2022-23	Amount 2021-22
Investment in Term Deposits with Jharkhand Rajya Gramin Bank as at 31 <sup>st</sup> Mar-2023	0	211228
Interest income on FDR with JRGB during the year	0	11044

### Group Entity of Sponsor Bank: Telengana Gramin Bank

(₹ in thousand)

Particulars	Amount 2022-23	Amount 2021-22
Investment in Term Deposits with Telengana Gramin Bank as at 31 <sup>st</sup> Mar-2023	500000	0
Interest income on FDR with TGB during the year	13687	0

### Group Entity of Sponsor Bank: Andhra Pradesh Gramin Vikas Bank

(₹ in thousand)

Particulars	Amount 2022-23	Amount 2021-22
Investment in Term Deposits with Andhra Pradesh Gramin Vikas Bank (APGVB) on 31 <sup>st</sup> Mar-2023	400000	250000
Interest income on FDR with APGVB during the year	5943	14297

### 13.2.1 Particulars of Pension Trusts with Bank's Management:

(₹ in thousand)

Particulars	2022-23	2021-22
FDR of Saurashtra Gramin Bank (Employees') Pension Trust with the Bank	73472	69841
Overdraft Limit of Saurashtra Gramin Bank (Employees') Pension Trust by the Bank as at 31-03-2023	55800	55800
Overdraft outstanding of Saurashtra Gramin Bank (Employees') Pension Trust by the Bank as at 31-03-2023	33006	9053
Interest paid of FDRs	3631	4095
Interest received on Overdraft	346	424





# Saurashtra Gramin Bank

## Rajkot

### 13.3 Accounting Standard -20 "Earnings per Share"

Particulars	2022-23	2021-22
Number of Equity Shares outstanding at the end of the year	24534280	24534280
Net profit (₹ in crore)	178.53	185.04
Basic Earnings per share (₹)	72.77	75.42

### 14 Income Tax Appeal Status:

(Amt. in ₹)

A.Y.	Appeal Before	Order date	Against Order	Demand raised by I.T. Authorities	Tax Paid by bank	Appeal Filed by us on Date
2013-14	C.I.T. (A)-III	08-Mar-2016	u/s 143 (3)	24,49,390	---	29-Mar-2016
2015-16	C.I.T.(A)	22-Dec-2017	u/s 143 (3)	2,74,59,190	2,74,59,190 29-Jan-18	29-Jan-2018
2014-15	C.I.T.(A)	29-Mar-2022	u/s 143 (3) r.w.s. 263	3,68,93,631	3,72,62,566 Adj. 17-May-22	21-Apr-2022
2015-16	C.I.T.(A)	21-Mar-2022	u/s 143 (3) r.w.s. 263	3,09,52,065	i) 61,91,000 31-Mar-22 ii) 1,55,94,208 Adj. 17-May-22	21-Apr-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

### 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 has participated in PSLC trade on e-Kuber platform and a total o/s stood at ₹ 8785000 thousand as on 31.03.2023. Bank has earned ₹165171 thousand from PSLC as other Income during FY 2022-23. The Bank purchased the following PSLCs during the year.

(₹in thousand)

Sr.	Category	Purchase	Commission Paid
1	PSLC General	5000000	500
2	PSLC Micro Enterprise	2850000	33060
	<b>Total</b>	<b>7850000</b>	<b>33560</b>



## Saurashtra Gramin Bank Rajkot

The Bank has sold the following PSLCs during the year:

(₹ in thousand)

Sr.	Category	Sales	Commission Earned
1	PSLC Micro Enterprise	250000	25
2	PSLC Agriculture	1250000	3475
3	PSLC Small & Marginal Farmer	15135000	195230
	<b>Total</b>	<b>16635000</b>	<b>198730</b>

### 18. CUSTOMER COMPLAINTS:

- a) In terms of RBI guidelines, details of various complaints received from customers during the financial year 2022-23 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	17	0	17
2	No. of complaints received during the year	2918	133	3051
3	No. of complaints redressed during the year (The position is updated up to date of report)	2880	131	3011
4	No. of complaints pending at the end of the year	55	2	57

### 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





# Saurashtra Gramin Bank

## Rajkot

### 19. DEPOSITOR EDUCATION AND AWARENESS SCHEME (DEAF):

Amount transferred to DEAF is given here below:

(₹ in thousand)

Particulars	Current Year 31-03-2023	Current Year 31-03-2022
Opening balance of amounts transferred to DEAF	66317	27144
Add: Amounts transferred to DEAF during the year	23970	39258
Less: Amounts transferred by DEAF towards claims	1017	85
Closing balance of amounts transferred to DEAF	89270	66317

### 20. Details of Insurance Income.

(₹ in thousand)

Particulars	2022-23	2021-22
Life Insurance (SBI Life Insurance & PMJJBY)	38399	27008
General Insurance (SBI General Insurance & PMSBY)	17099	10613
Crop Insurance (PMFBY)	204	879
Total	55702	38500

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

<p>As per our report of even date</p> <p>Manubhai &amp; Shah LLP Chartered Accountants ICAI FRN 106041W / W-100136</p> <p> Hitesh Poma Partner Membership No. 106137</p> <p>Place: RAJKOT Date: 25-04-2023</p>	<p><b>For Saurashtra Gramin Bank</b></p> <div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  H U Dhalani Chief Manager(F&amp;A) </div> <div style="text-align: center;">  K.R.Zala General Manager </div> <div style="text-align: center;">  Y.K.Saxena General Manager </div> <div style="text-align: center;">  M.B.Kalamthekar Chairman </div> </div> <p>Place: RAJKOT Date: 25-04-2023</p>
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**SAURASHTRA GRAMIN BANK**

**Cash Flow Statement for the Year Ended 31st Mar-2023**

₹ in '000

	31st Mar.,2023		31st Mar.,2022	
<b>(A) Cash Flow From operating activities</b>				
Net Profit before Taxation and Extraordinary items:		2390731		2464339
Direct Tax paid	(583475)		(593977)	
Direct Tax payable /(Refund+) and Deferred Tax	(21930)	(605405)	(19938)	(613915)
<b>Net Profit</b>		<b>1785326</b>		<b>1850424</b>
Adjustments for:				
i) Depreciation on Fixed Assets	32469		31260	
ii) Provisions & Contingencies	389392		448090	
iii) Profit/(Loss) on sale of Fixed Assets	650		108	
iv) Amortization of premium HTM	52287		52574	
		474798		532032
<b>Operating Profit before Working Capital Changes</b>		<b>2260124</b>		<b>2382456</b>
Adjustments for Increase/Decrease in:				
i) Advances	(7701051)		(2703119)	
ii) Other Assets	520088		(1115558)	
iii) Investments	(5414884)		(4383726)	
iv) Other Liabilities	(9950)		(787057)	
v) Deposits SB+CD	2674059		3930317	
vi) Fixed Deposit	6205140		2655070	
		(3726598)		(2404073)
<b>Cash Generated from Operations</b>		<b>(1466474)</b>		<b>(21617)</b>
Deferred Tax and Income Tax payable	14207		16853	
Direct Taxes paid in Advance (Refund)	0		0	
Direct Taxes payable	7790	21997	17303	34156
Cash Flow before extraordinary item		<b>(1444477)</b>		<b>12539</b>
<b>Extra Ordinary Items:</b>				
Investment depreciation reserve	(43500)		0	
5% Additional Prov COVID-19 Regulatory Package	0		0	
Provision for 11th Bipartite Wage Revision		(43500)		0
<b>Net Cash Flow from operating activities</b>		<b>(1487977)</b>		<b>12539</b>
<b>(B) Cash Flow from investing activities</b>				
Purchase of Fixed Assets & Addition on account of Merger (net of Goodwill on Merger)	(35591)		(30319)	
Sale of non banking assets				
Pension Fund	(65116)		(116777)	
Net cash from investing activities		<b>(100707)</b>		<b>(147096)</b>
		<b>(1588684)</b>		<b>(134557)</b>
<b>(C) Cash Flow from Financing Activities</b>				
Increase in Share Capital & Nominal Mem.				
Dividend				
Borrowings	5163501		(147971)	
Payment for Scholarships/Member Incentives				
Entrance fee				
Reserves of Merged Bank				
Net Cash From financing activities		<b>5163501</b>		<b>(147971)</b>
<b>Net Increase in cash and cash equivalents</b>		<b>3574817</b>		<b>(282528)</b>
Cash & Cash equivalents as at (Opening)		13159865		13442393
<b>Cash &amp; Cash equivalents as at (Closing)</b>		<b>16734682</b>		<b>13159865</b>

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: 25-04-2023




For, SAURASHTRA GRAMIN BANK

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

  
**Y. K. SAXENA**  
G.M. (O)

  
**K. R. ZALA**  
G.M. (P&D)

  
**M.B. KALAMTHEKAR**  
CHAIRMAN

Place: Rajkot  
DATE: 25-04-2023





## 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 2023, 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) 27 branches audited by us
- ii) 121 branches audited by statutory branch auditors
- iii) 110 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 110 branches and 5 Regional offices which have not been subjected to audit. These unaudited branches account for 24.62% of advances, 33.34% of deposits, 18.06% of interest income and 31.44% 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, 2023;

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

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

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878  
Regd. Office : G-4, Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Ahmedabad - 380 006.  
Gujarat, India. Phone : +91-79-2647 0000

Email : info@msglobal.co.in

Website : www.msglobal.co.in

Ahmedabad • Mumbai • New Delhi • Rajkot • Jamnagar • Vadodara • Gandhinagar • Jaipur



## **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.

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

3. 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 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. We have nothing to report in this regard.

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

4. 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**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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.

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.

## Other Matters

6. We did not audit the financial statements on of 121 Branches of the Bank whose financial statements reflect total assets of Rs 3,97,353 Lakhs as at 31<sup>st</sup> March 2023 and total revenue of Rs 28,247 Lakhs for the year ended on that date, as considered in





the financial statements. These branches cover 46.14% of advances, 45.87% of deposits and 9.69% of Non-performing assets as at 31st March 2023 and 34.51% of revenue for the year ended 31st March 2023. 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.

Our opinion is not modified in respect of this matter.

### **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 6 above, 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



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 Pomai

Partner

Membership No. 106137

UDIN: 23106137BGXGXY5980



Place : Rajkot

Date : 25.04.2023