



17<sup>th</sup>

ANNUAL REPORT  
2021-22



**CHAITANYA GODAVARI GRAMEENA BANK**

(A Government Undertaking Sponsored By Union Bank of India)

**HEAD OFFICE**

Raghu Mansion, 4/1, Brodipet, GUNTUR - 522 002, ANDHRA PRADESH - INDIA

website : [www.cggb.in](http://www.cggb.in)



[cggb.official](https://www.youtube.com/c/cggb.official)





# CHAITANYA GODAVARI GRAMEENA BANK

## BOARD OF DIRECTORS



**Shri T KAMESWARA RAO**  
CHAIRMAN



Central Government  
Nominee Director - I



Central Government  
Nominee Director - II



**Shri G Chandrakanth**  
Assistant General Manager  
Reserve Bank of India  
Regional Office, Hyderabad



**Shri R Inigo Arul Selvan**  
General Manager  
NABARD  
Regional Office - AP, Hyderabad



**Shri A Ravi Kumar**  
Dy.General Manager  
Regional Head, R.O.  
Union Bank of India  
Guntur, Guntur Dist.



**Shri C Prabu**  
Dy.General Manager  
Agni Business Dept.  
Union Bank of India, CO (Annex)  
Hyderabad



**Dr. K V V Satyanarayana**  
I.R.A.S.  
Secretary to Government of A.P.  
Finance Department , AP Secretariat,  
Amaravati, Guntur Dist.



State Government  
Nominee Director - II





**Shri T. KAMESWARA RAO**

**CHAIRMAN**

**CHAITANYA GODAVARI GRAMEENA BANK**



# CHAITANYA GODAVARI GRAMEENA BANK

## OUR MENTORS



**Shri RAJKIRAN RAI G.**  
Managing Director &  
Chief Executive Officer  
Union Bank of India



**Shri MANAS RANJAN BISWAL**  
Executive Director, UBI



**Shri NITESH RANJAN**  
Executive Director, UBI



**Shri RAJNEESH KARNATAK**  
Executive Director, UBI



**Shri NIDHU SAXENA**  
Executive Director, UBI

# STATUTORY AUDITORS FOR 2021-22

Statutory Central Auditors

**M/s N G RAO & ASSOCIATES**

Chartered Accountants, Hyderabad



## STATUTORY BRANCH AUDITORS

M/s Eswara Rao & Co.  
Chartered Accountants, Guntur

M/s Vasireddy & Associates  
Chartered Accountants, Guntur

M/s Garlapati & Co.  
Chartered Accountants, Guntur

M/s Ranjit & Associates  
Chartered Accountants, Guntur

M/s Ajay S Agarwal & Associates  
Chartered Accountants, Guntur

M/s Sudi & Co  
Chartered Accountants, Guntur

M/s H V J & Associates  
Chartered Accountants, Bangalore

M/s K K Chowdary Associates  
Chartered Accountants, Bapulapadu

M/s Ramesh & Co  
Chartered Accountants, Vijayawada

M/s MMGS & Associates  
Chartered Accountants, Vijayawada

M/s Suresh Siva & Co  
Chartered Accountants, Vijayawada

M/s Ramineni & Associates  
Chartered Accountants, Guntur

M/s SPKR & Associates  
Chartered Accountants, Vijayawada

M/s K L N Murthy & Co  
Chartered Accountants, Guntur

M/s Smitha Sharma & Associates  
Chartered Accountants, Nizamabad

M/s Mohi & Associates  
Chartered Accountants, Rajahmundry

M/s Ratna & Associates  
Chartered Accountants, Nizampatnam

M/s TPK & Associates  
Chartered Accountants, Kakinada



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# CHAITANYA GODAVARI GRAMEENA BANK

HEAD OFFICE

GUNTUR - 522 002, ANDHRA PRADESH

## LETTER OF TRANSMITTAL

**The Secretary  
Ministry of Finance  
Department of Financial Services  
Banking Division, Government of India  
Parliament Street  
NEW DELHI - 110 001**

Dear Sir,

In accordance with the provisions of section 20 of the Regional Rural Banks Act 1976, I forward herewith the following documents:

A Report of Board of Directors as to the Bank's working and its activities during the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

A copy of the Audited Balance sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March 2022.

A copy of the Auditor's report in relation to the Bank's accounts for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.

Yours Sincerely

Sd/- *7. Kameswara Rao*

Chairman

Place : Guntur

Date : 28.04.2022

## INTRODUCTION

Government of India, Ministry of Finance has announced the amalgamation of Chaitanya Grameena Bank and Godavari Grameena Bank sponsored by Andhra Bank into a single Regional Rural Bank with its Head Office at Guntur, Andhra Pradesh, vide Notification bearing F.No.1/26/2005-RRB, Dated 01.03.2006.

Thus Chaitanya Godavari Grameena Bank has emerged as a new entity effective from 01.03.2006. The Head Office of the new Bank is situated at Guntur, Andhra Pradesh.

Union Bank of India (UBI) is our sponsor bank w.e.f. 01.04.2020, consequent upon merger of Andhra Bank with UBI



### VISION

Chaitanya Godavari Grameena Bank is committed to usher in prosperity & plenty by care & concern to the financial needs of cross section of rural populace in Guntur, East Godavari & West Godavari Districts

### MISSION

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



## BOARD OF DIRECTORS AS ON 31.03.2022

Chairman Section 11 of Regional Rural Banks Act, 1976	: <b>1 Shri T Kameswara Rao</b> Deputy General Manager on deputation from Union Bank of India
Nominees of Central Government under section 9(1)(a) of the Regional Rural Banks Act, 1976	: <b>2 vacant</b>  : <b>3 vacant</b>
Nominee of Reserve Bank of India section 9(1)(b) of the Regional Rural Banks Act, 1976	: <b>4 Shri G Chandrakanth</b> Assistant General Manager, Reserve Bank of India, Regional Office, Hyderabad
Nominee of NABARD under section 9(1)(c) of the Regional Rural Banks Act, 1976	: <b>5 Shri R Inigo Arul Selvan</b> General Manager, NABARD, Regional Office-AP, Hyderabad
Nominees of Union Bank of India under section 9(1)(d) of the Regional Rural Banks Act, 1976	: <b>6 Shri A Ravi Kumar</b> , Dy. General Manager Regional Head, R.O., Union Bank of India, Guntur, Guntur Dist.  : <b>7 Shri C Prabu</b> Dy. General Manager, Agri. Business Dept., Union Bank of India, CO(Annex), Hyderabad.
Nominees of State Government under section 9(1)(e) of the Regional Rural Banks Act, 1976	: <b>8 Dr K V V Satyanarayana</b> I.R.A.S., Secretary to Government of Andhra Pradesh, Finance Department, AP Secretariat, Amaravati, Guntur Dist.  : <b>9 Vacant</b>



## PERFORMANCE HIGHLIGHTS 2021-22

- Bank is operating in three districts, viz. Guntur, East Godavari and West Godavari and is sponsored by Union Bank of India
- Bank is having network of 230 branches, 78 ATMs and 249 Business Correspondents
- Business stood at Rs. 14680 crore as on 31<sup>st</sup> March 2022 registering a growth rate of 15% over the previous year
- Deposits stood at Rs. 7287 crore as on 31<sup>st</sup> March 2022 registering a growth rate of 11% over the previous year
- Advances stood at Rs. 8093 crore as on 31<sup>st</sup> March 2022 registering a growth rate of 18% over the previous year. Rs. 700 crore advances were issued under IBPC during the year FY2022
- Per-branch business of Rs. 64 crore and per-employee business of Rs.13 crore are indices for Management of the bank
- Gross Non-Performing Assets (NPAs) were pegged at Rs. 67 crore, i.e. 0.91% of Advances and with total provisioning the Net NPAs were reported as NIL
- Operating Profit increased to Rs. 268 crore during FY2022 from Rs. 202 crore that during the preceding year
- Net Profit after Tax increased to Rs. 162 crore as against Rs. 101 crore during the preceding year
- Net Worth soared to Rs 768 crore at the end of March 2022 from Rs. 606 crore at the end of March 2021
- One of the key financial ratios, Net Interest Margin (NIM) is worked out to be 3.72%
- Cost to Income Ratio was 49.55% during FY2022 and Staff Cost to Income Ratio was 34.44% during the corresponding period
- Return on Assets (RoA) at 1.49% and Return on Equity (RoE) at 21.13% at the end of FY2022 reflect the financial performance of the bank during FY2022



## Chairman's Message

Greetings from

**Chaitanya Godavari Gramameena Bank**

**T KAMESWARA RAO**  
CHAIRMAN

It gives me immense happiness to reach all of you through a few lines in this message as a prologue to the annual report for the financial year ended 31<sup>st</sup> March 2022.

The recovery of economy during 2021 after the pandemic in the preceding year had been encouraging for our banking operations but the momentum got slowed down in the second quarter once again owing to calamitous COVID-19 pandemic.

Against this backdrop, it is my pleasure to state that our bank posted 14.54% growth in the aggregate business during FY2022. Increase of deposits at a growth rate of 11.43% and advances at a growth rate of 17.78% during the year under reference are modestly considered as satisfactory.

The business growth of our bank is better portrayed in terms of CAGR which stood at 17.23% for Deposits, 19.41% for Advances and 18.30% for Aggregate Business for the past five years and it speaks of the trust reposed by our clientele in the services rendered by the bank over the years.

The acceptance of onerous responsibility cast on our Regional Rural Bank (RRB) by the shareholders to provide credit for the growth and sustenance of the rural economy in the area of operation of the bank is reflected in the total disbursement of loans and advances at 117% of the target under MoU with our sponsor bank, i.e. Union Bank of India during FY2022. Moreover, the disbursements under Priority Sector had a lion's share of 91% of the total.

The CRAR that determines the growth capital, over and above the mandatory requirement of 9.00% for RRBs, has been on the rise over the past three years and stood at 13.68% for March 2022 as against 10.32% for March 2019 paving the way for enhanced credit portfolio during FY2023. It is pertinent to mention that the growth in capital is from internal accruals only.

The financials posted by the bank for FY2022 are quite encouraging and the increase of Return on Equity from 16.68% for March 2021 to 21.13% for March 2022 is an index of financial viability to the shareholders.

With growth in operating profit gaining ground in the banking industry as a prime measure of performance, increase of the same during FY2022 by 32% is regarded as a beacon of hope for the entire workforce of the bank.

The bank is conscious of the changes happening in the banking industry in the country and is prepared for laying down a roadmap for scaling up its business operations in the days ahead.

With the support of all the stakeholders of the bank, I am sure that the bank will continue to be one of the 'positive RRBs' in the country, as enlisted by RBI, for the years to come.

Yours sincerely

**T Kameswara Rao**





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## CHAITANYA GODAVARI GRAMEENA BANK

### DIRECTORS' REPORT

The Board of Directors of CHAITANYA GODAVARI GRAMEENA BANK have pleasure in presenting the **SEVENTEENTH ANNUAL REPORT** of the Bank together with the audited Balance Sheet as on 31<sup>st</sup> March 2022, Profit & Loss account and Cash Flow Statement for the financial year ended 31<sup>st</sup> March 2022, in terms of Section 20 of the Regional Rural Banks Act, 1976.

#### Operational Area

The operational area of the bank is spread across Guntur, East Godavari and West Godavari districts, which are located in the rich coastal belt of Andhra Pradesh. The soils in these districts are very fertile due to the rivers Krishna and Godavari respectively.

Guntur district is bounded on the North by Nalgonda district & Krishna River, on the South by Prakasam district, on the West by Mahabubnagar district and on the East by Krishna district & Bay of Bengal.

The total geographical area of the district is 11,391 sq. km., consisting of 57 mandals spread over 729 villages. The total population of the district as per 2011 census is 48.89 lakh.

The important rivers and rivulets in the district are river Krishna and rivulets Naguleru, Chandravanka and Gundlakamma. Predominant crops grown in the district are Paddy, Cotton, Chillies, Tobacco etc.

West Godavari district is bounded by river Godavari on the East, Krishna district on the West, Khammam district on the North and Krishna district & Bay of Bengal on the South.

The total geographical area of the district is 7,742 sq.km., consisting of 46 mandals spread over 887 villages. The total population of the district as per 2011 census is 39.35 lakh.

Godavari is the important river with its tributaries, Gowthami Godavari and Vasishta Godavari, that irrigates 85% of the cultivated land in the district. Paddy is the main crop followed by Sugarcane, Tobacco, Maize, Cotton, Chillies etc. Oil palm cultivation is increasing day by day.

East Godavari district is bounded on the North by Visakhapatnam district and the State of Odisha, on the East by Bay of Bengal, on the South and on the West by West Godavari and Khammam districts.

The total geographical area of the district is 10,818 sq.km. consisting of 60 mandals spread over 1404 villages. The total population of the district as per 2011 census is 51.52 lakh.

#### Share Capital

The authorized share capital of RRBs was raised from Rs.5 crore to Rs.2000 crore in terms of the amendment made to RRB Act in 2015.



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The share capital of the bank as on 31.03.2022 is as under:

Central Government (50%)	:	Rs.3,72,11,000
Sponsor Bank(35%)	:	Rs.2,60,47,700
State Government (15%)	:	Rs.1,11,63,300
<b>Total</b>	:	<b>Rs.7,44,22,000</b>

### Reserves & Surplus

Statutory Reserves increased to Rs.15221.53 lakh during the year from Rs.11971.53 lakh as on 31.03.2021.

The total reserves and surplus increased to Rs. 76082.82 lakh during the year from Rs. 59848.90 lakh as on 31.03.2021.

Own funds increased to Rs. 76827.04 lakh during the year from Rs. 60593.12 lakh as on 31.03.2021.

Investment Fluctuation Reserve (IFR)is maintained at Rs. 1180.00 lakh as on 31.03.2022 also.

### Network of Branches

The bank is operating through 230 branches. The district-wise break up of branches is as under:

District/Category	Rural	Semi-Urban	Urban	Total
Guntur	75	38	15	128
East Godavari	28	22	4	54
West Godavari	28	16	4	48
<b>Total</b>	<b>131</b>	<b>76</b>	<b>23</b>	<b>230</b>

The bank has 78 ATMs including 2 Cash Recyclers as on 31.03.2022. Eight ATMs are off-site and the rest are on-site.

The Bank has opened seven branches in Guntur district and one branch in East Godavari district during the financial year 2021-22.

### Regional Offices

One new Regional Office is opened at Eluru on 06.11.2021 covering 48 branches in West Godavari district and 2 branches in East Godavari district.

The total number of Regional Offices as at the end of the financial year stood at 4, viz. Guntur, Narasaraopet, Rajahmundry and Eluru.



## CHAITANYA GODAVARI GRAMEENA BANK

The branches are organized under the Regional Offices as under:

Regional Office	District	No. of Branches
Guntur	Guntur	69
Narasaraopet	Guntur	59
Rajahmundry	East Godavari	52
Eluru	West Godavari	50
<b>Total</b>		<b>230</b>

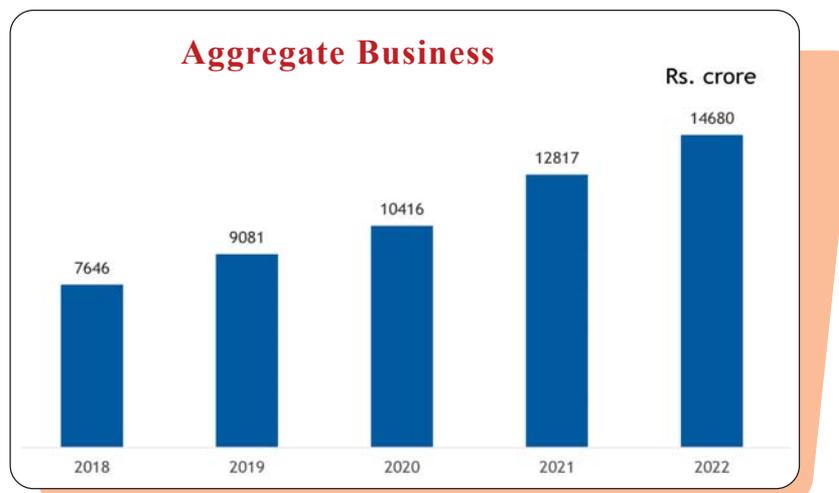
### Aggregate Business

The aggregate business of the bank, region-wise, as on 31.03.2022 is given hereunder:

Region	No. of branches	Amt Rs. lakh		
		Deposits	Advances	Aggregate Business
Guntur	69	314057.98	236555.29	550613.27
Narasaraopet	59	156248.40	316393.46	472641.86
Rajahmundry	52	153654.74	137267.31	290922.05
Eluru	50	104724.88	119118.37	223843.25
<b>Total</b>	<b>230</b>	<b>728686.00</b>	<b>809334.43</b>	<b>1538020.43</b>

The aggregate business increased to Rs. 1538020.43lakh as on 31.03.2022 from Rs. 1341699.75 lakh as on 31.03.2021 registering an increase of Rs.196320.68 lakh [i.e. @ 14.63%].

However, as IBPC of Rs. 70000.00 lakh was issued during FY2022, the aggregate business net of IBPC stood at Rs.1468020.43 lakh as on 31.03.2022 as against Rs. 1281699.75 lakh as on 31.03.2021, registering a growth rate of 14.54%.





## CHAITANYA GODAVARI GRAMEENA BANK

### Categorization of Branches

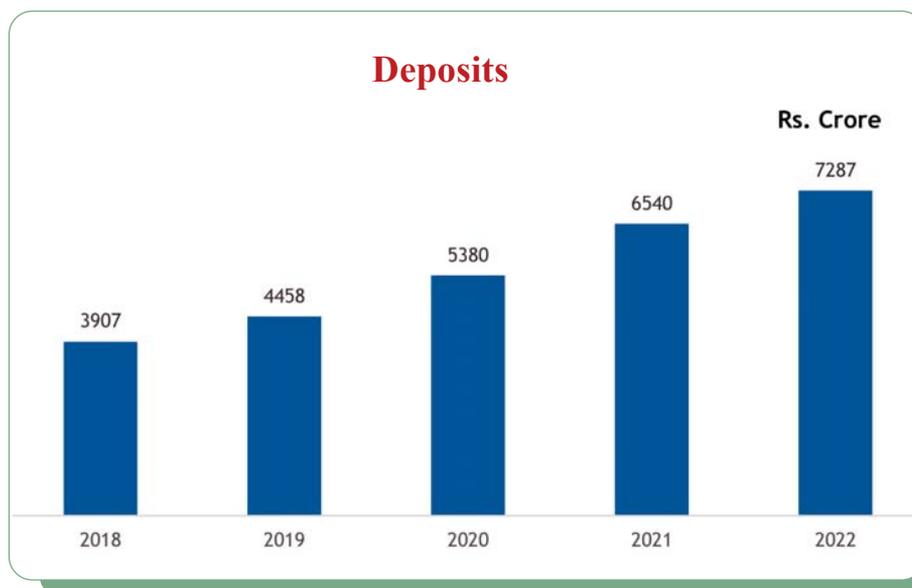
The categorization of branches is undertaken as per the applicable norms and the position as on 31.03.2022 is as under:

Category of Branch	No. of Branches
Scale V	4
Scale IV	72
Scale III	113
Scale II	34
Scale I	7
<b>Total</b>	<b>230</b>

### Deposits

The total Deposits of the Bank as on 31<sup>st</sup> March 2022 stood at Rs.728686.00 lakh. The net accretion of Deposits during the year 2021-22 is Rs.74719.14 lakh registering a growth rate of 11.43%. The percentage of low-cost deposits to total deposits is 30.63% as on 31<sup>st</sup> March 2022. Cost of deposits during FY2022 stood at 5.30%.

per-Branch deposits increased to Rs.3168.20 lakh during the year from Rs.2945.80 lakh and per-Employee deposits increased to Rs. 620.00 lakh during the year from Rs.612.50 lakh.



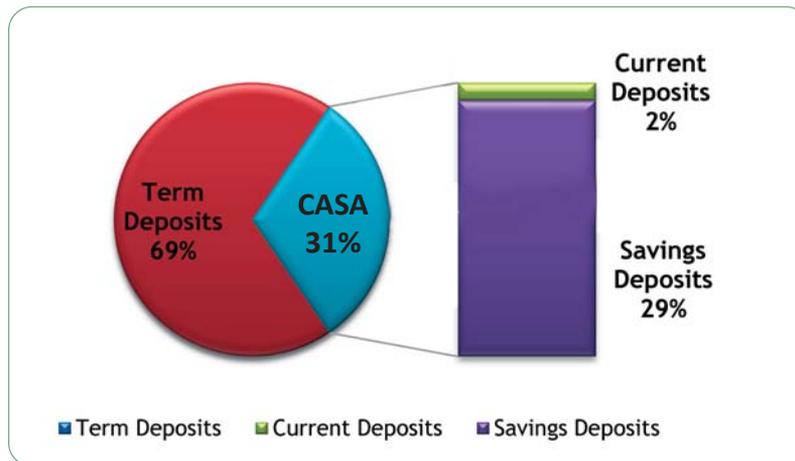


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The category-wise break-up of deposits as on 31.03.2022 is as under:

Type of Deposit	No. of Accounts	Amount(Rs. lakh)	% to Total Deposits
Current Deposits	13922	13033.05	1.79
Savings Deposits	1867817	210185.13	28.84
Term Deposits	228863	505467.82	69.37
<b>Total Deposits</b>	<b>2110602</b>	<b>728686.00</b>	<b>100.00</b>



Increase of deposits base is given its due throughout the financial year 2021-22.

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

To encourage growth in CASA deposits on a sustainable basis across the bank in an internally generated competitive environment, a contest on mobilization of Savings Bank deposits is launched with caption '**SAVINGS SIRI CONTEST**'.

A new non-callable term deposit scheme captioned '**UJWALA TERM DEPOSIT**' wherein the advantage of additional interest of 15 basis points is provided to deposits from individuals who could park funds for a period of one year in the range of above 15.00 lakh and up to Rs. 50.00 lakh.



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## CHAITANYA GODAVARI GRAMEENA BANK

### Customer Base

During the current year, there has been an increase in the number of accounts as furnished hereunder, registering a growth rate of 5.11% in customer base.

	March 2021	March 2022	Growth
Deposits	2038532	2110602	72070
Advances	513507	571783	58276
<b>Total</b>	<b>2552039</b>	<b>2682385</b>	<b>130346</b>

### Customer Service

The bank has been extending good customer service through its network of branches duly taking care of their required banking needs. A policy for Grievance Redressal Mechanism is put in place in the bank with the approval of the Board. Accordingly, a three-tier Grievance Redressal Mechanism, i.e. Branches, Regional Offices and Head Office is being in vogue. It is acknowledged that in the present scenario of stressful competitive environment in banking industry, good customer service is the most important tool to sustain the business growth and attract new business.

Bank has provided Micro ATM devices to all the branches to reduce the turnaround time for transactions.

### Borrowings

Major source of borrowings for the bank is from NABARD. Bank has adopted a judicious approach on borrowings considering the cost of borrowings.

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

Cost of borrowings during FY2022 stood at 4.94%.

As at the end of FY2022, borrowings from NABARD only are outstanding and the sector-wise details are given hereunder:

Sector	Amount (Rs. Lakh)
STL (SAO)	25500.00
STL (DTP)	500.00
STL (Addl.)	24360.00
ST (Others)	54000.00
ST(SLF)	22000.00
MT (SCH)	178297.85
<b>Total</b>	<b>304657.85</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

### Cash & Balances with Banks

Cash management has been given utmost importance and cash retention limits were fixed to the branches. Cash balances maintained by branches are being monitored regularly to ensure that minimum cash balances are maintained subject to constraints.

Adequate balances are maintained with Reserve Bank of India in the current account, as per the requirement of CRR throughout the year under report.

The Bank is maintaining current accounts with Sponsor Bank, i.e. Union Bank of India to have effective cash remittances from the branches. Apart from Sponsor Bank, bank is also maintaining current accounts with State Bank of India, Indian Bank, IDBI Bank Ltd., Kotak Mahindra Bank Ltd., Axis Bank Ltd., ICICI Bank Ltd. and CSB Bank Ltd. to facilitate cash & other transactions.

Our bank is a sub-member (type – II) of Axis Bank Ltd. for CTS clearing with “520 702 102” as its common MICR code for all the branches.

The details of cash on hand (including those held with ATMs) and balances held by the bank in current account with Reserve Bank of India and current accounts and other accounts with other banks are as under:

	Rs. lakh
Average Deposits	664482.70
Average Cash Holdings	7843.97
Average Cash Holding to Average Total deposits (%)	1.18
Average Balances held with Reserve Bank of India	26430.57
Average Balances with Sponsor Bank/Other Banks	14618.28
Average Balances with Sponsor Bank/Other Banks in Other Accounts	70051.32
Income received on the balances in other accounts	4063.15

The bank is one among the 27 RRBs in the country that are found eligible by RBI for inclusion in the “Positive List of RRBs” as communicated on 21.12.2021, the second year in succession. Accordingly, the bank could have access to Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF) in terms of RBI guidelines dated 04.12.2020.

Bank maintained surplus funds arrived on day-wise basis under Reverse Repo account with RBI throughout the financial year 2021-22 with a daily average outstanding of Rs. 176.66 crore. Income earned on balances held under Reverse Repo account stood at Rs. 895.77 lakh during the current year.

### Investments

The bank has invested its surplus funds in approved securities as per the Investment Policy of the bank approved by the Board, after carefully considering the various options available by the Investment Committee at Head Office, to earn maximum possible return.



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Investments in Government Securities are made through Sponsor Bank only and necessary guidance is taken from Treasury Department, Union Bank of India, Central Office, Mumbai.

The premium paid for the purchase of Government Securities is being amortized over the remaining period of currency of the Investment as per policy of the bank.

The details of investments and income thereon are furnished hereunder:

Rs. lakh

Particulars	Investments		
	SLR	Non-SLR	Total
Total Gross Investments	137972.72	5611.34	143584.06
Less : Amortization	394.41	81.52	475.93
Net Investments	137578.31	5529.82	143108.13
Break-up of Investments:			
HTM Category	126040.46	0.00	126040.46
AFS Category	11537.85	5529.82	17067.67
HFT Category	0.00	0.00	0.00
Total	137578.31	5529.82	143108.13
Interest Earned #	10827.21	909.10	11736.31

# Gross interest amount, i.e. before netting with amortization amount

The investments in HTM category in excess of the 25% of the total investments as on 31.03.2022 stood at Rs.90263.43 lakh. As the total investments in HTM category is less than 19.50% of NDTL applicable, the same is within the guidelines in terms of RBI circular dated 04.10.2017 and relevant extant guidelines therefor.

Yield on investments during FY2022 stood at 7.22%. Investments to Deposits Ratio stood at 19.64% only.

The Bank has earned profit of Rs.1.25 lakh on maturity of SLR securities from AFS category and Rs.93.46 lakh on sale/maturity of non-SLR securities during the year under report. Thus total reported profit for FY2022 on sale of investments stood at Rs. 94.71 lakh.

The Bank had shifted the SLR securities of Rs.15548.74 lakh from HTM category to AFS Category and Rs.23483.50 lakh from AFS category to HTM category during the FY 2022.

The Bank had utilized Rs.1063.26 lakh for shifting of SLR securities from AFS to HTM category and Rs.359.23 lakh for Sale of SLR securities from AFS category during current financial year from the MTM provision of Rs.1521.75 lakh that was made during FY 2021 and balance provision of Rs.99.26 lakh was added back to Provisions & Contingencies account.

There were no MTM losses under both SLR & Non-SLR categories as at the end of the financial year.

It is desired to mention that by the end of eighth year on initiating sale of investments from AFS category by the bank for making profit from investments portfolio (i.e. since FY2015), a cumulative profit of Rs. 3877.33 lakh could be garnered by FY2022.



## CHAITANYA GODAVARI GRAMEENA BANK

The Non-SLR investments, outstanding as on 31.03.2022, of Rs. 5529.82 lakh consisted of Bonds & Debentures only. There were no investments under mutual funds, equity and convertible debentures category of non-SLR investments as on 31.03.2022.

Investments in mutual funds were made as per the extant guidelines and the total amount outstanding was within the stipulated 5% (of incremental deposits during the preceding financial year) limit, throughout the year under report.

### Loans & Advances

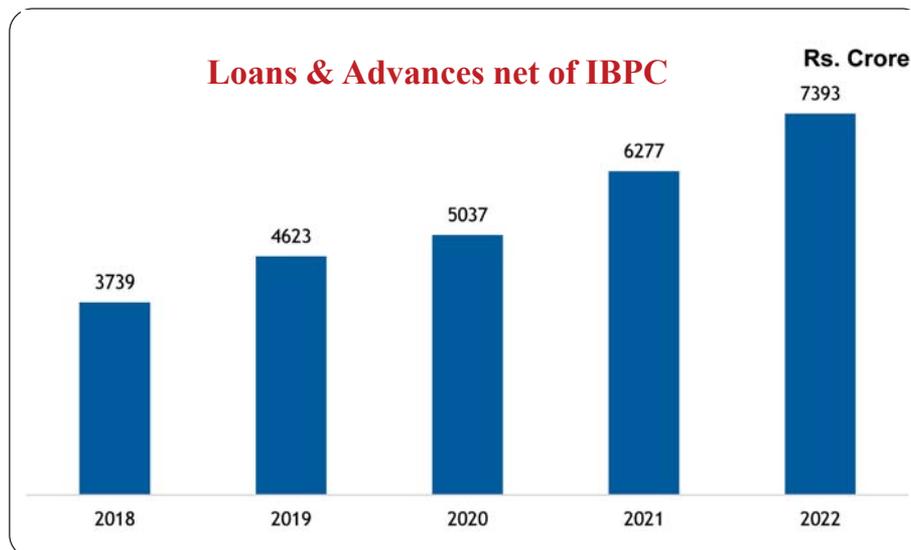
Bank has made significant progress in meeting the integrated credit needs of customers especially in rural areas by intensive expansion & diversification of credit portfolio during FY 2021-22.

The aggregate loans and advances of the bank as on 31st March 2022 stood at Rs.809334.43 lakh. The net accretion of advances during the year 2021-22 was Rs.121601.54 lakh registering a growth rate of 17.68% over the previous financial year.

Yield on advances during FY2022 stood at 9.98%.

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

	Rs. lakh
Total Loans & Advances	809334.43
Less: IBPC sold with the participation of HDFC Bank Ltd. & Axis Bank Ltd.	70000.00
Loans & Advances net of IBPC	739334.43
Less: Provision for NPAs	6721.18
Net Loans & Advances reported in the balance sheet	732613.25





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The scheme-wise break-up of outstandings are as under:

Particulars	No. of accounts	Amount(Rs. lakh)
Short Term Agricultural Loans	414207	460422.59
Agricultural Term Loans	23530	14478.64
CCMTL	121	6.28
MSME	67189	44282.31
Other Priority Sector Loans	56384	231859.16
<b>Total Priority Sector Loans</b>	<b>561431</b>	<b>751048.98</b>
Non-Priority Sector loans	10352	58285.45
<b>TOTAL LOANS &amp; ADVANCES</b>	<b>571783</b>	<b>809334.43</b>

### Disbursements of Loans & Advances

The total disbursements of loans and advances during the year are Rs.704454.99 lakh against MOU target of Rs.600000.00 lakh.

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

Particulars	Amount (Rs. lakh)
Short Term Agricultural Loans	462174.08
Medium Term Agricultural Loans	5371.39
MSME	6888.84
Self Help Groups	157179.95
Other Priority Sector Loans	8175.20
<b>Total Priority Sector Loans</b>	<b>639789.46</b>
Non-Priority Sector Loans	64665.53
<b>Total Disbursements</b>	<b>704454.99</b>

The sector-wise break up of advances is given hereunder:

Particulars	Amount (Rs. lakh)
<b>Total Advances</b>	<b>809334.43</b>
Advances to Priority Sector	751048.98
% to Total Advances	92.80
% of Priority Sector Advances to Total Advances (net of IBPC)	92.12
Priority Sector Advances (%) (net of PSLC)	81.30
Advances to Non-Priority Sector	58285.45
% of Non-Priority Sector Advances to Total Advances (net of IBPC)	7.88
Credit to Deposit Ratio	101.46
Average Yield on Advances (%)	9.98
per- Branch Advances	3214.50
per- Employee Advances	636.26
Agricultural Advances	671747.53



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## CHAITANYA GODAVARI GRAMEENA BANK

### SHG-Bank Linkage

The Bank has extended outstanding credit linkage to the tune of Rs.223658.64 lakh spread over 41,741 Self Help Groups (SHGs) as on 31.03.2022, as against Rs. 179734.96 lakh to 40,947 SHGs as on 31.03.2021, thus registering an accretion of Rs. 43923.68 lakh & increase of 24.44% during the year under report and it reflects the focus of the Bank on SHG-Bank Linkage. Bank has extended credit linkage to 24,748 SHGs to the tune of Rs.157179.95 lakh during 2021-22.

The size-wise break-up of credit linkage to SHGs during the year under report is as under:

Size of Credit Linkage	No. of A/cs	Amount (Rs. lakh)
Up to Rs. 5.00 lakh	7378	19598.80
Up to Rs. 7.50 lakh	1	0.10
Up to Rs. 10.00 lakh	10989	70409.10
Above Rs.10.00 lakh	6380	67171.95
<b>Total</b>	<b>24748</b>	<b>157179.95</b>

In line with RBI guidelines, vide circular reference no.FIDD.GSSD.CO.BC.No.09/09.01.003/2021-2022 dt.09.08.2021, our Bank increased collateral free lending limit to SHGs, under NRLM scheme, from Rs.13.00 lakh per group to Rs.20.00 lakh per group with the approval of board.

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

During the financial year, the Bank promoted 107 new JLGs and, out of these, financed 74 JLGs with a financial outlay of Rs.243.75 lakh.

The Bank financed 1440 JLGs (both farm sector & non-farm sector) with a total disbursement of Rs.4607.92 lakh during FY 2021-22.

The bank has financed to 17,797 tenant farmers with a credit outflow of Rs.107.55 crore through RMGs, JLGs, COCs, CCRCs and LECs during the current year.

### New Initiatives in Credit Outreach

With a view to enhance diversification into retail lending, and improve overall credit outreach in our area of operation, our Bank introduced new loan products & revised guidelines for some other loan products to public during FY 2021-22 mentioned below and the same were well-received by our customers:

1. CGGB - Welcome Doctor
2. Other Term Loans for social infrastructure
3. Other Term Loans for commercial constructions & equipment purchase



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## CHAITANYA GODAVARI GRAMEENA BANK

A snapshot of our Bank's disbursements under the above mentioned loan schemes during the financial year, is as under:

Sl.No	Loan Product	No.of Accounts	Amount Disbursed (Rs lakh)
1	CGGB Welcome Doctor	1	489.70
2	Other Term Loans – Social Infrastructure	1	360.00
3	Other Term Loans – Commercial Constructions	1	5.09
	<b>Total</b>	<b>3</b>	<b>854.79</b>

### Diversification of Business/Processes

With a view to improve footprints under retail lending, our Bank provided special thrust to lending under property loans, personal loans & vehicle loan products. The following is a summary of our Bank's disbursements under the aforementioned schemes during FY 2021-22:

S.No	Loan Product	No. of Accounts	Amount (Rs. Lakh)
1	Chaitanya Godavari Property Term Loan (CGPTL)	283	4067.23
2	Chaitanya Godavari Property Overdraft (CGPOD)	77	3496.89
3	Personal Loans to Salaried Individuals (PLEMP)	583	8363.04
4	Personal Loans to Non-salaried Individuals (PLNEM)	27	279.29
5	Vehicle Loans to General Public – Two Wheelers (CGVL2)	32	25.98
6	Vehicle Loans to General Public – Four Wheelers (CGVL4)	15	138.19
7	Vehicle Loans to Agriculturists -(ATLVL)	50	235.64
	<b>Total</b>	<b>1067</b>	<b>16606.26</b>

Retail Credit as a percentage of total credit stood at 9.05% as on March 2022.

Investment Credit as a percentage of total credit stood at 1.73% as on March 2022.

Disbursement of Housing Loans stood at Rs.8495.50 lakh during 2021-22. Growth in overall housing loan portfolio for FY 2021-22 over FY 2020-21 was 15.51%.

Disbursement of Education Loans stood at Rs.3538.55 lakh during 2021-22 as against Rs.1331.33 lakh during the previous year 2020-21.



## CHAITANYA GODAVARI GRAMEENA BANK

### Response To Covid-19 Pandemic

#### Covid-19 Ex-Gratia Phase II

In line with the judgement of the Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association vs UoI&Ors. and other connected matters, on March 23, 2021, wherein all banks were advised to refund interest on interest levied during COVID 19 moratorium period in case of all eligible borrowal accounts & RBI circular no.RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dt.07.04.2021, our Bank has refunded the difference between compound interest and simple interest levied during the period 01.03.2020 to 31.08.2020, to eligible borrowers, for all categories of advances, apart from the categories covered in COVID 19 Ex-gratia scheme during FY 2020-21, to the tune of Rs.207.66 lakh across 46,723 accounts, during FY 2021-22.

#### 2% Interest Subvention Scheme to MUDRA

Department of Financial Services, Ministry of Finance, Govt of India, vide their circular no.F.No.27/09/2020-IF-II dt.26.06.2020, introduced a scheme for interest subvention of 2% on prompt repayment of Shishu category loans extended under Pradhan Mantri MUDRA Yojana (PMMY) for a period of 12 months from 01.06.2020 in case of borrowers who did not avail moratorium & from 01.09.2020 in case of borrowers who availed COVID 19 regulatory package.

In line with the guidelines, our Bank passed on 2% interest subvention benefit to the tune of Rs.37.74 lakh to 10899 eligible borrowers, from 01.09.2020 to 31.08.2021.

With a view to further support farmers during the relentless spread of COVID 19 pandemic, validity of Chaitanya Godavari Rythu COVID Loan (CGRCL) scheme, a top up loan scheme to assist farmers owing to upending of economy on account of COVID 19 pandemic, was extended up to 31.12.2021.

A snapshot of disbursement during FY 2021-22 under the said loan scheme is as under:

S.No	Loan Product	No.of Accounts	Amount Disbursed (Rs lakh)
1	Chaitanya Godavari Rythu COVID Loan (CGRCL)	5,185	3304.28

#### Government Sponsored Schemes

With a view to assist Street Vendors, Women Entrepreneurs etc., Govt. of Andhra Pradesh had launched various Govt. Sponsored Schemes like JaganannaThodu, YSR Cheyutha & Govt. of India had launched PM SVANidhi Scheme, during FY 2020-21. Phase III of JaganannaThodu scheme & 2<sup>nd</sup> tranche of PM SVANidhi scheme were launched during FY 2021-22.



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## CHAITANYA GODAVARI GRAMEENA BANK

Our bank made the following disbursements in the aforementioned schemes during FY 2021-22. Details are summarized below:

Sl.No	Loan Product name	No of accounts	Amount Disbursed (Rs. Lakh)
1	JaganannaThodu	17637	1763.60
2	YSR Cheyutha – Animal Husbandry	77	42.10
3	YSR Cheyutha – Retail Trade	17	9.18
4	PM SVANidhi	351	65.90
	<b>TOTAL</b>	<b>18082</b>	<b>1880.78</b>

In addition to the above schemes, the following schemes were launched by Govt. of India & Govt. of Andhra Pradesh during FY 2021-22:

1. KCC to Animal Husbandry & Fisheries – Govt. of India
2. PM Formalization of Micro Food Processing Enterprises Scheme (PMFME) – Govt. of India
3. PMAY (U) AHP – APTIDCO – JAGANANNA NAGAR – Govt. of India & Govt. of Andhra Pradesh

Our bank made the following disbursements in the aforementioned schemes during FY 2021-22:

Sl.No	Loan Product name	No of accounts	Amount Disbursed (Rs. Lakh)
1	KCC to Animal Husbandry	419	364.18
2	KCC to Fisheries	20	8.25
3	PM Formalization of Micro Food Processing Enterprises (PMFME)	10	35.13
4	PMAY (U) AHP – APTIDCO – JAGANANNA NAGAR	959	1949.58
	<b>Total</b>	<b>1408</b>	<b>2357.14</b>

Further, PMAY(CLSS) claim amount received from 01.04.2021 to 31.03.2022 is Rs 85.45 lakh for 40 beneficiaries.

### Non-Fund Business

The Bank has 274 outstanding Bank Guarantees with a business of Rs.1362.99 lakh as on 31<sup>st</sup> March 2022.



## CHAITANYA GODAVARI GRAMEENA BANK

### Inter Bank Participation Certificate [IBPC]

The Bank has sold Inter Bank Participation Certificate (IBPC) of Rs.35000.00 lakh and Rs.35000.00 lakh each, on risk sharing basis, with the participation of HDFC Bank Ltd. & Axis Bank Ltd. respectively during the current year, in multiple tranches, covering Priority Sector Advances –Direct Agri. at a competitive interest rate.

Accordingly, advances are reported in the balance sheet as net of IBPC of Rs. 70000.00 lakh.

### Priority Sector Lending Certificates [PSLC]

The Bank has undertaken sale of PSLC-Agri. of Rs. 190000.00 lakh and purchase of PSLC-General of Rs. 100000.00 lakh and PSLC-Micro Enterprises of Rs. 10000.00 lakh during FY2022.

The maiden PSLC trading on E-Kuber platform of RBI resulted in earning of net income of Rs. 2731.51 lakh.

### Asset Quality & Classification

In tune with the guidelines given by Reserve Bank of India/NABARD, assets of the bank as on 31.03.2022 are classified into Standard, Sub-standard, Doubtful and Loss Assets and provisions are made as per the extant guidelines applicable there for.

The break-up of Non-Performing Assets (NPAs) as on 31.03.2022 is as under:

	Rs. lakh
Sub-standard Assets	3077.78
Doubtful Assets	3266.08
Loss Assets	377.32
<b>TOTAL NPAs</b>	<b>6721.18</b>

### Provisions

Bank made provision for NPAs over and above the required provision as per IRAC norms. The Provision Coverage Ratio (PCR) stood at 100% as on 31<sup>st</sup> March 2022. The details are mentioned hereunder:

Total NPAs	Rs.6721.18 lakh
Cumulative Provision against NPAs	Rs.6721.18 lakh
% of Provision to NPAs	100



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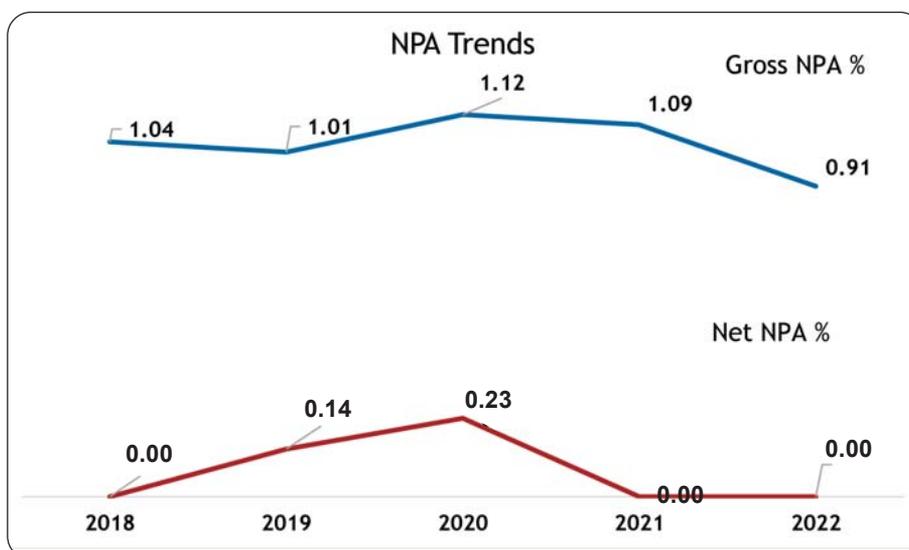
## CHAITANYA GODAVARI GRAMEENA BANK

The classification of assets and provisions made are detailed hereunder:

Rs. lakh

Particulars	Amount Outstanding	Provision to be made	Provision Made
Standard assets	802613.25	2177.80	2200.00
Sub-standard assets	3077.78	556.53	
Doubtful assets	3266.08	1715.37	
Loss assets	377.32	377.32	
Non-performing assets	6721.18	2649.22	6721.18
<b>Total Advances</b>	<b>809334.43</b>	<b>4827.02</b>	<b>8921.18</b>
Total Advances less IBPC	<b>739334.43</b>		
Cumulative provision against NPAs	6721.18		
% of Gross NPA to Advances	0.91		
% of Net NPA to Net Advances	0.00		
COVID-19 Regulatory Package		1295.88	1296.00
Resolution framework-2.0		17.60	17.60
Excess Provision for NPAs retained <sup>#</sup>	1926.51		

# Rs. 1926.51 lakh of excess provision (over and above PCR at 100%) is retained for considering as Tier-II capital under General Reserves & Provisions for March 2022





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### Movement Of NPA

Consistent and strategic efforts are made throughout the financial year to recover NPAs and contain addition of fresh NPAs. There is a net decrease in NPAs of Rs. 1.48 crore as against net increase in advances of Rs.1116.01 crore during the year under report. The details of movement of NPAs are given hereunder:

Particulars	Rs. Crore
	Amount
Gross NPA as on 01.04.2021 (Opening Balance)	68.69
Additions (Fresh NPAs) during the year	32.60
Sub-total (A)	101.29
Less :	
(i) Upgradations	8.19
(ii) Recoveries (excluding recoveries made from upgraded a/cs)	19.35
(iii) Write-offs	6.54
Sub-total (B)	34.08
Gross NPA as on 31.03.2022 (Closing Balance) [(A-B)]	<b>67.21</b>

### Interest Derecognized

In accordance with IRAC norms, the bank has not booked income and has derecognized interest and other charges to the extent of unrealized amounts under NPAs. The details are furnished hereunder:

	Rs. lakh
Derecognized income at the beginning of the year	2947.14
Additions during the year	1456.49
Recovery during the year	1076.12
Derecognized income at the end of the year	3327.51

### Recovery of Loans

The Bank continued its thrust on recovery of loans through various modes with focus on reduction of both NPAs and overdue accounts. Efforts for recovery of 'Written-off Accounts' to improve the profitability was given due emphasis during the current financial year.



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Intensive recovery efforts made included the following channels:

1. Comprehensive Compromise Settlement
2. One-Time Settlement (OTS) Scheme for Real Account Balances up to Rs.3.50 lakh per borrower (other than accounts covered under A.P. Debt Redemption Scheme 2014)
3. Special Recovery Drives
4. Enforcement of SARFAESI Act

The recovery to total demand as on 30<sup>th</sup> June 2021 stood at 75.34% for the period under report and the break-up for farm and non-farm sectors is given hereunder:

	Rs. lakh		
	Farm Sector	Non-Farm Sector	Total
Demand	127158.76	62978.56	190137.32
Recovery	85241.63	58001.57	143243.20
Overdue	41917.13	4976.99	46894.12
% of recovery	<b>67.04</b>	<b>92.10</b>	<b>75.34</b>

### Write-Off Loans

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

	Amount Rs. lakh	
Particulars	2020-21	2021-22
Amount written-off ( technical write-off )	0.00	654.53
Number of accounts written-off	0	1491
Recovery made in written-off accounts	51.53	81.11

### Achievements Made under MoU with Sponsor Bank

The Bank has achieved major parameters under MoU entered with Sponsor Bank, for the financial year 2021-22.



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

Amount Rs. lakh

Parameter	31.03.2021	Target 2021-22	Achievement as on 31.03.2022	
Own Funds	60593.12	72593.12	76827.04	✓
Total Business	1281699.75	1481000.00	1468020.43	
Deposits	653966.86	759000.00	728686.00	
Advances	627732.89	722000.00	739334.43	✓
Borrowings	228060.58	245000.00	304657.85	✓
Operating Profit	20247.72	22000.00	26838.35	✓
Net Profit After Tax	10108.65	12000.00	16233.92	✓
NPA	6869.24	7660.00	6721.18	✓
Investments	168458.24	182000.00	143108.13	
Loans Issued	594968.93	600000.00	704454.99	✓
per-Branch Business	5773.42	6439.13	6382.70	
per-Employee Business	1208.64	1287.83	1256.26	
CD Ratio (%)	95.99	95.13	101.46	✓
Cost of Deposits (%)	5.87	5.69	5.30	✓
Yield on Advances (%)	10.15	10.17	9.98	
Recovery to Demand (%)	67.59	75.00	75.34	✓

### Cross Selling of Insurance Products of IFLIC

Bank is functioning as a corporate agent for selling life insurance products of India First Life Insurance Company Ltd. (IFLIC). Bank could secure business worth of Rs.697.76 lakh from 7265 applications during 2021-22.

Bank had earned non-interest income of Rs. 111.03 lakh towards commission received from IFLIC on account of the said business during the current year.

### Other Channel Partners for Insurance Business

Bank has an agreement with Shriram General Insurance Co. Ltd. and SBI General Insurance Company Ltd. under general insurance and business of Rs. 30.23 lakh & Rs.58.45 lakh respectively is procured during the current year 2021-22.



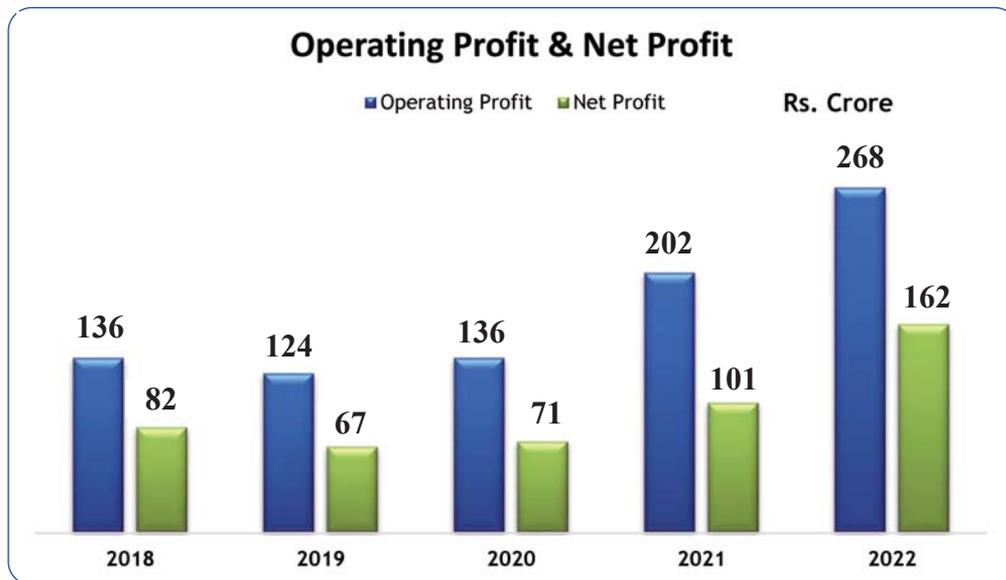
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Bank also has an agreement with Star Health and Allied Insurance Co. Ltd. under health insurance and business of Rs.66.48 lakh from 1355 applications is sourced.

### Operating Profit and Net Profit

The Bank has earned operating profit of Rs.26838.35 lakh and net profit after tax of Rs.16233.92 lakh during the financial year 2021-22, as against Rs. 20247.72 lakh and Rs. 10108.65 lakh respectively during the preceding year 2020-21.



### Income Earned

The details of the income earned are furnished below:

Particulars	Rs. lakh
	2021-22
Interest received on loans and advances	74163.52
Income on investments	11260.39
Interest on RBI balances and other inter-bank funds	4063.15
Non-interest income	12770.48
<b>Total</b>	<b>102257.54</b>

The share of non-interest income to the total income stood at 12.49%.



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### Expenditure Incurred

The details of the expenditure incurred are furnished below:

Particulars	Rs. lakh
	2021-22
Interest paid on deposits	35184.86
Interest paid on refinance availed	12574.72
Interest paid on Inter Bank Participation Certificates issued	1298.26
Other expenditure	26361.35
<b>Total</b>	<b>75419.19</b>

The Cost to Income Ratio stood at 49.55% as on 31.03.2022 as against 46.60% as on 31.03.2021.

On similar computation, the Staff Cost to Income Ratio is worked out to be 34.44% as on 31.03.2022 as against 33.25% as on 31.03.2021.

### Financial Ratios

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

	2021-22	2020-21
Average Working Funds (Rs. Lakh)	1087461.98	935205.60
Financial Return (% of interest income to average working funds)	8.23	8.14
Financial Cost (% of interest expended to average working funds)	4.51	5.00
Financial Margin (Financial Return – Financial Cost)	3.72	3.14
Operating Cost (% of operating expenses to average working funds)	2.42	1.89
Miscellaneous Income (% of non-interest income to average working funds)	1.17	0.91
Operating Profit (Financial Margin + Miscellaneous Income-Operating Cost)	2.47	2.16
Risk Cost (% of loss provisions made to average working funds)	0.40	0.58
Net Margin (Return on Assets) [% of net profit after tax to average working funds]	1.49	1.08

### Capital Adequacy Ratio

The Capital Adequacy Ratio (CRAR) of the Bank stood at 13.68% as on 31.03.2022 as against the mandatory requirement of 9.00% (Previous year: 12.41%)

Out of the above, the Tier I Capital and Tier II Capital stood at 12.59% and 1.09% respectively.



## CHAITANYA GODAVARI GRAMEENA BANK

### Income Tax

Advance tax of Rs.5100.00 lakh was paid to Income Tax Department during FY2022.

Provision for Income Tax of Rs.5712.50 lakh was made towards the current year. The final estimate of provision for income tax as on 31.03.2022 stood at Rs. 6427.67 lakh.

### Human Resources

The Bank has committed staff strength of 1162 comprising 698 Officers, 305 Office Assistants and 159 Office Attendants.

The cadre-wise and grade-wise break-up of manpower in the Bank is given hereunder:

Cadre	Grade	No. of staff
Officer	Senior Management Grade-Scale V	2
	Senior Management Grade-Scale IV	32
	Middle Management Grade- Scale III	79
	Middle Management Grade- Scale II	171
	Junior Management Grade- Scale I	414
	Total	<b>698</b>
OAS(Office Assistant)		305
OAT(Office Attendant)		159
	Grand Total	<b>1162</b>

### Human Resource Development

Bank recruited 25 Middle Management Grade- Scale II Officers, 52 Junior Management Grade- Scale I Officers and 75 Office Assistants (OAS) through IBPS – RRB – CRP IX recruitment during 2021-22.

It is pertinent to mention that 22 Officers, 1 OAS and 1 OAT got retired and 3 Officers took voluntary retirement from service during the financial year 2021-22. Further, 28 Officers and 1 OAT are due for retirement from service during FY2022-23.

During 2021-22, Bank has given appointment under Compassionate Appointment scheme to three applicants as Office Assistants (OAS) and three applicants as Office Attendants (OAT).

During 2021-22, Bank has effected promotions to 94 staff members in different cadres, viz. 1 Officer from Scale IV to Scale V, 8 Officers from Scale III to Scale IV, 13 Officers from Scale II to Scale III, 32 Officers from Scale I to Scale II and 40 Office Assistants to Officer-Scale I cadre.

Bank has been imparting need-based training to all staff members for enhancing their knowledge and skills. Bank conducted in-house training programs for 75 Office Assistants & 262 Officers and nominations were made to premier



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external training institutes for 249 Officers for training in specialized areas in online mode (in the light of the Covid-19 pandemic) and for 6 Officers for offline trainings in specialized areas.

### **Pay Revision to Officers and Employees**

In exercise of the powers conferred under second proviso of Section 17(1) of the Regional Rural Banks Act, 1976, Central Government, vide order F.No.8/1/2021-RRB dated 01.04.2021 of DFS, MoF, GoI, determined the pay scales of employees/officers of RRBs, consequent upon the revision of the wages/pay structure of the workmen/officers' employees of the Nationalized Commercial Banks in terms of the 11<sup>th</sup> Bipartite Settlement/8<sup>th</sup> Joint Note signed on 11.11.2020.

The bank has implemented the above said order, with the approval of the board on 06.04.2021, with effect from 01.11.2017 and arrears are paid in single instalment.

Further, Part-I allowances are also extended to the officers and employees of the bank in terms of DFS order dated 20.10.2016.

Part-II allowances are decided by the Sponsor Bank and the same are extended to the officers and employees with effect from 18.03.2022, the date of approval of the same by the board.

### **Staff Welfare**

Pension Fund for payment of pension to employees in terms of the CGGB (Employees') Pension Regulations, 2018 (as notified in the official gazette by Government of India on 12.12.2018) is created and Rs.14817.00 lakh was provided for, in Schedule 11 of the balance sheet as on 31.03.2019.

Bank charged Rs. 2963.40 lakh to P&L account during the current financial year, i.e. fourth year. This amortization of pension liability for a period of five years commencing from the year 2018-19 is in accordance with the guidelines issued by NABARD. Thus the un-amortized Pension Fund stood at Rs.2963.40 lakh as on 31.03.2022.

Bank appointed LIC of India as Fund Manager for the pension fund.

Bank has also made a provision of Rs. 2500.00 lakh towards additional pension liability on account of pay revision for the officers and employees of the bank and out of which Rs. 1250.00 lakh is remitted to LIC of India during FY2022.

The total payment made to LIC of India during FY2022 towards pension fund stood at Rs. 2305.00 lakh.

This is in addition to the payment of entire balance amount of Rs.11437.00 lakh by the end of FY2021.

Bank made payment of Rs.298.08 lakh to LIC of India and Rs.200.00 lakh to India First Life Insurance Co. Ltd. (IFLIC) towards Group Gratuity, as per the actuarial valuation, during the current financial year.

Bank made payment of Rs. 463.63 lakh to LIC of India, Rs.300.00 lakh to IFLIC and Rs.100.00 lakh to Bajaj Allianz towards Group Leave Encashment Scheme (GLES), during the current financial year.

Bank also made contributions of Rs.835.58 lakh through Stock Holding Corporation of India Ltd., the Fund Manager for NPS, to NSDL in respect of the employees covered under National Pension System (NPS).



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The bank had Group Term Plan with India First Life Insurance Company Ltd. (IFLIC) as a staff welfare measure in lieu of EDLI. The annual premium is being paid for coverage of Rs.7.00 lakh insurance to all staff members in case of death.

The Medical Insurance Scheme for Staff is renewed, during the year under report, with New India Assurance Company Ltd. on 06.04.2021, as per Ministry of Finance, GoI, letter dated 20.10.2016 issued in terms of 7<sup>th</sup> Joint Note dated 25.05.2015 on Salary revision and 10<sup>th</sup> Bi-Partite Settlement between IBA and Employees' Unions of PSBs. The coverage for Officers, Office Assistants and Office Attendants, along with their dependents, is Rs.4.00 lakh, Rs.3.00 lakh and Rs.3.00 lakh respectively.

Board approved in April 2020 a scheme for *Ex-gratia* of Rs. 20.00 lakh as one-time lumpsum payment to a staff member in service, irrespective of cadre, in the unfortunate event of death due to Covid-19 infection and the scheme commenced from 01.04.2020. The scheme was extended up to 31.03.2022. During 2021-22, Bank has paid a lumpsum payment of Rs.20.00 lakh each to three of our staff members who died owing to Covid-19 infection.

### **Industrial Relations**

The industrial relations in the Bank during the year under report have been healthy and very cordial.

### **SC/ST Welfare**

A separate SC/ST cell is functioning at Head Office as per guidelines. The General Manager is the Liaison Officer. Quarterly Structural Meetings are held with SC/ST Employees' Welfare Association during the year under report. The representation of SCs and STs stood at 198 and 77 respectively, among the total staff strength of 1162 in the Bank.

### **International Women's Day Celebrations**

International Women's Day celebrations were conducted at Branches, Regional Offices and Head Office on 08.03.2022.

### **IBPS – RRB – CRP X – Interviews**

The Bank has successfully conducted interviews under Common Recruitment Process (CRP)-X, for all RRBs in Andhra Pradesh state, on behalf of Institute of Banking Personnel Selection (IBPS), as Nodal Bank, for Officer – Scale I, II and III posts, during the year under reference, duly taking all necessary precautions required under 'Covid Appropriate Behavior (CAB)'.

### **Risk Management**

The Bank has put in place a comprehensive "Asset Liability Management Policy" for the management of market risk as per the NABARD/RBI guidelines.

Asset-Liability Committee (ALCO) oversees the ALM in the Bank and deliberates on liquidity and interest rate scenario in the market. ALCO regularly monitors the identification, measurement, monitoring and mitigation of market risk in liquidity and interest rates.



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Asset Liability Committee [ALCO] meets at regular intervals to provide guidance and directions in implementing the risk management initiatives of the Bank. The Management Information System (MIS) required for ALM is being tracked from CBS to the maximum extent.

The 'liquidity risk' is measured and managed through 'gap analysis' for maturity mismatches based on residual maturity. The liquidity position of the bank is assessed by means of Structural Liquidity Statement and projections in Short Term Dynamic Liquidity Statement.

For assets and liabilities, which are of non-maturity nature, Bank is conducting behavioral studies and factoring the observations in the gap analysis. Prudential limits are fixed as per NABARD guidelines and these limits are measured and monitored regularly.

The 'interest rate risk' is also managed through gap analysis.

The ALM status note is being put up to the Board for approval every quarter regularly and the board approved resolution is submitted to NABARD. However, ALM status note is being prepared by Integrated Risk Management Department (IRMD) on monthly basis since October 2021.

### **Operational Risk Management**

To have a consistent and effective operational risk management framework which can help achieve organizational objectives with enhanced performance, a booklet in the form of "Dos and Don'ts" on Operational Risk Management is brought out. The booklet is supplied to all the staff members of the Bank. Further, new recruits are provided with the same at the time of joining the bank.

Credit transactions in staff accounts of Rs.50,000/- and above in cash and Rs. 1 lakh and above by transfer are monitored on monthly basis regularly.

### **Security Arrangements**

Bank has drawn up plans and taken up measures to strengthen the security arrangements at all our branches. Security Officer is posted at Head Office to monitor security arrangements at the branches. Lapses in security arrangements are being identified by the said officer and rectified.

As a part of enhancing security and ambience, 6 branches are shifted to new premises with strong room with adequate space for customer use during the current year.

Burglar Alarms, Fire Extinguishers and CCTV cameras are provided at all the branches.



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### Technology Upgradation

Several technology upgradations are undertaken by the bank during the year under report and notable ones are highlighted hereunder:

1	Own ATM Switch Implementation	Upon eAB amalgamation with UBI, CGGB has implemented its own switch for ATM transactions
2	Mandate Management System (MMS) Implementation	Hitherto our bank has been a participant in MMS as destination bank. During this FY2022, we have onboarded as Sponsor Bank for MMS module and thus we can raise mandates on other banks' for recovery/ deposits
3	Migration of Sponsor bank to UBI from eAB for all NPCI products	We have successfully migrated all the NPCI products by completing the required re-certification and migrated to UBI as Sponsor Bank
4	Implementation of Micro ATMs (mATM) at branches	With a view to promote digital transactions(paperless), every branch is supplied with one mATM to perform transactions through AEPS mode
5	Implementation of OTRS(Open Technology Real Services)	Open Technology Real Services (OTRS) has been implemented for all the internal IT related requests
6	CTS through Mobile App.	Our bank, being a sub-member (type II) of Axis Bank Ltd., has moved a step forward by having an arrangement for CTS clearing through Mobile Application also
7	Office Note System adoption	Using Zoho Sign, a digital signature solution for business signatories, on a pilot basis, office notes are being run digitally by Information Technology Department, Head Office.

### Financial Inclusion Initiative

The Financial Inclusion (FI) Project is in operation in 249 villages, viz. Guntur District: 159, East Godavari District: 47 and West Godavari District: 43.

M/s Tekplay Systems Pvt Ltd. and M/s Magnot Consultancy Services Pvt. Ltd. are the Technical Service Providers (TSP). Implementation of FI during FY 2021-22 is summarized hereunder:

Sl. No.	Parameter	Target March 2022	Achievement as on 31.03.2022
1	Deployment of Business Correspondents	230	249
2	No. of transactions from 01.04.2021 to 31.03.2022	19,55,730	28,52,755
3	Volume of business	Rs. 53007.03 lakh	Rs.137339.58 lakh



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

Parameter	2020-21	2021-22
Total transactions	29,82,800	28,52,755
Volume of business (Rs. crore)	1131.26	1373.39
Average no. of transactions per BC per month	1,147	994
Average remuneration to BC (Rs.)	11,460	10,170
Transaction cost (Rs.)	14.35	15.33

### Progress under PM's Social Security Schemes:

Sl.No.	Name of the Scheme	No. of Accounts/Enrolments	
		March 2021	March 2022
1	<b>PMJDY</b>	2,09,746	2,22,828
		No. of a/cs transacted: 1,98,308	No. of a/cs transacted: 2,09,315
		Zero balance a/cs : 5.45%	Zero balance a/cs : 6.06%
2	<b>PMSBY</b>	5,74,045	6,12,789
3	<b>PMJJBY</b>	2,62,453	2,90,397
4	<b>PMAPY</b>	66,836	84,882

Balances held in PMJDY accounts as on March 2022 are Rs. 5642.98 lakh.

In respect of PMJDY accounts, the percentage of active Rupay Cards vis-à-vis total Rupay Cards issued by the bank stood at 74.38% as on March 2022.

Overdraft facility disbursed to eligible PMJDY accounts stood at 4.03% as on March 2022.

Aadhaar Seeding of bank accounts is completed to an extent of 95.49% as on March 2022.

Bank registered disbursements under Pradhan Mantri Mudra Yojana (PMMY) of Rs.260.88 Crore as against the target of Rs.400.00 Crore for the year 2021-22.

### Pradhan Mantri Jan Suraksha Scheme (PMJSS):

The main aim of the scheme is to achieve saturation in coverage of eligible persons under the three Prime Minister's Jan Suraksha Schemes (PMJSS), viz., Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY).



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Bank has risen to the occasion and achieved 49 %, 57 % and 22 % of coverage of eligible account holders under PMJJBY, PMSBY and APY schemes till 31.03.2022.

S.No.	Name of the Scheme	No. of Enrolments		
		Total Eligible Customers	No. of Enrolments	% of Coverage
1	PMJJBY	5,90,133	2,90,397	49
2	PMSBY	10,76,748	6,12,789	57
3	APY	3,86,087	84,882	22

### PMJSS Drive from 02.10.2021 to 31.03.2022:

Name of the scheme	No. of enrolments during FY 2021-22	Progress under PMJSS Drive	% of enrolments during the drive
PMJDY	14,033	13,190	94
PMJJBY	29,248	17,347	59
PMSBY	43,732	28,237	65
APY	18,046	11,748	65

Bank has also conducted special camps on PMJSS for achieving the above progress.

### Atal Pension Yojana (APY):

In respect of cumulative average performance under APY, our RRB stood **FIRST** among RRBs in Andhra Pradesh and Telangana States for the last **Seven** years. Our Bank stood **SECOND** among RRBs in South India during the current year in this regard.

Our Bank has received ‘**Achiever Award**’ for surpassing the APY target given by PFRDA during 2021-22. It is apposite to mention that the bank posted a figure of APY enrolments of 84 per branch as against the prescribed target of 70 per branch leading to the said award.

### Financial Literacy Centers (FLCs):

Bank has appointed FOUR counselors for the 3 FLCs and they are conducting FLACs as per the target given by RBI at satisfactory level. 419 Financial Literacy Awareness Camps (FLACs) are conducted by the FLCs, out of which 83 are Special Camps on ‘Going Digital’ and 336 are ‘Target Group’ specific camps through rural branches, during the year under report.

NABARD has sanctioned Rs. 24.96 lakh as grant assistance under Financial Inclusion Fund (FIF) to conduct 416 FLACs during 2021-22, against which 419 camps are conducted during the period i.e. September 2021 to February 2022.



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Bank has also successfully conducted 33 Street Plays (NUKKAD NATAK) during the period of 19.02.2022 to 18.03.2022 under the support of NABARD FIF.

All the above programmes were conducted in 391 villages and through these FLAC programmes a total of 46,220 public were covered and educated about Financial Literacy.

### **Internal Inspection**

As on 31.03.2022, out of 163 branches eligible for inspection, Regular Internal Inspection of all the 163 branches is completed.

Out of these 163 branches, 135 branches have got 'A' rating and 28 branches have got 'B' rating.

Necessary follow-up action is taken up on continuous basis for rectification of lapses and deviations that got reported in the inspection reports.

### **Concurrent Audit**

Concurrent audit of branches, by independent chartered accountant firms and a few retired officers of our Bank, is undertaken for 122 branches during FY2022. 24 branches are brought under the purview of concurrent audit during the year under reference to have contemporaneous examination of the operations at branches for initiating early corrective action, wherever necessary.

### **Statutory Inspection by NABARD**

NABARD has conducted eleventh statutory inspection under section 35(6) of Banking Regulation Act 1949, from 19.07.2021 to 04.08.2021, with reference to the financial position of the bank as on 31.03.2021.

### **Management Audit by Sponsor Bank**

Sponsor Bank, i.e. Union Bank of India has conducted the Management Audit (MAD) of the Bank from 13.12.2021 to 15.12.2021. The level of risk assessed is 'LOW' under Composite Risk Rating for FY2021.

### **MoU Review by Sponsor Bank**

The performance of the bank is reviewed by Executives of Union Bank of India, with reference to Memorandum of Understanding (MoU) with sponsor bank for FY2022, once in a quarter, which provided valuable insights for the growth of the Bank.

A detailed report for review by sponsor bank, on the performance of the bank under various parameters, is also submitted every quarter to Agri Business Department, Central Office (Annex.), Union Bank of India, Hyderabad.

### **Fraud Cases**

During the year under report, four fraud incidents at branches are identified. Wherever applicable, loan accounts are categorized as Loss Assets and 100% provision is thus made for them. For the rest of the loan accounts also, 100% provision is made separately.



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### Vigilance Awareness Week

Vigilance Awareness Week – 2021 (VAW-2021) was observed from 26.10.2021 to 01.11.2021 in accordance with instructions from Central Vigilance Commission (CVC), New Delhi under the guidance of Central Vigilance Department, Union Bank of India, Mumbai, with the theme “Independent India @75: Self Reliance with Integrity”.

Necessary initiatives have been taken up by the Vigilance Department, Head Office and the field functionaries are guided to administer Integrity Pledge/e-pledge, to display Public Interest Disclosure and Protection of Informers (PIDPI) posters at all our branches & offices, to conduct sensitization programs, to organize awareness Gram Sabhas with Villagers/Account holders/SHG members, to conduct debates, drawing & essay writing competitions and plantation drives in schools/colleges to create awareness on corruption, unethical practices and misuse of office.

One short film has also been made during VAW-2021 to create awareness among all the employees with the concept “Be Vigilant – Create Value” and the same was uploaded in the social media of the bank.

The VAW-2021 is concluded by conducting an online quiz competition to all the staff of the bank.

### Preventive Vigilance

The concept of Preventive Vigilance is spread among the entire workforce of the bank by conducting awareness programs in a significant way throughout the current year. One session on ‘Preventive Vigilance’ topic is made mandatory in all the internal training programs conducted for different cadres of staff.

### Preventive Vigilance Committees

As advised by Central Vigilance Commission (CVC) through its Vigilance Manual, Preventive Vigilance Committees (PVCs) are established during the current year with the approval of the Board. PVCs are primarily intended at branches with a view to educate the operating staff for curbing the non-observance of the laid down procedures or other malpractices in order to inculcate a culture of alertness at the ground level. These committees are constituted at each branch having staff strength of 4 or more (from officer and OAS cadres) with a defined agenda for discussion.

### Social Responsibility

The Bank has always been mindful of its obligation to the Society and has been in the forefront in participating in events of importance and utility to the Society which it serves.

In the Financial Year 2021-22, bank had stood for various social causes, in the form of financial support of Rs. 10.37 lakh towards educating the farmers in the form of training programs at universities, food relief to the needy people, LED street lighting facility for a village and other activities which benefit the Society at large.



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### Awards and Accolades

During the year under reference, a good number of awards and accolades are received by the bank for its performance under various parameters set by the shareholders and notable among them are mentioned hereunder:

#### **I] Financial Inclusion – APY:**

1. APY Art of possible Campaign– for 1<sup>st</sup> Quarter 2021-22
2. APY Lead to Leap Campaign - for 2<sup>nd</sup> Quarter 2021-22
3. APY Makers of Excellence (5.0) Campaign –run from 4th Oct to 20th Nov, 2021
4. APY Out Performers Campaign – for 3<sup>rd</sup> Quarter 2021-22
5. APY Game Changers Award – for 4<sup>th</sup> Quarter 2021-22
6. **APY Annual Award for FY 2021-22 – for Achievement of 18046 enrollments as against Target of 14910**

#### **II] Information Technology:**

- ❖ Our bank's 'Micro ATM Implementation and Central KYC Registration through e-KYC' initiative has been recognized as **Runners Up** among the small bank segment in the '**COVID Response Innovation**' category by **INFOSYS**

#### **III] Credit Portfolio:**

- ❖ Our bank is adjudged with “MSME Banking Excellence Awards, 2021” organized by Chamber of Indian Micro Small and Medium Enterprises (CIMSME), New Delhi as “**Best Regional Rural Bank - Winner**”
- ❖ Our bank is adjudged for **SILVER award** for our nomination titled “Response to COVID-19” under BFSI {Banking, Financial Services and Insurance Sectors} category in the 80th SKOCH Summit on State of BFSI and PSUs from SKOCH Group
- ❖ Our nomination titled “New Initiatives in Credit Outreach - Retail Banking” under ‘Economic Value Add’ category got “**Order of Merit Award**” at the semi-finals stage from SKOCH Group

### Board Meetings

Seven board meetings are convened by the Bank during the calendar year 2021 and a minimum of one meeting is held during each quarter thus meeting the stipulated number for conduct of board meetings.

The number of board meetings held during FY2022 are also seven.



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25 Circular Resolutions are passed by the Board of Directors owing to urgency of business and statutory requirements, during the year under reference. All these resolutions are since confirmed by the Board in its next meetings.

Two board level committees, viz. Audit Committee and Special Committee of the Board to monitor Fraud Cases of Rs. 20.00 lakh and above (SCBF) have met four times during FY2022.

The following Directors have assumed Office during the year under report:

- a) Mr.A Ravi Kumar, Dy. General Manager, Regional Head, Union Bank of India, Regional Office, Guntur, Guntur District
- b) Mr. C Prabu, Dy. General Manager, Agri. Business Dept., Union Bank of India, C.O.(Annex.), Hyderabad

The following Directors have vacated office during the year under Report:

- a) Mr. I Samuel Anand Kumar, IAS, Collector and District Magistrate, Guntur
- b) Mr.M Srinivas, Dy. General Manager,Regional Head, Union Bank of India, Regional Office, Guntur, Guntur District
- c) Mr.I Satyanarayana Murthy,Dy. General Manager, Regional Head, Union Bank of India, Regional Office, Eluru, West Godavari District

The Board wishes to place on record its appreciation and gratitude for the valuable services and advice rendered by the Directors who have demitted office during the year under report.

### **Grateful Acknowledgements**

The Board wishes to place on record its appreciation for the patronage extended by its valued customers, which has enabled the Bank to show good business performance during the current year. The Board thanks its clientele for the confidence reposed in the Bank at all times. The Bank renews its obligation for rendering a better customer service in the years to come.

The Board ardently wishes to thank the shareholders of the Bank, viz. Government of India, Union Bank of India and Government of Andhra Pradesh for their significant support at all levels for the growth and development of the Bank.

The Board also expresses its sincere gratitude to Reserve Bank of India, National Bank for Agriculture and Rural Development (NABARD), Union Bank of India for their valuable guidance and encouragement extended to the Management from time to time.

The Board of the Bank also conveys its sincere thanks to the Collector and District Magistrate, District Administration in the three districts of Guntur, East Godavari & West Godavari for their support extended to the Bank.



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The Board places on record the cooperation and guidance extended by Statutory Central Auditors, M/s N G Rao & Associates, Hyderabad for timely completion of statutory audit of the bank for the current year and expresses its acknowledgement to their valued inputs for scaling up the efficiency in operations of the bank at various functional levels.

The Board also thanks the 18 Statutory Branch Auditors, viz. M/s Eswara Rao & Co., Guntur, M/s Vasireddy & Associates, Guntur, M/s Garlapati & Co., Guntur, M/s Ranjit & Associates, Guntur, M/s Ajay S Agarwal & Associates, Guntur, M/s Sudi & Co., Guntur, M/s HVJ & Associates, Bangalore, M/s K K Chowdary Associates, Bapulapadu, Krishna District, M/s Ramesh & Co, Vijayawada, M/s MMGS & Associates, Vijayawada, M/s S P K R & Associates, Vijayawada, M/s Suresh Siva & Co, Vijayawada, M/s Ramineni & Associates, Guntur, M/s K L N Murthy & Co, Guntur, M/s Smita Sharma & Associates, Nizamabad, M/s Mohi & Associates, Rajahmundry, M/s Ratna & Associates, Nizampatnam, M/s T P K & Associates, Kakinada for their cooperation and completion of the statutory audit within the given timeline.

The Board records its admiration for all the staff members for their enthusiastic involvement in the growth and development of the Bank. It is due to their unstinted efforts that the Bank could post good performance during this year and could surpass the targets under the MoU under many parameters. The Board looks forward for their impressive drive and lasting efforts for the overall development of the Bank in upcoming years also.

### FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

#### BOARD OF DIRECTORS

**T Kameswara Rao**  
Chairman

**G Chandrakanth**  
Nominee Director,  
RBI

**R I A Selvan**  
Nominee Director,  
NABARD

**A Ravi Kumar**  
Nominee Director,  
Union Bank of India

**C Prabu**  
Nominee Director,  
Union Bank of India

**Place :** Guntur

**Date :** 28<sup>th</sup> April, 2022



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## CHAITANYA GODAVARI GRAMEENA BANK

### KEY PERFORMANCE INDICATORS

Sl. No.	Performance Indicator	2019-20	2020-21	2021-22
(Amount Rs. lakh)				
1	No. of Districts covered	3	3	3
2	No. of Branches	220	222	230
	a) Rural	123	125	131
	b) Semi-Urban	75	75	76
	c) Urban	22	22	23
3	Total Staff	1062	1053	1162
	a) Officers	623	619	698
	b) Office Assistants	277	272	305
	c) Office Attendants	162	162	159
4	Deposits	537971.34	653966.86	728686.00
	Growth %	20.68	21.56	11.43
5	Loans & Advances	538668.46	687732.89	809334.43
	Growth %	5.15	27.67	17.68
	Loans & Advances net of IBPC of Rs. 35000 lakh, Rs. 60000 lakh and Rs. 70000 lakh	503668.46	627732.89	739334.43
	Growth %	8.95	24.63	17.78
6	Borrowings Outstanding	176227.71	228060.58	304657.85
	Growth %	(-)5.16	29.41	33.59
7	CD Ratio	93.62	95.99	101.46
8	Investments Outstanding	132219.59	168458.24	143108.13
	Growth %	(-)0.79	27.41	(-)15.05
9	Average Deposits	472426.06	601310.22	664482.70
	Growth %	22.18	27.28	10.51
10	Average Loans & Advances	510858.59	594881.15	742880.27
	Growth %	6.81	16.45	24.88
11	Average Borrowings	141247.73	194688.18	254674.37
	Growth %	(-)14.70	37.83	30.81
12	Average Investments	120350.49	165819.93	157253.75
	Growth %	20.85	37.78	(-)5.17
13	Average Working Funds	750528.91	935205.60	1087461.98



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Sl. No.	Performance Indicator	2019-20	2020-21	2021-22
(Amount Rs. lakh)				
14	Loans Issued during the year			
	a) Loans to Priority sector	413279.63	578205.10	639789.46
	b) Loans to Non-Priority Sector	17788.47	16763.83	64665.53
	c) Total Loans issued	431068.10	594968.93	704454.99
15	per-Branch Business	4734.73	5773.42	6382.70
16	per-Employee Business	971.41	1208.64	1256.26
17	Recovery Performance (% of Collection to Demand)	82.54	67.59	75.34
18	Classification of Advances			
	a) Standard Assets	533018.06	680863.65	802613.25
	b) Sub-standard assets	2674.30	2921.84	3077.78
	c) Doubtful Assets	2700.56	3583.34	3266.08
	d) Loss Assets	275.54	364.06	377.32
	<b>Total NPAs</b>	<b>5650.40</b>	<b>6869.24</b>	<b>6721.18</b>
	Total Advances	538668.46	687732.89	809334.43
19	% of Standard Assets to Gross Advances Outstanding	98.95	99.00	99.17
20	Interest Paid on			
	a) Deposits	31071.51	35282.47	35184.86
	b) Borrowings	9192.38	10185.24	12574.72
21	Salary & Allowances	11361.92	12606.19	18323.27
22	Other Operating expenses	4116.60	5062.76	8038.08
23	Provisions made against Loans and Advances			
	a) Against NPA	4525.00	6870.00	6721.18
	b) Other Provisions	1476.10	1915.20	5440.11
	Total	6001.10	8785.20	12161.29
24	Interest Received on			
	a) Loans & Advances	53888.03	60353.11	74163.52
	b) Investments	9419.86	11598.42	11260.39
25	Other Income	6501.20	8547.15	12770.48
26	Profit Before Tax	11505.98	13281.92	22661.59
27	Net Profit After Tax	7064.23	10108.65	16233.92
28	Cost to Income Ratio	53.24	46.60	49.55



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## CHAITANYA GODAVARI GRAMEENA BANK

### AUDITOR'S REPORT

#### Independent Auditor's Report on the Financial Statements

To  
The Shareholders  
Chaitanya Godavari Grameena Bank

#### Opinion

1. We have audited the accompanying financial statements of Chaitanya Godavari Grameena Bank ("the Bank") as at 31st March 2022, which comprises of Balance Sheet as at 31st March, 2022, Profit and Loss Account and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of:

- i. The Head Office and 21 Branches audited by us
- ii. 188 Branches audited by Statutory Branch auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by National Bank for Agriculture and Rural Development ("NABARD"). Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 21 branches which have not been subjected to audit. These unaudited branches account for 5.65 % of deposits, 2.49 % of advances, 3.57% of interest income and 5.52% of interest expenses.

2. In our opinion, as shown by books of the bank, and to the best of our information and according to the explanations given to us:
- i. The Balance Sheet, read with the significant accounting policies and the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, and is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March 2022 in conformity with accounting principles generally accepted in India;
  - ii. The Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of profit, is in conformity with accounting principles generally accepted in India, for the year covered by the account; and
  - iii. The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") issued by Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank



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in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

4. Without qualifying our opinion, we bring to your attention the following:

We did not audit the financial statements / information of 188 Branches included in the financial statements of the Bank whose financial statements / financial information reflect total advances of Rs. 614906.30Lakhs as at 31st March 2022 and interest income of Rs. 71577.36Lakhs for the year ended on that date. The financial statements / information of these branches has been audited by the other auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such other auditors.

### Responsibility of the Management and those charged with Governance for the Financial Statements

5. The Bank's Management and Board of Directors are responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of Bank in accordance with the applicable provisions of Regional Rural Banks Act, 1976, Banking Regulations Act, 1949, complying with the guidelines issued by Reserve Bank of India ("RBI") and NABARD from time to time and recognized accounting policies and practices generally accepted in India, including the Accounting Standards issued by ICAI. 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.

### Auditor's Responsibility for audit of financial statements

6. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's



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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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We also:

- (i) 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.
- (ii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iii) 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.
- (iv) 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.



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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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Report on Other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms “A” and “B” respectively of the Third Schedule to the Banking Regulation Act, 1949. Subject to the limitations of the audit indicated in paragraph 4 to 7 above and as required by the Regional Rural Banks Act, 1976 and the Banking Companies (Regulation) Act, 1949, and subject also to the limitations of disclosure required therein, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
  - The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.
  - The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
  - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of Account and the Returns.
  - In our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books.
  - The report on the financial statements of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.

In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

**for N G RAO & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm's Registration No: 009399S**

**(CA G Nageswara Rao)**

**Membership No: 207300**

**Partner**

**UDIN: 22207300AIAIXV7379**

**Place :** Guntur

**Date :** 28<sup>th</sup> April, 2022



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## CHAITANYA GODAVARI GRAMEENA BANK

### CHAITANYA GODAVARI GRAMEENA BANK

Sponsored by Union Bank of India

HEAD OFFICE :: GUNTUR

## FORM- A

### BALANCE SHEET AS ON 31<sup>st</sup> MARCH 2022

Rs in '000

PARTICULARS	SCHEDULE	31.03.2022	31.03.2021
<b>CAPITAL &amp; LIABILITIES</b>			
Capital	1	74422	74422
Reserves and Surplus	2	7608282	5984890
Deposits	3	72868600	65396686
Borrowings	4	30465785	22806058
Other Liabilities and Provisions	5	2482760	2314553
<b>TOTAL</b>		<b>113499849</b>	<b>96576609</b>
<b>ASSETS</b>			
Cash and Balances with Reserve Bank of India	6	3843566	3140370
Balances with banks and money at call and short notice	7	17103796	9915768
Investments	8	14310813	16845824
Advances*	9	73261325	62086289
Fixed Assets	10	255322	324170
Other Assets	11	4725027	4264188
<b>TOTAL</b>		<b>113499849</b>	<b>96576609</b>
Contingent Liabilities	12	312220	335113
Bills for Collection		185222	179017
*Advances are netted of IBPC of Rs 700 crore as on 31.03.2022 and Rs 600 crore as on 31.03.2021			



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## CHAITANYA GODAVARI GRAMEENA BANK

for **N G RAO & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm's Registration No: 009399S

(**CA G Nageswara Rao**)

Membership No: 207300

Partner

UDIN: 22207300AIAIXV7379

### BOARD OF DIRECTORS

**T Kameswara Rao**

Chairman

**G Chandrakanth**

Nominee Director,  
RBI

**R I A Selvan**

Nominee Director,  
NABARD

**A Ravi Kumar**

Nominee Director,  
Union Bank of India

**C Prabu**

Nominee Director,  
Union Bank of India

Place : Guntur

Date : 28<sup>th</sup> April, 2022



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## CHAITANYA GODAVARI GRAMEENA BANK

### CHAITANYA GODAVARI GRAMEENA BANK

Sponsored by Union Bank of India

HEAD OFFICE :: GUNTUR

## FORM- B

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2022

Rs in '000

PARTICULARS	SCHEDULE	31.03.2022	31.03.2021
<b>1. INCOME</b>			
Interest earned	13	8948706	7609413
Other Income	14	1277048	854715
<b>TOTAL</b>		<b>10225754</b>	<b>8464128</b>
<b>2. EXPENDITURE</b>			
Interest Expended	15	4905784	4672461
Operating Expenses	16	2636135	1766895
Provisions and contingencies		1060443	1013907
<b>TOTAL</b>		<b>8602362</b>	<b>7453263</b>
<b>3. PROFIT/LOSS</b>			
Net Profit/Loss(-) for the year		1623392	1010865
Profit/Loss(-) brought forward		100	100
<b>TOTAL</b>		<b>1623492</b>	<b>1010965</b>
<b>4. APPROPRIATIONS</b>			
Transfer to Statutory Reserves		325000	202200
Transfer to Other Reserves		1298392	808665
Transfer to Government/proposed dividend		0	0
Balance carried over to balance sheet		100	100
<b>TOTAL</b>		<b>1623492</b>	<b>1010965</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

for **N G RAO & ASSOCIATES**

CHARTERED ACCOUNTANTS

Firm's Registration No: 009399S

(CA G Nageswara Rao)

Membership No: 207300

Partner

UDIN: 22207300AIAIXV7379

### BOARD OF DIRECTORS

**T Kameswara Rao**

Chairman

**G Chandrakanth**

Nominee Director,  
RBI

**R I A Selvan**

Nominee Director,  
NABARD

**A Ravi Kumar**

Nominee Director,  
Union Bank of India

**C Prabu**

Nominee Director,  
Union Bank of India

Place : Guntur

Date : 28<sup>th</sup> April, 2022



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## CHAITANYA GODAVARI GRAMEENA BANK

### CHAITANYA GODAVARI GRAMEENA BANK

Sponsored by Union Bank of India

**HEAD OFFICE :: GUNTUR**

Rs in '000

#### SCHEDULE-1 CAPITAL

	31.03.2022	31.03.2021
Authorised Capital (200,00,00,000 Shares of Rs.10 each)	<b><u>20000000</u></b>	<b><u>20000000</u></b>
Issued Capital (74,42,200 shares of Rs.10/- each)	74422	74422
Subscribed Capital (74,42,200 shares of Rs.10/- each)	74422	74422
Called-up Capital (74,42,200 shares of Rs.10/- each)	74422	74422
Less: Calls unpaid	0	0
Add: Forfeited shares	0	0
<b>Total</b>	<b>74422</b>	<b>74422</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

### SCHEDULE-2 RESERVES and SURPLUS

	31.03.2022	31.03.2021
<b>I- Statutory Reserves</b>		
A. Opening balance	1197153	994953
B. Additions during the year	325000	202200
C. Deductions during the year	0	0
<b>II- Capital Reserves</b>		
A. Opening balance	24000	24000
B. Additions during the year	0	0
C. Deductions during the year	0	0
<b>III- Share Premium</b>	0	0
A. Opening balance	0	0
B. Additions during the year	0	0
C. Deductions during the year	0	0
<b>IV- Revenue and Other Reserves</b>		
A. Opening balance	4763637	3954972
B. Additions during the year	1298392	808665
C. Deductions during the year	0	0
<b>V- Balance in Profit &amp; Loss A/c</b>	100	100
<b>Total(I,II,III,IV and V)</b>	<b>7608282</b>	<b>5984890</b>

### SCHEDULE-3 DEPOSITS

	31.03.2022	31.03.2021
A. I- Demand Deposits		
i) From Banks	0	0
ii) From Others	1303305	1290451
II- Savings Bank Deposits	21018513	18875513
III- Term Deposits		
i) From Banks	824159	900000
ii) From Others	49722623	44330722
<b>Total ( I,II and III)</b>	<b>72868600</b>	<b>65396686</b>
B. (i) Deposits of branches in India	72868600	65396686
(ii) Deposits of branches outside India	0	0
<b>Total</b>	<b>72868600</b>	<b>65396686</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

### SCHEDULE-4 BORROWINGS

	31.03.2022	31.03.2021
I. Borrowings in India		
(a) Reserve Bank Of India	0	0
(b) Other Banks- Union Bank of India	0	0
(c) Other Institutions & Agencies		
(i) NABARD	30465785	22777199
(ii) NHB	0	15359
(iii) NSFDC	0	13500
II. Borrowings outside India	0	0
<b>Total(I and II)</b>	<b>30465785</b>	<b>22806058</b>
Secured borrowings included in I and II above- Rs.	30465785	22806058

### SCHEDULE-5 OTHER LIABILITIES AND PROVISIONS

	31.03.2022	31.03.2021
I. Bills payable	35995	30285
II. Inter-office adjustments (net)	0	0
III. Interest accrued	79413	109321
IV. Others(including provisions)	2367352	2174947
<b>Total (I, II, III and IV)</b>	<b>2482760</b>	<b>2314553</b>

### SCHEDULE-6 CASH AND BALANCES WITH RESERVE BANK OF INDIA

	31.03.2022	31.03.2021
I. Cash in hand	1069928	917051
II. Balances with Reserve Bank of India		
i) In Current Account	2773638	2223319
ii) In Other Accounts	0	0
<b>Total ( I and II )</b>	<b>3843566</b>	<b>3140370</b>



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### SCHEDULE-7

#### BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

	31.03.2022	31.03.2021
<b>I. IN INDIA</b>		
<b>(i) Balances with Banks</b>		
a) in Current Accounts	4970354	1927118
b) in Other Deposit Accounts	7383442	7978650
<b>(ii) Money at Call &amp; Short Notice</b>		
a) with Banks	0	0
b) with Other Institutions	4750000	10000
<b>Total (i and ii)</b>	<b>17103796</b>	<b>9915768</b>
<b>II. OUTSIDE INDIA</b>		
i) in current accounts	0	0
ii) in other deposit accounts	0	0
iii) money at call and short notice	0	0
<b>Total (i, ii and iii)</b>	<b>0</b>	<b>0</b>
<b>Grand Total (I and II)</b>	<b>17103796</b>	<b>9915768</b>

### SCHEDULE-8 INVESTMENTS

	31.03.2022	31.03.2021
<b>I. INVESTMENTS IN INDIA IN</b>		
i) Government Securities	13757831	15303495
ii) Other approved Securities	0	0
iii) Shares	0	0
iv) Debentures & Bonds	552982	1362329
v) Subsidiaries and/or joint ventures	0	0
vi) Others - Mutual Funds	0	180000
<b>Total</b>	<b>14310813</b>	<b>16845824</b>
<b>II. INVESTMENTS OUTSIDE INDIA IN</b>		
i) Government securities (including local authorities)	0	0
ii) Subsidiaries and/or joint ventures abroad	0	0
iii) Others investments	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Grand Total (I and II)</b>	<b>14310813</b>	<b>16845824</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

### SCHEDULE-9 ADVANCES

	31.03.2022	31.03.2021
<b>A. (i) Bills Purchased and discounted</b>	28890	2518
(ii) Cash Credits, Overdrafts and Loans repayable on demand*	62842102	52303330
(iii) Term Loans	10390333	9780441
<b>Total ( i,ii and iii )</b>	<b>73261325</b>	<b>62086289</b>
<b>B. (i) Secured by Tangible Assets*</b>	71953717	61704632
(ii) Covered by Bank/Government guarantees	0	0
(iii) Unsecured	1307608	381657
<b>Total ( i,ii and iii )</b>	<b>73261325</b>	<b>62086289</b>
<b>C. I. Advances in India</b>		
(i) Priority Sectors*	67483406	58142191
(ii) Public Sector	0	0
(iii) Banks	0	0
(iv) Others	5777919	3944098
<b>Total C (I)</b>	<b>73261325</b>	<b>62086289</b>
<b>C. II. 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 C (II)</b>	<b>0</b>	<b>0</b>
<b>Total C (I) &amp; C(II)</b>	<b>73261325</b>	<b>62086289</b>
*Advances are netted of IBPC of Rs 700 crore as on 31.03.2022 and Rs 600 crore as on 31.03.2021		



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## CHAITANYA GODAVARI GRAMEENA BANK

### SCHEDULE-10 FIXED ASSETS

	31.03.2022	31.03.2021
<b>I. Premises</b>		
At cost as on 31st March of the preceding year	0	0
Additions during the year	0	0
Deductions during the year	0	0
Depreciation to date	0	0
<b>II. Other Fixed Assets(including furniture and fixtures)</b>		
At cost as on 31st March of the preceding year	324170	160702
Additions during the year	68571	204875
Deductions during the year	363	387
Depreciation to date	137056	41020
<b>Total(I and II)</b>	<b>255322</b>	<b>324170</b>

### SCHEDULE-11 OTHER ASSETS

	31.03.2022	31.03.2021
<b>I. Inter - office adjustments(net)</b>	<b>0</b>	<b>0</b>
<b>II. Interest accrued</b>	<b>990016</b>	<b>1006136</b>
<b>III. Tax paid in advance / tax deducted at source</b>	<b>1040000</b>	<b>530000</b>
<b>IV. Stationery and stamps</b>	<b>12246</b>	<b>11952</b>
<b>V. Non - banking assets acquired in satisfaction of claims</b>	<b>0</b>	<b>0</b>
<b>VI. Others</b>		
(i) Pension Fund	296340	592680
(ii) Deferred Tax assets	0	69965
(iii) Others	2386425	2053455
<b>Total (I, II, III, IV, V and VI)</b>	<b>4725027</b>	<b>4264188</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

### SCHEDULE-12 CONTINGENT LIABILITIES

	31.03.2022	31.03.2021
I. Claims against the banks not acknowledged as debts	0	0
II. Liability for partly paid investments	0	0
III. Liability on account of outstanding forward exchange contracts	0	0
IV. Guarantees given on behalf of constituents	0	0
(a) In India	136299	169517
(b) Outside India	0	0
V. Acceptances, Endorsements and other Obligations	0	0
VI. Other items for which the bank is contingently liable (DEAF Account)	175921	165596
<b>Total</b>	<b>312220</b>	<b>335113</b>

### SCHEDULE-13 INTEREST EARNED

	31.03.2022	31.03.2021
I. Interest/ discount on advances/bills	7416352	6035311
II. Income on investments	1126039	1159842
III. Interest on balances with Reserve Bank of India and other inter-bank funds	406315	414260
IV. Others	0	0
<b>Total</b>	<b>8948706</b>	<b>7609413</b>

### SCHEDULE-14 OTHER INCOME

	31.03.2022	31.03.2021
I. Commission, exchange and brokerage	448833	34639
II. Profit on sale of Investments	9471	141713
Less: Loss on sale of investments	0	0
III. Profit on revaluation of Investments	0	0
Less: Loss on revaluation of investments	0	0
IV. Profit on sale of land, buildings and other assets	185	416
Less: Loss on sale of land, buildings and other assets	0	0
V. Profit on exchange transactions	0	0
Less: Loss on exchange transactions	0	0
VI. Income earned by way of dividends, etc. from subsidiaries/ companies and/or joint ventures abroad/in India	0	0
VII. Miscellaneous Income	818559	677947
<b>Total</b>	<b>1277048</b>	<b>854715</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

### SCHEDULE-15 INTEREST EXPENDED

	31.03.2022	31.03.2021
I. Interest on deposits	3518486	3528247
II. Interest on Reserve Bank of India/Inter-Bank Borrowings	1257472	1018524
III. Others	129826	125690
<b>Total</b>	<b>4905784</b>	<b>4672461</b>

### SCHEDULE-16 OPERATING EXPENSES

	31.03.2022	31.03.2021
I. Payments to and provisions for employees	1832327	1260619
II. Rent , taxes and lighting	68268	62628
III. Printing and stationery	9745	9408
IV. Advertisement and publicity	4219	1139
V. Depreciation on Bank's property	137056	41020
VI. Directors' fees,allowances and expenses	0	0
VII. Auditors' fees and expenses(including branch auditors)	3389	4261
VIII. Law charges	881	1392
IX. Postage,telegrams,telephones etc	2139	1993
X. Repairs and maintenance	14577	13447
XI. Insurance	125819	99234
XII. Other Expenditure	437715	271754
<b>Total</b>	<b>2636135</b>	<b>1766895</b>



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## CHAITANYA GODAVARI GRAMEENA BANK

### PROVISIONS AND CONTINGENCIES

Provisions debited to Profit and Loss Account	31.03.2022	31.03.2021
(i) Provision for NPI	0	100000
(ii) Provision towards NPA	262480	247244
(iii) Provision made towards Income Tax	642767	317327
(iv) Other Provisions and Contingencies(with details)		
a. Standard assets	35000	40650
b. Covid regulatory package	129600	3260
c. Pay revision arrears	(-)21010	148500
d. MTM Losses	(-)9926	152175
e. Erosion in assets etc.	14343	4751
f. Frauds	5429	0
g. Resolution framework_2.0	1760	0
Total	<b>155196</b>	<b>349336</b>
<b>TOTAL ( i,ii,iii and iv)</b>	<b>1060443</b>	<b>1013907</b>



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## **CHAITANYA GODAVARI GRAMEENA BANK**

### **CHAITANYA GODAVARI GRAMEENA BANK**

**Sponsored by Union Bank of India**

**HEAD OFFICE :: GUNTUR**

#### **SCHEDULE 17**

#### **SIGNIFICANT ACCOUNTING POLICIES**

##### **Section I**

Reserve Bank of India (RBI) issued a Master Direction on Financial Statements – Presentation and Disclosures vide reference no. DOR.ACC.REC.No.45/21.04.018/2021-22 [ RBI/DOR/2021-22/83] dated 30.08.2021 (updated as on 15.11.2021). The said Master Direction is applicable to Regional Rural Banks to the extent that they are relevant having regard to their business operations.

2. Part B of Annexure II of the said Master Direction provides guidance on specific issues with respect to certain Accounting Standards.
3. The following Accounting Standards are adopted as provided in the Master Direction by the Bank:
  - (i) Accounting Standard 5 – Net Profit or Loss for the period, Prior period items and Changes in Accounting Policies
  - (ii) Accounting Standard 9 – Revenue Recognition
  - (iii) Accounting Standard 17 – Segment Reporting
  - (iv) Accounting Standard 18 – Related Party Disclosures
  - (v) Accounting Standard 24 – Discontinuing Operations
  - (vi) Accounting Standard 25 – Interim Financial Reporting
  - (vii) Accounting Standard 26 – Intangible Asset
  - (viii) Accounting Standard 28 – Impairment of Assets

The guidance notes as provided by RBI on the above Accounting Standards are given hereunder:

##### **1. Accounting Standard 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies**

- (i) The objective of this standard is to prescribe the classification and disclosure of certain items in the statement of profit and loss so that all enterprises prepare and present such a statement on a uniform basis. Accordingly, this Standard requires the classification and disclosure of extraordinary and prior period items, and the disclosure of certain items within profit or loss from ordinary activities. It also specifies the accounting treatment for changes in accounting estimates and the disclosures to be made



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in the financial statements regarding changes in accounting policies. Paragraph 4.3 of Preface to the Statements on Accounting Standards issued by the ICAI states that Accounting Standards are intended to apply only to items which are material. Since materiality is not objectively defined, it has been decided that all banks should ensure compliance with the provisions of the Accounting Standard in respect of any item of prior period income or prior period expenditure which exceeds one per cent of the total income/total expenditure of the bank if the income/expenditure is reckoned on a gross basis or one per cent of the net profit before taxes or net losses as the case may be if the income is reckoned net of costs. Since the format of the profit and loss accounts of banks prescribed in Form B under Third Schedule to the Banking Regulation Act, 1949 does not specifically provide for disclosure of the impact of prior period items on the current year's profit and loss, such disclosures, wherever warranted, may be made in the 'Notes on Accounts' to the balance sheet of banks.

### 2. Accounting Standard 9 – Revenue Recognition

- (i) Non-recognition of income by the banks in case of non-performing advances and non-performing investments, in compliance with the regulatory prescriptions of the Reserve Bank of India, shall not attract a qualification by the statutory auditors as this would be in conformity with provisions of the standard, as it recognizes postponement of recognition of revenue where collectability of the revenue is significantly uncertain.

### 3. Accounting Standard 17 – Segment Reporting

The indicative formats for disclosure under 'AS 17- Segment Reporting' are provided in the Master Direction under reference

[The format given is adopted and disclosure is made in "Schedule 18 – Disclosure to financial statements - Notes to Accounts"]

#### Note :

- a) The business segment shall ordinarily be considered as the primary reporting format and geographical segment would be the secondary reporting format.
- b) The business segments will be 'Treasury', 'Corporate / Wholesale Banking', 'Retail Banking' and 'Other banking operations'.
- c) 'Domestic' and 'International' segments will be the geographic segments for disclosure.
- d) Banks shall adopt their own methods, on a reasonable and consistent basis, for allocation of expenditure among the segments.
- e) 'Treasury' shall include the entire investment portfolio.
- f) Retail Banking shall include exposures which fulfil the four criteria of orientation, product, granularity, and low value of individual exposures for retail exposures laid down in Master Directions on Basel III: Capital Regulations (modified from time to time). Individual housing loans will also form part of Retail Banking segment for the purpose of reporting under AS-17.



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- g) Corporate / Wholesale Banking includes all advances to trusts, partnership firms, companies, and statutory bodies, which are not included under 'Retail Banking'.
- h) Other Banking Business includes all other banking operations not covered under 'Treasury', 'Wholesale Banking' and 'Retail Banking' segments. It shall also include all other residual operations such as para banking transactions/activities.
- i) Besides the above-mentioned segments, banks shall report additional segments within "Other Banking Business" which meet the quantitative criterion prescribed in the AS 17 for identifying reportable segments.

### 4. Accounting Standard 18 – Related Party Disclosures

- (i) The manner of disclosures required by paragraphs 23 to 26 of AS 18 is illustrated as below. It may be noted that the format given below is merely illustrative in nature and is not exhaustive.

(Amount in ₹ crore)

Items/ Related Party	Parent (as per ownership or control)	Subsidiaries	Associates/ Joint ventures	Key Management Personnel @	Relatives of Key Management Personnel	Total
Borrowings#						
Deposits#						
Placement of deposits#						
Advances#						
Investments#						
Non-funded commitments#						
Leasing/HP arrangements availed#						
Leasing/HP arrangements provided#						
Purchase of fixed assets						
Sale of fixed assets						
Interest paid						
Interest received						
Rendering of services*						
Receiving of services*						
Management contracts*						



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@ Whole time directors of the Board and CEOs of the branches of foreign banks in India

# The outstanding at the year end and the maximum during the year are to be disclosed

\* Contract services etc. and not services like remittance facilities, locker facilities etc.

### Note:

- i) Related parties for a bank are its parent, subsidiary(ies), associates/ joint ventures, Key Management Personnel (KMP) and relatives of KMP. KMP are the whole-time directors for an Indian bank and the Chief Executive Officer (CEO) for a foreign bank having branches in India.

Relatives of KMP would be on the lines indicated in section 45 S of the RBI Act, 1934

- ii) The name and nature of related party relationship shall be disclosed, irrespective of whether there have been transactions, where control exists within the meaning of the Standard. Control would normally exist in case of parent-subsidary relationship. The disclosures may be limited to aggregate for each of the above related party categories and would pertain to the year-end position as also the maximum position during the year.
- iii) The Accounting Standards is applicable to all nationalised banks. The accounting standard exempts state-controlled enterprises i.e., nationalised banks from making any disclosures pertaining to their transactions with other related parties which are also state controlled enterprises. Thus, nationalised banks need not disclose their transactions with the subsidiaries as well as the RRBs sponsored by them. However, they will be required to disclose their transactions with other related parties
- iv) Secrecy provisions: If in any of the above category of related parties there is only one related party entity, any disclosure would tantamount to infringement of customer confidentiality. In terms of AS 18, the disclosure requirements do not apply in circumstances when providing such disclosures would conflict with the reporting enterprise's duties of confidentiality as specifically required in terms of statute, by regulator or similar competent authority. Further, in case a statute or regulator governing an enterprise prohibits the enterprise from disclosing certain information, which is required to be disclosed, non-disclosure of such information would not be deemed as non-compliance with the Accounting Standards. On account of the judicially recognized common law duty of the banks to maintain the confidentiality of the customer details, they need not make such disclosures. In view of the above, where the disclosures under the Accounting Standards are not aggregated disclosures in respect of any category of related party i.e., where there is only one entity in any category of related party, banks need not disclose any details pertaining to that related party other than the relationship with that related party.

### 5. Accounting Standard 24 - Discontinuing operations

This Standard establishes principles for reporting information about discontinuing operations. Merger/ closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank may not be deemed as a discontinuing operation and hence this Accounting Standard will not be applicable to merger / closure of branches of banks by transferring the assets/ liabilities to the other branches of the same bank.



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Disclosures shall be required under the Standard only when: (i) discontinuing of the operation has resulted in shedding of liability and realisation of the assets by the bank or decision to discontinue an operation which will have the above effect has been finalised by the bank and (ii) the discontinued operation is substantial in its entirety.

### **6. Accounting Standard 25 – Interim Financial Reporting**

This Standard prescribes the minimum content of an interim financial report and the principles for recognition and measurement in a complete or condensed financial statements for an interim period. The disclosures required to be made by listed banks in terms of the listing agreements would not tantamount to interim reporting as envisaged under AS 25 and as such AS 25 is not mandatory for the quarterly reporting prescribed for listed banks. The recognition and measurement principles laid down under AS 25 shall however, be complied with in respect of such quarterly reports. Half yearly review of accounts shall be applicable for all commercial banks irrespective of whether such banks are listed or not. Banks shall follow the format prescribed by the Department of Supervision, Reserve Bank of India (or National Bank for Agriculture and Rural Development for RRBs) for the purpose.

### **7. Accounting Standard 26 – Intangible asset**

This Standard prescribes the accounting treatment for intangible assets that are not dealt with specifically in another accounting standard. With respect to computer software which has been customized for the bank's use and is expected to be in use for some time, the detailed recognition and amortization principle in respect of computer software prescribed in the Standard adequately addresses these issues and may be followed by banks. It may be noted that intangible assets recognized and carried in the balance sheet of banks in compliance with AS 26 shall attract provisions of section 15(1) of the Banking Regulation Act 1949, in terms of which banks are prohibited from declaring any dividend until any expenditure not represented by tangible assets is carried in the balance sheet. Banks desirous of paying dividend while carrying any intangible assets in its books must seek exemption from section 15(1) of the Banking Regulation Act, 1949 from the Central Government.

### **8. Accounting Standard 28 – Impairment of assets**

This standard prescribes the procedures that an enterprise applies to ensure that its assets are carried at no more than their recoverable amount. It is clarified that the standard shall not apply to inventories, investments and other financial assets such as loans and advances and shall generally be applicable to banks in so far as it relates to fixed assets. The Standard shall generally apply to financial lease assets and non-banking assets acquired in settlement of claims only when the indications of impairment of the entity are evident.



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### **Section II**

The significant accounting policies as approved by our Board and followed by our bank are given hereunder. The application of these accounting policies is in adherence with the guidance notes detailed in Section I above, from the current financial year.

#### **1. General**

##### **1.1 Basis of preparation**

The Bank's financial statements are prepared on historical cost convention and on accrual basis of accounting, unless otherwise stated, by following going concern assumption and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by the Reserve Bank of India (RBI)/ National Bank for Agriculture and Rural Development (NABARD), Banking Regulation Act, 1949, Regional Rural Banks Act, 1976 as amended up to date, Accounting Standards, Guidance Notes issued by the Institute of Chartered Accountants of India (ICAI) and practices prevailing in the banking industry in India.

##### **1.2 Use of estimates**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the financial statements are prudent and reasonable and are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Future results could differ from these estimates. Any revision in the accounting estimates is recognized in the period in which the results are known / materialized.

#### **2. Revenue Recognition:**

##### **2.1 Income and Expenditure are generally recognized on accrual basis, except the following:**

- i. Interest on non-performing advances and non-performing investments is recognized based on realization as per prudential norms laid down by Reserve Bank of India, in view of uncertainties of collection of income in such cases.
- ii. Income by way of commission, exchange, brokerage, fee and interest on overdue bills are accounted for on realization.
- iii. Locker rent and commission on bank guarantees are recognized on realization basis.
- iv. In case of suit filed accounts, related legal and other expenses incurred are charged to Profit and Loss account and on recovery the same are accounted as income.

##### **2.2 Partial recoveries in non-performing advances are appropriated in the following order of priority:**

- i. Expenditure/out of pocket expenses incurred for recovery
- ii. Interest irregularities/accrued interest
- iii. Principal irregularities i.e., Principal outstanding in the account

In case of non-performing advances involving compromise settlements, the recoveries are first adjusted towards principal.



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### 3. Investments:

The guidelines issued by RBI for Investment Portfolio of RRBs are adopted by our Bank.

#### 3.1 Categorization

The entire investment portfolio of the RRBs comprising SLR securities and non-SLR securities are classified under three categories viz. 'Held to Maturity', 'Available for Sale' and 'Held for Trading'.

However, in the Balance Sheet, the investments will continue to be disclosed as per the existing five classifications viz. (1) Government Securities (2) Other Approved Securities (iii) Shares (iv) Debentures & Bonds (v) Others like Mutual Fund Units, etc.

RRBs should decide the category of the investment at the time of acquisition and the decision should be recorded on the investment proposals.

#### 3.2 Definitions

- (i) The securities acquired by the RRBs with the intention to hold them up to maturity will be classified under Held to Maturity (HTM).
- (ii) The securities acquired by the RRBs with the intention to trade by taking advantage of the short-term price/interest rate movements will be classified under Held for Trading (HFT).
- (iii) The securities which do not fall within the above two categories will be classified under Available for Sale (AFS).

#### 3.3 Valuation

- A. In determining the acquisition cost of an investment,
  - (i) Brokerage, commission, securities transaction tax and stamp duty paid in connection with acquisition of investments is treated as revenue expenditure.
  - (ii) Broken period interest paid/received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
  - (iii) Cost is determined on the weighted average cost method for all the categories of investments.
- B. The investments are valued in accordance with the guidelines issued by Reserve Bank of India on the following basis:
  - i. Investments classified under Held to Maturity category need not be marked to market and will be carried at acquisition cost unless it is more than the face value, in which case the premium should be amortized over the period remaining to maturity.

The banks should reflect the amortized amount in schedule 13-Interest earned: Item II – Income on investments as a deduction.



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However, the deduction need not be disclosed separately. The book value of the security should continue to be reduced to the extent of the amount amortized during the relevant accounting period.

- ii. The individual scrips in the Available for Sale category will be marked to market at quarterly or at more frequent intervals. The book value of the individual securities would not undergo any change after the revaluation.
- iv. The individual scrips in the Held for Trading category will be marked to market at monthly or at more frequent intervals. The book value of individual securities in this category would not undergo any change after marking to market.

### 3.4 Accounting Procedure:

Investment entries are to be passed at cost price of a Security. Where the cost price of a Security is more than the face value (purchased at premium), the premium has to be amortized over the remaining maturity period of the Security. On the other hand, where the cost price is less than the face value, the difference should be ignored and should not be taken to income since the amount represents un-realized gain. Profit / Loss on sale of Investments should be treated as per the accounting principles.

### 3.5 Prudential Norms:

Investments are classified as Performing and Non-Performing, based on the guidelines issued by the Reserve Bank of India.

## 4. Fixed Assets:

- (a) Fixed assets are stated at historical cost net of depreciation.
- (b) Depreciation on fixed assets has been provided as per written down value method as under:
  - (i) Rates of depreciation:
    - ❖ 10% on Wooden & Steel furniture items and electrical installations etc.
    - ❖ 15% on Plant & Machinery, Motor Vehicles (Car & Jeep) and Cycles
    - ❖ 60% on Computers, Computer equipment and Software
    - ❖ 10% on Library
  - (ii) Assets having original cost less than or equal to Rs. 5,000/- will be depreciated 100% leaving a residual value of Rs. 1/- only.
  - (iii) In respect of assets purchased during the year, depreciation is provided proportionately as per the number of days the asset is put to use by the bank during the year.
  - (iv) Depreciation is calculated in furniture module of the system and the same is provided manually in respect of Library.



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### 5. Impairment of Assets:

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent the carrying amount of assets exceeds their estimated recoverable amount.

### 6. Deposits:

The Bank provides interest at the rate applicable to SB accounts towards interest on overdue deposits in terms of the RBI guidelines.

### 7. Advances:

- a. All advances of the Bank have been classified into Performing (Standard) and Non-Performing Assets (Sub-standard, Doubtful and Loss Assets).
- b. Provision in respect of Non-Performing Assets is made as per the Prudential Norms issued by RBI/NABARD and the provisions are as under:
  - (i) Sub-standard Assets: 15% on secured portion and 25% on unsecured portion
  - (ii) Doubtful Assets under D1 category: 25% on secured portion and 100% on unsecured portion
  - (iii) Doubtful Assets under D2 category: 40% on secured portion and 100% on unsecured portion
  - (iv) Doubtful Assets under D3 category and loss assets: 100 %
- c. Provision in respect of Non-performing Assets has been deducted from the advances.
- d. A general provision on Standard Advances (Performing Assets) and floating provision on advances have not been deducted from advances, but are shown under the head “Other Liabilities & Provisions” in the liabilities side of the Balance Sheet.
- e. Unrealized Interest on Non-Performing assets is not recognized as income.
- f. Partial recoveries in non-performing assets are apportioned first to the charges & interest and thereafter to the principal.

### 8. Employee Benefits:

#### 8.1 Short Term Employee Benefits

The undiscounted amounts of employee benefits payable wholly within twelve months of rendering the service by employees are classified as short term and are recognized during the period in which the employee renders the related service.



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### 8.2 Long Term Employee Benefits

#### (i) Defined Contribution Plans

Government of India accorded approval for grant of pension to the employees of RRBs vide its letter F.No. 8/20/2010-RRB dated 23.10.2018. Board vide its resolution no. 2714 dated 30.10.2018 approved adoption of Chaitanya Godavari Grameena Bank (Employees') Pension Regulations, 2018.

Contributions to the recognized provident fund and/or National Pension Scheme (NPS) shall be made in terms of the said pension regulations.

The accounting shall be made as per the extant guidelines applicable there for, as communicated by GoI/NABARD/Sponsor Bank from time to time.

#### (ii) Defined Benefit Plans

Employees' gratuity, pension and leave encashment are defined benefit plans

##### a. Gratuity:

Bank has formulated a trust and the trustees have obtained a Group Gratuity policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability of the employees.

The present value of the Bank's obligations under Gratuity is recognized on the basis of an actuarial valuation as at the year end and the fair value of the Plan Assets is reduced from the gross obligations to recognize the obligation on a net basis.

As per the actuarial valuation given by LIC, the Bank shall make payment to the LIC. The trust shall also make investments with India First Life Insurance Company Ltd. (IFLI) towards gratuity.

##### b. Pension:

Government of India issued notification on CGGB (Employees') Pension Regulations, 2018 in its official gazette on 12.12.2018 and accordingly "CGGB (Employees') Pension Fund" is constituted by the Bank.

The contribution to the pension fund shall be in terms of the aforesaid regulations.

The accounting shall be made as per the extant guidelines applicable there for, as communicated by GoI/NABARD/Sponsor Bank from time to time.

##### c. Leave Encashment:

- i. Encashment of Earned Leaves during the tenure of service on account of LFC/LTC is charged to Profit & Loss Account as and when it arises.
- ii. Towards encashment of earned leave at the time of retirement etc., Bank is maintaining a fund with LIC of India which makes actuarial valuation and accordingly amounts are invested in the fund every year. Funds are invested under Group Leave Encashment Scheme (GLES) with India First Life Insurance Company Ltd. (IFLI) also.



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### 9. Accounting Standard 17: Segment Reporting

In terms of the compliance to the accounting standard, bank has adopted the following:

- i. The business segment is considered as the only reporting format.
- ii. The business segments will be Retail Banking and Treasury only.
- iii. The allocation of expenditure among the segments will be made on a reasonable and consistent basis.

### 10. Accounting Standard 22: Accounting For Taxes On Income

The standard is applied in accounting for taxes on income. This includes the determination of the amount of the expenses or saving related to taxes on income in determination of the amount period and the disclosure of such an amount in the financial statement. This accounting standard provides for creation of either a 'Deferred Tax Asset (DTA)' or a 'Deferred Tax Liability (DTL)' in the books of accounts of the bank.

### 11. Taxes On Income:

1. Income tax expenses is the aggregate amount of
  - a. current tax provision and
  - b. deferred tax charge
2. Current tax provision is the amount of tax for the period which is determined in accordance with the provisions of Income Tax Act, 1961 and the rules made there under.
3. Deferred tax charge is determined in accordance with the provisions of Income Tax Act, 1961 and as per Accounting Standard 22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India and is the net change in the deferred tax asset or liability during the year. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income and reversal of timing differences of earlier years.
4. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date.
5. Deferred tax assets are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.
6. Deferred tax assets are recognized and reassessed at each reporting date, based upon the management's judgement as to whether realization is considered as reasonably/virtually certain.

### 12. Accounting Standard 25: Interim Financial Reporting

There shall be a quarterly review by Statutory Central Auditors (SCA) for the period ended 30th June, 30th September and 31st December. Such exercise of quarterly review shall be made with major thrust on the verification of income and expenditure items and not on balance sheet items except to the extent that such items have an impact on the income and expenditure of the bank.



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### 13. Provisions & Contingent Liabilities:

- 1) In conformity with AS 29 “Provisions, Contingent Liabilities and Contingent Assets” issued by the Institute of Chartered Accountants of India, the Bank shall recognize provisions only when:
  - a. it has a present obligation as a result of a past event.
  - b. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
  - c. when a reliable estimate of the amount of the obligation can be made.
- 2) No provision is recognized for:
  - a. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
  - b. any present obligation that arises from past events but is not recognized because
    - i. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
    - ii. A reliable estimate of the amount of obligation cannot be made. Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.
- 3) All unclaimed liabilities, where amount due has been transferred to Depositor Education and Awareness Fund Scheme [DEAF] of RBI, are reflected as “Contingent Liability – Others, items for which the bank is contingently liable” under Schedule 12 of the annual financial statements.
- 4) Contingent Assets are not recognized in the financial statements.

### 14. Net Profit:

The Net Profit disclosed in the Profit and Loss Account is after\_\_

- a. Provision on standard assets
- b. Provision on loan losses
- c. Provision for non-performing investments
- d. Provision for depreciation on investments
- e. Provision for taxation
- f. Other usual and necessary provisions



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### 15. Related Party Disclosures:

- Chairman and Chief Vigilance Officer deputed by Sponsor Bank, i.e., Union Bank of India are related parties to the Bank. Salaries and Allowances paid to them are charged to the Profit & Loss account of the Bank.
- The Bank is having transactions with Union Bank of India, but details are not given under this head as Paragraph 9 of Accounting Standard 18 issued by The Institute of Chartered Accountants of India (ICAI) exempts the Bank from disclosing the transactions with Other State Controlled Enterprises.

**for N G RAO & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**Firm's Registration No: 009399S**

**(CA G Nageswara Rao)**

**Membership No: 207300**

**Partner**

**UDIN: 22207300AIAIXV7379**

### BOARD OF DIRECTORS

**T Kameswara Rao**

Chairman

**G Chandrakanth**

Nominee Director,  
RBI

**R I A Selvan**

Nominee Director,  
NABARD

**A Ravi Kumar**

Nominee Director,  
Union Bank of India

**C Prabu**

Nominee Director,  
Union Bank of India

**Place :** Guntur

**Date :** 28<sup>th</sup> April, 2022



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**HEAD OFFICE :: GUNTUR**

#### SCHEDULE 18

#### DISCLOSURE TO FINANCIAL STATEMENTS – NOTES TO ACCOUNTS

[Prepared in accordance with RBI's Master Direction No. DOR.ACC.REC.No.46/21.04.018/2021-22 dated 30.08.2021 – Reserve Bank of India (Financial Statements – Presentation and Disclosures) Directions, 2021]

#### 1. Regulatory Capital

##### (a) Composition of Regulatory Capital

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	756.47	587.13
ii)	Additional Tier 1 capital/ Other Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	756.47	587.13
iv)	Tier 2 capital	65.56	42.80
v)	Total capital (Tier 1+Tier 2)	822.03	629.93
vi)	Total Risk Weighted Assets (RWAs)	6010.12	5076.10
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-up share capital and reserves as percentage of RWAs	12.59	11.57
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	12.59	11.57
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.09	0.84
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	13.68	12.41
xi)	Leverage Ratio	N.A.	N.A.
xii)	Percentage of the shareholding of		
	(a) Government of India	50.00	50.00
	(b) State Government – <i>Government of Andhra Pradesh</i>	15.00	15.00
	(c) Sponsor Bank	35.00	35.00
xiii)	Amount of paid-up equity capital raised during the year	-	-
xiv)	Amount of non-equity Tier 1 capital raised during the year of which:		
	(a) Basel III compliant Perpetual Non-Cumulative Preference shares	-	-
	(b) Basel III compliant Perpetual Debt Instruments		



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(b) **Draw down from Reserves:** Bank has not drawn any amount from Reserves during the current financial year 2021-22.

### 2. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

As on 31.03.2022

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	over 2 months and upto 3 months	over 3 months and upto 6 months	over 6 months and upto 1 year	over 1 year and upto 3 years	over 3 years and upto 5 years	Over 5 years	Total
<b>Deposits</b>	107.33	30.90	174.50	103.33	312.93	244.49	1002.88	2170.55	3068.22	30.90	40.83	7286.86
<b>Advances</b>	464.93	144.20	641.78	24.60	27.17	101.98	1327.17	2031.86	446.56	2166.20	716.89	8093.34
<b>Investments</b>	0.00	0.00	0.00	5.00	47.43	0.00	9.96	70.00	156.37	84.48	1057.84	1431.08
<b>Borrowings</b>	0.00	0.00	0.00	0.00	0.00	225.18	454.78	1200.36	889.98	276.28	0.00	3046.58
<b>Foreign Currency assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Foreign Currency liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-

As on 31.03.2021

(Amount in ₹ crore)

	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	over 2 months and upto 3 months	over 3 months and upto 6 months	over 6 months and upto 1 year	over 1 year and upto 3 years	over 3 years and upto 5 years	Over 5 years	Total
<b>Deposits</b>	18.95	8.13	26.99	61.25	101.36	54.17	57.21	1276.89	3541.36	702.13	691.23	6539.67
<b>Advances</b>	0.22	0.11	0.79	1.01	6.79	40.98	106.23	3042.46	1066.81	949.68	1662.25	6877.33
<b>Investments</b>	0.00	6.65	11.35	0.00	0.00	0.00	40.78	154.85	192.48	65.60	1212.87	1684.58
<b>Borrowings</b>	0.00	0.00	0.00	0.00	0.00	220.00	625.13	646.31	600.09	189.07	0.00	2280.60
<b>Foreign Currency assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Foreign Currency liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-



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### 3. Investments

#### (a) Composition of Investment Portfolio

As at 31.03.2022

(Amount in ₹ crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
<b>Held to Maturity</b>												
Gross	1260.40	0.00	0.00	0.00	0.00	0.00	1260.40	0.00	0.00	0.00	0.00	1260.40
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1260.40	0.00	0.00	0.00	0.00	0.00	1260.40	0.00	0.00	0.00	0.00	1260.40
<b>Available for Sale</b>												
Gross	115.38	0.00	0.00	55.30	0.00	0.00	170.68	0.00	0.00	0.00	0.00	170.68
Less: Provision for depreciation and NPI	0.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
Net	115.38	0.00	0.00	45.30	0.00	0.00	160.68	0.00	0.00	0.00	0.00	160.68
<b>Held for Trading</b>												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Investments</b>	1375.78	0.00	0.00	55.30	0.00	0.00	1431.08	0.00	0.00	0.00	0.00	1431.08
Less: Provision for non-performing investments	0.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1375.78	0.00	0.00	45.30	0.00	0.00	1421.08	0.00	0.00	0.00	0.00	1421.08



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As at 31.03.2021

(Amount in ₹ crore)

	Investments in India						Investments outside India				Total Investments	
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
<b>Held to Maturity</b>												
Gross	1184.88	0.00	0.00	0.00	0.00	0.00	1184.88	0.00	0.00	0.00	0.00	1184.88
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1184.88	0.00	0.00	0.00	0.00	0.00	1184.88	0.00	0.00	0.00	0.00	1184.88
<b>Available for Sale</b>												
Gross	345.47	0.00	0.00	136.23	0.00	18.00	499.70	0.00	0.00	0.00	0.00	499.70
Less: Provision for depreciation and NPI	15.22	0.00	0.00	10.00	0.00	0.00	25.22	0.00	0.00	0.00	0.00	25.22
Net	330.25	0.00	0.00	126.23	0.00	18.00	474.48	0.00	0.00	0.00	0.00	474.48
<b>Held for Trading</b>												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Investments</b>	1530.35	0.00	0.00	136.23	0.00	18.00	1684.58	0.00	0.00	0.00	0.00	1684.58
Less: Provision for non-performing investments	0.00	0.00	0.00	10.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00	10.00
Less: Provision for depreciation and NPI	15.22	0.00	0.00	0.00	0.00	0.00	15.22	0.00	0.00	0.00	0.00	15.22
Net	1515.13	0.00	0.00	126.23	0.00	18.00	1659.36	0.00	0.00	0.00	0.00	1659.36



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### (b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

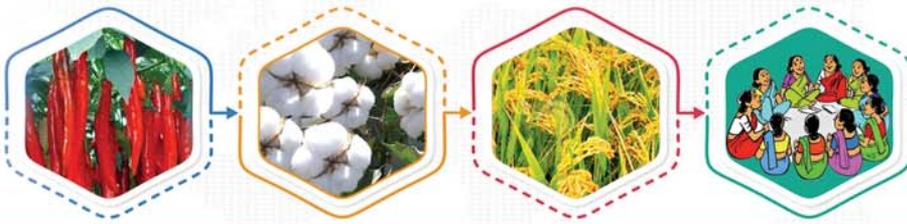
(Amount in ₹ crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	25.22	0.00
b) Add: Provisions made during the year	0.00	25.22
c) Less: write off/write back of excess provisions during the year	15.22	0.00
d) Closing balance	10.00	25.22
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	11.80	11.80
b) Add: Provisions made during the year	0.00	0.00
c) Less: write off/write back of excess provisions during the year	0.00	0.00
d) Closing balance	11.80	11.80
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/current category	6.91	2.36

### (c) Sale and transfers to/from HTM category

There is no direct sale of securities from HTM category during the current year

	Current Year	Previous Year
The one-time transfer of securities to/from HTM category with the approval of Board of Directors undertaken by banks at the beginning of the accounting year	390.32	32.33
Direct sales from HTM for bringing down SLR holdings in HTM category consequent to a downward revision in SLR requirements by RBI	Nil	Nil
Sales to the Reserve Bank of India under liquidity management operations of RBI like Open Market Operations (OMO) and the Government Securities Acquisition Programme (GSAP)	Nil	Nil
Repurchase of Government Securities by Government of India from banks under buyback/switch operations	Nil	Nil
Repurchase of State Development Loans by respective state governments under buyback/switch operations	Nil	Nil
Additional shifting of securities explicitly permitted by the Reserve Bank of India	Nil	Nil



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(d) Non –SLR investment portfolio  
(i) Non-performing non-SLR investments

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening balance	10.00	0.00
b)	Additions during the year since 1st April	0.00	10.00
c)	Reductions during the above period	0.00	0.00
d)	Closing balance	10.00	10.00
e)	Total provisions held	10.00	10.00

(ii) Issuer composition of non-SLR investments

(Amount in ₹ crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	PSUs	21.50	43.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b)	FIs	1.80	11.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c)	Banks	32.00	80.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d)	Private Corporates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e)	Subsidiaries/ Joint Ventures	-	-	-	-	-	-	-	-	-	-
f)	Others	0.00	18.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
g)	Provision held towards depreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total	55.30	154.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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### (e) Repo transactions (in face value terms)

(Amount in ₹ crore)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	0.00	0.00	0.00	0.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00
ii) Securities purchased under reverse repo				
a) Government securities	1.00	560.00	176.66	475.00
b) Corporate debt securities	0.00	0.00	0.00	0.00
c) Any other securities	0.00	0.00	0.00	0.00



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### 4. Asset Quality

#### (a) Classification of advances and provisions held

(Amount in ₹ lakh)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	680863.65	2921.84	3583.34	364.06	6869.24	687732.89
Add: Additions during the year					3260.10	3260.10
Less: Reductions during the year*					3408.16	3408.16
Closing balance	802613.25	3077.78	3266.08	377.32	6721.18	809334.43
*Reductions in Gross NPAs due to:					3408.16	3408.16
i) Upgradation					819.29	819.29
ii) Recoveries (excluding recoveries from upgraded accounts)					1934.75	1934.75
iii) Write-offs					654.12	654.12
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	1850.00	2921.84	3584.10	364.06	6870.00	8720.00
Add: Fresh provisions made during the year					2690.00	2690.00
Less: Excess provision reversed/ Write-off loans					912.31	912.31
Closing balance of provisions held	2200.00	3077.88	3266.08	377.32	8647.69*	10847.69 #
<b>Net NPAs</b>						
Opening Balance		0.00	0.00	0.00	0.00	
Add: Fresh additions during the year					0.00	
Less: Reductions during the year					0.00	
Closing Balance		0.00	0.00	0.00	0.00	0.00



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(Amount in ₹ lakh)

	Standard	Non-Performing			Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances
<b>Floating Provisions</b>					
Opening Balance					1250.00
Add: Additional provisions made during the year					0.00
Less: Amount drawn down during the year					0.00
Closing balance of floating provisions					1250.00
<b>Technical write-offs and the recoveries made thereon</b>					
Opening balance of Technical/Prudential written-off accounts					1945.90
Add: Technical/Prudential write-offs during the year					654.12
Less: Recoveries made from previously technical/prudential written-off accounts during the year					81.11
Closing balance					2518.91

\* Rs. 1926.51 lakh of excess provision (over and above PCR at 100%) is retained for considering as Tier – II capital under General Reserves & Provisions for March 2022

# Fresh provision of Rs. 350.00 crore towards Standard Assets is made during FY 2022. Thus the said provision increased from Rs. 1850.00 lakh to Rs. 2200.00 lakh as on March 2022. The breakup for Closing Provision of Rs.10847.69 lakh is as under:

Provision for Standard Assets	-	Rs. 2200.00 lakh
Provision for NPAs	-	Rs. 6721.18 lakh
Excess Provision for NPAs as cited above	-	Rs. 1926.51 lakh
Total	-	Rs. 10847.69 lakh



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Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	0.91	1.09
Net NPA to Net Advances	0.00	0.00
Provision coverage ratio	100.00	100.00

### (b) Sector-wise Advances and Gross NPAs

(Amount in ₹ crore)

Sr. No.	Sector*	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>i)</b>	<b>Priority Sector</b>						
	a) Agriculture and allied activities	4199.08	40.64	0.97	3819.20	41.91	1.10
	b) Advances to industries sector eligible as priority sector lending	5.21	0.10	1.92	5.38	0.09	1.66
	c) Services	135.02	14.20	10.52	182.18	14.55	7.99
	d) Personal loans	2547.29	6.96	0.27	1911.96	6.29	0.33
	Subtotal (i)	<b>6886.60</b>	<b>61.90</b>	<b>0.90</b>	<b>5918.72</b>	<b>62.84</b>	<b>1.06</b>
<b>ii)</b>	<b>Non-priority Sector</b>						
	a) Agriculture and allied activities	-	-	-	-	-	-
	b) Industry	-	-	-	-	-	-
	c) Services	-	-	-	-	-	-
	d) Personal loans	506.74	5.31	1.05	358.61	5.85	1.63
	Sub-total (ii)	<b>506.74</b>	<b>5.31</b>	<b>1.05</b>	<b>358.61</b>	<b>5.85</b>	<b>1.63</b>
	<b>Total (i + ii)</b>	<b>7393.34</b>	<b>67.21</b>	<b>0.91</b>	<b>6277.33</b>	<b>68.69</b>	<b>1.09</b>

Sub sectors where the outstanding advance exceeds 10% of the outstanding total advances to that sector for the FY 2020-21 are

: NIL

Sub sectors where the outstanding advance exceeds 10% of the outstanding total advances to that sector for the FY 2021-22 are

: NIL



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**c) Particulars of resolution plan and restructuring**  
**(i) Details of accounts subjected to restructuring**

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard	Number of borrowers	59624	65678	0	0	11426	18431	2383	2838	73433	86947
	Gross Amount (₹ crore)	2197.57	1916.28	0.00	0.00	291.97	280.22	183.73	226.81	2673.27	2423.31
	Provision held (₹ crore)	4.71	0.65	0.00	0.00	1.30	0.00	6.95	0.00	12.96	0.65
Sub-standard	Number of borrowers	208	128	0	0	1705	550	56	66	1969	744
	Gross Amount (₹ crore)	2.20	2.06	0.00	0.00	7.96	2.39	3.68	4.79	13.84	9.24
	Provision held (₹ crore)	2.20	2.06	0.00	0.00	7.96	2.39	3.68	4.79	13.84	9.24
Doubtful	Number of borrowers	60	12	0	0	245	23	19	2	324	37
	Gross Amount (₹ crore)	0.89	0.04	0.00	0.00	0.97	0.20	1.48	0.32	3.34	0.56
	Provision held (₹ crore)	0.89	0.04	0.00	0.00	0.97	0.20	1.48	0.32	3.34	0.56
Total	Number of borrowers	59892	65818	0	0	13376	19004	2458	2906	75726	87728
	Gross Amount (₹ crore)	2200.66	1918.38	0.00	0.00	300.90	282.81	188.89	231.92	2690.45	2433.11
	Provision held (₹ crore)	7.80	2.75	0.00	0.00	10.23	2.59	12.11	5.11	30.14	10.45



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### (d) Fraud accounts

Disclosure on the number and amount of frauds as well as the provisioning thereon:

	Current year	Previous year
Number of frauds reported	4	0
Amount involved in fraud (₹ crore)	1.07	0.00
Amount of provision made for such frauds (₹ crore)*	1.07	0.00
Amount of Unamortised provision debited from 'other reserves' as at the end of the year. (₹ crore)	0.00	0.00

\* Out of the above, loan accounts of Rs. 0.15 crore were treated as loss assets and 100% provision is made there for.

### (e) Disclosure under Resolution Framework for COVID-19 related Stress

As on September 30, 2021

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	1.55	0.16	0.00	0.53	0.97
Corporate persons	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	2421.75	29.21	0.00	1061.41	2493.53
Total	2423.30	29.37	0.00	1061.94	2494.50



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As on March 31, 2022

(Amount in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	0.97	0.01	0.00	0.33	0.69
Corporate persons	0.00	0.00	0.00	0.00	0.00
Of which MSMEs	0.00	0.00	0.00	0.00	0.00
Others	2493.53	3.35	0.03	891.98	2672.57
<b>Total</b>	<b>2494.50</b>	<b>3.36</b>	<b>0.03</b>	<b>892.31</b>	<b>2673.26</b>



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### 5. Exposures

#### (a) Exposure to real estate sector

(Amount in ₹ crore)

Category	Current year	Previous Year
<b>i) Direct exposure</b>		
a) Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	334.67	260.84
Individual housing loans eligible for inclusion in priority sector advances. (Exposure would also include non-fund based (NFB) limits)	304.61	264.83
b) Commercial Real Estate –		
Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	27.05	42.71
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	NIL	NIL
ii. Commercial Real Estate	NIL	NIL
<b>ii) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
<b>Total Exposure to Real Estate Sector</b>	<b>666.33</b>	<b>568.38</b>



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- (b) Exposure to capital market: NIL  
(c) Unsecured advances

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	130.76	38.17
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

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

- (a) Concentration of deposits

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total deposits of the twenty largest depositors	976.47	907.48
Percentage of deposits of twenty largest depositors to total deposits of the bank	13.40	13.88

- (b) Concentration of advances

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total advances to the twenty largest borrowers	49.99	52.89
Percentage of advances to twenty largest borrowers to total advances of the bank	0.62	0.84

- (c) Concentration of exposures

(Amount in ₹ crore)

Particulars	Current year	Previous Year
Total exposure to the twenty largest borrowers/customers	94.43	197.49
Percentage of exposures to the twenty largest borrowers/ customers to the total exposure of the bank on borrowers/ customers	1.16	2.81



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### (d) Concentration of NPAs

(Amount in ₹ crore)

	Current year	Previous Year
Total Exposure to the top twenty NPA accounts	4.39	4.48
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	6.53	6.52

### 7. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	16.56	1.45
ii)	Add: Amounts transferred to DEA Fund during the year	1.39	15.11
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.36	0.00
iv)	Closing balance of amounts transferred to DEA Fund	17.59	16.56

### 8. Disclosure of complaints

#### (a) Summary information on complaints received by the bank from customers and from the Offices of Banking Ombudsman (OBOs)

Sr No	Particulars	Previous Year	Current Year
	Complaints received by the bank from its customers		
1.	Number of complaints pending at beginning of the year	12	5
2.	Number of complaints received during the year	2659	1481
3.	Number of complaints disposed during the year	2666	1474
	3.1 Of which, number of complaints rejected by the bank	0	0
4.	Number of complaints pending at the end of the year	5	12
	Maintainable complaints received by the bank from OBOs		
5.	Number of maintainable complaints received by the bank from OBOs	31	25
	5.1 Of 5, number of complaints resolved in favour of the bank by BOs	31	25
	5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	0	0
	5.3 Of 5, number of complaints resolved after passing of Awards by BOs against the bank	0	0
	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0



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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
<b>Ground - 1</b>	5	1452	(-)45.43	11	6
<b>Ground - 2</b>	0	3	-	0	0
<b>Ground - 3</b>	0	28	21.74	0	0
<b>Ground - 4</b>	0	7	-	0	0
<b>Ground - 5</b>	0	1	(-)66.67	0	0
<b>Others</b>	0	15	-	1	0
<b>Total</b>	5	1506	(-)44.01	12	6
<b>Previous Year</b>					
<b>Ground - 1</b>	12	2661	-	5	3
<b>Ground - 2</b>	0	0	-	0	0
<b>Ground - 3</b>	0	23	-	0	0
<b>Ground - 4</b>	0	2	-	0	0
<b>Ground - 5</b>	0	3	-	0	0
<b>Others</b>	0	1	-	0	0
<b>Total</b>	12	2690	-	5	3

**Ground 1:** ATM/Debit Cards

**Ground 2:** Internet/Mobile/Electronic Banking

**Ground 3:** Loans and advances

**Ground 4:** Staff behaviour

**Ground 5:** Levy of charges without prior notice/ excessive charges/ foreclosure charges

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

During the year ended with March 2022, no penalty has been imposed by RBI



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### 10. Disclosures on remuneration

#### Particulars of Managerial Remuneration:

(Amount Rs. Lakh)

Particulars	Current year	Previous Year
Mr T Kameswara Rao, Chairman (Deputy General Manager, on deputation from Union Bank of India)	23.09	17.41

### 11. Related Party Disclosures:

During the year, the Bank paid an amount of Rs. 23,09,158/- to Chairman and Rs. 18,17,506/- to Chief Vigilance Officer, towards salary and allowances, who are on deputation from Sponsor Bank i.e., Union Bank of India

### 12. Accounting Standard 17 – Segment Reporting

#### Part A: Business Segments

(Amount in ₹ crore)

Business Segments →	Treasury		Corporate / Wholesale Banking		Retail Banking		Other Banking Business		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	113.55	130.15	-	-	909.03	716.26	-	-	1022.58	846.41
Result	25.16	20.42	-	-	201.45	112.40	-	-	226.61	132.82
Unallocated expenses									-	-
Operating profit									268.38	202.48
Income taxes									64.27	31.73
Extraordinary profit / loss	-	-	-	-	-	-	-	-	-	-
Net profit									162.34	101.09
Other information:										
Segment assets	1431.08	1684.58	-	-	7326.13	6208.63	-	-	8757.21	7893.21
Unallocated assets									2592.77	1764.45
Total assets									11349.98	9657.66
Segment liabilities	-	-	-	-	10333.44	8820.27	-	-	10333.44	8820.27
Unallocated liabilities									1016.54	837.39
Total liabilities									11349.98	9657.66

#### Part B: Geographic Segment

There is only one segment, i.e. Domestic segment



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### 13. CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

Rs. '000

Particulars	For the F.Y. ended 31.03.2022	For the F.Y. ended 31.03.2021
Opening balance of Cash and Cash equivalents	13056138	11055304
Closing balance of Cash and Cash equivalents	20947362	13056138
<b>Net Increase (+)/Decrease (-) of Cash and Cash equivalents during the period</b>	<b>7891224</b>	<b>2000834</b>
<b>Cash Flow from Operating Activities :</b>		
Net Profit before Tax	2266159	1328192
Add: Depreciation on Assets	137056	41020
Less: Profit on Sale of Assets	185	416
<b>Operating Profit before changes in Operating Assets and Liabilities</b>	<b>2403030</b>	<b>1368796</b>
Adjustment for Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Deposits	7471914	11599552
Increase/(Decrease) in Borrowings	7659727	5183287
(Increase)/Decrease in Investments	2535011	(-3623865)
(Increase)/Decrease in Advances	(-11175036)	(-12171943)
(Increase) /Decrease in Other Assets	(-460839)	106252
Increase /(Decrease) in Other Liabilities and Provisions	168207	60154
<b>Cash Generated from Operations</b>	<b>6198984</b>	<b>1153437</b>
Provision for Income Tax	(-642767)	(-317327)
<b>Cash Flow from Operating Activities (A)</b>	<b>7959247</b>	<b>2204906</b>
<b>Cash Flow from Investing Activities:</b>		
(Purchase)/Sale of Fixed assets	(-68023)	(-204072)
<b>Cash Flow from Investing Activities (B)</b>	<b>(-68023)</b>	<b>(-204072)</b>
<b>Net Increase (+)/Decrease (-) in Cash flow during the period (A)+(B)</b>	<b>7891224</b>	<b>2000834</b>



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### 14. Other Disclosures

#### (a) Business ratios

	Particular	Current Year	Previous Year
i)	Interest Income as a percentage to Working Funds	8.23	8.14
ii)	Non-interest income as a percentage to Working Funds	1.17	0.91
iii)	Cost of Deposits	5.30	5.87
iv)	Net Interest Margin	3.72	3.14
v)	Operating Profit as a percentage to Working Funds	2.47	2.16
vi)	Return on Assets	1.49	1.08
vii)	Business (deposits plus advances) per employee (in ₹ crore)	12.56	12.09
viii)	Profit per employee (in ₹ crore)	0.14	0.09

#### (b) Bancassurance business

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

(Amount in ₹ lakh)

Current Year	Previous Year
149.23	111.84

#### (c) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

Sales during FY2022:

Sl.No.	Category	Face Value (Rs. Lakh)	Premium Rate(%)	Premium Received (Rs. Lakh)
1	PSLCA (PSLC-Agri)	10000.00	2.12	212.00
2	PSLCA (PSLC-Agri)	40000.00	2.12	848.00
3	PSLCA (PSLC-Agri)	40000.00	2.25	900.00
4	PSLCA (PSLC-Agri)	10000.00	2.30	230.00
5	PSLCA (PSLC-Agri)	7000.00	2.30	161.00
6	PSLCA (PSLC-Agri)	29300.00	2.25	659.25
7	PSLCA (PSLC-Agri)	53700.00	2.12	1138.44
	<b>Total</b>	<b>190000.00</b>		<b>4148.69</b>



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### Purchases during FY2022:

Sl.No.	Category	Face Value (Rs. Lakh)	Premium Rate(%)	Premium Paid (Rs. Lakh)
1	PSLCG (PSLC-General)	20000.00	1.20	240.00
2	PSLCG (PSLC-General)	50000.00	1.20	600.00
3	PSLCG (PSLC-General)	30000.00	1.20	360.00
4	PSLCME (PSLC- Micro Enterprises)	6000.00	0.01	0.60
5	PSLCME (PSLC- Micro Enterprises)	4000.00	0.01	0.40
	<b>Total</b>	<b>110000.00</b>		<b>1201.00</b>

### (d) Provisions and contingencies

(Amount in ₹ crore)

	Provision debited to Profit and Loss Account	Current Year	Previous Year
i)	Provision for NPI	0.00	10.00
ii)	Provision towards NPA	26.25	24.72
iii)	Provision made towards Income tax	64.27	31.73
iv)	Other Provisions and Contingencies		
	a. Standard Assets	3.50	4.06
	b. Covid regulatory package	12.96	0.33
	c. Pay revision arrears	(-)2.10	14.85
	d. MTM losses	(-)0.99	15.22
	e. Erosion in assets etc.	1.43	0.48
	f. Frauds	0.54	0.00
	g. Resolution framework_2.0	0.18	0.00
	Total	15.52	34.94
	<b>Total (i,ii,iii and iv)</b>	<b>106.04</b>	<b>101.39</b>

### (e) Payment of DICGC Insurance Premium

(Amount in ₹ crore)

Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	8.81	7.86
ii)	Arrears in payment of DICGC premium	0.00	0.00



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**(f) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks:**

The revision in family pension consequent to the 11th Bipartite Settlement and Joint Note dated 11.11.2020 is not applicable to employees and officers of Regional Rural Banks as on 31.03.2022.

**for N G RAO & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**Firm's Registration No: 009399S**

**(CA G Nageswara Rao)**

**Membership No: 207300**

**Partner**

**UDIN: 22207300AIAIXV7379**

### BOARD OF DIRECTORS

**T Kameswara Rao**

Chairman

**G Chandrakanth**

Nominee Director,  
RBI

**R I A Selvan**

Nominee Director,  
NABARD

**A Ravi Kumar**

Nominee Director,  
Union Bank of India

**C Prabu**

Nominee Director,  
Union Bank of India

**Place :** Guntur

**Date :** 28<sup>th</sup> April, 2022