



12th

Annual Report 2016-17

CHAITANYA GODAVARI GRAMEENA BANK

(A Government Undertaking Sponsored By Andhra Bank)

|| **HEAD OFFICE** ||

Raghu Mansion, 4/1, Brodipet, GUNTUR - 522 002,

ANDHRA PRADESH - INDIA.

website : www.cggb.in

ADMINISTRATIVE SET - UP



V. BRAHMANANDA REDDY CHAIRMAN

R.V. PHANI KUMAR

General Manager

M. BALAJI RAO

Regional Manager,
Regional Office, Rajahmundry

VIGILANCE DEPARTMENT :

A. MURALI KRISHNA, Chief Vigilance Officer

BOARD SECRETARIAT :

B.V. RAMANA RAO

Chief Manager - Board Secretariat

INSPECTION DEPARTMENT :

M.M. GOPI KRISHNA, Sr. Manager

K. PAPAIAH, Sr. Manager

PLANNING & DEVELOPMENT DEPT. :

P. VEERA REDDY, Sr. Manager

C. SAMBASIVA REDDY, Manager

ACCOUNTS DEPARTMENT :

S. GOVINDA RAJULU, Sr. Manager

CREDIT DEPARTMENT :

D. RAGHURAMIAH, Sr. Manager

M. RATNA KUMARI, Sr. Manager

M. BHASKARA RAO, Manager

D. MALAVIKA, Manager

RECOVERY MANAGEMENT DEPARTMENT :

N. VIDYA SAGAR, Sr. Manager

STAFF DEPARTMENT :

N. KONDAMACHARYULU, Sr. Manager

Md. MAZEED, Manager

INFORMATION TECHNOLOGY DEPARTMENT :

P. SRINIVASU, Sr. Manager

S.V. UDAYA SANKAR, Manager

S. CHIRANJEEVI, Manager

FINANCIAL INCLUSION DEPARTMENT :

P. SRINIVASA RAO, Sr. Manager

INTEGRATED RISK MANAGEMENT DEPARTMENT :

M.R.M. KRISHNA, Manager

REGIONAL OFFICE - RAJAHMUNDRY :

V. SURYANARAYANA, Sr. Manager

P. MARUTHI RAM, Sr. Manager

V.V.V.S.H. PRASAD, Sr. Manager

S.S.N. RAM, Manager



STATUTORY AUDITORS FOR 2016-17

Statutory Central Auditors
M/s. RAO & SASI Chartered Accountants, GUNTUR

BRANCH AUDITORS

M/s Kannegolla Krishna Rao & Co

Chartered Accountants, Eluru

M/s Muppala Subba Rao & Co

Chartered Accountants, Guntur

M/s Kothamasu Srinivasa Rao & Co

Chartered Accountants, Guntur

M/s Krishna Prabha Associates

Chartered Accountants, Narasaraopet

M/s Rao & Murty

Chartered Accountants, Vijayawada

M/s N Koteswara Rao & Co

Chartered Accountants, Guntur

M/s P V M Rao & Associates

Chartered Accountants, Guntur

M/s Anantha & Associates

Chartered Accountants, Guntur

M/s Polineni Associates

Chartered Accountants, Guntur

M/s Chinta Krishna Rao & Co

Chartered Accountants, Guntur

M/s Ch Veerababu & Co

Chartered Accountants, Guntur

M/s B Panduranga Rao & Co

Chartered Accountants, Guntur

M/s Lakshmipathi & Co

Chartered Accountants, Kovvur

M/s Repala Mangeswara Rao & Co

Chartered Accountants, Guntur

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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 Economic Affairs,
Banking Division, Government of India
Parliament Street,
NEW DELHI - 110001**

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 1st April 2016 to 31st March 2017.

A copy of the Audited Balance sheet and Profit and Loss Account for the year ended 31st March 2017.

A copy of the Auditors report in relation to the Bank's accounts for the period 1st April 2016 to 31st March 2017.

Yours Sincerely

V. Brahmananda Reddy

Chairman

Place : Guntur

Date : 12.05.2017

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.



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 31.03.2017

- Chairman : **1 Shri V. Brahmananda Reddy**
A.G.M. on deputation from Andhra Bank
- Nominees of Central Government under section 9(1)(a) of the Regional Rural Bank's Act,1976. : **2 Shri K.Chandra Mohan,**
Advocate R/o Palagummi,
Amalapuram Mandal, E.G.Dist
- 3 Shri Jai Prakash Rapolu**
H.No. 16-11-511/D/345, Shalivahana Nagar,
Moosarambagh, Hyderabad- 500 036
- Nominee of Reserve Bank of India under section 9(1)(b) of the Regional Rural Bank's Act,1976. : **4 Ms K Anuradha**
Assistant General Manager
Department of Co-operative Banking Supervision
Reserve Bank of India Regional Office,
Hyderabad
- Nominee of NABARD under section 9(1)(c) : **5 Mr Indranil Chattopadhyay**
of the Regional Rural Bank's Act ,1976. Deputy General Manager - NABARD
Regional Office - AP, Hyderabad
- Nominees of Andhra Bank under section 9(1)(d) : **6 Shri C. Dhananjaya**
of the Regional Rural Bank's Act,1976. Dy G M, Andhra Bank, Zonal Office,
Guntur, Guntur Dist.
- 7 Shri K. Bhaskara Rao**
Dy G M, Andhra Bank, Zonal Office,
Eluru, W.G.Dist.
- Nominees of State Government under section 9(1)(e) of the Regional Rural Bank's Act,1976. : **8 Ms. K. Suneetha** I.A.S.,
Secretary to Government of Andhra Pradesh
AP Secretariat, Velagapudi,
Thulluru Mandal, Guntur Dist.
- 9 Shri Kantilal Dande** I.A.S.,
Collector & District Magistrate, Guntur.





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DIRECTORS' REPORT

The Board of Directors of CHAITANYA GODAVARI GRAMEENA BANK have pleasure in presenting the TWELVETH ANNUAL REPORT of the Bank together with the audited Balance Sheet as on 31st March 2017, Profit & Loss account for the Financial year ended 31st March 2017 and Cash Flow Statement for the financial year 2016-17, 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 Mahaboobnagar & Kurnool Districts, and on the East by Krishna District & Bay of Bengal.

The Total Geographical Area of the District is 11,391 sq. kms, 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 river lets in the District are River Krishna and river lets Naguleru, Chandravanka and Gundlakamma. Predominant crops grown in the District are Paddy, Cotton, Chilies, 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. kms divided into 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 Branches Gowthami Godavari and Vasista Godavari irrigates 85% of the cultivated land in the District. Paddy is the main crop followed by Sugarcane, Tobacco, Maize, Cotton, Chilies, etc.. Oil palm cultivation is increasing day by day.

East Godavari District is bounded on the North by Visakhapatnam District and the State of Orissa, 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. kms divided into 60 Mandals and 1404 Villages. The Total Population of the District as per 2011 census is 51.52 Lakh.

SHARE CAPITAL

Share Capital and Share Capital Deposit Account: As per the RRB (Amendment) Act 2015, the authorized share capital of RRBs has been raised from current level of Rs 5 crore to Rs 2000 crore.

The ratio of 50% (Central Government), 15% (State Government) and 35% (Sponsor Bank) is maintained after conversion of share capital deposit into share capital on 31.03.2016

Thus the share capital of the Bank as on 31.03.2017 is as under:

Central Government	: Rs 3,72,11,000
State Government	: Rs 1,11,63,300
Sponsor Bank	: Rs 2,60,47,700
Total	: Rs 7,44,22,000

STATUTORY RESERVES

Statutory Reserves increased to Rs.5567.43 Lakh during the year from Rs. 4464.13 Lakh as on 31.03.2016



CHAITANYA GODAVARI GRAMEENA BANK

The total reserves and surplus increased to Rs 27984.56 lakh during the year from Rs 22467.87 lakh as on 31.03.2016

Own funds increased to Rs.28728.78 Lakh during the year from Rs. 23212.09 Lakh as on 31.03.2016

NETWORK OF BRANCHES

The Bank is operating through 192 Branches and 1 Extension Counter. The District-wise break up of Branches is as under:

Category	Guntur Dist.	East Godavari Dist.	West Godavari Dist.	Total
Rural	60	23	20	103
Semi-Urban	36	18	12	66
Urban	14	5	4	23
Total	110	46	36	192
Extn. Counters	1	0	0	1

The Bank has opened 18 branches [9 Branches in Guntur District, 6 Branches in East Godavari & 3 Branches in West Godavari District] during the Financial Year 2016-17. The Bank proposes to open 23 new Branches during the Financial Year 2017-18.

CATEGORISATION OF BRANCHES

The categorization of branches was undertaken as per the applicable norms and the position as on 31.03.2017 is as under:

Category of Branch	No of Branches
Scale V	1
Scale IV	6
Scale III	90
Scale II	79
Scale I	16
Total	192

DEPOSITS

The Total Deposits of the Bank as on 31st March 2017 stood at Rs. 329126.38 Lakh. The net accretion of Deposits during the year 2016-17 is Rs.55789.89Lakh registering a growth rate of 20.41%.The percentage of Low Cost Deposits to Total Deposits is 31.85% as on 31st March 2017.The Cost of Deposits worked out to 7.10%. Per Branch Deposits worked out to Rs.1714.20 Lakh.

The category-wise break-up of deposits as on 31.03.2017 is as under:

Nature of Deposit	No. of Accounts	Amount (Rs.inLakh)	% To total Deposits
Current Deposits	17631	10738.46	3.26
Savings Deposits	1276300	94104.85	28.59
Term Deposits	167090	224283.07	68.15
Total Deposits	1461021	329126.38	100.00

CUSTOMER BASE

During the year, there has been an increase in the number of accounts as furnished hereunder, registering 12.19% growth rate in customer base.

	2015-16	2016-17	Growth
Deposits	1299672	1461021	161349
Advances	320823	356982	36159
Total	1620495	1818003	197508

CUSTOMER SERVICE

The Bank has been extending best customer service through its network of Branches duly taking care of their total banking needs. The Bank has conducted several "Customer Meets" for creating awareness about the various Deposits and Advances schemes offered by the Bank. Besides, Financial Literacy Camps are conducted at all branches at periodical intervals to make the customers aware of services available at branches and



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improved technology in our services. This has given an opportunity to the Bank for understanding the needs of the customers in a better way. Chairman, General Manager and Regional Manager have attended the Customer Meets.

BORROWINGS

Major source of Borrowings for the Bank continued to be from NABARD followed by Sponsor Bank i.e., Andhra Bank, NHB, MUDRA and NSCFDC. Bank has adopted a judicious approach on Borrowings considering the Cost of Borrowings. High Cost limits from Sponsor Bank are drawn as and when required only utilizing Low Cost limits from NABARD to the full extent. Bank was prompt in repaying the installments and interest on refinance throughout the year.

The details of borrowings outstanding sector-wise as on 31.03.2017 are given hereunder:

Sector	(Rs. in Lakh)				
	Outstanding Borrowings from				
	NABARD	Andhra Bank	NHB	MUDRA	NSCFDC
STL (SAO)	11900.00	312.22			
STL (DTP)	600.00				
STL (Addl.)	10000.00				
MT (SCH)	67714.74		358.87	4525.00	855.00
Total Borrowings	90214.74	312.22	358.87	4525.00	855.00

CASH & BALANCES WITH BANKS IN CURRENT ACCOUNTS

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 only minimum cash balances are maintained.

Adequate balances are maintained with Reserve Bank of India, as per the requirement of CRR throughout the year.

The Bank is maintaining Current Accounts with Sponsor Bank in order to have effective cash remittances from the Branches. Apart from Sponsor Bank, Bank is also maintaining Current Accounts with State Bank of India,

Indian Overseas Bank, Kotak Mahindra Bank Ltd., Axis Bank Ltd and IDBI Bank Ltd. to facilitate Cash & Clearing Transactions.

The details of cash on hand 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. in Lakh)
Average Deposits	308101.57
Average Cash Holdings	4881.28
% Average Cash Holding to Average Total deposits	1.58
Average Balances held with Reserve Bank of India	13310.10
Average Balances with Sponsor Bank/Other Banks	11064.69
Average Balances with Sponsor Bank/Other Banks in Other Accounts	44326.46
Income received on the balances in other accounts	3403.81

INVESTMENTS

The Bank has invested its surplus funds in approved securities as per the investment policy of the Bank, after carefully considering the various options available, in consultation with the Investments and International Banking Department, Andhra Bank, Mumbai in order to earn maximum possible income. Investments in Government Securities are made through Investments and International Banking department, Andhra Bank, Mumbai. The premium paid for the purchase of Government Securities is being amortized over the remaining period of currency of the Investment.

The Bank had earned profit of Rs.197.30 lakh on sale of G – Sec. Investments from AFS category during the year under review.

The Bank had also earned profit of Rs 74.37 lakh on sale of Non-SLR bonds during the year under review

The details of Investments and Income thereon are furnished hereunder :



CHAITANYA GODAVARI GRAMEENA BANK

PARTICULARS	(Rs. in Lakh)		
	INVESTMENTS		
	SLR	NON-SLR	TOTAL
Total Gross Investments	62186.95	25016.38	87203.33
Less : Amortization/Depreciation	176.41	0.00	176.41
Net Investments	62010.54	25016.38	87026.92
Interest Earned	4953.07	2183.52	7136.59

LOANS & ADVANCES

Bank has made all efforts to meet the integrated credit needs of customers especially in Rural Areas by intensive credit expansion.

The aggregate Loans and Advances of the Bank as on 31st March 2017 stood at Rs. 334513.42 Lakh. The net accretion of advances during the year 2016-17 was Rs.71636.21 Lakh registering a growth rate of 27.25%.

The Scheme-wise break-up of Outstanding is as under:

Particulars	No. of accounts	(Rs. in Lakh) Amount
Short Term Agricultural Loans	256686	211455.27
Agricultural term Loans +AAA	13262	7651.32
Crop loans Converted Term Loans	285	154.25
SSI	131	418.75
Other Priority Sector Loans	68089	87600.35
Non-Priority sector Loans	18529	27233.48
TOTAL ADVANCES	356982	334513.42

ADVANCES BREAK UP	(Rs. in Lakh)
Total Advances- As per GLB	334513.42
Less-IBPC sold with the participation of HDFC Bank Ltd	30000.00
Less – Provision for NPAs	3964.02
Net Advances	300549.40

DISBURSEMENTS OF LOANS & ADVANCES

The Total Disbursements of loans and advances during the year are Rs. 282370.47 Lakh as against the MoU target of Rs.180000.00Lakh. The details of achievement during the year under report are furnished hereunder:

Particulars	(Rs. in Lakh) Amount
Short Term Agricultural Loans	190566.38
Medium Term Agricultural Loans	5675.59
SSI	145.98
Self Help Groups	42063.73
Other Priority Sector Loans	20470.93
Non-Priority Sector Loans	23447.86
Total Disbursements	282370.47

The Sector wise break up of advances is as furnished below :

Particulars	(Rs. in Lakh) Amount
Total Advances	334513.42
Of which: Advances to Priority Sectors	307279.94
% to Total Advances	91.86%
Advances to Non-Priority sectors	27233.48
% to Total Advances	8.14%
C D Ratio	92.52
Average Yield on Advances (%)	10.40
Per Branch Advances	1742.26
Per Employee Advances	497.05
Agricultural Advances	219260.84
Incremental growth (%)	27.43
No. of SHGs credit linked during the year	23855
Incremental growth (%)	67.38



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IRAC NORMS

ASSET CLASSIFICATION

In tune with the guidelines given by the Reserve Bank of India, assets of the Bank as on 31.03.2017 were classified into Standard, Sub-standard, Doubtful and Loss Assets and provisions were made accordingly.

	(Rs.in Lakh)
Substandard Assets	1278.70
Doubtful Assets	2673.54
Loss Assets	11.78
Total NPAs	3964.02

PROVISIONS

	(Rs.in Lakh)
Cumulative Provision against NPAs	4402.19
% of Provision to NPA	111.05%

The classification of Assets and Provisions made is furnished hereunder:

Particulars	(Rs.in Lakh)		
	Amount Outstanding	Provision To be made	Provision Made
Standard Assets	330549.40	909.83	909.83
Sub-standard assets	1278.70	195.29	1278.70
Doubtful assets	2673.54	1692.06	2673.54
Loss assets	11.78	11.78	11.78
Non-performing assets	3964.02	1899.13	3964.02
Loss Assets written off	0.00		
Total assets (advances)	334513.42		
Total Assets less IBPC	304513.42		
Cumulative provision against NPAs	4402.19		
% of NPA to Gross Advances	1.30		
% of Net NPA to Net Advances	0.00		

MOVEMENT OF NPA

(Amount in Rs.Crore)

Particulars	Amount
Gross NPA as on 01.04.2016 (Opening Balance)	48.92
Additions (Fresh NPAs) during the year	13.77
Sub Total (A)	62.69
Less :	
(i) Up Gradations	2.74
(ii) Recoveries (excluding recoveries made from up graded a/cs)	16.94
(iii) Write offs/compromise	3.37
Sub Total (B)	23.05
Gross NPA as on 31.03.2017 (Closing Balance) (A – B)	39.64

INTEREST DERECOGNISED

Owing to the implementation of prudential norms, the Bank has not booked income and has derecognized interest and other charges to the extent of unrealized amounts under NPAs, the details of which are furnished hereunder:

	Rs. in Lakh
Derecognized Income at the beginning of the year	2882.17
Additions during the year	509.21
Recovery during the year	967.02
Derecognized Income at the end of the year	2424.36

RECOVERY OF LOANS

The Bank continued thrust on Recovery of Loans through various modes with the objective of reduction of NPAs and also made efforts for recovery of 'Written off Accounts' in order to improve the profitability.

Intensive recovery efforts were made through the following channels:

1. Comprehensive Compromise Settlement
2. Special Recovery Drives
3. Enforcement of SARFAESI Act
4. One-Time Settlement Scheme



CHAITANYA GODAVARI GRAMEENA BANK

The recovery to total demand as on 30th June 2016 stood at 83.51% for the period under report.

	(Rs. in Lakh)
FARM SECTOR	
Demand	209500.73
Recovery	172935.46
Overdue	36565.27
% of recovery	82.55

	(Rs. in Lakh)
NON - FARM SECTOR	
Demand	42845.71
Recovery	37795.26
Overdue	5050.45
% of recovery	88.21

COMPREHENSIVE CROP INSURANCE

In pursuant with the Govt. of India guidelines and National Agriculture Insurance Company's Crop insurance schemes, the bank is implementing Weather Based Crop Insurance Scheme (WBCIS), Modified National Agriculture Insurance Scheme (MNAIS) and National Agriculture Insurance Scheme (NAIS) and the details of claims pertaining to various branches of the bank and settled by the corporation during this financial year are furnished hereunder:

SEASON	Number of Farmers	Claim Amount (Rs. in Lakh)
Kharif2015–Cotton	360	6.84
Kharif 2015 – Paddy	2146	0.37
Kharif 2015 – Sugarcane (P)	4	24.43
Total	2510	31.64

WRITE OFF LOANS

The details of written off loans and recoveries made under written off loans are as follows:

Particulars	(Rs. in Lakh)	
	2015-16	2016-17
Amount Written off	0.00	0.00
Number of accounts written off	0	0
Recovery made in written off accounts	31.64	21.48

A.P. GOVT. DEBT REDEMPTION SCHEME

The Bank got an amount of Rs. 120.27 Crores in different phases of the first instalment and second instalment amounts from Govt. of Andhra Pradesh under Debt Redemption Scheme 2014 and the claim amount was passed on to individual borrowal accounts.

INTER BANK PARTICIPATION CERTIFICATE [IBPC]

The Bank had issued Inter Bank Participation Certificate of Rs 300.00 crore on risk sharing basis with the participation of HDFC Bank Ltd. during the current year covering Priority Sector Advances –Direct Agri. at a competitive interest rate.

PROFIT

The Bank has earned Gross Profit of Rs. 7536.10 Lakh and Net profit of Rs.5516.69 Lakh during the year under report as against Rs. 5817.10 Lakh and Rs.4540.83 Lakh respectively during 2015-16.

INCOME EARNED

The details of the interest earned are furnished below:

Particulars	(Rs.in Lakh) 2016-17
Interest Received on Loans and Advances	31354.52
Income on Investments (Including FDs)	7408.26
Interest on RBI balances and other Inter-Bank Funds	3403.81
Non-Interest Income	3927.43
Total	46094.02

The Non-Interest Income to the Total Income works out to 8.39%.

EXPENDITURE INCURRED

The details of the expenditure incurred are furnished below:

Particulars	(Rs. in Lakh) 2016-17
Interest paid on Deposits	21863.75
Interest paid on Refinance availed	6907.46
Interest on Inter Bank Participation Certificate	867.24
Other Expenditure	8919.47
Total	38557.92



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NON-FUND BUSINESS

The Bank has issued Bank Guarantees to the tune of Rs. 1018.32 Lakh through its Branches.

FINANCIAL RATIOS

	2015-16	2016-17
Average Working Funds (Rs.in Lakh)	373785.50	473130.25
Financial Return (% of interest income to average working funds)	9.65	8.91
Financial Cost (% of interest expended to average working funds)	6.83	6.26
Financial Margin (Financial return – Financial Cost)	2.82	2.65
Operating Cost (% of operating expenses to average working funds)	2.06	1.89
Miscellaneous Income (% of non-interest income to average working funds)	0.79	0.83
Operating Profit (Financial margin + Miscellaneous Income) —operating cost	1.55	1.59
Risk Cost (% of provisions on average working funds)	0.00	0.04
Net Margin (Return on Assets)	1.21	1.17

CAPITAL ADEQUACY RATIO

The Capital Adequacy Ratio (CRAR) of the Bank stood at 10.26% as on 31.03.2017 as against the mandatory requirement of 9.00%

ACHIEVEMENTS UNDER MOU

The Bank has achieved major MoU parameters for the year 2016-17

The Bank's performance vis-à-vis the MoU projections are furnished hereunder:

Parameter	(Rs. in Lakh)		
	Actual 31.03.2016	Target 2016-17	Actual 2016-17
Own Funds	23212.09	28627.66	28728.78 ✓
Total Business	516213.70	610000.00	633653.68 ✓
Deposits	273336.49	320000.00	329126.38 ✓
Advances	242877.21	290000.00	304513.42 ✓
Borrowings	97657.07	112200.00	96265.83
Gross Profit	5817.10	80000.00	7536.10
NPA	4892.47	4000.00	3964.02 ✓
Investments	79881.87	90000.00	87026.92
Loans Issued	271733.11	198440.00	282370.47 ✓
Per Branch Business	2966.75	3177.08	3300.28 ✓
Per Employee Business	799.06	897.06	900.67 ✓
CD Ratio (%)	88.86	90.63	92.53 ✓
Cost of Deposit (%)	7.78	7.70	7.10 ✓
Yield on Advances (%)	11.52	11.75	10.40
Recovery % to Demand	71.04	70.00	83.51 ✓

MoU REVIEW BY SPONSOR BANK

The MoU Review by MD&CEO, Andhra Bank is held at the end of every quarter that provided valuable insights for the growth of the Bank.

STAFF POSITION

The details of manpower in the Bank are furnished here under:

Senior Management Grade Scale IV officers	10
Middle Management Grade Scale III officers	73
Middle Management Grade Scale II officers	130
Junior Management Grade Scale I officers	216
Total Officer Cadre	429
Clerical Cadre	234
SCM Cadre	10
Total Staff	673



CHAITANYA GODAVARI GRAMEENA BANK

INDUSTRIAL RELATIONS

The industrial relations atmosphere in the Bank during the year under report has 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 Joint Meetings were held with SC/ST Employees Welfare Association during the year under report. The representation of SCs and STs is 97 and 42 respectively in the total work force of 673 in the Bank.

Dr.B.R.AMBEDKAR'S BIRTH DAY CELEBRATIONS

Dr. B. R. Ambedkar's Birth Anniversary was celebrated at Head Office on 14.04.2016 paying tribute to the leader and conducting staff meeting.

GRATUITY SCHEME

The bank has entered into GROUP GRATUITY CASH ACCUMULATION SCHEME with LIC of India & India First Life Insurance Company as a staff welfare measure. The annual premium is being paid regularly. The Gratuity is paid to retiring members or in case of death from the Fund regularly.

INCOME TAX

During the year 2016-17, the Bank had paid an advance tax of Rs.2700.00 Lakh.

The income tax provision is netted of tax refund of Rs 604.41 lakh received during the current year and reversal of tax provision of Rs 182.26 lakh made during the preceding year on self-assessment of tax payable and thus the tax provision is arrived at Rs 1820.65 lakh

HUMAN RESOURCE DEVELOPMENT

The Bank has a committed workforce of 673, comprising 429 officers, 234 Office Assistants and 10 Office Attendants.

During the Financial year 2016-17, Bank has effected promotions to 53 staff members in different cadres, viz., 2 Officers from MM-III to SM-IV, 18 Officers from MMII scale to MM III scale, 6 Officers from JM I to MM II, 25 Office

Assistants to Officer JM-I and 2 Office Attendants to Office Assistant cadre.

Bank has been imparting need-based training to all employees for enhancing their knowledge and skills.

STAFF WELFARE:

The Bank had extended, during the current year, General Health Check-up for both staff and spouse once in two years for those who have completed 40 years of age. Similarly, Eye Check-up to staff who have completed 40 years of age once in five years was also extended during the current year

RISK MANAGEMENT:

Integrated Risk Management Department was introduced in the Bank on 16.07.2012. At present as a part of Market Risk, Asset Liability Management (ALM) is introduced.

The Bank has put in place a comprehensive "Asset Liability Management Policy" for the management of market risk as per the guidelines of NABARD/RBI guidelines. Accordingly the functions of Asset Liability Management (ALM) are introduced in the Bank.

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.

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 i.e., Deposits and Advances is being tracked 100% through system i.e. CBS.

The 'liquidity risk' is measured and managed through 'gap analysis' for maturity mismatches based on residual maturity. The liquidity position of the bank is tracked by means of Structural Liquidity statements and projections. For assets and liabilities, which are of non-maturity nature, Bank is conducting behavioral studies and factoring the observations in the gap analysis. The behavioral study



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findings are subject to back-testing. Prudential limits are fixed as per NABARD guidelines and these limits are measured and monitored regularly.

The 'Interest Rate Risk' is managed through gap analysis.

OPERATIONAL RISK MANAGEMENT IN THE BANK:

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 "Do's and Dont's" is on Operational Risk Management is introduced so as to ensure that the risks embedded in the day-to-day operations are identified and addressed timely. The booklet on "Dos and Don'ts" is supplied to each and every staff member of the Bank.

Bank is reviewing staff transactions of Rs.50,000/- and above as per the RBI norms.

SECURITY ARRANGEMENTS

Bank has drawn up plans and taken up measures to strengthen the security arrangements at Branches. As part of enhancing security and ambience, nine branches are shifted to new premises with Strong Room with adequate space for customer use during the financial year. Burglar Alarms and Fire Extinguishers are provided at all Branches. CCTV cameras were arranged at all branches except recently opened/shifted branches.

INSPECTION

Regular Internal inspection has been conducted for all the 114 eligible branches during the year under report. Out of these 114 Branches,61 branches have got 'A' rating, 52 branches 'B' rating and one branch 'C' rating.The necessary follow up action is taken on continuous basis for rectification of lapses and deviations.

CONCURRENT AUDIT

Concurrent Audit of branches by independent chartered accountant firms is being undertaken for 47 branches as on 31.03.2017. More number of branches will be brought under the purview of concurrent audit during 2017-18

SYSTEMS INSPECTION & FINANCIAL AUDIT

Andhra Bank (Sponsor Bank) has conducted the

Management Audit of the Bank from 06.12.2016 to 16.12.2016. The Bank has secured "VERY GOOD" rating.

STATUTORY INSPECTION BY NABARD

NABARD has conducted statutory inspection under section 35(6) of Banking Regulation Act 1949 from 10.08.2016 to 02.09.2016 for the period 01.04.2015 to 31.03.2016

TECHNOLOGY UPGRADATION

The most significant achievement in the technology front during the current year is the implementation of e-Commerce service. The service was made operational on 18.04.2016 and the Bank stood first among all the RRBs in Telugu Speaking States and 4th in the country

A web portal for the benefit of staff members of the Bank was launched on 01.11.2016

The Bank had implemented Aadhar Merchant Pay – Issuer on 17.03.2017 and our Bank is the second RRB in the country and first among all the RRBs in Telugu Speaking States

12 own ATMs were installed during the current year and the number of own ATMs as on 31.03.2017 stood at 40

12 branches were opened under e-launching on 15.07.2016

SELF HELP GROUPS

The Bank is pioneered with the tradition of extending credit support to SELF HELP GROUPS as per the requirement and needs of the members like Agrl. Farming, dairying, housing, debt swapping, petty business, self-employment programs etc. apart from consumption needs of the members.

The Bank has extended financial assistance to the tune of Rs. 58022.07 lakh spread in 23855 self-help groups covering more than 286260 members during this financial year under report.

INTERNATIONAL WOMEN'S DAY CELEBRATIONS

International Women's Day celebrations were conducted at Branches, Regional Office & Head Office on 08.03.2017



CHAITANYA GODAVARI GRAMEENA BANK

SOCIAL RESPONSIBILITY

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

Bank had implemented a scheme titled “ TO GET GREEN”, with the approval of the Board, under which plantation by branches is undertaken with a total outlay of Rs 10.50 lakh

The Bank Contributed Rs. 5000/- to Deaf Enabled Foundation, a voluntary Organization is dedicated to work for the development of the deaf community by providing educational facilities, promoting social and cultural awareness and working towards barrier free communication for the deaf.

Our Bank has donated Rs. 5000/- to donate blankets to the orphanage children, aged persons, blind and handicapped people through “Chintala Vijaaya Lakshmi Memorial Charitable Trust” in Guntur City.

Our Mutukuru & Sirigiripadu Branches have distributed water and butter milk packets for more than 10,000 pilgrims at Nidanampati Ammavari Tirunalla at Adigoppulla and Sirigiripadu villages.

CROSS SELLING OF INSURANCE PRODUCTS OF IFLIC

Bank is functioning as corporate agent for selling life insurance products of India First Life Insurance Company (IFLIC). Bank could secure business worth of Rs. 419.03 lakh from about 6700 applications. 12649 new accounts were opened under Raksha Insurance Scheme with life insurance cover of Rs.50,000/-

As a result, our Bank could earn non-interest income of Rs. 124.22 lakh during the year 2016-17 towards commission received from IFLIC.

FINANCIAL INCLUSION

Progress under Financial Inclusion during the current year was multi-faceted.

The Financial Inclusion was in operation in 189 villages, viz., Guntur District – 106, East Godavari District – 40 and West Godavari District – 43

Three FI points were converted into Brick and Mortar branches – Edlapalli, Ananthavaram and Choppella

M/s Coromandel Infotech India Ltd. is the Technical Service Provider (TSP)

Implementation of FI as on 31.03.2017 is summarized hereunder:

SI No	Item	Target March 17	Achievement March 17
1	No of villages with population above 2000	125	
2	No of villages with population below 2000	64	
3	Total Enrolments	85,000	99,027
4	No of Cards Personalized	85,000	88,363
5	No of BCs deployed	189	189
6	No of transactions taken place from 01-04-2016 to 31-03-2017	2,66,184	3,95,620
7	Amount involved in transactions	Rs.6677.00 lakh	Rs. 8541.11 lakh
Progress Under PM Schemes 31-03-2017			
A	BSBD Accounts opened under PMJDY		1,80,079 (Out of which 1,65,583 A/Cs transacted)
B	PMSBY		3,34,092
C	PMJBY		74,080
D	PMAPY		19,607

The performance under Prime Minister’s Social Security Schemes is given hereunder:

SI No	Parameter	PMJBY	PMSBY	APY	PMJDY
1	Total Enrolments	74080	334092	19607	180079
2	Claims submitted				
3	Claims settled				
4	Zero Balance accounts				14496
5	% of Zero Balance accounts				8.05%
6	Overdraft eligible				6085
7	Overdraft sanctioned				1519
8	Overdraft allowed				324



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ATAL PENSION YOJANA (APY)

Our Bank is the only RRB in South India to reach APY target

FRAUD CASES OCCURRED DURING THE YEAR 2016-17

During the year under report, three fraud incidents at branches were identified. As there is no financial loss to the Bank, no provision was made for the same

VISIT OF DIGNITORIES TO OUR BANK

During the current year, Sri Suresh N Patel, Managing Director and CEO, Andhra Bank visited our Bank on 15.07.2016 and inaugurated 12 new branches under e-launching from Head Office, Guntur

AWARDS AND ACCOLADES

During the current year, the bank received the following Awards and Accolades :

- (i) Skoch Order of Merit Award for Increase of Other Income through cross selling of insurance products
- (ii) Republic Day Award for meritorious services rendered from the District Administration, Guntur
- (iii) State level award for SHG lending received from the Chief Minister of Andhra Pradesh State
- (iv) Dr A P J Abdul Kalam Award, from a non-profit organization based at New Delhi, to the Chairman of the Bank for distinguished services rendered to the people in the area of operation
- (v) An accolade from the Customs and Central Excise Department, Government of India for the best practices in Service Tax during the year 2015-16, on 25.03.2017, Central Excise Day at Guntur

IBPS – RRB – CWE V – INTERVIEWS

The Bank has successfully conducted interviews for all RRBs in A.P. on behalf of IBPS for candidates for Officer – Scale I,

II and III posts and the Bank was appreciated by IBPS for the smooth conduct of the same with 6 panels for 5 days

BOARD MEETINGS

Seven Board meetings have been convened by the Bank during the year 2016-17 as against stipulated minimum of six during an year and one in each quarter.

The following Directors assumed Office during the year under report.

- a) Ms K Anuradha, AGM, RBI, Hyderabad
- b) Mr Indranil Chattopadhyay, Dy.G.M., NABARD, APRO, Hyderabad

The following Directors have vacated Office during the year under Report

- a) Sri P S Ranga Rao, AGM, RBI, RO, Hyderabad
- b) Sri Sunil Kumar, Dy.G.M., NABARD, Regional Office (A.P.), Hyderabad

The Board wishes to place on record its appreciation and gratitude for the valuable services and guidance 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 a better performance. The Board thank all the customers for the confidence reposed in the Bank and their continued patronage. The Bank renews its commitment for rendering a better service to them in future too.

The Board wishes to thank the owners of the Bank, viz., Government of India, Andhra Bank and Government of Andhra Pradesh for their cooperation at all levels for the growth of the Bank.



CHAITANYA GODAVARI GRAMEENA BANK

The Board also expresses its sincere gratitude to the Reserve Bank of India, National Bank for Agriculture and Rural Development, Andhra Bank, National Housing Bank, MUDRA and NSFDC for their valuable guidance and support 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 continuous support extended to the Bank.

The Board also thanks the Central Statutory Auditors M/s. Rao & Sasi, Guntur and Branch Auditors M/s. Kannegolla Krishna Rao & Co, Eluru, M/s. Muppala Subba Rao & Co, Guntur, M/s Kothamasu Srinivasa Rao & Co, Guntur, M/s Krishna Prabha Associates, Narasaraopet, M/s Rao & Murty, Vijayawada, M/s N. Koteswara Rao & Co, Guntur,

M/s P.V.M.Rao & Associates, Guntur, M/s Anantha & Associates, Guntur, M/s Polineni Associates, Guntur, M/s Chinta Krishna Rao & Co, Guntur, M/s Ch Veerababu & Co, Guntur, M/s B Panduranga Rao & Co, Guntur, M/s Lakshmi pathi & Co, Kovvur and M/s Repala Mangeswara Rao & Co, Guntur, Chartered Accountants for their cooperation, guidance and completion of the Audit in a record time.

The Board records its appreciation for all the staff members for their dedicated involvement in the growth and functioning 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. The Board looks forward for their motivated involvement and sustained efforts for the overall development of the Bank in future also.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

V. BRAHMANANDA REDDY

CHAIRMAN

BOARD OF DIRECTORS

K. SUNITHA

K. SASIDHAR

C.B. GANESH

P.S.R.K. PRASAD

K. BHASKARA RAO

K. CHANDRA MOHAN

R. JAI PRAKASH

Place : Guntur

Date : 12.05.2017



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KEY PERFORMANCE INDICATORS

(Amount in Rs. Lakh)

S. No	Key performance indicators	2014-'15	2015-'16	2016-'17
1	No. of Districts covered	3	3	3
2	No. of Branches	158	174	192
	a) Rural	98	105	103
	b) Semi-Urban	45	52	66
	c) Urban	15	17	23
3	Total Staff	584	621	673
	a) Officers	329	361	429
	b) Office Assistants	240	245	234
	c) Office Attendants	15	15	10
4	Deposits	218620.95	273336.49	329126.38
	Growth %	42.19	25.03	20.41
5	Gross Loans & Advances	219383.56	262877.21	334513.42
	Growth %	(-) 6.80	19.82	27.25
	Net Loans & Advances(Net of IBPC of Rs.20000, Rs. 20000 and Rs. 30000 during 2014-15, 2015-16 and 2016-17)	199383.56	242877.21	304513.42
	Growth %	7.55	21.81	25.38
6	Borrowings Outstanding	101525.43	97657.07	96265.83
	Growth %	(-)21.92	(-) 3.90	(-)1.42
7	CD Ratio	91.20	88.86	92.53
8	Investments Outstanding	36484.45	79881.87	87026.92
	Growth %	20.58	118.95	8.94
9	Average Deposits	170299.80	241408.05	308101.57
	Growth %	43.42	41.75	27.62
10	Average Gross Loans & Advances	241586.48	236983.65	301352.19
	Growth %	19.12	(-)1.90	27.16
11	Average Borrowings	95488.55	89300.34	98909.43
	Growth %	26.09	(-) 6.48	10.76



CHAITANYA GODAVARI GRAMEENA BANK

12	Average Investments	35184.41	68872.66	82544.44
	Growth %	34.05	95.75	19.85
13	Average working Funds	319351.44	373785.50	473130.25
14	Loans Issued during the year			
	a) Loans to Priority sectors	116954.12	233684.79	258922.61
	b) Loans to Non Priority Sector	28338.63	19227.34	23447.86
	c) Total Loans issued	145292.75	271733.11	282370.47
15	Per Branch Business	2645.60	2966.75	3300.28
16	Per Employee Business	698.63	799.06	900.67
17	Recovery performance- % of Recovery	60.33	71.04	83.51
18	Asset Classification			
	a) Standard Assets	211897.26	237984.74	330549.40
	b) Sub-standard assets	3587.91	1653.26	1278.70
	c) Doubtful Assets	3576.23	3225.48	2673.54
	d) Loss Assets	0.00	13.73	11.78
	Loss Assets written off	322.16	0.00	0.00
	Total	219383.56	242877.21	334513.42
19	Standard Assets % to Gross Loans & Advances outstanding	96.59	90.53	98.81
20	Interest Paid			
	a) Interest paid on deposits	13419.91	18776.03	21863.75
	b) Interest paid on Borrowings	8276.71	6446.34	6907.46
21	Salary & Allowances	4148.16	5169.52	6053.50
22	Other Operating expenses	1787.44	2523.03	2865.97
23	Provisions made against Loans and Advances			
	a) Against NPA	5880.04	4402.19	4402.19
	b) Other provisions	571.74	711.07	909.83
	Total	6451.78	5113.26	5312.02
24	Interest Received on			
	a) Loans & Advances	30214.20	27303.40	31354.52
	b) Investments	4555.10	5721.74	7408.26
25	Other Income	1485.60	2953.62	3927.43
26	Profit Before Tax	6895.68	7477.77	7337.34
27	Profit After Tax	4020.38	4540.83	5516.69
28	Cost to Income Ratio	40.77	56.94	54.20



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AUDITOR'S REPORT

To

THE PRESIDENT OF INDIA

Independent Auditor's Report on the Financial Statements

1. We have audited the accompanying financial statements of Chaitanya Godavari Grameena Bank as at 31st March 2017, which comprise the Balance Sheet as at March 31, 2017, and 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 20 branches audited by us and 150 branches audited by 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 Government of India. Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 22 branches which have not been subjected to audit. These unaudited branches account for 3.72% of deposits and 2.11% of advances

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with Banking Regulation Act, 1949, Regional Rural Banks Act, 1976, complying with the guidelines issued by Reserve Bank of India and NABARD from time to time and recognized accounting policies and practices, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICA). This responsibility includes the design, implementation and maintenance of internal control relevant to the

preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. 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 Institute of Chartered Accountants of India. 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.
4. 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us:



CHAITANYA GODAVARI GRAMEENA BANK

- (i) The Balance Sheet, read with 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 2017 in conformity with accounting principles generally accepted in India;
- (ii) The Profit and Loss Account, read with the notes thereon shows a true balance of profit/loss, 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.
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
- (b) The transactions of the Bank, which have come to our notice have been within the powers of the Bank.
- (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
9. In our opinion, Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.
10. We further report that:

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.
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 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:
- (i) 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.
- (ii) 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.
- (iii) The report on the accounts of the branches audited by branch auditors have been dealt with in preparing our report in the manner considered necessary by us.

As per our report of even date

Place : GUNTUR
Date : 12-05-2017

For Rao & Sasi
Chartered Accountants
FRN : 006345S

G.N.V. SASI BHUSHAN
PARTNER
M.No.200485



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CHAITANYA GODAVARI GRAMEENA BANK HEAD OFFICE : GUNTUR

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31st MARCH 2017

FORM- A

BALANCE SHEET AS ON 31st MARCH 2017

PARTICULARS	SCHEDULE	AMOUNT IN Rs. '000	
		31.03.2017	31.03.2016
CAPITAL & LIABILITIES			
Share Capital	1	74422	74422
Share Capital Deposit		0	0
Reserves & Surplus	2	2798456	2246787
Deposits	3	32912638	27333649
Borrowings	4	9626583	9765707
Other Liabilities & Provisions	5	1244654	973785
TOTAL		46656753	40394350
ASSETS			
Cash & Balance with R B I	6	2086616	1329222
Balance with Banks & Money at call and Short Notice	7	3788266	5782596
Investments	8	8702692	7988187
Advances	9	30054940	23847502
Fixed Assets	10	157141	146382
Other Assets	11	1867098	1300461
TOTAL		46656753	40394350
Contingent Liabilities	12	113295	71944
Bills for Collection		139025	61019



CHAITANYA GODAVARI GRAMEENA BANK

The Schedules referred to above and schedules 17 & 18 form an integral part of Balance Sheet
As per our report of even date.

For RAO & SASI

CHARTERED ACCOUNTANTS

FRN : 006345S

G.N.V. SASI BHUSHAN

PARTNER

M.No. 200485

BOARD OF DIRECTORS

V. BRAHMANANDA REDDY

CHAIRMAN

K. SUNITHA

K. SASIDHAR

C.B. GANESH

P.S.R.K. PRASAD

K. BHASKARA RAO

K. CHANDRA MOHAN

R. JAI PRAKASH

Place : Guntur

Date : 12.05.2017





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CHAITANYA GODAVARI GRAMEENA BANK HEAD OFFICE : GUNTUR

FORM- B

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2017

PARTICULARS	SCHEDULE	AMOUNT IN Rs.'000	
		31.03.2017	31.03.2016
1. INCOME			
Interest earned	13	4216659	3608865
Other Income	14	392743	295362
Total		4609402	3904227
2. EXPENDITURE			
Interest Expended	15	2963845	2553262
Operating Expenses	16	891947	769255
		3855792	3322517
Provisions & Contingencies		19876	-166067
TOTAL		3875668	3156450
3. PROFIT / LOSS			
A. Net Profit before tax for the year(1-2)		733734	747777
Provision for Income Tax		182065	293694
Net Profit after Tax for the year		551669	454083
B. Net Profit after tax for the year		551669	454083
Profit brought forward from the previous year		1	18
TOTAL		551670	454101
4. APPROPRIATIONS			
Transferred to Statutory reserve		110330	90820
Transferred to General reserve		441330	363280
Balance carried forward to balance sheet		10	1
TOTAL		551670	454101
Significant accounting policies	17		
Notes forming part of the accounts	18		



CHAITANYA GODAVARI GRAMEENA BANK

The Schedules referred to above and schedules 17 & 18
form an integral part of Profit & Loss Account

As per our report of even date

For RAO & SASI

CHARTERED ACCOUNTANTS

FRN : 006345S

G.N.V. SASI BHUSHAN

PARTNER

M.No. 200485

BOARD OF DIRECTORS

V. BRAHMANANDA REDDY

CHAIRMAN

K. SUNITHA

K. SASIDHAR

C.B. GANESH

P.S.R.K. PRASAD

K. BHASKARA RAO

K. CHANDRA MOHAN

R. JAI PRAKASH

Place : Guntur

Date : 12.05.2017





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CHAITANYA GODAVARI GRAMEENA BANK

HEAD OFFICE : GUNTUR

SCHEDULE 1

CAPITAL

Amount in Rs. '000

Particulars	31.03.2017	31.03.2016
Authorised Capital of 200,00,00,000 Shares of Rs.10 each	20000000	20000000
Issued,Subscribed & Paid up Capital of 74,42,200 Shares of 10/- each	74422	74422
Share Capital Deposit	0	0
Total	74422	74422

SCHEDULE 2

RESERVES & SURPLUS

Particulars	31.03.2017	31.03.2016
I Statutory Reserves		
a. Opening Balance	446413	355593
b. Additions during the year	110330	90820
II Capital Reserve	24000	24000
III Share Premium		
IV Revenue and Other Reserves		
A. General Reserve		
a. Opening Balance	1776373	1413093
b. Additions during the year	441330	363280
V Balance in Profit & Loss A/c.	10	1
Total	2798456	2246787



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-3 DEPOSITS

Particulars	31.03.2017	31.03.2016
I. Demand Deposits		
i. From Banks		
ii. From Others	1073846	816110
iii. Saving Bank Deposits	9410485	7306992
II. Term Deposits		
i. From Banks	2750000	2000000
ii. From Others	19678307	17210547
TOTAL	32912638	27333649

SCHEDULE -4 BORROWINGS

Particulars	31.03.2017	31.03.2016
I. Borrowings in INDIA		
i. Reserve Bank of India	0	0
ii. Other Banks -Andhra Bank	31222	153
iii. NABARD	9021474	8729535
iv. Other Inst. & Agencies	573887	1036019
TOTAL	9626583	9765707



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SCHEDULE- 5 OTHER LIABILITIES AND PROVISIONS

Particulars	31.03.2017	31.03.2016
I. Bills payable	47109	41015
II. Inter-Office adjustments (Net)	0	0
III. Interest Accrued	184859	136347
IV. Others (Including provisions)	1012686	796423
TOTAL	1244654	973785

SCHEDULE-6 CASH & BANK BALANCES WITH RBI

Particulars	31.03.2017	31.03.2016
I. Cash on Hand	864331	357437
II. Balances with Reserve Bank of India		
I. In Current Account	1222285	971785
ii. In Other Accounts		
TOTAL	2086616	1329222



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE – 7

BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

Particulars	31.03.2017	31.03.2016
IN INDIA		
i. Balances with Banks		
a) in Current Account	1413766	2322096
b) in Other Deposit Accounts	2374500	3460500
ii. Money at Call & Short Notice.		
Total	3788266	5782596

SCHEDULE - 8

INVESTMENTS

Particulars	31.03.2017	31.03.2016
I. INVESTMENTS IN INDIA		
i. Govt. Securities (Gross)	6218695	6186692
ii. Other Approved Securities		
iii. Shares		
iv. Debentures & Bonds	2231638	1406613
v. Others	270000	410000
Total	8720333	8003305
Less: Amortisation	17641	15118
Less: Diminution on Non-SLR Investments		
Total	8702692	7988187



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SCHEDULE - 9

ADVANCES

Particulars	31.03.2017	31.03.2016
A. I. Bills Purchased	5751	7007
II. Cash Credits, Overdrafts & Loans repayable on demand	24784440	16591526
III. Term Loans	5264749	7248969
TOTAL OF A	30054940	23847502
B. I. Secured by Tangible Assets	29854353	23756471
II. Covered by Banks/Govt. guarantees	0	0
III. Unsecured	200587	91031
TOTAL OF B	30054940	23847502
C. I. Advances in India		
a. Priority Sector*	27352027	21984328
b. Public Sector	0	0
c. Banks	0	0
d. Others	2702913	1863174
TOTAL OF C.I	30054940	23847502
C. II. Advances outside India	0	0
TOTAL OF C.I & C.II	30054940	23847502

*Advances are netted of IBPC of Rs 300 crore & Rs 200 crore during 2016-17 & 2015-16 respectively



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE - 10

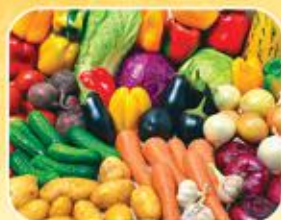
FIXED ASSETS

Particulars	31.03.2017	31.03.2016
I. Premises		
II. Other Fixed Assets		
WDV as on 31st March of the Previous year	146382	125973
Add: Additions during the year	51323	59600
Less: Deductions during the year	641	151
WDV at the end of the year before depreciation	197064	185422
Less: Depreciation for the year	39923	39040
Total	157141	146382

SCHEDULE-11

OTHER ASSETS

Particulars	31.03.2017	31.03.2016
I. Inter office Adjustments (Net)	7469	129660
II. Interest Accrued	495166	194115
III. Tax paid in advance / TDS	271479	245266
IV. Stationery & Stamps	9073	8868
V. Non Banking Assets Acquired		
VI. Others	1083911	722552
Total	1867098	1300461



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SCHEDULE-12

CONTINGENT LIABILITIES

Particulars	31.03.2017	31.03.2016
I. Guarantees given on behalf of constituents	101832	61594
II. DEAF scheme - Amount transferred to RBI	11463	10350
Contingent Liabilities - Total	113295	71944
III. Bills for collection	139025	61019
Total	252320	132963

SCHEDULE-13

INTEREST EARNED

Particulars	31.03.2017	31.03.2016
I. Interest/Discount on Advances/Bills	3135452	2730340
II. Income on Investments	740826	572174
III. Interest on balances with RBI and other Inter-Bank funds	340381	306351
Total	4216659	3608865

SCHEDULE-14

OTHER INCOME

Particulars	31.03.2017	31.03.2016
I. Commission, Exchange & Brokerage	24740	10801
II. Profit on sale of Bank Assets	20	40
III. Profit on revaluation of Investments		
Amortisation		
Depreciation on Non-SLR investments		
IV. Miscellaneous	367983	284521
Total	392743	295362



CHAITANYA GODAVARI GRAMEENA BANK

SCHEDULE-15

INTEREST EXPENDED

Particulars	31.03.2017	31.03.2016
I. Interest on deposits	2186375	1877603
II. Interest on RBI/Inter-Bank Borrowings	690746	644634
III. Others	86724	31025
Total	2963845	2553262

SCHEDULE-16

OPERATING EXPENSES

Particulars	31.03.2017	31.03.2016
I. Payments to & provisions for employees	605350	516952
II. Rent, Taxes & Lighting	39077	34119
III. Printing & Stationery	9965	5489
IV. Publicity	3287	1625
V. Depreciation on Bank's property	39923	39040
VI. Directors fee	28	11
VII. Auditors fee and expenses	6456	5323
VIII. Law charges	106	65
IX. Postage, telegrams, telephones	3032	2540
X. Repairs and Maintenance	12332	4848
XI. Insurance	36423	34107
XII. Other Expenditure	135968	125137
Total	891947	769255

* Figures of the previous year are re-grouped wherever necessary.



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CHAITANYA GODAVARI GRAMEENA BANK

HEAD OFFICE : GUNTUR

SCHEDULE – 17

SIGNIFICANT ACCOUNTING POLICIES

1. The financial statements have been prepared under mercantile system of accounting on the historical cost basis and confirm to the statutory provisions and practices prevailing in banking industry in India except as otherwise stated.

2. Fixed Assets:

- a. Fixed assets are stated at historical cost net of depreciation.
- b. None of the fixed assets have been revalued during the year under review.

3. Depreciation Method:

Depreciation on fixed assets has been provided as per written down value method as under:

A. Rates of depreciation:

- ❖ 10% on Wooden & Steel furniture items and electrical installations etc.
- ❖ 15% on Plant & Machinery, Motor Vehicles (Jeep & Car) and cycles.
- ❖ 60% on Computers, Computer equipment and software.
- ❖ 10% on Library

B. Procedure followed

- ❖ No depreciation has been made on assets where the written down value is Rs.100/- or less than Rs.100/-at the beginning of the financial year.
- ❖ In case of items purchased during the year where cost of the item is Rs.100/- or less, full depreciation is provided by keeping Rs 1/- as book value
- ❖ 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
- ❖ Depreciation is calculated in furniture module of the system and the same is provided manually in respect of Library

4. Investments:

The guidelines issued by RBI for Investment Portfolio of RRBs are adopted by our Bank and the salient features of the same are as under:



CHAITANYA GODAVARI GRAMEENA BANK

4.1 Categorization

The entire investment portfolio of the RRBs comprising SLR securities and non-SLR securities will be 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.

4.2 Definitions

The securities acquired by the RRBs with the intention to hold them up to maturity will be classified under Held to Maturity (HTM). 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). The securities which do not fall within the above two categories will be classified under Available for Sale (AFS).

4.3 Valuation Standards

- 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.

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.
- iii. 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.

4.4 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



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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 unrealized gain. Profit / Loss on sale of Investments should be treated as per the accounting principles.

5. **Deposits:**

The Bank provides interest at the rate applicable to SB accounts towards Interest on Over Due Deposits as per the circulars of RBI

6. **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 position and 100% on unsecured portion
 - (iii) Doubtful Assets under D2 category: 40% on secured position 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 liability side of the Balance Sheet.
- e) Unrealized Interest on Non-Performing assets has not been debited to Advances Accounts and not recognized as income.
- f) Partial recoveries in non-performing assets are apportioned first to the charges & interest thereafter to the principal.

7. **A) Income Recognition:**

- a) Interest on performing assets has been recognized on accrual basis and non-performing assets on realization basis as per RBI guidelines and prudential norms.
- b) In case of suit filed accounts, legal expenses are charged to profit & loss account. At the time of recovery of the loan, the legal expenses recovered are accounted as income and credited to P&L account.
- c) Interest on investments has been recognized on accrual basis.
- d) Locker rent is recognized on realization basis
- e) Commission and exchange have been recognized on realization basis.
- f) Commission on bank guarantee is recognized on realization basis.



CHAITANYA GODAVARI GRAMEENA BANK

B) Expenditure:

Revenue expenditure is accounted on accrual basis.

8. Employee benefits:

a. Short term employee benefits: Short term employee benefits such as short term compensated amounts are recognized as an expense on an undiscounted basis in the P&L account of the year in which the related expense had arisen.

b. Post - employment benefits:

i. Defined contribution plans such as Provident Fund are recognized as an expense and charged to the Profit & Loss account.

ii. Defined benefit plans:

1. Gratuity: Bank has formulated a trust and the Trustees have obtained a Group Gratuity policy with LIC to cover the gratuity liability of the employees. As per the actuarial valuation given by LIC of India, the Bank makes payment to the LIC Authorities. The trust also makes investments with IFLI towards gratuity

2. Bonus: Provision is made as per statutory requirements by charging to the Profit & Loss account

3. Encashment of earned leave:

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. 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 IFLI also.

9. Related Party Disclosures :

a. The Bank has paid an amount of Rs.17,85,375 to Chairman and Rs. 13,14,071 to Chief Vigilance Officer of the Bank towards salary and allowances during the financial year, who are on deputation from Sponsor Bank, i.e., Andhra Bank

b. The Bank is having transactions with the Andhra Bank, but details are not given under this head as Paragraph 9 of Accounting Standard 18 issued by The Institute of Chartered Accountants of India exempts the Bank from disclosing the transactions with Other State Controlled Enterprises.

10. Net Profit : The Net profit disclosed in the Profit & Loss account is after

a) Provision for amortization on SLR Investments Held for Maturity.

b) Provision on advances as per Reserve Bank of India prudential norms.

c) Write off of bad and doubtful advances.

d) Other usual or necessary provisions.



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11. **Income Tax:** Provision for taxes is made on the basis of estimated tax liabilities based on the applicable income tax rates in different financial years.
12. **Impairment of assets:** An assessment is made at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists an estimate of the recoverable amount is made and impairment loss, if any is provided.
13. **Contingent Liabilities & Provisions:** Past events leading to, possible or present obligations are treated as contingent liabilities. Provision is recognized in the case of present obligation where the reliable estimate can be made and where there are probable out flow of resources embodying foregoing of economic benefits to settle the obligations

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.

As per our report of even date

For RAO & SASI

CHARTERED ACCOUNTANTS

FRN : 006345S

G.N.V. SASI BHUSHAN

PARTNER

M.No. 200485

BOARD OF DIRECTORS

V. BRAHMANANDA REDDY

CHAIRMAN

K. SUNITHA

K. SASIDHAR

C.B. GANESH

P.S.R.K. PRASAD

K. BHASKARA RAO

K. CHANDRA MOHAN

R. JAI PRAKASH

Place : Guntur

Date : 12.05.2017



CHAITANYA GODAVARI GRAMEENA BANK

CHAITANYA GODAVARI GRAMEENA BANK

HEAD OFFICE : GUNTUR

SCHEDULE - 18

NOTES FORMING PART OF THE ACCOUNTS

1. Share Capital and Share Capital Deposit Account: As per the RRB (Amendment) Act 2015, the authorized share capital of RRBs has been raised from current level of Rs 5 crore to Rs 2000 crore.

The ratio of 50% (Central Government) , 15% (State Government) and 35% (Sponsor Bank) is maintained after conversion of share capital deposit into share capital.

Thus the share capital of the Bank as on 31.03.2017 is as under:

Central Government	: Rs 3,72,11,000
State Government	: Rs 1,11,63,300
Sponsor Bank	: Rs 2,60,47,700
Total	: Rs 7,44,22,000

2. Salaries & Allowances paid to Chairman and Chief Vigilance Officer deputed by Sponsor Bank, i.e., Andhra Bank were charged to Salaries & Allowances of the Bank.

3. **Disclosure requirements**

- a. **Capital**

Sr.	Particulars	Current year	Previous year
i)	CRAR (%)	10.26	10.29
ii)	CRAR-Tier I Capital (%)	9.41	9.49
iii)	CRAR-Tier II Capital (%)	0.85	0.80
iv)	Percentage of Shareholding of the		
	a) Central Government	50%	50%
	b) State Government	15%	15%
	c) Sponsor Bank	35%	35%



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b. Investments (SLR Investments)

(Rs.lakh)

Sr.	Particulars	Current year	Previous year
1	Value of Investments		
i)	Gross Value of Investments	62186.95	61866.92
ii)	Amortization	176.41	151.18
iii)	Net Value of Investments	62010.54	61715.74
iv)	Provisions for Depreciation	Nil	Nil
2	Movement of provisions held towards depreciation on investments		
i)	Opening Balance	Nil	Nil
ii)	Add: Made during the Year	Nil	Nil
iii)	Less: Write off/write back during the year	Nil	Nil
iv)	Closing Balance	Nil	Nil

c. Repo Transactions

Item	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31st March
Securities Sold under Repos	Nil	Nil	Nil	Nil
Securities Purchased under reverse repos	Nil	Nil	Nil	Nil



CHAITANYA GODAVARI GRAMEENA BANK

d. Non-SLR Investment portfolio

(i) Issuer composition of Non SLR Investments

No	Issuer	Amount	Extent of Private placement	Extent of below Investment grade securities	Extent of unrated securities	(Rs. Lakh) Extent of unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i)	PSUs	384.10	Nil	Nil	Nil	Nil
ii)	FIs	Nil	Nil	Nil	Nil	Nil
iii)	Banks	21932.28	Nil	Nil	Nil	Nil
iv)	Private Corporate	0.00	Nil	Nil	Nil	Nil
v)	Others	2700.00	Nil	Nil	Nil	Nil
	Total	25016.38	Nil	Nil	Nil	Nil
(-)	Provisions held towards depreciation	Nil	Nil	Nil	Nil	Nil
	Total	25016.38	Nil	Nil	Nil	Nil

(ii) Non-performing Non-SLR Investments

Particulars	(Rs. Lakh) Amount
Opening balance	Nil
Additions during the year since 1 st April	Nil
Reductions during the above period	Nil
Closing balance	Nil
Total provisions held	Nil

4. Asset Quality :

In tune with the guidelines issued by Reserve Bank Of India , the Assets of the Bank have been classified as performing and nonperforming Assets as on 31.03.2017 and the breakup of nonperforming assets for the last two years is furnished here under:



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5.1 Non-Performing Assets

Particulars	(Rs. Lakh)	
	Current Year	Previous year
i Net NPA to Net Advances (%)	0.00	0.20
ii Movement of NPAs (Gross)		
(a) Opening balance	4892.47	7486.30
(b) Additions during the year	1376.56	2349.26
(c) Reduction during the year	2305.01	4943.09
(d) Closing balance	3964.02	4892.47
iii Movement of Net NPAs		
(a) Opening balance	490.28	1284.10
(b) Additions during the year	0.00	0.00
(c) Reduction during the year	490.28	793.82
(d) Closing balance	0.00	490.28
iv Movement of provisions on NPAs (excluding provision on Standard assets)		
(a) Opening balance	4402.19	5880.04
(b) Provisions made during the year	0.00	0.00
(c) Write off/ write back of excess provision	0.00	1477.85
(d) Closing provision	4402.19	4402.19

5.2 Details of Loan Assets subject to restructuring :

Particulars	Current Year	Previous year
i Total amount of Loan assets subject to restructuring, rescheduling, renegotiation;	Nil	Nil
ii The amount of standard assets subject to restructuring, rescheduling, renegotiation.	Nil	Nil
iii The amount of sub-standard assets subject to restructuring, rescheduling, renegotiation.	Nil	Nil
iv The amount of Doubtful assets subject to restructuring, rescheduling, & renegotiation. Note [(i) = (ii) + (iii) + (iv)]	Nil	Nil



CHAITANYA GODAVARI GRAMEENA BANK

Interest income is recognized on performing assets on accrual basis and on non-performing assets on realization basis as per RBI guidelines and as per the change in prudential norms for period of classification in prudential norms from time to time.

5.3 Details of financial assets sold to securitization (SC)/Reconstruction

Company (RC) for assets reconstruction.

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

5.4 Details of Non-performing assets purchased / sold

A. Details of non-performing financial assets purchased:

(Rs. lakh)

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

B. Details of non-performing financial assets sold:

(Rs. lakh)

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



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5.5 Provisions on standard assets: The Bank has made adequate provision on Standard assets as per Guidelines of the Reserve Bank of India. The details of provision made on standard assets are furnished here under :

(Rs. lakh)

	Particulars	Current year	Previous year
1	Provisions towards standard assets	909.83	711.07

6. Business Ratios

(Rs.in lakh)

Sr.	Particulars	Current year	Previous year
i	Interest Income as a percentage to Working Funds \$	8.91	9.65
ii	Non-interest income as a percentage to Working Funds \$	0.83	0.79
iii	Operating Profit as a percentage to Working Funds \$	1.59	1.55
iv	Net Margin (RoA) @	1.17	1.21
v	Business (Deposits plus Advances) per employee #	900.67	799.06
vi	Profit per employee (Net profit)	8.20	7.31

\$ Working funds reckoned as aggregate of balance sheet items excluding (a) Contra items (b) Intangible assets (c) Fixed Assets (d) Branch Adjustment (e) Stationery and Stamps and monthly averages are taken.

Operating profit excludes income from sale of assets as well as transfer from reserves and provisions, gifts and donations

@ net margin worked out as a ratio of net profit after tax to the average working funds

Business per employee was computed by adding deposits & advances excluding inter bank deposits.

7. Asset Liability Management [ALM]

Maturity pattern of certain items of Assets and Liabilities as on 31-3-2017

(Rs.in lakh)

	1-14 days	15-28 days	29days-3 months	3-6 Months	6-12 months	1-3 years	3-5 years	Over 5 years	Total
LIABILITIES									
Deposits	12454.79	7275.02	39780.90	49144.11	42856.80	166994.74	2716.00	7904.02	329126.38
Borrowings	0.00	0.00	57.83	23817.05	22860.98	35019.69	14408.01	102.27	96265.83
Inter Bank Participation Certificate	0.00	10000.00	20000.00	0.00	0.00	0.00	0.00	0.00	30000.00
ASSETS									
Investments	0.00	0.00	0.00	0.00	2983.70	14985.87	20122.81	48934.54	87026.92
ADVANCES (Performing)	10962.17	5411.92	76396.51	64630.13	76891.26	80903.28	8546.64	6807.49	330549.40



CHAITANYA GODAVARI GRAMEENA BANK

8. Exposures – Exposure to Real Estate Sector (Amt. in Rs Lakh)

S.No	Category	Current year	Previous year
A	Direct exposure :		
(i)	Residential mortgages-Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (individual housing loan up to Rs.15 lakh may be shown separately)	Nil	Nil
(ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family 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.	834.90	987.97
(iii)	Investments in mortgage backed securities (MBS) and other securitised exposures.		
a.	Residential	Nil	Nil
b.	Commercial Real Estate	Nil	Nil
B	Indirect exposure : Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (H F Cs)	Nil	Nil

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

There are no sanctions over and above the prudential exposure norms applicable to single borrower and group Borrowers during the year 2016-17. There are no out standings over and above the prudential exposure norms applicable to single borrower and group borrowers.



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

Particulars	Current year	(Rs.in lakh)
		Previous year
Provision for Income Tax	2607.32	2936.94

The above provisions are made on the basis of estimates.

The income tax provision is netted of tax refund of Rs 604.41 lakh received during the current year and reversal of tax provision of Rs 182.26 lakh made during the preceding year on self-assessment of tax payable and thus the tax provision is arrived at Rs 1820.65 lakh.

11. Disclosure of Penalties Imposed by RBI

During the year ended with March 2017, no penalty has been levied by RBI.

12. Disclosure Requirements as per Accounting Standards where the RBI has Issued Guidelines in respect of disclosure items for 'Notes to Accounts':

12.1 Accounting Standard 5 – Net Profit or Loss for the period, prior period items and changes in Accounting Policies

There are no material prior period income/expenditure accounted for during the year.

12.2 Accounting Standard 9 – Revenue Recognition

There has been no occasion of postponing Revenue Recognition pending resolution of significant uncertainties.

12.3 Accounting Standard 15 – Employee Benefits

The VRS Scheme is not implemented in the Bank.

Employee benefits:

- a. **Short term employee benefits:** Short term employee benefits such as short term compensated amounts are recognized as an expense on an undiscounted basis in the P&L account of the year in which the related expense had arisen.
- b. **Post - employment benefits:**
 - i. Defined contribution plans such as Provident Fund are recognized as an expense and charged to the Profit & Loss account.
 - ii. Defined benefit plans:
 1. **Gratuity:** Bank has formulated a trust and the Trustees have obtained a Group Gratuity policy with LIC to cover the gratuity liability of the employees. As per the actuarial valuation given by LIC of India, the Bank makes payment to the LIC Authorities. The trust also makes investments with IFLI towards gratuity
 2. **Bonus:** Provision is made as per statutory requirements by charging to the Profit & Loss account
 3. **Encashment of earned leave:**
 - 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. 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.



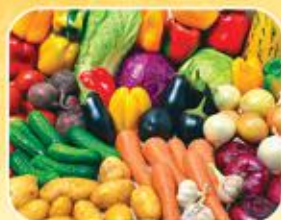
CHAITANYA GODAVARI GRAMEENA BANK

12.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment Revenue

SEGMENT WISE RESULTS

		(Rs. in lakh)	
	Business Segments	for the year ended 31.03.2017	for the year ended 31.03.2016
1.	Segment Revenue		
A	Treasury	7408.26	5721.74
B	Corporate / wholesale Banking	-	-
C	Retail Banking	38685.76	33320.53
D	Other Banking Operations	-	-
	Total	46094.02	39042.27
	less Inter-segment Revenue	-	-
	Income from operations	46094.02	39042.27
2.	Segment Results After Provisions & Before Tax		
A	Treasury	1179.26	1095.87
B	Corporate / wholesale Banking	-	-
C	Retail Banking	6158.08	6381.90
D	Other Banking Operations	-	-
	Total	7337.34	7477.77
	Less other unallocable expenditure	-	-
	Total Profit before Tax	7337.34	7477.77
3.	Capital Employed (Segment Assets – Liabilities)		
A	Treasury	87026.92	79881.87
B	Corporate / wholesale Banking	-	-
C	Retail Banking	(-) 124842.81	(-) 132518.54
D	Other Banking Operations	-	-
E	Unallocable Liabilities	66544.67	75848.76
	Total	28728.78	23212.09
	Capital & Reserves	28728.78	23212.09



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Part B: Geographic Segments.

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

12.5 Accounting Standard 22- Accounting for Taxes on Income

During the year a sum of Rs. 27.00 crore was paid towards advance tax.

13. Contingent liabilities not provided for in respect of bank guarantees : Rs. Nil
14. During the year the Bank has appropriated an amount of Rs. 11.03 Crore (previous year Rs. 9.08 crore) to Statutory Reserves, being 20% of its profits earned during the current year, as per the NABARD guidelines. The Bank further apportioned an amount of Rs 44.13 crore(Previous year 36.33 crore) to General Reserves.
15. Loans & Advances extended to Bank Staff outstanding as on 31.03.2017 is Rs. 5342.73 lakh

16. Additional Disclosures

16.1 Accounting Standard 29: Provisions and Contingencies

(Rs. Lakh)

Sr.	Particulars	Current year	Previous year
A	Opening balance in the floating provisions account	1250.00	1250.00
B	The quantum of floating provisions made in the accounting year	Nil	Nil
C	Amount of draw down made during the accounting year	Nil	Nil
D	Closing balance in the floating provisions account	1250.00	1250.00

16.2 Pursuant to RBI guidelines, the Bank has made a provision of Rs. 1,29,07,107(previous year Rs. 90,41,629/-) in respect of interest on matured deposits as per savings bank interest rate.

16.3 The Bank has not drawn any amount from reserves.

16.4 Disclosure of Complaints (including ATM related complaints)

A. Customer Complaints

Sr.	Particulars	General	ATM related	Total
A	No. of complaints pending at the beginning of the year	0	3	3
B	No. of complaints received during the year	8	2276	2284
C	No. of complaints redressed during the year	8	2270	2278
D	No. of complaints pending at the end of the year	0	9	9



CHAITANYA GODAVARI GRAMEENA BANK

B. Award passed by the Banking Ombudsman

Sr.	Particulars	Details
A	No.of unimplemented Awards at the beginning of the year	NIL
B	No.of Awards passed by the Banking Ombudsmen during the year	NIL
C	No.of Awards implemented during the year	NIL
D	No.of unimplemented Awards at the end of the year	NIL

17. Advances: The Bank has made 111.05% (previous year 89.98%) provision on total Non-performing Assets as on 31-03-2017 amounting to Rs. 4402.19 lakh (previous year Rs. 4402.19 lakh).

18. Employee Benefits :

- i) During the year, the Bank made payment of Rs.99.16 lakh to LIC of India and Rs. 28.38 lakh to IFLI towards Group Gratuity as per the actuarial valuation.
- ii) During the year, the Bank made payment of Rs.300.00 lakh to LIC of India and Rs. 100.00 lakh to IFLI towards Group Leave Encashment Scheme (GLES)
- iii) During the year the Bank paid an amount of Rs. 17,85,375/- (previous year Rs. 19,76,695/-) to Chairman towards salary and allowances

19. The Depositor Education and Awareness Fund [DEAF] Scheme 2014:

The details of amounts transferred to DEAF are disclosed as under:

	(Amount in Rs. crore)	
	Current Year	Previous Year
Opening balance of amounts transferred to DEAF	1.03	0.96
Add : Amounts transferred to DEAF during the year	0.12	0.07
Less : Amounts reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amounts transferred to DEAF	1.15	1.03

20. Concentration of Deposits, Advances, Exposures and NPAs:

Concentration of Deposits	(Amount in Rs. crore)
Total Deposits of twenty largest depositors	433.51
Percentage of Deposits of twenty largest depositors to total deposits of the Bank	13.17
Concentration of Advances	(Amount in Rs. crore)
Total Advances of twenty largest borrowers	17.17
Percentage of Advances of twenty largest borrowers to total advances of the Bank	0.51



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Concentration of Exposures	(Amount in Rs. crore)
Total Exposures of twenty largest borrowers/customers	256.05
Percentage of Exposures of twenty largest depositors to total exposure of the Bank on borrowers/customers	1.69
Concentration of NPAs	(Amount in Rs. crore)
Total Exposure to top four NPA accounts	1.00

22. Sector-wise NPAs:

(Amount in Rs. crore)

Sl No	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A Priority Sector							
1	Agriculture and allied activities	1892.62	21.14	1.12	1574.37	28.52	1.81
2	Advances to industries sector eligible as priority sector lending	4.19	0.44	10.50	3.15	0.15	4.76
3	Services	145.89	10.06	6.90	136.18	8.39	6.16
4	Personal loans	730.11	5.97	0.82	528.75	10.31	1.95
5	Sub-total (A)	2772.81	37.61	1.36	2242.45	47.37	2.11
B Non-Priority Sector							
1	Agriculture and allied activities						
2	Industry						
3	Services						
4	Personal loans	272.32	2.03	0.75	186.32	1.55	0.83
5	Sub-total (B)	272.32	2.03	0.75	186.32	1.55	0.83
	Total (A+B)	3045.13	39.64	1.30	2428.77	48.92	2.01

23. Movement of NPAs:

Particulars	Amount (Rs. crore)
Gross NPAs as on 01.04.2016 (Opening balance)	48.92
Additions (Fresh NPAs) during the year	13.77
Sub-total (A)	62.69



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Less:	
(i) Up gradations	2.74
(ii) Recoveries (excluding recoveries made from up graded accounts)	20.31
(iii) Write-offs	0.00
Sub-total (B)	23.05
Gross NPAs as on 31.03.2017 (Closing balance) (A-B)	39.64

- 23. Income Tax Appeals:** The Income Tax Department had refunded Rs 6,04,41,079 during the financial year 2016-17 based on the appeals made by the Bank against the orders passed by the competent authority on the scrutiny of ITRs filed by the Bank for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14





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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Rs. '000

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
Opening balance of Cash and Cash equivalents	7111818	10874584
Closing balance of Cash and Cash equivalents	5874882	7111818
Net Increase (+)/Decrease (-) of Cash and Cash equivalents during the period	-1236936	-3762766
Cash Flow from Operating Activities :		
Net Profit before Tax	733734	747777
Add: Depreciation on Assets	39923	39040
Less: Profit on Sale of Assets	20	40
Operating Profit before changes in Operating Assets and Liabilities	773637	786777
Adjustment for Changes in Operating Assets and Liabilities		
Increase/(Decrease) in Deposits	5578989	5471554
Increase/(Decrease) in Borrowings	-139124	-386836
(Increase)/Decrease in Investments	-714505	-4339742
(Increase)/Decrease in Advances	-6207439	-4529366
(Increase) /Decrease in Other Assets	-566636	-489002
Increase /(Decrease) in Other Liabilities and Provisions	270869	76952
Cash Generated from Operations	-1777846	-4196440
Taxes Paid	-182065	-293694
Cash Flow from Operating Activities (A)	-1186274	-3703357
Cash Flow from Investing Activities:		
(Purchase)/Sale of Fixed assets	-50662	-59409
Cash Flow from Investing Activities (B)	-50662	-59409
Net Increase (+)/Decrease (-) in Cash flow during the period (A)+(B)	-1236936	-3762766



CHAITANYA GODAVARI GRAMEENA BANK

As per our report of even date

For RAO & SASI

CHARTERED ACCOUNTANTS

FRN : 006345S

G.N.V. SASI BHUSHAN

PARTNER

M.No. 200485

BOARD OF DIRECTORS

V. BRAHMANANDA REDDY

CHAIRMAN

K. SUNITHA

K. SASIDHAR

C.B. GANESH

P.S.R.K. PRASAD

K. BHASKARA RAO

K. CHANDRA MOHAN

R. JAI PRAKASH

Place : Guntur

Date : 12.05.2017

