



ಕರ್ನಾಟಕ ವಿಕಾಸ ಗ್ರಾಮೀಣ ಬ್ಯಾಂಕ್

ಕೆನರಾ ಬ್ಯಾಂಕ್ ಪ್ರವರ್ತಿಸಿದ ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯತ್ವದ ಶೆಡ್ಯೂಲ್ಡ್ ಬ್ಯಾಂಕ್

**Karnataka Vikas Grameena Bank**

A Scheduled Bank Owned by Government (Sponsored by Canara Bank)

ಪ್ರಧಾನ ಕಛೇರಿ : ಧಾರವಾಡ

Head Office : Dharwad



# 20<sup>th</sup> ANNUAL REPORT 2024-25



Mr. Shreekant M. Bhandiwad, Chairman of the Bank, receiving the National Award for significant enrollment under APY by achieving the annual target in a single day, from Shri Vivek Joshi, Secretary, DFS, Government of India, at a summit held in New Delhi.



Shri KVSSLV Prasada Rao, CGM, NABARD, Bengaluru, visiting the Bank's Head Office to review its performance under the Viability Plan.





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**Karnatak Vikas Grameena Bank**  
A Scheduled Bank Owned by Government (Sponsored by Canara Bank)

*With best Compliments From :*

ಶ್ರೀ ಶ್ರೀಕಾಂತ ಎಮ್ ಭಂಡಿವಾಡ  
ಅಧ್ಯಕ್ಷರು

Shri. Shreekanth M. Bhandiwad  
Chairman

ಶ್ರೀ. ಶ್ರೀಕಾಂತ ಎಮ್. ಭಂಡಿವಾಡ  
ಅಧ್ಯಕ್ಷ



1.

Total Business ₹ 38513 Crore - up by 7.30%

2.

Total Deposits ₹ 20941 Crore - Up by 5.5%

3.

Gross Advances ₹ 17571 Crore - Up by 9.6%

4.

CASA ₹ 9659 Crore - Up by 7%

5.

Net Profit ₹ 126 Crore - up by 21%

6.

Net NPA - come down from 3.4% to 2.6%

7.

Operating Profit ₹ 248 Crore

8.

Net worth ₹ 1495 Crore

9.

CD Ratio 83.9%

10.

Total Branches 629, ATMs 50, RAM Cell 9

Clientele  
base

69  
lakh

CRAR

11.79%

HEAD OFFICE : 'Vikas Bhavan', P. B. ROAD, PB No.111, DHARWAD-8

PH : 0836-2448626 / 2448328. FAX : 0836-2796843

E-mail : c\_s@kvgbank.com Visit us at : www.kvgbank.com





**Committed to a Cleaner and Greener Tomorrow**







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**Karnataka Vikas Grameena Bank**  
A Scheduled Bank Owned by Government (Sponsored by Canara Bank)

Date : 09 June 2025

# Letter of Transmittal

*The Secretary,  
Government of India,  
Ministry of Finance,  
Department of Economic Affairs,  
(Banking Division),  
New Delhi.*

*Dear Sir,*

*In accordance with the provisions of Section 20 of the Regional Rural Banks Act 1976, I forward herewith the following documents -*

- 1. Directors' Report on Karnataka Vikas Grameena Bank's working and its activities during the Accounting year ended 31<sup>st</sup> March 2025.*
- 2. A copy of Auditor's Report in relation to the Bank's Accounts for the year ended 31<sup>st</sup> March 2025.*
- 3. A copy of Bank's Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March 2025.*

*Yours faithfully,*

*Sd/-*  
**(Shreekanth M. Bhandiwad)**  
**CHAIRMAN**



## Our Mentors



**Shri K. Satyanarayana Raju**  
Managing Director & CEO  
Canara Bank



**Shri Debashish Mukherjee**  
Executive Director  
Canara Bank



**Shri S.K. Majumdar**  
Executive Director  
Canara Bank



**Shri Hardeep Singh Ahluwalia**  
Executive Director  
Canara Bank



**Shri Bhavendra Kumar**  
Executive Director  
Canara Bank



## ನಿರ್ದೇಶಕ ಮಂಡಲ Board of Directors



**Shri Shreekant M. Bhandiwad**  
Chairman



**Shri Arun Kumar**  
AGM  
Reserve Bank of India, Bengaluru



**Shri Sanjay Kumar**  
DGM, NABARD,  
Bengaluru



**Shri M. Vijaya Kumar**  
General Manager  
Canara Bank



**Shri M. Bhaskara Chakravarthy**  
General Manager  
Canara Bank



**Shri Patil Bhuvanesh Devidas, IAS**  
Chief Executive Officer  
ZP, Dharwad



**Dr. Gopal Krishna B. IAS**  
Government of Karnataka



## Top Management Team as on 31st March 2025



**Shri Shreekanth M. Bhandiwad, Chairman**



**Shri Sathya Prasad N.**  
General Manager



**Shri Malachi Punith**  
General Manager



**Shri R. T. Kamble**  
General Manager



**Shri Satheesha R.**  
General Manager



**Shri Dilip Kumar**  
General Manager

### AGMs at Head Office



**Shri K.R. Adiga**  
Inspection



**Shri D S Hegde**  
Accounts



**Shri Ullas R. Gunaga**  
CS & Marketing



**Shri B S Katti**  
LRD

### Chief Managers at Head Office



**Shri Vinod H. Kadam**  
PDD



**Shri Girish Gabbur**  
ADV



**Smt. Anuradha K S**  
IT



**Shri Ashok Sangati**  
PHRDD



**Shri. C M Bhat**  
Recovery



**Shri M.P. Bolajadar**  
Adv. II



## Regional Managers



**Shri R.V. Mugalihal**  
Regional Manager,  
Regional Office, Vijayapur



**Shri Prakash A.**  
Regional Manager,  
Regional Office, Gadag



**Shri G P Bhat**  
Regional Manager,  
Regional Office, Chikkodi



**Shri S.N. Nairy**  
Regional Manager,  
Regional Office, Haveri



**Shri Rajashekhar Pujari**  
Regional Manager,  
Regional Office, Bagalkot



**Shri Vijay A. Dotihal**  
Regional Manager,  
Regional Office, Mangaluru



**Shri Santosh Nargund**  
Regional Manager,  
Regional Office, Gokak



**Shri Nityanand D. Kulloli**  
Regional Manager,  
Regional Office, Belagavi



**Shri Chandrashekar Patil**  
Regional Manager,  
Regional Office, Dharwad



**Shri Naveen B.**  
Regional Manager,  
Regional Office, Kumta



ನೀತರ ಅಭಿವದಿ ಪಾದೇಶಿಕ ಪಗತಿಗೆ ಪೂರ

**ಕನ್ನಡಪ್ರಭ ವಾರ್ತೆ** ಧಾರವಾಡ

[illegible][illegible]

ಇದರಲ್ಲಿ ಮಂಡಗಿವ ಅನಗಡವನ್ನು ತರಬೇತು  
ಅನುಕೂಲವಾಗುವುದು ನಿರ್ದೇಶನ  
ಕ ಸಂಸ್ಥೆಯ ಸದ್ಯದ ಮಟ್ಟಿಗೆ ಹೆಚ್ಚುವು ಗಿಡಗಳನ್ನು

more saplings to edu

ಲಿಂಗ ಕಾರ್ಯ ವ್ಯಾಪ್ತಿ | 37,200

ನಯತ ಕವ್ಯಾಕ್ಷು

ದಿ. 12/05/2020  
12  
12

ಕರ್ನಾಟಕ ವನ್ಯಾಿಜ, ಪ್ರಾಣಿ ಮತ್ತು ಮೀನುಗಾರಿಕೆ ವಿಜ್ಞಾನ ವಿಶ್ವವಿದ್ಯಾಲಯ (KVAFSU) ದಿರೇಕ್ಟರ್.

ಸಮರ್ಥನಾ

ಬೇರಿಗ್ ಬ್ಯಾಂಕಿನ ಆಡಳಿತ  
ನೇಪೂರವು ದೇವರೇ ಉಪ  
ಪಡ್ತೀರ ಆಡಳಿತಕ್ಕೆ ಹಣ  
ಬ್ಯಾಂಕಿನ ಮುಖಾಂತರ  
ಫಲಿತವಾಗಿರ ಆಡಳಿತ ಗ್ರಾಫಿಕ್  
ಸೇವಾ ಕೇಂದ್ರ - ೨೦

ಧಿಕ ಪೆಡ್

ಕರ್ನಾಟಕ ವಿಶಾಖಾ ಗ್ರಾಮೀಣ ಬಾಂಕ್

ದಿವಿಟಲ್ ಬ್ಯಾಂಕ್

**ಕರ್ನಾಟಕ ಸರ್ಕಾರದ ಮುಖ್ಯ ಕಾರ್ಯದರ್ಶಿ**

कुमारस्वामी के पार



## सामाजिक जिम्मेदारी का हिस्सा'



शिक्षा पाया करने से ही अपने भविष्य को उज्ज्वल बनाना संभव है। इसलिए

कई किताबें और भी शिक्षा से जाया नही  
रहना चाहिए। बैंक सर पर कुल  
200 सरकारी स्कूलों की प्राधान्य की

यह ने सरकार की मुख्य उपखेति प्रदाता, राष्ट्रीय प्रशासनिक सेवा निगम (एनईएससी) के सहयोग से।





ಕರ್ನಾಟಕ ವಿಕಾಸ ಗ್ರಾಮೀಣ ಬ್ಯಾಂಕ್

ಕೆನರಾ ಬ್ಯಾಂಕ್ ಪ್ರವರ್ತಿಸಿದ ಸರ್ಕಾರಿ ಸ್ವಾಮ್ಯತ್ವದ ಶಿಡ್ಡ್ಕಲ್ಯಾಣ ಬ್ಯಾಂಕ್

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ಪ್ರಧಾನ ಕಛೇರಿ : ಧಾರವಾಡ

Head Office : Dharwad

# BOARD OF DIRECTORS' REPORT

## 2024 -2025



As part of its CSR Activities, the Bank has honored meritorious girl students belonging to SC/STs with cash incentives across its ten regional office jurisdictions.

The Bank has given thrust to diversification of advances during the financial year.



To boost the account opening process the Bank launched various campaigns across its service area.



## DIRECTORS' REPORT: 2024-2025

The Board is delighted to present the Twentieth Annual Report of the Bank, alongside the Audited Balance Sheet as of March 31st, 2025, along with the Profit & Loss Account and the Auditors' Report for the Financial Year ending March 31st, 2025.

The financial year 2024–25 has been a remarkable year for the Indian economy. With significant advancements in infrastructure, agriculture, industry, digital and payment technologies, and the implementation of job-creating schemes, the country has achieved commendable growth. Robust economic momentum in FY 2024–25 — driven by improved labour market conditions, rising urban demand, and proactive government policies on monetary and regulatory fronts — has further strengthened macro as well as microeconomic stability. These developments have positively impacted the rural economy as well, leading to satisfactory growth across rural areas.

Over the past two decades, Karnataka Vikas Grameena Bank has established itself as a pillar of stability and credibility in the banking industry. Our long-standing reputation is built on the trust we have nurtured with our customers, partners, and communities. Through phases of expansion and challenges, we have remained steadfast in delivering exceptional banking services and promoting financial well-being. Guided by our rich heritage, we reiterate our unwavering commitment to operational excellence and inclusive growth.

### PERFORMANCE OVERVIEW

We are pleased to report the financial performance of Karnataka Vikas Grameena Bank for the financial year ended March 31, 2025, which stands as a testament to our commitment to continuous growth and operational excellence. These achievements are the result of the collective efforts and dedication of every member of the Karnataka Vikas Grameena Bank family.

During the year, we crossed significant milestones, with our total business reaching ₹ 38513 crore, marking a robust growth of 7.33 % over the previous year. This growth has been driven by a balanced focus on both advances, which grew by 9.63% to reach ₹ 17571 crore. Our diversification initiatives have contributed to broad-based growth, enabling us to attract diverse customer segments and strengthen our financial base. Deposits, rose by 5.5% to ₹ 20941 crore. CASA segment grew by ₹ 630 crore, marking an increase of 6.97%, while the Retail Term Deposit (RTD) segment also registered a growth of 7.85%. Bulk deposits were shed by Rs 253 Crore. These accomplishments underscore our expanding footprint and growing relevance within the banking sector.

Our strategic initiatives in NPA recovery and deposit mobilisation specially under CASA and RTD have yielded substantial results. The Bank decreased the NPA level by ₹. 73 crore over the previous year, strengthening our asset quality further.

The Bank has continued on its profitable growth trajectory in 2024–25, reflecting our confidence in maintaining the trust of our customers through consistent financial performance. It is gratifying to note that our asset quality remains robust, a result of disciplined credit practices and prudent risk management strategies. This has enabled us to maintain a healthy balance between growth and risk mitigation, safeguarding the interests of all stakeholders.

### SOCIAL COMMITMENT AND FINANCIAL INCLUSION

As a leading Regional Rural Bank, Karnataka Vikas Grameena Bank recognises its responsibility towards social empowerment and inclusive banking. In line with the directives of the Government of India, NABARD, and our sponsor bank, Canara Bank, the Bank has actively contributed to the promotion of financial inclusion during FY 2024–25.



During the year, the Bank successfully rolled out 227636 PMJJBY, 395716 PMSBY, 227680 PMJDY, and 88623 APY accounts, reflecting our commitment to social security schemes. A notable achievement was the opening of 64,400 Atal Pension Yojana (APY) accounts in a single day — setting a record and underscoring our dedication to enhancing financial security for underserved segments.

#### KEY FINANCIAL HIGHLIGHTS FOR FY 2024-2025:

- Total Business of the Bank stood at ₹ 38513 crore as on 31.03.2025 as against ₹ 35884 crore as on 31.03.2024, showing an annual growth of 7.3%.
- Total deposits stood at ₹ 20941 crore as compared to ₹ 19856 crore last year, showing an annual growth of 5.5%.
- CASA deposits increased to ₹ 9659 crore as on 31.03.2025 from ₹ 9029 crore as on 31.03.2024, registering a growth of 6.97 %. Share of CASA to total deposits stood at 46.12 % as on 31.03.2025 as compared to 45.5 % to last year.
- The outstanding advance of the Bank has increased to ₹ 17571.46 crore as on 31.03.2025 as against ₹ 16027.33 crore as on 31.03.2024 thereby recording y-o-y growth of 9.63%..
- Operating Profit stood at ₹ 248 Crore for the year ended 31.03.2025.
- Bank recorded a Net Profit of ₹ 126 crore for the year ended 31.03.2025 as against ₹ 104 crore as on 31.03.2024 registering a growth of 21.15%.
- Gross NPA & Net NPA reduced to 4.80 % & 2.65 % as on 31.03.2025 from 5.72 % & 3.40% on y-o-y basis respectively.
- Capital Adequacy Ratio of the Bank stood at 11.79% as on 31.03.2025 which is above the regulatory requirement.
- The Bank's Retail, Agriculture and MSME (RAM) sector improved substantially-which has increased to ₹ 17155.19 crore (97.63 % to total advances) as on 31.03.2025 from ₹ 15645.03 crore as on 31.03.2024.
- Business per Employee (staff productivity) increased to ₹12.17 crore as on 31.03.2025 as against ₹ 10.8 crore as on 31.03.2024. Corresponding figures for Business per Branch (Branch Productivity) stood at ₹ 61.23 crore and ₹ 56.2 crore respectively.
- The Bank's Net Worth stood at ₹ 1494.54 Crore as against the corresponding figure of ₹ 1368.61 Crore of previous year.
- The Bank posted impressive performance under gross disbursement of credit. During the year gross disbursement had been ₹ 13308.56 Crore, which is ₹ 1400.50 Crore more than that of previous year.
- As on 31.03.2025, outstanding credit under Priority and Agriculture Sectors had been well above the regulatory stipulations. The total Priority Sector Advance as at the end of the financial year stood at ₹ 15331.65 Crore. After deducting the sale of PSLC of ₹ 6415 crores and IBPC of ₹.600 crore and adding the purchase of PSLC of ₹ 6000 crores, loans under Priority Sector as on 31.03.2025 was ₹ 14316.65 Crore, constituting 81.47% of the Adjusted Net Bank Credit (ANBC) as against the mandated 75%.
- Agricultural Advances stood at ₹ 12467.55 Crore Constituted 70.95% of total Advances surpassing the regulatory minimum of 18%.
- Cost of Deposits for the FY 2023-2024 stood at 4.79%
- Cash recovery in NPA accounts in the FY 2024-25 is ₹ 638.17 Crore against the cash recovery of ₹ 741 Crore for the previous year.



- The Bank has a strong outreach with a network of 629 branches, 3 extension counters and 50 ATMs.
- The Bank has done exceedingly well under Enrolment of PMJJBY, PMSBY and APY. The Bank has Enrolled 227636 policies under PMJJBY, 395716 Policies under PMSBY and 88623 accounts under APY.
- During the F.Y 2024-25, the Bank has collected a premium of ₹ 50.64 crore and earned commission income of ₹ 12.9 crore under Bancassurance against total premium collection of ₹55.27 crore during F.Y. 2023-24 and commission earning of ₹15.03 crore.

#### Way forward:

Over the past 20 years, the bank has stood as a trusted and supportive financial partner to its customers, with value creation at the core of its mission. We believe in the agility and resilience of our organization and remain fully aware of the evolving challenges and opportunities in our environment. It is our collective responsibility to face these challenges head-on and seize every opportunity for growth and service enhancement.

As per the Central Government's One State, One RRB policy, the two RRBs of Karnataka — Karnataka Vikas Grameena Bank (Head Office: Dharwad) and Karnataka Gramin Bank (Head Office: Ballari) — will amalgamate to form Karnataka Grameena Bank, effective from May 1, 2025, with its Head Office located in Ballari. This amalgamation will provide the new entity with a pan-Karnataka reach, covering all 31 districts, making it the third largest Regional Rural Bank (RRB) in the country, with a turnover of ₹1,04,851 crore, a network of 1,751 branches, 9 RAM Cell, and 29 Regional Offices.

While this transition brings with it many challenges, we are confident that with the strong support of our valued

customers and the unwavering commitment of our dedicated staff, the bank will continue to deliver quality service and enhance its performance in the current year.

Going forward, we aim to harness the strength of our young and talented workforce, combined with our robust technological capabilities, to deliver a balanced suite of digital and traditional customer-centric products. This approach will help us build a stable and sustainable asset base. The bank has charted out a comprehensive roadmap focused on operational stability, service excellence, and achieving commendable profitability in the years ahead.

## 1. Brief Introduction

Karnataka Vikas Grameena Bank came into existence by a notification dated 12th September 2005 by the Government of India, amalgamating four Regional Rural Banks sponsored by e-Syndicate Bank in the State of Karnataka. These banks are Malaprabha Grameena Bank, Bijapur Grameena Bank, Varada Grameena Bank, and Netravathi Grameena Bank. The Bank operates in 87 talukas across 9 districts, namely Bagalkot, Belagavi, Dakshin Kannada, Dharwad, Gadag, Haveri, Udupi, Uttara Kannada and Vijayapura, catering to the financial needs of more than 67 lakh customers. As of 31<sup>st</sup> March 2025, the Bank had a total business of ₹38,513 Crore, comprising ₹20,941 Crore in deposits and ₹17,571 Crore in advances.

## 2. Branch Network

- a) The Bank operates with 629 branches, which are classified based on Census 2011. The region-wise distribution of the branch network as at the end of the reporting year is as follows:



### Spread of Branch Network

Sl. No.	Region	District	Rural	Semi-Urban	Urban	Total
01.	Bagalkot	Bagalkot	53	20	3	76
02.	Belagavi	Belagavi	33	9	11	53
03.	Vijayapura	Vijayapura	55	16	8	79
04.	Chikkodi	Belagavi	35	23	0	58
05.	Dharwad	Dharwad	36	4	26	66
06.	Gadag	Gadag	44	13	4	61
07.	Gokak	Belagavi	39	17	0	56
08.	Haveri	Haveri	62	12	3	77
09.	Kumta	Uttara Kannada & Dharwad	40	15	0	55
10	Mangaluru	Udupi	17	3	3	23
		Dakshina Kannada	13	8	4	25
		<b>TOTAL</b>	<b>427</b>	<b>140</b>	<b>62</b>	<b>629</b>

- b) **Merger of Branches:** No mergers were carried out in the year under report. The guidance of the NABARD/Sponsor Bank has been followed carefully and the progress and other matters at the grassroot level are being closely monitored.

### 3. Share Capital

- a) The total share capital of the Bank is ₹ 23.97 Crore, subscribed by the Government of India, Government of Karnataka and the Sponsor Bank in the ratio of 50:15:35, respectively.

The share capital held by the shareholders is as follows:

(Amt. in Crore)

Share Holders	Share Capital
Government of India	11.99
Government of Karnataka	3.59
Sponsor Bank	8.39
<b>Total</b>	<b>23.97</b>

- b) **Net Worth:** The net worth of the bank has increased from ₹. 1368.61 Crore to ₹1494.54 Crore as of 31st March 2025, showing significant growth of 9.20%.

### 4. Deposits

The total deposits of the Bank as of 31.03.2024 were ₹19856 Crore which reached ₹20941 Crore as of 31.03.2025, registering a net increase of ₹1085 Crore over the deposit level of the previous year, which represents a growth of 5.46%. The comparative position of deposits as of 31.03.2025 vis-à-vis the previous year is as follows:



(Amt. in Crore)

Sl. No.	Category of Deposits	March 2024-2025		% of Growth
		Amount	Amount	
01.	Demand Deposits	9029	9659	6.9
02.	Time Deposits	10827	11282	4.2
	<b>Total</b>	<b>19856</b>	<b>20941</b>	<b>5.5</b>

- a) CASA: Efforts continued to increase the share of low-cost deposits (CASA). The Bank achieved the highest ever CASA ratio of 46.12% to total deposits as of March 31, 2025.
- b) Under the new deposit product, "Vikas Ashadeepa," which was launched on 09.06.2023, the Bank could mobilize ₹ 3487 Crores deposits as of 31.03.2025.
- c) Under the new current account product, "Vikas Prime," which was launched on 27.12.2023, the Bank has opened 1332 accounts and canvassed an amount of ₹ 80 Crores as on 31.03.2025.

## 5. Borrowing and Refinance:

The Bank is availing refinance facilities provided by NABARD, the National Scheduled Caste Finance Development Corporation (NSCFDC), the National Scheduled Tribe Finance Development Corporation (NSTFDC), the National Backward Classes Finance and Development Corporation (NBCFDC), and the Small Industries Development Bank of India (SIDBI) among others. Various schemes implemented with refinance assistance are being monitored as per guidelines issued by respective refinancing agencies/institutions. The Bank has made prompt repayment of principal as well as interest as per the repayment schedule / as per the invoices received.

The details of refinance availed are furnished below:

(Amt. in Crore)

Sl. No.	Institution and Type of Refinance	Limits Sanctioned for the year 2024-25	Availed during the year 2024-25	Outstanding as on 31.03.2025 (including earlier limits)
<b>I</b>	<b>NABARD</b>			
	01 ST –SAO	1480.00	980.00	980.00
	02 ST- OTHERS	300.00	0.00	0.00
	03 MT -Schematic	62.50	62.50	627.22
<b>II</b>	<b>NSFDC</b>	22.43	22.43	98.70
<b>III</b>	<b>NSTFDC</b>	13.48	13.48	35.00
<b>IV</b>	<b>NBCFDC</b>	24.99	24.99	43.66
<b>V</b>	<b>SIDBI</b>	150.00	150.00	150.00
	<b>TOTAL</b>	<b>2053.40</b>	<b>1253.40</b>	<b>1934.58</b>



## 6. Cash & Balances with Banks

Bank has fixed cash retention limit to all the branches and monitors the cash in hand position at regular intervals. Bank has managed to maintain minimum

cash balance in the branches. The balance for last three years and average cash to average deposits is given in the table below:

*(Amt. in Crore)*

Particulars	As on 31.3.2023	As on 31.3.2024	As on 31.3.2025
Average cash	64.98	57.90	79.63
Average Deposit	17354.70	18492.96	19288.82
% of Average cash to Average Deposit	0.37	0.31	0.41

Bank has maintained a current account with RBI Regional Office, Bengaluru for the purpose of maintaining CRR, RTGS, NEFT, IMPS, AEPS and CTS clearing transactions.

Balance in Current account with RBI/ other banks are as under:

*(Amt. in Crore)*

Current Account with	31.03.2024	31.03.2025
RBI	1050.56	831.82
Canara Bank	16.17	14.57
Other Banks	4.68	5.65
<b>Total</b>	<b>1071.41</b>	<b>852.04</b>

## 7. Investments:

The management of the Bank's funds has been of prime importance among its key performance obligations, especially since RRBs were directed to keep their SLR requirements in Government Securities and were permitted to invest their surplus funds in other approved securities, bonds, and debentures within the parameters of directives/guidelines issued by RBI/NABARD from time to time. With a system in place for monitoring the inflow and outflow of funds on a day-to-day basis, the Bank has effectively managed the availability of surplus funds for short-term and long-term

investments. The Bank's Investment Policy aims to maximize returns by judiciously investing surplus funds in profitable, safe, and secure avenues. During the year, the Bank earned an interest income of ₹1765.39 crore. It includes, Income from investments along with Interest on balance with RBI & other interbank deposits is ₹.396.90 crore. Additionally, the Bank earned ₹101.22 crore from PSLC trading.

The gross investments of the Bank, excluding FDs with banks, as of 31st March 2025, stand at ₹4,749.27 crore, with an ID ratio of 22.68%. Details of the investment portfolio are as follows:



(Amt. in Crore)

Sl. No.	Approved Securities (SLR Securities)	31.03.2024	31.03.2025
1	Govt Securities	4213.99	4236.97*
2	Treasury bills	0.00	0.00
3	Other approved securities	0.00	0.00
	<b>Total</b>	<b>4213.99</b>	<b>4236.97</b>
	Other Securities (Non – SLR Securities)		
1	Equities	0.61	0.61
2	Bonds & Debentures	509.91	502.68
3	Others (MF etc.)	1.00	9.00
	<b>Total</b>	<b>511.52</b>	<b>512.30</b>
	<b>GRAND TOTAL</b>	<b>4725.51</b>	<b>4749.27</b>

\* Note: Investment with Govt. Securities includes Lending/Investment of ₹50 crore under TREPS.

## 8. Loans and Advances Outstanding

During the year under review, total disbursements towards various sectors amounted to ₹13308.56 crore, and advances outstanding as of 31<sup>st</sup> March 2025 were ₹ 17571.46 crore. The gross advances of the Bank registered a growth of 9.65 %. To diversify the portfolio, the Bank focused more on term lending for Retail banking, Agriculture, and MSME (RAM) during the year. Bank has created 9 RAM cells for faster processing and sanction of Retail, Agri Term Loans and MSME credit proposals. This is evident from the year-on-year growth of 9.65% in these segments. The increased emphasis on the retail-lending segment resulted in significant uptake. The focus continued on various products such as MSME loans, Housing Loans, Vehicle Loans, and Gold Loans, which cater to a wider spectrum of deserving customers.

Priority Sector Lending continued to be a priority. The Bank has endeavored to ensure equitable and sustainable economic development by making timely and hassle-free credit available for productive purposes to Small and Marginal Farmers, Micro and Small Enterprises, Retail Traders, Professionals and Self-Employed individuals, Women Entrepreneurs, and entrepreneurs from economically weaker sections.

The outstanding advances under the Priority Sector (excluding PSLC) as of 31st March 2025 aggregated to ₹15331.65 crore, constituting 87.25% of the total credit. The purpose-wise classification of outstanding advances as of 31st March 2025 vis-à-vis the previous year is as follows:

(Amt. in Crore)

Sl. No.	Category of Advances	As on 31/03/2024	As on 31/03/2025	% Growth	% to total Advances
1	Primary Sector-Agriculture	11568.66*	12467.55**	7.78	70.95
2	Secondary Sector (SME)	1795.78	1889.57	5.24	10.75
3	Others	2662.89	3214.34	20.72	18.30
	<b>TOTAL</b>	<b>16027.33*</b>	<b>17571.46**</b>	<b>9.64</b>	<b>100.00</b>

\*Inclusive of Rs.500.00 Crore IBPC. \*\* Inclusive of Rs.600.00 Crore IBPC



**Beneficiary-wise classification of Advances as on 31.3.2025 vis-à-vis the previous year:***(Amt. in Crore)*

Sl. No.	Particulars	As on 31/03/2024	As on 31/03/2025	% Growth	% to total Advances
	<b>Total Advances</b>	<b>16027.33*</b>	<b>17571.46**</b>	<b>9.63</b>	
	<b>Out of which</b>				
1	SC/ST beneficiaries	1827.17	2041.09	11.70	11.62
2	Minority beneficiaries	1695.36	1850.26	9.14	10.53
3	SF/MF/AL beneficiaries	6726.70	7456.79	10.85	42.43
4	Other Govt. Sponsored Schemes	1584.02	1743.21	10.05	9.92
5	Women beneficiaries	3209.99	3719.89	15.88	21.17

\*Inclusive of ₹ 500.00 Crore IBPC. \*\* Inclusive of ₹ 600.00 Crore IBPC

**9. (a) SELF HELP GROUPS**

Financing Self Help Groups (SHGs) has been a significant lending activity for the Bank since its inception. During the financial year 2024-25, 6352 groups were credit-linked against a target of 900 groups, with an outlay of ₹245.40 Crore. At the end of the year, ₹ 206.93 Crore was outstanding from 12,342 groups.

The Bank has been focusing on capacity building of SHG members by conducting training programs through RSETIs/RUDSETIs and other training institutions. Specialized training in employment-generating activities has also been provided to members who have shown entrepreneurial qualities. During the financial year, credit linkage was done for a variety of activities, including solar enterprises, bangle manufacturing units, weaving units, garland making units, puffed rice manufacturing units, electrical and electronics appliance repair units (TV and mobile repairs), napkin manufacturing, confectionary units, bakery units, as well as agricultural activities such as floriculture, dairying, and animal husbandry.

Every year, the Bank observes February and August as SHG linkage months, during which

branches/offices are advised to identify fresh eligible groups and link them with bank credit in a camp mode, in addition to reviving and linking existing dormant groups.

**(b) JOINT LIABILITY GROUPS (JLGs)**

The Bank has been at the forefront of financing JLGs for decades. The mid-segment, which predominantly engages in agriculture-related activities, requires larger quantum of credit for longer durations than microcredit. Joint Liability Groups (JLGs), which support groups of 4 to 10 members, cater to this segment.

During the financial year 2024-25, 3,593 groups were credit-linked with an outlay of ₹ 118.08 Crore. At the end of the year, ₹ 148.30 Crore was outstanding from 6656 groups, which is ₹ 15.35 Crore more than the previous year. The Bank has been receiving grant assistance from NABARD for promoting and linking new JLGs each year.

**(c) PROPAGATION OF SOLAR ENERGY**

As a green initiative, the Bank has been prioritizing solar energy-driven home products by extending finance for solar lighting, solar water heaters, solar livelihoods, etc., thereby actively



participating in the promotion of non-conventional energy sources. The Bank has made significant efforts in conveying the message of solar energy usage and creating awareness among its clients, particularly in rural areas, by regularly conducting solar user programs at district/regional levels. The Bank is educating customers about PM-Surya Ghar Muft Bijali Yojana and actively sanctioning loan for the same.

Apart from conventional lighting and water heater products, the Bank supports many livelihood products driven by solar energy. As an innovative step towards the green initiative, the Bank has entered into an MoU with Selco Solar Lights Pvt. Ltd. and introduced a unique MSME loan product named "Vikas Soura Swawalambana" for financing entrepreneurs engaged in income-generating activities to purchase solar-driven livelihood products, aiming to increase their income levels. Selco Solar Lights Pvt. Ltd. has

produced more than 142 solar-driven livelihood products such as sewing machines, roti-making machines, blacksmith fan blowers, coir ratt spinning, wood lathe machines, etc., which help entrepreneurs in the unorganized sector improve their income levels and livelihoods.

Additionally, the Bank has provided solar facilities to 200 branches to run entirely on solar energy. Furthermore, the Head Office is equipped with a grid-connected solar PV system of 25 KW capacity, installed on the rooftop of the building.

#### (d) PRIME MINISTER MUDRAYOJANA (PMMY)

The Bank has continued to prioritize financing to MSMEs and Agri-Allied activities with a focus on MUDRA loans (PMMY). Under PMMY, against a target of ₹ 2300.00 Crore for F.Y. 2024-25, the Bank disbursed ₹ 2089.05 Crore to 149217 beneficiaries. The category-wise disbursement data is furnished below:

(Amt. in Crore)

Sl. No.	Category	No. of A/cs	Amt.
1	SHISHU	55779	174.45
2	KISHOR	87351	1371.06
3	TARUN	6086	543.36
4	TARUN PLUS	1	0.18
	<b>TOTAL</b>	<b>149217</b>	<b>2089.05</b>

As a proactive measure to promote collateral-free lending to MSMEs, the Bank has been re-enrolled with the CGTMSE for providing collateral-free loans to MSMEs up to ₹200.00 lakhs.

## 10. LOANS DISBURSED DURING THE YEAR 2024-25

During the year under report, the Bank has made credit disbursements of ₹13308.56 crore (as against the credit disbursements of ₹11908.06 crore during the previous year), thereby achieving 89.25% of the

target allotted under the Annual Credit Plan (ACP) of ₹ 14912.11 crore. Out of the total loans disbursed, the Bank has deployed ₹ 11041.47 crore in the priority sector and ₹ 2267.09 crore in the non-priority sector (compared to ₹ 1832.90 crore disbursed to non-priority sector in the previous year).

The sector-wise performance under disbursement against targets under the Annual Credit Plan (ACP) for the year 2024-25, vis-à-vis the previous year, is as follows:



(Amt. in Crore)

Sl. No.	Sector	Actuals as on 31.3.2024	ACP Target for 2024-25	Achievements As on 31.3.2025
A	<b>Priority Sector</b>			
	i) Agriculture	8759.69	10121.81	9645.76
	ii) Allied Activities			
	iii) NFS/SSI	1315.47	1364.40	1395.71
	iv) Other Priority Sector			
	<b>Total of Priority Sector</b>	<b>10075.16</b>	<b>11486.21</b>	<b>11041.47</b>
B	<b>Non Priority Sector</b>	1832.90	3425.90	2267.09
	<b>Total Disbursement</b>	<b>11908.06</b>	<b>14912.11</b>	<b>13308.56</b>

## PARTICIPATION IN POVERTY ALLEVIATION PROGRAMMES FOR THE FY 2023-24

As part of its social obligation, the Bank has been at the forefront of implementing various poverty

alleviation programmes sponsored by both the Central and State Governments. The following figures demonstrate the Bank's commitment to the implementation of such poverty alleviation programmes;

(Amt. in Crore)

Sl. No.	Particulars	Applications received during 2024-25	Amount Sanctioned/ disbursed during 2024-25
1	NRLM in place of SGSY	3158	100.92
2	SC/ST Schemes	95762	1812.11
3	Minorities	56318	703.58
4	PMEGP	2195	38.34
5	Other Govt. Sponsored Schemes	15494	46.37

## MOU with Various Service Providers/NGOs/ Organizations

To accelerate the pace of advances, ensure better end utilization of amounts lent, and ensure better recovery, the Bank has entered into MoUs with various service providers, NGOs, and organizations. These service

providers are sourcing and sponsoring a good number of quality proposals, thereby contributing to the sizeable growth of the credit portfolio, particularly under SHGs, JLGs, MSME, and KCC.

Details of existing service providers who have been extending good support are furnished below:



Sl. No.	Name of NGO	Area of Operation/district	Activities covered
1	Shri Yashodhara Naik Trust, Kumta	Uttar Kannada District	SHGs and JLGs
2	Initiative for Development Foundation (IDF) & Gram serve Pvt. Ltd, Dharwad	Specified Branches in Chikkodi, Bagalkot and Haveri Regions.	SHGs and JLGs
3	LS Ghasti Memorial Trust, Dandeli	Dandeli and Joida Talukas in Uttara Kannada District	SHGs and JLGs
4	Deshpande Foundation	Dharwad & Gadag	Construction of Watersheds through JLG model

## 11. Financial Inclusion Initiatives

Financial inclusion aims to ensure the availability of formal and basic banking services to all households, including those in unbanked and under-banked areas. The Bank has adopted several financial inclusion initiatives, and brief information about FI activities during the year is as follows:

### a) Comprehensive Financial Inclusion Implementation

The Bank is actively implementing Comprehensive Financial Inclusion under Mission Mode as per GOI/MOF/DFS directions. It has created 876 Sub Service Areas (SSA) to cover 2,033 villages. Out of 876 SSAs, 332 are covered through existing Bank Branches, and the remaining 544 are served by Business Correspondents (BCs).

Service Providers: Integra Micro Systems Pvt Ltd and Atyati Technologies Private Ltd. are the Technology Service Providers for the BC model. The Bank has entered into Service Level Agreements with them, valid until December 31, 2028.

BCs carry out AEPS and RuPay Card transactions using Micro ATMs provided to them. They also perform SB account openings and

SHG dual authentication. BC transactions are monitored through online dashboard reports, and failed/reversed AEPS/RuPay Card transactions on BC HHMs (Hand Held Machines) are monitored daily.

Base Branch Managers visit BC locations weekly to monitor and guide BCs to increase both the number and volume of transactions. The transactions of the BCs are monitored by the base branch through Voucher Verification Reports and transactions in BC Current accounts.

The Chairman, General Managers, Chief Managers, and Regional Managers visit FI villages to motivate staff and BCs to implement the Financial Inclusion Plan and achieve inclusive growth as per DFS/GOI guidelines. The system of reviewing and monitoring at RO and HO is further strengthened.

Review meetings of BCs with Base Branch Managers are conducted in all Regions and the performance of individual BCs is reviewed regularly. All Regional Managers conduct monthly meetings with Bank Mitras.

The progress under BC transactions, AEPS & RuPay Card transactions/Card Activation and Aadhaar & Mobile number seeding as of March 31, 2025, is detailed below:



Particulars	Position as on 31.03.2025
Average BC transaction per BC per day	28
No. of AEPS transactions through BCs during the year	70,87,801
No of RuPay Cards transaction through BCs during the year	7,315
Total RuPay Debit Cards issued (PMJDY & General)	18,45,000
RuPay Card Activation	7,93,431* (43.01%)
No. of Active KCC a/cs	4,86,343
KCC RuPay cards issued	61,566
KCC RuPay activation	4,853

\*Magnetic strip cards issued earlier were not listed. Hence, details of EMV cards issued are furnished.

#### b) Implementation of Pradhan Mantri Jan Dhan Yojana (PMJDY)

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a national mission on financial inclusion initiated by the Honorable Prime Minister on August 15, 2014. The scheme envisages universal access to banking facilities, with at least one basic banking account for every household. In line with the directives given by the Ministry of Finance and the

Sponsor Bank, PMJDY has been implemented by the Bank since August 18, 2014.

The Bank has opened 25,26,590 PMJDY accounts since the scheme's inception, with an outstanding balance of ₹ 1,994.69 crore. Prime Minister Social Security Schemes like APY, PMJJBY, and PMSBY are also given high priority by the Bank. The progress under the scheme is as under;

Sl. No.	Parameter	As on 31.03.2024	As on 31.03.2025
1	No. of PMJDY a/cs opened	23,12,007	25,26,590
2	No. of accounts with Zero balance	86,892	1,26,771
3	Balance in PMJDY (₹ In lakhs)	1,68,855	1,99,469
5	No. of SSA	876	876
6	No. of Wards allotted	219	219
7	No. of SSA covered	876	876
8	No. of Wards covered	219	219
9	No. of Households	10,64,733	10,64,733
10	No. of Households covered	10,64,733	10,64,733
11	No. RuPay Cards issued	10,46,015	18,14,795
12	No. of SSAs where Household survey is completed	876	876
13	No. of Wards where Household survey is completed	219	219
14	No. of Accounts seeded with Aadhaar Number	22,34,628	20,95,321
15	No. of Accounts seeded with Mobile Number.	18,71,315(80.94%)	21,58,476 (85.43%)
16	No. of BSBDA accounts sanctioned with Overdraft facility	1,740	2,833
17	Total OD limit sanctioned (₹ In lakhs)	73.21	42.65



**The progress under Aadhaar & Mobile number seeding:**

Sl. No.	Particulars	Position as on 31.03.2025
1	Aadhaar seeding to Total active accounts of 61,59,993	51,72,305 (83.97%)
2	Mobile no. seeding to Total active accounts of 61,59,993	56,29,935 (91.40%)

**c) Jana Surksha Campaign:**

The Bank actively participated in the Jana Surksha Campaign conducted from October 15<sup>th</sup> 2024, to January 15, 2025. This campaign positively enhanced the Bank's image. Many no of programs were conducted by all branches, explaining the benefits of Social Security Schemes. During the campaign, the Bank enrolled 95,714 accounts under PMJJBY, 1,29,174 accounts under PMSBY.

**d) Implementation of Social Security Schemes (Inclusive Growth)**

The Bank firmly believes that delivering financial services at an affordable cost to disadvantaged and low-income groups is a national priority. The Bank has excelled in this area, with key highlights including:

- Opening 25.26 lakh PMJDY accounts, mobilizing a total deposit of ₹1994.69 crore since inception.

**Cumulative enrollments under Social Security Schemes.**

- Pradhan Mantri Suraksha Bima Yojana (PMSBY) 25.69 Lakh policies
- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) 12.74 Lakh policies
- Atal Pension Yojana 5.16 Lakh accounts.

The Bank has executed MoU with LIC of India and United India Insurance Co. Ltd. for implementation of Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana respectively. Staff members are actively participating in implementation of these schemes by involving BC/ND Agents etc.

The Bank has successfully enrolled 88,592 a/cs (140 per branch) under Atal Pension Yojana (APY) as against target of 57060 a/cs (83 per branch by PFRDA) for the financial year 2024-25. Further Bank has enrolled 63,064 APY accounts in a single day which is 74% of the annual target.

**The progress under the SSSs as on 31.03.2025 is as under:**

Sl. No.	Name of the Scheme	Total No. of customers covered	No. of claims received	No. of claims settled	No of Claims Pending
1	PMJJBY	12,74,837	9211	8747	40
2	PMSBY	25,69,093	1717	1458	60



## 12. IRAC NORMS

- a) **Asset Classification** : Asset classification and Provision for previous year and current year is furnished in the following table:

(Amt. in Crore)

Asset Classification	As on 31.3.2024		As on 31.3.2025	
	Outstanding	Provision	Outstanding	Provision
Standard Assets	15139.48*	75.57	16756.05**	70.00
Sub Standard	358.86	54.51	355.27	35.53
Doubtful	522.10	314.29	457.29	336.63
Loss Assets	6.85	6.85	2.83	2.84
<b>Total of Loans and advances</b>	<b>16027.76</b>	<b>451.22</b>	<b>17571.46</b>	<b>445.00</b>

\*Inclusive of ₹ 500 Crore IBPC.

\*\* Inclusive of ₹ 600 Crore IBPC.

- b) **Provisions** : The Bank has made provision while finalizing the Balance Sheet under different heads of accounts like Standard asset, NPA, provision for Income Tax etc. Details of provision held for Non Performing Advance for the last three years are as under:

(Amt. in Crore)

Provision for NPA	31.03.2023	31.03.2024	31.03.2025
Provision made during the year	205.91	248.27	147.06
Cumulative Provision held	333.70*	375.65*	375.00*

\* Excluding technical write off of ₹ 200 crores.

- c) **NPA Management** : During the FY 2024-25, as a result of focused and sustained efforts through prompt and effective measures under the SARFAESI Act, follow up of recovery cases pending before DRTs and Civil Courts, one-time compromise settlements of accounts, the Bank achieved cash recovery of ₹ 638.17 crores in NPA during 2024-25 as against the cash recovery of ₹.741 crore during previous year.

Classification-wise NPA of previous and current year is as under:

(Amt. in Crore)

Particulars	Previous year 31.3.2024	Current Year 31.3.2025
NPA at the beginning of the year	956.31	887.85
Recovery against NPAs during the year	1175.39	994.85
Additions to NPA during the year	1098.25	922.41
NPA at the end of the year	887.85	815.41

Net NPA as on 31.03.2025 is 2.65% as against 3.40% as on 31.03.2024.



### 13. Recovery of Loans

Several steps were initiated for NPA Management as enumerated below:

#### 1) Continuation of liberalized OTS scheme:

Bank has helped the farming community to meet their short term and long-term investment. Due to continuous drought / natural calamities over a period and heavy capitalization of interest due to rephasing of loans, farmers were facing great difficulty in settling their dues. Because of pandemic, farming, business & service sector have become financially weak and were unable to settle their dues even under existing OTS norms. Looking to the financial problem of the borrowers and also taking into consideration the level of concession being allowed by other commercial banks as per their revised OTS norms, bank has continued the liberalized OTS policy with approval of the board. Under the scheme, the Bank recovered ₹ ₹644.68 Crore in 30614 accounts.

#### 2) Continuation of Incentive Scheme for Branches / ROs:

To boost recovery efforts during the year under report, Bank has conducted a special recovery campaigns under NPA this year also with an incentive Scheme for Branches / ROs that achieve their recovery target.

#### 3) Nodal Officer Concept:

During the year under report, Bank continued the concept of Nodal Officers for business development and recovery of NPAs / borderline assets. Officers from Regional Offices and Head Office were

designated as Nodal Officers with an advice to recover /upgrade minimum 5 NPA loan accounts per branch/per week.

Each Nodal Officer was allotted certain branches having high NPAs. They were required to visit the allotted branches at regular intervals, review all the NPA / Probable NPAs and ensure appropriate steps to recover the amount.

#### 4) Review of Performance:

Weekly / monthly review meeting / Video Conferences: The Chairman and General Managers through Video Conference, reviewed the performance of Nodal Officers and Managers of top 10 NPA branches of every Region at periodical intervals.

#### 5) Conducting of OTS camps:

All the Regional Offices were directed to conduct “Mega OTS Camps” every month at village level. Since April 2024, all the Regional Offices have conducted 3539 camps, during which, 30614 OTS proposals amounting to ₹639.17 crore were sanctioned.

#### 6) Invoking provisions of SARFAESI Act:

Branches / Regional Offices were instructed to identify loan accounts where SARFAESI action could be initiated and to follow up the accounts where action is already initiated until actual cash recovery / OTS or auction of securities. During the year, Bank initiated action under SARFAESI Act in 1551 cases and recovered ₹75.49 Crore from 470 accounts.

Details of accounts where SARFAESI Act initiated is as under:

(Amt. in Crore)

Particulars	No of Accounts	Amount
Position as on 01.04.2024	1255	117.25
Fresh notices issued during the financial year	215	16.55
Recovery made during the financial year	470	75.49
Outstanding as on 31.03.2025	1344	121.38



- 7) **Recovery of Written Off accounts:** Recovery under written off accounts was also given due importance by the Bank. During the financial year, Bank could recover ₹126.00 lakh under written off accounts.

#### 14. WRITE-OFF OF LOANS

RBI vide their Master Circular DBOD. NO.BP.BC.12/21.04.048/2007-08 dated 02.07.2007 had permitted the Banks to effect Technical Write off so as to bring down the NPA level. As per RBI norms, technical write off may be considered in respect of Doubtful and Loss Assets upto the extent of provision held irrespective of the size of the account. Accordingly, in respect of 10607 accounts under DA-3 and Loss Assets, where 100% provision is available the Bank has considered Technical Write Off ₹ 200 crore. The borrowal accounts considered for such Technical write off continue to be outstanding in the Branch Books. The recovery efforts/proceeding continues either through legal action or out of court settlement.

#### 15. COMPREHENSIVE CROP INSURANCE SCHEMES:

The Bank has implemented the crop insurance programmes like Pradhan Mantri Fasal Bima Yojana (PMFBY) & Restructured Weather Based Crop Insurance Scheme (RWBCIS) since beginning for facilities availed for Seasonal Agricultural Operational (SAO) loans/Kisan Credit Card (KCC), for crops cultivated in the area notified by the State Government. All eligible farmers/crops are being covered as per the guidelines issued by government from time to time. Earlier, the enrollment under these

Schemes was mandatory for loanee farmers and optional for non-loanee farmers.

The bank has also adopted the changes made by GOI, Ministry of Agriculture & Farmers welfare, Dept. of Agriculture, Cooperation and Farmers welfare, vide its letter No. 13015/02/2015-Credit-II dated 28.02.2020, through which, all the Banks were informed about certain changes in the provisions/parameters of crop insurance schemes mentioned above. As per the scheme guidelines, since Khariff 2020 season, enrollment of loanee farmers is also made optional/voluntary subject to production of letter of option by the loanee farmer. The main objective of making enrolment under the scheme voluntary for all farmers is to empower farmers to take an informed decision on mechanisms to protect their crops.

During 2024-25 Khariff season a total of 7118 farmers (both loanee and non-loanee) were enrolled with a sum assured of ₹ 143.27 Crore and collected a premium of ₹ 7.15 Crore. During 2024-25 Rabi season a total of 8 farmers (both loanee and non-loanee) were enrolled with sum assured of ₹ 0.05 Crore and collected a premium of ₹ 0.0007 Crore.

#### 16. INCOME EARNED:

During the year, the aggregate revenue income of the Bank is ₹2219.68 Crore as against ₹2121.49 Crore of previous year. ₹101.22 crore income generated from trading of PSLC during the year.

The break-up of income earned during 2024-25 as compared to 2023-24 is as under:

(Amt. in Crore)

Sl. No.	Particulars	2023-24	2024-25
01	Income on Advances	1230.73	1368.49
02	Income from Investments	313.97	318.39
03	Income from other Investments (including FDs, Investment with RBI)	190.44	78.51
04	Income from trading of securities	-1.57	-0.26
05	Income from trading of PSLC	84.74	101.22
06	Other Income	303.17	353.32
	<b>Total</b>	<b>2121.48</b>	<b>2219.67</b>



## 17. EXPENDITURE INCURRED

The bank believes that control on expenditure is also a tool for improving profitability. The aggregate expenditure of the Bank is ₹ 2093.64 Crore as on 31.03.2025 against the total expenditure of ₹2017.32 Crore as on 31.03.2024.

The details of interest paid on deposits, borrowings, establishment and other expenditure incurred for the year 2024-25 in comparison to the expenses incurred during 2023-24 are as under:

*(Amt. in Crore)*

Sl. No.	Expenses Head	2023-24	2024-25
01	Interest on Deposits	879.49	924.76
02	Interest on Borrowings	199.26	161.12
03	Establishment	541.68	684.61
04	Other Operating expenditure	199.86	201.44
05	Provisions & Contingencies	197.03	121.71
	<b>Total</b>	<b>2017.32</b>	<b>2093.64</b>

## 18. PROFIT/LOSS:

For FY 2024-25, the total interest income of the Bank increased to ₹1765.39 crore. The Bank's cost of deposits is maintained at 4.79%. The net interest income i.e. the difference between interest paid and interest earned by the Bank, stood at ₹679.51 crore as at March 2025. The Gross NPA ratio is at 4.80% this year and Net NPA at 2.65%. Provision Coverage Ratio (PCR) stood at 57.48% as at March 2025. Operating Profit of the Bank stood at ₹247.75 crore as on 31.03.2025. Despite the challenges faced, the Bank

has achieved Net Profit of ₹ 126.00 Crore and registered a growth of 21.15% as compared to net profit of ₹104.00 Crore as on 31.03.2024.

## 19. FINANCIAL RATIOS

In order to remain competitive and shore up reserves, the Bank is always striving to reduce costs and earn profits. The financial ratios worked out on average working funds as on 31.03.2025 and that of the previous year are as under:

Sl. No.	Ratios	2023-24	2024-25
1	Financial Return (Int. Income / Avg. Working Fund)	7.50	7.50
2	Financial Cost (Int. Expenditure / Avg. Working Fund)	4.66	4.61
3	Financial Margin (1-2)	2.84	2.89
4	Operating Cost as a % to Avg. Working Fund	3.20	3.76
5	Miscellaneous Income as % to working fund	1.67	1.93
6	Operating Profit (3+5-4)	1.31	1.06
7	Risk Cost (Provision & Contingencies /Avg. Working Fund)	0.85	0.52
8	Net Margin (6-7)	0.46	0.54

Capital to Risk Weighted Asset Ratio (**CRAR %**) for the year 2024-25 is maintained at 11.79 (previous year: 11.57)



## 20. TRANSFER PRICE MECHANISM

Calculation of Ultimate Profit / Loss (TPM) as at March 2025:

The Bank has calculated TPM to arrive at the number of Loss Making Branches as on 31.03.2025. The details of Operational Profit & Loss and Ultimate Profit/Loss making branches as at 31.03.2025 after applying TPM are as under:

Details of profit and loss making Branches for March 2025					
Category of Branches	No of Branches	Profit Making Branches		Loss Making Branches	
		Operational	After TPM	Operational	After TPM
Urban	62	5	54	57	8
Semi Urban	140	97	136	43	4
Rural	427	339	402	88	25
<b>Total</b>	<b>629</b>	<b>441</b>	<b>592</b>	<b>188</b>	<b>37</b>

## 21. ACHIEVEMENTS UNDER MOU 2024-25

Planning for future growth with committed efforts to achieve results are the essential ingredients of good business proposition. The Action Plan prepared for the year 2024-25 became the Memorandum of Understanding with Sponsor Bank.

The performance under important parameters in comparison with targets is furnished below:

(Amt. in Crore)

Sl. No.	Particulars	Target for 2024-25	Achievement as on 31/03/2025
1	Business	39600	38514
2	Deposits	22000	20941
2a	CASA/ Demand Deposit	9900	9659
3	Ratio of Demand Deposit to Total Deposits	45	46.12
4	Advances Outstanding*	17600	17571
5	Priority Sector Advances	15670	15332
6	Disbursement to Priority Sector advances	11000	11041
7	Total Income	2410	2220
8	Total Expenditure	2095	1972
9	Operating Profit	315	248
10	Net Profit	175	126
11	NPA	750	815
12	Per Branch Business	62.96	61.23
13	Per Employee Productivity	12	12.17
14	CD Ratio	80	83.92

\*Advances is Inclusive of ₹ 600 Crore IBPC.



## 22. COMPUTERISATION / AUTOMATION / TECHNOLOGY INITIATIVES

Over the past decade, digital technology has revolutionized nearly every industry and service that impacts our daily lives — and banking is no exception. The rise of digitalization has unlocked unprecedented opportunities for both the banking sector and its customers, fundamentally reshaping how individuals access and manage their finances.

Today, an increasing number of people rely on digital banking solutions for their everyday financial needs. What was once a time-consuming process has become fast, seamless, and user-friendly. Digitization has not only simplified operations but has also redefined the entire ecosystem of banking by bringing greater convenience, efficiency, and productivity to the forefront. Modern banking now embodies a more accessible and appealing experience, tailored to the demands of a digital-first world.

Technology has introduced a wide range of benefits to the banking landscape, including streamlined

operations, enhanced customer service through digital platforms, stronger security protocols, faster transaction processing, and the ability to offer personalized financial solutions that cater to individual needs.

Our Bank stands at the forefront of this digital transformation, consistently adopting cutting-edge technologies and launching a broad spectrum of innovative digital products designed to meet the evolving expectations of our customers.

We are proud to offer a robust suite of digital services, including Mobile Banking, Internet Banking, RuPay Cards, Bharat Bill Payment System (BBPS), Unified Payments Interface (UPI), Immediate Payment Service (IMPS), ATMs, Aadhaar Enabled Payment System (AEPS), Bharat Electronic Payment Gateway (BEPG), and convenient features like Debit card services all accessible through our Mobile and Internet Banking platforms.

In the financial year 2024-25, the Bank has undertaken the implementation of various technological upgradations as detailed below:

Sl. No.	Initiative
1	Real time Aadhaar Seeding and De-seeding at NPCI through API.
2	Standardization of narration of statement of account for AePS transactions.
3	End to End auto reconciliation system for AEPS transactions.
4	Opening and closing of RD accounts through Mobile Banking and Internet Banking applications.
5	Option to create/amend/cancel nomination for Deposit Type of accounts in Mobile Banking application.
6	Implementation of OTC Lock at all ATMs.
7	Option to enable/disable AEPS debit transactions in CBS
8	E-mandate registration through Aadhaar.
9	Onboarding to NPCI BASE platform for Aadhaar seeding and de-seeding.
10	Option to enable/disable AePS debit transactions in Mobile Banking.
11	Display of CKYC number in passbook, account statement, mobile banking and Internet Banking.
12	Implementation of e-surveillance at ATMs.
13	Implementation of BoardPAC solution for Board meetings.
14	End to End auto reconciliation system for NEFT/RTGS transactions.
15	Implementation of ACH Debit as Sponsor Bank
16	Automation of calculation of CRAR.
17	Implementation of Key Fact Statement to Borrowers.



18	Automatic conversion of fully KYC accounts to Senior Citizen account in CBS.
19	OC 91 – Transmission of PAN number of BC in AePS online transactions.
20	e-mandate registration through Debit card.
21	e-mandate authentication through Simplified Aadhaar.
22	Implementation of multiple Gold Loan products in LOS.
23	Implementation of Loan statement services through WhatsApp Banking.
24	FI Gateway Revamping.
25	Implementation of Direct ISO in NEFT messaging.
26	SIM binding functionality in Mobile Banking.
27	Implementation of APY re-fixation model for upgrade/downgrade of pension amount in CBS.
28	Implementation of ReqValAdd API for Beneficiary name validation in IMPS Channel.
29	Implementation of eBG solution
30	Loan repayment through BBPS
31	UPI Lite Auto Topup

### 23. INTEREST RATES

- a) **Interest rates on Deposits :** Keeping in view the liquidity position of the bank, commitments under MoU and the stiff competition from other co-players in the market, ALCO suggests upward/downward revision in the rate of interest as and when required.

The interest rate on time deposits as on 31.03.2025 are as under:

Sl. No.	Maturity Period (Term)	Rate of Interest %
01	7 days to 14 days	3.25
02	15 days to 29 days	3.25
03	30 days to 45 days	3.30
04	46 days to 60 days	4.50
05	61 days to 90 days	4.50
06	91 days to 120 days	4.60
07	121 days to 180 days	4.60
08	181 days to 269 days	6.00
09	270 days to 364 days	6.00
10	One year only	6.00
11	Above 1 year and inclusive of 2 years	6.50
12	Above 2 years and less than 3 years	6.50
13	3 years and above & less than 5 years	6.50
14	5 years and above	6.50
15	Vikas Siri Sampat-1111 (1111 days)	7.05
16	Vikas Ashadeep-400 days	7.00



- b) Interest rates on Advances:** Considering the important factors like cost of deposits/cost of borrowing, prevailing Rate of Interest in other Banks etc., the rate of interest on advances is being revised from time to time. During 2024-25 rate of interest for few of the loan products have been revised to make them more competitive and to ease the interest burden on our valued customers.

The chart of the rate of interest as on 31.03.2025 has been furnished below:

No.	Priority Sector Advances	Particulars	ROI (%)
<b>A Priority Sector Advances</b>			
<b>1</b>	<b>Agriculture Short Term Loans</b>		
	a) KCC/CROP LOANS / Pledge (i.e. Produce) Loan – under interest subvention-Applicable rate of Interest up to one year from the date of disbursement or due date or date of payment / renewal, whichever is earlier.	a. Up to ₹ 3.00 lakhs	7.00
		b. Above ₹ 3.00 lakh	13.00
	b) KCC/CROP LOANS (after one year of disbursement) / Pledge (i.e. Produce) Loan– Normal rate of interest (without interest subvention)	a. Up to ₹ 1.00 lakh	12.00
		b. Above ₹ 1.00 lakh upto ₹ 3,00 lakh	12.00
		c. Above ₹ 3.00 lakh	13.00
	c) Kisan OD (Over Draft)	Irrespective of Loan Amount	14.00
<b>2</b>	<b>Agriculture Term Loans</b>		
	a) Agri. Term Loans/allied activities (including Minor Irrigation, Land Development, purchase of Agriculture land, Commercial production of Organic inputs, VikasBahumukha, Drip Irrigation for Sugar Cane cultivation, Stall fed goat /sheep rearing, Model dairy unit, Agri. Tourism, KrishiSamruddi, Poultry, she buffalo, Vikas Krishi Samruddhi, Financing to Landscaping, Sericulture, Fishery, Vikas Green house/Poly house, NLM-SIDBI, Solar SIP etc.)( excluding ACABC)	Irrespective of Loan Amount	12.00
	b) Tractor / Trailer, Agricultural equipments/implements, Harvester etc.	Irrespective of loan amount	12.00
	c) Farm House	Irrespective of loan amount	9.50
	d) Farm House Repairs	Irrespective of loan amount	10.00
	e) ACABC (both agri and non-agri)	Irrespective of loan amount	12.00
	f) Vikas H & T	Maximum ₹ 10.00 lakh per contractor	10.50
	g) Agriculture Infrastructure Fund-AIF	Up to 90% of Project cost subject to maximum of ₹ 2.00 crores	9.00
	h) Vehicle loans to Agriculture 4 wheeler max. Rs.20 lakhs	Irrespective of amount Maximum ₹ 20.00 lakh	11.00
	i) Farm Pond under tie up agreement with M/s. Deshapande Foundation	Max Up to 92000/-	9.50



3	<b>MSME sectors</b>		
	a) Rural Artisans, Cottage Industries, Tertiary Sectors including loan to Retail Traders, Small Business and Other Self Employed, Professionals and Medical Practitioners, Swarojagar Credit Card, GCC, Rural Godown, Cold storage, KisanSevaKendras, SRT0, VikasAnnapoorna, SouraSwawalambana, PMJDY-OD, LaghuUdyami Credit Card (LUCC) & other Non- farm sectors including Loans extended to Educational Institutions( excluding PMEGP, PM FME and ACABC)	Irrespective of Loan Amount	10.00
	b) Vikas Asha	Irrespective of amount Maximum ₹ 20.00 lakh	10.00
	c) Vikas Nava Sanjeevini	Irrespective of Loan Amount	10.00
	d) Vikas Saathi Scheme (3-4 wheeler)	a. Up to ₹ 10.00 Lakhs	10.00
		b. Above ₹ 10.00 Lakhs	
	e) Vikas Mitra Scheme (2-Wheeler) Irrespective of Loan	Amount Max. ₹ 1 lakh	10.00
	f) PMEGP	Irrespective of loan amount	10.00
	g) Vikas Janashakti Irrespective of Loan amount	maximum quantum of loan is ₹ 2.00 lakhs	13.50
	h) Pradhan Mantri Formalization of Micro Food Processing Enterprises scheme (PM FME)	Up to 90% Bank Loan on the project cost.	10.00
	i) Vikas Textile	a. Up to ₹ 10.00 lakhs	11.50
		b. Above ₹ 10.00	11.00
4	Education Loans (CGFSEL Covered loans)	a. Up to & inclusive of ₹ 7.50 lakhs	11.25
		b. Above ₹ 7.50 lakhs	12.50
5	Self Help Groups *	Irrespective of Loan Amount	12.50
6	Joint Liability Groups/ JLG OD**	Irrespective of Loan Amount	12.50
7	<b>Solar products:</b>		
	a) Solar Lighting	Irrespective of the limit	11.00
	b) Solar Water heating	Irrespective of Loan Amount	11.00
	b) Roof top Cir 203/2015	Irrespective of Loan amount	11.00
8.	<b>Housing Loan Segments</b>		
	a) Public Housing Loans	Vikas Griha-High Score (750 or more)	8.50
		VikasGriha- Medium Score (-1,1 to 5 and 600 to 749)	9.00
		VikasGriha-Low Score (* Score less than 600)	9.50
	b) Vikas Griha Flexi Scheme	Irrespective of Loan Amount	11.00
	c) Vikas Grihalankar Scheme	Irrespective of Loan Amount	11.00



	d) VikasGrihaSnehi	Irrespective of Loan Amount (Presently quantum of loan is Mini. ₹ 1.00 lakh & maxi. ₹ 2.00 lakh)	11.00
	e) Housing loan top up		11.00
	f) PMAY/ Housing for all by 2022" affordable housing in partnership (A.H.P) - PMAY-AHP	For SC/ST Minimum Rs. 90,000/- and Maximum ₹ 3,90,000/- For General Minimum ₹ 1,70,000/- and maximum ₹ 4,70,000/-	9.00
9	NRI Housing Loan	Irrespective of the amount	8.50
10	Vikas Spoorthi	Maximum quantum of loan is ₹ 2.00 lakhs	13.00

## B. Non Priority sector advances

No.	Non Priority Sector Advances	Particulars	ROI (%)
1	Loans to Wholesale Dealers, Commission Agents	Irrespective of Loan amount	12.00
2	Loans to Real Estate Developers and all other commercial / NPS Advances	Irrespective of Loan amount	13.50
3	Mortgage Loan /OD	Irrespective of Loan Amount	12.50
4	Vikas Rent Scheme	Irrespective of Loan Amount	12.00
5	Vehicle Loan to Public under PBS (4 wheeler & 2 wheeler)	Up to ₹ 5,00,000	9.50
		₹ 5,00,001 to ₹ 10,00,000	9.25
		₹ 10,00,001 and above	9.00
6	Ware House receipt loans.(Other than Produce Loan) Repayment period more than 6 months.	Irrespective of loan amount	13.00
7	Loans and Advances against NSC/KVP/LIC Policies (Surrender Value)	Irrespective of amount	12.00
8	Demand Loans for Salaried Class & Non-salaried (Purchase of Consumer Durables and Demand Loans)	Irrespective of loan amount	12.50
9	DL to Nirantara Deposit Agents	Irrespective of loan amount	12.50
10	DL to Agriculturists	As per Scheme	13.00
11	Branch Premises Loans	Irrespective of the Amount	12.00
12	DL on security of Nirantara Deposit A/cs (NDDL)	Up to ₹ 1. 50 lakhs	13.50
13	Cheque Discounting / Purchasing	Irrespective of amount	16.00
14	Debit balances in SB / Current accounts	Irrespective of amount from the date of over draws.	18.00
15	Loans on Deposits on Nirantara Deposit	Irrespective of the amount	10.00
16	<b>Jewel Loans</b> a) Multi-Purpose agricultural jewel loan scheme –JL/JLOD, maximum limit Rs.10 lakhs only (RTC in the name of borrower - singly or jointly shall be obtained)	Up to ₹ 1 Lakh Above ₹ 1 Lakh	8.75



	b) Jewel Loans Non Agri.	Irrespective of Loan Amount	9.00
	c) Vikas Laghu Suvarna/JL OD (Jewel Loans to business/others)	Up to ₹ 1 Lakh	9.00
		Above ₹ 1 Lakh up to ₹ 5 Lakhs	9.00
		Above Rs. 5 lakhs	9.00
17	a) Loans on Term Deposits/ODD	2% above Rate of Interest on Deposit	
	b) VikasSantushti- ODD	1.50% above Rate of Interest on Deposit	

The applicable Rate of Interest for Retail loan products under Fixed Interest Regime as on 31.12.2024 is as under:

Housing Loan Segments		ROI (%)
a) Public Housing Loans	Vikas Griha-High Score (750 or more	9.75
	Medium	10.25
	Low	10.75
b) Vikas Griha Flexi Scheme	Irrespective of Loan Amount	11.25
c) Vikas Grihalankar Scheme	Irrespective of Loan Amount	11.25
d) Vikas Griha Snehi	Irrespective of Loan Amount	11.25
e) Housing loan top up		12.25
Vehicle Loan	Upto ₹ 5.00 lakh	10.75
	Above ₹ 5.00 lakh to ₹ 10.00 lakh	10.50
	Above ₹ 10.00 lakh	10.25
Vikas adhar (Mortgage loan)	Irrespective of Loan Amount	13.75
Solar lighting including Solar wat heater	Irrespective of Loan Amount	12.25
Education loan (Vikas Pratibha) model	Upto ₹ 4.00 lakh	12.75
	Above ₹ 4.00 lakh	13.75
loan to salaried class/ Non-salaried class/ Consumer durable loan scheme	Irrespective of Loan Amount	13.75

*In order to attract high ticket loans and advances, bank is having a Board approved policy of extending finer rate of interest up to 3% p.a. below the card rate. The sanctioning power to extend finer rate of interest is vested with Chairman of the bank and this facility is being extended on very selective basis based on recommendations by Regional Offices/Branches.*

On 05.03.2024, Bank introduced of new credit facility “Vikas Spoorthi” MSME loan to cater to the needs of such small business entrepreneurs who are regularly

contributing to the Nirantara Deposit (Pigmy) to carry out their business activity and to repay the loan easily without visiting the Bank Branch. The maximum quantum is 75% project cost OR Rs.2.00 lakhs, whichever is lower.

## 24. NON FUND BUSINESS

- Due attention is being given to increase income from non-fund business, viz., issuance of Bank Guarantee, Solvency Certificate, collection of



cheques, Bancassurance, remittance of funds, letting out lockers etc. Income earned from such business during the year is ₹ 129.35 Crore.

## b) INTER BRANCH RECONCILIATION

1. All Current Accounts maintained with Banks by branches are reconciled and tallied up to 31.03.2025.
2. All Inter Branch Accounts are reconciled up to 31.03.2025.

3. DDs issued on Sponsor Bank are reconciled up to 31.03.2025.
4. All Inter Branch DDs are reconciled up to 31.03.2025.

Reconciliation of RTGS / NEFT Funding a/c is reconciled on day-to-day basis

## c) Bancassurance :

The Bank has tie-up with the following partners for soliciting insurance under the corporate agency model.

<b>Life Insurance</b>	Canara HSBC Life Insurance company	LIC of India
<b>Health Insurance</b>	CARE Health Insurance Co. Ltd	
<b>General Insurance</b>	Bajaj Allianz General Insurance Co. Ltd	United India Insurance Co. Ltd

The performance during the year 2024-25 comparing to the previous year can be seen below:

(Amt. in Crore)

Particulars	2023-24		2024-25	
	Premium Collected (Fresh)	Commission Collected (Fresh + Renewal)	Premium Collected (Fresh)	Commission earned (Fresh +Renewal)
Life Insurance Business (Including renewal commission)	36.13	11.71	37.50	11.20
General Insurance Business	2.78	0.43	3.77	0.55
Health Insurance Business	16.36	2.90	9.36	1.15
<b>Total</b>	<b>55.27</b>	<b>15.03</b>	<b>50.63</b>	<b>12.90</b>

In the Life Insurance segment, Bank has achieved a premium collection of Rs. 37.50 crore during the current year, marking a steady growth from Rs. 36.13 crore last year. This reflects our sustained focus on deepening customer engagement and offering need-based life protection solutions.

In the General Insurance segment, the performance has been even more impressive. Premium collections rose from Rs. 2.78 crore last year to Rs. 3.77 crore this

year, reflecting a robust 35.6% year-on-year growth. This significant increase showcases our efforts in expanding product reach, especially in health and asset protection offerings.

The overall growth segments demonstrates our collective commitment towards strengthening the insurance portfolio and enhancing customer trust in our financial solutions.



## 25. OTHER PARTICULARS

### A. INSPECTION AND AUDIT

1) **Inspection of Branches/Offices:** Following are the new initiatives implemented to streamline the effectiveness of the Inspection Division:

1. Quarterly workshops are conducted at all ROs for the branches where RBIA is due within next 3 months to sensitize and prepare them for smooth conduct of inspection.
2. Compulsory visit of Nodal Officer of RO to the branch before commencement of Inspection and submit his findings for rectification.
3. Compulsory submission of critical observations by inspecting officials to Branch and RO on daily basis.
4. Follow up of daily observations by nodal officers of RO and compulsory visit of the Branch during Inspection.
5. Minimum Spot Rectification stipulated at 90% because of which number of observations in RBIA have come down drastically.
6. Nodal Officer of RO to visit branch and confirm compliance to the pending observations, before recommending for closure.
7. Where staffing pattern of the branch is 1 manager + 1/2 junior assistants, such branches are subject to RBIA once in 6 months irrespective of its risk rating.
8. Where staffing pattern of the branch is 1 manager + 1 officer + 1 junior assistant, such branches are subject to RBIA once in 12 months irrespective of its risk rating.

### Performance Highlights:

1. RBIA was conducted in 557 branches against the target of 550 branches in FY 2024-25.
2. Targets under all types of branches inspection/ audit (i.e. short inspection, concurrent audit, inspection of Ros, Divisions, Currency Chest, CCPC, VRAMs, IS Audit) are achieved.
3. 54 branches out of 557 branches achieved 100% spot rectification.
4. "Low" risk rated branches increased from 575 (as on 31.03.2024) to 590 (as on 31.03.2025)
5. Average time taken by branches to close the RBIA is reduced from 74 days to 28 days.
6. Short inspection of 141 branches against the target of 140 branches conducted during the year.
7. Inspection of Head Office Divisions and all Regional Offices conducted and closed during the year.
8. An information systems Audit Policy was framed based on RBI/Sponsor Bank guidelines, according to which, Audit was conducted along with the RBIA of the Branches

### 2) Audit Committee of the Board:

Inspection Matters are being discussed in the meetings of the Audit Committee of the Board, which are held once in a quarter. The Audit Committee of the Board is functioning with the following members:

1. Sponsor Bank Nominee Directors.
2. RBI Nominee director



3. NABARD Nominee Director
4. Central Government Nominee Director (there was no nomination from Central Govt during the year)

The General Manager of the Bank is the Convener of the meeting. The Committee met four times during the year to review the position of inspection, audit and other related matters.

### 3) Inspection rating of Branches

Inspection Rating	No. of Branches
Low Risk	590
Medium Risk	37
High Risk	2
<b>Total</b>	<b>629</b>

As on 31.03.2025, Bank is having 09 (previous year: 293) time barred debt accounts, due to effective monitoring/ control branches are obtaining the AOD/Revival letters and reduced the pending time barred debts substantially.

- 4) **Audit Cell:** Concurrent Audit was conducted in those Branches whose total credit and other risk exposures aggregate to not less than 50% of the total credit and other risk exposures of the Bank and branches whose aggregate deposits cover not less than 50% of the aggregate deposits of the Bank. As on date, the Bank has been conducting Concurrent Audit of 177 branches and 9 RAMs on monthly basis through 58 Chartered Accountants.

- **IS Audit:** IS Audit is conducted by Inspecting Officials with a separate checklist designed for the purpose. Compliance to IS Audit observations are closed based on RO recommendation vetted by HO IT division. IS Audit is conducted in 512 branches during the year.

- **Portfolio Audit:** As per the policy adopted by the Bank, accounts within credit limit of ₹ 25 lakh and above are brought under the purview of Portfolio Audit. Portfolio Audit of 1102 units was conducted during the year.

- 5) **Off-Site Monitoring Cell:** 100% of the Bank business is covered under the Core Banking Solution platform. Bank is exposed to various kinds of operational risks due to increased dependency on information technology. Therefore, OFF-SITE MONITORING CELL (OMC) is functioning at Head office with the following objectives:

- a. To strengthen the internal control systems of the Bank to cope with CBS operations and mitigate operational risk.
- b. To adopt better and speedier warning methods to branches and to the staff concerned for violations and irregularities in operations with particular reference to credit exposures and housekeeping.
- c. To ensure collection of legitimate income due to the Bank.
- d. To suggest to the management better measures to strengthen internal control.
- e. To assist Operational Risk Management Committee in identifying, monitoring and mitigating operational risks.

### Improvement noticed:

Due to continuous and effective monitoring of above said functions. Improvement is noticed in the following aspects.

- i) Drastic Reduction has been noticed in unrelated transactions under Staff accounts.
- ii) BGL Heads have been monitored effectively at the Branches.
- iii) Due to close monitoring by OMC, number of observations reduced and internal control is strengthened.



6) **NABARD Inspection:** The XIV statutory inspection of the Bank as on 31.03.2024 was conducted by NABARD and concluded on 08.10.2024. Inspection report was received on 27.03.2025.

7) **NABARD IT Examination:** NABARD IT Examination of the Bank was conducted by NABARD from 23.09.2024 to 25.09.2024 for the first time. Final report was received on 09.12.2024. Bank has submitted the compliance on 09.01.2025.

Management Audit of the Bank was conducted by Sponsor Bank from 31.01.2025 to 06.02.2025, for the review period 01.01.2024 to 31.12.2024. Board approved compliance was sent on 10.03.2025.

**Risk Management Committee:** Bank has established Risk Management Committee in our Bank for mitigating the all types of risks. All Division Heads are members of the committee, General Manager, Risk Management Division is the Convener of the meeting and Chairman of the Bank is Chairperson of the committee. Risk Management Committee meeting is held every quarter at Head Office. Bank has conducted RMC meeting up to December Quarter for the FY 2024-25. Suggestions and its action taken reports are placed in the Audit committee of the Board.

Based on the quarterly data submitted by the Bank, the Sponsor Bank prepares risk profile of the Bank based on LEAPS (Liquidity, Efficiency, Asset Quality, Profitability and Soundness) Index Framework. The LEAPS Index also captures the entire risk profile of a Bank. Bank's LEAPS index score was 46.19 as on 31.03.2024 i.e. "Moderate" category. LEAPS index score for March-2025 quarter is 40.81 "Normal" category.

As part of risk mitigation measure, 60 Key Risk Indicators (KRIs) were identified with the help of

Sponsor Bank and threshold limits have been fixed based on historical data. These KRIs will be reviewed quarterly by Risk Management Committee. In the event that any KRI breaches the specified limit, a proper justification must be provided by the concerned Division and the same is being placed before the Risk Management committee.

8) **Vigilance Cell:** Vigilance Cell headed by Chief Vigilance Officer deputed from Sponsor Bank is functioning at Head Office, Dharwad as an extended arm of the Central Vigilance Commission under the guidance of Chief Vigilance Officer of the Sponsor Bank.

Vigilance Cell is established to assist the Head of the organization in all Vigilance matters. The role of Vigilance Department / CVO is broadly divided into two parts, namely (i) Preventive and (ii) Punitive.

Accordingly, Vigilance Department believes strongly in "Prevention is better than Cure" and undertakes to

- Examine the existing Rules, Regulations, Systems and Procedures of the Bank to eliminate / minimize the scope for corruption and malpractices
- To identify sensitive fraud prone areas and keep a vigil on the personnel posted in such areas
- To conduct surprise / preventive vigilance exercises to detect system failures and existence of corruption / malpractices and suggest measures to plug the loopholes and to ensure observance of conduct Rules relating to integrity of the officers like scrutiny of Annual Property Returns, Benami transactions etc.



Under Punitive Vigilance, the Department undertakes:

- o Speedy processing of vigilance cases at all stages right from charge-sheet to final decision of the Disciplinary Authority.
- o Filing of complaints with the Investigating Agencies (Police/ CBI) and assisting them for speedy investigation and filing of charge sheet in the Court of Law till final orders.

Vigilance division has conducted Preventive Vigilance Exercise of 161 branches against the target of 160 branches for the year 2024-25.

Observations of these exercises are reviewed and placed before the General Manager for rectification. Wherever necessary, Vigilance Department has placed Office Notes to the Management to initiate measures to plug the loopholes detected during the course of Preventive Vigilance Exercise in the existing systems, procedures & guidelines.

As per the directions of the Central Vigilance Commission, Bank has a Whistle Blower Policy in place.

## HUMAN RESOURCES DEVELOPMENT

In a dynamic world where an individual defines the organization, Human Resource (HR) is the most valuable asset. Achievement of an organization's objectives depends on the individual and the collective efforts of its workforce. Every employee is a vital factor for the smooth functioning by bridging the gap between the customers and the organization. The Bank has team of highly motivated, skilled, committed, loyal and empathetic staff members, who strive to meet customer aspirations and organizational goals. A strategic approach towards effective development and management of human resources is of paramount importance. In order to augment the workforce in tune with the Bank's sustained growth and expanding network, major initiatives towards talent acquisition and retention have been continued in the FY 2024-25 also.

- a) **Staff Strength:** Bank is having 3164 dedicated staff strength. Staff Strength of the Bank under various cadres as on 31.03.2025 is as under:

Sl.No.	Category	Total Strength
01	Scale-V	10
02	Scale-IV	22
03	Scale-III	112
04	Scale-II	358
05	Scale-I	1413
06	Office Assistant (M)	1100
07	Office Attendants (M)	149
	<b>Total</b>	<b>3164</b>

- b) **Industrial Relations:** The Bank maintained cordial industrial relations throughout the period with Trade unions and SC/ ST Employees Welfare Association. Periodical meetings were continued to be held with the recognized trade unions & SC/ ST Employees Welfare Association for maintaining smooth industrial relations.

- c) **Training Activities:** The Bank has a well-established Rural Banking Training Centre at HO campus, which facilitates attention to regular periodic assessment of skill gaps at various levels in relation to existing and emerging business opportunities. Skill building in credit, customer relationship management, marketing of products and services, credit monitoring and recovery, risk management, technology based banking, branch management, complying with statutory, legal and policy requirements and preventive vigilance received special attention during the year. Apart from this Bank is utilizing the training programmes offered by the training institutes like BIRD Lucknow, BIRD Mangaluru, CAB Pune, CIBM Manipal, IDRB Hyderabad, IIBF Mumbai etc. by deputed Staff Members to these institutions.

During the year 2024-25, the division has given induction training to Probationary Office



Assistants and Officers, and also Pre-promotion training to eligible SC/ST employees. The division has imparted orientation training

programme to all the promotee officers and office assistants and Refresher training to Officers/Office -Assistants.

The number of staff trained during the year is as under:

Sl. No.	Particulars	Number of staff trained			
		Officers	Office Assistants (M)	Office Attendants (M)	Total
01	Internal Trainings	1435	679	128	2242
02	External Trainings	834	--	--	834
	<b>Total</b>	<b>2269</b>	<b>679</b>	<b>128</b>	<b>3076</b>

#### a) Recruitment and Promotions:

- 1. Direct Recruitment:** During the year 2024-25, 100 Officer Scale-I and 100 Office Assistant vacancies were created for direct recruitment under CRP RRB XIII. 94 Officer Scale-I and 50 Office Assistant have joined under CRP RRB XIII.

We have appointed 02 Office Assistant (M) and 03 Office Attendants (M) under the scheme of appointment on compassionate ground.

- 2. Promotions:** Promotion vacancies were created under various cadres and during the year following promotions were effected in accordance with Regional Rural Banks (Appointment & Promotion of Officers & Employees) Rules 2017.

Sl.No.	Category	No. of vacancies filled
01	Officer Scale-IV to Scale-V	04
02	Officer Scale-III to Scale-IV	08
03	Officer Scale-II to Scale-III	17
04	Officer Scale-I to Scale-II	62
05	Office Assistant (M) to Officer Scale-I	63
06	Office Attendant (M) to Office Assistant (M)	52
	<b>Total</b>	<b>206</b>

#### b) Welfare measures for SC/ ST staff members:

The Bank has nominated a senior executive of the bank as Liaison Officer for facilitating redressal of grievances of SC/ST employees as well as implementation of Reservation guidelines. Internal Redressal Committee was setup during the year as per the direction of National Commission for Scheduled castes to ensure prompt redressal of grievances of employees belonging to Scheduled Caste Community. Bank is conducting regular meetings with SC/ST Welfare Association. Bank follows reservation policy for SCs & STs as prescribed by Government of India from time to time. Pre promotion trainings are provided to all eligible SC / ST employees for promotion to higher grade / scale.

#### c) Implementation of Pension in the Bank:

In terms of the order of the Hon'ble Supreme Court in SLP (C) – 39288/2012 dated 25/04/2018 ,to grant Pension to the employees of RRBs and as per the direction of DFS, MoF, GoI vide its letter F.No.8/20/2010-RRB dt.23/10/2018,Bank has adopted the Model RRB (Officers' and Employees') Service (Amendment) Regulations, 2018 and Model Regional Rural Bank (Employees') Pension Regulations, 2018 and on approval of the Board, these Regulations were published in the Official Gazette of India Extraordinary, Part III, Section – 4 on 20/12/2018.



In connection to the above, Government of India, Ministry of Finance, Department of Financial services vide their letter No F.No.8/20/2010-RRB and F.No.8/4/2024-RRB dated 03-10-2024, Bank has implemented the revised Pension Scheme with effect from 01.11.1993 by taking the approval of the Board and Published Karnataka Vikas Grameena Bank (Employees) Pension (Amendment) Regulations, 2024 in the Official Gazette on 01-11-2024.

The eligible serving staff members, the retired staff members and the family of deceased staff members who become the members of the Karnataka Vikas Grameena Bank (Employees') Pension Fund are eligible for drawing pension.

The Bank started disbursement of pension to all the eligible retired staff members/Family members of deceased staff members w.e.f 01.11.1993. As on 31.03.2025, there are 1528 pensioners and 374 family pensioners, total 1902 members who are availing pension from the Bank.

## 26. EXTENSION ACTIVITIES UNDERTAKEN BY THE BANK

The Bank acknowledges the invaluable support and encouragement it has received from society throughout its journey of growth and development. Recognizing that sustainable progress is only possible with the support of the community, the Bank actively collaborates with Government Departments, local bodies, and residents to enhance the quality of life in its surroundings.

In line with this commitment, the Bank organizes a range of extension activities aimed at benefiting the general public and particularly villagers. These include health checkup camps, awareness campaigns on hygiene and sanitation, sponsoring youths for entrepreneurship development programs at RUDSETI/CIRD and organizing GramaSabhas to educate the masses about banking, digital services and other facilities available. Through these initiatives,

the Bank strives to contribute positively to the well-being and development of the community it serves.

### A. Health and Social Initiatives

With the active involvement of the staff, various community-based activities were undertaken during the year, which included free medical (eyes and general) check-up camps and Blood Donation Camps. The Bank also associated itself with the Government department in the implementation of pulse polio programme.

### B. Education Initiatives

- Bank has encouraged rural meritorious students by giving cash prizes under its Grameena Pratibha Puraskar Yojana.
- Donated books and stationery to poor students
- Donated computers to a few Government Schools
- Special incentive scheme for SC/ST girl Students:

The Bank maintains its commitment to the special incentive scheme for SC/ST girl students, aiming to support and encourage their pursuit of further education. Currently, the scheme is operational across 10 regional offices, each overseeing 20 Government high schools within its service area.

Under this initiative, meritorious girl students belonging to Scheduled Castes/Tribes are eligible to receive a cash incentive of ₹5000.00 for each class - eighth, ninth, and tenth separately - provided they achieve the highest marks. This unique scheme aims to promote educational excellence and empower SC/ST girl students to excel in their academic pursuits.

### C. Green Initiatives

With the intention of popularizing afforestation programme among the people, especially the students, the Bank conducted "Vanamahotsava" programme at various centers of its service area.



Planted many saplings by observing World Environment Day.

#### D. Other Extension Activities:

Various Extension Activities were conducted by branches/offices throughout the year. Such activities have helped in increasing the level of knowledge of villagers, as the focus is on dissemination of latest information useful to the farming community. The Bank conducted many programmes like Awareness programmes on Solar Energy ,Awareness Programme on Rain Water harvesting, Dairy Development, Awareness Programme on Organic farming etc.

#### E. Creation of Awareness:

With a view to creating awareness / interest in the Indian banking industry, quiz competitions for college/school level students were held on topics of financial literacy and financial inclusion. The Bank has organized several meeting in Gram Sabhas and door-to-door campaigns for educating the masses about banking and digital services. Several informative meetings were also conducted like, Farmers meet, Customer's meet , Financial literacy programme/Digital banking awareness camps in association with NABARD

#### F. Cleanliness drive

On the call of the Central Government, the bank organized a cleanliness drive from October 2<sup>nd</sup> to October 31<sup>st</sup> under the special campaign 4.0 – “Institutionalizing Swachchata and Minimizing Pendency.” On this occasion, the bank prioritized the cleanliness not only of its branch premises but also the surroundings of its offices. Additionally, the bank participated in the second phase of the Swachhta Pakwada program from January 16<sup>th</sup>, 2025 to January 31<sup>st</sup>, 2025. The bank conducted 565 programs involving nearly 8672 people.

Regarding the washroom and toilet facilities for the Government Primary School in Hegde village, of Kumta Tq recognizing the lack of proper facilities for girl students, a well-equipped toilet

cum washroom has been constructed on the school premises with the assistance of the School Betterment Committee. Following the directions of the DFS, the Bank conducted hygiene awareness programs at several schools within its 9-district area of operation.

#### G. Customer Outreach Initiatives:

(I) In an effort to boost retail credit (Vehicle, home, education and personal), credit to agriculture and MSME sectors, a Customer Outreach Initiative (COI) programme was organized at various centers of Bank's service area..

(II) **Image Building and publicity:** To enhance its reach and foster a positive image, the Bank has implemented various initiatives. These include adopting bus stops and prominent circles in district headquarters, erecting hoardings at strategic locations, and participating in events such as Krishimela and Horticultural Mela. Additionally, the Bank has collaborated with the Smart City Authority in Hubli to install LED signage boards depicting important landmarks. It has also donated barricades to the Police Department of Bagalkot featuring the Bank's logo. Maintaining good relations with both print and electronic media has further contributed to the Bank's widespread publicity, establishing it as a household name within its operational area.

#### H. Corporate Social Responsibility (CSR) :

Corporate Social Responsibility (CSR) refers to a Bank's commitment to operating ethically and contributing positively to society, beyond its core business activities. In the context of the bank's CSR efforts, it signifies its endeavors to make a meaningful social contribution within its capacity. This includes donating Garbage Waste Swing Bins to the few institute, which promotes cleanliness and hygiene in the community. Additionally, sponsoring cultural programs in its



operational area not only fosters cultural enrichment but also strengthens community bonds and well-being. Overall, the bank's CSR initiatives demonstrate its commitment to being a responsible corporate citizen and making a positive impact on society beyond its financial activities.

#### **AWARDS received during the year 2024-2025**

A) 8 Awards from PFRDA : The *Pension Fund Regulatory and Development Authority (PFRDA)* has awarded the following awards to the Bank for outstanding achievement under enrollment of Atal Pension Yojana (APY) accounts during the various campaigns launched in the year :

Sl. No.	Awards received during 2024-25
1	Award of Trendsetter of the year for the campaign APY Trendsetters for Head of FI/Govt Business/Department Handling APY-5 <sup>th</sup> June -31 <sup>st</sup> July 2024
2	Award of Exemplary Milestone for the campaign APY Mega Milestone Awards (5 <sup>th</sup> June -5 <sup>th</sup> October 2024)
3	Award of Mega Exemplary Achiever for the campaign Early Achievers of APY (EAA) (5 <sup>th</sup> June-30 <sup>th</sup> September 2024) and Certificate of Appreciation for Early Achievers of APY received 1) Gold Club Achievers-4 Branches 2) Silver Club Achievers-20 Branches 3) Bronze Club Achievers-577 Branches
4	Appreciation Certification of Fantastic Five of APY( Certification received for 5 Branches for Q2)
5	Appreciation Certification of Fantastic Five of APY( Certification received for 5 Branches for Q3)
6	APY Annual Award of Visionary Achiever for APY Annual Awards FY 2024-25
7	Winning Wednesday campaign (15 <sup>th</sup> & 16 <sup>th</sup> January 2025)-Certificate of Excellence received for 2 Branches
8	Certificate of Bronze Club Achiever for 20 Branches for the campaign Amazing Achievers of APY (AAA) (1 <sup>st</sup> January -31 <sup>st</sup> March 2025)

## **27. BOARD ADMINISTRATION:**

Year 2024-25 saw the following changes in the composition of the Board of Directors of the Bank:

SI No	Name of the Director as on 31.03.2024	Name of the Director as on 31.03.2025	Change of nomination w.e.f.
1	Smt Radha Prabhakar, Asst. General Manager, RBI, Bengaluru	Sri Arunkumar P, Asst. General Manager, RBI, Bengaluru	06.08.2024
2	Smt Swaroopa T.K, IAS, Chief Executive Officer, ZP, Dharwad	Shri Patil Bhuvanesh Devidas, Chief Executive Officer, ZP, Dharwad	24.01.2025
3	Shri Mohammed Ikramulla Shariff, IAS, Deputy Secretary-3, Finance Department, GoK, Bengaluru	Dr. Gopal Krishna B, IAS, Deputy Secretary-3, Finance Department, GoK, Bengaluru	10.07.2024



The following directors on the Board of the Bank have continued to be on the Board for the year 2024-25.

1. Shri. M. Bhaskara Chakravarthy, General Manager, Canara Bank, Bengaluru
2. Shri M. Vijaya Kumar, General Manager, Canara Bank, Hubli.
3. Shri Sanjay Kumar, Deputy General Manager, NABARD, Bengaluru

The Board places on record its appreciation for the valuable services rendered by the Directors who demitted office as Directors on the Board of the Bank.

Board of Directors met 6 times during the year under report, in conducting the regular business of the Bank in addition to business conducted through circulation of notes 6 times.

## 28. ACKNOWLEDGEMENTS:

The Board wishes to place on record its appreciation for the support and guidance extended by the

Government of India, Reserve Bank of India, NABARD, and the Government of Karnataka.

The Board is sincerely grateful to Canara Bank, the Sponsor Bank, for all the support and guidance extended throughout the year.

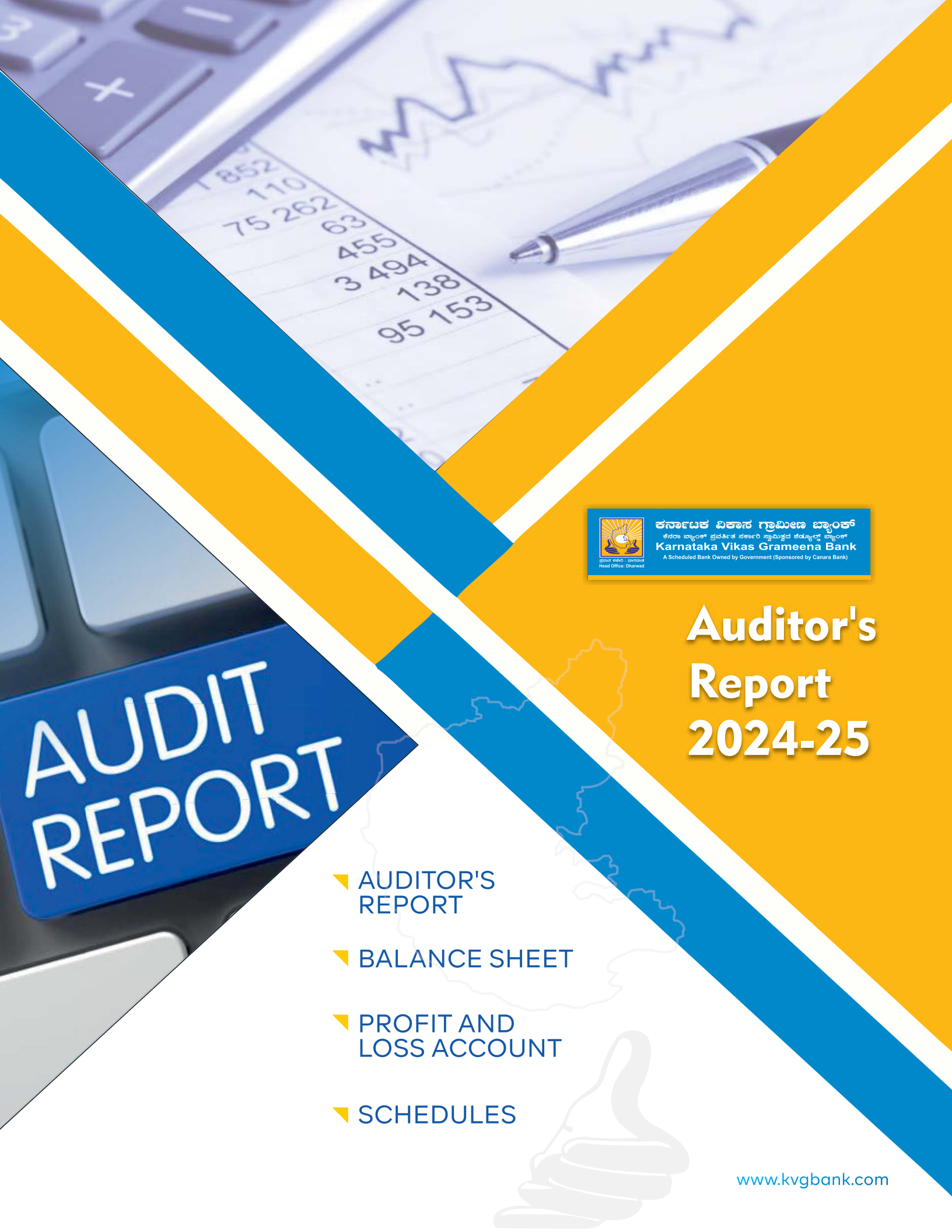
The Board wholeheartedly acknowledges the support of the customers and well-wishers for their continued patronage. The Board also places on record its sincere thanks to the Statutory Central Auditors of the Bank, M/s P Chandrasekar LLP and Associates, Chartered Accountants, Bengaluru, and the team of Branch Auditors appointed by the Government of India, Ministry of Finance, in terms of Subsections (1) and (2) of Section 19 of the RRBs Act, 1976, for conducting the audit smoothly.

Finally, the Board places on record its sincere appreciation to all the staff members for their fullest support in pursuit of the Bank's growth.

For and on behalf of Board of  
Directors of  
Karnataka Vikas Grameena Bank

Sd/-  
(Shreekanth M. Bhandiwad)  
CHAIRMAN





ಕರ್ನಾಟಕ ವಿಕಾಸ ಗ್ರಾಮೀಣ ಬ್ಯಾಂಕ್  
ಕೆನರಾ ಬ್ಯಾಂಕ್ ಪ್ರವರ್ತಕ ಸರ್ಕಾರಿ ಪ್ರಾಮುಖ್ಯದ ಕೆನರಾ ಬ್ಯಾಂಕ್  
**Karnataka Vikas Grameena Bank**  
A Scheduled Bank Owned by Government (Sponsored by Canara Bank)

# Auditor's Report 2024-25

# AUDIT REPORT

- ▶ AUDITOR'S REPORT
- ▶ BALANCE SHEET
- ▶ PROFIT AND LOSS ACCOUNT
- ▶ SCHEDULES









## INDEPENDENT AUDITOR'S REPORT

To  
The Shareholders of Karnataka Vikas Grameena Bank

### Report on Audit of the Financial Statements

#### 1. Opinion

We have audited the accompanying financial Statements of **Karnataka Vikas Grameena Bank** ("the Bank") which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and Notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included returns for the year ended on that date and

- i. 45 branches audited by us,
- ii. 360 branches audited by statutory branch auditors and
- iii. 224 branches which have not been subjected to audit. These unaudited branches account for 22.90% of advances, 28.61% of deposits, 17.07% of interest income and 18.53% of interest expenses.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the National Bank for Agriculture and Rural Development (NABARD).

In our opinion, and to the best of our information and according to the explanation given to us, the aforesaid financial statements give the information required by the Regional Rural Banks Act, 1976 / Banking Regulation Act, 1949 as well as the guidelines issued by Reserve bank of India (RBI) (to the extent applicable) and NABARD in the manner so required for the Bank and are in conformity with accounting principles generally accepted in India and:

- a. The Balance Sheet, read with the Notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31<sup>st</sup> March, 2025
- b. The Profit and Loss Account, read with the Notes thereon gives a true and fair view of the profit for the year ended on that date and
- c. The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with 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 Statement section of our report. We are independent of the bank 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.

#### 3. Emphasis of Matter

Attention is drawn to the following Notes forming part of the financial statements:

- a. Note No. 4(i) to Schedule 18 relating to fraud



cases(4) reported during the year amounting to Rs. 1.06 Crores

- b. Note No. 14.13.(b) to Schedule 18 relating to disputed tax liability of Rs.160.13 Crore for which no provision is considered necessary by the management of the Bank.
- c. **Pension Arrears** : Note No. 14.3 to Schedule 18 related Employee benefits - On 3rd October, 2024, Department of Financial Services, Ministry of Finance, Government of India, vide letter: F.No.8/20/2024-RRB had instructed all the RRBs to implement the pension scheme in RRBs with effect from 01st November 1993 in accordance with the direction of Hon'ble Supreme Court of India.

The Bank has assessed the expenditure for implementing the above mentioned scheme at Rs.107,67,09,760.78. The RBI vide:RBI/2024-25/127, DOR.ACC.REC. No.67/21.04.018/2024-25 dated 20th March 2025, directed all the RRBs that "the expenditure, on account of revision in the pension, may, if not fully charged to the Profit and Loss Account during the financial year 2024-25, be amortised over a period not exceeding five years beginning with the financial year ending March 31, 2025, subject to a minimum of 20 per cent of the total pension liability involved being expensed every year". Hence, the Bank has amortised the 80 per cent of total assessed pension arrears of Rs.107,67,09,760.78 and recognized only 20 per cent (Rs.21,53,41,952.15) as pension arrears expenditure during FY 2024-25. The amount of unamortised expenditure is Rs. 86,13,67,808.58.

The consequential net profit if the unamortised expenditure had been fully recognised in the Profit & Loss Account the profit is Rs. 39,90,04,775.64

- d. **NPS Arrears** : Note No. 14.3 to Schedule 18 related Employee benefits - On 1st March 2025, the Department of Financial Services, Ministry of Finance, Govt. of India, vide letter:F.No.8/1/2022-RRB conveyed all the RRBs the approval of Central Government for revision of employer's contribution towards National Pension Scheme (NPS) from 10% to 14% of pay and Dearness allowance effective from 11th November 2020. The Bank has paid/provided for the arrears amount of Rs.26,94,76,676/- as on 31st March 2025.
- e. **Computer increment**: Note No. 14.3 to Schedule 18 related Employee benefits - As per the instruction of Department of Financial Services, Ministry of Finance, Government of India vide: F.No.8/20/2010-RRB dated 7th February, 2025, the Bank has extended the computer increment arrears from 1993 to all the eligible staff members. The amount disbursed during the FY 2024-25 is Rs.52,81,11,438.64.

Our opinion is not modified in respect of the above matters.

#### 4. Key Audit Matters

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



Key Audit Matter	How our audit addressed the key audit matter
<p><b>Identification of Non-performing advances (NPA) and provisioning on advances:</b></p> <p>The Gross Advance constitutes 67.88% of the Bank's Total Assets and Agriculture advances constitute 69.93% of the Total Advances. These consists of major portion of KCC, Crop Loans and other Allied activities.</p> <p>These are further categorized as secured by Tangible assets (including advances against Book Debts), and Unsecured advances.</p> <p>The Reserve Bank of India ('RBI') has prescribed the 'Prudential Norms on Income Recognition, Asset Classification and Provisioning' in respect of advances for banks ('IRACP Norms') to the extent applicable to RRBs. NABARD is also, from time to time, issued guidelines for RRB's in these matters.</p> <p>The identification of performing and non-performing advances (including advances restructured under applicable IRACP Norms) involves establishment of proper mechanism and the Bank is required to apply significant degree of judgement to identify and determine the amount of provision required against each advance applying both quantitative as well as qualitative factors prescribed by the regulations.</p> <p>The Bank Accounts for all the transactions related to Advances in its core BANKING Solutions (CBS) Which also identifies whether the advance as are performing or Non-performing and does the NPA classification.</p> <p>Significant judgements and estimates for NPA identification and provisioning could give rise to material misstatements on:</p> <ul style="list-style-type: none"> <li>Completeness and timing of recognition of non-performing assets in accordance with criteria as per IRACP norms;</li> </ul>	<p>Our approach and procedures for auditing the classification of advances, identification of non-performing advances, income recognition, and provision on advances was made with reference to RBI and NABARD Circulars/guidelines and internal policies and procedure of the Bank in line with IRAC norms, which included the following steps:</p> <ol style="list-style-type: none"> <li>We examined and assessed the bank's accounting policies for identifying non-performing assets (NPAs) and making provisions, ensuring compliance with the IRACP norms prescribed by the Reserve Bank of India (RBI).</li> <li>We reviewed and tested the design and effectiveness of key controls, including system-based automated controls, for identifying and provisioning NPA accounts, based on the extant guidelines on IRACP laid down by the RBI/NABARD.</li> <li>We conducted additional procedures to identify NPAs, which included: <ol style="list-style-type: none"> <li>Testing exception reports generated by the bank's application systems where advances are recorded.</li> <li>Analyzing accounts reported by the bank as Special Mention Accounts (SMA) to identify potential stress.</li> <li>Reviewing borrower account statements, and other related information of the borrowers selected based on on quantitative and qualitative risk factors.</li> <li>Scrutiny of the minutes of the internal Audit report, Credit Monitoring and Recovery and Risk management committee and performing enquires with the credit and risk management departments to ascertain if there were indicators of stress or an occurrence of an event of default in a loan account or any products.</li> <li>Considering audit reports and memorandum of changes issued by statutory branch auditors.</li> <li>Considering the NABARD Annual Financial Report on the Bank, the Bank's response to the observations and other communication with RBI/NABARD during the year.</li> </ol> </li> </ol>



<ul style="list-style-type: none"> <li>- Measurement of the provision for non-performing assets based on loan exposure, ageing and classification of the loan, realizable value of security;</li> <li>- Appropriate reversal of unrealized income on the NPAs.</li> </ul> <p>Since the classification of advances, identification of NPAs and creation of provision on advances (including additional provisions on restructured advances under applicable IRACP Norms) and income recognition on advances:</p> <ul style="list-style-type: none"> <li>- Requires proper control mechanism and significant level of estimation by the Bank;</li> <li>- Has significant impact on the overall financial statements of the Bank;</li> </ul> <p>We have ascertained this area as a Key Audit Matter.</p>	<ul style="list-style-type: none"> <li>g) Reviewing internal audit, systems audit, credit audit, and concurrent audit reports in accordance with the bank's policies and procedures.</li> <li>h) Examining a sample of advances, including stressed or restructured advances, to assess compliance with the RBI's Master Circulars/Guidelines.</li> <li>i) For identified non-performing advances, we conducted sample-based testing of asset classification dates, reversal of unrealized interest, valuation of available security, and provisioning as per the IRACP norms.</li> </ul>
<p><b>Classification and valuation of Investments, Identification of and provisioning for Non- performing Investments.</b></p> <p>Investment of the Bank comprise of Government securities, Shares and Bonds and debentures. The Investment in Government Securities constitutes 90% of the Total Investments.</p> <p>These are governed by the circulars and directives of RBI and NABARD, inter-alia cover valuation of investment, classification of investment, identification of Non-performing Investments, the corresponding non recognition of income and provision there against.</p> <p>The valuation of each category of the aforesaid securities is to be done as per the</p>	<p>Our audit approach / procedures towards the investments with reference to RBI/NABARD Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of Non-performing Investments (NPIs) and provisioning/ depreciation related investments.</p> <p>This procedure include the following.</p> <ul style="list-style-type: none"> <li>a) We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of Non-performing Investments (NPIs) and provisioning/ depreciation related investments;</li> <li>b) We assessed and evaluated the process adopted for collection of information from various sources for determining market value of these investments.</li> <li>c) For selected sample of investments on hand, we tested accuracy and compliance with the RBI master circulars</li> </ul>



method prescribed in the circulars and directives issued by RBI/ NABARD which involves collection of data / information from various sources.

Considering the complexities and extent of judgement involved in the valuation of investments and identification of NPI, and degree of regulatory focus and over all significance to the financial result of the Bank, this has been identified as Key Audit Matter.

and directions by reforming valuation for each category of security. Samples were selected after ensuring that all the categories of investments (based on the nature of security) were covered in the sample.

- d) We carried out substantive audit procedure to recompute independently the provision to be maintained in accordance with the circulars and directives of the RBI. Accordingly, we have selected samples from the investments of each category and tested for NPIs as per RBI guidelines and recomputed the provision to be maintained in accordance with the RBI circulars for those selected samples of NPIs.

### Information Technology (“IT”) Systems and Controls

The Bank highly relies on information systems, including automated controls, for its key financial accounting and reporting processes. However, this dependence poses a risk that deficiencies in the IT control environment could lead to significant misstatements in the financial accounting and reporting records.

Given the Bank's use of multiple systems for overall financial reporting and the high volume of daily transactions recorded across various locations, protecting the integrity of the Bank's systems and data has become increasingly challenging. Cybersecurity risks have emerged as a significant concern in recent periods.

Considering the pervasive and intricate nature of the IT environment, as well as its critical role in ensuring accurate and timely financial reporting, we have identified this area as a Key Audit Matter.

As part of our audit procedures for reviewing the Bank's IT systems and related controls for financial reporting, we undertook the following actions:

- We conducted testing to evaluate the design and effectiveness of the Bank's IT access controls over critical information systems used for financial reporting.
- We performed sample testing of IT general controls, including logical access, change management, and aspects of IT operational controls. This involved reviewing and authorizing access requests to systems and inspecting requests for changes to systems for approval and authorization. We also considered the control environment related to interfaces, configuration, and other application layer controls that were identified as crucial for our audit.
- We examined the Bank's controls pertaining to the prevention of unauthorized opening and operations in internal/office accounts.
- Furthermore, we tested the design and operating effectiveness of specific automated controls that were identified as key internal financial controls for financial reporting. Whenever deficiencies were identified, we sought explanations regarding compensating controls or performed alternative audit procedures. Additionally, we took into account any changes made to the IT landscape during the audit period that had a significant impact on financial reporting and conducted testing accordingly.-



### Evaluation of litigations included in Contingent Liabilities

Considerable management judgment is necessary to determine the existence of obligations and whether provisions should be recognized on the reporting date, in accordance with the accounting criteria specified in Accounting Standard 29 - Provisions, Contingent Liabilities, and Contingent Assets (AS 29), or whether they should be disclosed as contingent liabilities. Additionally, significant judgments are involved in measuring such obligations, with the following being the most significant:

- Assessment of liability: Determining whether the likelihood of outflows related to identified material matters is probable and can be reliably estimated requires judgment.
- Adequacy of provisions: The appropriateness of assumptions and judgments utilized in estimating significant provisions is a key consideration.
- Adequacy of disclosures: Ensuring that provisions for liabilities and charges, as well as contingent liabilities, are appropriately disclosed.

The Bank's assessment is informed by factual information, their own judgment, experience, and advice from legal and independent tax consultants, as deemed necessary.

Given that the assessment of these ongoing litigations entails a significant level of judgment in interpreting the law, we have identified this as a key audit matter.

Our Audit procedures with respect to this matter included:

Testing the design and operating effectiveness of the Bank's key controls over the estimation, monitoring and disclosure of provisions and contingent liabilities.

Our substantive audit procedures included and were not limited to the following:

- Obtaining an understanding of internal controls relevant to the identification of litigations and legal cases to be reported;
- Obtained list of cases / matters in respect of which litigations were outstanding as at reporting date;
- Examining recent orders and/or communication received from various tax authorities/ judicial forums and follow up action thereon;
- Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice including opinion of the Bank's tax consultants;
- Review and analysis of evaluation of the contentions of the Bank through discussions, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues;
- Verification of disclosures related to significant litigations, taxation matters and Employee benefits liabilities in the financial statements.



## 5. Other matters

- a. We did not audit the financial statements/ information of 360 branches included in the financial statements of the Bank whose financial statements / financial information reflect total Advances of Rs 11328.31 crores as at 31st March, 2025 and total Interest revenue of Rs. 980.99 crores for the year ended on that date, as considered in the financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of those branches/ administrative offices, is based solely on the certified report of such branch auditors.
- b. Further we did not audit the financial statements of 224 branches (which were not subject to branch audit) included in the financial statement of the Bank whose financial statement reflect total Advances of Rs. 4069.90 crores as at 31<sup>st</sup> March, 2025 and total Interest revenue of Rs 369.96 crores for the year ended on that date, as considered in the financial statement drawn by the management.

Our opinion is not modified in respect of the above matters.

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

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Bank's Annual Report for the financial year 2024-25 but does not include the financial statements and our auditor's report thereon. The reports containing the other information as above as expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusions thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 7. Responsibilities of Management and those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible for the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI and provisions of Regional Rural Banks Act, 1976 / Section 29 of Banking Regulation Act, 1949 and circulars and guidelines issued by Reserve Bank of India (RBI) / National Bank for Agriculture & Rural Development (NABARD) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

The Management is also responsible for overseeing the Bank's financial reporting process.

## 8. Auditors' Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank to express an opinion on the financial statements. We are responsible for the



direction, supervision and performance of the audit of the financial information of the Bank and such branches included in the financial statements, of which we are the independent auditors. For the other branches included in the financial statements, which have been audited by statutory branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

- Materiality is the magnitude of the misstatements in the financial statement that, individually or aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the result of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 9. Report on Other Legal and Regulatory Requirements

- The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949 and NABARD guidelines;
- As required by Sub Section 3 of Section 30 of the Banking Regulation Act 1949, and subsection 4 of section 19 of the Regional Rural Bank Act, 1976 and on the consideration of the reports of the statutory branch auditors as referred in paragraph 9(a) above 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 branches and offices of the Bank have been found adequate for the purposes of our audit
  - The Statement of Profit and Loss shows a true balance of profit for the year then ended

## 10. We further report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b. In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c. The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of Banking Regulation Act, 1949 and section 19 of the Regional Rural Banks Act, 1976 have been sent to us and have been properly dealt with by us in preparing this report
- d. The Balance Sheet, the statement of Profit and Loss and the Statement of Cash Flows

dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us and all the Memorandum of Changes suggested by us during the course of the audit have been given effect in the financial statements. The list of MOC's is annexed to this Audit Report.

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

Place: Dharwad  
Date: 09-06-2025

**For P. CHANDRASEKAR LLP**  
Chartered Accountants,  
FRN: 000580S/S200066

**CA Mani Kumar.D**  
(Partner)

M. No. 212544  
UDIN: .....



**BALANCE AS ON 31ST MAR 2025 (AUDITED)**

**FORM "A"**

(Amount in Thousands)

Capital & Liabilities	Schedule	As on 31-Mar-25	As on 31-Mar-24
Capital	1	239732	239732
Reserves and Surplus	2	14705694	13446384
Deposits	3	209413104	198564807
Borrowings	4	19345830	29131663
Other Liabilities and Provisions	5	6300620	5313684
<b>Total</b>		<b>250004980</b>	<b>246696270</b>

Assets	Schedule	As on 31-Mar-25	As on 31-Mar-24
Cash and balances with Reserve Bank of India	6	14154509	20080056
Balance with banks and money at call and short notice	7	13006731	21110984
Investments	8	47332653	46796566
Advances	9	165964564	151516808
Fixed Assets	10	715699	656591
Other Assets	11	8830824	6535265
<b>Total</b>		<b>250004980</b>	<b>246696270</b>
Contingent liabilities	12	2436625	2413277
Bills for collection		2435	10847

**D. S. Hegde**  
AGM

**R.T. Kamble**  
General Manager

**Shreekanth M. Bhandiwad**  
Chairman

**Board of Directors :**

**Bubul Bordoloi**  
**Prakash Chandra Dash**  
**B.P. Jatav**  
**R. Anuradha**  
**MD Haris Sumair, IAS**  
**Dr. Gopal Krishna B., IAS**

**VIDE OUR REPORT OF EVEN DATE ATTACHED**

**For P. CHANDRASEKAR LLP**  
Chartered Accountants,  
FRN: 000580S/S200066

**CA Mani Kumar**  
(Partner)

M. No. 212544  
UDIN: 25212544BMILPX4146

Place: Dharwad  
Date: 09-06-2025



FORM OF PROFIT AND LOSS ACCOUNT FOR ONE YEAR PERIOD ENDED  
31ST MAR 2025 (AUDITED)

FORM "B"

(Amount in Thousands)

PARTICULARS	Schedule	Year Ended 31st Mar, 2025	Year Ended 31st Mar, 2024
<b>I. Income</b>			
Interest Earned	13	17653927	17351440
Other Income	14	4542846	3863415
<b>Total</b>		<b>22196773</b>	<b>21214855</b>
<b>II. Expenditure</b>			
Interest Expended	15	10858782	10787536
Operating Expenses	16A	8860480	7415334
Provisions and Contingencies	16B	1217138	1970328
<b>Total</b>		<b>20936400</b>	<b>20173198</b>
<b>III. PROFIT / LOSS</b>			
Net Profit/ loss (-) for the year		1260373	1041657
Profit/Loss (-) brought forward		4939364	4106038
<b>Total</b>		<b>6199737</b>	<b>5147695</b>
<b>IV. APPROPRIATIONS</b>			
Transfer to Statutory Reserve		252075	208331
Transfer to other reserves		238884	0
Transfer to Government/ proposed dividend		0	0
Balance carried over to balance sheet		5708778	4939364
<b>Total</b>		<b>6199737</b>	<b>5147695</b>

D. S. Hegde  
AGM

R.T. Kamble  
General Manager

Shreekanth M. Bhandiwad  
Chairman

Board of Directors :

Bubul Bordoloi  
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B.P. Jatav  
R. Anuradha  
MD Haris Sumair, IAS  
Dr. Gopal Krishna B., IAS

VIDE OUR REPORT OF EVEN DATE ATTACHED

For P. CHANDRASEKAR LLP  
Chartered Accountants,  
FRN: 000580S/S200066

CA Mani Kumar  
(Partner)

M. No. 212544  
UDIN: 25212544BMILPX4146

Place: Dharwad  
Date: 09-06-2025



(Amount in Thousands)

<b>SCHEDULE - 1: CAPITAL</b>		<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
I	Authorised capital (200,00,00,000 shares of Rs.10 each)	20000000	20000000
II	Issued capital: (2,39,73,160 shares of Rs.10 each)	239732	239732
III	Subscribed capital: (2,39,73,160 shares of Rs.10 each)	239732	239732
IV	Called-up capital: (2,39,73,160 shares of Rs.10 each)	239732	239732
V	Paid-up capital: (2,39,73,160 shares of Rs.10 each)	239732	239732
VI	Less: Calls unpaid	0	0
VII	Add: Forfeited shares	0	0
<b>TOTAL OF SCHEDULE 1</b>		<b>239732</b>	<b>239732</b>

<b>SCHEDULE - 2: RESERVES AND SURPLUS</b>		<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
I	Statutory Reserve	6795131	6543056
	Opening balance	6543056	6334725
	Additions during the year	252075	208331
	Deductions during the year	0	0
II	Capital Reserve	215248	215248
	Opening balance	215248	215248
	Additions during the year	0	0
	Deductions during the year	0	0
III	Share Premium	0	0
	Opening balance	0	0
	Additions during the year	0	0
	Deductions during the year	0	0
IV	Revenue and other Reserves *	1986537	1748716
	Opening balance	1748716	1749851
	Additions during the year	238884	0
	Deductions during the year	1063	1135
	* Of which, balance in Revaluation Reserves	471532	472595
V	Balance in Profit and Loss Account	5708778	4939364
	Opening balance	4939364	4106038
	Additions during the year	769414	833326
	Deductions during the year	0	0
<b>TOTAL OF SCHEDULE 2</b>		<b>14705694</b>	<b>13446384</b>



(Amount in Thousands)

SCHEDULE - 3: DEPOSITS		As on 31-Mar-2025	As on 31-Mar-2024
A.	<b>I Demand Deposits:</b>		
	i) From Banks	176916	52267
	ii) From others	3285239	3093745
	<b>II Savings Bank Deposits</b>	93130657	87140593
	<b>III Term Deposits</b>		
	i) From Banks	470817	355662
	ii) From others	112349475	107922540
<b>TOTAL OF (I + II + III)</b>		<b>209413104</b>	<b>198564807</b>
B.	Deposits of Branches in India	209413104	198564807
	Deposits of Branches outside India	0	0
<b>TOTAL OF SCHEDULE 3</b>		<b>209413104</b>	<b>198564807</b>

SCHEDULE - 4: BORROWINGS		As on 31-Mar-2025	As on 31-Mar-2024
I	<b>Borrowings in India:</b>		
	i) Reserve Bank of India	0	0
	ii) Other Banks	0	0
	iii) Other institutions & Agencies	19345830	29131663
<b>SUB-TOTAL</b>		<b>19345830</b>	<b>29131663</b>
II	<b>Borrowings outside India</b>	0	0
<b>TOTAL OF SCHEDULE 4</b>		<b>19345830</b>	<b>29131663</b>
Secured borrowings included in i, ii and iii above		0	0

SCHEDULE - 5: OTHER LIABILITIES & PROVISIONS		As on 31-Mar-2025	As on 31-Mar-2024
I	Bills Payable	169988	177274
II	Inter-office Adjustments (Net)	2897	29692
III	Interest Accrued	106446	76289
IV	Others (including provisions)	6021289	5030429
<b>TOTAL OF SCHEDULE 5</b>		<b>6300620</b>	<b>5313684</b>

SCHEDULE - 6: CASH AND BALANCES WITH RESERVE BANK OF INDIA		As on 31-Mar-2025	As on 31-Mar-2024
I	Cash in hand (including foreign currency notes)	796283	594460
II	Balances with Reserve Bank of India:		
	i) In Current account	8318226	10505596
	ii) In Other accounts	5040000	8980000
<b>TOTAL OF SCHEDULE 6</b>		<b>14154509</b>	<b>20080056</b>



(Amount in Thousands)

<b>SCHEDULE - 7: BALANCES WITH BANKS AND MONEY AT CALL &amp; SHORT NOTICE</b>	<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
<b>I In India:</b>		
i) Balance with Banks:		
(a) In Current Accounts	202231	208484
(b) In Other Deposit Accounts	12800000	20900000
(c) Other Deposit Accounts under lien	4500	2500
ii) Money at call and short notice:		
(a) With Banks	0	0
(b) With Other Institutions	0	0
<b>SUB - TOTAL</b>	<b>13006731</b>	<b>21110984</b>
<b>II Outside India</b>		
i) in Current Accounts	0	0
ii) in Other Deposits Accounts	0	0
iii) Money at call and short notice	0	0
<b>SUB - TOTAL</b>	<b>0</b>	<b>0</b>
<b>TOTAL OF SCHEDULE 7</b>	<b>13006731</b>	<b>21110984</b>

<b>SCHEDULE - 8: INVESTMENTS</b>	<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
<b>I Investments in India in:</b>		
i) Government Securities	42349841	41976345
ii) Other approved securities	0	0
iii) Shares	5997	5997
iv) Debentures and Bonds	4887275	4804224
v) Subsidiaries and/ or Joint Ventures	0	0
vi) Others	89540	10000
<b>SUB TOTAL</b>	<b>47332653</b>	<b>46796566</b>
<b>II Investments outside India:</b>		
i) Government Securities (including local authorities)	0	0
ii) Subsidiaries and/ or Joint Ventures abroad	0	0
iii) Other investments	0	0
<b>SUB TOTAL</b>	<b>0</b>	<b>0</b>
<b>TOTAL OF SCHEDULE 8</b>	<b>47332653</b>	<b>46796566</b>

<b>SCHEDULE - 9: ADVANCES</b>	<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
<b>A Bills Purchased and discounted</b>	33	29
Cash credits, overdrafts & other loans repayable on demand	114897993	103890459
Term loans	51066538	47626320
<b>SUB - TOTAL</b>	<b>165964564</b>	<b>151516808</b>



(Amount in Thousands)

B Secured by tangible assets (Includes advances against book debts of-IDF Rs 20,80,23,820/-(Previous year Rs 5,85,57,390/-)) Covered by Bank/Government Guarantees Unsecured	163392235 0 0 2572329	149344737 0 0 2172071
<b>SUB - TOTAL</b>	<b>165964564</b>	<b>151516808</b>
<b>C I Advances in India</b>		
i) Priority Sector	143654518	134293077
ii) Public Sector	0	0
iii) Banks	0	0
iv) Others	22310046	17223731
<b>SUB - TOTAL</b>	<b>165964564</b>	<b>151516808</b>
<b>II Advances outside India</b>		
i) Due from banks	0	0
ii) Due from others		
a) Bills purchased and discounted	0	0
b) Syndicated loans	0	0
c) Others	0	0
<b>SUB - TOTAL</b>	<b>0</b>	<b>0</b>
<b>TOTAL OF SCHEDULE 9</b>	<b>165964564</b>	<b>151516808</b>

<b>SCHEDULE - 10: FIXED ASSETS</b>	<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
<b>I Premises</b>		
At cost/revaluation as on 31st March of the preceding year	529536	529536
Add: Additions during the year	5296	0
Add: Additions due to revaluation during the year	0	0
Less: Deductions during the year	0	0
	534832	529536
Less: Depreciation to date	16870	15006
<b>SUB - TOTAL</b>	<b>517962</b>	<b>514530</b>
<b>II Other Fixed Assets (including furniture &amp; fixtures)</b>		
At cost/revaluation as on 31st March of the preceding year	670997	636487
Add: Additions during the year	96671	37341
Less: Deductions during the year	2337	2831
	765331	670997
Less: Depreciation to date	567595	528936
<b>SUB - TOTAL</b>	<b>197737</b>	<b>142061</b>
<b>TOTAL OF SCHEDULE 10 (I + II)</b>	<b>715699</b>	<b>656591</b>

**Note:** Premises include Revaluation value of ₹ 4715.32 lakh as on 31-Mar-2025 comprising land of ₹ 4259.97 lakh and building of ₹ 500.80 lakh. Revaluation value as on 31-Mar-2025 is ₹ 4725.95 lakh.



(Amount in Thousands)

<b>SCHEDULE - 11: OTHER ASSETS</b>	<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
I Inter-Office Adjustment (net)	0	0
II Interest Accrued	774768	1124289
III Tax paid in advance/tax deducted at source	1444780	1397926
IV Stationery and stamps	32055	33715
V Non-banking assets acquired in satisfaction of claims	0	0
VI Others	6579221	3979335
<b>TOTAL OF SCHEDULE 11</b>	<b>8830824</b>	<b>6535265</b>

<b>SCHEDULE - 12: CONTINGENT LIABILITIES</b>	<b>As on 31-Mar-2025</b>	<b>As on 31-Mar-2024</b>
I Claims against the bank not acknowledged as debts	0	0
II Liability for partly paid investments	0	0
III Liability on outstanding forward exchange contracts	0	0
IV i Guarantees given on behalf of constituents as per contra		
a) In India	248733	225213
b) Outside India	0	0
ii. DEAF as per contra	462710	357183
V Acceptances, endorsements & other obligations	0	0
VI Other items for which the Bank is contingently liable	1725182	1830881
<b>TOTAL OF SCHEDULE 12</b>	<b>2436625</b>	<b>2413277</b>

<b>SCHEDULE - 13: INTEREST EARNED</b>	<b>Period ended 31-Mar-2025</b>	<b>Period ended 31-Mar-2024</b>
i Interest/Discount on Advance/Bills	13684920	12307330
ii Income on Investments	3183888	3139675
iii Interest on balance with RBI & other inter bank	785119	1904435
iv Others - Interest on Income tax refund	0	0
<b>TOTAL</b>	<b>17653927</b>	<b>17351440</b>

<b>SCHEDULE - 14: OTHER INCOME</b>	<b>Period ended 31-Mar-2025</b>	<b>Period ended 31-Mar-2024</b>
i Commission, Exchange and Brokerage	267828	254004
ii Profit on sale of investments	0	5963
<b>Less:</b> Loss on sale of investments	(2570)	(21631)
iii Profit on Revaluation of investments	0	0
<b>Less:</b> Loss on revaluation of investments	0	0
iv Profit on sale of land, buildings & other assets	4110	4111
<b>Less:</b> Loss on sale of land, buildings & other assets	-6	0
v Profit on exchange transactions	0	0
<b>Less:</b> 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	4273484	3620968
<b>TOTAL</b>	<b>4542846</b>	<b>3863415</b>



(Amount in Thousands)

SCHEDULE - 15: INTEREST EXPENDED		Period ended 31-Mar-2025	Period ended 31-Mar-2024
i	Interest on Deposits	9247606	8794916
ii	Interest on RBI/Inter bank borrowings	212906	522289
iii	Others	1398270	1470331
<b>TOTAL</b>		<b>10858782</b>	<b>10787536</b>

SCHEDULE - 16A: OPERATING EXPENSES		Period ended 31-Mar-2025	Period ended 31-Mar-2024
i	Payments to and provisions for Employees*	6846147	5416768
ii	Rent, taxes and lighting	135377	129124
iii	Printing and stationery	44370	40099
iv	Advertisement and Publicity	1537	1585
v	Depreciation on Bank's property	41637	51320
vi	Directors' fees, allowance and expenses	0	0
vii	Auditors' fees & expenses (incl. Branch auditors)	7158	14115
viii	Law charges	28763	32139
ix	Postage, Telegrams, Telephones	11869	10874
x	Repairs and Maintenance	665957	607024
xi	Insurance	300135	253511
xii	Other Expenditure	777530	858775
<b>TOTAL</b>		<b>8860480</b>	<b>7415334</b>

\*- It includes only 1/5th (₹ 21,53,41,952.15) of the total liability. Based on guidelines from RBI vide: RBI/2024-25/127, DOR.ACC.REC.No.67/21.04.018/2024-25 dated March 20th 2025, the additional liability of ₹ 1,07,67,09,760.73 arising on Implementation of Pension Scheme in Regional Rural Banks with effect from November 1, 1993 has been ammortised for 5 years.

SCHEDULE - 16B: PROVISIONS & CONTINGENCIES		Period ended 31-Mar-2025	Period ended 31-Mar-2024
i	Provision for Standard assets	(43195)	(351266)
ii	Provision for NPA	1470557	2482698
iii	Provision towards frauds/Other Assets	88381	26711
iv	Provision towards income tax incl. Deferred tax	0	0
v	Provisions for Invesments	(298605)	(187815)
<b>TOTAL</b>		<b>1217138</b>	<b>1970328</b>



## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2025

(Amount in Rs. Crore)

Particulars	For the Year Ended	
	31-03-2025	31-03-2024
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss)	126.04	104.16
Add: Tax Provision	-	-
Profit/ (Loss) before taxes	126.04	104.16
Adjustments for:		
Depreciation on fixed Assets	4.16	5.13
Depreciation on investments	-29.86	-18.78
Bad debts written-off/ Provision in respect of NPA/ Restructured assets	147.06	248.27
Provision for standard assets	-4.32	-35.13
Provision for other items (Net)	8.84	2.67
(Profit)/ Loss on sale of Assets (Net)	-0.41	-0.41
Amortisation Expenses on MTM securities	1.47	1.47
<b>Sub-total</b>	<b>252.98</b>	<b>307.38</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Investments	-25.22	66.63
(Increase)/Decrease in Advances	-1,591.83	-1,993.27
(Increase)/Decrease in Other Assets	-238.39	78.74
Increase/(Decrease) in Borrowings	-978.59	173.56
Increase/(Decrease) in Deposits	1,084.83	1,146.05
Increase/(Decrease) in Other liabilities & provisions	103.01	-11.21
Direct taxes paid (Net of refund)	-	-
<b>Net cash flow from Operating activities (A)</b>	<b>-1,393.21</b>	<b>-232.12</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale-transfer of fixed assets	-9.77	-3.30
<b>Net cash flow from Investing activities (B)</b>	<b>-9.77</b>	<b>-3.30</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital	-	-
Share Application Money Pending allotment	-	-
Share Premium	-	-
Dividend Paid including dividend tax	-	-
Net cash from financing activities (C)	-	-
<b>D Net increase in cash &amp; cash equivalents (A + B + C)</b>	<b>-1,402.98</b>	<b>-235.42</b>
<b>E Balances at the beginning of the year:</b>		
Cash & balances with RBI	2,008.01	1,837.47
Balances with banks & Money at call	2,111.09	2,517.05
<b>Total (E)</b>	<b>4,119.10</b>	<b>4,354.52</b>



<b>F Balances at the end:</b>		
Cash & balances with RBI	1,415.45	2,008.01
Balances with banks & Money at call	1,300.67	2,111.09
<b>Total (F)</b>	<b>2,716.12</b>	<b>4119.10</b>
<b>G TOTAL CASH FLOW DURING THE YEAR (F - E)</b>	<b>-1,402.98</b>	<b>-235.42</b>
Diff ( D - G)	-	-

**Note:** Cash & Cash Equivalents includes Cash on Hand, Balance with RBI & other banks and Money at call and short notice. Cash flow from Operating Activities is prepared as per Indirect Method prescribed in Accounting Standard 3 "Cash Flow Statements"

**D. S. Hegde**  
AGM

**R.T. Kamble**  
General Manager

**Shreekant M. Bhandiwad**  
Chairman

**Board of Directors :**

**Bubul Bordoloi**  
**Prakash Chandra Dash**  
**B.P. Jatav**  
**R. Anuradha**  
**MD Haris Sumair, IAS**  
**Dr. Gopal Krishna B., IAS**

**VIDE OUR REPORT OF EVEN DATE ATTACHED**

**For P. CHANDRASEKAR LLP**

Chartered Accountants,  
FRN: 000580S/S200066

**CA Mani Kumar**  
(Partner)

M. No. 212544  
UDIN: 25212544BMILPX4146

Place: Dharwad  
Date: 09-06-2025



## SCHEDULE 17

### SIGNIFICANT ACCOUNTING POLICIES

#### SIGNIFICANT ACCOUNTING POLICIES ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025

##### 1] (a) Basis of Preparation:

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises statutory provisions, regulatory norms / guidelines prescribed by Reserve Bank of India (RBI)/ NABARD, Banking Regulation Act – 1949, Accounting Standards/ guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the practices prevalent in the banking industry in India.

##### (b) Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, expenses, income and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods unless otherwise stated.

##### 2] Investments

2.1. Classification of investments is made as per the guidelines of the RBI. The entire investment

portfolio of the Bank is classified under three categories viz. 'Held to Maturity' (HTM), 'Available for Sale' (AFS) and 'Held for Trading' (HFT). Such classification is decided at the time of acquisition of securities.

Investments are disclosed in the Balance Sheet under six classifications viz:

(a) Government securities (b) Other approved securities (c) Shares (d) Debentures & Bonds (e) Subsidiaries and Joint Ventures & Associates and (f) Others.

2.2. In determining the acquisition cost of investment:-

(a) Cost such as brokerage, commission etc., relating to securities at the time of purchase are charged to Profit & Loss Account.  
(b) Broken period interest on debt instruments up to the date of acquisition / disposal is treated as revenue.

2.3 The valuation of Investments is done in accordance with the guidelines issued by the RBI as under:

##### a) HELD TO MATURITY

Investments under Held to Maturity category are carried at acquisition cost, net of amortization, if any. The excess of acquisition cost, if any, over the face value is amortized over the remaining period of maturity.

##### b) AVAILABLE FOR SALE

Investments classified under this category are mark to market on quarterly basis and valued as per Reserve Bank of India guidelines at the market rates available on



the last day of each quarter (Balance Sheet date). The central and state govt securities are valued at market rates declared by Financial Benchmark India Pvt Limited (FBIL). Other approved securities, debentures and bonds are valued as per the methodology suggested / published by Fixed Income Money Market and Derivatives Association of India (FIMMDA) and quoted shares and other securities are valued at the market rates from trades/quotes on the stock exchanges. Unquoted securities are also valued as per the Reserve Bank of India guidelines.

The net depreciation under each category/classification is fully provided for whereas the net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after these are valued at mark to market basis.

### c) HELD FOR TRADING

Investments classified under this category are valued at rates based on market quotations, price/yields declared by FBIL on a weekly basis.

The net depreciation under each security held is fully provided for whereas the net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marked to market.

2.4. Transfer of scrips from one category to another is carried on the following basis:

- (a) HTM to AFS/HFT category at acquisition price/book value. In case the investments under HTM category, originally placed at premium, then the transfer is made at amortised cost and security shall be immediately revalued consequent to the

transfer and resultant depreciation; if any, shall be provided.

- (b) AFS/HFT to HTM category at lower of the book value or market value.
- (c) AFS to HFT category or vice versa, at the carrying value. The accumulated depreciation, if any, to be transferred to the provision for depreciation against HFT securities and vice versa.

2.5. Non-performing Investments Security Receipts issued by Securitisation / Reconstruction Company (SC/RC) in respect of financial assets sold by the Bank to the SC/RC are valued at the lower of the redemption value of the Security Receipt and the Net Book Value of the financial asset. The Investment is carried in the books at the price determined as above until its sale or realization and on such sale or realization, loss or gain is dealt with as below:

- (a) If sale is at a price below Net Book Value (NBV), the shortfall is recognized as per Reserve Bank of India guidelines.
- (b) If the sale is for a value higher than NBV, the excess provision is not reversed but utilized to meet shortfall/loss on account of sale of other financial assets to SC/RC.

2.6. Securities included in any of three categories where interest/principal is in arrears for a specified period, are classified as Nonperforming Investment. Interest Income on such securities is not reckoned and appropriate depreciation/ provision in value of Investments is made. Depreciation in respect of such Non Performing Investments is not set off against appreciation in other performing securities.

### 2.7. Profit on sale of Investments

Profit on sale of Investments in respect of "Available for Sale" and "Held for Trading" categories is recognized in Profit & Loss Account.



Profit on sale of Investments in respect of "Held to Maturity" category is first taken to the Profit & Loss Account and an equivalent amount of Profit is appropriated to the Capital Reserve (net of taxes and amount required to be transferred to Statutory Reserve).

Loss on sale of Investments in all the three categories is recognized in Profit & Loss Account.

## **2.8. Accounting for Repo/Reverse Repo and Liquidity Adjustment Facility (LAF)**

Securities sold/purchased with an agreement to repurchase/resale on the agreed terms under Repo/Reverse Repo including LAF with RBI are recognized as Borrowing/Lending.

Securities sold under Repo are continued to be shown under investments and Securities purchased under Reverse Repo are not included in investments. Costs and revenues are accounted for as interest expenditure / income, as the case may be.

## **3] ADVANCES**

- 3.1 Advances are classified as performing and non-performing assets in accordance with the prudential norms issued by RBI.
- 3.2 Advances are classified into Standard, Sub Standard, Doubtful and Loss assets borrower wise.
- 3.3 Provisions for domestic advances are made for performing/non -performing advances in accordance with the RBI Guidelines.
- 3.4 Advances stated in the Balance Sheet are net of provisions made for Non Performing Assets.

Recoveries in Non Performing Advances are apportioned first towards charges and Principal thereafter towards Interest. Recovery in NPA accounts which are settled under OTS, and which are Prudentially / Technically Written off including

Accounts covered by Government Guarantees / Subsidy where the recoveries are adjusted as per the terms of the respective settlement.

- 3.5 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines.

## **4] Fixed Assets (p)**

- 4.1. The premises of the Bank include freehold properties. All the Fixed Assets are capitalized based on the date of put to use.
- 4.2. Land and Premises are stated at revalued cost and other fixed assets are stated at historical cost.

Depreciation policy for Revalued assets:

- a) The appreciation on revaluation shall be credited to Revaluation Reserve.
- b) Depreciation on the revaluation reserve as well as on the original cost of the asset shall be on Straight Line Method (SLA).
- c) The depreciation on the original cost of the asset shall be debited to Profit and Loss Account and on the re-valued portion shall be debited to Revaluation Reserve.
- d) The entire amount under Revaluation Reserve shall be adjusted towards depreciation over the economic useful life of the assets.

## **5] Depreciation**

- 5.1 Depreciation method is on Straight Line Method, for all Assets based on life span of the assets.
- 5.2 The life span of the assets is defined as per Part C Schedule II of the Companies Act, 2013 except the following Software/ Intangibles, Servers, Electrical Equipment, Motor Vehicles and other Equipment.
- 5.3 Estimated life span of the assets adopted by the bank for different class of assets is as under:



Sl.No.	Type of asset	Estimated life span
i	Free hold Buildings A) Lease hold Land B) Lease hold Building	60 Years NIL NIL.
ii	Furniture & Fixtures	10 Years
iii	A) Electronic Equipment: Televisions, Projectors, CD, Security Gadgets like CCTV Access Control System, Fire Alarm System, Time locks etc., B) Electrical Fittings: Fans, Air ventilators, Tube light fittings, Glow/Neon sign boards, etc. C) Other Equipment: Note counting machines, Jewel weighing machines, UV Lamps, Water purifiers, Inverters, Photo copier, Air conditioners, Generators, Inverters, etc.	5 Years 10 Years 7 Years
iv	Computers equipment	3 Years
v	Motor Vehicles	5 years

The change in rates (based on life span) of depreciation is applied effective from 01-04-2017.

- 5.1 Software/Intangible Assets are amortized over 3 years.
- 5.2 Depreciation on any additions during the year to fixed assets is provided on a pro rata basis from the date of such addition/ acquisition.
- 5.3 5% of the Original cost price will be residual value in case of the assets having useful life of more than 5 years. No residual value reckoned for asset having a useful life of 5 years or below.
- 5.4 In respect of IT Capital Assets (Hardware) depreciation is reckoned at 33.33% and residual value of the asset is made Zero at the end of third year. However, control over the physical inventory is effective

## 6] 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 for and charged off to Profit and Loss Account.

## 7] Revenue Recognition

- 7.1. Income and expenditure are generally accounted on accrual basis, except the following:
  - a) Interest on Non-Performing advances and non performing investments is recognized on receipt basis as per norms laid down by Reserve Bank of India.  
  
Interest on Overdue Bills, Commission, Exchange, Brokerage, Government business, dividend is accounted on realization. Income from Commission for BG and rent on lockers is recognized on pro-rata basis.
  - b) In case of suit filed accounts, related legal and other expenses incurred are charged to Profit & Loss Account and on recovery the same are accounted as Income.

## 8] Employee Benefits

### 8.1 Defined Contribution Plans

Defined Contribution to Plans such as Provident / Pension fund are recognized as an expense and charged to Profit & Loss account.



## 8.2 Defined Benefit Plans

- a. **Gratuity:** The employee Gratuity Fund Scheme is funded by the Bank and managed by Life Insurance Corporation of India. The present value of Bank's obligation under gratuity is recognized on the basis of actuary report submitted by the LIC.
- b. **Pension:** The employee Pension Fund Scheme is funded by the Bank and managed by a separate trust. The present value of the Banks obligations under Pension is recognized on the basis of actuary's report as at the year end and the fair value of the Plan assets is reduced from the gross obligation to recognize the obligation on a net basis.
- c. The privilege leave is considered as a long term benefit. It is funded by the Bank and managed by Life Insurance Corporation of India.

**8.3** The cost of providing long term benefits under defined benefit Plans is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/ losses are immediately recognized in the Profit and Loss Account and are not deferred.

**8.4** The summarized position of post-employment benefits and long term employee benefits have been recognized in the Profit & Loss Account and Balance Sheet as required in accordance with AS-15.

**8.5 Pension Arrears:** On 3rd October, 2024, Department of Financial Services, Ministry of Finance, Government of India, vide letter: F.No.8/20/2024-RRB had instructed all the RRBs to implement the pension scheme in RRBs with effect from 01st November 1993 in accordance with the direction of Hon'ble Supreme Court of India.

The Bank has assessed the expenditure for implementing the above mentioned scheme at

Rs.107,67,09,760.78. The RBI vide:RBI/2024-25/127, D.O.R.A.C.C.REC.No.67/21.04.018/2024-25 dated 20th March 2025, directed all the RRBs that "the expenditure, on account of revision in the pension, may, if not fully charged to the Profit and Loss Account during the financial year 2024-25, be amortised over a period not exceeding five years beginning with the financial year ending March 31, 2025, subject to a minimum of 20 per cent of the total pension liability involved being expensed every year". Hence, the Bank has ammortised the 80 per cent of total assessed pension arrears of Rs.107,67,09,760.78 and recognized only 20 per cent (Rs.21,53,41,952.15) as pension arrears expenditure during FY 2024-25.

## 9] Provision for Taxation

- a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income" respectively.
- b) Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred Tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.
- c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain or Virtual certain as the case may be.
- d) Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax



losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits. Deferred tax assets on the items other than above are recognized on the basis of reasonable certainty.

## 10] Net Profit

The Net Profit in the Profit & Loss Account is after:

- Provision for depreciation on Investments
- Provision for Taxation
- Provision on Non Performing Advances
- Provision on Standard Assets
- Provision for Non-Performing Investments.
- Provision for other usual & necessary Items

## 11] Intangible Asset:

In respect of Intangible Assets, the Bank has adopted the accounting method in accordance with Accounting Standard (AS-26)

## 12] Provisions, Contingent Liabilities and Contingent Assets

- In conformity with AS 29, "Provisions, Contingent Liabilities & Contingent Assets" issued by the Institute of Chartered Accountants Of India, the Bank recognizes provision only when :
  - It has a present obligation as a result of past event.
  - it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
  - A reliable estimate of the amount of the obligation can be made.

### No provision is recognized:

- For 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.

- Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- When 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 the outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

- Contingent Assets are not recognized in the financial Statements.

## 13] Earnings per Share

The Bank reports basic and diluted Earnings per Share in accordance with AS - 20 "Earnings per Share", issued by ICAI. Basic Earnings per Share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the Year.

## 14] Cash Flow Statement

Cash flow Statement is reported by using indirect method.

## 15] Segment Reporting

- The Bank recognizes the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines & in compliance with AS-17 issued by ICAI.
- Business segment is classified into (i) Treasury, (ii) Corporate and Whole Sale Banking and (iii) Retail Banking.
- Geographical segment consist only of Domestic segment since the Bank does not have any foreign branch.



## SCHEDULE 18

### Disclosure in Financial Statements – ‘Notes to Accounts’

#### NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2025

- i) The Financial Statements have been prepared in conformity with Forms A & B of the Schedule III to the Banking Regulation Act, 1949 read with Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 to the extent applicable and practices generally prevalent in the banking industry in India. During the year, out of 629 branches of the bank, 405 branches have been subjected to statutory audit.
- Reconciliation of inter branch / office adjustment accounts has been completed up to **31.03.2025**.

#### 1. Regulatory Capital

##### a) Composition of Regulatory Capital

(Amount in Rs. Crore)

Sl. No.	Particulars	Shareholding %	Current Year	Previous Year
1	Govt. of India	50	11.99	11.99
2	State Govt.	15	3.59	3.59
3	Sponsor Bank (Canara Bank)	35	8.39	8.39
	<b>Total</b>	<b>100</b>	<b>23.97</b>	<b>23.97</b>

##### As per Basel-I:

Sl. No.	Particulars	2024-25	2023-24
i)	Common Equity Tier I capital ratio (%)	-	-
ii)	Tier I capital (%)	9.97	9.89
iii)	Tier II capital (%)	1.82	1.68
iv)	Total Capital Ratio (CRAR %)	11.79	11.57

##### b) Draw down from Reserves-**Nil**



## 2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities

	Day 1	2 to 7 days	8 to 14 days	15 to 30 Days	31 days to 2 months	Over 2 months and to 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	190.43	598.00	643.57	322.92	784.43	613.27	2348.52	4521.03	10197.84	350.53	370.76	20941.31
Advances	110.18	80.67	600.32	847.34	796.16	1220.67	3793.73	5041.07	1136.84	1124.46	2219.69	16971.13
Investments	0	50.00	0	0	0	0.00	0.00	0.00	76.79	373.50	4248.97	4749.27
Borrowings	0	0	5.84	0	0	73.93	314.72	939.85	328.75	256.90	14.59	1934.58
Foreign Currency assets	0	0	0	0	0	0	0	0	0	0	0	0
Foreign Currency liabilities	0	0	0	0	0	0	0	0	0	0	0	0

## 3. Investments

a) i) Composition of Investment Portfolio: As at 31.03.2024

(Amount in Rs. 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	3725.84	0.00	0.00	0.00	0.00	0.00	3725.84	-	-	-	3725.84
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00
<b>Net</b>	<b>3725.84</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3725.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3725.84</b>
<b>Available for Sale</b>											
Gross	511.13	0.00	0.61	502.68	0.00	9.00	1023.42	-	-	-	1023.42
Less: Provision for depreciation and NPI	2.00	0.00	0.01	13.95	0.00	0.04	16.00	-	-	-	16.00
<b>Net</b>	<b>509.13</b>	<b>0.00</b>	<b>0.60</b>	<b>488.73</b>	<b>0.00</b>	<b>8.96</b>	<b>1007.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1007.42</b>
<b>Held for Trading</b>											
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00
Less: Provision for depreciation and NP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	0.00
<b>Net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
<b>Total Investments</b>	<b>4236.97</b>	<b>0.00</b>	<b>0.61</b>	<b>502.68</b>	<b>0.00</b>	<b>9.00</b>	<b>4749.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4749.26</b>
Less: Provision for non-performing investments	0.00	0.00	0.01	4.89	0.00	0.00	4.90	-	-	-	4.90
Less: Provision for depreciation	2.00	0.00	0.00	9.06	0.00	0.04	11.10	-	-	-	11.10
<b>Net</b>	<b>4234.97</b>	<b>0.00</b>	<b>0.60</b>	<b>488.73</b>	<b>0.00</b>	<b>8.96</b>	<b>4733.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4733.26</b>



**(Amount in Rs. Crore)**

	Investments in India							Investments outside India			
	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	3677.32	0.00	0.00	0.00	0.00	0.00	3677.32	-	-	-	-
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-
<b>Net</b>	<b>3677.32</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3677.32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3677.32</b>
<b>Available for Sale</b>											
Gross	536.68	0.00	0.61	509.91	0.00	1.00	1048.20	-	-	-	-
Less: Provision for depreciation and NPI	16.36	0.00	0.01	29.49	0.00	0.00	45.86	-	-	-	-
<b>Net</b>	<b>520.32</b>	<b>0.00</b>	<b>0.60</b>	<b>480.42</b>	<b>0.00</b>	<b>1.00</b>	<b>1002.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1002.34</b>
<b>Held for Trading</b>											
Gross	0	0	0	0	0	0	0	-	-	-	-
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	-	-	-
<b>Net</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
<b>Total Investments</b>	<b>4213.99</b>	<b>0.00</b>	<b>0.61</b>	<b>509.91</b>	<b>0.00</b>	<b>1.00</b>	<b>4725.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4725.51</b>
Less: Provision for non-performing investments	0.00	0.00	0.01	6.90	0.00	0.00	6.91	-	-	-	-
Less: Provision for depreciation	16.36	0.00	0.00	22.59	0.00	0.00	38.95	-	-	-	-
<b>Net</b>	<b>4197.63</b>	<b>0.00</b>	<b>0.60</b>	<b>480.42</b>	<b>0.00</b>	<b>1.00</b>	<b>4679.65</b>				<b>4679.65</b>



**Movement of Provisions for Depreciation and Investment Fluctuation Reserve**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
i) Movement of provisions held towards depreciation on investments (AFS)		
a) Opening balance	45.86	64.64
b) Add: Provisions made during the year	0.00	0.00
c) Less: Write off / write back of excess provisions during the year	29.86	18.78
d) Closing balance	16.00	45.86
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	34.68	34.68
b) Add: Amount transferred during the year	23.89	0.00
c) Less: Drawdown	0.00	0.00
d) Closing balance	58.57	34.68
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	5.72%	3.31%

**b) Sale and transfers to/from HTM category**

The disclosure for the value of sales from HTM category exceeding 5 per cent of the book value of investments held in HTM category at the beginning of the year is not applicable for the FY 2024-25 as there are no sales in HTM category of SLR Investments. The market value of HTM category as on 31.03.2025 is ₹ 3705.16 crore and book value is ₹3675.84 crore. Market value is excess by ₹29.32 crore.

**c) Non-SLR investment portfolio**

i) Non-performing non-SLR investments

(Amount in Rs. Crore)

Sr. No.	Particulars	2024-25	2023-24
a)	Opening Balance	6.91	6.91
b)	Additions during the year	0.00	0.00
c)	Reductions during the year	2.00	0.00
d)	Closing balance	4.91	6.91
e)	Total provisions held	4.91	6.91

ii) Issuer composition of non-SLR investments

(Amount in Rs. Crore)

Sr. No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
a)	PSUs	134.28	141.50	Nil	2.00	Nil	2.00	Nil	2.00	Nil	2.00
b)	FIs	363.51	363.51	0.00	0.00	Nil	Nil	Nil	Nil	Nil	Nil
c)	Banks	3.35	3.35	3.00	3.00	3.00	3.00	Nil	Nil	Nil	Nil
d)	Private Corporate	2.16	2.16	2.14	2.14	1.91	1.91	0.25	0.25	0.25	0.25
e)	Subsidiaries/ Joint Ventures	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Others-MF	9.00	1.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g)	Provision held towards depreciation	14.01	29.49	4.89	6.89	4.91	6.91	Nil	2.00	0.25	2.00
	<b>Total</b>	<b>498.29</b>	<b>482.03</b>	<b>0.25</b>	<b>0.25</b>	<b>Nil</b>	<b>Nil</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>	<b>0.25</b>



iii) Investment in India

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Shares	0.61	0.61
Debentures and Bonds	502.68	509.91
Subsidiaries and Joint Ventures	0.00	0.00
Others (CD, CP, MF)	9.00	1.00
<b>Total</b>	<b>498.29</b>	<b>482.03</b>

iv) Investment outside India – Nil

d) Repo transactions including Liquidity Adjustment Report (LAF) (in Face Value Terms) for the year 2024-25:

(Amount in Rs. Crore)

	Minimum outstanding during the year 2024-25	Maximum outstanding during the year 2024-25	Daily average outstanding during the year 2024-25	Outstanding as on March 31, 2025
i) Securities sold under repo				
➤ Government securities	50.00	50.00		50.00
➤ Corporate debt securities				
➤ Any other securities				
ii) Securities purchased under reverse repo	NIL			
a) Government securities				
b) Corporate debt securities				
c) Any other securities				

e) Repo transactions including Liquidity Adjustment Report (LAF) (in Face Value Terms) for the year 2023-24:

(Amount in Rs. Crore)

	Minimum outstanding during the year 2023-24	Maximum outstanding during the year 2023-24	Daily average outstanding during the year 2023-24	Outstanding as on March 31, 2024
i) Securities sold under repo	NIL			
➤ Government securities				
➤ Corporate debt securities				
➤ Any other securities				
ii) Securities purchased under reverse repo	NIL			
a) Government securities				
b) Corporate debt securities				
c) Any other securities				



#### 4. Asset quality

a) i) Classification 006Ff advances and provisions held current year (2024-25)

(Amount in Rs. Crore)

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	14639.48	358.89	522.11	6.85	887.85	15527.33
Add: Additions during the year					922.44	
Less: Reductions during the year					994.85	
Closing balance	16156.05	355.27	457.30	2.84	815.41	16971.46
Reductions in Gross NPAs due to:						
i) Upgradation					266.04	
ii) Recoveries (excluding recoveries from upgraded accounts)					639.11	
iii) Technical/ Prudential Write-offs					0	
iv) Write-offs other than those under (iii) above					89.70	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	74.32	54.51	314.29	6.85	375.65	449.97
Add: Fresh provisions made during the year					147.05	
Less: Excess provision reversed/ Write-off loans					147.70	
Closing balance of provisions held	66.91	35.53	336.63	2.84	375.00	441.91
<b>Net NPAs</b>						
Opening Balance		304.38	207.82	0	512.20	
Add: Fresh additions during the year					922.44	
Less: Reductions during the year					944.85	
Closing Balance		319.75	120.66	0	440.41	

	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-standard	Doubtful	Loss		
<b>Floating Provisions</b>						
Opening Balance						0
Add: Additional provisions made during the year						0
Less: Amount drawn down during the year						0
Closing balance of floating provisions						0
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						200.00
Add: Technical/ Prudential write-offs during the year						55.88
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						55.88
Closing balance						200.00

Ratios (in per cent)	2024-25	2023-24
Gross NPA to Gross Advances	4.80	5.72
Net NPA to Net Advances	2.65	3.38
Provision coverage ratio	57.48	53.49



## 5. Asset quality

b) i) Classification of advances and provisions held previous year (2023-24)

(Amount in Rs. Crore)

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	12784.07	424.28	523.99	8.04	956.31	13740.38
Add: Additions during the year					1102.59	
Less: Reductions during the year					1171.05	
Closing balance	14639.48	358.89	522.11	6.85	887.85	15527.33
Reductions in Gross NPAs due to:						
i) Upgradation					311.15	
ii) Recoveries (excluding recoveries from upgraded accounts)					741.08	
iii) Technical/ Prudential Write-offs					0	
iv) Write-offs other than those under (iii) above					118.83	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	109.44	64.90	260.76	8.04	333.70	443.14
Add: Fresh provisions made during the year					248.27	
Less: Excess provision reversed/ Write-off loans					206.32	
Closing balance of provisions held	74.32	54.51	314.29	6.85	375.65	449.97
<b>Net NPAs</b>						
Opening Balance		352.74	283.65	0	622.61	
Add: Fresh additions during the year					1102.59	
Less: Reductions during the year					1213.00	
Closing Balance		304.38	207.82	0	512.20	

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
<b>Floating Provisions</b>						
Opening Balance						0
Add: Additional provisions made during the year						0
Less: Amount drawn down during the year						0
Closing balance of floating provisions						0
<b>Technical write-offs and the recoveries made thereon</b>						
Opening balance of Technical/ Prudential written-off accounts						200.00
Add: Technical/ Prudential write-offs during the year						87.49
Less: Recoveries made from previously technical/ prudential written-off accounts during the year *						87.49
Closing balance						200.00

Ratios (in per cent)	2023-24	2022-23
Gross NPA to Gross Advances	5.72	6.96
Net NPA to Net Advances	3.38	4.64
Provision coverage ratio	53.49	46.28



a) Sector-wise Advances and Gross NPAs

(Amount in Rs. Crore)

Sr. No.	Sector*	Current Year 2024-25			Previous Year 2023-24		
		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
i)	<b>Priority Sector</b>						
	a) Agriculture and allied activities	11867.55	593.77	5.00	11068.66	673.95	6.09
	b) Advances to industries sector eligible as priority sector lending	96.04	13.62	14.18	110.01	14.05	12.77
	c) Services	1793.53	168.39	9.39	1685.77	155.25	9.21
	d) Personal loans -Housing L	568.90	12.31	2.16	579.65	13.14	6.09
	Personal loans -Others	405.63	14.08	3.47	355.43	17.86	5.02
	<b>Subtotal (i)</b>	<b>14731.65</b>	<b>802.17</b>	<b>5.45</b>	<b>13798.61</b>	<b>874.17</b>	<b>6.34</b>
ii)	<b>Non-priority Sector</b>						
	a) Agriculture and allied activities	0	0	0	0	0	0
	b) Industry	0	0	0	0	0	0
	c) Services	0	0	0	0	0	0
	d) Personal loans-Jewel Loans	1101.14	1.12	0.10	1022.17	0.77	0.08
	Personal loans -Others	1138.67	12.12	1.06	706.55	12.91	1.83
	<b>Sub-total (ii)</b>	<b>2239.81</b>	<b>13.24</b>	<b>0.59</b>	<b>1728.72</b>	<b>13.68</b>	<b>0.79</b>
	<b>Total (i+ ii)</b>	<b>16971.46</b>	<b>815.41</b>	<b>4.80</b>	<b>15527.33</b>	<b>887.85</b>	<b>5.72</b>

\*Banks shall also disclose in the form at above, sub-sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if Bank's outstanding advances to the mining industry exceed 10 percent of the outstanding total advances to 'Industry' sector it shall disclose details of its Outstanding advances to mining separately in the format above under the 'Industry' sector.

b) Overseas assets, NPAs and revenue – There is no foreign operation, hence not applicable.

c) Particulars of resolution plan and restructuring:

- Particulars of resolution plan – NIL
- Details of Accounts subjected to restructuring –

		Agriculture and allied activities		Corporate (excluding MSME)		Micro, Small & Medium Enterp. (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	74	350	0.00	0.00	12949	16882	2839	3266	15862	20498
	Gross Amount	1.37	11.67	0.00	0.00	118.10	193.51	132.87	16306	252.35	368.24
	Provision held	0.08	0.60	0.00	0.00	10.01	16.07	12.86	15.62	22.95	32.29
Sub-standard	Number of borrowers	81	456	0.00	0.00	1496	2441	126	255	1703	3152
	Gross Amount	2.33	9.86	0.00	0.00	15.52	24.72	4.07	5.94	21.93	40.52
	Provision held	0.23	1.48	0.00	0.00	1.55	3.71	0.41	1.04	2.19	6.22
Doubtful	Number of borrowers	1862	3400	0.00	0.00	4516	4140	352	413	6730	7953
	Gross Amount	56.55	113.66	0.00	0.00	52.49	45.71	8.24	9.05	117.28	168.42
	Provision held	54.20	63.99	0.00	0.00	41.81	20.12	7.18	5.94	103.19	90.05
Total	Number of borrowers	2017	4206	0.00	0.00	18961	23463	3317	3934	24295	31603
	Gross Amount	60.25	135.20	0.00	0.00	186.11	263.94	145.18	178.04	391.56	577.18
	Provision held	54.51	66.07	0.00	0.00	53.37	39.90	20.45	22.60	128.33	128.56



**iii) Particulars of resolution plan and restructuring Details of Loan assets subjected to Restructuring (Amount in Crores)**

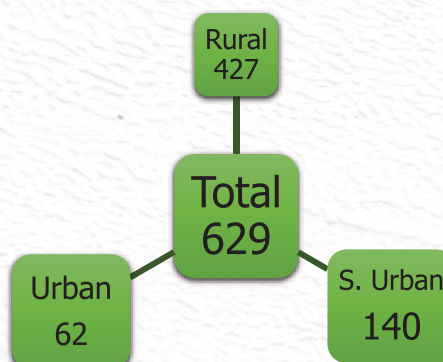
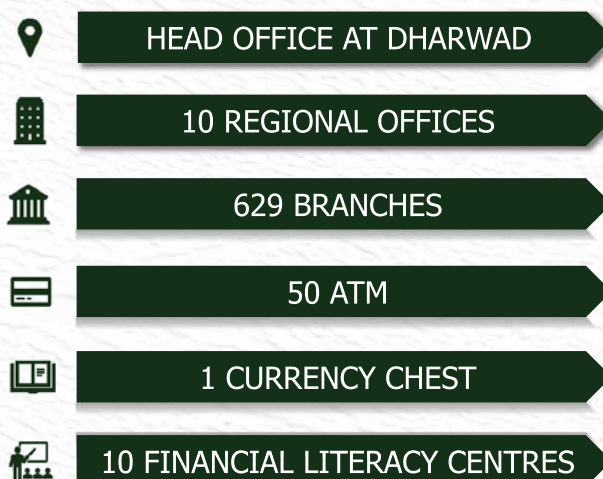
Sl No	Type of Restructuring → Asset Classification → Details ↓	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total			
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Total
1	restructured standard category during the FY Accounts as on April 1 of the FY (opening figures)	0	0	0	0	0	16882	2441	4140	0	23463	3616	711	3813	15	8155	31618
	Amount outstanding	0	0	0	0	0	193.51	24.72	45.71	0	26.94	174.73	15.80	122.71	0.30	313.54	577.48
	Provision thereon	0	0	0	0	0	16.07	3.71	20.12	0	39.90	16.22	2.52	69.93	0.30	88.96	128.86
2	Fresh restructuring During the year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Upgradations to restructured standard category during the FY	0	0	0	0	0	2003	0	0	0	2003	2310	0	0	0	2310	4313
	Amount outstanding	0	0	0	0	0	2.58	0	0	0	2.58	2.03	0	0	0	2.03	4.61
	Provision thereon	0	0	0	0	0	0.23	0	0	0	0.23	0.20	0	0	0	0.20	0.43
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at the end of FY and hence need not be shown as restructured standard advances at the beginning of the next FY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Amount outstanding	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Provision thereon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Down gradation of restructured accounts during the FY	0	0	0	0	0	1434	1487	2482	0	5403	199	279	1347	0	1825	7228
	Amount outstanding	0	0	0	0	0	15.12	16.85	29.02	0	60.99	6.20	6.55	39.90	0	52.65	113.63
	Provision thereon	0	0	0	0	0	1.67	6.37	29.02	0	37.07	0.73	3.20	39.90	0	43.83	80.90



[illegible]

Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight

## FUNCTIONAL AREA OF OPERATION





**e) Disclosure on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances (RBI/DBR.BP.BC.No.18/21.04.048/ 2018-19 dated 1<sup>st</sup> January 2019**

(Amount in Rs. Crore)

Year	No. of Accounts Restructured – MSME	Amount
2024-25*	0	0
2023-24*	0	0

\*\* Vide RBI circular RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated 05th May, 2021, Banks were advised to restructure existing MSME loans up to September, 2021 without downgrading IRAC status. In FY 2024-25, no such guidelines were issued by RBI.

**f) Disclosure under Resolution Framework for COVID-19 related Stress:**

i) Format for disclosures to be made half yearly March 31, 2025 Resolution Frame work 1.0:

(Amount in Rs. 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 30.09.2023 (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 31.03.2025
Personal Loans	4.71	0.28	0.00	0.55	3.88
Corporate persons*	-	-	-	-	-
Of which MSMEs	8.34	0.68	0.00	1.55	6.11
Others	-	-	-	-	-
<b>Total</b>	<b>13.05</b>	<b>0.96</b>	<b>0.00</b>	<b>2.10</b>	<b>9.99</b>

ii) Format for disclosures to be made half yearly March 31, 2025 Resolution Frame work 2.0:

(Amount in Rs. 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 30.09.2024 (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 31.03.2025
Personal Loans	133.59	2.39	0.00	10.33	120.87
Corporate persons*	-	-	0.00	-	-
Of which MSMEs	138.28	6.81	0.00	23.17	108.30
Others	3.53	0.07	0.00	0.83	2.63
<b>Total</b>	<b>275.40</b>	<b>9.27</b>	<b>0.00</b>	<b>34.33</b>	<b>231.80</b>

\*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016. "corporate person" means a company as defined in clause (20) of section 2 of the Companies Act, 2013, a limited liability partnership, as defined in clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008, or any other person incorporated with limited liability under any law for the time being in force but shall not include any financial service provider;



Personal Loan 'Personal loans', for the purpose of this circular shall have the same meaning as defined in the Circular DBR.No.BP.BC.99/08.13.100/2017-18 dated January 4, 2018 on "XBRL Returns – Harmonization of Banking Statistics".

g) **Details of single borrower limit (SBL)/group borrower limit (GBL) exceeded by the Bank.** Single Borrower limit / Group Borrower limit has not been exceeded during the year.

h) **Disclosure of transfer of Loan exposures: NIL**

- a) There were no loans that are not in default or stressed, transferred and acquired to or from other entities.  
b) Particulars of stressed loans transferred acquired - NIL

i) **Fraud accounts**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Number of frauds reported during the year (Advances & Non- Advances)*	4	5
Amount involved in fraud**	1.06	9.48
Amount of Book Balance (excluding interest) for Advances related fraud a/cs	0.85	7.65
Amount of provision made for such frauds ***	0.85	7.65
Amount of Unamortized provision debited from 'other reserves' as at the end of the year	-	-

\* As per FMS reported to NABARD

\*\* Provision for fraud is included under loss assets, which are fully provided.

\*\*\* The Bank during routine inspection has identified 4 of the branches and the proceedings are pending at Police and CID authorities. The Bank, based on the nature of frauds identified has strengthened Offsite Monitoring Cell (OMC) and Vigilance Department to make sure that these frauds can be prevented.

5 a) **Exposure to real estate sector**

(Amount in Rs. Crore)

CATEGORY	2024-25	2023-24
<b>i) Direct exposure</b>		
<b>a) Residential Mortgages</b> Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Of which Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	826.10 568.90	814.93 579.66
<b>b) Commercial Real Estate–</b> 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;	2.73	4.70
<b>c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures–</b>		
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>828.83</b>	<b>819.63</b>



**b) Exposure to capital market**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.61	0.61
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	NIL	NIL
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
vii) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
ix) Financing to stockbrokers for margin trading;	NIL	NIL
x) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
<b>Total exposure to capital market</b>	<b>0.61</b>	<b>0.61</b>

**c) Risk category-wise country exposure**

(Amount in Rs. Crore)

Risk Category	Exposure (net) as at 31/03/2025	Provision held as at 31/03/2025	Exposure (net) as at 31/03/2024	Provision held as at 31/03/2024
Insignificant	NIL	NIL	NIL	NIL
Low				
Moderately Low				
Moderate				
Moderately High				
High				
Very High				
Total				



**d) Unsecured advances**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Total unsecured advances of the bank	269.08	231.25
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	—	—

**e) Factoring exposures – Nil**

**f) Intra-group exposures as on 31.03.2025**

- i) Total amount of intra-group exposures - NIL
- ii) Total amount of top 20 intra-group exposures - NA
- iii) Percentage of intra-group exposures to total exposure of the bank on borrowers/customers -- NA
- iv) Details of breach of limits on intra-group exposures and regulatory action thereon, if any -- NA

**g) Un-hedged foreign currency exposure - NIL**

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

**a) Concentration of deposits**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Total deposits of the twenty largest depositors	906.95	1189.50
Percentage of deposits of twenty largest depositors to total deposits of the bank	4.33	5.99

**b) Concentration of advances**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Total advances to the twenty largest borrowers	143.77	78.64
Percentage of advances to twenty largest borrowers to total advances of the bank	0.84	0.51

**c) Concentration of exposures**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Total exposure to the twenty largest borrowers/customers	115.60	57.06
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	0.68	0.37

**d) Concentration of NPAs**

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Total Exposure to the top twenty NPA accounts	9.60	14.72
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	1.18	1.66



## 7. Derivatives:

### a) Forward rate agreement/Interest rate swap

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
i) The notional principal of swap agreements		
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
iii) Collateral required by the bank upon entering into swaps	NIL	NIL
iv) Concentration of credit risk arising from the swaps		
v) The fair value of the swap book		

### b) Exchange traded interest rate derivatives

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
i) Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
ii) Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March .....(instrument wise)		
iii) Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	NIL	NIL
iv) Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		

### c) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

**Not applicable**

ii) Quantitative disclosures

(Amount in Rs. Crore)

Sr. No.	Particulars	2024-25		2023-24	
		Currency Derivatives	Interest rate derivatives	Currency Derivatives	Interest rate derivatives
a)	Derivatives (Notional Principal Amount) i) For hedging ii) For trading				
b)	Marked to Market Positions [1] i) Asset (+) ii) Liability (-)				
c)	Credit Exposure [2]				
d)	Likely impact of one percentage change in interest rate (100PV01) i) on hedging derivatives ii) on trading derivatives	NIL	NIL	NIL	NIL
e)	Maximum and Minimum of 100PV01 observed during the year i) on hedging ii) on trading				

### d) Credit default swaps - Nil



8. Disclosures relating to securitization-NIL

9. Off balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

Name of the SPV sponsored	
Domestic	Overseas
NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

(Amount in Rs. Crore)

Sr. No.	Particulars	2024-25	2023-24
i)	Opening balance of amounts transferred to DEA Fund	35.72	25.24
ii)	Add: Amounts transferred to DEA Fund during the year	14.13	11.86
iii)	Less: Amounts reimbursed by DEA Fund towards claims	3.58	1.38
iv)	Closing balance of amounts transferred to DEA Fund	46.27	35.72

11. Disclosure of complaints

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

(Amount in Rs. Crore)

Sr. No.	Particulars	2024-25	2023-24
	<b>Complaints received by the bank from its customers</b>		
1.	Number of complaints pending beginning of the year	1	31
2.	Number of complaints received during the year	9148	6656
3.	Number of complaints disposed during the year	9128	6686
3.1	Of which, number of complaints rejected by the bank	0	0
4.	Number of complaints pending at the end of the year	21	1
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	46	38
5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	46	38
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.



**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 2022-23	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
<b>2024-25</b>					
ATM/ Debit Cards	01	5470	26.24%	18	0
Internet/ Mobile/ Electronic Banking	0	2903	163%	00	00
Loans and Advances	0	220	-8.33	0	0
Account opening/ Difficulty in operation of accounts	0	85	-45%	0	0
Others	0	335	-56%	2	0
<b>Total</b>	<b>01</b>	<b>9013</b>	<b>35%</b>	<b>20</b>	<b>01</b>
<b>2023-24</b>					
ATM/ Debit Cards	29	4333	-109.95%	01	01
Internet/ Mobile/ Electronic Banking	0	1102	-15.79%	00	00
Loans and Advances	0	240	-50%	00	00
Service Charges	0	61	205%	00	00
Account opening/ Difficulty in operation of accounts	0	155	10.32%	00	00
Others	2	765	-87.19	00	00
<b>Total</b>	<b>31</b>	<b>6656</b>	<b>85.63%</b>	<b>01</b>	<b>01</b>

**12. Disclosure of penalties imposed by the Reserve Bank of India**  
**NIL**

**13. Other Disclosures**

**a) Business ratios**

Particulars	2024-25	2023-24
i) Interest Income as a percentage to Working Funds	7.50	7.50
ii) Non-interest income as a percentage to Working Funds	1.93	1.67
iii) Cost of Deposits	4.79	4.76
iv) Net Interest Margin	2.89	2.84
v) Operating Profit as a percentage to Working Funds	1.05	1.30
vi) Return on Assets	0.54	0.45
vii) Business (deposits plus advances) per employee ( Rs. in lakh)	1217.22	1070.91
viii) Profit per employee (in Rs. lakh)	3.98	3.19



**b) Bancassurance business**

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by us shall disclosed as under given below

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Commission from UIIC	0.13	0.19
Commission from NIAC	0.00	0.00
Commission from LIC	0.33	0.59
Commission from Care	1.15	2.97
Commission from CHOICe	10.74	10.90
Commission from SBI Life	0.13	0.18
Commission from Liberty	0.00	0.06
Commission from BAGIC	0.42	0.19

**c) Marketing and distribution**

Banks shall disclose the details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken by them.

(Amount in Rs. Crore)

Sr. No.	Particulars	2024-25	2023-24
1	Government Schemes related NPS, etc	-	1.29
2	Distribution of Mutual Fund	0.004	-
3	Credit Card related	-	-
4	Point of Sales	-	0.01
5	Depository Services	-	-
6	Others	-	-
	<b>Total</b>	<b>0.004</b>	<b>1.30</b>

**d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)**

(Amount in Rs. Crore)

Sr. No.	Particulars	2024-25		2023-24	
		Purchase	Sale	Purchase	Sale
i)	PSLC- Agriculture	0.00	1315.00	0.00	2650.00
ii)	PSLC- Small & Marginal Farmer	0.00	5100.00	0.00	4300.00
iii)	PSLC- Micro Enterprises	6000.00	0.00	200.00	625.00
iv)	PSLC- General	0.00	0.00	6000.00	0.00
	<b>Grand Total</b>	<b>6000.00</b>	<b>6415.00</b>	<b>6200.00</b>	<b>7575.00</b>

**e) Provision and contingencies made during the year/previous year**

(Amount in Rs. Crore)

Provision debited to Profit and Loss Account		2024-25	2023-24
i)	Provisions for NPI	(29.86)	(18.78)
ii)	Provision towards NPA	147.05	248.27
iii)	Provision made towards Income tax	0.00	0.00
iv)	Other Provisions and Contingencies (with details)		
a)	Diminution on Investment	0.00	0.00
b)	Provision towards Standard Asset	(4.32)	(35.13)
c)	Floating Provision for Advances	0.00	0.00
d)	Deferred Tax	0.00	0.00
e)	Provision for MSME Advances	0.00	0.00
f)	Provision for Restructured Advances	0.00	0.00
g)	Contingency Provision for Covid and other uncertainties	0.00	0.00
h)	Provision for fair value for Restructured Advances	0.00	0.00
i)	Provision towards Frauds**/ others (**Included under ii above)	8.84	2.67
	<b>Grand Total</b>	<b>121.71</b>	<b>197.03</b>



**f) Implementation of IFRS converged Indian Accounting Standards (Ind AS)**  
**Not Applicable**

**g) Payment of DICGC Insurance Premium**

(Amount in Rs. Crore)

Sr. No.	Particulars	2024-25	2023-24
i)	Payment of DICGC Insurance Premium*	26.95	24.35
ii)	Arrears in payment of DICGC premium	0.00	0.00

\*Including GST

**14) Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosure items for Notes on Accounts:**

**14.1 Changes in Accounting Policies (AS-5):**

Nil

**14.2 Revenue Recognition (AS-9):**

The heads of income recognized on cash basis are neither material enough nor do they require disclosure under AS 9 on Revenue Recognition.

**14.3 Employee Benefits (AS-15):**

(Amount in Rs. Crore)

	2024-25			2023-24		
	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
<b>(i) Principal Actuarial Assumption used</b>						
Discount Rate	6.73%	7.25%	7.25%	7.00%	7.25%	7.25%
Rate of return on Plan Assets	6.73%	7.77%, 7.00% & 7.83%	7.77%, 7.00% & 7.83%	7.00%	7.77%, 7.12% & 7.82%	7.82% & 7.77%
<b>Salary Escalation</b>	<b>6.00%</b>	<b>7.00%</b>	<b>7.00%</b>	<b>6.00%</b>	<b>7%</b>	<b>7%</b>
<b>(ii) Change in Benefit Obligation:</b>						
Liability at the beginning of the year	1133.59	132.60	91.50	1059.60	140.70	80.15
Interest Cost	72.92	9.61	6.63	70.61	10.20	5.81
Current Service Cost	41.12	10.14	2.58	44.66	7.19	2.31
Benefit Paid	99.99	28.34	12.56	101.62	25.48	13.86
Actuarial (gain) / loss on obligation	126.07	(6.73)	22.26	60.34	-0.0060	17.08
<b>Liability at the end of the year</b>	<b>1273.73</b>	<b>117.29</b>	<b>110.41</b>	<b>1133.59</b>	<b>132.60</b>	<b>91.49</b>
<b>(iii) Fair Value of Plan Assets :</b>						
Fair value of Plan Assets at the beginning of the year	1034.19	147.42	95.34	1017.34	152.25	87.87
Expected return on plan Assets	69.60	10.70	7.01	71.21	10.65	6.33
Contributions	149.40	8.85	15.00	42.47	10.00	15.00
Benefits paid	99.99	28.34	12.56	101.62	25.48	13.86
Actuarial Gain / (loss) Plan Assets	11.21	--	--	4.79	0	0
<b>Fair value of Plan Assets at the End of the year</b>	<b>1164.42</b>	<b>138.62</b>	<b>104.79</b>	<b>1034.19</b>	<b>147.41</b>	<b>95.34</b>



<b>(iv) Actual Return on Plan Assets</b>						
Expected Return On Plan Assets	69.60	10.70	7.01	71.21	10.65	6.33
Actuarial gain/ (loss) Plan Assets	114.80	0	0	4.79	0	0
<b>Actual return on Plan Assets</b>	<b>184.45</b>	<b>10.70</b>	<b>7.01</b>	<b>76.00</b>	<b>10.65</b>	<b>6.33</b>
<b>(v) Amount Recognized in the Balance Sheet</b>						
Liability at the end of the year	1273.73	117.29	110.41	1133.59	132.60	91.49
Fair value of Plan Assets at the End of the year	1164.42	138.62	104.79	1034.19	147.41	95.34
Amount recognized in the Balance Sheet	<b>-109.30</b>	<b>21.33</b>	<b>-5.62</b>	<b>-99.40</b>	<b>14.81</b>	<b>3.84</b>
<b>(vi) Expenses Recognized in the Income Statement</b>						
Current Service Cost	41.12	10.14	2.58	44.45	7.19	2.31
Interest Cost	72.92	9.61	6.63	70.61	10.20	5.81
Expected Return On Plan Assets	69.60	10.70	7.01	71.21	10.65	6.33
Actuarial gain or Loss	114.85	-6.72	22.26	55.55	-0.0060	17.08
Past Service Cost	0	0	0	0	0	0
<b>Expenses Recognized in P &amp; L</b>	<b>159.30</b>	<b>2.33</b>	<b>24.46</b>	<b>99.40</b>	<b>6.74</b>	<b>18.87</b>

**Pension Arrears:** On 3rd October, 2024, Department of Financial Services, Ministry of Finance, Government of India, vide letter: F.No.8/20/2024-RRB had instructed all the RRBs to implement the pension scheme in RRBs with effect from 01st November 1993 in accordance with the direction of Hon'ble Supreme Court of India.

The Bank has assessed the expenditure for implementing the above mentioned scheme at Rs.107,67,09,760.78. The RBI vide:RBI/2024-25/127, DOR.ACC.REC.No.67/21.04.018/2024-25 dated 20th March 2025, directed all the RRBs that "the expenditure, on account of revision in the pension, may, if not fully charged to the Profit and Loss Account during the financial year 2024-25, be amortised over a period not exceeding five years beginning with the financial year ending March 31, 2025, subject to a minimum of 20 per cent of the total pension liability involved being expensed every year". Hence, the Bank has ammortised the 80 per cent of total assessed pension arrears of Rs.107,67,09,760.78 and recognized only 20 per cent (Rs.21,53,41,952.15) as pension arrears expenditure during FY 2024-25. The amount of unamortised expenditure is Rs. 86,13,67,808.58 and the consequential net profit if the unamortised expenditure had been fully recognised in the Profit & Loss Account is Rs. 39,90,04,775.64

**NPS Arrears:** The employees joined the Bank on or after 1<sup>st</sup> April 2010 are covered under New Pension Scheme (NPS), which is a defined contribution Pension Scheme. Under NPS, till March 2025, the covered employees contribute 10% of their basic pay plus dearness allowance to the NPS scheme together with a contribution from the Bank equivalent to 10% of the basic pay plus dearness allowance.

On 1<sup>st</sup> March 2025, the Department of Financial Services, Ministry of Finance, Govt. of India, vide letter:F.No.8/1/2022-RRB conveyed all the RRBs the approval of Central Government for revision of employer's contribution towards National Pension Scheme (NPS) from 10% to 14% of pay and Dearness allowance effective from 11<sup>th</sup> November 2020. The Bank has paid/provided for the arrears amount of Rs.26,94,76,676/- as on 31<sup>st</sup> March 2025.

Going forward, the covered employees contribute 14% of their basic pay plus dearness allowance to the NPS scheme together with a contribution from the Bank equivalent to 14% of the basic pay plus dearness allowance.

The Bank recognizes such annual contributions as an expense in the year to which they relate.



**Computer increment:** As per the instruction of Department of Financial Services, Ministry of Finance, Government of India vide: F.No.8/20/2010-RRB dated 7th February, 2025, the Bank has extended the computer increment arrears from 1993 to all the eligible staff members. Total expenditure for extending the above benefit was assessed at Rs.62,84,72,965.70 of which Rs.10,03,61,527.08 was disbursed during FY 2023-24. The remaining amount of Rs.52,81,11,438.64 has been disbursed during the FY 2024-25

#### 14.4 Accounting Segment Reporting (AS-17)\*:

##### PART A: Operational Segments:

(Amount in Rs. Crore)

Business Segments	Treasury		Banking Operations				Total	
			Corporate / Wholesale Banking		Retail Banking			
Particulars	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Revenue	318.13	313.87	-	-	1901.14	1807.21	2219.27	2121.07
Expenses	319.76	297.28	-	-	1731.24	1698.54	2051.00	1995.81
Result	-1.63	16.59	-	-	1169.90	108.67	168.27	125.26
Unallocated expenses							42.64	21.51
Unallocated Income							0.41	0.42
Income taxes							-	-
Extraordinary profit / loss	-	-	-	-	-	-	-	-
Net profit							126.04	104.17
Other information:								
Segment assets	4810.73	4792.08	-	-	19600.49	19549.96	24411.22	24342.04
Unallocated assets							589.27	327.59
Total assets							25000.49	24669.63
Segment liabilities	4689.50	4688.86	-	-	19651.28	19572.82	24340.78	24261.68
Unallocated liabilities							659.71	407.95
Total liabilities							25000.49	24669.63

**Note:** 1. The revenue/expenses wherever directly related to segments have been accordingly allocated to segments and wherever not directly related have been allocated on the basis of segment assets/liabilities.

2. The Bank operates only in Domestic Segment.

#### 14.5 Disclosures on remuneration

##### Related Party Disclosures (AS 18):

##### (i) Names of Related Parties & their Relationship:

Associate (Sponsor Bank): Canara Bank



(ii) Key Management Personnel & their remuneration:

(Rs. in lakhs)

Key Management Personnel	Designation	Period	Remuneration	
			2024-25	2023-24
Sri. P. Gopi Krishna	Chairman	12 <sup>th</sup> BPS Arrears	2.19	83.03
Sri. Shreekant M. Bhandiwad	Chairman	12 <sup>th</sup> BPS Arrears, PLI and Salary from April 2024 to March 2025	45.58	27.09
<b>Total</b>			<b>47.77</b>	<b>110.12</b>

In terms of RBI circular on notes to accounts, key management personnel are whole time directors of Board for related party disclosure. The Chairman is deputed from Canara Bank (Sponsor Bank) and salaries and establishment expenses (including performance based incentive) are reimbursed by the Bank.

(iii) Related Party transactions

No disclosure is required in respect of related parties which are "State controlled enterprises" as per Para 9 of Accounting Standards 18 (AS18). Further in terms of paragraph 5 of AS18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key management personnel and relatives of Key management personnel.

14.6 Earnings per Share (AS-20)

Items	Amount 31.03.2025	Amount 31.03.2024
Net Profit after Tax available for equity share holders (Rs. in Lakh)	126,03.71	104,16.57
Average number of shares	2,39,73,160	2,39,73,160
Basic and Diluted EPS (in Rs.)	52.57	43.45
Nominal value per share (in Rs.)	10.00	10.00

14.7 Consolidated Financial Statements (AS-21)

The Bank has no subsidiaries/Joint ventures/ Associates. Hence reporting under CFS is not applicable.

14.8 Accounting for Taxes on Income (AS-22)\*

The income of the bank is eligible for full deduction u/s 80P of the Income Tax Act, 1961, hence there is no timing difference in respect of any item.

No provision for current taxes is being made since the income to the Bank is fully exempt u/s 80P of the Income tax Act, 1961.

14.9 Accounting for Investment in associates in CFS (AS-23)

The Bank has no associates. Hence reporting under AS 23 is not applicable.

14.10 Discontinuing Operation (AS-24):

The bank has not discontinued any operations. Hence reporting under AS 24 is not applicable.

14.11 Intangible assets (AS-26)

Depreciation on software is calculated on straight line method at 33.33% in compliance with RBI guidelines.

14.12 Impairment of Assets (AS-28)

In the opinion of the management, there is no impairment to the assets to which AS 28 "Impairment of Assets" applies.



#### 14.13 Contingent Liabilities and Provisions (AS-29)

The details of provisions and contingencies, contingent liabilities, the movement of provisions on NPA's and depreciation on investment which are considered material are disclosed elsewhere under the appropriate headings as per RBI guidelines

##### a) Provisions:

(Amount in Rs. Crore)

Particulars	Provisions as at the beginning of the year	Additions During the year	Amount used during the year	Unused Amounts Reversed During the year	Provisions As at the Close of the year
A. Provision for Interest sacrifice on restructured accounts (DFV)	NIL				
B. Provision for Contingencies	NIL				

##### b) Contingent Liabilities:

(Amount in Rs. Crore)

PARTICULARS	As on 31.03.2025	As on 31.03.2024
1. Claims not acknowledged as debt		
a) Counter suits filed by the borrowers against the Bank has initiated legal action.	-	-
b) Cases filed in Consumer/Civil Courts for deficiency in services	5.48	4.77
c) Any other claims against the bank not Acknowledged as debts*	213.31	214.04
2. Forward exchange contracts	-	-
3. Guarantees issued on behalf of constituents	24.87	22.52
4. Acceptance, endorsements & other obligations	-	-
5. Other items for which the Bank is contingently liable	-	-
<b>TOTAL</b>	<b>243.66</b>	<b>241.33</b>

\*This amount includes disputed Income tax liability of ₹ 160.13 Crore. (Previous year Rs.171.38 crore) The details are as under:

#### Contingent liability in respect of Income tax disputes pending with various authorities for different assessment Years:

Disallowances under sec 36 (i)(viiia) have been made by the Income tax Department for various assessment years being claim allowable towards deduction @ 10% of rural advances of the Bank as at the end of each year as a deduction. The disallowances are disputed by the Bank, the details are given below:

(Amount in Rs. Crore)

Assessment Year	Appeal Pending with	Amount Demanded	Provision held/recognized	Contingent Liability not provided for
2013-14	Karnataka High Court Dharwad Bench	52.94	23.10	29.84
2017-18	Karnataka High Court, Dharwad Bench	80.52	22.00	58.52
2018-19	CIT(A)	65.64	25.70	39.94
2023-24	National Faceless Assessment Centre	31.82	0.00	31.82
	<b>TOTAL</b>	<b>230.92</b>	<b>70.80</b>	<b>160.12</b>



In the opinion of the management no provision is considered necessary in view of the favorable decision of the ITAT for the AY 2016-17 in the bank's own case in which it was held that the Bank is entitled to claim deduction u/s 80P of the Income Tax Act, 1961. Further, no provision on IT is made for the FY 2024-25 considering the above ITAT order.

**Contingent liability in respect of Goods & Services tax disputes pending related to different financial years:**

(Amount in Rs. Crore)

Financial Year	Appeal Pending with	Amount Demanded
2018-19	Karnataka High Court Dharwad Bench	1.06
2019-20		2.31
2020-21		1.77
2021-22		1.76
	<b>TOTAL</b>	<b>6.90</b>

In the opinion of the management no provision is considered necessary as the Bank has appealed against the order issued by Department of Goods & Services Tax and honorable High Court of Karnataka, Dharwad Bench has issued stay against the order of the Department.

**14.14. Additional disclosure of material items as per RBI notification reference RBI/ 2022-23/15 DOR.ACC.REC.No.91/21.04.018/2022-23 dated December 13, 2022**

a. Miscellaneous Income exceeding 1% of total income: Schedule-14. (vii)

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Income from sale of PSLC	101.22	84.74
Inspection Charges	71.80	58.50
Processing Charges	60.67	54.31
Recovery on written off Accounts	55.88	87.49
Penal Charges	42.54	-
Other Misc. Receipts	50.69	36.69
<b>Total</b>	<b>382.80</b>	<b>321.73</b>

b. Other expenditure exceeding 1% of total income:

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>



c. Other liabilities exceeding 1% of total assets:

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Subsidy Reserve Fund (SRF)	55.85	52.97
Provision for Income Tax (IT Payable)	70.80	70.80
NEFT Outward A/c	143.61	143.23
UPI outward settlement account	36.66	36.14
<b>Total</b>	<b>309.61</b>	<b>303.14</b>

d. Other asset exceeding 1% of total assets:

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
Interest Subvention receivable from Govt	287.91	279.17
Receivable from RPFO	32.30	39.76
UPI inward settlement	37.03	35.95
NEFT inward messages Account	137.33	135.32
Ammortisation of pension arrears from 1993	86.14	-
<b>Total</b>	<b>580.71</b>	<b>490.20</b>

e. Commission, Exchange and Brokerage exceeding one percent of total income:

(Amount in Rs. Crore)

Particulars	2024-25	2023-24
NIL		

15 In respect of certain branches/offices where additional information was required, the data available at Controlling/Head office was considered.

16 Previous year's figures have been regrouped/ reworked /reclassified wherever necessary to conform to this year's classification.

**D. S. Hegde**  
AGM

**R.T. Kamble**  
General Manager

**Shreekanth M. Bhandiwad**  
Chairman

**Board of Directors :**

**Bubul Bordoloi**  
**Prakash Chandra Dash**  
**B.P. Jatav**  
**R. Anuradha**  
**MD Haris Sumair, IAS**  
**Dr. Gopal Krishna B., IAS**

**VIDE OUR REPORT OF EVEN DATE ATTACHED**

**For P. CHANDRASEKAR LLP**  
Chartered Accountants,  
FRN: 000580S/S200066

**CA Mani Kumar**  
(Partner)

M. No. 212544  
UDIN: 25212544BMILPX4146

Place: Dharwad  
Date: 09-06-2025



## Annexure II Performance of the Bank at a Glance

(₹ in Crore)

	Year 2019-20	Year 2020-21	Year 2021-22	Year 2022-23	Year 2023-24	Year 2024-25
<b>A KEY PERFORMANCE INDICATORS</b>						
1 No. of districts covered	09	09	09	09	09	09
2 No. Branches	633	629	629	629	629	629
(a) Rural	428	427	427	427	427	427
(b) Semi-Urban	140	140	140	140	140	140
(c) Urban	65	62	62	62	62	62
(d) Metropolitan	-	-	-	-	-	-
3 Total Staff (excluding Sponsor Bank Staff) Of which , officers	3502 1803	3357 1738	3242 1677	3289 1816	3269 1961	3164 1915
4 Deposits Growth %	15178.49 9.24	16099.69 6.07	17646.98 9.60	18710.43 6.03	19856.48 6.13	20941.31 5.46
5 Borrowings outstanding	2545.87	2253.92	2396.82	2739.61	2913.16	1934.58
6 Gross Loans & Advances outstanding Growth %	11090.32 1.43	11718.31 5.66	13100.88 11.80	14440.37 10.22	16027.33 10.99	17571.46 9.63
of 6 above, loans to Priority Sector	10047.84	10372.18	11577.39	13014.07	14298.61	15331.65
of 6 above, loans To Non-Target Group	1042.48	1346.3	1523.49	1426.30	1728.72	2239.81
of 6 above, loans to SC/ST	1224.99	1436.21	1673.53	1745.07	1827.17	2041.09
of 6 above, loans to SF/MF/AL	2129.71	3023.43	3561.87	4649.97	6726.70	7456.79
of 6 above, loans to Minorities	1238.33	1318.55	1498.47	1601.16	1695.36	1850.26
7 C D Ratio	73.06	72.79	74.23	77.18	78.20	83.91
8 Investments Outstanding SLR Investments Outstanding Non-SLR Investment Outstanding	3186.66 2853.57 333.09	6308.93 5796.74 512.19	5347.55 4776.81 570.74	4793.63 4283.09 510.54	4725.52 4214.00 511.52	4733.27 4234.98 498.29
<b>B AVERAGES</b>						
9 Average Deposits Growth %	14173.80 10.09	15397.01 8.63	16493.63 7.12	17127.28 3.84	18492.98 7.97	19288.82 4.30
10 Average borrowings Growth %	2243.67 31.10	2110.31 -5.94	2274.03 7.76	2605.74 14.58	2652.11 1.78	2266.70 -14.53
11 Average Gross loans and Advances Growth %	10849.49 1.25	11440.78 4.15	11944.20 4.40	13727.62 14.93	15121.87 10.15	16474.30 8.94
12 Average Investments Growth %	3183.68 -2.45	3923.44 23.22	5621.22 43.27	4944.35 -12.04	4754.60 -3.84	5607.08 17.92
Average SLR Investments as % to Average Deposits	2706.09 19.09	3487.43 28.86	5249.51 50.53	4361.43 -16.92	4237.24 -2.85	4194.13 21.74%
Average Non SLR Investments as % to Average Deposits	477.59 3.37	435.68 -8.77	545.28 25.15	533.16 -2.22	517.36 -2.96	512.19 2.66%
13 Average working Funds	18667.67	19719.75	20429.50	21441.18	23145.23	23538.76
<b>C. LOANS ISSUED DURING THE YEAR</b>						
14 Loans issued during the year Growth %	5626 32.11	7068 25.63	8825 24.85	10383.44 17.66	11908.06 14.68	13308.56 11.76
of 14 above, loans to Priority Sector	4894.04	5941.43	7624.27	8997.80	10075.16	11041.46
of 14 above, Non Target Group	731.96	1126.57	1200.73	1385.64	1832.90	2267.10
of 14 above, loans to SC/ST	466.48	541.18	921.96	1175.97	1437.46	1812.11
of 14 above, loans to SF/MF/AL	1986.77	2230.12	3501.80	4241.86	4751.26	5998.27
of 14 above, loans to Minorities	321.09	114.13	152.31	315.19	466.74	703.58



<b>D 15 PRODUCTIVITY</b>						
Per branch	41.50	44.23	48.88	52.71	57.05	61.23
Per Staff	7.50	8.29	9.48	10.08	10.98	12.17
<b>E 16 ASSET CLASSIFICATION</b>						
a) Standard	9477.35	10088.51	11873.16	13484.06	15139.48	16756.05
b) Sub-Standard	687.67	743.51	309.19	424.28	358.88	355.27
c) Doubtful	899.77	824.96	911.02	523.99	522.10	457.30
d) Loss	25.53	61.43	7.51	8.04	6.85	2.84
<b>TOTAL</b>	<b>11090.32</b>	<b>11718.31</b>	<b>13100.88</b>	<b>14440.37</b>	<b>16027.33</b>	<b>17571.46</b>
17 Standard Assets as % to Gross loans and Advances Outstanding	85.45	86.09	90.62	93.38	94.46	95.35
<b>F PROFITABILITY ANALYSIS</b>						
18 Interest paid on	*	*	*	*	*	*
a) Deposits	796.64	759.17	719.34	747.65	879.49	924.76
b) Borrowings	100.10	108.90	109.33	139.39	199.26	161.12
19 Salary	665.01	471.19	639.22	573.23	541.68	684.62
20 Other operating expenses	110.98	125.38	193.08	171.01	199.86	201.43
21 Provisions made during the year :	*	*	*	*	*	*
a) Against NPAs	384.04	64.92	202.75	205.91	248.27	147.05
b) Other Provisions	41.01	53.47	95.54	32.98	(51.23)	(25.34)
c) Amortisation	0	0	0	0	0	0
22 Interest received on :	*	*	*	*	*	*
a) Loans and Advances	819.08	779.02	1028.84	1123.53	1230.73	1368.49
b) Balance with RBI and Other Banks	257.35	247.32	53.37	101.30	190.44	78.51
c) Investments	235.13	287.60	397.46	330.96	313.97	318.39
23 Miscellaneous income	181.26	275.59	511.49	354.64	386.34	454.29
24 Loss/Profit	-604.96	6.50	31.90	40.25	104.16	126.04
<b>G OTHER INFORMATION</b>						
25 Share Capital Deposits Received	0	0	0	0	0	0
26 DI & CGC	*	*	*	*	*	*
a) Claims settled cumulative	2.04	2.15	0	0	0	0
b) Claims received but pending adjustment	0	0	0	0	0	0
c) Claims pending with corporation	Nil	Nil	Nil	Nil	Nil	Nil
27 Cumulative position of provisioning	*	*	*	*	*	*
a) Against NPAs	757.03	551.24	483.04	333.70	375.65	375.00
b) Against Standard Assets	71.87	61.80	121.84	109.44	74.32	70.00
c) Against investments	4.33	67.87	40.64	64.64	45.86	16.00
d) Against Frauds /other assets	8.77	7.43	6.58	0.49	3.16	12.00
28 Interest derecognized	*	*	*	*	*	*
a) During the year	439.56	722.83	272.41	334.77	224.0	211.13
b) Cumulative	868.14	1590.97	1863.38	2198.15	2422.15	2633.28
29 Loans written off during the year	*	*	*	*	*	*
a) No of accounts	1436	3992	3832	5615	0	0
b) Amount	6.44	16.21	17.48	24.82	0	0
30 Accumulated Loss	-	-	-	-	-	-
31 Reserves	1114.55	1168.64	1200.44	1240.59	1344.63	1470.57





Shri Shreekant M. Bhandiwad, Chairman, launching several campaigns to mark the Bank's 20th year; the '20th Year Thrive and 2 Lakh Account Drive' was one of the key initiatives.



Shri Debashish Mukherjee, Executive Director, Canara Bank, addressing the Board members during one of the Bank's Board Meetings.





**Powering Progress**  
**Our Employees Stand as The True Force Behind The Bank's Success.**

