

LETTER OF TRANSMITTAL

Date: 31/05/2016

To

The Secretary

Department of Financial Services,
Ministry of Finance
Government of India,
New Delhi.

Dear Sir

11th ANNUAL REPORT 2015 - 16 - TELANGANA GRAMEENA BANK

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

- A report of Board of Directors as to the Bank's working and its activities during the period from 01.04.2015 to 31.03.2016
- A Copy of the audited Bank's Balance Sheet and Profit & Loss Account for the year ended 31.03.2016
- A copy of the Auditor's Report in relation to the Bank's accounts for the period from 01.04.2015 to 31.03.2016

Yours faithfully,



B.R.G. UPADHYAY

CHAIRMAN



VISION

To be the Premier RRB in the State Providing Technologically Advanced, Committed and Quality Service in all Spheres of Banking and be the Most Trusted Bank for Rural Development.

MISSION

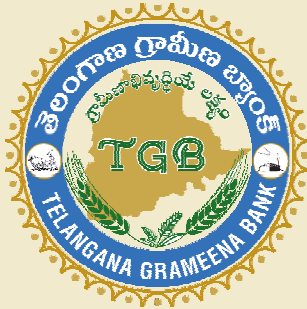
“Providing transparent and efficient Banking Services at reasonable cost at the doorsteps of our customers by ensuring 100% Financial Inclusion, empowerment of rural customers, promote Self Help Group (SHG) movement with special emphasis on women and earn continuous profits by having healthy business mix thus becoming a leading Bank in our area of operation”

VALUES

- Commitment for Rural development •
- Transparency •
- Excellence in customer service •
- Team Spirit •

BOARD OF DIRECTORS

As on 31-03-2016



Sri B.R.G. Upadhyay
Chairman

Nominee Directors of State Government



Sri K Rama Krishna Rao, IAS
Secretary (IF)
Institutional Finance Dept.
Govt. of Telangana



Ms. G.D. Priyadarshini, IAS
Director of Agriculture
Govt. of Telangana

Nominee Directors of Govt. of India



Sri M.A. Quddus
Nizamabad



Sri Mamidi Vikram Reddy
Nizamabad

Nominee Director of RBI Nominee Director of NABARD



Sri M.A. Solomon Kavi Raj
Asst. General Manager
DCBS, RBI, Hyderabad



Sri U.S. Shevde
Dy. General Manager,
Regional Office,
Telangana State, NABARD, Hyderabad

Nominee Directors of Sponsor Bank



Sri Rajesh Kumar Arya
DGM (Agri)
SBH, HO, Hyderabad



Sri Satish C Dhawan
DGM (MSME)
SBH, HO, Hyderabad.



OUR MENTORS



Sri Santanu Mukherjee
Managing Director
State Bank of Hyderabad



Sri V.Viswanathan
Chief General Manager
State Bank of Hyderabad



Sri Ajoy Naqib
General Manager
State Bank of Hyderabad



Sri V.Thyagarajan
General Manager
State Bank of Hyderabad

OUR REGULATORS/SUPERVISORS



Sri R.N.Dash
Regional Director
Reserve Bank of India,
Hyderabad



Sri V.V.Satyanarayana
Chief General Manager
National Bank for Agriculture
and Rural Development,
TSRO, Hyderabad



TOP MANAGEMENT



Sri B.R.G. Upadhyay
CHAIRMAN



Sri Ch. Surender Raju
General Manager
(Admin & IT)



Sri T. Yesupadam
General Manager
(Ops & Cr)

REGIONAL MANAGERS

Sri P.R.V Ramchander Rao
Regional Manager
Adilabad

Sri M. Ravinder Reddy
Regional Manager
Karimnagar

Smt T.J.D. Bhavani
Regional Manager
Nizamabad

Sri K. Krishnaiah
Regional Manager
Hyderabad-1

Sri N. Muralidhar Rao
Regional Manager
Mancherial

Sri V. Karunakar Reddy
Regional Manager
Hyderabad-2

STATUTORY CENTRAL AUDITORS

M/s Laxminiwas & Jain
Station Road, Nampally
Hyderabad


BANK'S PERFORMANCE AT A GLANCE 2015-16

I. HIGHLIGHTS			(₹ in Crore)
	31st March 2016	31st March 2015	
• Branches	363	330	
• Deposits	5836.95	4890.33	
• Advances	4560.27	4162.54	
• Total Business	10397.22	9052.87	
• Gross Profit	102.49	167.29	
• Gross NPAs	105.45	88.91	
• Gross NPA to Aggregate Advances	2.31%	2.14%	
• Net NPA to Aggregate Advances	0.97%	0.64%	
• Average cost of Deposits	7.52%	7.58%	
• Average Yield on Advances	10.71%	12.49%	
• Average Return on Investments	8.08%	9.00%	
• Advances under Agricultural Segment	70.38%	66.52%	
• Advances to Priority Sector	78.07%	65.86%	
• Credit Deposit Ratio	78.13%	85.12%	
• Owned funds	553.61	484.39	
• Productivity			
a) per branch	28.64	27.43	
b) per employee	7.16	6.59	



Chairman's Report



I feel privileged to present the 11th Annual Report of the Bank with Balance Sheet and Profit and Loss Account for the financial year 2015-16.

I am happy to note that the Bank's total business has crossed the milestone of ₹ 10,000 crores during the year and reached a level of ₹ 10,397.22 crores as on 31-03-2016. The Bank has registered a growth of ₹ 1344.35 crores in total business over the total business of ₹ 9052.87 crores as on 31-03-2015, with a growth rate of 14.85%.

Bank has opened 33 new branches during the financial year and reached a network of 363 branches as on 31-03-2016.

The Bank has registered an impressive growth of ₹ 946.62 crores in Deposits during the year and reached a level of ₹ 5836.95 crores with a growth of 19.36% over March, 2015 level. Bank has registered a marginal growth of 9.55% in advances during the year. However, our lending to Priority Sector touched a level of 78.07% of Gross Advances as on 31-03-2016 as against the percentage of 65.86% as on 31-03-2015.

The Reserves and Surplus of Bank grew by 14.84% from ₹ 466.32 crores as on 31-03-2015 to ₹ 535.54 crores as on 31-03-2016.

The Capital Adequacy to Risk Weighted Assets Ratio (CRAR) stood at 12.30% as against the indicative level of 9% for Regional Rural Banks which exhibits strength of the Bank.

The Bank has put up excellent performance in implementation of Pradhan Mantri Awas Yojana (PMAY) – 'Housing for all' launched by the Honourable Prime Minister during the financial year. Our Bank has been awarded for the outstanding performance in Urban Housing Schemes for the year 2015-16. The award was presented by Sri M Venkaiah Naidu, Honourable Minister for Housing and Urban Poverty Alleviation, Government of India in New Delhi.

During the year, the Government of India has initiated Social Security Schemes namely Pradhan Mantri Jeevan Jyothi Beema Yojana (PMJJBY); Pradhan Mantri Suraksha Beema Yojana (PMSBY) and Atal Pension Yojana (APY) schemes. The Bank has put in good performance in implementation of the Government of India initiatives with enrolments of 147327 in PMJJBY 229826 in PMSBY and 6065 in APY.

Bank has introduced a new loan scheme 'Bhoomi Vrudhi' (Mana voru and mana cheruvu) in line with Government of Telangana programme Mission Kakatiya to extend financial assistance to farmers to transport silt from tanks to their agriculture fields.



I feel happy to inform that the Bank has developed in house Management Information System (MIS) which is, live from 09.09.2015. This MIS, Intranet based portal, can be accessed by all connected to Bank's Intranet. This has facilitated generation of various reports required by the branches and controlling offices and effecting monitoring of branches.

The Bank has introduced RTGS facility with effect from 24.02.2016 which facilitates funds transfer in real time.

Per branch business of the Bank increased to ₹ 28.64 Crore during the year from ₹ 27.43 Crore in the previous year. Per employee business increased to ₹ 7.16 Crore during the year from ₹ 6.59 Crore previous year.

As an RRB the Bank has been extending financial assistance to agriculture since inception. Outstanding credit to agriculture increased to ₹ 3209.44 Crore from ₹ 2778.09 Crore as on 31.03.2015. Women empowerment is need of the hour and the Bank has linked 5625 new SHG groups during the year and extended finance assistance to 68129 Groups with an outstanding credit of ₹ 1248.42 Crore as on 31.03.2016.

Financial Inclusion is the process of ensuring access to appropriate financial products and services needed by weaker sections and low income groups at an affordable cost. In tune with Government of India guidelines, the Bank has made major get through in the scheme by opening 436 CSPs covering 1526 villages, opened 901741 accounts under PMJDY, issued 508374 RuPay cards. All these 436 USBs have been provided with Micro-ATMs which have made life easier for the people in availing financial services at their door step. The transactions done through Micro-ATMs are online.

I express my sincere thanks to our valued customers, our sponsor Bank (SBH), NABARD, Reserve Bank of India, Govt. of India, State Government & District Administration for their continued support and patronage for progress and development of the Bank.

My sincere thanks to our Board of Directors from RBI, NABARD, Sponsor Bank, Govt. of India, & State Govt. for their valuable guidance, gestures and support all through the Board Meetings

I wish to place on record, my deep appreciation for the valuable contribution made by all the staff members of the Bank, at all levels, but for their involvement, the Bank would not have made many achievements and reach greater heights. I am confident that with their continued support the Bank will be able to achieve all the goals set for the future years which all of us are aspiring to reach.

B.R.G.UPADHYAY

CHAIRMAN



Board of Directors Report for the year 2015-16

We have pleasure in presenting 11th Annual Report of Telangana Grameena Bank together with the Audited Statement of Accounts, Auditor's report and the Report on Business and Operations of the Bank for the financial year ended on 31st March 2016.

Bank's Genesis:

Telangana Grameena Bank was established on 24th March 2006 in the name of Deccan Grameena Bank by amalgamation of four RRBs sponsored by State Bank of Hyderabad. The Bank has been operating in five districts of Telangana State namely Adilabad, Nizamabad, Karimnagar, Ranga Reddy and Hyderabad with a network of 363 branches as on 31.03.2016.

The Govt. of India vide Notification dated 20.10.2014 has changed the name of the Bank to Telangana Grameena Bank from Deccan Grameena Bank and the area of operation of the Bank extended to (10) districts covering entire Telangana State.

Bank's Area of operation and Profile:

The economy is primarily agrarian in nature in the Bank's area of operation as majority of its population depend on Agriculture. Agriculture being the main activity, production depends mainly upon the seasonal availability and distribution of rainfall. The influence of the South West Monsoon is predominant in Telangana, providing major portion of rainfall and an important source of water for kharif crop cultivation. Irrigation facilities are available under major and minor projects covering certain pockets in the area, besides minor irrigation by way of bore wells and tanks etc., and rest of area is rain fed.

The major industries which exist in Bank's service area and employing many people are Singareni Coal Mines spread in parts of Adilabad and Karimnagar districts, cement factories in Adilabad and Ranga Reddy districts, NTPC power plant in Ramagundam of Karimnagar district, Sugar factories in Nizamabad and Karimnagar districts.

Branch Network:

With a view to extend Banking Services to unbanked areas and making banking services accessible to many people of our service area, we have opened 33 branches during this financial year and reached a net work of 363 branches as on 31.03.2016 and achieved the MoU target. In addition we have 436 Ultra Small Branches/Customer Service points covering 1526 villages in our area of operation.

District wise branch network :

District	Rural	Semi-urban	Urban	Metro	Total
Adilabad	91	11	04	00	106
Karimnagar	72	17	03	00	92
Nizamabad	51	12	03	00	66
Rangareddy	43	23	20	00	86
Hyderabad	00	00	00	13	13
TOTAL	257	63	30	13	363

Share capital:

Pursuant to RRBs (Amendment) Act, 2015, No.14 of 2015 dated 12/05/2015 for:

a) Increasing the Authorized Share Capital of the Bank from 4,00,000 equity shares of ₹ 100/- each aggregating to ₹ 4.00 Crore to 200,00,00,000 equity shares of ₹10/- each aggregating to ₹ 2,000 crores.

b) Conversion of Share Capital Deposit of ₹ 14.07 crores into 1,40,72,295 equity shares of ₹ 10/- each. The said share capital deposit has been converted into shares in the ratio of 50:35:15 contributed by Govt. of India, State Bank of Hyderabad and State Government respectively.

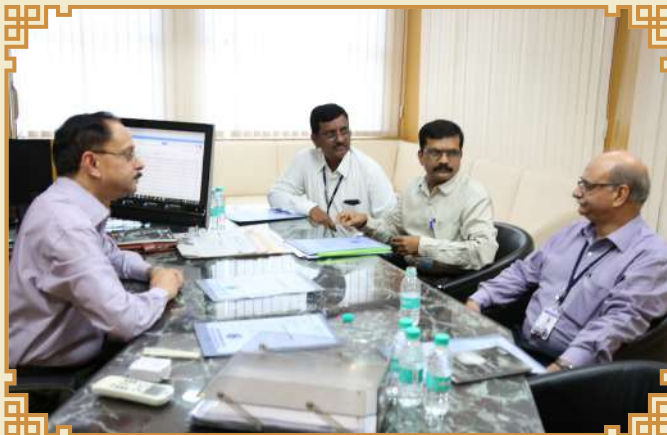
(₹ in lakhs)

Share Holder	Paid up capital
Govt of India	903.62
Govt of Telangana	271.08
State Bank Of Hyderabad	632.53
TOTAL	1807.23



Sri **V. Viswanathan**, CGM, SBH launching MIS Portal of the Bank on 9-9-2015.
Sri **Ajoy Naqib**, GM (PS, RB, FI & IT, NB), SBH is also present on the occasion.

e-Inauguration of 12 Branches on 19-03-2016 at Head Office by Sri **Ajoy Naqib**, GM (PS, RB, FI & IT, NB), SBH, Sri **B.R.G. Upadhyay**, Chairman, TGB and other dignitaries are seen in the picture



Performance review of the Telangana Grameena Bank by Sri **Ajoy Naqib**, GM (PS, RB, FI & IT, NB), SBH during his visit to Head Office and 19-03-2016.
Sri **B.R.G. Upadhyay**, Chairman, TGB, Sri **CH. Surender Raju**, GM (Admin & IT), & Sri **T. Yesupadam**, GM (Ops & Cr) are seen in the picture.

Sri **B.R.G. Upadhyay**, Chairman, TGB, addressing customers on the occasion of Inauguration of new premises of Sri Sri Nagar Branch, Mancheri, on 16-12-2015, Ms. **Aisha Masrat Khanam**, RDO, Mancheri, Sri **N. Muralidhar Rao**, RM, Mancheri Region are seen in the picture.





Reserves and Surplus:

Net Profit (after tax) of ₹ 69.22 crore earned during this year, an amount of ₹ 17.30 crore has been transferred to Statutory Reserves and ₹ 51.92 crore carried over to Profit and Loss account.

Gross profit earned during this year is ₹ 102.49 crore as against previous year profit of ₹ 167.29 crore registering a negative growth of 38.73%.

Total reserves and surplus increased to ₹ 535.54 crore during the year from the previous year level of ₹ 466.32 crore, registering a growth of 14.84%.

(₹ in lakhs)

Particulars	31.03.2016	31.03.2015
Share Capital	1807.23	400.00
Share Capital Deposit	0.00	1407.23
Reserves & Surplus	53554.26	46632.24
TOTAL	55361.49	48439.47

Capital Adequacy Ratio:

The Bank has recorded a Capital Adequacy Ratio (CRAR) of 12.30 % at the end of the year vis-à-vis 13.01% as on 31.03.2015, well above the 9% stipulated by the RBI, which indicate strength of the Bank.

Business Development:

The Bank business has crossed a milestone of ₹ 10,000 crore and reached to ₹ 10,397.22 crore as on 31st March 2016 with an absolute growth of ₹ 1344.35 crore over 31st March 2015 at a growth rate of 14.85%.

Deposits contributed by 70.41% with absolute growth of ₹ 946.62 crore and reached a level of ₹ 5836.95 crore and remaining 29.59% contributed by Advances with absolute growth of ₹ 397.73 crore and reached a level of ₹ 4560.27 crore.

(₹ in crore)

Particulars	2015-16	2014-15	Growth	%growth
Deposits	5836.95	4890.33	946.62	19.36 %
Advances	4560.27	4162.54	397.73	9.55%
TOTAL	10397.22	9052.87	1344.35	14.85%

Deposits :

Deposits stood at ₹ 5836.95 crore, recording a rise of 19.36% over March 2015 level of ₹ 4890.33 crore with an absolute growth of ₹ 946.62 crore against corresponding previous year growth of ₹ 734.90 crore.

The bank has conducted CASA campaign for mobilizing CASA deposits during the period from 08.02.2016 to 15.03.2016 to improve CASA percentage.

Deposit Mix :

CASA deposits have grown by 14.03% and reached to ₹ 1636.78 crore from ₹ 1435.43 crore, while Term Deposits reached to ₹ 4200.17 crore with a growth of ₹ 745.27 crore at 21.57% during the financial year. CASA constitutes 28.04% of total Deposits while Term Deposits constitute 71.96%.

	31st March 2016			31st March 2015			
	No. of accounts	Amount (₹ in crore)	% to total deposits	No. of accounts	Amount (₹ in crore)	% to total deposits	% of Growth
A)Demand deposits	2725457	1636.78	28.04	2466761	1435.43	29.35	14.03
Current account	10137	72.39	1.24	9903	63.43	1.30	14.13
Savings account	2715320	1564.39	26.80	2456858	1372.00	28.05	14.02
B)Term Deposits	310307	4200.17	71.96	285414	3454.90	70.65	21.57
TOTAL(A+B)	3035764	5836.95	100.00	2752175	4890.33	100.00	19.36





INNOVATIVE DEPOSIT PRODUCTS:

The Bank introduced a Special Current Account namely "TGB Premium Current Account" during the year to attract more Current Accounts and improve CASA percentage.

Productivity:

Per branch business rose to ₹ 28.64 crore against previous year level of ₹ 27.43 crore and registered a growth of 4.41%.

Per employee business increased to ₹ 7.16 crore as on 31.03.2016 from ₹ 6.59 crore as on 31.03.2015.

	31.03.2016	31.03.2015
Productivity Per Branch	28.64	27.43
Productivity Per Employee	7.16	6.59

Borrowings :

The Bank has availed refinance facility from NABARD as per the eligibility criteria prescribed. Availment of refinance has been almost to the full extent of the limits sanctioned for the year, in order to have adequate liquidity for credit deployment to the needy sectors. The Bank has been prompt in repaying the interest /installments of refinance. This year the bank has availed Rs50.00 crore refinance under Pradhan Mantri MUDRA Yojana and an advance of Rs.18.90 crore from NSFDC.

(₹ in lakhs)

Institutions	Limits for 2015-16	Availment during the year 2015-16	Outstanding as on 31.03.2016
NABARD-ST SAO	24500.00	24500.00	24500.00
NABARD-Schematic (SHG)	73680.00	73680.00	118546.82
MUDRA	5000.00	5000.00	5000.00
NSFDC	1890.00	1890.00	1890.00
SUB-TOTAL	105070.00	105070.00	149936.82
Sponsor Bank SBH	-	-	-
NHB	-	-	2419.45
TOTAL REFINANCE	105070.00	105070.00	152356.27
OD on Term Deposits from SBH	15800.00	15800.00	6713.63
Total Borrowings	120870.00	120870.00	159069.90

Cash & Balances with Banks :

The Bank is maintaining minimum possible Cash Balances at branches to carry out day to day transactions by judicious deployment of cash at branches and arranging funds through near by focal point branches and also making use of liquidity arising out of Demand Draft and NEFT transactions at branches. The average percentage of cash balance held at branches has come down to 0.92% over previous year level of 0.98%.

(₹ in crore)

Particulars	31.03.2016	31.03.2015
Cash holding as on 31st March	49.30	43.09
Average Cash holding	46.87	41.26
Average deposits	5087.39	4212.24
Percentage of Average Cash to the average deposits	0.92	0.98

As a part of effective cash management, Bank has identified Focal Point Branches for arranging cash to nearby needy accessible branches and funds are arranged to these focal point branches from Head Office on daily basis as per requirement. The balances maintained with Banks and RBI are detailed here under.

(₹ in crore)

Particulars	Cash with Banks		Cash with RBI	
	2015-16	2014-15	2015-16	2014-15
Balance as on last working day of the FY	8.83	7.47	226.95	189.05
Average balances during the year	12.60	11.26	205.98	170.62

Investments:

The Bank has put in place a sound investment policy and formed Investment committee headed by the Chairman and consisting of General Manager (Admn. &IT), General Manager (Ops.&Cr), Chief Manager (Accounts) and Chief Manager (Credit). The committee meets periodically and finalizes the investment proposals to get maximum yield on investments vis-à-vis to meet the requirements under SLR and Non-SLR investments in Term Deposits/Bonds/Mutual Funds. We take support and guidance from Sponsor Bank (State Bank of Hyderabad) and Treasury Dept., SBH, Mumbai to ensure maximum yield and optimum utilization of Funds.





Inauguration of Masjid Chowrasta Branch
at Peddapally on 16-12-2015
by **Sri Narayan Reddy**, RDO, Peddapally.
Other dignitaries present on the occasion are
Sri **B.R.G. Upadhyay**, Chairman, TGB,
Sri **Nalla Malla Reddy**, DSP, Peddapally,
Sri **N Muralidhar Rao**, RM,
Mancherla Region

Mrs. **Yogita Rana**, IAS, District Collector,
Nizamabad speaking on the occasion of
e-payment literacy workshop on 8-9-2015
jointly organised by Regional Office
Nizamabad and NPCI. Other dignitaries
Sri **B.R.S. Bhandari**, DGM, SBH,
Sri **U.S. Shevde**, DGM, NABARD,
Sri **B.R.G. Upadhyay**, Chairman, TGB,
Sri **R. Rengarajan**, AGM, SBH
& Official from NPCI



Sri **T. Yesupadam**, GM (Ops & Cr), TGB,
speaking on the occasion of e-literacy
workshop organised by Regional Office -
Karimnagar and NPCI Jointly

Inauguration of Annaram Branch
on 12-2-2016 by
Sri **M. Ravinder Reddy**,
RM, Karimnagar Region





The Investment portfolio as on 31st March 2016 is ₹ 3002.10 crore as against last year level of ₹ 2241.69 crore and there is increase in investment to the tune of ₹ 760.41 crore during the year. Average yield on overall investments is 8.08%. The breakup of Investments and the average yield is furnished here under.

(₹ in crore)

Particulars		2015-16	2014-15
SLR Investments		1219.12	982.64
NON-SLR Investments	Bonds & MFs	21.00	5.99
	Term Deposits	1761.98	1253.05
TOTAL		3002.10	2241.69
Average Yield on Investments		8.08%	9.00%
Yield on SLR Investments		84.30	77.72
Percentage of yield on SLR Investments		7.71%	8.42%
Yield on Non-SLR Investments		125.23	86.18
Percentage of yield on Non-SLR Investments		8.35%	9.59%

Loans & Advances:

The credit portfolio of the Bank rose by 9.55% to reach ₹ 4560.27 crore during the financial year ended 31.03.2016, from the previous year level of ₹ 4162.54 crore, thus showing absolute growth of ₹ 397.73 crore as against the target of ₹ 950.00 crore. As such, the Bank could achieve 41.87% under advances budget. During the year priority sector advances constitute 78.07% of total advances (excluding amount of ₹ 300 crore invested in IBPC with State Bank of Hyderabad) as against previous year contribution of 65.86% (excluding amount of ₹ 600 crore invested in IBPC with State Bank of Hyderabad). Among priority sector advances Crop Loans & SHG loans contributed for highest percentage with 47.26% and 32.34% respectively

(₹ in crore)

Segment	31st March 2016		31st March 2015	
	No.of accounts	Amount outstanding	No.of accounts	Amount outstanding
A) Farm-sector				
Crop loans	351349	1824.37	311879	1440.55
Agricultural term loans	21082	130.69	22592	139.72
SHG	68129	1248.42	62504	1188.82
GCC	2593	5.96	4311	9.00
TOTAL	443153	3209.44	401286	2778.09
B) Non-Farm sector				
Term loans(Business)	40274	204.76	34230	171.77
Housing loan	6525	397.11	6232	340.57
CC LOANS	1602	21.81	1290	19.45
Education loan	895	27.05	915	23.20
Total non-farm (priority)	49296	650.73	42667	554.99
Total priority sector	492449	3860.17	443953	3333.08
C) Non priority				
Gold loans	42608	245.64	46195	282.37
Demand loans + CK	39712	447.20	43298	438.48
Others	420	7.26	351	108.61
Total Non priority	82740	700.10	89844	829.46
Grand Total(A+B+C)	575189	4560.27	533797	4162.54





Sri **B.R.G. Upadhyay**, Chairman, TGB handing over cheque of ₹ 2,00,000/- to family members of deceased at Mamidiguda Village on 29-9-2015 (Claim settled under PMJJBY) during the visit to Adilabad Branch.

Handing over cheque of ₹ 10,00,000/- to children of deceased by Sri **Ch. Surender Raju**, GM (Admin & IT). Claim settled under PAI Scheme SBI General Insurance Co. Ltd., others in the picture are Smt. **T.J.D. Bhavani**, RM, Nizamabad Region, Sri. **Shiva Gopal** representative from SBI General Insurance Co. Ltd., Sri **D. Bhaskar Reddy**, BM, Utnoor Branch



Interaction of Sri **B.R.G. Upadhyay**, Chairman, TGB, Sri **T. Yesupadam**, GM (Ops & Cr), along with Sri **Santosh Galgali**, Director IRIX, with the CSPs at Nizamabad

Womens' Day Celebration on 08-03-2016, by Women Staff of Telangana Grameena Bank





PRADHAN MANTRI AWAS YOJANA (PMAY): Housing for all.

Hon'ble Prime Minister envisioned Housing for all by 2022, when the nation completes 75 years of its independence. The mission, in order to expand institutional credit flow to the housing needs of urban poor "Promotion of Affordable Housing for weaker Sections through Credit Linked Subsidy Scheme (CLSS). Our Bank entered MOU with HUDCO for claiming credit linked subsidy.

Our Bank awarded for the outstanding contribution made in the Housing sector, through innovative initiatives. The award presented by the Hon'ble Minister, Ministry of Housing and Urban Poverty Alleviation, Govt. of India during HUDCO's Annual Day Celebration.

BHOOMI VRUDHI MISSION KAKATIYA (MANA VOORU MANA CHERUVU)

Government of Telangana's one of the prestigious programmes is Mission Kakatiya under this reclamation of the tanks will be done in the villages. The activity is desilting the tank beds to restore original water storage capacity of the tanks. This silt can be used as nutrient/fertilizer which generally reduces the usage of chemical fertilizers. To assist farmers for utilization of silt as nutrient/fertilizer we have introduced a new scheme Bhoomi Vrudhi under ATL segment.

Self Help Groups :

The Bank has played a pioneering role and has been in the forefront in linking the Self help Groups and the Bank has always been standing first in its operating districts. The Micro finance initiative of the Bank continues to accord high priority in supporting the SHGs. During the year, Bank has disbursed loans to 26562 groups to the tune of ₹ 796.12 crore and achieved the MoU targets in number of groups.

(₹ in crore)

	2015-16	2014-15
Total No. of Groups	68129	62504
No. of persons	817548	750048
Amount disbursed during the year	796.12	774.77
Amount outstanding	1248.42	1188.82

IBPC:

In accordance with RBI guidelines, this year, the Bank has participated in IBPC with State Bank of Hyderabad by purchasing Non priority sector advances of ₹ 300 crore and issued Priority sector advances for an amount of ₹ 300 crores.

Asset Quality and Management of Non Performing Assets:

The Gross Non Performing assets as on 31.03.2015 was ₹ 88.91 crore and it has increased to ₹ 105.45 crore. The Bank has taken adequate steps to contain the NPAs by monitoring the NPAs at various levels besides strengthening of control systems and vigorous recovery drives. Branches have been encouraged to go for compromise settlements wherever accounts have become chronic NPAs / unrecoverable.

(₹ in crore)

Category of Asset	31.03.2016	% to Total Advances	31.03.2015	% to Total Advances	Provisions	
					31.03.2016	31.03.2015
A)Standard	4454.82	97.69	4073.63	97.86	13.08	12.84
B) Sub Standard	41.44	0.91	33.04	0.80	4.48	3.27
Doubtful	61.12	1.34	51.65	1.24	34.15	24.98
Loss	2.89	0.06	4.22	0.10	2.81	4.17
Sub-Total NPA	105.45	2.31	88.91	2.14	41.44	32.42
Total(A+B)	4560.27	100	4162.54	100.00	54.52	45.26





Handing over cheque of ₹ 2,72,96,000/- to
753 beneficiaries by
Sri **B.R.G. Upadhyay**, Chairman, TGB.
Loan Sanction under MUDRA (SHISHU),
by Regional Office Adilabad

Loans distribution to self help groups of
Kurikyala Branch by
Sri **B.R.G. Upadhyay**, Chairman, TGB.
RM Karimnagar Region and BM Kurikyala
Branch are seen in the picture.



Function hall financed by our
Shankarapatnam Branch

Rekurthi Branch has financed for
function hall.
Sri **M. Ravinder Reddy**, RM Karimnagar
Region, Sri **R. Ramchander Rao**, BM and
staff are seen in the picture.



Harvester financed by
Shankarapatnam Branch.
Sri **M. Ravinder Reddy**,
RM Karimnagar Region,
along with customers and
Sri **Girmoji Nayak**, BM is also
seen in the picture.



Movement of NPA:

Due to drought conditions non repayment of crop loans and rescheduled loans by farmers the ratio of gross NPA increased from 2.14% to 2.31% during the year. The percentage of net NPA to total advances stood at 0.97%. The details are as under.

(₹ in crore)

Particulars	2015-16	2014-15
Opening Balance	88.91	101.63
Additions	68.46	98.37
Reductions	51.92	111.09
Closing Balance	105.45	88.91

Other Provisions:

The interest earned on funds pertaining to provisions made towards Gratuity during previous years parked with SBI Life Insurance Company Limited, State Bank of Hyderabad, Dilsukhnagar Branch and India First Insurance along with balance of funds are adequate to cover the liability for Gratuity as on 31.03.2016, hence no provision was made during the year

In respect of Leave encashment, due to increase in staff strength and retirement rate an amount of ₹ 10.22.crore was made as provision to meet the liability.

(₹ in crore)

Sr.	Particulars	2015-16	2014-15
1	Provision for Gratuity	-----	-----
2	Provision for leave encashment	10.22	8.00

Crop Loan Waiver Scheme for the farmers:

As a part of relief to farmers, The Government of Telangana has declared crop loan waiver scheme to KCC beneficiaries. The eligible amount for debt waiver was limited to the amount of loan(together with interest), which were disbursed and outstanding as on 31st March 2014 or ₹ 1,00,000/- per family whichever was

lower. The Govt. of Telangana proposed to disburse eligible waiver amount in four equal installments and as a part of second installment, the Government released an amount of ₹ 311.65 crores to our bank to the 268951 eligible farmers and same was passed on to the beneficiaries.

Interest Derecognized:

(₹ in crore)

	2015-16	2014-15
At the beginning of the Year	5.81	6.99
At the end of the Year	6.81	5.81
Amount realized during the year	(-)1.00	1.18

Loans disbursed during the year :

During the year disbursements under Farm Sector advances grew by 8.71% and reached a level of ₹ 2348.35 crore against previous year level of ₹ 2160.02 crore.

Priority sector disbursals grew by 9.84% and reached a level of ₹.2573.80 crore against previous year level of ₹ 2343.19 crore and contribute 77.16% & 76.64% of total disbursals respectively.

Total disbursals during the year is ₹ 3335.51 crore and grew by 9.14% over last year disbursal of ₹ 3057.81 crore.

(₹ in crore)

Particulars	2015-16	2014-15
Farm Sector	2348.35	2160.02
Non Farm Sector	225.45	183.17
Total Priority Sector	2573.80	2343.19
Non Priority Sector	761.71	714.62
Grand Total	3335.51	3057.81



**Recovery of Loans:**

There is increase in recovery percentage in Farm sector advances for consecutive four years and overall recovery percentage increased to 89.58% from 76.49% over previous year. The details are furnished here under.

(₹ in crore)

RECOVERY PERFORMANCE:	2015-16	2014-15	2013-14
Farm Sector			
Demand	2113.45	1679.03	1585.63
Recovery	1913.93	1258.13	1177.07
Over dues	199.52	420.90	408.56
Recovery %(June Position)	90.56	74.93	74.25
Non-Farm Sector			
Demand	366.36	325.12	337.10
Recovery	307.49	274.86	244.06
Over dues	58.87	50.26	93.04
Recovery %(June Position)	83.93	84.53	72.00
TOTAL ADVANCES			
Demand	2479.81	2004.15	1922.73
Recovery	2221.42	1532.99	1421.13
Over dues	258.39	471.16	501.60
Recovery %(June Position)	89.58	76.49	73.91

Comprehensive Crop Insurance:

During the year total 185601 farmers are covered under comprehensive crop insurance and an amount of ₹ 18.33 crore was paid as premium to Agricultural Insurance Company.

An amount of ₹ 2.11 crore was received as crop insurance claim and same was paid to respective farmers.

Write off of loans:

During the year, the Bank has written off Rs 0.57 crore by transferring to AUC as detailed below.

(₹ in crore)

Loans written off during the Year	2015-16	2014-15	2013-14
No. of accounts	265	268	3530
Amount	0.57	0.59	3.22





Commercial Dairy unit financed by TGB
Ramadugu Branch.
Sri M. Ravinder Reddy,
RM, Karimnagar Region,
Sri T. Vijay Kumar, BM & Beneficiaries
are seen in the picture.

Distribution of loans to SHGs by our
Badangpet Branch.
Sri K. Krishnaiah, RM, Hyd-I, Region,
Sri K. Rajendra Kumar, BM
and others are seen in the picture.



Sri K. Krishnaiah,
RM, Hyd-I, Region,
addressing customers meet at
Moosarambagh Branch,
in the presence of
Sri T. Yesupadam, GM (Ops & Cr)

Dandumailaram Branch has arranged
for supply of mineral water to villagers of
Dandumailaram Village.





Performance of the Bank vis-à-vis MoU with Sponsor Bank:

The Bank's position in respect of parameters as per Memorandum of Understanding with Sponsor Bank for the year 2015-16 is furnished below.

MoU vis-à-vis Achievement

(₹ in crore)

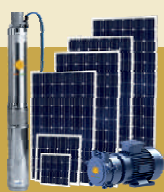
S.No	Indicators	Actuals as on 31.03.2015	Growth projected for FY 2015-16	MOU levels as on 31.03.2016	Achievement as on 31.03.2016	Growth over 31.03.2015
1	Deposits	4890.33	999.67	5890.00	5836.95	946.62
2	Advances	4162.54	949.46	5112.00	4560.27	397.73
3	C.D. ratio	85.11	1.68	86.79	78.13	(-) 6.98
4	Branch Expansion	330	33	363	363	33
5	SHG					
i)	No. of Groups	62504	5000	67504	68129	5625
ii)	Amount	1188.82	199.18	1388.00	1248.42	59.60
6	Productivity					
i)	per Branch	27.43	2.17	29.60	28.64	1.21
ii)	Per Employee	6.59	0.51	7.10	7.16	0.57
7	Cross Selling (Premium)	4.13	0.87	5.00	3.95	(-) 0.18
8	Gross Profit	167.29	49.71	217.00	102.49	(-) 64.80
9	Net Profit	115.17	26.83	142.00	69.22	(-) 45.94
10	Per Employee Net Profit (in Lakhs)	8.38	0.92	9.30	4.77	(-) 3.61

Income earned:

Interest received on Loans and advances, SLR/Non SLR Investments and Miscellaneous Income has increased over previous year due to increase in advances portfolio and Investments as detailed here under.

(₹.in crore)

Interest received on	2015-16	2014-15
a) Loans & Advances	459.51	445.85
b) SLR Investments/Approved Securities/Non-SLR/Money at Call/TDRs with SBH	209.53	163.89
Miscellaneous Income	57.40	38.20
TOTAL	726.44	647.95





Yield on Advances:

The yield on advances has decreased from 12.49% to 10.71% since there was reduction in interest rates on advances during campaign period and reduction of interest rates in general.

Expenditure Incurred:

Due to increase in Deposits and Borrowings over previous year interest expended increased proportionately as detailed here under:

(₹ in crore)

Interest paid on	2015-16	2014-15
a) Deposits	382.74	319.23
b) Borrowings	91.48	71.86
TOTAL	474.22	391.09

Cost of Deposits :

Average cost of Deposits decreased to 7.52% from 7.58% due to decrease in the interest rate on term deposit.

Financial Ratios:

(₹ in crore)

Sl.No	Particulars	31.03.2016	31.03.2015
1	Average Working Funds	7645.07	6016.77
2	Cost of deposit	7.52	7.58
3	Cost of borrowings	6.14	7.51
4	yield on advances	10.71	12.49
5	yield on investments	8.08	9.00
6	Yield on funds(% of income on average funds)	8.59	10.13
7	Cost of funds(% of interest expended on average funds)	6.20	6.50
8	Financial Margin(6-7)	2.38	3.63
9	Operating Cost(%of operating expenditure on average funds)	1.96	1.82
10	Miscellaneous income(% of non interest income to average funds)	0.75	0.63
11	Operating profit as % to working funds	1.34	2.45
12	Risk cost(% of provisions on average funds)	----	-----
13	Net Margin (after amortization premium/standard assets provision) % of Net Profit to average working funds	1.18	2.44





Transfer Price Mechanism:

With a view to improve performance in all parameters, Bank has prepared Transfer Price Mechanism for branches and charged suitable interest rates on Funds lent to/ borrowed from Head Office on different categories of Deposits and Loans, as also on other categories of Banking business as detailed here under.

Interest Charged on Funds lent to Head Office	
a) Current Account Deposits	6.50%
b) Savings Account Deposits	225%
c) Term Deposits :	110%
d) SBI LIFE (of the premium received)	25%
e) i) Opening of No frill accounts	₹ 100 Per A/c
ii) Opening of SB/CA	₹ 500 Per A/c
iii) Issue of ATM cards	₹ 100 Per A/c
f) Issue of GCC	1% on Loan Amount
g) SHG Linkage -New groups	₹ 3000 Per New Group
h) NPA Reduction (of amount recovery)	10%
i) Loans to new farmers	Up to 100 a/cs NIL; Above 100 a/cs for every 10 a/cs ₹ 5000/-
j) Jewelry loans	Up to 100 a/cs NIL; Above 100 a/cs for every 10 a/cs ₹ 5000/-
k) Housing Loans	1% of Loan limit min: ₹ 2500/- Max ₹ 5000/-
i) Audit rating improved	₹ 50,000/-

Interest charged on Funds received from Head Office:	
a) Agriculture :	25%
b) Non Agriculture	50%
c) DL & GLs	50%
d) Branch Cash balances (exceeding limit on daily basis)	9%
e) Link bank balances (exceeding limit on monthly avg. basis)	5%
f) Outstanding NPAs	5%
g) Audit rating downgraded	₹ 50,000/-





Reconciliation:

Reconciliation of Inter Branch accounts is being done on an on-going basis and it is under control and in order. The position of reconciliation put up to Audit Committee of the Board at quarterly intervals and position as on 31.03.2016 is detailed here under .
(₹ in lakhs)

Outstanding entries as on	No. of entries		Amount	
	Credit	Debit	Credit	Debit
DGB General Account				
31.03.2015	1143	1	146.14	10.00
31.03.2016	917	-	119.19	-
DGB Demand Draft Account				
31.03.2015	10101	-	532.79	-
31.03.2016	9726	-	489.20	-

Cross selling of SBI life Products:

The Bank is a corporate agent of SBI Life Insurance Company limited, to meet life insurance needs of Bank's customers, apart from earning non-interest income. Bank has mobilized 4582 policies with a premium of ₹ 395.00lakhs against previous year achievement of 4780 policies with a premium of ₹ 413.40 lakhs.

Cross selling of SBI General Insurance Products:

The Bank is corporate agent of SBI General Insurance Company Ltd. to cross sell their insurance products. Bank has mobilized 19864 policies with a premium of ₹ 86.36 lakhs during the financial year 2015-16.

Implementation of Financial Inclusion Plan (FIP):

In accordance with the guidelines of Government of India / Reserve Bank of India, our bank has been implementing Financial Inclusion Plan since April 2013 in Rangareddy, Adilabad, Nizamabad and Karimnagar districts targeting to cover 1526 villages through Ultra Small Branches by engaging the services of IRIX Technology Pvt Ltd. Bangalore

as our end to end service provider.

The ground level FI transactions are taken place from April 2013 successfully. The transactions are done online mode from 07.01.2014.

Ultra Small Branches (USBs):

We have opened 436 USBs in all the Sub Service Areas allotted by SLBC. The 436 USBs are manned by Bank Mitras functioning with the Micro-ATMs of 1.5.1 IBA standard, these devices are interoperable and enable with Aadhar card and RuPay Card. The CSPs working in 436 USBs are extending financial services to the customers of Sub Service Area villages.

The Micro-ATMs have made life easier for the people in availing financial services at their door step. The transactions done through Micro-ATMs which are online are not only quicker to perform, but also easier. It is easy to carry Micro-ATM anywhere as it is small in size. We are performing **AEPS ON-US transactions through Micro-ATMs**, for which only Aadhaar number and biometrics are needed. We have arranged capacity building programme to Bank Mitras.

Capacity building for CSPs:

To improve their skills in operating the day to day business, general banking, loans & advances, insurance schemes, SHG recovery and NPA recovery etc. We are utilizing their services for various other activities i.e for mobilization of customers to enroll under PMJJBY, PMSBY, APY, SHG Thrift & Loan recovery and activation of zero balance accounts etc.

FLC centers:

The Bank has appointed financial literacy counselors for the 4 FLC centers opened one in each district during June 2014. Counselors and rural branches conducted Financial Literacy Awareness Camps regularly in the Sub Service Area villages. The FLC Counselors are explaining to improve Financial Literacy among the rural



people about the opening of SB accounts, activation of Zero balance accounts, Aadhaar number and, mobile number seeding with SB account, benefits under social security schemes, schemes such as, PMJJBY, PMSBY, APY, PMFBY and usage of RuPay card and its coverage under accidental insurance to the participants during literacy camps. Branches have conducted 208 customized FLAC meetings for **SHGs, farmers, artisans, etc., separately conducted special camps for distressed farmers by inviting specialist guest lecturers.** We are monitoring the conducting of literacy camps through the Regional Offices. We are also conducting financial literacy camps in schools, ITIs and VTCs to create financial awareness by using the literacy material provided by RBI/SLBC to educate the students during the financial year 2015-16 with the financial support of NABARD.

Seeding of Aadhar Numbers : For extending benefits of LPG(DBTL), MGNREGS, Pension and other account transactions with Aadhar enabled bank account (AEBA) is taken up on top priority. We have seeded **656873** PMJDY accounts (72.84%) against 9,01,741 PMJDY accounts. It is also informed by NABARD that from July 2016 all benefits, transfer will be routed through Aadhar Payment Bridge (APB). Branches are conducting special camps to ensure 100% Aadhar seeding.

PMJDY:

Pradhan Mantri Jan Dan Yojana (PMJDY) was formally launched by Hon'ble Prime Minister of India on 28.08.2014. Our Bank has been given a target of opening 30,000 BSBD accounts and opened 67,000 accounts within a span of one week and continued opening of BSBD accounts as per the household survey. The total no. of accounts opened as on 31.03.2016, under PMJDY is 9,01,741 and amount outstanding is ₹ 25086-lakhs.

The Prime Minister has launched the three key Social Security Schemes, viz: Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY) Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY). **These schemes are aimed at providing necessary social security in the form of Insurance and Pension. Among the three schemes, APY is an important initiative for old age income security.** Under the APY, the subscribers would receive the guaranteed minimum pension of ₹ 1000, ₹ 2000, ₹ 3000, ₹ 4000, ₹ 5000 per month from the age of 60 years depending on the contribution which itself would vary on the age of joining the scheme. On the death of the subscriber, the spouse can continue the scheme until the original subscriber would have attained 60 years of age. The pension would also be available to the spouse of the subscriber on his death and after both the subscriber and spouse are dead, the pension corpus at the age of 60 would be given to the nominee of the subscriber.

Enrollments under PMJJBY & PMSBY and APY schemes during 2015-16 are furnished hereunder:

PMJJBY	: 1,47,327	PMSBY	: 2,29,226
APY	: 6065		

RuPay cards:

We have issued 508374 RuPay cards (79228 cards activated) for the accounts opened under PMJDY up to the financial year 2015-16. Two claims were settled during the year 2015-16 and claim amount was handed over to the nominees. All our Branches and FLC counselors were advised to educate the customers to perform at least one transaction by using RuPay debit card for every 90 days period to enable the customers to be covered under accidental insurance scheme of ₹ 1 lakh.

Zero balance account : Customers are followed up by sending SMS messages for maintaining balances, advised branches to ensure activation of accounts.





e-Payment Literacy workshop conducted

e-Payment Literacy workshop was conducted on 8th September 2015 at Nizamabad and Karimnagar with the co-ordination of NPCI.

The workshop helped the customers and our Bank officials in knowing numerous features like usage of ATMs, electronic payment systems like NEFT, RTGS, IMPS, seeding of Aadhaar and other security tips demonstrated at the e-literacy camps. The workshop helped our Bank officials in using technology and for extending speedy and good services to the customers and to achieve the Financial Inclusion Plan.

Data in Website:

We have placed the details of Branches and USB locations in SLBC's and DFS's websites.

IT INITIATIVES

Management Information System (MIS)

The Bank is live in MIS from 09.09.2015 which is an Intranet based Portal that can be accessible by all nodes connected to the Banks intranet and facilitates various reports required for Branches and Controlling Offices.

The reports generated through MIS are based on the raw data sent by the CDC and are reflecting the real position of the Bank in all aspects. This Portal increased the speed of service delivery by generating instant reports required to facilitate the customer very effectively. The reports generated on various aspects are helping in increasing profitability such as NPA follow up, etc.

Real Time Gross Settlement (RTGS)

The Bank is live in RTGS from 24.02.2016 which is the fastest possible money transfer system through the banking channel. As settlements are made in real time, transactions are not subject to any waiting periods.

With the introduction the RTGS facility to customers, transferring money has become an easier and faster process, thereby our customers are performing instant electronic transfers on par with other nationalized Banks.

Audit & Inspection:

Inspection and audit is an important tool in the hands of the Management to ensure that the systems and procedures laid down by the Bank are being implemented in right earnest by all the branches/controlling offices. It also helps the Management at various levels in evaluating the effectiveness of the internal control mechanism in the Bank. The Bank is having a well established internal control mechanism to derive these results.

The Bank is adopting Risk Focused Internal Audit (RFIA), to improve quality of Audit besides improving the parameters for the rating of branches.

Inspection of branches has been conducted as per periodicity along with Revenue Audit (Income & Expenditure), verification audit, Credit audit have also been conducted during the year 2015-16.

There is no "Unsatisfactory" branch during this year.

The Ratings of the branches are as under.

Particulars	2015-16	2014-15
Excellent	183	145
Good	146	154
Satisfactory	1	1
Un-satisfactory	0	0
Newly opened branches (Including Service Branch & RACPC)	33	30
TOTAL	363	330





The list of branches upgraded, downgraded and continuing with same ratings are furnished here under,

Particulars	2015-16	2014-15
No. of branches upgraded during the year:	54	56
No. of branches maintained same Rating	131	123
No. of branches downgraded during the year	17	16
No. of branches audited first time	30	30
Total no. of branches audited	232	225

Concurrent Audit:

As a part of internal control, Concurrent Audit is introduced in our Bank on 07.09.2012 as per policy guidelines issued by NABARD. Keeping in view staff availability, branches need to be undertaken with concurrent audit, 03 Concurrent Auditors have been allocated with 11 branches during the year.

Audit committee of the Board:

The audit committee, constituted with Senior Director of Sponsor Bank as Chairman and nominee directors of RBI, NABARD and Sponsor Bank as members has met four times during the calendar year and reviewed the audit function, quality of the audit system, position of reconciliation & position of credit audit.

Human resource Management:

The Bank considers its human resources, the most valuable of all its assets. During the year 2015-16, 208 staff members were recruited in all cadres as per the recommendations of **Mithra Committee**.

As on 31.03.2016, the total staff strength of Bank and its composition is detailed hereunder:

Category	No. of Staff	SC	ST	Male	Female
Officers Scale-IV	27	03	00	25	02
Officers Scale-III	138	25	04	135	03
Officers Scale-II	273	43	22	247	26
Officers Scale-I	438	66	28	355	83
Officers Total	876	137	54	762	114
Office Assistants	527	84	37	423	104
Office Attendants	49	05	04	42	07
Employees Total	576	89	41	465	111
Grand Total	1452	226	95	1227	225

Human Resource Development:

The Bank lays emphasis on investment in human resources development. To improve skill and sharpen their knowledge, different categories of employees were deputed on various training programmes organized by the Sponsor Bank, NABARD, RBI as detailed here under:

Institute/Organization	No. of staff deputed
SBH Learning centre	180
BIRD, Mangalore	35
BIRD, Lucknow	02
CAB, Pune	03
Andhra Bank	03
IDBRT, Hyderabad	02
TOTAL	225





Promotions:

As a part of motivation to staff, promotion process was taken up during the financial year 2015-16, based on the assessment of staff approved by the Board. The details of promotions given during the year are furnished below.

S.No.	Promotion		Number
	From	To	
1	Officer-JMGS-I	Officer-MMGS-II	08
2	Office Assisstant	Officer-JMGS-I	22
	Total		30

Pre promotion training has been imparted with sufficient reading material to all SC/ST/OBC staff members who appeared for promotion tests in all cadres to make them perform better in the written test.

Customer Service & Compliance:

All the branches are conducting customer meets every quarter with customers/farmers and their views and opinion were solicited in order to take corrective steps. In order to extend better customer service, with the approval of Board, Bank has adopted Customer service-Compensation Policy, Policy for Grievance Redressal, Banks Compensation Policy, Banks cheque collection policy, Inoperative/unclaimed deposits policy. The other channels used by the customers for redressal of their grievances are furnished below:

Banking Ombudsman scheme, 2006:

Banking Ombudsman scheme, 2006 was introduced with the objective of enabling resolution of complaints relating to services rendered by Banks and to facilitate the settlement of such accounts.

During the year out of 11 complaints lodged with the Banking Ombudsman, 9 complaints are disposed and two are pending for disposal as on 31.03.2016.

Right to Information Act, 2005:

In compliance with the provisions of Right to Information Act, 2005, Bank has designated General Manager (Admn. &IT) as Central Public Information Officer (CPIO) for Head Office, Regional Manager at Regional Office as CPIO for the Regions and the Chairman as First Appellate Authority to facilitate general public to access the Bank's information.

During the year, the Bank has received 24 applications addressed to CPIO and all are attended within stipulated time, giving information sought by the applicant. Among above, 4 applicants not satisfied with CPIO reply, appealed to Appellate Authority and same were addressed promptly.

BCSBI:

As a part of rendering excellent customer service and to improve the same from time to time, the bank is enrolled as a member of the Banking codes and Standards Board of India (BCSBI).The bank has adopted the "Codes of the Bank's Commitment to Customers, January, 2014" and "Codes of Banks Commitment to Micro & Small Enterprises-August 2015".

Industrial Relations:

The relationship between the Management and Staff continued to be cordial and worked together for welfare of staff members' business development and routine issues cropped up during the year are worked out with amicable solutions. The bank has maintained cordial relations with the SC/ST Welfare Association and OBC Welfare Association, held meetings with representatives as per periodicity to redress their grievances and complied with statutory requirements in all aspects of Recruitment, Promotions etc.,

Statutory Audit:

Bank is required to appoint the auditors for conducting Statutory Audit of its accounts, with the approval of Govt. of India, as per Sub Sec.(1) of Sec.19 of RRB Act, 1976.



Accordingly, M/s Laxminivas & Jain has been appointed as Statutory Central Auditors for the year 2015-16. The following Chartered Accountants have been appointed for conducting audit of the branches, as per panel of Auditors approved by Govt. of India and communicated by NABARD.

- M/s Rathi & Malani
- M/s L N R Associates
- M/s S Daga & Co.
- M/s Gururaja & Co.
- M/s Pulivarthi & Associates
- M/s G Krishna Murthy & Co.
- M/s Arun Swati Sharma & Co.
- M/s Y Tirupathaiah & Co.
- M/s Gandhi & Gandhi
- M/s M Harish & Associates
- M/s C P J & Associates
- M/s Rao & Kumar associates

NABARD vide their Ref. No.NB.IDD. RRCBD. BMBL / 323c / 2015-16 dated, 28.04.2015 has communicated revised norms in selection of branches for statutory audit. Accordingly, Head Office & 323 branches are audited by Statutory Auditors and Statutory Auditors expressed their satisfaction in over all maintenance of Books of Accounts.

We convey our sincere thanks to Statutory Auditors for making valuable suggestions during the course of Audit.

Board:

The Bank has convened 6 Meetings of the Board of Directors during the Financial Year 2015-16.

The Board has undergone following changes in the composition on account of transfers/retirement and new directors are appointed in their places,

- Sri ASV.Kameswara Rao, AGM, RBI was transferred and Sri M.A.Solomon Kavi Raj, AGM, RBI was nominated by Reserve Bank of India.
- Sri U.S.Shevde, Dy General Manager, NABARD, Hyderabad was nominated by NABARD in the place of Smt Tanuja Prasad, AGM, NABARD.
- Smt. M.Anuradha, Dy.General Manager (Agri.), State Bank of Hyderabad, HO, Hyderabad was transferred and Sri Rajesh Kumar Arya, Dy.General Manager (Agri.), State Bank of Hyderabad, HO, Hyderabad was nominated by Sponsor Bank in her place.
- Sri Brij Raj Singh Bhandari, Dy. General Manager (Inspection), State Bank of Hyderabad, Head Office, Hyderabad was appointed as Director wef date 16.04.2015 in place of Sri V.Suryanarayana Rao, Dy. General Manager, Zonal Office, State Bank of Hyderabad, Hyderabad retired from service on 28.02.2015.
- Sri Brij Raj Singh Bhandari, Dy. General Manager (Inspection), State Bank of Hyderabad, Head Office, Hyderabad was transferred and Sri Satish C Dhawan, Dy. General Manager (MSME), State Bank of Hyderabad, Head Office, Hyderabad was nominated in his place by Sponsor Bank.
- The Bank wishes to place on record its appreciation and gratitude for the valuable services and guidance rendered by the Directors who demitted office during the year under report.





ACKNOWLEDGEMENT

The Board wishes to place on record its appreciation for the efforts put in by the Bank, which has enabled them to exhibit better performance. The Board thanks all the customers for the confidence reposed in the Bank and their continued patronage. The Board renews its commitment for rendering a better service to their customers in future too.

The Board wishes to thank the Government of India, Government of Telangana and State Bank of Hyderabad for their cooperation at all levels for the growth of the Bank.

The Board also expresses its sincere gratitude to the Reserve Bank of India, National Bank for Agriculture and Development, National Housing Bank for their valuable guidance and support extended to the Bank from time to time.

The Board of Bank also conveys its sincere thanks to The Collector and District Magistrate and District Administration in the Districts of Adilabad, Karimnagar, Nizamabad, Ranga Reddy and Hyderabad, for their continuous support to the Bank at all times.

The Board also thanks the Central Statutory Auditors M/s Laxminivas & Jain and Branch auditors for their cooperation, guidance and promptness in completion of Audit in reasonable time.

The Board records its appreciation for all the staff members for their dedicated involvement in the growth and functioning of the Bank. It is due to their unstinted efforts that the Bank could post good performance during this year and could surpass the targets in many parameters under MoU. The Board looks forward for their motivated involvement and sustained efforts for the overall development of the Bank in future also.

For and on behalf of the Board of Directors

(B.R.G. Upadhyay)
Chairman





INDEPENDENT AUDITORS REPORT

To
The President of India

1. We have audited the accompanying statements of the Telangana Grameena Bank as at 31st March 2016 which comprises the Balance Sheet of 31st March, 2016 the Profit and Loss account and the cash flow statement for the year ended on that date and a summary of the significant accounting policies and other explanatory information. Incorporated in these financial statements are returns of 59 branches audited by us, 264 branches audited by other auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued by NABARD. Also incorporated in the Balance Sheet and Profit and Loss account are the returns from 40 branches which have not been subjected to audit.

Management's responsibility for the financial statements

2. Management is responsible for the preparation of these financial statements in accordance with the applicable provisions of Regional Rural Bank Act., 1976, Banking Regulation Act., 1949 applicable guidelines of Reserve Bank of India (RBI)/NABARD accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material requirements of the financial statements, whether due to fraud or error. In making of those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.





Opinion

6. In our opinion, as shown by books of Bank, and the best of our information and according to the explanations given to us.
 - (i) 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 state of affairs of the bank as on 31st March 2016, in conformity with accounting principles generally accepted in India.
 - (ii) The Profit and Loss account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India.
 - (iii) The Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

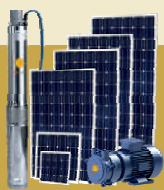
Report on other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss account have been drawn up on forms "A" and "B" respectively of the third schedule to the Banking Regulation Act, 1949.
8. Subject to the limitation of the audit indicated in paragraph 1 to 5 above and as required by the Regional Rural Banks Act 1976 and subject also to the limitation of disclosure required therein, we report that:-
 - (i) We have obtained all the information and explanations which, to the best of our acknowledge and belief were necessary for the purpose of audit and have found them to be satisfactory.
 - (ii) The transactions of the bank, which have come to our notice, have been within the powers of the bank.
 - (iii) The returns received from the offices and the branches of the bank have been generally found adequate for the purposes of our audit and where the particulars in the returns received were incomplete/inadequate, we have relied upon the information and explanations furnished by the management.
 - (iv) In our opinion, proper books of account as required by Law have been kept by the Bank, so far as appears from our examination of those books.
 - (v) The reports of the financial statements of the Branches audited by the Branch Auditors have been dealt with in preparing our report in the manner considered necessary by us.
9. In our opinion, the Balance Sheet , Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For **LAXMINIWAS & JAIN**
Chartered Accountants
F.R.No.001859 S

Sd/-
(B.Ramesh Kumar)
Partner
M.No.200304

Place: Hyderabad
Date: 31.05.2016





PRINCIPAL ACCOUNTING POLICIES for the year ending 31/03/2016

I. Method of Accounting:-

The accompanying financial statements have been prepared by following the principles of going concern and on historical cost basis except as otherwise stated and conform to the statutory provisions and generally accepted accounting principles followed in the country.

The accounts of the Bank are drawn up in accordance with the format of Schedule III of the Banking Regulation Act, 1949 to the extent applicable.

II. Recognition of Income and Expenditure:-

The method of accounting followed is generally on accrual basis except:

- (i) Interest and other income on non-performing assets which is accounted on actual realisation as per the norms laid down by Reserve Bank of India.
- (ii) Commission, Exchange and Brokerage are accounted on receipt basis.
- (iii) Interest on Non-agricultural advances is accrued on monthly basis as prescribed by the Reserve Bank of India.

III. Fixed Assets :-

All fixed assets are valued at historical cost less accumulated depreciation as provided for on the basis of straight line Method based on useful life of the Assets as per the Sponsor Bank guidelines.

IV. Advances :-

All advances are classified under four categories – Standard, Sub-Standard, Doubtful and Loss assets. Provision on Non-Performing Assets (NPA) is made in accordance with the Income Recognition

and Asset Classification Norms laid down by the Reserve Bank of India. Advances shown in the Balance Sheet are net of unrealised income in respect of NPA and provision made on Bad and Doubtful Debts.

V. Investments :-

Investments in Government securities, other approved securities held upto maturity are valued at cost since the said investments are classified as “Held To Maturity” as per the Reserve Bank of India guidelines applicable to Regional Rural Banks. However in respect of Non SLR securities provisions are considered as necessary and dealt with suitably in the accounts. Premium paid on acquiring investments is being amortized during the holding period.

Investments in Mutual Funds (Non HTM Security) are valued at market price in accordance with RBI guidelines.

VI. Expenses:-

- (i) Depreciation is provided for on the Straight Line Method based on useful life of the Assets as per the Sponsor Bank guidelines.
- (ii) The Bank has joined Group Gratuity (Cash Accumulation) Scheme with SBI Life and also set up a Trust for administration. The contribution for the year is charged to the Profit and Loss Account based on the Actuarial Valuation. The investments of Trust funds are as per guidelines of Income Tax Rules.
- (iii) Encashment of leave: The bank has invested with Indiafirst life insurance company Ltd Hyderabad for managing the fund out of the Leave Encashment Liability provided on the basis of actuarial valuation.





- (iv) Legal expenses are charged to the Profit and Loss Account of bank in the year in which it is incurred and subsequent recovery of the said legal expenses if any is considered as income for the year.
- (v) In terms of Reserve Bank of India guidelines bank is required to follow prudential norms and make provisions for the net debit balance remaining outstanding in the inter branch accounts. As there is no debit balance under inter branch account, it is considered that there is no requirement for the bank to make any suitable provision in the accounts.

VII. Income:-

- (i) Interest income in respect of advances classified as non-performing assets (NPAs) is accounted on actual realisation as per guidelines issued by Reserve Bank of India from time to time.
- (ii) The net profit disclosed in the Profit and Loss Account is arrived at after accounting for the following:
 1. Interest receivable on advances and investments on accrual basis.
 2. Interest payable on deposits and borrowings.
 3. Depreciation on fixed assets.
 4. Amortisation of premium on investments.
 5. Other usual & necessary provisions.

VIII. Staff benefits:-

- (i) Provision for Gratuity is considered based on the actuarial valuation.
- (ii) Provision for Leave Encashment has been provided based on the actual leave eligibility of the employees.
- (iii) Additional / Other Retiral benefits as well as the terminal benefits payable to the employees are charged to the Profit and Loss Account in the year of payment.

IX. Segment Reporting:-

The Bank operates solely in the Banking sector Industry including Investments, not liable to deferent risks and rewards. The revenues are generated from assets relating to one segment predominantly. Consequently, Bank has not recognised any Business segments or Geographical segments and no disclosure are being made accordingly.

X. Taxation:-

The Income Tax, if any applicable, is computed in accordance with relevant Tax provisions under the Income Tax Act, 1961 as applicable to Regional Rural Banks.

Sd/-

GENERAL MANAGER (ADMN&IT)

Sd/-

CHAIRMAN





BALANCE SHEET AS ON 31st MARCH 2016

(₹ in 000s)

CAPITAL & LIABILITIES	Schedule	As on 31-03-2016 (Current Year)	As on 31-03-2015 (Previous Year)
Share Capital	1	180723	40000
Share Capital Deposit	1A	Nil	140723
Reserves & Surplus	2	5355426	4663224
Deposits	3	58369532	48903262
Borrowings	4	15906990	12122479
Other Liabilities & Provisions	5	2024372	2651683
TOTAL		81837043	68521371
ASSETS			
Cash and Balance with RBI	6	2762529	2321445
Balance with Bank and Money at call and short notice	7	88292	74653
Investments	8	30020989	22416890
Advances*	9	45120170	41243050
Fixed Assets	10	270190	233279
Other Assets	11	3574873	2232054
TOTAL		81837043	68521371
Contingent Liabilities	12	1531907	748381
• Advances shown are net of Provisions made on Non-Performing advances & INCA.			

For **LAXMINIWAS & JAIN**
Chartered Accountants
F.R. No. 001859 S

Sd/-
(B. Ramesh Kumar)
Partner
M.No. 200304

For **TELANGANA GRAMEENA BANK**

Sd/-
GENERAL MANAGER (Admn. & IT)

Sd/-
CHAIRMAN

Sd/-
Sri M.A.Solomon Kavi Raj
Director

Sd/-
Sri U.S. Shevde
Director

Sd/-
Sri Rajesh Kumar Arya
Director

Sd/-
Sri Satish C Dhawan,
Director

Sd/-
Sri M. Vikram Reddy
Director




PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2016

(₹ in 000s)

PROFIT & LOSS ACCOUNT	Schedule	As on 31-03-2016 (Current Year)	As on 31-03-2015 (Previous Year)
I. Income			
Interest earned	13	6690375	6097412
Other income	14	574019	382057
Provision Written Back		0	200500
TOTAL		7264394	6679969
II. Expenditure			
Interest expended	15	4742186	3910924
Operating Expenditure	16	1497323	1096136
Provisions and contingencies		0	0
TOTAL		6239509	5007060
III. Profit & Loss			
Net profit / loss (-) for the year		1024885	1672909
Less:PROVISION FOR INCOME TAX		324378	517629
Less:Deferred Tax		8304	3626
PROFIT AFTER TAX		692203	1151654
Appropriation of Profit			
Statutory Reserves		173051	287913
Capital Reserves		0	0
Balance of Profit		519152	863741
TOTAL		692203	1151654

For **LAXMINIWAS & JAIN**
Chartered Accountants
F.R. No. 001859 S

Sd/-
(B. Ramesh Kumar)
Partner
M.No. 200304

Sd/-
Sri M.A.Solomon Kavi Raj
Director

Sd/-
Sri Satish C Dhawan,
Director

For **TELANGANA GRAMEENA BANK**

Sd/-
GENERAL MANAGER (Admn. & IT)

Sd/-
CHAIRMAN

Sd/-
Sri U.S. Shevde
Director

Sd/-
Sri Rajesh Kumar Arya
Director

Sd/-
Sri M. Vikram Reddy
Director





SCHEDULE - 1 - SHARE CAPITAL		(₹ in 000s)	
	Particulars	As on 31-03-2016	As on 31-03-2015
I	For other Banks:		
	Authorised Capital (500000 shares of ₹.100/- each) (2000000000 shares of Rs.10/- each w.e.f 31.03.2016)	20000000	50000
	Issued Capital (400000 shares of ₹.100/- each) (18072295 shares of ₹.10/- each w.e.f 31.03.2016)	180723	40000
	Subscribed Capital (400000 shares of Rs.100/- each) (18072295 shares of ₹.10/- each w.e.f 31.03.2016)	180723	40000
	Called up capital (400000 shares of Rs.100/- each) (18072295 shares of ₹.10/- each w.e.f 31.03.2016)	180723	40000
	Less: Calls unpaid	0	0
	Add : Forfeited shares	0	0
	TOTAL	180723	40000

SCHEDULE-1A - SHARE CAPITAL DEPOSIT		(₹ in 000s)	
	Particulars	As on 31-03-2016	As on 31-03-2015
	Share Capital Deposit from		
a.	Govt. of India	0	70362
b.	State Bank of Hyderabad	0	49254
c.	State Government	0	21107
	TOTAL	0	140723

SCHEDULE-2 - RESERVES & SURPLUS		(₹ in 000s)		
	Particulars	Opening Balance	Transfer during the year	Closing Balance
I	Statutory Reserves	1121250	173051	1294301
II	Capital Reserves	6018	0	6018
III	Share premium	0	0	0
IV	Revenue and other Reserves(Deferred Tax)	34644	0	34644
V	Balance in Profit & Loss Account	3501311	519152	4020463
	GRAND TOTAL	4663223	692203	5355426



SCHEDULE-3 - DEPOSITS		(₹ in 000s)	
	Particulars	As on 31-03-2016	As on 31-03-2015
A	Deposits in branches of India		
I	Demand Deposits		
	i. From Banks	0	0
	ii. From Others	723923	634306
II	Saving Bank Deposit	15643905	13719945
III	Term Deposits		
	i. From Banks		
	ii. From Others	42001704	34549011
	TOTAL of A	58369532	48903262
B	Deposits of Branches outside India	0	0
	TOTAL of A & B	58369532	48903262

SCHEDULE-4 - BORROWINGS		(₹ in 000s)	
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Borrowings in India		
	i. Reserve Bank of India	0	0
	ii. Other Banks (SBH)	671363	0
	iii. Other Institution (NABARD)	14304682	11737288
	iv. NHB	241945	385191
	v. Other Institutions and Agencies (MUDRA)	500000	0
	vi. Other Institutions (NSFDC)	189000	0
	TOTAL	15906990	12122479
II	Borrowings outside India	0	0
	TOTAL OF I & II	15906990	12122479

SCHEDULE-5 - OTHER LIABILITIES AND PROVISIONS		(₹ in 000s)	
	Particulars	As on 31-03-2016	As on 31-03-2015
1	Bills payable	0	0
2	Inter Office Adjustment (Net)	373801	673117
3	Interest Accrued	212442	39338
4	General Provision on Standard Advances	130764	128387
5	Provision on Bad & Doubtful debts of Rural branches	132381	238351
6	Others	1174984	1572490
	TOTAL	2024372	2651683





SCHEDULE-6 (₹ in 000s)			
CASH BALANCE & BALANCE WITH RESERVE BANK OF INDIA			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Cash in hand	493007	430939
II	Balance with Reserve Bank of India		
	i. In Current Accounts	2269522	1890506
	ii. In other Accounts	0	0
	TOTAL	2762529	2321445

SCHEDULE-7 (₹ in 000s)			
BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	In India:		
	i) Balance with Banks:		
	a. In current Accounts	88292	74653
	b. In other Dep. Accounts	0	0
	ii. Money at call and short notice		
	a. With Banks	0	0
	b. With others	0	0
	TOTAL of I	88292	74653
II	Out side India:		
	i. In current Accounts	0	0
	ii. In other Dep. Accounts	0	0
	iii. Money at call and short notice	0	0
	TOTAL of II	0	0
	GRAND TOTAL (I + II)	88292	74653





SCHEDULE-8 (₹ in 000s)			
INVESTMENTS			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Investments in India		
	i. Government Securities	12191176	9826449
	ii. Other approved securities	0	0
	iii. Shares	0	0
	iv. Debentures and Bonds	50000	60000
	Less: Provision		67
	v. Subsidiaries and other joint ventures	0	0
	vi. IVP / KVP /MF etc.	0	0
	vii. Mutual Funds	160000	0
	Less : Provision	0	0
	Net		
	viii. Term deposits with Banks	17619813	12530508
	TOTAL of I	30020989	22416890
II	Investments outside India	0	0
	Total Investments	0	0
	TOTAL Net of II	0	0
	GRAND TOTAL (I + II)	30020989	22416890





SCHEDULE-9				(₹ in 000s)
ADVANCES				
	Particulars	As on 31-03-2016	As on 31-03-2015	
A	i. Bills purchased and discounted	0	0	
	ii. Cash Credits, ODs and loans repayable on demand	21754879	20209094	
	iii. Term Loan	23365292	21033956	
	TOTAL	45120171	41243050	
B	i. Standard Assets	44548215	40735630	
	ii. Sub-standard Assets	342193	274005	
	iii. Doubtful Assets	229763	233415	
	iv. Loss Assets	0	0	
	TOTAL	45120171	41243050	
C	i. Secured by tangible assets	44913314	41018322	
	ii Covered by Bank / Govt. guarantee	0	0	
	iii. Unsecured	206857	224728	
	TOTAL	45120171	41243050	
D	Advances in India			
a)	i. Priority Sector	38360504	33149323	
	Less: Inter Bank Participation.	3000000	6000000	
	Total of (a)	35360504	27149323	
b)	ii. Public Sector	0	0	
	iii. Others	6759667	7093727	
	Add: Participating Certificate issued.	3000000	7000000	
	Total of (b)	9759667	14093727	
	TOTAL (a+b)	45120171	41243050	
E	Advances Outside India:			
	i. Due from Banks	0	0	
	ii. Due from others	0	0	
	a. Bills purchased	0	0	
	b. Syndicated loan	0	0	
	c. Others	0	0	
	TOTAL	0	0	
	Gross Advances	45602741	41625390	
	Less:INCA	68124	58142	
	Less:Provisions for B&D debts	414447	324198	
	GRAND TOTAL	45120170	41243050	



SCHEDULE-10 (₹ in 000s)			
FIXED ASSETS			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Land & Buildings		
	W.D.V. as on 01-04-2015	2960	1586
	i. Additions during the year	0	0
	ii. Less : Depreciation during year	57	(-)1374
	iii. Total Depreciation upto 31-03-2016	519	462
	WDV	2903	2960
II	Other Fixed Assets (incl. furniture & fixtures)		
	W.D.V. as on 01-04-2015	230319	169972
	i. Additions during the year	74726	124022
	Less:Deletions during the year	0	49536
	ii. Less : Depreciation during the year	37759	14139
	iii. Total Depreciation upto 31-03-2016	213886	176127
	WDV	267287	230319
	TOTAL WDV	270190	233279

SCHEDULE-11 (₹ in 000s)			
OTHER ASSETS			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Inter-Office Adjustments	0	0
II	Interest accrued	786122	386806
III	Tax paid in Advances / Tax deducted at source.	1313731	1144501
IV	Stationery & stamps	120	141
V	Non-Banking assets acquired in satisfaction of claims	0	0
VI	GOI Int. waiver Account (Int Recble from NABARD)	1273765	645124
VII	Miscellaneous Assets (Frauds, Cash stolen)	0	0
VIII	Others (suspense utility services etc.)	201135	55482
	TOTAL	3574873	2232054





SCHEDULE-12 (₹ in 000s)			
CONTINGENT LIABILITIES			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Claims against the Bank not acknowledged as debt	1360281	585536
II	Liabilities for party paid investments	0	0
III	Liabilities on account of outstanding forward exchange contracts	0	0
IV	Guarantee given on behalf of constituents	0	0
	a. In India	74333	67714
	b. Outside India	0	0
V	Advances under collection	94738	92620
VI	Other items for which the Bank is contingently liable	2555	2511
	TOTAL	1531907	748381

SCHEDULE-13 (₹ in 000s)			
INTEREST EARNED			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Interest on advances /discount on bills	4469519	4429849
II	Interest on Investments	843011	777185
III	Interest on Balance with RBI & Other Inter Bank funds	1252271	861752
IV	Others	125574	28626
	TOTAL	6690375	6097412

SCHEDULE-14 (₹ in 000s)			
OTHER INCOME			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Commission, exchange and brokerage.	565673	375462
II	Profit on sale of Investments Less: Loss on sale of Investments	0	1196
III	Profit on revaluation of investments	0	0
IV	Profit on sale of Land, Buildings and Other Assets Less: Loss on sale of land, buildings and other assets	0	0
V	Profit on exchange transactions Less: Loss on exchange transaction	0	0
VI	Income earned by way of dividends etc., from subsidiaries/companies and/or joint ventures abroad/India	0	0
VII	Miscellaneous	8346	5399
	TOTAL	574019	382057





SCHEDULE-15 (₹ in 000s)			
INTEREST EXPENDED			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Interest on deposits	3827414	3192319
II	Interest on Reserve Bank of India / Inter bank borrowings		
	a. SBH - REFINANCE	0	0
	b. NABARD - REFINANCE	883005	686942
	c. NHB - REFINANCE	17294	30988
	d. Others (on OD)	14473	675
	TOTAL	4742186	3910924

SCHEDULE-16 (₹ in 000s)			
OPERATING EXPENSES			
	Particulars	As on 31-03-2016	As on 31-03-2015
I	Payments to and provisions for employees and out of pocket expenses	1145987	814671
II	Rent, Taxes & Lighting	69085	60277
III	Printing & Stationery	11797	14456
IV	Advertisement & Publicity	394	938
V	Depreciation on Bank's property	37815	12766
VI	Director's fees, allowances and expenses	29	34
VII	Auditors fees and expenses (including branch auditors fee and expenses)	2228	3197
VIII	Law charges	440	591
IX	Postage, Telegrams, Telephones etc.	13541	4014
X	Repairs and maintenance	88326	60989
XI	Insurance	57816	47544
XII	Other expenditure	69865	76659
	TOTAL	1497323	1096136



**Schedule: 18****NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDING 31/03/2016:**

1. The Govt. of India vide its gazette No. SO.2718(E) dated 20th October, 2014 amending the notification of Government of India, Ministry of finance, department of financial services, No. SO.385(E) dated 24th March, 2006 changed the name of "Deccan Grameena Bank" as "Telangana Grameena Bank" covering the area of operation of the Bank in Adilabad, Karimnagar, Nizamabad, Rangareddy, Hyderabad, Warangal, Khammam, Nalgonda, Mahaboobnagar and Medak districts of Telangana in the state of Telangana. The Bank is operating in five districts only i.e., Adilabad, Karimnagar, Nizamabad, Rangareddy, Hyderabad in the state of Telangana as the transfer of business of remaining five districts from Andhra Pradesh Grameena Vikas Bank is under process.
2. The amounts in the Financial Statements have been rounded off to the nearest Rupees thousands (000's).
3. The outstanding entries relating to inter branch transactions and suspense, sundry deposit, clearing adjustment are in the process of reconciliation / adjustment. The management considers that the amounts involved are not of material and are not suspicious in nature and substance for considering provision.
4. Share Capital Deposit Account in previous year amounting to ₹14.07 crores represents the amount received in the earlier years from the share holders of the Bank, i.e. Central Government, State Government and Sponsored Bank namely viz., State Bank of Hyderabad in the ratio of

50:15:35 respectively towards "Equity Support".

Pursuant to the Regional Rural Banks (Amendment) Act, 2015 (passed by the Parliament and notified in the Gazette of India on 12.05.2015) and letter from NABARD (NB.IDD.RRCBD/1637/316 (GEN)/2015-16 dated 30.03.2016) for:

- a. Increasing the Authorized Capital of the Bank from existing 4,00,000 equity shares of ₹ 100/- each aggregating to ₹ 400,00,000/- to 200,00,00,000 Equity shares of ₹ 10/- each aggregating to ₹2000 Crores.
- b. Conversion of Share Capital Deposit of ₹ 14.07Crores into 1,40,72,295 Equity Shares of ₹ 10/- each aggregating to ₹14.07 Crores.

The said Share Capital Deposit has been converted into shares in the same ratio of the Share Capital Contribution ratio. This fresh issue of share capital has not altered the share holding percentage amongst the existing share holders of the Bank prior to the date of conversion and fresh issue.

5. All the Investments except in mutual funds have been classified under permanent category as per the directives of Reserve Bank of India and therefore valued at cost as per the Reserve Bank of India guidelines. The Bank is holding Government Securities are besides other approved securities and said Government securities are held under the category of Held to Maturity (HTM). Regional Rural Banks are exempted as per guidelines of RBI, from valuing at Market rate in respect of the said Government Securities and also Bank is exempted from maintenance of Investments Fluctuation Reserve in the accounts.





6. Stationery, except security forms and stamps, purchased during the year have been treated as consumed and charged to the expense account. However expenses in respect of security forms and stamps amounts are charged to the expense account based on their usage during the year.

7. Provisions towards NPAs and others:

a. As per the review and the assessment by the management of the Bank, there is an aggregate amount of ₹ 41.44 Crores (previous year ₹ 32.42 Crores) towards provision in respect of Non Performing Assets (NPAs) up to March 31st 2016 as computed in accordance with the guidelines of the Reserve Bank of India, issued from time to time.

b. The amount ₹ 13.08 Crores (₹ 12.84 Crores previous year) being the general provisions considered in the accounts for the year under the head "General Provision on Standard Advances" (refer item 4 of schedule 5).

8. Gratuity and employee benefits: The bank has covered gratuity with SBI life insurance "gratuity scheme policy" and leave encashment with "India first life insurance company Ltd Hyderabad". The liability on account of gratuity and leave encashment has been revalued by actuary and such revalued amounts have been provided for the disclosure as per Accounting Standard 15.

9. Taxation:

a) Current Year Tax:

Based on the tax computation for the year, an amount of ₹ 32.44 Crores (₹ 51.76

Crores previous year) has been provided in the accounts on estimated basis towards liability of Income Tax. The bank paid an amount of ₹ 40.79 Crores (₹ 52.10 Crores previous year) by way of Advance Tax in accordance with the provisions of the Income Tax Act, 1961.

b). Deferred Tax:

Deferred Tax Asset (Net of Liabilities) as on 31.03.2016 represents,

	(₹ in Lakhs)	
	DTA	DTL
Difference between Book value & depreciation		154.67
Others (provision on Standard assets)	452.55	
Net deferred tax assets	297.88	

10. Managerial Remuneration:

Remuneration paid to the Chairman of the Bank during the year ₹ 23.20 lakhs including arrears on account of Wage Revision from 01.11.2012 (previous year ₹ 16.50 lakhs)

11. An amount of ₹ 17.31Crore (₹ 28.79 crore previous year) being 25% of its Profit has been appropriated and transferred to Statutory Reserve account as per the NABARD guidelines.

12. In accordance with the RBI guidelines, Bank amortizes the premium paid in respect of Government Securities over the period of maturity and an amount of ₹ 1.49 crore (₹ 1.01 crore previous year) has been considered accordingly in the accounts for the year.





13. The State Government has allotted 20.00 Guntas land to the erstwhile Sri Rama Grameena Bank. Sri B.Venkatesham S/o Late Balraj R/o Nizamabad has filed suit against the allotment order of the District Collector Nizamabad in the Court of Senior Civil Judge, Nizamabad vide O.S.No. 131 of 1993 dated 09-08-1993 claiming his rights over the allotted property. The Hon'ble Senior Civil Judge, Nizamabad has dismissed the suit of the Plaintiff on 29-11-1999.

Aggrieved by the Judgment of Hon'ble Senior Civil Judge, Nizamabad, Sri B.Venkatesham has preferred an appeal in the IV-Additional District and Sessions Judge (Fast Track Court), Nizamabad vide A.S.No.14/2000. The Court has set aside the Decree and the Judgment in O.S.No.131 of 1993 on 21-06-2004.

Aggrieved by the Judgment and Decree passed by the Hon'ble Additional District and Sessions Judge Nizamabad in A.S. No. 14/2000 the Bank has filed an appeal in Hon'ble High Court of Judicature at Hyderabad vide S.A. No. 136 of 2004. Sri B.Venkatesham has filed a caveat in the Hon'ble High Court and the Case is pending in the Hon'ble High Court.

14. Department of Financial Services, Ministry of Finance, Government of India, vide their Order No. F.NO.8/1/2015/RRB, dated 31.07.2015, notified the revised pay scales to RRB staff in line with Xth bipartite wage revision. Accordingly, the Board of Directors of the Bank in their 59th meeting held on 10.08.2015 resolved to implement the same in the Bank. In pursuance of the said order, the Bank has revised the pay and allowances of the staff for the period commencing from 01.11.2012 onwards. This agreement resulted in additional employees costs of ₹ 16,42,58 thousands, excluding the provisions amounting to ₹ 3,83,42 thousands available as on 31.03.2015, for the current financial year. This agreement is effective for the period up to 31.10.2017.

15. Fraud Cases:

a.The Bank made full provisions in the accounts towards the loss incurred on account of theft/burglary / frauds / embezzlement etc. and the details are as under.

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
Provision at the beginning of the year	421.24	421.24
Less: Written off during the year	Nil	Nil
Add: Additional provision created during the year	44.20	Nil
Less: Provision reversed during the year	Nil	Nil
Provision as at the year end	465.44	421.24
Number of fraud/theft cases at the year end	26	21

b.Income Tax claims:

The Bank has filed appeals against the demand raised by the Assessing Officer for the assessment years 2011-12, 2012-13 and 2013-14 for ₹ 2062.47 lakh, ₹ 3792.89 lakh and ₹ 7747.45 lakh respectively with the Appellate Authority which are shown in Contingent Liability. The Management of Bank is hopeful of favorable decision in the appeal.





- c. In terms of RBI guidelines the Bank has transferred its unclaimed deposits amounting to Rs.0.44 Lakhs to Reserve Bank of India during the year towards Depositors Education and Awareness Fund (DEAF) scheme and details are hereunder.

(₹ in Lakhs)

	Current year	Previous year
Opening Balance of amounts transferred to DEAF	25.11	NIL
ADD: Amounts transferred to DEAF during the year	0.44	25.11
Less: Amount reimbursed by DEAF towards claims	NIL	NIL
Closing Balance of amounts transferred to DEAF	25.55	25.11

16. Additional Disclosures including Capital adequacy norms as required by NABARD/RBI are given by the bank in separate enclosures annexed to the accounts.
17. Capital Commitments : of ₹ 68.84 lakh as on 31.03.2016.
18. Leases:
The Bank has leased premises for its operations and the lease period varies from 3 to 5 years. As and when the period of lease is ended, suitable actions will be taken for renewals based on the mutual negotiations with the owners of premises.
19. Previous years' figures have been regrouped / rearranged wherever necessary to conform to the current year's figures.

For Laxminiwas & Jain
Chartered Accountants
F.R.No. 001859 S

Sd/-
(B Ramesh Kumar)
Partner
M.No.200304

For **TELANGANA GRAMEENA BANK**

Sd/-
General Manager (Admn & IT.)

Sd/-
CHAIRMAN

Place: Hyderabad
Date: 31 /05/2016





DISCLOSURES AS PER NABARD GUIDELINES

ANNEXURE TO NOTES FORMING PART OF THE ACCOUNTS (SCHEDULE – 18)

- Inter Branch Accounts :** - Inter Branch transactions and inter office accounts in respect of General Accounts and Draft accounts are being reconciled and reconciliation of outstanding entries in progress. Hence no provisions were considered in the financial statements as per the assessments of the management of the Bank.
- Share Capital Deposit Account :** During the year the Bank has converted the Share Capital Deposit of ₹ 14.07 Crores to Share Capital account in terms of NABARD guidelines.
- Salaries & Allowances paid to Chairman, General Manager(Admn & IT) and General Manager(Ops & Cr) deputed by Sponsor Bank were charged to Salaries & Allowances.

4. Disclosure Requirements

a. Capital :

Sr.	Particulars	Current Year	Previous year
i)	CRAR (%)	12.30	13.01
ii)	CRAR – Tier I capital (%)	11.66	11.99
iii)	CRAR – Tier II Capital (%)	0.64	1.02
iv)	Percentage of share holdings of the		
	a) Government of India	50	50
	b) State Government	15	15
	c) Sponsor Bank	35	35

b. Investments :

(₹ in Lakhs)

S.No.	Particulars	Current year	Previous Year
1	Value of investments		
i	Gross value of investments	300209.89	224169.57
ii	Provisions for Depreciation	0	0.67
iii	Net Value of investments	300209.89	224168.90
2	Movement of provisions held towards depreciation on investments		
i	Opening Balance	0.67	10.88
ii	Add : Provisions made during the year		0.00
iii	Less : Write off / write back of excess provisions / adjustments during the year.	0.67	10.21
iv	Closing Balance	0	0.67

c. Repo Transaction:

(₹ in Lakhs)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31 March 2016
Securities sold under Repos	NIL	NIL	NIL	NIL
Securities purchased under reverse repos	NIL	NIL	NIL	NIL




D. Non - SLR Investment portfolio

(₹ in Lakhs)

(i) Issuer composition of Non SLR investments

No.	Issuer	Amount	Extent of private placement	Extent of below investment grade securities	Extent of unrated securities	Extent of unlisted securities
1	2	3	4	5	6	7
i)	PSUs	1600.00	-	-	-	-
ii)	FIs		-	-	-	-
iii)	Banks	500.00	-	-	-	-
iv)	Private Corporate	-	-	-	-	-
v)	Others		-	-	-	-
vi)	Provisions held towards depreciation		xxx	xxx	xxx	xxx
	TOTAL	2100.00	-	-	-	-

(ii) Non – performing Non-SLR Investments

(₹ in Lakhs)

Particulars	Amount
Opening Balance	NIL
Additions during the year since 1st April 2015	NIL
Reductions during the financial year	NIL
Closing balance	NIL
Total provisions held	NIL

5. Asset Quality :

In tune with guidelines issued by Reserve Bank of India, the Assets of the bank have been classified as Performing and Non-performing Assets as on 31-03-2015 and the breakup of Nonperforming assets is furnished hereunder:

5.1 Non – Performing Asset

(₹ in Lakhs)

SR	Particulars	Current Year	Previous Year
I	Net NPA to Advances (%)	0.97	0.64
ii	Movement of NPAs		
(a)	Opening Balance	8891.39	10163.43
(b)	Additions during the year	6846.47	9836.52
(c)	Reductions during the year	5192.59	11108.56
(d)	Closing balance	10545.27	8891.39
iii	Movement of Net NPAs		
(a)	Opening balance	2684.48	1493.32
(b)	Additions during the year	4067.04	3629.62
(c)	Reduction during the year	2355.77	2438.46
(d)	Closing balance	4395.75	2684.48
iv.	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	3241.98	3582.64
(b)	Provisions made during the year	902.48	-
(c)	Write-off / write-back of excess provisions	-	340.66
(d)	Closing balance	4144.46	3241.98





5.2 Details of loan assets subject to Restructuring

(₹ in Lakhs)

Sr	Particulars	Current year	Previous year
I	Total amount of loan assets subject to restructuring, rescheduling, renegotiation	4781.54	6017.61
II	The amount of standard assets subjected to restructuring, rescheduling, and renegotiation.	3988.00	5851.17
III	The amount of Sub-standard assets subjected to restructuring, rescheduling, and renegotiation.	747.36	109.83
IV	The amount of Doubtful assets subjected to restructuring, rescheduling, and renegotiation.	46.18	56.61
	NOTE [(I) = (II) + (III) + (IV)]	4781.54	6017.61

5.3 Details of financial assets sold to Securitisation (SC) / Reconstruction Company (RC) for Assets Reconstruction.

Sr	Particulars	Current year	Previous year
I	No. of accounts	NIL	NIL
II	Aggregate value (net of provisions) of accounts sold to SC/ RC	NIL	NIL
III	Aggregate consideration realized in respect of accounts transferred in earlier years	NIL	NIL
IV	Additional consideration realized in respect of accounts transferred in earlier years.	NIL	NIL
V	Aggregate gain /loss over net book value.	NIL	NIL

5.4 Details of Non-performing financial assets purchased / sold .

A. Details of Non-performing financial assets purchased

(₹ in Lakhs)

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

B. Details of Non-performing financial assets Sold

(₹ in Lakhs)

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

5.5 Provisions on standard assets

(₹ in Lakhs)

Sr	Particulars	Current year	Previous year
1	Provisions towards standard assets	1307.64	1283.87



6. Business Ratio

(₹ in Lakhs)

Sr	Particulars	Current year	Previous year
i	Interest income as a percentage to working Funds	8.75	10.13
ii	Non-interest income as a percentage to working Funds	0.75	0.63
iii	Operating profit as a percentage to working funds	1.34	2.45
iv	Returns on Assets	0.91	1.91
v	Business (Deposits plus advances) per employee	716.06	658.87
vi	Profit per employee	7.06	8.38

7. Asset Liability Management-Maturity pattern of certain items of assets and liabilities (₹ in Lakhs)

Particulars	1-14 days	15-28 days	29days – 3months	Over 3 months and upto 6 months	Over 6 months and upto 1 yr	Over 1 yr and upto 3yrs	Over 3yrs and upto 5 yrs	Over 5 yrs	Total
Deposits	30884.07	7874.00	39036.58	48004.41	134482.22	268071.21	25863.59	29479.24	583695.32
Advances	15369.35	7195.72	23140.67	11358.69	187838.74	163293.11	23808.83	24022.30	456027.41
Investments	0.02	23700.00	4200.00	48449.34	106933.76	19986.95	37715.29	59224.53	300209.89
Borrowings	6713.63	0.00	2248.12	30614.42	21165.36	74253.20	24075.17	0.00	159069.90
Foreign currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

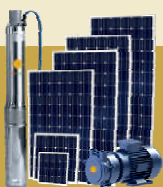
8. Exposure – Exposure to Real Estate sector

(₹ in Lakhs)

Sr	Category	Current year	Previous year
a	Direct Exposure		
(i)	Residential Mortgages Lending fully secured by mortgages on residential properties that is or will be occupied by the borrower or that is rented (individual housing loan upto ₹ 20 lakh may be shown separately)	4861.60 (31095.07)	5062.66 (31432.54)
(ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (Office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc) Exposure would also include Non-fund based (NFB) limits ;	NIL	90.02
(iii)	Investments in Mortgage Backed Securities (MBS) and other securities exposure		
	a. Residential	NIL	NIL
	b. Commercial Real Estate	NIL	NIL
b)	Indirect Exposure	NIL	NIL
	Fund-based and Non-fund based exposure on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	NIL	NIL

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

There are no sanctions over and above the prudential exposure norms applicable to single borrower and group borrowers during the year 2015-16. There are no outstanding over and above the prudential exposure norms applicable to single borrower and group borrower.





10. **Miscellaneous** – Amount of provisions made for Income Tax during the year

(₹ in Lakhs)

Particulars	Current year	Previous year
Provisions for income Tax	3243.78	5176.29

11. Disclosures of penalties imposed by RBI: No penalties imposed by the regulator i.e. Reserve Bank of India during the financial year.

12. Disclosure requirements as per accounting standards where the RBI has issued guidelines in respect of disclosure items for 'Notes to Accounts'

12.1 Accounting Standard 17 – Segment reporting: The Bank operates solely the banking sector Industry including investments, not liable to deferent risks and records. Hence the figures relates to that segment only.

13 Additional disclosures as per Accounting Standards applicable to the Bank :
Related party disclosure

a. Related parties where control/ significant influence exists or with whom transaction have taken place during the year.

Sponsor Bank their subsidiaries and Associates: State Bank of Hyderabad

Key Management Personnel

Shri.B.R.G.Upadhyay, Chairman

Shri.Ch.Surender Raju, General Manager (Admn & IT)

Shri.T.Yesupadam, General Manager (Ops & Cr)

Shri B.Upender, Chief Manager, Recovery

b. Particulars of related party accounts transactions:

The following is the summary of significant related party transactions.

(₹ in 000s)

	For the year ended 31st March 2016	For the year ended 31st March 2015
Refinance received from State Bank of Hyderabad (OD)	671363	Nil
Interest paid to SBH	14473	675
Investments made with:		
SBH-in the form of STDRs	3656404	5637797
Interest received from SBH	528864	319542
Contribution to gratuity fund with SBI Life Insurance Co LTD	-	-
Contribution to Group Leave Encashment Policy with SBI Life Insurance Co LTD	165000	-
Current account balance with SBH	88292	74653

c. Particulars managerial Remuneration:

(₹ in 000s)

	For the year ended 31st March 2016	For the year ended 31st March 2015
BRG.Upadhyay, Chairman	2320.05	1652.60
Shri.Ch.Surender Raju, General Manager(Admin & IT)	2097.84	1313.06
Shri.T.Yesupadam, General Manager(Ops & Cr)	2005.85	1271.87
B.Upender, Chief Manager (Recovery)	1883.24	1148.75




14 Additional Disclosures :
14.1 Provisions and Contingencies :

(₹ in 000s)

Sr	Particulars	Current year	Previous year
a	Opening balance in the floating provisions account	10052.09	11364.99
b	The quantum of floating provisions made in the accounting year	1314.50	1711.03
c	Amount of draw down made during the accounting year	3986.01	3023.93
d	Closing balance in the floating provisions account	7380.58	10052.09

14.2 Draw down from Reserve : The Bank has not drawn any amount from reserves.

14.3 Disclosure of Complaints :
A. Customer complains :

S.No	Particulars	Details
a	No. of complaints pending at the beginning of the year	-
b	No. of complaints received during the year	10
c	No. of complaints redressed during the year	5
d	No. of complaints pending at the end of the year	5

B. Award passed by the Banking Ombudsman :

S.No	Particulars	Details
A	No. of unimplemented awards at the beginning of the year	2
b	No. of Award passed by the Banking ombudsman during the year	11
c	No. of Awards implemented during the year	11
d	No. of unimplemented awards at the end of the year	2

15. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits	
(₹ in Crores)	
Total Deposits of Twenty largest depositors	219.83
Percentage of Deposit of Twenty largest Depositors to Total Deposits of the Bank	3.76

Concentration of Advances	
(₹ in Crores)	
Total Advances of Twenty largest borrowers	11.28
Percentage of Advances of Twenty largest borrowers to Total Advances of the Bank	0.24





Concentration of Exposures	
(₹ in Crores)	
Total Exposures of Twenty largest borrowers/Customers	11.28
Percentage of Exposures of Twenty largest borrowers/Customers to Total Exposure of the Bank on borrowers/Customers	0.24

Concentration of NPAs	
(₹ in Crores)	
Total Exposures of top four NPA accounts	1.22

I. Sector wise NPAs

(₹ in Crores)

Sl No.	Sector*	Current Year	Previous Year				
			Gross NPAs	Percentage of Gross NPAs to Total Advances in Sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	2953.49	55.96	1.89	2269.09	39.53	1.74
2	Advances to Industries sector eligible as priority sector lending	189.80	32.41	17.07	108.84	30.22	27.76
3	Services	424.16	11.15	2.63	363.76	8.01	2.20
4	Personal Loans						
	Sub-total (A)	3567.45	99.52	2.79	2741.69	77.76	2.83
B	Non-priority Sector						
1	Agriculture and allied activities						
2	Industry	300.00	0	0	700.00	0	0
3	Services	0			0		
4	Personal Loans	692.82	5.93	0.85	720.84	11.15	1.55
	Sub-total (B)	992.82	5.93	0.85	1420.84	11.15	1.55
	Total (A+B)	4560.27	105.45	2.31	4162.53	88.91	2.13



II. Movement of NPAs

Particulars	(Amount in Crores)
Gross NPAs as on 1 st April of particular year (Opening balance)	88.91
Additions (Fresh NPAs) during the year	68.46
Sub-total (A)	157.37
Less:	
i. Upgradations	13.48
ii. Recoveries (excluding recoveries made from upgraded accounts)	37.58
iii. Write-offs	0.86
Sub-total (B)	51.92
Gross NPAs as on 31 st March of following year (closing balance)(A-B)	105.45

For Telangana Grameena Bank

Sd/-
General Manager (Admn &IT)

For Telangana Grameena Bank

Sd/-
CHAIRMAN

For Laxminiwas & Jain
Chartered Accountants
F.R.No. 001859 S

Sd/-
(B Ramesh Kumar)
Partner
M.No.200304





TELANGANA GRAMEENA GRAMEENA BANK
HEAD OFFICE: HYDERABAD

CASH FLOW STATEMENT (AUDITED) OF THE BANK FOR THE YEAR ENDED 31st March, 2016
(₹. in 000's)

PARTICULARS		2015-16	2014-15
Cash Flows from Operating Activities:			
Net Profit after Tax		692203.00	1151654.00
Add:			
Depreciation debited to P&L		37814.00	12765.00
Provision for Income Tax		324378.00	517629.00
Deferred Tax Asset Adjustment		8304.00	3626.00
Provision for Rural Advances		-105970.00	-200500.00
Interest Paid on Amounts received from RBI, SBI, NABARD		914772.00	718605.00
Less:			
Income on Investments		-843011.00	-777185.00
Operating profit before working capital changes		1028490.00	1426594.00
Working Capital Changes:			
Increase / (Decrease) in Deposits		9466270.00	7348992.00
Increase / (Decrease) in Liabilities and Provisions		-854023.00	352411.00
(Increase) / Decrease in Advances		-3877120.00	-6360196.00
(Increase) / Decrease in Other Assets		-934939.00	-217689.00
Cash generated from Operations		3800188.00	1123518.00
Less: Income Tax Paid		-407880.00	-521000.00
Net cash from Operating Activities	A	4420798.00	2029112.00
Cash Flows from Investing Activities:			
Purchase of fixed assets		-74726.00	-74486.00
Purchase of Investments		-2514794.00	-1030198.00
Income from Investments		843011.00	777185.00
Net cash from Investing Activities	B	-1746509.00	-327499.00
Cash Flows from Financing Activities:			
Funds from SBI, NABARD, NHB		3784511.00	2475546.00
Interest paid to SBI, NABARD, NHB		-914772.00	-718605.00
Net cash from Financing Activities	C	2869739.00	1756941.00
Effect of Foreign Exchange Rate Changes			
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)		5544028.00	3458554.00
Add: Opening cash and cash equivalents			
i) Cash on hand		430939.00	499924.00
ii) Balances with Reserve Bank of India & Other banks		1965159.00	1717797.00
iii) Deposit Accounts		12530508.00	9250331.00
		20470634.00	14926606.00
Note:			
Closing Cash and Cash Equivalents			
i) Cash on hand		493007.00	430939.00
ii) Balances with Reserve Bank of India & other banks		2357814.00	1965159.00
iii) Deposit Accounts		17619813.00	12530508.00
Total		20470634.00	14926606.00

For LAXMINIWAS & JAIN

Chartered Accountants

F.R. No. 001859 S

Sd/-

B. RAMESH KUMAR

PARTNER (M.No. 200304)

For Telangana Grameena Bank

Sd/-

GENERAL MANAGER (ADMN & IT)

Sd/-

CHAIRMAN





PERFORMANCE OF THE BANK AT A GLANCE

(₹ in 000s)

S.No	PARTICULARS	2015-16	2014-15	2013-14
A.	KEY PERFORMANCE INDICATORS:			
1	No.of Districts covered	5	5	5
2	No.of Branches	363	330	300
a)	Rural	257	228	209
b)	Semi-Urban	63	61	52
c)	Urban	30	28	26
d)	Metropolitan	13	13	13
3	Total Staff(Excluding Sponsor Bank Staff)	1452	1374	1144
	Of, which officers	876	792	688
4	DEPOSITS	58369532	48903262	41554270
	Growth %	19.36	17.69	20.63
5	Borrowings outstanding	15906990	12122479	9646933
	Growth %	31.22	25.66	8.65
6	GROSS LOANS & ADVANCES OUTSTANDING	45602741	41625390	35311015
	Growth %	9.55	17.88	27.23
	Of 6 above, loans to priority sector	38601599	33330824	28158136
	Of 6 above, loans to Non-priority sector	7001142	8294566	7152879
	of 6 above,loans to SC/ST	18177253	13298998	12358261
	Of 6 above,loans to SF/MF/AL	28939499	22331652	18709330
	Of above,loans to Minorities	4984379	2949943	2824747
7	C.D.RATIO %	78.13	85.12	85.00
8	Investments outstanding	30020989	22416890	18106515
	SLR Investments outstanding	12191176	9826449	8687272
	NON-SLR Investment Outstanding(including TDRS with SBH)	17829813	12590441	9419243
B.	AVERAGES:			
9	Average Deposits	50873926	42122454	35154142
	Growth %	20.78	19.82	17.70
10	Average Borrowings	14906280	9565605	9110758
	Growth %	55.83	4.99	15.77
11	Average Gross Loans & Advances	41727184	35692719	30921719
	Growth %	16.91	15.43	20.83





	12	Average Investments	25926422	18220155	14890699
		Growth %	42.30	22.36	12.68
		Average SLR Investments	10931672	9165420	7828208
		as % to average Deposits	19.27	21.76	22.27
		Average Non-SLR Investments	14994749	9054735	7062491
		as % to average Deposits	65.60	21.50	20.09
	13	Average Working Funds	76450717	60167713	52873055
C		LOANS ISSUED DURING THE YEAR :			
	14	LOANS ISSUED DURING THE YEAR :	33355123	30578055	24054895
		Growth %	9.08	27.11	15.12
		Of 14 above, loans to priority sector	25738032	23431902	18479915
		Of 14 above, loans to Non-priority sector	7617091	7146153	5574980
		Of 14 above, loans to SC/ST	12885084	7263922	4525890
		Of 14 above, loans to SF/MF/AL	15640217	14855826	9862507
		Of 14 above, loans to Minorities	3562328	847648	312713
D.		PRODUCTIVITY			
	15	Per Branch	286425	274329	256218
		Per Staff	71616	65887	67190
		Per Employee Profit(Gross)	706	1218	843
E.		RECOVERY PERFORMANCE:			
	16	TOTAL			
		Demand	24798064	20041510	19227298
		Recovery	22214168	15329905	14211307
		Over dues	2583896	4711605	5015991
		Recovery %(June Position)	89.58	76.49	73.91
	17	Farm Sector			
		Demand	21134471	16790280	15856330
		Recovery	19139250	12581318	11770723
		Overdues	1995221	4208962	4085607
		Recovery %(June Position)	90.56	74.93	74.25
	18	Non-Farm Sector			
		Demand	3663593	3251230	3370968
		Recovery	3074918	2748587	2440584
		Overdues	588675	502643	930384
		Recovery %(June Position)	83.93	84.54	72.40
F		ASSET CLASSIFICATION:			
	19	a)Standard	44548215	40736251	34294672
		b)Sub-Standard	414358	330378	276347
		c)Doubtful	611197	516476	727621
		d)Loss	28972	42285	12374
		Total	45602742	41625390	35311014
	20	Standard Assets as % to Gross Loans & Advances outstanding	97.69	97.86	97.12



G		PROFITABILITY ANALYSIS			
	21	Interest paid on			
	a)	Deposits	3827414	3192319	2639252
	b)	Borrowings	914772	718605	707158
	22	Salary & Allowances	1145987	814671	643727
	23	Other Operating expenses	351336	281465	279918
	24	Provisions made during the year			
	a)	Against NPAs	0.00	0.00	20854
	b)	Other Provisions	400531	79964	205961
	25	Interest received on			
	a)	Loans & Advances	4595093	4458475	3660613
	b)	SLR Investments/Approved Securities/Non-SLR/Money at Call/TDRs with SBH	2095282	1638937	1341517
	26	Miscellaneous Income	574019	382057	352252
	27	Loss/Profit	1024885	1672909	964083
H.		OTHER INFORMATION			
	28	Share Capital Deposit received	0.00	140723	140723
	29	DI&CGC			
	a)	Claims settled cumulative	0.00	0	0
	b)	Claims received but pending adjustment	0.00	0	0
	c)	Claims pending with corporation	0.00	0	0
	30	Cumulative Provision	565075	468629	475017
	a)	Against NPAs	414447	324198	358264
		Against Standard Assets	130764	128387	100709
	b)	Against Intangible Assets, Frauds etc.	19864	16044	16044
	31	Interest Derecognized			
	a)	During the year	(-) 9982	11755	16448
	b)	Cumulative	68124	58142	69897
	32	Loans written off during the year			
	a)	No. of Accounts	265	268	3530
	b)	Amount	5742	5889	32174
	33	Reserves & Surplus			
	a)	Reserves	1334963	1161912	873999
	b)	Balance in P & L	4020463	3501311	2637571

