



V. K. Niranjan & Co.

Chartered accountants

INDEPENDENT AUDITORS REPORT

To,

The Members,

**Sri Guru Raghavendra Sahakara Bank Niyamitha
Bengaluru.**

1. We have audited the accompanying financial statements of **Sri Guru Raghavendra Sahakara Bank Niyamitha**, Bengaluru (henceforth referred as Bank or Management) as at 31 March 2022 which comprise the Balance Sheet as at 31 March 2022 and the Profit and Loss Account for the year then ended, The returns of one branch audited by us are incorporated in these financial statements.

Management's Responsibility for the Financial Statements

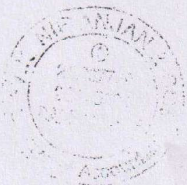
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Bank in accordance with the Banking Regulation Act 1949 (as applicable to co-operative societies), the guidelines issued by the Reserve Bank of India and the guidelines issued under section 63(1) of the Karnataka Co-operative Societies Act, 1959 (as applicable) and generally accepted accounting principles in India so far as applicable to the Bank. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Bank's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Bank, as well as evaluating the overall presentation of the financial statements.

5. We conducted our audit in accordance with Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's



Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion. Relevant information pertaining to financial impact are reported in this Independent Audit Report and all other administrative related issues are provided in the main LFAR report with annexures which forms part of this report.

- a) As part of an audit in accordance with Standard on Auditing (SAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.



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Part A- Events occurred till Previous audit 2020-21

1) Serious irregularities observed by RBI- The Reserve Bank of India (RBI) had conducted inspection of the Bank during the year 2019-2020 for the position as on 31-03-2019 and also during the year 2022-23 for the position as on 31-03-2021. Major observations of the audit report are as under and these have great impact on the financial statements of the Bank.

- a) The bank had not formulated a robust and transparent Credit Policy and the procedures to be followed with regard to the sanctioning of the loans and adequate appraisal of documentation.
- b) Credit appraisal in the bank was not considered satisfactory as the entire loan portfolio was being treated as fraud and classified as 'loss asset' by the bank. The bank has sanctioned loans without ensuring adequate security. The Bank has disbursed several loans without adhering to the standard banking practices.
- c) The bank had not adhered to the instructions relating to IRAC norms as the identification of the NPAs was not system driven.
- d) The bank did not have a system of analyzing the financial documents submitted by the borrowers, as part of the post sanction requirements.
- e) On examination of few loan files, following deficiencies were observed –
 - f) The bank had not taken business proof in some cases.
 - g) The bank has not assessed the repayment capacity of the borrower as it did not obtain proper documents in support of the repayment capacity of the borrower.
 - h) The bank has not obtained Income Tax Returns while sanctioning fresh loans.
 - i) The bank had not taken latest balance sheet/ Profit and loss accounts on a regular basis from the borrower or at the time of sanction/renewing the loans.
 - j) The bank has not obtained insurance policy of the secured property.
 - k) Bank had not obtained latest ECs and Tax Paid receipts.
 - l) The bank did not have proper site inspection reports at the time of sanctioning of loans and due diligence certificates by officials of the bank.
- m) The bank had not ensured the end use of funds. Records of post sanction visits not available.



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- n) Bank has not maintained register of securities for the loans disbursed.
- o) The bank did not have a system to register the security interest of the immovable/movable asset which were mortgaged to the bank on the CERSAI portal.
- p) Sanction of loans against deposits without security of deposits. Evergreening of loans through fake loans and deposits.

2) Action taken by RBI based on the its report—

- a) **Significant changes in the Board of the Bank May-2020** - The Bank was managed by Board of Directors from 01.04.2019 to 16.05.2020. On 17.05.2020 the Board of Directors was superseded and Administrator was appointed due to large scale irregularities and fraud detected during RBI inspection. There was no proper functioning of committees, monitoring and record of the meetings violating the law and byelaws of the Bank. The CEO was divested of the charge based on the advice of RBI including some key personnel due to their involvement.
- b) **All Inclusive Directions by RBI** based on its report dt 06-01-2020 and are effective from 10-01-2020. As per this, bank is not allowed to do regular banking transactions except recovery of loans, renewal of deposits, allowing with drawls up to Rs.1,00,000/ per deposit holder and pay the administrative expenses as per the limits and conditions set out in the order.

3) Re-audit by Director of Co-operative Audit under Section 63

- a) The State Government has ordered the Director of Co-operative Audit to conduct the re-audit of the Bank under the Section 63(13) for the period 2014-15 to 2018-19. The Auditor has provided with the Audit reports communicated vide letter 02/2019-20/3683 date 09 March 2022 for the year 2014-15 to 2018-19 conducted by the Director of Co-operative Audit (DCA). Based on the report, The Director of Co-operative Audit Department, Govt. of Karnataka vide reference no.2/2019-20/1447 dated 18th August, 2022 has issued the order based on the revised Re-audit report dated 29-07-2022, to incorporate the revised re-audited numbers in the subsequent financial statements. The revised re-audit had revised the amount of loss from Rs.3057.52 crore to Rs.1294.38 crores and provision from Rs.2574.14 crores to Rs.811.00 crores. The Bank has given effect to the above order in their books of account during financial year 2020-21 and the same is continued.
- b) Based on the above-mentioned revised re-audit report, the Bank has made additional provision of loss amounting to Rs.483.38 crores during the year 2020-21, which is credited to the separate head "Prior period loss -Re-audit" under Reserve Fund in the books of the Bank. Based upon the information and explanation provided to us, there is no item wise break up for such



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amount, we are unable to form an opinion on such amount recorded under reserve fund.

- c) Based on the Re-audit report, the bank has also made 100% provisions for frauds in Cash, Deposits, Pay order, bank accounts, interbranch and investments and also 100% of loans and advances on account of fake credit/debit entries. For the year 2021-22, 100% provision as stated above is continued. These issues have been detailed under relative schedules/comments to the Balance Sheet.



Part B- Our observations for the period under Audit-2021-22

The observations with respect to loans and advances sanctioned till 09-01-2020 are reported below as checked on sample basis, No fresh advances sanctioned/disbursed during the year 2021-22 except recovery of advances and renewal of deposits and settlement of DICGC claims-

- a) **Loans and advances**-Based on our review of loan & advances and the explanations offered by management, in the absence of verifiable documents, and to the best of our information and knowledge, we observe that all the observations are applicable for loans and advances prior to 31-03-2020 as the Bank is not allowed to sanction fresh advances and enhancements for the existing loans from 10-01-2020 as per Section 35A of BR Act;
- i) The Bank has not formulated and introduced a robust and transparent Credit appraisal policy of the bank with respect to the procedures/instructions to be followed with regards to loan application, preparation of proposals for grant/renewal of advances, enhancement of limits etc. including adequate appraisal documentation.
 - ii) The Bank has not formulated and introduced a robust and transparent policy providing guidelines for the delegation of authority to sanction or limit fixed for sanctioning of loans and advances.
 - iii) The Bank has not formulated and introduced a robust and transparent policy providing guidelines for periodic review of advances including periodic balance confirmation and acknowledgment of debts.
 - iv) The Bank has not formulated and introduced a robust and transparent policy providing guidelines relating to its policy for renewal / reconstruction/ precaution and follow-up.
 - v) We have verified some of the documents of existing loan accounts sanctioned prior to 10-01-2020 and observed that there is no proper assessment of loans, sanction copy available without signature of sanctioning authority, no details of security mentioned in the sanction and documents were not properly filled up, legal opinion not obtained, security not created, financial statements not obtained and evergreening of loans through fake entries.
 - vi) Based on the Xerox/photocopies of documents related to few cases of sanction of loans and advances, in our opinion the Bank has not complied with the following:
 - vii) Documents deficiency for the credit facilities released by the bank without proper execution of loan application, KYC documents,



- sanction letter, loan agreement, original title deeds of the property, mortgage deed, legal opinion and valuation report etc.
- viii) Instances of where stock/book debt statements and other periodic operational data and financial statements, etc. from the borrowers not obtained.
- ix) There are cases of overdrawn amounts beyond the sanctioned limits.
- x) Our observations/deviations in respect of our verification of those documents are covered in our LFAR.
- xi) In the previous year ended 31 March 2021, the Bank has treated the entire loan portfolio as fraud and classified the same as loss assets vide management letter No: SGRSBN/RBI INSP/OR-255/2019-2020 dated 4 November 2019 addressed to RBI, Bangalore. Further, while the Management has, pending the final outcome of the investigation being conducted by Office of CID Bangalore, made 100% provision on its loans & advances for the year 2020-21 and the same is continued for the year 2021-22 amounting to Rs.1,402.90 crores as on 31 March 2022. The Bank has not recognized the interest income on such loans and advances except to the extent of realized interest amounting to Rs. 3.5 Crores.
- xii) During the year, there were net movements in loans and advances amounting to Rs.5.15 Crores.
- xiii) Further the Loan recovered from the Parties, have been debited to their respective Savings bank account maintained in the Bank and the same is verified based on the sample basis. As per the Directions under Section 35A of the Banking Regulations Act, 1949 (As applicable to the Co-operative Societies) the Bank is allowed to set off the loan against deposits based on the terms and conditions of the loan agreements with the borrower.
- xiv) Further as per the information and explanations provided to us, the provision has been reversed to the extent of movement during the year.

b) **Deposits-** All the observations are applicable for Deposits prior to 31-03-2020 as the Bank is not allowed to accept fresh deposits from 10-01-2020 as per Section 35A of BR Act;



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- i) During the year 2021-22, there is a movement of Rs. 601.16 Crores in the deposit account as compared to the previous year. . As per the information and explanation provided to us, the Bank has paid certain depositors based on the withdrawal approval under Section 35A amounting to Rs. 100,000 in case of normal withdrawal and Rs, 500,000 in case of medical emergency and also DICGC claims.
- ii) The interest on the Deposit amounting to Rs. 127.15 Crores is debited to the Profit and Loss account.
- c) **Cash**--As we were appointed the Auditors of the Bank vide appointment letter No. SGR/SR/H-116//2678/2022-23 dated 4th February, 2023, we could not physically verify the cash balance as on 31 March 2022 and other inventories as on that date and hence do not express our opinion on the correctness and completeness of the same. However, we have verified cash balance on 16-02-2023 after the date of our appointment as Statutory Auditors of the Bank. Physical Cash balance Rs.20,35,397/ is tallied with the system on the date of verification
- d) Investments-**
Based on our verification and the information provided by the Management, the Bank has not formulated a robust and transparent investment policy. Investments in Central and State Government Securities and fixed deposits with the Banks-Rs.411.30 crores as on 31-03-2022 were confirmed with balance certificates.
- e) **Non- Maintenance of** - Fixed Asset Register, non-obtention of latest valuation reports, security register and latest ECs not obtained.
- f) **Bank has made payment of DICGC claims for 21918 claims for Rs.706.04 crore** as on 31-03-2022. Payment made till 29-05-23 -22234 claims of Rs,712.35 crore. Still some applications about 451 claims Rs.10.64 crore are pending for various reasons. The DICGC got vetted through Gopal Rao & Co, Chartered Accountants duly appointed by it.

Balancing of accounts-

- g) **TDS Suspense-** Unreconciled amount of Rs.69,69,151/-(Credit) was held in TDS Suspense Account as on 31-03-2022. This amount was Transferred from TDS Account as unreconciled portion pertaining to the period prior to 31-03-2019.
- h) **IMPS-**There was also an unreconciled credit balance in IMPS account-Rs.24,39,141/- and is carried from last year (2020-21).



- i) **Suspense others**- The un-reconciled amount outstanding as on 31-03-2022 Rs.2,56,891/.
- j) **Savings (debit balances)** – Outstanding as per GL as on 31-03-2022- Rs.40,18,530.38 but as per Schedule- Rs.39,09,662/. Difference (-) Rs.1,08,868.14.
- k) **Current account (Debit balances)** – As per GL as on 31-03-2022 Rs.1,76,59,686.80 but as per Schedule Rs.2,39,71,169.70. Difference (+)Rs,63,11,482.90.
- l) **Savings Bank Account-(Credit balances)**- As per GL as on 31-03-2022- Rs.558.04 Crore but as per Schedule Rs.563.04 Crore. Difference Rs. (-) 5.79 Crore
- m) **Current account (Credit balance)**- As per GL as on 31-03-2022 Rs.19.84 Crore but as per Schedule Rs.21.66 Crore. Difference- Rs.1.82 Crore
- n) **Kalpatharu Deposit**- As per GL as on 31-03-2022 Rs. 462.07 Crore but as per Schedule Rs.462.27. Difference Rs. (+) 0.20 Crore
 Note- For the SB accounts ,Current accounts and Kalpatharu deposit accounts- , During the year 2020-21, the difference arose due to transfer of deposit figures (as per Re-audit) to fraud in deposits at GL level without effecting changes at account level.

Premises, Furniture's and Fixtures

- o) With respect to Furniture and Fixtures and others, the bank has not provided the Fixed Assets register for our verification. Hence, we are unable to verify and comment on the correctness of fixed asset balances disclosed in the financial statements.
- p) The Bank has sold branch some of the fixed movable assets during the year 2021-22. In the absence of the written down value of Fixed assets sold, the profit/loss was not arrived by the bank with respect to the sale of assets. The sale consideration amounting to Rs.0.069 crores is credited to Other Income for the year ended 31 March 2022.

Immovable properties-

- q) Bank's immovable Property no Property No. 15, Subbamma Chetty Road, Basavanagudi, Bangalore-560004-,As informed by the Bank, the certified copy of the title deeds and encumbrance certificate upto May 2021 relating to premises has been made available for our verification, since the original title deeds are not in the possession of the Bank. The property documents are said to be in the court as the subject property was also under a prior mortgage in favor of Bank of India (BOI) JC road Bengaluru, which has been satisfied in terms



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of settlement approved by Hon'ble Debt Recovery Tribunal (DRT) Settlement order O.A.No.328/2012.

r) Bank's immovable Property no Property No 50, Subbaramachetty road, Nettekallappa circle, Basavanagudi, Bangalore-560044-- As per letter No SBRSBA/KJA/124/2020 dated 21st July 2020, the original documents of Property: are under the custody of CID office for their verification duly acknowledged by them. Hence, the original documents are not made available for our verification.

s) **Other Assets**

Revenue Stamps and Non-Judicial stamp papers- The bank has provided closing details of non-judicial stamps / hypothecation agreements Rs.18,265/ as on 31-03-2022 and we verified physical stock and the same is tallied with book of accounts.

During the year 2021-22, printing and stationery purchased Rs.0.01 crore and the entire amount is charged to Profit and loss account. Bank has not maintained closing stock details as as to take it to Balance sheet under current assets. In the absence of closing stock details, we are unable to comment on the closing stock of this nominal amount.

t) **Share Capital**

There are no movement of members during the year 2021-22, except for reclassification and rectification entries recorded. No change in share capital.

u) **Contingent liabilities -**

The Bank has identified legal cases which are ongoing in various Courts in Bangalore as at 31 March 2022 and not acknowledged as debt. (As per Annexure -24)



PART-C Qualified Opinion

In our opinion and to the best of our knowledge and according to the information and explanations given to us, except for the effect of the matter described in the **Qualified Opinion** section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Bank as at 31.03.2022 and loss for the year ended on that date.

Details of Qualified Auditor's Qualified opinion on the Financial Statements

Sl. No.	Subject	Details of Qualification
1	"Prior Period Loss- Re-Audit-Rs.483.38 Crore "provision made in the books of accounts for the year 2020-21 and the same is continued for 2021-22	<p>The Director of Cooperative Audit Department, Govt. of Karnataka vide reference no. 2/2019-20/1447 dated 18 August 2022 has issued the order based on the revised Re-Audit report dated 29-07-2022, to incorporate the revised re-audited numbers in the subsequent financials' statements.</p> <p>Based on the above-mentioned revised re-audit report, the Bank has made additional provision of Loss amounting to Rs. 483.38 crores, which is credited to the separate head "Prior period loss-Reaudit" under Reserve Fund in the books of the Bank for the year 2020-21 and the same is continued for the year under audit.</p> <p>Remarks-Bank has not furnished break-up for the said amount as the Re-Audit report also does not contain the details and in the absence of the same, we are unable to comment on this.</p>
2	Non- Maintenance of Security Register and deposit of title deeds register	<p>Security register and also Equitable Mortgage register are not available for verification. In the absence completeness of the documents and registers, we are unable to comment on the availability of security documents -i.e. immovable property title deeds. It is observed that Bank does not hold list of securities taken by CID. However, CID authorities addressed a letter to the Bank on 21-10-2022 giving details of securities for 115 properties returned back to the bank. In the absence of list of properties taken by them, we are unable comment on the number of properties still retained by them.</p>



Sl. No.	Subject	Details of Qualification
3	Non- Maintenance of Fixed Asset Register	<p>Bank has not maintained Fixed Asset Register for the assets purchased prior to 31-03-2020, with the details- nature of asset, date of purchase, cost of the asset and location of the asset.</p> <p>In the absence of this register, bank has not arrived capital gain or loss on the sale of fixed assets and entire amount of sale was taken to P&L.</p> <p>- Assets sold during the year 2021-22-</p> <p>a) sale of furniture- Rs.84,324/ b) Sale of locker and- Rs.2,00,378/ strong room door c) Sale of electrical items-Rs.4,12,748/</p> <p>We are unable to verify the existing fixed movable assets in the absence of fixed asset register.</p>
4	Time barred debts	<p>As per law of limitation, if debt acknowledgement is not obtained within 6 years from the date of cause of action as per section 70-A of KCS Act,1959 and in case of mortgage loans, it is 12 years from the date of cause of action, documents get expired.</p> <p>Bank informed that due to evergreen entries in the loan accounts upto 2019 to avoid NPA, they could not go for obtention of AODs unless they arrive correct loan outstanding. Now they started arriving correct loan balances account wise (without taking cognizance of evergreen entries).</p> <p>Few examples of such cases where there are long overdue and no debt acknowledgement.</p> <p>a) Mortgage loan: with respect to 148 loan accounts sectioned up to the year 2010, with outstanding Rs.8.15 crores and in these cases overdue instalments ranges from 22 to 180 months. Out of these 148 accounts, in 12 accounts amounting to Rs.0.39 crores, the maturity date expired.</p> <p>b) Overdraft loan: with respect to 438 OD accounts with outstanding Rs.284.47 crores sanctioned till 2019. Bank could not produce debt acknowledgements for these accounts.</p> <p>c) Demand loan: There are 38 demand loan</p>



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Sl. No.	Subject	Details of Qualification
		<p>accounts sanctioned from 2012 to 2019 with outstanding Rs.0.33 crores where Bank could not produce debt acknowledgements for these accounts.</p> <p>d) Vehicle Loan: There are 7 loan account with outstanding Rs.0.23 crores where the maturity date of the loans expired in various years till 2021.</p> <p>e) Secured business loan: there are 5 accounts with outstanding Rs.0.90 crores where overdue monthly instalment more than 24 months.</p> <p>However, Registrar is having powers to condone delay on justified grounds.. Bank shall identify such cases to obtain debt acknowledgement or seek extension from RCS for recovery of the amount.</p>
5	Submission of SLR and CRR returns and other returns in correctly.	<p>Our observation on submission of various returns:</p> <ol style="list-style-type: none"> 1. Form-1 statement of compliance with CRR & SLR <ol style="list-style-type: none"> a) While filling the form, the Bank has treated matured term deposit as time liability instead of demand liabilities. b) Under item III of the format assets in India with the Banking system. Under the sub item iii) Bank has wrongly put its advances portfolio though there were no advances to Banks. 2. OSS-5 statement or segment /sector-wise advances. <p>Total advances furnished does not tally with the balance sheet figure on the date of return. Example: return as on 25-03-2022.</p> <p>The advances figure mentioned is Rs. 3142195.82(in thousands) but as per balance sheet Rs.14030282.05 (in thousands).</p> <p>Hence, we are unable to comment on the SLR and CRR limits maintained by the Bank during the year.</p> <p>Though the Bank is placed under Section 35A for non-maintenance of CRR/SLR but correct figures shall be furnished hence forth.</p>



Sl. No.	Subject	Details of Qualification
6	Non-filing of TDS and GST Returns- for the years 2019-20 and 2020-21	<p>1. Filing of TDS Annual return- Bank is yet to file TDS Annual return for the year 2019-20 and 2020-21. Bank informed that they could not file them online as there was abnormal delay in finalization of accounts. Now system does not permit to file it online. Bank has approached Principal Commissioner of Income Tax for condonation of delay vide letter dt-03-06-2023 and reply is awaited.</p> <p>2. Filing of GST Returns- Though the bank is filing monthly -GSTR1 and GSTR-3B but the Annual returns 9 and 9C are yet to be filed online for the accounting years -2019-20,2020-21, though accounts were audited. Bank informed that they could not file them online as there was abnormal delay in finalization of accounts. Now system does not permit to file it online. Bank may approach concerned Tax Authorities for condonation of delay and file.</p>
7	Non- obtention of latest valuation reports and insurance coverage.	<p>1) As observed that Bank does not have system of obtention of valuation reports for the properties mortgaged with us.</p> <p>2) Bank has also not obtained/renewed insurance policies of the securities mortgaged. In the absence of Insurance register, we are unable to comment on the insurance policies expired/ not obtained.</p> <p>In view of restrictions by RBI regarding the expenditure, Bank may seek approval and then incur.</p>



Sl. No.	Subject	Details of Qualification
8	<p>The bank had no exposure norm policy in place and improper documentation – our observations on sample check of existing loan accounts-</p>	<p>On sample verification of applications, loan appraisal, and documentation for the outstanding loans/ advances as on 31-03-2022 for the loans sanctioned upto 09-01-2020 (after that RBI imposed All Inclusive Directions under Section 35A). We observed that major portion of the applications were left blank, instances no documentation had been obtained for several loans, no risk analysis, no risk policy, no review renewals. No assessment of repayment capacities of borrowers, the Bank also holding several property documents without creating mortgage. Facilities have been allowed on expired limits.</p> <p>Mortgages had been created on properties without obtaining legal opinion, without certification of clear titles. No prior inspection of properties before mortgage creation. For several loans, where there are mortgages valuation reports had not been obtained.</p> <p>No end use of fund had been ensured, duplicate keys for vehicle loans, stamp receipts from the vendors of equipment or for vehicle had not been obtained.</p> <p>There was no system of monitoring loans & advances, unit visits or obtention of monthly stock statements for business loans or calculation of drawing powers.</p> <p>RBI has severely commented in its reports for the year ending March-2019 and as well 2021.</p> <p>Note- No loans sanctioned during audit period 2021-22 on account of imposition of All Inclusive directions by RBI under section 35A.</p>
9	<p>Exceptional reports/changes in parameters – like interest rate, manual entries for interest.</p>	<p>Bank does not have system of generation of exception reports for the parameter changes during the year 2021-22 such as interest rate changes, manual entries made for interest on deposits, changes in the account codes etc., This is due to software limitations.</p>
10	<p>Fake entries/evergreen entries till 2019-20</p>	<p>As per the reports of RBI, major irregularities were committed by the ex-employees./Ex-directors-, there said to be numerous fake entries since many years, the balance outstanding against each loan account may not show true picture unless the fake entries are reversed. Hence, we cannot comment on the accuracy of the outstanding figures of the loans on account of fake</p>



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Sl. No.	Subject	Details of Qualification
		entries since many years. Now Bank is working out the notional outstanding amount with genuine transactions.
11	Rating	Bank has been categorised as "D" during the year 2021-22 as per rating sheet enclosed.



Part D- Steps taken by the bank for recovery of advances and action taken for reporting of frauds to CID and ED

1. Disciplinary action-The personnel including Management who had caused the fraud were identified and removed/dismissed from the services of the Bank. Employees. The Bank has issued charge sheet based on the proceedings of the Administrator and the Disciplinary Authority vide reference SGRSBN/OR/1326/2020-21 dated 15th March 2021 on the CEO (under suspension) of the Bank. Subsequently as per proceedings of the Administrator and Disciplinary Authority (appointed under Sec 30 of Karnataka Co-operative Societies Act,1959) vide Bank's letter no-SGRSBN/OR/1072/2021-22 dated 16-08-2021, CEO- Sri Santhosh Kumar (under suspension) is dismissed from the services of the Bank. Employees (18) were dismissed from the services after completion of disciplinary proceedings for various irregularities committed by them. The bank lodged a complaint with Superintendent of Police vide letter SGRSBN/OR/718/2020-21 dated 18th January 2021 and SGRSBN/OR/1466/2020-21 dated 30th March 2021 to the Office of CID Bangalore as against these employees. However, the final outcome of the investigation is awaited.
2. Accessibility to system has been regulated. For normal operational activity at the branch level maker and checker concept has been introduced. Charges to expenses head is only after the approval by the administrator/RBI.
3. At the Head office, transactions are being put through the system under maker checker concept after approval of Administrator.
4. Bank has reduced interest rates for the deposits renewed.
5. **Lodging of complaints with CID, Police against employees and related persons**
 - A) **Cash fraud- The Bank has identified the fraud withdrawal of cash in bank to the extent of Rs. 58.38 crores, and Bank has lodged a complaint with Superintendent of Police, Office of CID Bangalore vide various letters -**
 - i) Letter no. SGRSBN /OR/718/2020-21 dated 18/01/2021 for fraud of Rs. 48.80crores
 - ii) Letter no.SGR/PK/518/2022-23 dated 15-06-2022 for fraud of
against Rs 1.79 crore
 - iii) Letter no.SGRSBN/OR/1339/2021-22 dated 06-09-2021
against Rs. 7.79 crore

Superintend of Police, CID vide its letter 4/CRM/H&B/CID/2020 dated 24-05-2022 informed the arrest of officers -Santhosh Kumar A, Kulkarni S, Prashanth H.R etc., and it is said that matter is under investigation and case is yet to be filed in the Court by the Police department.



Bank has made 100% provision fraud in cash –Rs.58.38 crore.

Dismissal of Staff- Bank has issued Public Notice duly informing the customers of the bank and General Public vide Notice -SGR/SR/427/2022-23 Dt-04-06-2022 about dismissal of staff from the services of the Bank consequent to their arrest in FIR No-37/2020 of Basavanagudi Police Station under Section 212,406,409, 420 120(B). Date of dismissal with effect from the date of arrest-ranging from 27-01-2021 to 22-04-2021. Mr.Santhish kumar A (CEO) (2) Mr.Prashanth HR-Asst. Manager (3) Mr.Shirang Kulkarni (Senior Asst.) (4) Mr.Gururaja P- Junior Asst. (5) Mr.Pavan D- Senior Asst. (6) Mr.Rakesh D -Senior Asst. (7) Mr.Ravi Kumar Aithal P.S.- Junior Asst. (8) Mr.Gopinath L Hegde -Junior Asst (9) Mr.Rajeeva AG – Junior Asst. (10) Mr.Sripad -Junior Asst.

Bank has further dismissed 9 staff members (Manager, Sr.Assistant, Junior Asst. Sub-staff, Driver) from the services of the Bank after completion of Disciplinary proceedings for various irregularities committed by them.

B) Fraud in Bank Investments

For the Financial Year 2020-21, as per Audited Balance sheet as on 31-03-2021, the difference of investment figures between the books of Banks (Banks as per Bank's confirmations) and Sri Guru Raghavendra Sahakara Bank Niyamitha was transferred to Fraud in Investments to the extent of Rs.244.69 Crore.

Broad Details of the same are as under-

- 1) Fraud in Term Deposits with SBI-----Rs.93.71 Crore
- 2) Fraud in Term Deposits with Federal Bank---- Rs.50.00 Crore
- 3) Fraud in Term Deposits with Canara Bank----- Rs.85.87 Crore
- 4) Fraud in Term Deposits with City Union Bank- Rs.30.00 Crore
- 5) Fraud in Term Deposits with Apex Bank----- Rs.12.01 Crore

Total Fraud in Term Deposits-----Rs.244.69 Crore.

Audit observations-

- 1) Bank has not furnished break up details for the above like – date of fraudulent transaction, amount of transaction, who authorized the transaction and who is the beneficiary at first level.
- 2) Since, we could not get the details as above, we cannot comment on the recovery action report.



C) Other Frauds-- Bank has made various complaints to CID for further investigation through various letters during the period from April-22 to March-23-

- i) **Against borrowers and Associates- 839 accounts for -Rs.2510 Crore**
For non-recovery of major loan accounts- with upto date interest.
- ii) **Against Ex-Directors, Executives and Staff- for Rs.1880 Crore**
For multiple loans on the same security, purchase Of property using bank funds, misappropriation Of bank funds through RTGS, NEFT, without Providing funds for the remittance, granting lonas Against fake deposits.

Details of various complaints are listed in the annexure -9 enclosed.

Major loan portfolio constituting 97% of total advances consists of – for the position as on 31-03-2022

Sl. No.	Loan heads	No. of Accounts	Amount (Rs. In crore)
1	Mortgage loans-	1280	662.61
2	Overdraft	438	284.47
3	Advance against deposits-	1374	419.05
	Total	3092	1,366.13

Bank has started working on issuing notices duly arriving the balances by not taking fake/ever green entries and adding interest (of course in shadow ledger/sheet)

Recall Notices issued- during the period-

- i) 15-01-2021 to 23-12-2021 - 151 accounts
Notice issued for repayment without mentioning amount.
- ii) 24-12-22021 to 31-05-2023-- 450 accounts Rs.594.73 Crore
- iii) Accounts where suit is filed-- 30 a/cs-----Rs.156.97 crore
Since April-23 to May-23.
Prior to April-23 no suits filed



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Bank has adjusted loans against deposits (genuine) and remaining amount Rs.413 crore is said to be fake loans against deposits.

c) Arriving correct balances by notionally removing fake/evergreen entries -

While issuing notices as stated above, Bank is arriving correct balances **notionally along with interest by eliminating fake/evergreen entries**. It is said that they have started looking such fake entries from the date of opening of the account. Because of fake/evergreen entries in the loan accounts, the outstanding balance as per books is different from that of Notice. For example-

- i) M.P Shivashankar** availed loan on 13-12-2012 and outstanding balance as per books – Rs.44 lakhs (Principle outstanding Rs.32 lakhs plus notional interest as per system Rs.12 lakhs) but after notional elimination of fake/evergreen entries-the amount outstanding is Rs.183.58 lakhs. Notice is issued to him vide SGR/SK/2503/LN-40/2022-23 dt 20-01-2023.
- ii) Ramesh V** has availed loan of Rs.10 lakhs on 27-02-2009. The outstanding balance as per books Rs.4.70 lakhs (Principal Rs.2.98 lakhs plus interest-Rs.1.72 lakhs) up to preceding month of the notice but after notional elimination of fake/evergreen entries-the amount outstanding is Rs.122 lakhs. Recall notice was issued on 08-02-2023.

Bank has to completely check remaining loan accounts of Mortgage loans and overdraft accounts-1268 accounts. Bank has to chalk out plan to verify the said balance accounts and issue notices besides other loans- such as Secured loans housing, vehicle loans, Demand loans, secured business loans.

Bank may in consultation with RBI devise plan of action to complete the exercise of issuing notices for genuine loan account duly arriving actual balance to be recovered.

d) Suit filed accounts- Bank has started filing suits after issue of Recall notice and SARFAESI notice – 30 accounts -Rs.156.97 Crore. Bank is advised to complete this exercise with necessary infrastructure of human resource. **(Details as per Annexure-11 enclosed)**

e) Expression of Interest- Bank has sent to RBI and RCS on 19-01-2022. Bank is yet to receive approval. In the meanwhile, Bank has sent revival proposal received from Fintech Company on 09-04-2023.

f) Appointment of Forensic Auditor- Bank has appointed Forensic Auditor- Ken & Co, Chartered Accountants, Bangalore vide letter -SGRSBN-Audit/418/2019-20 dt 20-02-2020 for the audit for 10 years.



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Forensic Auditor has submitted reports for the years- i) Report for the period 2009-10 was submitted on 22-06-2021 ii) Report for the period 2010-11 was submitted on 17-01-2022 (iii) Report for the period 2011-12 was submitted on 13-03-2023. They have furnished list of suspected accounts and it does not contain full investigation.

6) Enquiry under Section 64 and order under Section 68 of KCS Act,1959.

As per ref no.RCS/UBC-7/29/ Enquiry/2019-20 dated 27 February 2020, enquiry under Section 64 of Karnataka Co-operative Societies Act, 1959 has been ordered and report received on 16-08-2022 and order issued under section 68 of KCS Act, by Registrar of co-operative Societies, Bengaluru. The compliance has been submitted to Registrar of co-operative Societies, Bengaluru, and last such compliance submitted vide letter No.SGR/SR/H-105/77/2023-24 dated.12-04-2023.ANNEXURE - 17 & 18.

Joint Director, Co-operative Audit has advised the statutory auditors to take consideration of the Enquiry report vide letter no-JDBLR Dist/Gururaghavendra Bank/Audit/2019-20 /102 Dt 09-05-2023 to the auditors (VK Niranjn& Co, Chartered Accountants), to incorporate Auditors' comments on the enquiry report and replies of the society.

Brief details of the enquiry, Bank replies with our comments are as under.

S,no	Direction by Joint Registrar under Section 68	Reply by Bank	Comments by Auditor
1	To take civil/ criminal proceedings against President, Vice-President, Board of Directors, CEO and other employees for the mis-appropriation of bank funds of Rs.149.33 crores. Besides to take necessary action against related persons under section 69 and 70 of KCS Act, 1959 and to take possession of their movable and	Bank has informed to the Joint Registrar that they have contacted the advocate for filing case against Board of Directors, staff under Section 64 of KCS Act for mis-use of money, cheating, violation of by-laws and RBI guidelines but they could not file cases in the absence of information relating	1) Bank has filed various complaints to Superintendent of Police, CID (List of cases are listed in the Annexure-9) against, staff/ Directors, CEO for Rs.1937.77 crores vide various letters during the period from 18-01-2021 to 14-02-2023. For example -Against Mr.Santhosh Kumar A- Ex-CEO- vide complaint no-SGR/PK/27/2022-23 Dt-08-04-2022 for purchase of property in the name of Sudheer Babu- T and Mr.Chetan Kumar using bank funds and involved in fraudulent transactions in his name and



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	immovable properties.	to present addresses but case is registered under Section 70.	<p>family members' name by opening fake deposits using bank funds siphoning of bank funds through fraudulent account opened in the name through Cash and NEFT/RTGS for Rs.946.65 Crore. It is said to be under investigation by CID officials. Cash misappropriation of Rs149.33 crores is not separately tracked by the Bank. The matter is under investigation by CID.</p> <p>2) As observed, there is no complaints lodged with CID against President and Vice-president for various frauds in the Bank.</p> <p>3) We are unable to comment on the compliance of this, unless bank has linked this misappropriation to the complaints made with CID.</p>
2	To take civil/ criminal action against President, Vice-President, Board of Directors, CEO and other employees for the loans of Rs.1544.44 Crores relating to 2876 without files/documents.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
3	To take civil/ criminal action against President, Vice-President, Board of Directors, CEO and other employees for release of the loans without sanction of the	Same reply as mentioned against point number-1	Same as mentioned vide point number-1



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	same.		
4	To take action against President, Vice-President, Board of Directors for violating RBI Guidelines while sanctioning the loans to Directors.	Forensic audit report pertaining to 2011-12 submitted to CID on 27-03-23 and for the year 2012 -13 to till date the said report not received.	Same as mentioned vide point number-1
5	To take civil/criminal action against President, Directors, CEO and staff for creation of loan accounts in violation of Banking Regulation Act.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
6	To take civil/criminal action against President, Vice-President, Directors, CEO and staff involved in loan sanctions duly violating the By-laws and recovery of the same.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
7	To take civil and criminal action against the 24 major beneficiaries for recovery of loans Rs.892.85 crores under section 70 and 103 of KCS Act. To get forensic audit of these 24 main beneficiaries.	Bank has replied to the Registrar of Co-operative societies that advocate informed about defective documents of 24 major beneficiaries and no possibility of taking action.	Bank has filed complaints against major 22 borrowers (out of 24) with linked accounts more than 900 accounts- for Rs.2762 crore including up to date interest with CID on various dates during the period from 13-04-2022 to 13-04-2023 (list enclosed in Annexre-9 enclosed- list is also published in the bank's website for public and customers). Bank is said to be in the process of completing the complaints in respect of balance 2 major



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			beneficiaries.
8	To take criminal action against President, Vice-President, Directors, CEO and staff after completion of audit.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
9	To take Civil and criminal action against President, Vice-President, Directors, CEO and staff under section 69 & 70 for sanction of loan against deposits without any underlying deposit. Further, to take action against their personal properties.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
10	To take civil and criminal action against Staff and Directors for changing deposit ownership account codes.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
11	To take civil and criminal action against Staff and Directors for sanction of excess loans against deposits.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
12	To take civil and criminal action against President, Vice-President, CEO and Staff for sanction of loans without documents.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1



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13	To take civil and criminal action against President, Vice-President, Directors, CEO and Staff for violation of IRAC norms.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
14	To take action against Vasudev Maiya for misuse of money by creation of fake deposits and its renewal.	Complied with.	No action against Manuru Vasudev Maiya as he is said to have expired 06-07-2020.
15	To register criminal case with ICAI, New Delhi against the concurrent auditor for submission of defective audit report.	Complied with.	1)Bank has complained to ICAI, New-Delhi under copy to ED and CID against Statutory Auditor- VV Gurumurthy, VVG Associates for 2018-19 vide letter SGR/SJ/344/2022-23 Dated 21-05-2022. 2)Bank has complained to ICAI, New-Delhi under copy to ED and CID against Statutory Auditor- VV Gurumurthy, VVG Associates for 2018-19 vide letter SGR/SJ/344/2022-23 Dated 21-05-2022.
16	To register criminal case against Auditors of respective years with ICAI, New-Delhi for disqualification of their membership for improper verification of bank loans, deposits, documents, asset classification, NPA and Income recognition,	Complied with.	Same as mentioned vide point number-15.



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	suppression of facts.		
17	To take civil / criminal action against staff for fraudulent transactions in NEFT/RTGS, Clearing.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
18	Mis-appropriation of cash, cheating and other frauds. No direction in this regard.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
19	To take civil and criminal action under section 69 and 70 of KCS Act against President, Vice-President, CEO, Directors and Staff for misappropriation of bank funds besides recovering the amount by seizing their movable and immovable properties.	Same reply as mentioned against point number-1	Same as mentioned vide point number-1
20	To take civil/ criminal proceedings against President, Vice-President, Board of Directors, CEO and other employees under section 69 and 70 of KCS Act for violation of rules -14AK(2), 14AK(3) and 14AK(96) while sanctioning and disbursement of loans without ensuring repaying capacity of the borrowers and mis-use of funds.	Complied with	Same as mentioned vide point number-1



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6. Going Concern-

Due to imposition of All Inclusive Directions by RBI under Section 35A of BR Act with effect from 10-01-2020, since then no fresh loans sanctioned and no deposits accepted except recovery of loans and renewal of deposits.

Due to substantial losses incurred before 31-03-2020 and 31-03-2021, the entire net worth of the Bank has been eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Bank's ability to continue as a going concern.

7. Appointment of Administrator –

The Government of Karnataka through Registrar of Co-operative Societies, vide letter no. RCS/UBC- 7/29/enquiry/2019-20, dated 10th November 2020, appointed Sri. Ashokan R, in place of Sri A.C. Diwakara on direction of Hon'ble High Court of Karnataka and holding charges during the period of audit 01-04-2021 to 31-03-2022.

8. Financial Statements signature:

As per Bye law 99 'Balance Sheet and Other Financial Statements' – the balance sheet, Profit & Loss account and other financial statements shall be signed by the President, at least two Directors and the Chief Executive.

The Bank was managed by Board of Directors from 01 April 2019 to 16 May 2020. On 17 May 2020, the Board of Directors was superseded, and Administrator was appointed due to large scale irregularities and fraud detected during RBI inspection. There was no proper functioning of committees, monitoring and record of the meetings violating the law and bye laws of the Bank. The CEO was divested of the charge based on the advice of RBI including some key personnel due to their involvement.

Hence, the financial statements for the year ended 31 March 2022 will be signed only by the Administrator of the Bank appointed under Section 30 and vested with powers of the Board under Section 30(3) of KCS Act,1959.

9. Suggestions—

- a) To speed up issue of recall notices with respect to balance loan accounts on top priority relating to Mortgage loans, Overdraft, Secured loans constituting 97% of the loan portfolio. Bank may plan with necessary human resource infrastructure so as to arrive correct notional outstanding (by taking genuine transactions only).
- b) To issue SARFAESI notices, taking possession (either symbolic or physical) and go for sale of the same.

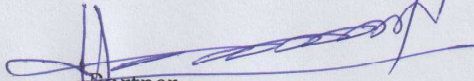


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- c) To balance loan /deposit accounts with its sub ledger.
- d) To reconcile TDS suspense, IMPS, Suspense others.
- e) To file RBI returns with accuracy.
- f) To follow-up with CID authorities to speed up investigation.
- g) To maintain security register for immovable properties.
- h) Ensure physical visits to the borrowers for recovery.
- i) To file income tax return online for the financial year 2019-20 (AY-2020-21). Due to delay in finalization of accounts, Bank could not file IT Return online. Bank has submitted IT return manually. Bank has written letter no-SGR/SR/H-117/654/2023-24 dt-03-06-2023 for condonation of delay in filing the return for the AY-2020-21. Bank may continue to pursue with the authorities for condonation of delay and to file IT return on line and claim refund of Income Tax Rs.8 Crore.

To implement some of the suggestions, Bank needs infrastructure of human resources for recovery and filing of suits and follow-up etc., software modifications for re-calculation of loan dues excluding evergreen entries (at present it is being done manually which takes time)

For V. K. Niranjan & Co,
Chartered Accountants
Firm Registration No: 002468S


Partner

Membership No: 022875
UDIN: 23022875BHBCKN1478

Place: Bengaluru
Date: 10-08-2023

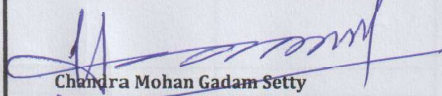


Annexure - XV
(Paragraph - 8.33)
Sri Guru Raghavendra Co-operative Bank Niyamita
Balance Sheet of as on 31st March 2022

Capital and Liabilities	Schedule	As on 31.03.2022	As on 31.03.2021
		Rs.	Rs.
Capital	1	749,549,600	749,549,600
Reserve and Surplus	2	5,849,488,242	5,855,410,316
Principal/Subsidiary State	3		-
DEPOSITS	4	10,204,469,400	24,215,980,311
Partnership Fund Deposits			-
Borrowings	5		-
Other Liabilities & Provisions	6	25,277,509,665	18,156,644,734
TOTAL		50,081,016,995	48,977,584,961
ASSETS			
Cash & Balances with Reserve Bank of India, State Bank of India, State Co-op. Bank & Central Co-op. Bank	7	18,136,793	57,904,371
Balances with Banks and Money At Call & Short Notice	8	188,554,119	114,768,648
Investments	9	4,112,967,804	3,867,690,774
Investments out of the Principal/ Subsidiary State Partnership Fund	10		-
Advances	11	14,028,958,719	14,080,472,141
Fixed Assets	12	222,745,163	223,067,647
Furniture and Fixture fixed asset	12	27,409,028	30,558,271
Other Assets/Loss	13	31,482,245,369	30,603,123,109
TOTAL		50,081,016,995	48,977,584,961
Contingent Liabilities and Bills for Collection			

Notes to Accounts forms part of this Financial Statements

As per our report of even date
For V.K Niranjan & CO
Chartered Accountants
Firm Registration Number : 002468S




Chandra Mohan Gadam Setty
Partner
Membership Number - 022875
UDIN - : 23022875BHBCKN1478

Place : Bengaluru
Date : 10th August,2023

For and on behalf of the
Sri Guru Raghavendra Sahakara Bank Niyamitha

R Ashokan
Administrator



Ashokan. R
General Manager (Retd.)
Canara Bank (erstwhile Syndicate Bank)
Administrator
Sri Guru Raghavendra Sahakara Bank (N)
Basavanagudi, Bangalore - 560 004.



		Schedule 1	
		Capital	
		As on 31.03.2022	As on 31.03.2021
I	Authorised Capital		
	(a) <u>10800000</u> Shares of Rs. <u>100.00</u> each	1,080,000,000	1,080,000,000
II	Subscribed Capital		
	(a) 7495496, shares of Rs.100.00 each	749,549,600	749,549,600
	Amount called up		
	(a) On <u>7495496</u> shares at Rs. <u>100.00</u> per share	749,549,600	749,549,600
	<i>Less: Calls Unpaid</i>		
	(b) On _____ shares at Rs. _____ per share	-	-
	<i>Less: Calls Unpaid</i>		
IV	Of (3i) above, held by :-		
	(a) Individuals	749,549,600	749,549,600
	(b) Co-operative institutions	-	-
	(c) State Government	-	-
	Total	-	-
		Schedule 2	
		Reserves and Surplus	
		As on 31.03.2022	As on 31.03.2021
I	Statutory Reserve		
	(a) Opening Balance	543,991,172	543,991,172
	(b) Additions during the year	-	-
	(c) Deductions during the year	-	-
	TOTAL	543,991,172	543,991,172
II	Agricultural (Credit Stabilization) Fund		
	(a) Opening Balance	-	-
	(b) Additions during the year	-	-
	(c) Deductions during the year	-	-
	TOTAL	-	-
III	Building Fund		
	(a) Opening Balance	328,784,570	328,784,570
	(b) Additions during the year	-	-
	(c) Deductions during the year	-	-
	TOTAL	328,784,570	328,784,570



IV	Dividend Equalization Fund			
	(a) Opening Balance	*	20,324,082	20,324,082
	(b) Additions during the year		-	-
	(c) Deductions during the year		-	-
	TOTAL	*	20,324,082	20,324,082



V Other Funds and Reserves (to be specified)		
FEDERATION FUND		
Opening Balance	*	5,000
ADDED during the year	*	-
TOTAL	*	5,000
MEMBERS DEATH RELIEF		
Opening Balance	*	12,218,274
Deduction during the year	*	-
TOTAL	*	12,218,274
SPL. RESERVE FUND (HOUSING)		
Opening Balance	*	34,789,598
Add/Deduction during the year	*	-
TOTAL	*	34,789,598
INV. FLUCTUATION FUNDS		
Opening Balance	*	30,435,360
Add/Deduction during the year	*	-
TOTAL	*	30,435,360
STAFF SUP. ANUATION RESERVE		
Opening Balance	*	7,214,977
Deduction during the year	*	110,695
Addition during the year.		
Note: During the year 2021-2022 provision was reversed on account of dismissal of 19 staff and also reduction of salaries.		
TOTAL	*	6,903,984
		7,104,282
BAD AND DOUBTFUL DEBT		
Opening Balance	*	-
Deduction during the year	*	-0.3
TOTAL	*	0.3
PROV. FOR SUB STD AND DOUBT FULL		
Opening Balance	*	-
Add/Deduction during the year	*	-
TOTAL	*	-
STAFF GRATUITY FUND		
Opening Balance	*	7,237,907
Addition during the year.	*	
		213,303
Deduction during the year	*	5,811,379
		7,024,604
Note: During the year 2021-2022 provision was reversed on account of dismissal of 19 staff and also reduction of salaries.		
TOTAL	*	1,426,528
		7,237,907
STAFF WELFAIR FUND		
Opening Balance	*	19,531,213
Addition during the year	*	-
TOTAL	*	19,531,213
JUBILEE FUND		
Opening Balance	*	4,601,584
Add/Deduction during the year	*	-



TOTAL	*	4,601,584	4,601,584
MEMBERS WELFARE FUND			
Opening Balance	*	7,155,936	7,155,936
ADD/Deduction during the year	*	-	-
TOTAL	*	7,155,936	7,155,936
CHARITY FUND			
Opening Balance	*	5,301,584	5,301,584
ADD/Deduction during the year	*	-	-
TOTAL	*	5,301,584	5,301,584
RESERVES AND SURPLUS			
(a) PRIOR PERIOD LOSS-REAUDIT	*	-	-
(b) Additions during the year	*	4,833,819,060	4,833,819,060
(c) Deductions during the year	*	-	-
TOTAL	*	4,833,819,060	4,833,819,060
GRAND TOTAL		5,849,488,242	5,855,410,316



		Schedule 3 Principal/Subsidiary State Partnership Fund	
		As on 31.03.2022	As on 31.03.2021
(a) Opening Balance		-	-
(b) Additions during the year		-	-
(c) Deductions during the year		-	-
TOTAL		-	-
For share capital of			
(a) Central Co-op. Banks		-	-
(b) Primary Agricultural Credit Societies		-	-
(c) Other Societies		-	-
(d) Deductions during the year		-	-
Total		-	-
		SCHEDULE 4 Deposits	
		As on 31.03.2022	As on 31.03.2021
I Demand Deposits (Current and Matured Deposits)			
(i) From Individuals #		2,115,525,111	1,726,165,031
(ii) From Central Co-Op Banks			-
(iii) From other Societies		1,492,290,625	2,444,330,868
II Savings Bank Deposits			
(i) From Individuals #		5,051,246,326	4,765,403,958
(ii) From Central Co-Op Banks			-
(iii) From other Societies		593,455,101	449,533,310
III Term Deposits @			
(i) From Individuals #		7,103,755,964	14,287,659,957
(ii) From Central Co-Op Banks			-
(iii) From other Societies		1,848,196,361	542,887,187
Total (I,II,III)		18,204,469,488	24,215,980,311
Including reserve fund deposits of Societies , employees provident fund deposit, staff security deposits, recurring deposits, cash certificates, etc.			
# Individual include deposits from institutions other than co-operative banks and societies.			
		Schedule 5 Borrowings	
		As on 31.03.2022	As on 31.03.2021
I From the Reserve Bank of India and the State & Central Co-operative Banks :		NIL	NIL



Co-operative Banks :			
(a) Short-term loans, cash credits and overdrafts		NIL	NIL
of which secured against: (i) Government and other			
(i) Government and other Approved Securities		NIL	NIL
(ii) Other tangible securities		NIL	NIL
(b) Medium term loans		NIL	NIL
of which secured against :			
(i) Government and other		NIL	NIL
Approved Securities			
(ii) Other tangible securities		NIL	NIL
(c) Long-term loans		NIL	NIL
of which secured against			
(i) Government and other		NIL	NIL
Approved Securities			
(ii) Other tangible securities		NIL	NIL



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II	From the State Bank of India		
	(a) Short-term loans, cash credits and overdrafts: of which secured against : (i) Government and other Approved Securities	NIL	NIL
	(ii) Other tangible securities	NIL	NIL
	(b) Medium Term Loans of which secured against (i) Government and other Approved Securities	NIL	NIL
	(ii) Other tangible securities	NIL	NIL
	(c) Long Term Loans of which secured against (i) Government & other Approved Securities	NIL	NIL
	(ii) Other tangible securities	NIL	NIL
III	From the State Government		
	(a) Short term loans of which secured against (i) Government & other Approved Securities	NIL	NIL
	(ii) Other tangible securities	NIL	NIL
	(b) Medium term loans of which secured against (i) Government & other Approved Securities	NIL	NIL
	(ii) Other tangible securities	NIL	NIL
	(c) Long Term loans of which secured against (i) Government and other Approved Securities	NIL	NIL
	(ii) Other tangible securities	NIL	NIL
IV	IV. Loans from other sources (source and security to be specified)		
	Total (I, II, III and IV)	NIL	NIL

Notes : 1. Short term loans will be for periods upto 15 months, medium term loans from 15 months to 5 years and long term loans over 5 years

2. Other tangible security includes borrowings against gold and gold ornaments, repledge of goods, mortgage of land, etc.

		Schedule 6	
		Other Liabilities and Provisions	
		As on 31.03.2022	As on 31.03.2021
I	Bills payable (net)	-	-
II	Inter-office adjustments (net)		
III	Interest accrued	9,534,970.00	11,424,279
iv	Unclaimed Dividends	837,861.00	837,861
v	Other Liabilities	7,242,026,236.00	60,754,752
vi	Provision for Fraud -		
	Provision for fraud in bank account	459,847,141.00	453,819,614
	Provision for fraud in investments	2,446,886,915.00	2,446,886,915
	Provision for Loan and advances	14,028,958,719.00	14,080,472,141
	Provision for fraud in Pay Order	103,452,681.00	103,452,681
	Provision for fraud in Pay Order Account -Re-Audit	250,932,397.00	250,932,397

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Provision -Recoveries to be made from Staff/MGMT- Re-Audit	5,589,169.00	5,589,169
Provision for fraud in Deposits	131,261,670.00	131,261,670
Provision for fraud in Inter Branch Accounts	11,845,129.00	26,105,815
Provision for fraud in IMPS	2,439,141.00	2,439,141
Prov for fraudulent cash withdrawals	583,897,636.00	582,668,300
Total (I, II, III, IV, V and VI)	25,277,509,665	18,156,644,735



		Schedule 7	
Cash and Balances with Reserve Bank of India, State Bank of India, State Co-op. Bank and Central Co-op. Bank and Central Co-op. Bank			
		As on 31.03.2022	As on 31.03.2021
I	Cash in Hand	1,478,973	1,819,024
	Cash in ATM		-
II	Balances with Reserve Bank of India		
	(a) In Current Account	11,200,000	51,100,000
	(b) In other Accounts		-
III	Balances with State Bank of India		
	(a) In Current Account	3,857,109	1,988,226
	(b) In other Accounts		-
IV	Balances with State and Central Co-operative banks		
	(a) In Current Account	1,600,711	2,997,121
	(b) In other Accounts		-
Total (I, II, III and IV)		18,136,793.00	57,904,371
		Schedule 8	
Balances with Banks & Money at Call & Short Notice			
		As on 31.03.2022	As on 31.03.2021
I	Balance with other Banks		
	a) Current deposits	154,728,822	83,226,678
	(b) Savings bank deposits (AU Small Bank)	33,825,297	31,541,970
	(c) Fixed deposits Co-Operative Banks	-	-
II	Money at Call and Short Notice		
	(a) With banks	-	-
	(b) With other institutions	-	-
Total (I and II)		188,554,119	114,768,648
		Schedule 9	
Investments			
		As on 31.03.2022	As on 31.03.2021
I	In Central & State Government Securities	3,345,037,360	3,610,875,060.00
II	Fixed Deposits with Co op Banks		
	With Other Banks	162,177,848	23,434,342.00
		605,752,596	233,381,372.00
III	In shares of co-operative institutions (other than out of the Principal/ Subsidiary State Partnership Fund)	-	-
IV	In debentures and bonds	-	-
V	Others (To be specified) Bank Deposits	-	-



VI	Total (I, II, III, IV and V)	*	4,112,967,804	3,867,690,774.00
VII	Less : Provision for Depreciation in Investments			
	Total (VI minus VII)	*	4,112,967,804	3,867,690,774



	(f) Total (d minus e)	*	222,745,163	223,067,647
II	Other Fixed Assets (including furniture and fixtures)		-	-
	(a) Written down value of other Fixed assets	*	31,017,611	36,842,231
	(b) Additions during the year	*	-	-
	(c) Deductions during the year		-	-
	(d) Total Cost (a + b minus c)	*	31,017,611	36,842,231
	(e) Less : Depreciation to date	*	3,608,583	6,283,960
	(f) Total (d minus e)		27,409,028	30,558,271
	GRAND TOTAL		250,154,191	253,625,918



		Schedule 13 Other Assets	
		As on 31.03.2022	As on 31.03.2021
Inter-office adjustment (net)	*	-	-
Interest accrued	*	68,454,436	74,200,369
Stationery and stamps		18,400	-
Non-banking assets acquired in satisfaction of claims			-
Others assets		81,899,198	87,077,708
Cash Fraud		583,897,636	582,668,300
Fraud in PO+Investments+Bank Account +IBT		2,993,061,382	3,030,265,025
FRAUD- TO RECOVER FROM STAFF/MGMT-REAUDIT		5,589,169	5,589,169
Fraud in Deposits		131,261,670	131,261,670
Total (I, II, III, IV and V)		3,864,181,891	3,911,062,241
Add-Accumulated loss		27,618,063,478	26,692,060,868
Note:Acumulated loss upto -2020-21	Rs. 2669,20,60,868		
Loss during the year 2021-22	Rs. 92,60,02,609		
Total	Rs.2761,80,63,478	31,482,245,369	30,603,123,109
		Schedule 14 Contingent liabilities and bills for collection	
		As on 31.03.2022	As on 31.03.2021
Claims against the bank not acknowledged as debts		NIL	NIL
Liability for partly paid investments		NIL	NIL
Liability on account of outstanding forward exchange contracts		NIL	NIL
Guarantees given on behalf of constituents		NIL	NIL
Acceptances, endorsements and other obligations (including bills for collection)		NIL	NIL
Other items for which the bank is contingently liable		Refer Notes to Accounts for details	



(Hd)

Sri Guru Raghavendra Co-operative Bank Niyamita
Profit and Loss Account as on 31st March 2022

Income		As on 31.03.2022	As on 31.03.2021
I Interest earned	15	332,948,301	374,305,393
Other income	16	72,798,078	8,219,296
Total		405,746,379	382,524,689
II Expenditure			
Interest expended	17	1,271,509,648	1,851,124,916
Operating expenses	18	60,239,340	4,949,201,384
Provisions & contingencies	18	-	1,035,659,677
Total		1,331,748,988	7,835,985,977
III Profit/(Loss)			
Net Profit/Loss (-) for the year		-926,002,609	-7,453,461,288
Profit/Loss (-) brought forward		-	-
Total		-926,002,609	-7,453,461,288
IV Appropriations			
Transfer to statutory reserves Transfer to other reserves (to be specified)		-	-
Proposed Dividend		-	-
Balance carried to Balance Sheet		-926,002,609	-7,453,461,288

Notes to Accounts forms part of this Financial Statements

As per our report of even date

For V.K Niranjn & Co.,

Chartered Accountants

Firm Registration Number : 002468S

Chandra Mohan Gadam Setty

Partner

Membership Number - 022875

UDIN - : 23022875BHBCRN1478

Place : Bengaluru

Date : 10th August,2023

For V.K. NIRANJAN & CO.
CHARTERED ACCOUNTANTS
F.R. No. 2468S

CA Chandramohan G
Partner, M. No. 022875

For and on behalf of the

Sri Guru Raghavendra Sahakara Bank Niyamitha

R Ashokan
Administrator

Ashokan. R

General Manager (Retd.)

Canara Bank (Firstwhile Syndicate Bank)

Administratr

Sri Guru Raghavendra Sahakara Bank (N)
Basavanagudi, Bangalore - 560 004.



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		Schedule 15	
		Interest Earned	
		As on 31.03.2022	As on 31.03.2021
I	Interest/discount on advances/bills	35,028,508	56,773,060
II	Income on investments	297,919,793	317,532,333
III	Interest on balances with Reserve Bank of India, State Bank of India, State Co-op. Bank and Central Co-op. Bank	-	-
	Total	332,948,301	374,305,393
		Schedule 16	
		Other Income	
		As on 31.03.2022	As on 31.03.2021
I	Commission, exchange and brokerage*	195,467	6,236,236
II	Profits on sale of investments	-	-
	Less : Loss on sale of investments	-	-
III	Profit on revaluation of investments	-	-
	Less : Loss on revaluation of investments	-	-
IV	Profit on sale of land, buildings and other assets#	697,450	1,983,060
	Less : Loss on sale of land, buildings and other assets	-	-
V	Profit on exchange transactions	-	-
	Less : Loss on exchange transactions	-	-
VI	Subsidies and Donations	-	-
VII	Income from non-banking assets and profit (Loss) on sale of or dealing in such assets	-	-
VIII	Reduction in Provisions for fraud (EXP)	71,905,161	-
	Total	72,798,078.00	8,219,296
	Note1-On Commission, exchange and brokerage for 2020-21		
	includes Rs.5509160.91 the fraud recov from staff/mgmt-reaudit.		
	Note2-Since details of fixed assets not maintained, profit on such sale cannot be ascertained, the amount so realised /output tax adjusted against ITC is treated as income		
		Schedule 17	
		Interest Expended	
		As on 31.03.2022	As on 31.03.2021
	Interest on Deposits	1,271,509,648	1,851,124,916
	Interest on Borrowings	-	-



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		Schedule 18	
		Operating Expenses	
		As on 31.03.2022	As on 31.03.2021
I	Payments to and provisions for employees *	14,935,832	54,790,746
II	Rent, taxes and lighting *	883,504	7,837,878
III	Printing and stationery	297,263	145,660
IV	Advertisement and publicity	124,132	1,700
V	Depreciation on bank's property	3,931,067	322,484
VI	Directors' fees, allowances and expenses	-	-
VII	Auditors' fees and expenses (including branch auditors)	200,000	1,772,500
VIII	Law Charges	20,000	91,000
IX	Postages, Telegrams, Telephones, etc.	563,492	836,354
X	Repairs and maintenance#	-569,477	4,838,768,446
XI	Insurance	29,300,062	33,174,411
XII	Other Expenditure *	10,553,465	11,460,205
	TOTAL	60,239,340	4,949,201,384
XIII	Provisions & contingencies	-	1,035,659,677
	TOTAL	60,239,340	5,984,861,061
	#Note1: For the year 2020-21 the amount includes Rs.483,38,19,060/- pertaining to provision for pre-audit loss wrongly shown under repairs and maintainance instead, under provisions for the said year 2020-21.		
	Note2: For the year 2020-21, Repairs and maintenance in in credit balance duo to excess provision made in 2020-21 and now reversed 2021-22		



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- 1. Retirement Benefits** - The Provision for Employee retirement benefits in the nature of Gratuity & Leave Encashment is provided based on the estimated basis. There is no Actuarial valuation obtained in accordance with AS 15 "Retirement Benefits" for the year ended 31 March 2022. Leave Encashment is provided based on the actual eligibility and amount due not on estimated basis. Gratuity - the policy taken from LIC is based on actuarial valuation which is available in the policy document and also on the website of LIC
- 2. Related Party Transactions** - No fresh advances during the year 2021-22 and no related party transactions during the year 2021-22.
- 3. Disclosure under AS-17 on "Segment Reporting"**: The Bank is catering mainly to the needs of Indian Customers, operates as a single unit, hence separate information regarding geographical segment is not given. The Bank does not have the details relating to the Operating segment. Hence the same is not disclosed.
- 4. Earnings Per Share (EPS):**

(Amount in Rs.)

Particulars	2021-22	2020-21
Net Profit / (Loss) after income tax	(92,60,02,609.42)	(7,45,34,61,288)
No of shares	74,95,496	74,95,496
Face Value of Shares (Rs.)	100	100
Basic and Diluted - EPS	(123.54)	(994.39)

- 5. Deferred Tax Assets / Liabilities (AS-22)** - Not applicable for the year 2021-22 on account of huge accumulated losses Rs.2669 crore for the year ending 31-03-2021.
- 6. Depreciation on Fixed assets** - Depreciation on the Premises, Furniture and Fixtures and Others have been provided on the written down values based on previous year i.e., 31.03.2021 closing balance after deprecation. The Bank had not maintained accumulated depreciation over the years. The Bank had also not maintained fixed assets register and sale of fixed assets were taken as income as bank do not have asset wise values of the assets sold.
- 7. Loans and Advances Balance Confirmation** - The Loans and Advances balances disclosed in the financial statements are subjected to the confirmation and reconciliation as at the end of the financial year. Also, Accounts of certain loans & advances, are subject to review / reconciliation / confirmation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations/identification of doubtful and bad debts.

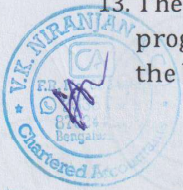


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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

8. **Deposit balance Confirmation** - The Bank is in the process of verifying the genuineness of the deposit balances disclosed in the financial statements as on 31st March 2022. Accounts of many Deposits are subject to review / reconciliation / confirmation after investigation. Adjustments, if any will have to be made by the Bank on completion of such review / reconciliation / receipt of confirmations / identification.
9. **Filing of TDS Annual return**- Bank is yet to file TDS Annual return for the year 2019-20 and 2020-21. Bank informed that they could not file them online as there was abnormal delay in finalisation of accounts. Now system does not permit to file it online. Bank may approach concerned Tax Authorities for condonation of delay and file. Bank has approached Principal Commissioner of Income Tax for condonation of delay vide letter dt-03-06-2023 and reply is awaited.
10. **Filing of GST Returns**- Though the bank is filing monthly -GSTR1 and GSTR-3B but the Annual returns 9 and 9C are yet to be filed online for the accounting years -2019-20,2020-21, though accounts were audited. Bank informed that they could not file them online as there was abnormal delay in finalisation of accounts. Now system does not permit to file it online. Bank may approach concerned Tax Authorities for condonation of delay and file after filing of IT returns.
11. **Assessment of various legal cases and Contingent liabilities** -
- a) The Bank had received Income Tax Notice on 19th May 2021 for the Assessment year 2018-2019. The Department had raised a demand of Rs. 0.54 crores. The Bank is yet to provide the responses to the notice received and no provision has been recognised in the books of account.
- b) The Bank had identified information about the contingent liabilities and guarantees as on 31st March 2022 in ongoing legal cases and the details are listed in the annexure to Notes enclosed -
12. Hon'ble High Court of Karnataka PIL WP 7350/2020 filed by Sri K R Narasimha Murthy a depositor of Sri Guru Sarvabhuma Souharda Credit Co-operative Society Ltd for return of Depositors money. The Society had accounts with the Bank and common directors though legally a distinct entity the Bank was assigned as Respondent 7 and the Society as Respondent 8 with others. The PIL was posted to 18.08.2021. The Court's orders pertaining to the Bank has been complied till date and report filed.
13. The Complaint with CID is lodged for involvement in large scale fraud and investigation is in progress. One Manager is dismissed, 18 staffs are suspended and dismissed from services of the bank.



SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14. **Significant changes in the Board of the Bank** - The Bank was managed by Board of Directors from 01.04.2019 to 16.05.2020. On 17.05.2020 the Board of Directors was superseded and Administrator was appointed due to large scale irregularities and fraud detected during RBI inspection. There was no proper functioning of committees, monitoring and record of the meetings violating the law and byelaws of the Bank. The CEO was divested of the charge based on the advice of RBI including some key personnel due to their involvement.
15. **Going concern assumption considered for preparing the financial statements** - With respect to operational outlook of the Bank, considering the substantial loss incurred as at year end and brought forward of huge loss from previous years, major amount of fraudulent activities having been detected during the year and the Bank is being under all-inclusive directions of Reserve Bank of India, thereby restrictions imposed on the operations, closure of non-functional branches and offices of the Bank. Also due to substantial loss incurred during the year, the entire net worth of the Bank has been eroded. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Bank's ability to continue as a going concern.
16. **Investigation, Search and Seizure by CID Bengaluru Office** - As per the Mahazar copy dated 21st May 2021, the CID Bengaluru Office has conducted the search and seizure at Head office of Bank, situated at Basavanagudi Bangalore, during the year 2019-20. The Search & seizure operation was carried out at the premises of the Bank by the Police, ACB and CID authorities on 12 February 2020 during the course of search various books of accounts, documents, records & other documents were seized. The resultant impact on the completeness of records made available for the audit review is presently un-ascertainable. While conducting the audit, the scanned / email / photocopies / physical copies of reports / documents to the extent available are provided for the audit.
17. **Imposition of Moratorium by RBI** - The RBI has imposed the moratorium from 10.01.2020 vide Section 35A of the Banking Regulation Act, 1949 read with Section 56 of the Banking Regulation Act, 1949 and extended the Moratorium vide its order DOR.AID/D-23/12.23.283/2021-122 dated 6th July 2021 for further six months up to 09.01.2022. Subsequently vide Directive DOS.CO.UCB.BSD-III D-2/12.23.283/2019-20 dated 02nd January 2020 it permitted the withdrawal of amount not exceeding Rs. 0.01 crores of the total balance in each account, which the bank is following.

RBI has issued directives under Section 35A read with Section 56 of the Banking Regulation Act 1949, the validity of which was extended from time to time. Last been vide Directive DOR.MON/D-22/12.23.283.2023-24 dated May 04,2023, the validity of which was up to May 10, 2023, shall continue to apply to the bank for a further period of three months from May 11, 2023 to August 10, 2023, subject to review.



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

18. Enquiry under Section 64 and Re-audit under section 63 of KCS Act -

A) **Enquiry under Section 64-** As per ref No.RCS/UBC-7/29/ Enquiry/2019-20 dated 27 February 2020, enquiry under Section 64 of Karnataka Co-operative Societies Act, 1959 has been ordered and report received on 16-08-2022 and order issued under section 68 of KCS Act, by Registrar of co-operative Societies, Bengaluru. The compliance has been submitted to Registrar of co-operative Societies, Bengaluru, and last such compliance submitted vide letter No.SGR/SR/H-105/77/2023-24 dated.12-04-2023 ANNEXURE - 15-16

B) **Re-audit under Section 63** - The State Government has appointed the Registrar of Co-operative Society to conduct the re-audit of the Bank under the Section 63(13) for the period 2014-15 to 2018-19. The Auditor has provided with the Audit reports communicated vide letter 02/2019-20/3683 date 09 March 2022 for the year 2014-15 to 2018-19 conducted by the Director of Co-operative Audit (DCA). As per Section 63 of the Karnataka Co-operative Societies Act, 1959 the result of the re-audit shall be incorporated by the Co-operative Society in the next audit report to be issued.

The re-audit team from the Director of Co-operative Audit Department had submitted the report for the said period quantifying the cumulative loss of Rs. 3,057.52 crores and the provision for misappropriation / fraud for the period ending 31 March 2019 amounting to Rs. 2,574.14 crores. The Bank had sought clarification vide letter no. SGR/SR/709/2022-23 dated 12 July 2022 from Directors of Co-operative Audit for incorporation of Re-Audited financial statements in the books of the Bank. The matter was then taken up by the Director of Co-operative Audit with the Principal Secretary, Government of Karnataka for reconciling the above cumulative loss between loss to be recognised in books and balance from various objections stated in the Re-audit reports. Based upon on the Directions of the Principal Secretary, the loss amount was verified by the personnel of office of Director of Co-operative Audit along with the Administrator and the said Department submitted revised Re-audit report to the Principal Secretary.

Based on the above, The Director of Cooperative Audit Department, Govt. of Karnataka vide reference no. 2/2019-20/1447 dated 18 August 2022 has issued the order based on the revised Re-Audit report dated 29-07-2022, to incorporate the revised re-audited numbers in the subsequent financials' statements. The revised re-audit after reconciliation had revised the amount of loss from Rs.3057.52 crores to Rs.1294.38 crores and provision from Rs.2574.14 crores to Rs.811.00 crores. Based on the above-mentioned revised re-audit report, the Bank has made additional provision of Loss amounting to Rs. 483.38 crores, which is credited to the separate head "Prior period loss-Reaudit" under Reserve Fund in the books of the Bank. Based upon the information and explanation provided to us, as there is no line-item wise break up for such amount, we are unable to form an opinion on such amount recorded under Reserve Fund.



SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The Bank has given effect to the above order in their books of account during FY 2020-21 and certified by the Statutory Auditor.

19. **Signatures on the vouchers** - Many of the expenditures, general transaction vouchers were just initialled and a few were not authenticated at all. We suggest for affixing full signature in expenditure vouchers at least.

20. **Notes to accounts:**

A. Comments/observations on balance sheet items-

1. Liabilities:

a) **Share Capital : No change over the previous year.**

b) **Reserves :**

Sl. No.	Name of GL head	Comments/observation/qualification of auditors
1	STAFF SUPERANNUATION RESERVE Rs.71,04,282.00 as on 31-03-2022	The reserve declined by Rs.1,10,695.00 due to excess provision made during the previous years. This is on account of : a) Dismissal of 19 staff members (2020-21 -3 staff members & 2021-22 16 Staff members) b) Reduction of salaries since December-2020
2	STAFF GRATUITY FUND Rs.14,26,528.00 as on 31-03-2022	The reserve fund declined by Rs.58,11,379.00 due to excess provision made during the previous years. The above has reference of office note SGR/SR/2673/2022-23 dated 04-02-2023. This is on account of : a) Dismissal of 19 staff members (2020-21 -3 staff members & 2021-22 16 Staff members) b) Reduction of salaries since December-2020

c) **Deposits**

Savings Bank Account : Includes a few accounts of dismissed employees with debit balances. During the year, Rs.3,00,957.00 has been reversed from P&L- A/c- Interest received on all loans since unrealised interest cannot be recognised as per income recognition norms.



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

d) Other liability :

Sl.No.	Name of GL head	Comments/observation/qualification of auditors
1	FRAUD C/A 700600354 INDIAN BANK-CLG Rs.1,27,76,351.60 as on 31-03-2022	The unreconciled amount Rs.1,27,76,351.60 as on 31-03-2022 of Indian bank current account is transferred to FRAUD C/A 700600354 INDIAN BANK-CLG. Bank has to reconcile this amount and pass necessary rectification entries.
2	PROVN FOR FRAUD IN BANK ACCOUNTS Rs.43,08,76,657.48 as on 31-03-2022	As on 31-03-2021 the aggregate unreconciled entries in CA with other Banks as per previous year auditor was Rs.45,38,19,614.00 which had been fully provided with. During 2021-22 on further verification the aggregate amount on such unreconciled entries was consolidated to Rs.43,08,76,657.48 accordingly, the excess provision of Rs.2,29,42,956.52 was reversed in 2021-22.
3	FRAUD C/A 709-19 WITH IDBI BANK LTD Rs.1,61,94,131.71 as on 31-03-2022	Vide office note Reference No. SGR/RK/2906/2022-23 dated:28-02-2023. On 22-04-2021 the rectification entries were passed pertaining to outward remittance of Rs.30,69,000.00 of C/A100300001350 of Akshaya Educational Trust on 19-08-2019 & 20-08-2019 by debiting inter branch and crediting to C/A with IDBI Bank Ltd as the CA 100300001350 of Akshaya Educational Trust was debited on 19-08-2019 & 20-08-2019 and credited to inter branch GL. Since it was related to FY 2019-20 the rectification entry was passed on 31-03-2020 vide voucher no.1027 during statutory audit resulting in duplicate entries i.e. on 22-04-2021 & 31-03-2020. The duplicate entries were reversed on 31-03-2022 Vide office note Reference No. SGR/RK/2477/2022-23 dated:18-01-2023. The Closing Balance (unreconciled) in our C/A with IDBI Bank LTD clearly shows a credit balance of Rs.1,92,63,131.71 as on 31-03-2022 is transferred to the New FRAUD C/A 709-19 WITH IDBI BANK LTD. Bank has to



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

		reconcile this amount and necessary rectification entries.												
4	PROVISION FOR FRAUD IN LOANS AND ADVANCE Rs.14,02,89,58,781.73 as on 31-03-2022	During 2021-22 the provision for fraud in loans and advance has declined by Rs 5,15,13,421.81 to the extent of recoveries made in loans portfolio including reversal of interest debited to SB Accounts with debit balances as per income recognition norm 7,38,064.53.												
5	PROVN FOR FRAUD IN CASH ACCOUNT Rs.58,38,97,636.00 as on 31-03-2022	Additional provision of Rs.12,29,336.00 was made during 2021-22. This was due to the late detection of the fraud for which provision is made now.												
6	STAFF PROVIDENT FUND	Rs.6,67,171/- is being carry forward from the previous year. Amounts deducted from salaries paid during 2021-22 have been regularly remitted. <table border="1"> <thead> <tr> <th>Details</th> <th>Amount in Rs.</th> </tr> </thead> <tbody> <tr> <td>Amount C/F *</td> <td>6,67,171.00</td> </tr> <tr> <td>March-2022 Amount remitted to EPF in Apr-2022</td> <td>1,06,129.00</td> </tr> <tr> <td>Sub total</td> <td>7,73,300.00</td> </tr> <tr> <td>Less-excess credited in March-2021</td> <td>2,000.00</td> </tr> <tr> <td>Total</td> <td>7,71,300.00</td> </tr> </tbody> </table> <p>*. Bank could not furnish us break up for the said outstanding amount. Bank is advised to take necessary steps to clear the amount outstanding after finding the details and with necessary office note.</p>	Details	Amount in Rs.	Amount C/F *	6,67,171.00	March-2022 Amount remitted to EPF in Apr-2022	1,06,129.00	Sub total	7,73,300.00	Less-excess credited in March-2021	2,000.00	Total	7,71,300.00
Details	Amount in Rs.													
Amount C/F *	6,67,171.00													
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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7	PROVISION FOR EXPENSES	<table border="1"> <thead> <tr> <th data-bbox="672 394 943 449">Provision Details</th> <th data-bbox="948 394 1248 449">Amount in Rs.</th> </tr> </thead> <tbody> <tr> <td data-bbox="672 455 943 510">Water charges</td> <td data-bbox="948 455 1248 510">3,184.00</td> </tr> <tr> <td data-bbox="672 516 943 571">Electricity charges</td> <td data-bbox="948 516 1248 571">32,944.00</td> </tr> <tr> <td data-bbox="672 577 943 632">Telephone charges</td> <td data-bbox="948 577 1248 632">978.00</td> </tr> <tr> <td data-bbox="672 638 943 693">Advocate Fee</td> <td data-bbox="948 638 1248 693">50,000.00</td> </tr> <tr> <td data-bbox="672 699 943 753">Misc. exp</td> <td data-bbox="948 699 1248 753">5,900.00</td> </tr> <tr> <td data-bbox="672 760 943 814">LEI Payment</td> <td data-bbox="948 760 1248 814">3,540.00</td> </tr> <tr> <td data-bbox="672 821 943 892">outstanding 31-03-2022</td> <td data-bbox="948 821 1248 892">1,06,546.00</td> </tr> </tbody> </table>	Provision Details	Amount in Rs.	Water charges	3,184.00	Electricity charges	32,944.00	Telephone charges	978.00	Advocate Fee	50,000.00	Misc. exp	5,900.00	LEI Payment	3,540.00	outstanding 31-03-2022	1,06,546.00
Provision Details	Amount in Rs.																	
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Misc. exp	5,900.00																	
LEI Payment	3,540.00																	
outstanding 31-03-2022	1,06,546.00																	
8	Provision of Statutory Audit fees Rs.22,00,000.00 as on 31-03-2022	Provision of additional Rs.2Lakhs as tax audit fees. Breakup for the provision for statutory audit fee and tax audit fee for the year 2020-21 Rs.11,00,000.00 & 2021-22 Rs.11,00,000.00 and total provision as on 31-03-22- Rs.22,00,000/-.																
9	PROV FOR SOFTWARE EXP	Rs.2,00,600.00 provision has been made towards payment due to software service provider vide office note SGR/3322/2022-23 dated: 31-03-2022																
10	CGST OUTPUT Rs.6,14,843.00 as on 31-03-2022	Total CGST output tax liability for the year 2021-22 is Rs.37,510.83 and the same is adjusted against input tax credit. As such there is no liability under this head for the transactions during the year 2021-22. But as per ledger there is outstanding balance Rs.6,14,843.00 as on 31-03-2022 pertaining to the period prior to 31-03-2019. Bank has to reconcile this amount and pass necessary rectification entries.																
11	SGST OUTPUT Rs.6,14,843.00 as on 31-03-2022	Total SGST output tax liability for the year 2021-22 is Rs.37,510.83 and the same is adjusted against input tax credit. As such there is no liability under this head for the transactions during the year 2021-22. But as per ledger there is outstanding balance Rs.6,14,843.00 as on 31-03-2022 pertaining to the period prior to 31-03-2019. Bank has to reconcile this amount and pass necessary rectification entries.																



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12	IGST OUTPUT Rs.1.50 as on 31-03-2022	There is no IGST output tax liability for the year 2021-22. The amount outstanding Rs.1.50 as on 31-03-2022 may pertain to earlier years. Bank has to reconcile this amount and pass necessary rectification entries.																											
13	LIC PAYABALE	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;">Details</th> <th style="width: 40%;">Amount in Rs.</th> </tr> </thead> <tbody> <tr> <td>Opening balance 01-04-2021</td> <td style="text-align: right;">5,42,659.00 Dr.</td> </tr> <tr> <td>Amount remitted to LIC on 07-04-2021</td> <td style="text-align: right;">1,12,161.00 Dr.</td> </tr> <tr> <td>Sub Total</td> <td style="text-align: right;">6,54,820.00 Dr.</td> </tr> <tr> <td>Amount credited as reversal 09-02-2022</td> <td style="text-align: right;">8,63,013.00 Cr.</td> </tr> <tr> <td>Net Balance- excess out standing in GL</td> <td style="text-align: right;">2,08,193.00 Cr.</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Details</th> <th style="width: 35%;">Amount in Rs.</th> <th style="width: 35%;">Amount in Rs.</th> </tr> </thead> <tbody> <tr> <td>Amount outstanding as on 31-03-2022</td> <td></td> <td style="text-align: right;">2,71,767.00</td> </tr> <tr> <td>Excess amount in the GL head</td> <td style="text-align: right;">208,193.00</td> <td></td> </tr> <tr> <td>Amount remitted on 07-04-2022</td> <td style="text-align: right;">63,574.00</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">2,71,767.00</td> <td style="text-align: right;">2,71,767.00</td> </tr> </tbody> </table>	Details	Amount in Rs.	Opening balance 01-04-2021	5,42,659.00 Dr.	Amount remitted to LIC on 07-04-2021	1,12,161.00 Dr.	Sub Total	6,54,820.00 Dr.	Amount credited as reversal 09-02-2022	8,63,013.00 Cr.	Net Balance- excess out standing in GL	2,08,193.00 Cr.	Details	Amount in Rs.	Amount in Rs.	Amount outstanding as on 31-03-2022		2,71,767.00	Excess amount in the GL head	208,193.00		Amount remitted on 07-04-2022	63,574.00			2,71,767.00	2,71,767.00
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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

<p>14</p> <p>SUSPENSE OTHERS</p> <p>Rs.2,56,891.00.00 as on 31-03-2022</p>	<table border="1"> <tr> <td data-bbox="665 468 938 594">On account of credit to CA 19 IDBI Bank & Indian Bank.</td> <td data-bbox="938 468 1182 594">Rs.12,991.00</td> </tr> <tr> <td data-bbox="665 594 938 688">Amount credited by Lokesh G</td> <td data-bbox="938 594 1182 688">Rs.2,43,900.00</td> </tr> <tr> <td data-bbox="665 688 938 747">Total</td> <td data-bbox="938 688 1182 747">Rs.2,56,891.00</td> </tr> </table> <p>Break-up suspense others is as under :</p> <p>The outstanding amount represents the amount received and kept pending for want of details of the beneficiaries. However, the amount of Rs.2,43,900.00 is credited to concerned loan accounts on 14-02-2023. Bank has identified the beneficiaries for the balance amount Rs.12,991.00 and remitted back to the respective sender banks but the same came back to our Bank. Hence, the amount is kept under suspense others head.</p>	On account of credit to CA 19 IDBI Bank & Indian Bank.	Rs.12,991.00	Amount credited by Lokesh G	Rs.2,43,900.00	Total	Rs.2,56,891.00
On account of credit to CA 19 IDBI Bank & Indian Bank.	Rs.12,991.00						
Amount credited by Lokesh G	Rs.2,43,900.00						
Total	Rs.2,56,891.00						
<p>15</p> <p>PROV FOR REMUNERATION TO ADMIN</p> <p>Nil as on 31-03-2022</p>	<p>Remuneration To Admin is as per registrar of cooperative societies reference 7/62 dated 30-03-2021. The provision as on 31-03-2021 Rs. 6,84,028.00 has been paid during 2021-22. Since up to date salary has been paid till 31-03-2022 no provision is made under this head.</p>						
<p>16</p> <p>DICGC CLAIM PAID</p> <p>Rs.706,04,34,311.14 as on 31-03-2022</p>	<p>The outstanding amount under DICGC Claim paid Rs.706,04,34,311.14 represents the amounts transferred from the deposit accounts of the customers towards DICGC claims and represents liability to DICGC. The account is reconciled with the DICGC Claims paid.</p> <p>Note: Total No. claims uploaded for payment of DICGC claims No. 22670 Rs.723.08 Crores and out of which DICGC claim settled upto 29-05-2023 -</p>						



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

		22,234 claims Rs. 712.35 crores. With respect to 451 claims under process Rs. 10.34 crores. All claims were scrutinized by Gopal Rao and co Chartered accountants Chennai duly appointed by DICGC.	
17	PROFESSIONAL TAX Rs.17,386.00 as on 31-03-2022	Details	Amount in Rs.
		Amount outstanding as on 01-04-2021	8,186.00 Cr.
		Rectification entry of march-2021	2,000.00 Cr.
		Remitted to tax department on 04-04-2022 (salary March-2022)	7,200.00 Cr.
		Total	17,386.00 Cr.
		The GL head has Excess credit of Rs.10,186.00 pertaining to the period prior to 31-03-2019, bank may initiate steps to nullify this amount.	
18	TAX DEDUCTION AT SOURCE Rs. 3,49,70,880.00 as on 31-03-2022	The amount outstanding Rs. 3,49,70,880.00 as on 31-03-2022 is paid subsequently Details :	
		Closing balance 31-03-2022	3,49,70,880.00
		Reconciled amount remitted to treasury in October-2022	3,49,33,825.00



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

		Reconciled amount remitted to treasury in 04-April-2022	77,422.00	
		Amount in Tax credit	(40,367.00)	
		Total	3,49,70,880.00	3,49,70,880.00
19	TDS SUSPENSE A/C Rs.69,69,151.00 as on 31-03-2022	During the year 2021-22, TDS SUSPENSE A/C is created for transferring the unreconciled amount of Rs.6,43,75,708.00 as on 31-03-2019, which was transferred from Tax deduction at source on 05-04-2021. On reconciliation of the part of the amount in TDS Suspense, an amount Rs. 5,74,06,557.00 has been transferred to TDS for Annual remittance to treasury on various dates during 2021-22. The balance amount of Rs. 69,69,151.00 in TDS suspense pertaining to the period prior to 31-03-2019 is yet to be reconciled. Bank is advised to reconcile and pass necessary entries to clear the suspense.		

2. Assets:

a) Cash :

Only one Branch at Basavanagudi is currently operating from 01.01.2021. Insurance cover for Rs 50 lakhs from 11.12.2020 to 10.12.2021 and Rs. 25 Lakhs from 11.12.2021 to 10.12.2022 is available as cash cover. During 2021-22 overnight cash holding level exceeded on 17 days over and above the insurance coverage limit from 7.1.2022 to 23.1.2022.

b) Current Accounts with other Banks:

The Bank has received balance confirmation from all banks as on 31-03-2022 and confirms with books of Accounts in SGRSBN.

Only one current account with Bank of Baroda for the purpose of receiving Claimed amount from DI&CGCI was opened during the Audit period with due approval of RBI

CA with Bank of Baroda, CA with SVC Bank, CA With Lakshmi Vilas Bank have been Closed



SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

c) Investment with other Banks including Central & state Government Securities:

The Bank has investments Rs. 4,11,29,67,804.00 in the form of Term Deposits SBI, Indian BANK, IDBI Bank, Canara Bank, BOB, Union Bank and apex Bank, investments in Securities in Central & state Governments.

The Bank has received deposit confirmation from all banks and securities as on 31-03-2022 and tallied with books of accounts in SGRSBN.

d) Fraud in Loans and Advances: -

The Bank has treated its entire loans & advances portfolio as Fraud on account of evergreening of NPAs by creation of fake entries since 2012, as reported by -Vasudev Maiya who was manager -2000-12, CEO-2012-2018, Chief advisor- since March-18, RBI inspection report dt06-01-2020, Re-audit Reports for the period 2014 to 2019 and enquiry by the Registrar of Co-operative Societies vide report No-UBC-7/29/Enquiry/2019-20 dt 29-07-2022. As per order under section 68 of KCS Act, Registrar has given directions for recovery of loans and advances where serious irregularities were pointed out. Bank has made 100% provision since 2019-20 and same is continued for the year under audit 2021-22 also. Enquiry report is enclosed vide Annexure-17.

During the year 2021-22, bank has recovered Rs. 5.15 crores towards principal.

Please refer our observation in LFAR 24.

During the year 2021-22, 7 loan accounts Rs. 22,31,413.00 under various heads such as Demand loan, Kalpatharu deposit loan & Immovable property loans have been re-opened by the Bank as per the compliance report submitted to high court vide reference No. SGRSBN/Admin/OR/637/2020-214 dated 04-01-2020.

During the Previous year's 2019-20 & 2020-21, as observed by the auditors and RBI & special audit team, the Bank had large number of fake deposits and loans created for boosting its balance sheet and evergreening of loans. During the audit period no loan against fake deposit has been closed.

The Bank is continuing the process of identifying fictitious deposit and loan accounts.

(I) Time barred debts.

It is observed that Bank do not have system of identification of loans where limitation is expiring. This identification is very much necessary to obtain debt acknowledgement keeping in view of low of limitation. If the loan is time barred, Bank cannot file suit for recovery.

1. Mortgage loan: with respect to 148 loan accounts sectioned up to the year 2010, with outstanding Rs.8.15 crores and in these cases overdue instalments ranges from 22 to 180



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

- months. In the said accounts debt is time barred. Out of these 148 accounts, in 12 accounts amounting to Rs.0.39 crores, the maturity date expired.
2. Overdraft loan: with respect to 438 OD accounts with outstanding Rs.284.47 crores sanctioned till 2019. Bank could not produce debt acknowledgements for these accounts. The Bank had no system of monitoring of limits and renewal of Overdraft accounts. The CBS software also had no check on exceeding of limits.
 3. Demand loan: There are 38 demand loan accounts sanctioned from 2012 to 2019 with outstanding Rs.0.33 crores where Bank could not produce debt acknowledgements for these accounts.
 4. Vehicle Loan: There are 7 loan account with outstanding Rs.0.23 crores where the maturity date of the loans expired in various years till 2021.
 5. Secured business loan: there are 5 accounts with outstanding Rs.0.90 crores where overdue monthly instalment more than 24 months.

Since all the loan accounts were maintained as standard assets by regular credit of instalments and interest through evergreen entry, the system is unable to identify the time barred debts and manually also requires verification of individual loan accounts and transactions to establish the time barred date. Bank has informed that as and when they file suit with Registrar of Cooperative Societies Karnataka under Sec. 70 of KCS act 1959, they will be seeking for waiver of limitation in view of the frauds occurred in the bank and documents seized by police.

(II) Debit balances in SB accounts

The bank has 10 SB Accounts of staffs with debit balances aggregating Rs.31.65 lakhs as per Annexure 3. This represents the amounts paid by the Bank directly towards registration charges and payment of life insurance premium on behalf of a few employees without debiting their respective SB accounts. These amounts were subsequently identified and debited their respective SB Accounts. While debiting interest at the rate 18+2% p.a. aggregating 7.38 lakhs had also been charged and accounted as income for the year 2021-22. But this un-realised/un-recovered interest Rs.7.38 lakhs cannot be recognised as income as per Income Recognition Norms. Hence, this amount is reversed in the year under audit 2021-22.

e) Premises and F & F and others (Fixed Assets)

i) Fixed Asset register and depreciation:

The Bank has not maintained fixed asset register when the assets were purchased by recording all the details in the register. In the absence of the register and purchase cost and other details of assets prior to imposition of Sec 35A by RBI, the Bank has informed that it is not possible to reconstruct the same. However, the Bank is providing depreciation on buildings, movable and immovable assets at certain percentages every year keeping the previous year's WDV as base. During 2021-22 the aggregate depreciation is Rs.39.31lakhs.



SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

WDV of fixed assets as on 31-03-2022 was Rs.25.02 crores. As against Rs.25.36 crores in the previous year.

ii) Verification of Fixed Movable Assets

In the absence of fixed asset register we are unable to verify fixed movable assets.

iii) Sale of fixed assets

During the year 2021-22, bank has sold locker units and strong room doors Rs. 2,00,378.00, Electrical items Rs.4,12,748.00 & Furniture Rs.84,324.00. Bank has not arrived profit or loss of sale of asset and deduct the written down value of such asset sold from the fixed assets value. Entire sale value is taken as income. Hence, fixed assets do not show correct value since written down value of the assets sold not reduced or deducted.

f) Other Assets:

Sl. No.	Name of GL head	Comments/observation/qualification of auditors						
1	Rent Advances- Rs.15,44,666/- as on 31-03-22.	Please refer of LFAR 26 for the comments.						
2	Insurance Account- Rs.2,11,977/ as on 31-03-22	The bank had paid insurance premia to cover its hypothecated assets. This amount Rs.2,11,977.00 is to be recovered from the borrowers.						
3	Fraud In Investment- Rs.244,68,86,91 5/- as on 31-03- 22	No change						
4	Fraud In Cash Account- Rs. 58,38,97,636.00 as on 31-03-2022.	Rs.12,29,336.00 increased to offset the lower provision made during previous year for frauds detected later. The details of the fraud for which additional provision is made are as under- <table border="1" style="margin-left: 20px;"> <thead> <tr> <th colspan="2">FRAUD IN INTER BRANCH CASH REMITTANCES</th> </tr> <tr> <th>Particulars</th> <th>Amt in Rs</th> </tr> </thead> <tbody> <tr> <td>Cash withdrawn from BTM Br but not deposited in Basavanagudi Br on 02-04-2019, 02-05-2019, 03-06-2019, 02-07-2019, 05-092019, 01-10-2019, 02-11-2019 & 02-01-2020 (Rs.58,667 x 8)</td> <td>4,69,336.00</td> </tr> </tbody> </table>	FRAUD IN INTER BRANCH CASH REMITTANCES		Particulars	Amt in Rs	Cash withdrawn from BTM Br but not deposited in Basavanagudi Br on 02-04-2019, 02-05-2019, 03-06-2019, 02-07-2019, 05-092019, 01-10-2019, 02-11-2019 & 02-01-2020 (Rs.58,667 x 8)	4,69,336.00
FRAUD IN INTER BRANCH CASH REMITTANCES								
Particulars	Amt in Rs							
Cash withdrawn from BTM Br but not deposited in Basavanagudi Br on 02-04-2019, 02-05-2019, 03-06-2019, 02-07-2019, 05-092019, 01-10-2019, 02-11-2019 & 02-01-2020 (Rs.58,667 x 8)	4,69,336.00							



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

		Cash withdrawn from Kengeri Br but not deposited in Basavanagudi Br on 27-12-2019	2,50,000.00	
		Cash withdrawn from Basavanagudi Br but not deposited in Vidyanarayapura Br on 20-05-2020	5,00,000.00	
		Cash withdrawn from Basavanagudi Br but less deposited in Kengeri Br on 29-11-2019	10,000.00	
		Total Inter Branch cash Fraud	12,29,336.00	
		Total amount Rs.58,38,97,636.00		
5	Fraud In Bank Accounts- Rs. 43,08,76,657.48 as on 31-03-22 (Dr)	Details	Amount in Rs. (Cr)	Amount in Rs.(Dr)
		Opening Balance as on 01-04-2021		45,38,19,614.00
		Staff IT paid under debit to SBI Identifies & reversed	6,69,680.00*	
		Medical claims paid on 22-06-2020 directly through SBI reversed	10,19,152.00*	
		Staff Professional tax paid on 31-03-2021		33,200.00



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

	reversed on 31-03-2022		
	Staff Provident fund paid on 31-03- 2021 reversed on 31-03-2022		2,03,035.00
	Provision made on 31- 03-2021 as recoverable from employee now reversed	25.00	
	Bank ATM Rs. 1.21, IMPS Rs. 0.21, Bank account Rs.2,	1.52	
	Excess provision for TDS made on 31- 03-2021 now reversed	46,78,429.00	
	Unreconcile d entries treated as fraud and provided now reversed	1,68,11,904.00	



SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

		Sub total	2,31,79,191.52	45,40,55,849.00	
		Closing Balance as on 31-03-2022		43,08,76,657.48	
		*Depositors Claims under medical exigencies were paid to extent of Rs.14,52,597.00 under debit to Banks account with SBI on Various dates without debiting to respective SB Accounts. During 2021-22 audit the entries were identified and reversed to that extent by recovery from SB Accounts			
6	FRAUD IN INTER BRANCH- Rs.1,18,45,128.73 as on 31-03-22	Details	Amount in Rs.	Amount in Rs.	Amount in Rs.
		Opening Balance as on 31-03-2021			2,61,05,814.73 Dr.
		Provision increased from inter branch HO		34,00,000.00 Dr.	
		Provision reversed to inter branch HO	1,76,60,686.00 Cr.		
		Closing Balance as on 31-03-2022			1,18,45,128.73
7	TDS ON INVST FOR FY 2021-22 Rs.38,818/- as on 31-03-22	TDS on deposit interest deducted by Canara Bank Rs.19,415.00 and SBI Rs.19,403.00 totalling Rs.38,818. As per SGRSBN Bank, SBI & Canara Bank should not have deducted TDS. Amounts are yet to be received as refund.			



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU**NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

8	PAY ORDER ACCOUNT- Rs.10,34,52,681.4 as on 31-03-22	No change. The amount represents unauthorized issue of pay orders without corresponding debits. Bank is in the process of identifying the beneficiary details from the respective collecting bankers.
9	FRAUD IN DEPOSITS- Rs.13,12,61,669.68 as on 31-03-22	No change
10	INCOME TAX ADVANCE- Rs.8,00,000/- as on 31-03-22	No change
11	ELECTRICITY DEPOSIT Rs.74,736/- as on 31-03-22	No change
12	FRAUD-RECOV FROM STAFF/MGMT- Rs.55,89,168.91 as on 31-03-2022	No change. This amount represents moneys to be recovered from the staff/Management executives (now dismissed from services) as per Re-Audit report of Director of Co-op Audit.
13	ATM SETTLEMENT AC-Rs.6500/ as on 31-03-22	No change

B. Profit & Loss Account:**1) Interest paid on Deposits-**

Interest paid for the year 2021-22 -Rs.127.15 crore as against Rs.185.11 crore for the previous year 2020-21. The reduction in the interest paid Rs.58 crore is on account of



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SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

a) Reduction in deposits to the extent of Rs.601 crore on account of payment of Deposits by DICGC.

b) Reduction in the interest rates

2) **Salaries & allowances:** The expenditure under this head for the year 2021-22 is Rs.14.93 Crore as against Rs.54.79 Crore for the previous year 2020-21. The reduction in the Salaries and other allowances Rs.39.86 Crore is on account of -

- Reduction in the pay scales of all employees
- Dismissal of 19 employees.
- Resignation of employees.
- Reversal of excess provision on Gratuity Rs.0.58 crore
- Reversal of excess provision of Superannuation fund paid to staff- and the account is in credit balance of Rs.0.01 crore.

TDS on Remuneration paid to retired bank officers taken on contract basis, was not effected. The TDS amount was recovered separately from the said officers and remitted to the government account subsequently. In both these cases no interest or penalty has been recovered or remitted.

3) Rent Paid:

During the previous year 2020-21 provision has been made towards rent payable. However, rent was paid by debiting P&L head, instead of provision head. Hence the excess amount outstanding in provision was reversed at the year-end FY 2021-22. The account is credit balance of Rs.1,08,395.00.

4) Depreciation and repairs -

The Repairs account is in credit balance as on 31-03-22- (-) Rs.5.69 lakhs. Actual expenses during 2021-22 was Rs.3,62,889.00 on 31-03-2022. The Bank has reversed Rs.9,32,366.00 as excess provision made during the previous years. Hence, the expense head is in credit balance.

5) Software issues in Profit & loss accounts.

The system is not making all income & expenditure heads **ZERO** after closing of the financial year. If we take the statement of transactions for 2 or 3 years of any income or expenditure account, the system cumulates the previous income & expenditure.

6) Software expenses:

Annual maintenance contract was entered in to with M/S Processware systems (P) in 2018. The contract has no expiry date and not signed on stamp paper.

7) INTEREST RECVD on loans and advances



SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, BENGALURU

NOTES TO FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The realised interest for the year 2021-22 is Rs.3.5 crore as against Rs.5.67 crore for the previous year-2020-21. This is on account of slow recovery of loan accounts.

8) FRAUD-INT RECD ON OVERDRAFT:

The revenue head is in debit balance. On 21-05-2020 Rs.21,076.00 was transferred from SB Account of Chethan Kumar to OD account of 103200001220 of Ramadeva Holla to evergreen the OD Account. This amount was reversed on 08-03-2022. Hence, the revenue head is in debit balance.

9) SALE OF Movable fixed assets-

Since bank does not have fixed asset register with particulars of assets purchased and its written down value since beginning, the sale proceeds of the assets sold were accounts under income head instead of arriving capital loss or gain.

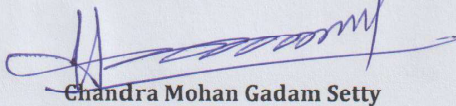
- a) Sale of furniture Rs.84,324/
- b) Sale of locker and strong room door-Rs.2,00,378/
- c) Sale of electrical items- Rs.4,12,748/-

The above note to accounts forms part of the financial statements.

For V K Niranjana & Co.

Chartered Accountants

Firm Registration No: 0024685



Chandra Mohan Gadam Setty

Partner

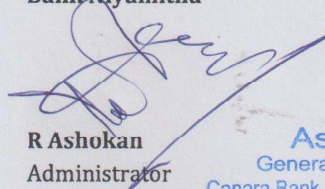
Membership No: 022875

UDIN: 23022875BHBCKN1478

Place: Bengaluru

Date: 10-08-2023

For Sri Guru Raghavendra Sahakara
Bank Niyamitha



R Ashokan
Administrator

Ashokan. R

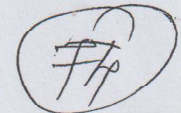
General Manager (Retd.)

Canara Bank (Erstwhile Syndicate Bank)

Administrator

Sri Guru Raghavendra Sahakara Bank (N)

Basavanagudi, Bangalore - 560 004.



SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITHA, Branch-HEAD OFFICE

No. 15, S. C. ROAD,
NETTAKALLAPPA CIRCLE,
BASAVANAGUDU,
BENGALURU

Pin Code: 560004 Phone : 08026520379
CONSOLIDATED

HO Balance Sheet as on : -31-03-2022, Generated On 28/07/2023 at 11:48:22 AM

As On:	Liability	As On:	Amount	As On:	Asset	As On:	Amount
31-03-2021		31-03-2022		31-03-2021		31-03-2022	
	Share Capital				Cash		
636561600.00	PAID UP SHARE CAPITAL	636561600.00		1819024.00	CASH ON HAND	1478973.00	
112988000.00	ASSOCIATE SHARE CAPITAL	112988000.00		1819024.00	Bank	1478973.00	
749549600.00			749549600.00		Bank		
	Reserve Fund			51100000.00	CA WITH RBI	11200000.00	
5000.00	FEDERATION FUND	5000.00		7625295.88	C/A 700600354 INDIAN BANK-CLG		
12218273.60	MEMBERS DEATH RELIEF FUND	12218273.60		1988225.94	STATE BANK OF INDIA	3857109.40	
34789598.00	SPECIAL RESERVE FUND (HOUSING)	34789598.00		74982.00	CA WITH BANK OF BARODA		
30435360.00	INVESTMENT FLUCTUATION RESERVE	30435360.00		17183.45	IDBI FOR ATM	17147.97	
7214977.00	STAFF SUPERANNUATION RESERVE	7104282.00		241598.13	IDBI FOR IMPS	226563.65	
4833819160.00	PRIOR PERIOD LOSS-REAUDIT	4833819060.00		66757894.29	C/A WITH IDBI BANK LTD		
543991171.63	RESERVE FUNDS	543991171.63		1462829.00	CA WITH SVC BANK		
20324082.10	DIVIDEND EQUALISATION FUND	20324082.10		431508.00	CA WITH LAKSHMIVILAS BANK	184352.00	
328784569.75	BUILDING FUND	328784569.75		6184410.00	C/A WITH BOB CURRENCY CHEST	33825297.00	
7237907.00	STAFF GRATUITY FUND	1426528.00		31541970.00	SB WITH AU SMALL FINANCE BANK	6657358.13	
19531212.96	STAFF WELFARE FUND	19531212.96			CA 19 IDBI BANK	18367697.31	
4601584.21	JUBILEE FUND	4601584.21			CA 709 IDBI BANK	346860.92	
7155935.75	MEMBERS WELFARE FUND	7155935.75			CA INDIAN BANK		
5301584.21	CHARITY FUND	5301584.21		2997120.68	C/A WITH BANK OF BARODA-DICGC	128917872.38	
5855410316.21			5849488242.21	431017.00	C/A WITH APEX BANK LTD	1600710.68	
	DEPOSITS			170853994.37	HANUMANTHANAGAR		
196419638.74	CURRENT ACCOUNTS	198363530.76			C/A WITH B.D.C.C.BANK	10970.00	
1768952.21	CREDIT BALANCE IN OVERDRAFT	1910828.21			Call Money		205211939.44
6802227.18	CREDIT BALANCE IN ADVANCE	4974327.58			Investment		
2908289.11	AGAINST DEPOSIT	2908289.11			TERM DEPOSIT WITH SBI	139000000.00	
1574460.77	DORMANT CURRENT ACCOUNTS	16718266.15		50000000.00	TERM DEPOSIT WITH FEDERAL BANK		
52000.00	CREDIT BALANCE IN RETAIL BUSINESS	52800.00		2655662.00	TERM DEPOSIT WITH INDIAN BANK	2655662.00	
5199633445.30	SAVINGS BANK ACCOUNT	5580440535.99			TERM DEPOSIT WITH IDBI BANK	59700000.00	
15266058.45	INOPERATIVE SB ACCOUNTS	64260899.94		12330709.00	TERM DEPOSIT WITH CANARA BANK	167196934.00	
82606077.00	S G R SPECIAL CASH CERTIFICATE	17296012.00			TERM DEPOSIT WITH BANK OF BARODA	79600000.00	
8429285024.09	KALPATHARU DEPOSITS	4620673628.42		168935001.00	TERM DEPOSIT WITH CITY UNION BANK		
510800.00	KALPAVRUKSHA DEPOSIT						



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As On:	Liability	As On:	Amount	As On:	Asset	As On:	Amount
31-03-2021		31-03-2022		31-03-2021		31-03-2022	
420917.00	MATURED KALPAVRUKSHA DEPOSIT						
1603318919.00	KALPATHARU SHORT TERM DEPOSIT	836182396.67		2343342.00	TERM DEPOSIT UNION BANK OF INDIA	15760000.00	
698921342.00	MATURED KALPATHARU SHORT TERM DEPOSIT	940754812.00		1045349750.00	DEPOSIT WITH APEX BANK CENTRAL GOVT SECURITIES	162177848.00	
971618.00	SRI ANANTH NIDHI DEPOSIT	1010094.00		25552310.00	STATE GOVT SECURITIES	1045349750.00	
5903120.00	MATURED SRI ANANTH NIDHI DEPOSIT	2357761.00		3867690774.00		2299667610.00	
258001716.00	SRI ANANTH LAKSHA DEPOSIT	79785090.00			Loan & Advances		
76930406.00	MATURED SRI ANANTH LAKSHA DEPOSIT	96753314.00		284299346.00	FRAUD-SECURED LOAN ON HOUSING	273339717.00	
29543832.00	MATURED SGR CASH CERTIFICATE	32531545.00		2845711528.26	FRAUD-OVERDRAFT	2844710963.26	
1017363781.67	MATURED KALPATHARU DEPOSIT	1412910608.00		4221510825.49	FRAUD-ADVANCE AGAINST DEPOSIT	4190531061.19	
53087.00	DEAD KALPATHARU DEPOSIT	53087.00		487317.00	FRAUD-SECURED LOAN ON EQUIPMENT	487317.00	
195121200.00	GURUSHREE DEPOSIT	13020000.00		19319696.00	FRAUD-SECURED LOAN ON VEHICLE	18178886.00	
74656882.00	MATURED GURUSHREE DEPOSIT	94007551.00		20818014.00	FRAUD-DEMAND LOAN	19990874.00	
399253821.00	ANUGRAHA CASH CERTIFICATE	208459745.00		6522318.00	FRAUD-LOAN ON KALPATHARU DEPOSIT	5501685.00	
1372000000.00	SGR VIMSHATHI DEPOSIT	1132000000.00		3815629.00	FRAUD-LOAN ON KAMADHENU DEPOSIT	3815629.00	
3116367117.02	KAMADHENU DEPOSIT	1599540795.35		360933.00	FRAUD-EXECUTION PETITION LOAN - Ep	360933.00	
624917848.00	MATURED KAMADHENU DEPOSIT	761908485.00		429856.00	FRAUD-LOAN ON SGR CASH CERTIFICATE	429856.00	
577096616.00	ASHIRVAD SPECIAL DEPOSIT	403096253.00		50055.00	FRAUD-SEC LOAN PLANT AND MACHINERY	50055.00	
97573089.00	AKSHAYA DEPOSIT	39514827.00		19029258.00	FRAUD-SECURED BUSINESS LOAN	19029258.00	
65095451.00	SGR VIDYA LAKSHA	1320397.00		6646627294.10	FRAUD-MORTGAGE LOAN SECURED	6626118835.10	
21669901.00	MATURED SGR VIDYA LAKSHA	23769507.00		166918.00	FRAUD-SGR VIDYA LAKSHA LOAN	76918.00	
35223974.00	MATURED AKSHAYA DEP	17894111.00		80000.00	FRAUD-LOAN ON KST	80000.00	
24215980310.54			182044469488.18	11398.79	FRAUD-DEBIT BALANCE IN SB	4018530.38	
	Borrowing			6311482.90	FRAUD-DEBIT BALANCE IN CA	17659686.80	
				161367.00	FRAUD-BADAVARA BANDU CASH CREDIT		
	Other Liabilities			4713414.00	FRAUD-RETAIL BUSINESS LOAN	4578514.00	
	FRAUD C/A 700600354 INDIAN BANK-CLG	12776351.60		14080472140.54			14028958718.73
453819614.00	PROVN FOR FRAUD IN BANK ACCOUNTS	430876657.48			Bill Purchased		
2446886915.00	PROVISION FOR FRAUD IN INVESTMENTS	2446886915.00			Interest Receivables		
	FRAUD C/A 709-19 WITH IDBI BANK LTD	1619131.71			INT-RECEIVABLE ON FD WITH OTHER BANK	4517419.00	
14080472140.54	PROVISION FOR FRAUD IN LOANS AND ADVANCE	14028958718.73		6265537.00	INTEREST RECEIVABLE ON CENTRAL GOVT SECURITY	17999495.89	
2439141.00	IMPS	2439141.00		18210655.75	INT RECEIVABLE ON STATE GOVERNMENT BOND	45937521.00	
582668300.00	PROVN FOR FRAUD IN CASH ACCOUNT	583897636.00		49724175.93			



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As On:	Liability	As On:	Amount	As On:	Asset	As On:	Amount
31-03-2021		31-03-2022		31-03-2021		31-03-2022	
667171.00	STAFF PROVIDENT FUND	771300.00		74200368.68	Premises and F & F and Others		68454435.89
2757975.00	PROVISION FOR EXPENSES	106546.00			LAND & BUILDING	222745162.92	
837861.00	DIVIDEND PAYABLE	837861.00			OFFICE EQUIPMENTS	387880.55	
409109.00	PROVISION FOR RENT PAYABLE				GENERATOR AND WATER MOTOR	734938.00	
2000000.00	PROV. FOR STATUTORY AUDIT FEES	2200000.00			MOTOR VEHICALE	110168.00	
	PROV FOR SOFTWARE EXP	200600.00			XEROX MACHINE	41811.00	
6047652.00	PROV OF EARNED LEAVES	4820237.00			FURNITURE & FIXTURES	18284720.61	
1.50	IGST OUTPUT	1.50			COMPUTERS HARDWARE	1932433.01	
169401.00	CGST OUTPUT	614843.50			COMPUTER SOFTWARE	58086.00	
169401.00	SGST OUTPUT	614843.50			ELECTRICAL FITTINGS	5858991.28	
-542659.00	LIC PAYABALE	271767.00		253625918.37	Branch Adjustment		250154191.37
604625.00	SUSPENSE OTHERS	256891.00			INTER BRANCH	-1532672.00	
684028.00	PROV FOR REMUNERATION TO ADMIN				KANAKAPURA ROAD BRANCH	1306880275.36	
347317.00	PROV FOR REPAIR AND MAINTENANCE	128917901.88			HEAD OFFICE	-193164.00	
	DICGC AMT IN BOB	7060434311.14			BASAVANGUDI BRANCH	-1619032284.56	
103452681.00	DICGC CLAIM PAID	103452681.00			POORNA PRAGNA NAGAR BRANCH	89810000.00	
26105815.00	PROV FOR FRAUD IN INTER PAYORDERS	11845128.73			IBT FOR ATM	-3500.00	
131261669.68	PROV FOR FRAUD IN DEPOSITS	131261669.68			KENGERI BRANCH	26798935.00	
5589168.91	PROVN-RECOV FROM STAFF/MGMT-REAUDIT	5589168.91			RAJARAJESWARI NAGARA BRANCH	17959650.00	
250932397.00	PAY ORDER ACCNT-REAUDIT	250932397.00			VIDYARANYAPURA BRANCH	60330500.00	
112800.00	RECOVERY-EVBRGREEN AMT	746777.00			B T M LAYOUT BRANCH	37124020.00	
8186.00	NOMINAL MEMBERSHIP	112800.00			RAJAJINAGAR BRANCH	81858240.00	
46777085.00	PROFESSIONAL TAX	17386.00			Other Assets		
	TAX DEDUCTION AT SOURCE	34970800.00			POSTAL STAMPS IN STOCK	135.00	
	TDS SUSPENSE A/C	6969151.00			RENTAL ADVANCE	154466.00	
1814467795.63	INTEREST PAYABLE		25267974694.36		NON JUDICIAL STAMPS IN STOCK	18265.00	
11424279.00	INT PAYABLE KL STD A/C	9534970.00			INSURANCE ACCOUNT	211977.00	
11424279.00	LOSS		9534970.00		CGST INPUT	11250.00	
	INT RECV OVEDUE L&A (RESERVE)				SGST INPUT	11250.00	
					ATM SETTLEMENT AC	6500.00	
					FRAUD IN INVESTMENT	2446886915.00	
					FRAUD IN CASH ACCOUNT	583897636.00	
					RECOVERABLE FROM EMPLOYEES	430876657.48	
					FRAUD IN BANK ACCOUNTS	11845128.73	
					FRAUD-RECOV FROM STAFF/MGMT	5589168.91	
					TDS ON INVEST FOR FY 2021-22	38818.00	
					PAY ORDER ACCOUNT	103452681.40	



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As On:	Liability	As On:	Amount	As On:	Asset	As On:	Amount
31-03-2021		31-03-2022		31-03-2021		31-03-2022	
				131261669.68	FRAUD IN DEPOSITS	131251669.68	
				80000000.00	INCOME TAX ADVANCE	80000000.00	
				74736.00	ELECTRICITY DEPOSIT	74736.00	
				3836319212.72	LOSS		3795727454.20
					LOSS ACCOUNT	26692050868.70	
				19238599580.72	LOSS		26692060868.70
				7453461287.98	Loss	926002609.42	926002609.42
				7453461287.98			
48977042301.38			50081016994.75	48977042301.38			50081016994.75

For V.K. NIRANJAN & CO.
 CHARTERED ACCOUNTANTS
 F.R. No. 2468S

[Signature]
 CA Chandramohan G
 Partner, M. No. 022875

[Signature]
 ASHOKA. R
 General Manager (Retd.)
 Canara Bank (erstwhile Syndicate Bank)
 Administrator
 Sri Guru Raghavendra Sahakara Bank (N)
 Basavanagudi, Bangalore - 560 004.



[Handwritten mark]

SRI GURU RAGHAVENDRA SAHAKARA BANK NIYAMITTHA, Branch--HEAD OFFICE

No.15, S C ROAD,
NETTAKALLAPPA CIRCLE,
BASAVANAGUDI,
BENGALURU

Pin Code: 560004 Phone : 08025620379
CONSOLIDATED

HO Profit and Loss as on : -31-03-2022, Generated On 28/07/2023 at 11:49:28 AM

As On:	Expense	As On:	Amount	As On:	Income	As On:	Amount
31-03-2021		31-03-2022		31-03-2021		31-03-2022	
	Interest Paid				Interest Received		
896962336.99	INTEREST PD ON KALPATHARU DEP	51759407.44		26330.00	INTEREST RECD ON ALL LOANS	7576351.05	
686380011.00	INTEREST PAID ON KAMADHENU DEP	232271235.47		461884.00	PENAL INTEREST ON ALL LOANS	247304.00	
34702699.00	INTEREST PAID ON AKSHAYA DEP	9910517.03		2522.00	INT RECD ON SRI ANANTH MIDH		
165813805.56	INTEREST PAID ON S/B ACCOUNTS	159564034.00		27885.00	INT RECD ON SRI ANANTH LAKSHA		
31757573.00	INTEREST PAID ON SGR CASH CERT	8699800.00		18119021.00	FRAUD-INT RECD ON HOUSING LOAN	8092880.00	
26722798.00	INTEREST PAID ON SGR VIDYA LAKSHYA	3510201.26		572869.00	FRAUD-INT RECD ON OVERDRAFT	-21076.00	
268422.00	INTEREST PAID ON KALPAVRUKSHA DEPOSIT	11431.00		4572354.00	FRAUD-INT RECD ON ADV AGAINST DEP	5120115.12	
91794052.00	INTEREST PAID ON KL STD	78906711.00		64272.00	FRAUD-INT ON SEC LOAN ON EQUIPMENT	14303.00	
3786650.00	INTEREST SRI ANANTH MIDHI	1600908.00		1750304.00	FRAUD-INT RECD ON SEC LOAN VEHICLE	859561.00	
108723750.00	INTEREST PAID ON SRI ANANTH LAKSHA DEPOSIT	29703846.00		2064289.00	FRAUD-INT RECD ON DEMAND LOAN	480508.00	
46350430.00	INTEREST PAID ON GURUSHREEE DEPOSIT	11904580.00		966279.67	FRAUD-INT ON KALPATHARU DEP LOAN	150872.00	
76421904.00	INTEREST PAID ON ANUGRAHA	43373789.00		53760.00	FRAUD-INT ON KAMADHENU DEPOSIT LOAN		
94081519.00	INTEREST PAID ON ASHRVAD SPECIAL D	61116314.00		4810.00	FRAUD-INT RECD ON EP LOAN AC		
150513909.00	INTEREST PAID ON VIMSHATHI DEPOSIT	113176874.00		16800.00	FRAUD-INT RECD ON SGR CASH CERTIFIC		
-563154944.00	INTEREST PAID 2019-20			87292.00	FRAUD-INT ON PLANT AND MACHINERY		
1851124915.55			1271509648.20	565991.00	FRAUD-INT RECD ON SEC BUSINESS LOAN	8351.00	
	Other Expenses			27136221.00	FRAUD-INT ON IMMCOVABLE PROPERTYLOAN	12425733.00	
210936.00	OFFICE CLEANING EXPENSES	7249.00		-765.00	FRAUD-INT RECD ON KVD DEP LOAN		
3007046.23	MISC EXPENSES	46516.97		15157.00	FRAUD-INT RECD ON VIDYALAKSHA	53606.00	
834814.00	AUDIT EXPENSES	58550.00		6434.00	FRAUD-INT ON RETAIL BUSINESS LOAN		
11089.50	PERIODICALS			22250.00	FRAUD-INT RECD ON TOD IN CA-SB		
774.20	BANK CHARGES PAID	1981.20		56773059.67	Other Incomes		35028508.17
	GENERAL BODY EXPENSES	65000.00		1297.29	SERVICE CHARGES CA/SB/OD/DEP.		
1260.00	STAFF CONVEYANCE ALLOWANCE	13130.00					



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As On:	Expense	As On:	Amount	As On:	Income	As On:	Amount
31-03-2021		31-03-2022		31-03-2021		31-03-2022	
228222.00	VEHICLE MAINTENANCE EXP	40289.00		58.00	CHEQUE BOOK CHARGES RECEIVED	6.00	
77620.00	GENERATOR MAINTENANCE EXP	13779.00		6.50	DD/PO CANCELLATION CHARGES REC		
	SGST PAID	358238.28		64000.00	SUSPENSE ACCOUNT		
	CGST PAID	358238.28		372.12	BANK CHARGES RECEIVED		
577624.00	IGST PAID	5065766.21		573033.00	LOCKER RENT	190810.00	
4833819060.00	PRIOR PERIOD LOSS-REAUDIT			8300.00	MISCELLANEOUS INCOME	4651.00	
4838768445.93			6028737.94	271356.00	SALE OF COMPUTER		
	Salaries and allowance			468483.00	SALE OF FURNITURE	84324.00	
35774208.00	SALARIES AND ALLOWANCES	18325163.00		677966.00	SALE OF LOCKER AND STRONG ROOM DOOR	200378.00	
4170442.00	PROVIDENT FUND-BANK CONTRIBUTI	1888650.00		56255.00	SALE OF ELECTRICAL ITEMS	412748.00	
7024604.00	GRATUITY ALLOTMENT TO STAFF	-5811379.00		5589168.91	FRAUD RECOV FROM STAFF/MGMT-REAUDIT		892917.00
917508.00	EST OTHER ALLOWANCES	646193.00		8219295.82	Interest Received on Investments		
6903984.00	SUPERANNUATION FUND PAID TO STAFF	-110695.00		18718611.00	INT. RECD ON INVESTMENTS	11122790.67	
54790746.00	Director sitting fees and allowance		14935832.00	665811.00	INTEREST RECEIVED ON APEX BANK LTD	5754425.57	
	Rent, tax, Insurance and Electricity			213243820.43	INTEREST RECEIVED ON STATE GOVT SECURITY	202054218.57	
508172.00	BUILDING TAX	425147.64		74851504.75	INTREST RECEIVED ON CENTRAL GOVT SECURITY	72108340.14	
222100.00	CASH/PREMISES INSURANCE A/C			1372754.00	INT RECD ON CANARABANK FD	4496678.75	
1274328.00	ELECTRICITY CHARGES	438429.00		7137862.00	INTEREST RECD STATE TREASURY BILL		
194152.00	WATER CHARGES	128322.00		1541970.00	INT RECD ON SB WITH AV SMALL BANK	2383339.00	
5639126.00	RENT PAID	-108395.00		31753233.18			297919792.71
33174411.00	DEPOSIT INSURANCE PREMIUM	29300062.38					
41012289.00	Law Charges		30183566.02				
55000.00	ARBITRATION CHARGES PAID						
36000.00	LEGAL & TECHNICAL FEE	20000.00					
91000.00	Telephone, Telegrams, Advertisement postage & COURIER EXPENSES		20000.00				
23031.00	TELEPHONE EXPENSES	72659.00					
813323.40	ADVERTISEMENTS AND PUBLICITY E	490833.06					
1700.00	Audit Cost	124132.00					
838054.40	STATUTORY AUDIT COST PAID		687624.06				
1500000.00	FORENSIC AUDIT FEES	200000.00					
272500.00	Stationery and Printing		200000.00				
1772500.00							

Account No: 3-07-023-1-45 & A



