

ANDHRA PRADESH GRAMEENA VIKAS BANK

HEAD OFFICE :: WARANGAL

FORM "A"

BALANCE SHEET AS AT MARCH 2025

('In 000s)


Particulars	Sch No.	As on 31.03.2025	As on 31.03.2024
<u>CAPITAL & LIABILITIES</u>			
Capital	1	5,48,704	9,40,850
Reserves & Surplus	2	2,39,98,515	6,77,60,424
Deposits	3	10,23,90,755	25,82,11,825
Borrowings	4	5,26,49,340	12,51,44,340
Other Liabilites & Provisions	5	1,62,16,172	1,76,78,507
Total		19,58,03,486	46,97,35,946
<u>ASSETS</u>			
Cash and Balances with RBI	6	35,90,074	1,42,12,462
Balances with Banks and Money at Call & Short Notice	7	6,80,03,773	11,43,40,102
Investments	8	1,76,26,802	5,48,56,878
Advances	9	9,57,63,290	26,82,08,222
Fixed Assets	10	3,24,525	10,93,655
Other Assets	11	1,04,95,022	1,70,24,627
Total		19,58,03,486	46,97,35,946
Contingent Liabilities	12	9,11,579	15,07,827

For GRANDHY & Co,
Chartered Accountants
FRN.001007S


(Naresh Chandra Gelli)
Partner
M. No. 201754



For Andhra Pradesh Grameena Vikas Bank


General Manager (Ops)
(B Dayakar)




Chairman
(K. Prathapa Reddy)

Avinandan
(Director)

B Sreenivasulu
(Director)

V Sivakumar
(Director)

D Ronald Rose
(Director)

Smt M Janaki
(Director)

Smt V Hema
(Director)


Chairman
(K. Prathapa Reddy)

Place: Warangal
Date:

ANDHRA PRADESH GRAMEENA VIKAS BANK
HEAD OFFICE :: WARANGAL
FORM "B"

PROFIT AND LOSS ACCOUNT For the period ended MARCH 2025

('In 000s)

Sl.No.	Particulars	Sch no	31.03.2025	31.03.2024
I	Income			
	Interest Earned	13	3,60,95,297	3,95,77,927
	Other Income	14	47,45,027	52,33,009
	TOTAL		4,08,40,324	4,48,10,936
II	Expenditure			
	Interest Expended	15	1,95,42,162	2,02,68,839
	Operating Expenses	16	73,59,459	64,96,401
	Provisions and Contingencies	17	56,58,658	72,34,514
	Total		3,25,60,279	3,39,99,754
III	Profit/Loss for the period		82,80,045	1,08,11,182
	Appropriation			
	Transfer to Statutory Reserves		16,56,009	21,62,236
	Transfer to other Reserves		-	11,35,704
	Transfer to Government/ proposed dividend		-	-
	Balance carried over to Balance Sheet		66,24,036	75,13,242

For GRANDHY & Co,
Chartered Accountants
FRN.001007S



(Naresh Chandra Gelli)
Partner
M. No. 201754



V Sivakumar
(Director)

Smt V Hema
(Director)

Place: Warangal
Date:

For Andhra Pradesh Grameena Vikas Bank


General Manager (Ops)
(B Dayakar)

Avinandan
(Director)

D Ronald Rose
(Director)




Chairman
(K. Prathapa Reddy)

B Sreenivasulu
(Director)


Smt M Janaki
(Director)


Chairman
(K. Prathapa Reddy)

ANDHRA PRADESH GRAMEENA VIKAS BANK::HEAD OFFICE WARANGAL		
CASH FLOW STATEMENT AS ON 31st MARCH 2025.		
	Rs. '000s	
Particulars	31.03.2025	31.03.2024
Cash Flows from Operating Activities:		
Net Profit after Tax	82,80,044	1,08,11,182
Add:		
Depreciation debited to P&L	1,32,844	1,57,069
Provision for Income Tax	25,64,253	38,14,754
Capital Funds Transferred to Telangana Grameena Bank on account of Bifurcation	(5,24,34,100)	
Profit & Loss reserve reversed for Creating DTL on Special Reserve	-	(6,29,071)
Deferred Tax Asset Adjustment	-	-
Interest Paid on Amounts received from RBI, SBI, NABARD	66,00,203	63,41,098
Income on Investments	(30,21,024)	(39,20,971)
Operating profit before working capital changes	(3,78,77,781)	1,65,74,061
Working Capital Changes:		
Increase / (Decrease) in Deposits	(15,58,21,070)	99,99,651
Increase / (Decrease) in Liabilities and Provisions	(40,26,587)	(33,33,117)
(Increase) / Decrease in Advances	17,24,44,932	(4,93,23,053)
(Increase) / Decrease in Other Assets	78,39,255	9,05,935
Cash generated from Operations	(1,74,41,250)	(2,51,76,523)
Less: Income Tax Paid	(13,09,650)	(32,76,257)
Net cash from Operating Activities	(1,87,50,900)	(2,84,52,779)
Cash Flows from Investing Activities:		
(Purchase) / Sale of fixed assets	6,36,285	(2,37,655)
(Purchase) / Sale of Investments	3,72,30,076	42,90,080
Income from Investments	30,21,024	39,20,971
Net cash from Investing Activities	4,08,87,386	79,73,396
Cash Flows from Financing Activities:		
Funds from SBI, NABARD, NHB	(7,24,95,000)	3,22,90,086
Interest paid to SBI, NABARD, NHB	(66,00,203)	(63,41,098)
Net cash from Financing Activities	(7,90,95,203)	2,59,48,988
Effect of Foreign Exchange Rate Changes		
Net Increase/(Decrease) In Cash And Cash Equivalents	(5,69,58,716)	54,69,605
Add: Opening cash and cash equivalents		
i) Cash on hand	8,41,332	8,03,740
ii) Balances with Reserve Bank of India & Other banks	1,33,72,754	93,36,776
iii) Deposit Accounts	11,43,38,477	11,29,42,442
Total	7,15,93,847	12,85,52,564
Note:		
Closing Cash and Cash Equivalents		
i) Cash on hand	2,12,968	8,41,332
ii) Balances with Reserve Bank of India & other banks	33,78,456	1,33,72,754
iii) Deposit Accounts	6,80,02,423	11,43,38,477
Total	7,15,93,847	12,85,52,564
Check Total	-	-

Cash Flow is prepared using Indirect Method.


For GRANDHY & Co,
Chartered Accountants
FRN.001007S


(Naresh Chandra Gelli)
Partner
M. No. 201754



For Andhra Pradesh Grameena Vikas Bank


General Manager (OPS)
(B Dayakar)


Chairman
(K. Prathapa Reddy)



ANDHRA PRADESH GRAMEENA VIKAS BANK
HEAD OFFICE :: WARANGAL
SCHEDULES FORMING PART OF FORM A AND FORM B - MARCH 2025

SCHEDULE -1
CAPITAL

('In 000s)

Particulars	AS ON 31.03.2025	AS ON 31.03.2024
Authorised Capital (2000000000 Equity Shares of Rs10/-each)	2,00,00,000	2,00,00,000
Issued Capital (5487400 Equity Shares of Rs10/-each)	5,48,704	9,40,850
Subscribed Capital (5487400 Equity Shares of Rs10/-each)	5,48,704	9,40,850
Called Up Capital (5487400 Equity Shares of Rs10/-each)	5,48,704	9,40,850
Less: Calls unpaid	NIL	NIL
Add: Forfeited Shares	NIL	NIL
Total	5,48,704	9,40,850

SCHEDULE -2
RESERVES AND SURPLUS

('In 000s)

Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I Statutory Reserves		
Opening Balance	1,36,92,573	1,15,30,337
Additions During the Year	16,56,009	21,62,236
Deductions During the Year	-93,15,058	Nil
TOTAL	60,33,524	1,36,92,573
II Capital Reserves		
Opening Balance	1,11,038	1,11,038
Additions During the Year	Nil	Nil
Deductions During the Year	-75,539	Nil
TOTAL	35,499	1,11,038
III Share Premium		
Opening Balance	Nil	Nil
Additions During the Year	Nil	Nil
Deductions During the Year	Nil	Nil
TOTAL	Nil	Nil
IV Revenue and Other Reserves		
Opening Balance	37,78,342	26,42,637
Additions During the Year	-	11,35,704
Deductions During the Year	-25,70,406	
TOTAL	12,07,936	37,78,341
V Balance in Profit and Loss Account		
Opening Balance	5,01,78,471	4,32,94,301
Additions During the Year*		
Profit for the year	66,24,036	75,13,242
Deductions During the Year	4,00,80,951	6,29,071
TOTAL	1,67,21,556	5,01,78,472
TOTAL (I, II, III, IV and V)	2,39,98,515	6,77,60,424



SCHEDULE-3
DEPOSITS

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
A. I	Demand Deposits		
	(i) From Banks	-	19,024
	(ii) From Others	4,31,460	17,93,170
II	Savings Bank Deposits	3,66,08,751	10,04,48,957
III	Term Deposits		
	(i) From Banks	1,69,88,778	4,32,32,496
	(ii) From Others	4,83,61,766	11,27,18,178
	TOTAL (I, II and III)	10,23,90,755	25,82,11,825
B	(i) Deposits of Branches in India	10,23,90,755	25,82,11,825
	(ii) Deposits of Branches Out Side India	Nil	Nil
	TOTAL	10,23,90,755	25,82,11,825

SCHEDULE -4
BORROWINGS

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	Borrowings in India		
	(a) Reserve Bank of India	30,00,000	79,00,000
	(b) Other Banks	2,27,40,873	5,01,44,882
	(c) Other Institutions and agencies	2,69,08,467	6,70,99,458
	1 NABARD	2,59,55,083	6,24,93,250
	2 NHB	9,01,711	42,81,078
	3 NSTFDC	-	3,796
	4 NBCFDC	-	3,333
	5 MUDRA	51,673	3,18,000
II	Borrowings Out Side India	Nil	Nil
	TOTAL (I and II)	5,26,49,340	12,51,44,340
	Secured Borrowings included in I and II above		

SCHEDULE-5
OTHER LIABILITIES AND PROVISIONS

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	Bills payable/Bankers Cheque	88,937	6,71,424
II	Inter Office Adjustments (Net)		
III	Interest Accrued	37,02,570	73,68,301
IV	Others (Including Provisions)	1,24,24,665	96,38,782
	TOTAL	1,62,16,172	1,76,78,507



SCHEDULE-6
CASH AND BALANCE WITH RESERVE BANK OF INDIA

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	Cash in Hand		
	(Including Foreign Currency Notes)	2,12,968	8,41,332
II	Balances with Reserve Bank of India		
	(a) In Current Account	33,77,106	1,33,71,130
	(b) In Other Account	NIL	NIL
	TOTAL (I and II)	35,90,074	1,42,12,462

SCHEDULE-7
BALANCE WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	In India		
	(i) Balance with Banks		
	(a) In Current Accounts	1,350	1,625
	(b) In Other Deposit Accounts (TDRs)	6,80,02,423	11,43,38,477
	(ii) Money at Call & Short Notice		
	(a) With Banks	Nil	Nil
	(b) With Other Institutions	Nil	Nil
	TOTAL (i and ii)	6,80,03,773	11,43,40,102
II	Outside India		
	(i) In Current Accounts	Nil	Nil
	(ii) In Other Deposit Accounts	Nil	Nil
	(iii) Money at Call & Shortnotice	Nil	Nil
	TOTAL (i , ii and iii)		
	GRAND TOTAL (I and II)	6,80,03,773	11,43,40,102

SCHEDULE -8
INVESTMENTS

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	Investment in India		
	(i) Government Securities	1,76,24,303	5,46,44,468
	(ii) Other Approved Securities	Nil	Nil
	(iii) Shares	2,499	2,499
	(iv) Debentures and Bonds	Nil	Nil
	(v) Subsidiaries and /or joint Ventures	Nil	Nil
	(v) Others (Mutual Funds Units)	-	2,09,911
	TOTAL	1,76,26,802	5,48,56,878
II	Investments Out Side India		
	(i) Government Securities	Nil	Nil
	(Including Local Authorities)		
	(ii) Subsidiaries and/or Joint Ventures	Nil	Nil
	(iii) Other Investments (To Be Specified)	Nil	Nil
	TOTAL		
	GRAND TOTAL (I and II)	1,76,26,802	5,48,56,878



**SCHEDULE-9
ADVANCES**

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
A	(i) Bills Purchased and Discounted	Nil	Nil
	(ii) Cash Credits, Overdrafts and Loans Repayable on Demand	6,27,54,802	15,71,63,851
	(iii) Term Loans	3,30,08,488	11,10,44,371
	TOTAL (A)	9,57,63,290	26,82,08,222
B	(i) Secured by Tangible Assets	9,55,44,640	26,81,18,805
	(ii) Covered by Bank/Government Guarantees	Nil	Nil
	(iii) Unsecured	2,18,650	89,417
	TOTAL (B)	9,57,63,290	26,82,08,222
CI	Advances in India		
	(i) Priority Sector	7,73,72,851	20,64,79,319
	(ii) Public Sector	Nil	Nil
	(iii) Banks	Nil	Nil
	(iv) Others	1,83,90,439	6,17,28,903
	TOTAL	9,57,63,290	26,82,08,222
CII	Advances Out Side India		
	(i) Due from banks	Nil	Nil
	(ii) Due from Others	Nil	Nil
	TOTAL (CII)	-	-
	GRAND TOTAL (CI and CII)	9,57,63,290	26,82,08,222

The calculation of Gross Advances and Net Advances is furnished under

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
	Gross Advances	10,35,09,363	31,39,43,264
	Less: IBPC	65,88,000	3,80,80,000
	Less: NPA Provisions	11,06,541	75,52,926
	Less: Staff Festival Advance	51,532	1,02,116
	Net Advances	9,57,63,290	26,82,08,222



**SCHEDULE-10
FIXED ASSETS**

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	Premises		
	At cost as on the 31st March of the Preceeding Year	1,96,914	1,50,149
	Additions During the Year	13,285	46,766
	Deductions During the Year	1,97,380	-
	Depreciation to date	12,026	9,509
	TOTAL	793	1,87,406
II	Other Fixed Assets (including Furniture and Fixtures)		
	At cost as on the 31st March of the Preceeding Year	22,89,241	20,72,885
	Additions During the Year	2,33,307	2,16,863
	Deductions During the Year	6,70,831	507
	Depreciation to date	15,27,985	13,97,658
	TOTAL	3,23,732	8,91,583
III	Capital Work in Progress		
	At cost as on the 31ST March of the Preceeding Year	14,666	40,134
	Additions During the Year	-	6,705
	Deductions During the Year	14,666	32,173
	TOTAL	-	14,666
	TOTAL (I+II+III)	3,24,525	10,93,655

**SCHEDULE-11
OTHER ASSETS**

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	Inter Office Adjustments (NET)		
II	Interest Accrued	45,81,102	72,65,539
III	Tax paid in Advance/ Tax deducted at Source	13,09,650	32,88,719
IV	Stationery and stamps	4,511	19,965
V	Others *	45,99,759	64,50,404
	TOTAL	1,04,95,022	1,70,24,627



SCHEDULE-12
CONTINGENT LIABILITIES

('In 000s)

	Particulars	AS ON 31.03.2025	AS ON 31.03.2024
I	Claims against the Banks not acknowledged as debts	3,21,098	9,99,943
II	Liabilities for partly paid Investments	Nil	Nil
III	Liabilities on account of outstanding forward exchange contracts	Nil	Nil
IV	Guarantees Given on behalf of Constituents		
	(a) In India	46,344	1,30,762
	(b) Out Side India	Nil	Nil
V	Acceptances, Endorsements and other Obligations	Nil	Nil
VI	Other items for which the Bank is contingently liable (DEAF Account)	5,44,137	3,77,122
	TOTAL	9,11,579	15,07,827



**SCHEDULE-13
INTEREST EARNED**

('In 000s)

	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
I	Interest/ Discount on Advances/Bills	2,55,14,189	2,87,50,293
II	Income on Investments	30,00,244	39,20,971
III	Interest on Balances with RBI and Other Inter Bank Funds	75,60,083	69,06,663
IV	Others	20,781	Nil
	TOTAL	3,60,95,297	3,95,77,927

**SCHEDULE-14
OTHER INCOME**

('In 000s)

	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
I	Commission, Exchange and Brokerage	32,33,713	41,08,572
II	Profit on Sale of Investment		
	Less: Loss on sale of Investments	-40,638	-1,44,746
III	Profit on Revaluation of Investments	Nil	Nil
	Less: Loss on Revaluation of Investments		
IV	Profit on Sale of Lands, Buildings and Other Assets	2,321	-
	Less: Loss on Sale of Lands, Buildings and Other Assets	-104	-
V	Profit on Exchange Transactions	Nil	Nil
	Less: Loss on Exchange Transactions		
VI	Income Earned by way of Dividend Etc, From Subsidiaries/Companies and /Or Joint Ventures Abroad /In India	Nil	Nil
VII	Miscellaneous Income	15,49,735	12,69,183
	TOTAL	47,45,027	52,33,009

**SCHEDULE-15
INTEREST EXPENDED**

('In 000s)

	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
I	Interest on Deposits	1,29,41,959	1,39,27,741
II	Interest on Reserve Bank of India/Inter Bank Borrowings	66,00,203	63,41,098
III	Others	Nil	Nil
	TOTAL	1,95,42,162	2,02,68,839



SCHEDULE-16
OPERATING EXPENSES

('In 000s)

	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
I	Payments to provisions for employees	49,06,369	42,64,224
II	Rent, Taxes, Lighting and Fuel	3,86,322	3,30,499
III	Printing and Stationery	44,493	37,962
IV	Advertisement and Publicity	2,601	2,432
V	Depreciation on Banks Property	1,32,844	1,57,069
VI	Directors' Fees, Allowances and Expenses	-	-
VII	Auditors Fee and Expenses	5,681	9,491
VIII	Law Charges	4,870	3,127
IX	Postage, Telegrams, telephone, etc	7,304	7,975
X	Repairs and Maintenance	4,720	4,692
XI	Insurance	3,77,819	3,72,915
XII	Other Expenditure	14,86,436	13,06,015
	TOTAL	73,59,459	64,96,401

SCHEDULE-17
PROVISIONS AND CONTINGENCIES

('In 000s)

	Particulars	Year ended 31.03.2025	Year ended 31.03.2024
I	Provision on NPA's	11,89,752	22,02,286
II	Provision on Standard Assets	96,476	1,36,162
III	Provision on Frauds	263	399
IV	Depreciation on SLR Securities under AFS category	-8,23,295	-7,73,287
V	Provision on Wage revision	2,19,000	9,00,700
VI	IFR Reversal	-	-
VII	Provison on Pension	20,59,600	5,39,500
VIII	Audit Fee Provision	-	-
IX	Provision on Tax	-	-
	Deferred Tax	2,02,505	77,207
	Income Tax	25,64,253	38,14,754
X	Provision for Tax Liability for Income Tax Cases	1,50,104	3,36,793
	TOTAL	56,58,658	72,34,514



ANDHRA PRADESH GRAMEENA VIKAS BANK
HEAD OFFICE: WARANGAL
SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation:

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

B. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

C. Significant Accounting Policies:

1. Revenue Recognition:

- 1.1. Income and Expenditure are accounted on accrual basis, except otherwise stated.
- 1.2. Interest income is recognised in the Profit and Loss Account as it accrues except, (i) income from Non Performing Assets (NPAs), comprising of advances and investments which is recognised upon realisation, as per the prudential norms prescribed by the RBI or other regulatory authorities. (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3. Profit / loss on sale of investments is recognised in the Profit and Loss Account.
- 1.4. Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value is recognised only at the time of sale / redemption.
- 1.5. Commission & Exchange and Locker rent have been recognized on realization basis.



- 1.6. Interest on overdue term deposits is accounted for on renewal basis.
- 1.7. In case of suit filed accounts, legal and other expenses incurred are charged to Profit and Loss Account and at the time of recovery of such expenses is accounted as income.

2. Investments:

The transactions in Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade Date".

- 2.1. Classification: Investments are classified into three categories viz., Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI guidelines.

2.2. Basis of classification:

- I. Investments that the Bank intends to hold till maturity are classified as Held to Maturity (HTM).
 - II. Investments that are held principally for resale within 90 days from the date of purchase are classified as Held for Trading (HFT).
 - III. Investments, which are not classified in the above two categories, are classified as Available for Sale (AFS).
 - IV. An investment is classified as HTM / HFT / AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- However, for disclosure in Balance Sheet these are classified as under - Government Securities, Other Approved Securities and Others.

2.3. Valuation:

- i). In determining the acquisition cost of an investment:
 - a) Brokerage or Commission received on subscriptions is reduced from the cost.
 - b) Brokerage, Commission, Securities Transaction Tax (STT) etc., paid in connection with acquisition of investments are expensed upfront and excluded from cost.
 - c) Broking period interest paid / received on debt instruments is treated as interest expense / income and is excluded from cost or sale consideration.
 - d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and FIFO basis (First in First out) for investments under HTM category.
- ii) Transfer of securities from HFT / AFS category to HTM category is carried out at the lower of acquisition cost / book value / market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided
- iii) Treasury Bills and Commercial Papers are valued at carrying cost.



iv) Held to Maturity category:

a) Investments under Held to maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "Interest on Investments".

b) Investments in equity shares of other companies are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.

v) Investments under AFS and HFT category: Investments under AFS and HFT category are individually re-valued at market price or fair value determined as per regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and debentures, and (v) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of individual security remains unchanged after marking to market.

vi) Investments are classified as Performing and Non Performing investments, based on the guidelines issued by the RBI. Investments of domestic offices become non performing where:

- a) Interest or instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
- b) In the case of equity shares, in the event the investment in the shares of any company is valued at Rs.1/- per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.

3. Cash Flow Statement:

In conformity with AS-3, "Cash Flow Statement" issued by ICAI, the Bank opt indirect method for preparing cash flow statement stating the cash inflows and outflows from Operating activities, Investing activities and Financing activities.

4. Loans or Advances and Provisions thereon:

4.1. Loans and advances are classified as performing and non-performing, based on the guidelines/directives issued by the RBI. Loan assets become Non Performing Asset (NPA) where:

i) In respect of agriculture advances:

- a) For short duration crops, where the instalment of principal or interest remains overdue for two crop seasons, and
- b) For long duration crops, where the principal or interest remains overdue for one crop season.

ii) In respect of Non Agriculture advances:

- a) In respect of term loans, interest and / or instalment of principal remains overdue for a period of more than 90 days.



b) In respect of Overdraft or Cash Credit Advances, the account remains “out of order”, i.e. if the outstanding balance exceeds the sanctioned limit or drawing power continuously for a period 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period.

4.2. All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and Loss Assets. Provisions are made as per the extant guidelines/directives prescribed by the RBI.

Provisions on Advances are made as under:

I Standard Assets: General Provision for Standard Assets at the following rates:

Direct Advances to Agriculture and SME sectors at 0.25%

Commercial Real Estate sector at 1%

Housing Loans >20.00 lacs @ 0.75%

All other advances not included in (1) & (2) above at 0.40%

As per RBI circular vide RBI/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021, due to implementation of the restructuring plan, APGVB has been provided a provision of 10 percent of the residual debt of the borrower in Micro, Small and Medium Enterprises (MSMEs).

II Sub-Standard Assets:

A loan asset that has remained non performing for a period less than or equal to 12 months is a Sub Standard Asset

General Provision of 15% on the total outstanding

Additional Provision of 10% for exposures which are unsecured ab-intio (i.e. where realisable value of security is not more than 10% ab-initio).

III Doubtful Assets:

A loan asset that has remained in the sub-standard category for a period of 12 months is Doubtful Asset

Secured Portion	Up to One year	25%
	One to three years	40%
	More than three years	100%
Unsecured Portion		100%

IV Loss Assets:

A loan asset where Loss has been identified but the amount has not been fully written of is a Loss Asset.

100% Provision on outstanding Advances.

4.3. Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and



Inter Bank Participation Certificates.

4.4. For Restructured / Rescheduled assets, provisions are made in accordance with the extant guidelines issued by the RBI.

4.5 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it confirms to the guidelines prescribed by the regulators.

4.6. Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

4.7. In addition to the specific provision on NPAs, general provisions are also made for Standard Assets as per extant RBI guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities and Provisions – Other Provisions" and are not considered for arriving at the net NPAs.

4.8. Appropriation of recoveries in NPAs (not out of fresh/additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority:

- a. Charges
- b. Unrealized Interest/Interest
- c. Principal

5. Floating Provisions:

The bank has a policy for creation and utilisation of floating provisions separately for advances, investments and general purposes. The quantum of floating provisions to be created is assessed at the end of the financial Year.

6. Fixed Assets- Depreciation:

6.1. Fixed Assets are carried at historical cost less accumulated depreciation.

6.2. Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

6.3. Depreciation is provided on straight line method as per the following rates:

Nature of Assets	Rate of depreciation on SLM basis	Useful Life
Premises including used for the Bank's business, guest house and residential purpose	1.6667%	60
Vehicles(Motor Cars)	20%	5
Safe Deposit Lockers, Fire Proof Data Safe, Strong Room, Strong Room Doors	5%	20
Furniture and Fixtures other than electrical fittings and fixtures	10%	10
Electrical Fittings and Fixtures	20%	5



Items provided at residence of Officials:		
Electrical Equipment	20%	5
Wooden and Steel Furniture	10%	10
Carpets and Curtains	33.33%	3
Computers	33.33%	3
Servers	25%	4
Automated Teller Machines (ATM)	20%	5
Cash Deposit Machine (CDM), Coin Dispenser (CD), Coin vending machine (CVM)	20%	5
Networking Equipment (viz. switches, routers, hubs etc.)	20%	5
Computer software which does not form an integral part of hardware and cost of software development	33.33%	3

6.4. In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

6.5. Assets costing less than Rs.5,000 each are charged off in the year of purchase.

7. Impairment of Assets:

Fixed assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are impaired, the impairment to be recognised is measured by the amount which the carrying amount of the asset exceeds the fair value of the asset.

8. Employee Benefits:

8.1. Short Term Employee Benefits:

The undiscounted amount of short – term employee benefits, such as medical benefits etc., which are expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

8.2. Long Term Employee Benefits

i). Defined Benefit Plans:

a. Gratuity:

The Bank provides for Gratuity liability based on actuarial valuation for all the eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial



valuation carried out annually, and contributes to SBI Life Insurance Company Limited.

b. Leave Encashment:

The Bank provides for Leave Encashment liability. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment and vesting occurs at different stages as per rules. The Bank makes periodic contributions based on an independent external actuarial valuation carried out annually, and contributes to SBI Life Insurance Company Limited.

c. Pension:

As per the order of Hon'ble Supreme Court of India, the Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per the rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The pension liability is reckoned based on an independent actuarial valuation carried out and Bank makes such initial contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

ii) Defined Contribution Plans such as Provident Fund are recognized as an expense and charged to the Profit & Loss Account on accrual basis.

iii) The Bank operates New Pension System (NPS) for all staff joined on or after 1st April 2018 and staff joined between 1st April 2010 and 31st March 2018 and opted for NPS, which is a defined Contribution Plan. As per the scheme employees contribute 10% of their basic pay and DA together with matching contribution from the Bank.

iv) Other Long Term Employee benefits:

All eligible employees of the Bank are eligible for leave fare concession, home travel concession. The costs of such long term employee benefits are debited to Profit & Loss account of the Bank, in the year of expense incurred.

9. Taxes on Income:

Income Tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. Current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per the Accounting Standard 22 – "Accounting for Taxes on Income" respectively and which are based on the tax laws prevailing in India. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of the timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or



substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the Profit and Loss Account. Deferred tax assets are recognised and reassessed at each reporting date, based on management's judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

10. Contingent Liabilities & provisions:

10.1 In conformity with AS – 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the ICAI, the bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

10.2. No provision is recognised for:

- i). Any possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the bank; or
- ii). Any present obligation that arises from past events but is not recognised because:
 - a). It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - b). A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

iii). Contingent Assets are not recognised in the financial statements.

11. Special Reserves:

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961.





ANDHRA PRADESH GRAMEENA VIKAS BANK
HEAD OFFICE: WARANGAL
DISCLOSURE IN FINANCIAL STATEMENTS – 'NOTES TO ACCOUNTS'

1. Regulatory Capital

a) Composition of Regulatory Capital

(Amount in ₹ Crore)

Sr.No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 capital (CET 1) / Paid up share capital and reserves (net of deductions, if any)	2,454.72	6,870.13
ii)	Additional Tier 1 capital*/ Other Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	2,454.72	6,870.13
iv)	Tier 2 capital	29.08	89.08
v)	Total capital (Tier 1+Tier 2)	2,483.81	6,959.21
vi)	Total Risk Weighted Assets (RWAs)	9,639.67	25,256.60
vii)	CET 1 Ratio (CET 1 as a percentage of RWAs) / Paid-upshare capital and reserves as percentage of RWAs	-	-
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	25.47	27.20
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.30	0.35
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	25.77	27.55
xi)	Leverage Ratio		NA
xii)	Percentage of the shareholding of		
	a) Government of India	50.00	50.00
	b) State Government	15.00	15.00
	c) Sponsor Bank	35.00	35.00
xiii)	Amount of paid-up equity capital raised during the year	Nil	Nil
xiv)	Amount of non-equity Tier 1 capital raised during the year, of which: Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	Nil	Nil
xv)	Amount of Tier 2 capital raised during the year, of which: Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	Nil	Nil



b) Draw down from Reserves

Pursuant to Notification No. F.No. 15/15/2015(E)-RRB of GFS dated 13th November 2024, the bifurcation of the Bank's assets and liabilities between the two successor states has been effected based on the recommendations of the Working Group (WG). The effective date of bifurcation has been determined as 1st January 2025.

In accordance with the WG recommendations, the reserves of the Bank have been apportioned between the two states in proportion to the business ratio. The respective share of reserves, as determined, has been communicated and allocated to the Telangana Grameena Bank (TGB) as detailed below.

Particulars	Rs. In Crs	
	Reserve as on 01.04.2024	Reserves transferred to TGB
Statutory Reserves	1,369.26	931.51
Capital Reserves	11.10	7.55
Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961.	363.52	247.30
Revenue and other Reserves	14.31	-9.74
Balance in Profit and Loss Account	5,017.85	3,885.00

Until 31st December 2024, the Bank operated in both the States of Telangana and Andhra Pradesh. Pursuant to Notification No. F.No. 15/15/2015(E)-RRB of GFS dated 13th November 2024 and based on the recommendations of the Working Group (WG), the Bank underwent bifurcation with effect from 1st January 2025.

Consequent to the bifurcation, the Bank now operates exclusively in the State of Andhra Pradesh with effect from the said date. The assets and liabilities of the Bank were apportioned between the two successor entities as per the WG recommendations.

The net difference arising on bifurcation, i.e., the excess of liabilities over assets amounting to 123.09 Crores has been debited to the retained earnings of the Bank.



2. Asset liability management

a) Maturity pattern of certain items of assets and liabilities

(Amount in ₹ Crore)

	Day 1 to 14 days	15 To 30 Days	30 days To 3 months	Over 3 months and up to 6 Months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Deposits	715.70	165.59	671.11	873.68	2,902.43	4,805.30	59.69	45.59	10,239.08
Advances	918.14	134.02	861.68	1,420.23	3,599.97	2,099.64	199.85	1,117.41	10350.93
Investments	2.13	185	1075.48	4995.15	525.07	857.79	26.27	896.03	8562.92
Borrowings	301.30	-	51.37	3,041.40	1,126.57	404.25	338.47	1.57	5,264.93
Foreign Currency assets	0	0	0	0	0	0	0	0	0
Foreign Currency liabilities	0	0	0	0	0	0	0	0	0



3. Investments

a) Composition of Investment Portfolio as at 31.03.2025

(Amount in ₹ Crore)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	832.25	0.00	0.00	0.00	0.00	0.00	832.25	0.00	0.00	0.00	0.00	832.25
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	832.25	0.00	0.00	0.00	0.00	0.00	832.25	0.00	0.00	0.00	0.00	832.25
Available for Sale												
Gross	930.20	0.00	0.25	0.00	0.00	0.00	930.45	0.00	0.00	0.00	0.00	930.45
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0.00	0.00
Net	930.20	0.00	0.25	0.00	0.00	0.00	930.45	0.00	0.00	0.00	0.00	930.45
Held for Trading												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	1762.45	0.00	0.25	0.00	0.00	0.00	1762.70	0.00	0.00	0.00	0.00	1762.70
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1762.45	0.00	0.25	0.00	0.00	0.00	1762.70	0.00	0.00	0.00	0.00	1762.70

Composition of Investment Portfolio as at 31.03.2024

(Amount in ₹ Crore)

		Investments in India						Investments outside India				Total Investments	
		Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others		Total Investments outside India
Held to Maturity													
Gross		2206.70	0.00	0.00	0.00	0.00	0.00	2206.70	0.00	0.00	0.00	0.00	2206.70
Less: Provision for non-performing investments (NPI)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net		2206.70	0.00	0.00	0.00	0.00	0.00	2206.70	0.00	0.00	0.00	0.00	2206.70
Available for Sale													
Gross		3257.74	0.00	0.25	0.00	0.00	0.00	3,278.98	0.00	0.00	0.00	0.00	3,278.98
Less: Provision for depreciation and NPI		101.10	0.00	0.00	0.00	0.00	0	101.10	0.00	0.00	0.00	0.00	101.10
Net		3156.64	0.00	0.25	0.00	0.00	0.00	3177.88	0.00	0.00	0.00	0.00	3177.88
Held for Trading													
Gross		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments		5,464.44	0.00	0.25	0.00	0.00	0.00	5,485.68	0.00	0.00	0.00	0.00	5,485.68
Less: Provision for non-performing investments		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation and NPI		101.10	0.00	0.00	0.00	0.00	0.00	101.10	0.00	0.00	0.00	0.00	101.10
Net		5363.34	0.00	0.25	0.00	0.00	0.00	5384.58	0.00	0.00	0.00	0.00	5384.58



Disclosure in Financial Statements – ‘Notes to Accounts’

b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a. Opening balance	101.10	178.42
b. Add: Provisions made during the year	-101.10	-77.32
c. Less: Write off / write back of excess provisions during the year	0.00	0.00
d. Closing balance	0.00	101.10
ii) Movement of Investment Fluctuation Reserve		
a. Opening balance	0.00	0.00
b. Add: Amount transferred during the year	0.00	0.00
c. Less: Drawdown	0.00	0.00
d. Closing balance	0.00	0.00
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	0.00	0.00

c) Sale and transfers to/from HTM category

Bank has not sold or transferred securities to/from HTM category in the current Financial Year.

d) Non-SLR investment portfolio

(Amount in ₹ Crore)

Sr.No.	Particulars	Current Year	Previous Year
a)	Opening balance	21.24	21.24
b)	Additions during the year since 1 st April	0.00	0.00
c)	Reductions during the above period	20.99	0.00
d)	Closing balance	0.25	21.24
e)	Total provisions held	0.00	0.00



Disclosure in Financial Statements – 'Notes to Accounts'

i) Issuer composition of non-SLR investments

(Amount in ₹ Crore)

Sr.No.	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
a)	PSUs	0.25	0.25	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b)	FIs	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c)	Banks	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d)	Private Corporates	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e)	Subsidiaries/ Joint Ventures	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f)	Others	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g)	Provision held towards depreciation	0.00	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total *	0.25	0.25	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



Disclosure in Financial Statements – 'Notes to Accounts'

e) Repo transactions (in face value terms)

(Amount in ₹ Crore)

	Minimum outstanding during the year		Maximum outstanding during the year		Daily average outstanding during theyear		Outstanding as on March31	
	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value	Face Value	Market Value
i) Securities sold under repo								
a) Government securities	42	43.26	790	813.66	387.48	393.56	250	257.01
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-
ii) Securities purchased under reverse repo								
a) Government securities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Corporate debt securities	-	-	-	-	-	-	-	-
c) Any other securities	-	-	-	-	-	-	-	-



1. Asset quality

a) Classification of advances and provisions held

(Amount in ₹ 000's)

	Standard	Non-Performing			Total
		Sub-standard	Doubtful	Total Non-Performing Advances	
Gross Standard Advances and NPAs					
Opening Balance (2023-24)	305500203.79	4342115.92	4094543.58	8443060	313943263
Add: Additions during the year				12439880.74	
				9479325.55 (TG part of APGVB)	
				2960555.18 (AP part of Apgvb)	
Less: Reductions during the year				19776399.79	
Closing balance (2024-25)	102402922.79	417508.62	481407.71	1106540.95	103509463.70
Reductions in Gross NPAs due to:					
i) Upgradation				14314620.00	
				1096195.00 (TG part of APGVB)	
				335267.00 (AP part of Apgvb)	
ii) Recoveries (excluding recoveries from upgraded accounts)				14314620.00	
				1096195.00 (TG part of APGVB)	
				335267.00 (AP part of Apgvb)	
iii) Technical/ Prudential Write-offs				0.00	
iv) Write-offs other than those under (iii) above				76088.23	
				26826.99 (TG part of APGVB)	

Disclosure in Financial Statements – 'Notes to Accounts'

					49261.24 (AP part of APGVB)	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	890812	3451982	4094544	6400	7552926	8443738
Add: Fresh provisions made during the year					1190840.48	
					965938.79 (TG part of APGVB)	
					224901.69 (AP part of Apgvb)	
Less: Excess provision reversed/ Write-off loans					0.00	
Closing balance of provisions held	290848.81	417508.62	481407.71	207624.61	1106540.95	1397389.77
Net NPAs						
Opening Balance					890134	
Add: Fresh additions during the year					968753.42	
					838867.11 (TG part of APGVB)	
					129886.31 (AP part of Apgvb)	
Less: Reductions during the year					968753.42	
Closing Balance					0.00	



Disclosure in Financial Statements – 'Notes to Accounts'

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

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	1.07	2.69
Net NPA to Net Advances	0.00	0.29
Provision coverage ratio	100.00	89.46



b) Sector-wise Advances and Gross NPAs

Amounts in ₹ crore)

Sr.No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	Priority Sector						
a)	Agriculture and allied activities	6935.62	93.99	1.36	20359.35	742.47	3.65
b)	Advances to industries sector eligible as priority sector lending	1110.37	3.41	0.31	2784.29	78.26	2.81
c)	Services	0	0	0	0.00	0.00	0.00
d)	Personal loans	456.31	8.82	1.93	2061.42	5.70	0.27
	Subtotal (i)	8502.30	106.22	1.25	25205.06	826.43	
ii)	Non-priority Sector						
a)	Agriculture and allied activities	0	0	0	0.00	0.00	0.00
b)	Industry	207.94	1.54	0.74	0.00	0.00	0.00
c)	Services	0	0	0	0.00	0.00	0.00
d)	Personal loans	1640.71	2.89	0.18	6189.27	17.87	0.28
	Sub-total (ii)	1848.65	4.43	0.24	6189.27	17.87	
	Total (I + ii)	10350.95	110.65	1.07	31394.33	844.30	2.69



c) Overseas assets, NPAs and revenue

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL

d) Particulars of resolution plan and restructuring**i) Details of accounts subjected to restructuring-**

(Amount in ₹ Crore)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Standard	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Gross Amount (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub-standard	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



Disclosure in Financial Statements – 'Notes to Account

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Gross Amount (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Doubtful	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Gross Amount (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Gross Amount (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (₹ crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



e) Disclosure of transfer of loan exposures

- (i) In the case of stressed loans transferred or acquired, the following disclosures should be made:

Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)			
(all amounts in ₹ crore)	To ARCs	To permitted transferees	To other transferees (please specify)
No: of accounts	NA	NA	NA
Aggregate principal outstanding of loans transferred	NA	NA	NA
Weighted average residual tenor of the loans transferred	NA	NA	NA
Net book value of loans transferred (at the time of transfer)	NA	NA	NA
Aggregate consideration	NA	NA	NA
Additional consideration realized in respect of accounts transferred in earlier years	NA	NA	NA
Details of loans acquired during the year			
(all amounts in ₹ crore)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)		From ARCs
Aggregate principal outstanding of loans acquired	NA		NA
Aggregate consideration paid	NA		NA
Weighted average residual tenor of loans acquired	NA		NA

f) Fraud accounts

Banks shall make disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

	Current year		Previous year
	31.12.2024	31.03.2025	
Number of frauds reported	1	0	4
Amount involved in fraud (₹ crore)	0.18	0	0.28
Amount of provision made for such frauds (₹ crore)	0.15	0	0.17
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	0	0	0



Branch wise details:

(In Rupees)					
No	Branch Name	Region	Involved	Recovered	Outstanding
1	AMH Ramnagar (Hanmakonda- 5115)	Warangal	17,72,053	2,55,921	15,16,132

Till 31st December 2024, the Bank operated in both the States of Telangana and Andhra Pradesh. Pursuant to Notification No. F.No. 15/15/2015(E)-RRB of GFS dated 13th November 2024 and based on the recommendations of the Working Group (WG), the Bank underwent bifurcation with effect from 1st January 2025.

Consequent to the bifurcation, the Bank now operates exclusively in the State of Andhra Pradesh with effect 1st January 2025 and the branch in which fraud has happened has been merged with the Telangana Grameena Bank.

g) Disclosure under Resolution Framework for COVID-19-related Stress

A special window under the Prudential Framework was extended vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 to enable the lenders to implement a resolution plan in respect of eligible corporate exposures, and personal loans, while classifying such exposures as Standard. Banks shall make disclosures in the format prescribed below every half-year, i.e., in the financial statements as on September 30 and March 31, starting from the half- year ending September 30, 2021 till all exposures on which resolution plan was implemented are either fully extinguished or completely slip into NPA, whichever is earlier.

Format for disclosures to be made half year ending March,

(Amounts in ₹ crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half- year	Of (A) amount written off during the half- year	Of (A) amount paid by the borrower s during the half- year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half- year
Personal Loans	0	0	0	0	0
Corporate persons*	0	0	0	0	0



Disclosure in Financial Statements – 'Notes to Account'

Of which MSMEs	0	0	0	0	0
Others	0	0	0	0	0
Total	0	0	0	0	0

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

2. Exposures

a) Exposure to real estate sector

(Amount in ₹ Crore)

Category	Current year	Previous Year
<i>i) Direct exposure</i>		
a) Residential Mortgages – Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits.	953.17	4951.58
b) Commercial Real Estate – Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB)limits;	5.77	30.26
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures –		
i. Residential	NIL	NIL
ii. Commercial Real Estate		
<i>ii) Indirect Exposure</i> Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.		
Total Exposure to Real Estate Sector	958.94	4981.84



Disclosure in Financial Statements – 'Notes to Accounts'

b) Exposure to capital market

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	0.25	21.24
ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	NIL	NIL
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	NIL	NIL
vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL



Disclosure in Financial Statements – 'Notes to Accounts'

Particulars	Current Year	Previous Year
vii) Bridge loans to companies against expected equity flows / issues;	NIL	NIL
viii) Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
ix) Financing to stockbrokers for margin trading;	NIL	NIL
x) All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
Total exposure to capital market	0.25	21.24

c) Risk category-wise country exposure

(Amount in ₹ Crore)

Risk Category	Exposure (net) as at March,25 (Current Year)	Provision held as at March,24 (Current Year)	Exposure (net) as at March,25 (Current Year)	Provision held as at March,24 (Current Year)
Insignificant	NA	NA	NA	NA
Low	NA	NA	NA	NA
Moderately Low	NA	NA	NA	NA
Moderate	NA	NA	NA	NA
Moderately High	NA	NA	NA	NA
High	NA	NA	NA	NA
Very High	NA	NA	NA	NA
Total	NA	NA	NA	NA



Disclosure in Financial Statements – 'Notes to Accounts'

d) Unsecured advances

Banks shall disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken as also the estimated value of such intangible collateral as per the following format.

(Amounts in ₹ crore)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	8.94	27.55
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

e) Factoring exposures

Factoring exposures shall be separately disclosed.

f) Intra-group exposures

The following is the summary of significant related party transactions:

(Amounts in ₹ 000's)

Particulars	For the year ended 31 st March 2025	For the year ended 31 st March 2024
Refinance received from State Bank of India	NIL	NIL
Interest paid to SBI	149 45 82	49 94 68
Investments made with:		
SBI - in the form of STDRs	3435 38 53	1343 44 77
SBI Fund Management Private Limited	NIL	3 99 98
Interest received from SBI	187 12 96	66 33 25
Profit on sale of Investments on SBI	NIL	NIL
Contributions to Gratuity Fund with SBI Life Insurance Company Limited	NIL	NIL
Contributions to Group Leave Encashment Policy with SBI Life Insurance Company Limited	NIL	NIL
Contributions to Pension Trust Policy with SBI Life Insurance Company Limited on behalf of Trust	10 00 00	1 00 00
Current Account Balance with SBI	11 10	4 45 46
Breach of limits on intra-group exposures and regulatory action thereon, if any	NIL	NIL



Disclosure in Financial Statements – 'Notes to Accounts'

3. Concentration of deposits, advances, exposures and NPAs

a) Concentration of deposits

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	1821.90	4542.40
Percentage of deposits of twenty largest depositors to total deposits of the bank	17.79 %	17.59 %

b) Concentration of advances

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	18.08	28.34
Percentage of advances to twenty largest borrowers to total advances of the bank	0.17 %	0.09 %

c) Concentration of exposures

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	21.83	30.46
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	0.21 %	0.10 %

d) Concentration of NPAs

(Amount in ₹ Crore)

	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	2.95	4.65
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	2.66%	0.55%



Disclosure in Financial Statements – 'Notes to Accounts'

4. Derivatives

a) Forward rate agreement/Interest rate swap

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
i) The notional principal of swap agreements	Not entered into	Not entered into
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	any transactions in derivatives in the	any transactions in derivatives in the
iii) Collateral required by the bank upon entering into swaps	current and	current and
iv) Concentration of credit risk arising from the swaps	previous years.	previous years
v) The fair value of the swap book		

b) Exchange traded interest rate derivatives

Sr. No.	Particulars	Current Year	Previous Year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)		
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 st March, 2025 (instrument wise)	Not entered into	Not entered into
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	any transactions in derivatives in the	any transactions in derivatives in the
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)	current and previous years	current and previous years



Disclosure in Financial Statements – 'Notes to Accounts'

c) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

Bank has not entered into any transactions in derivatives in the current and previous years.

ii) Quantitative disclosures

Bank has not entered into any transactions in derivatives in the current and previous years.

d) Credit default swaps

Not Applicable

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

(Amount in ₹ Crore)

Sr.No	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	37.71	42.92
ii)	Add: Amounts transferred to DEA Fund during the year	19.50	4.80
iii)	Less: Amounts reimbursed by DEA Fund towards claims	2.80	10.01
iv)	Closing balance of amounts transferred to DEA Fund	54.41	37.71

6. Disclosure of complaints

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman³¹

Sr.No	Particulars	2022-23	2023-24	2024-25
Complaints received by the bank from its customers				
1.	Number of complaints pending at beginning of the year	3	14	11
2.	Number of complaints received during the year	995	768	480
3.	Number of complaints disposed during the year	984	771	477
3.1	Of which, number of complaints rejected by the bank	0	0	0
4.	Number of complaints pending at the end of the year	14	11	14
Maintainable complaints received by the bank from Office of Ombudsman				
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	73	46	41
5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	73	46	41
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0	0

Disclosure in Financial Statements – 'Notes to Accounts'

5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0	0
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0	0

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

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

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
2024-25					
Ground - 1	0	85	-69.20%	0	0
Ground - 2	0	42	-74.39%	0	0
Ground - 3	0	62	-67.71%	0	0
Ground - 4	0	4	100.00%	0	0
Ground - 5	0	9	-25.00%	0	0
Others	11	278	127.87%	14	0
Total	11	480	-37.50%	14	0
2023-24					
Ground - 1	0	276	31.4	0	0
Ground - 2	6	164	429	0	0
Ground - 3	0	192	772.7	0	0
Ground - 4	0	02	-71.4	0	0
Ground - 5	0	12	20	0	0
Others	8	122	-6.1	11	0
Total	14	768	-22.8	11	0
2022-23					
Ground - 1	0	210	22.80	0	0
Ground - 2	0	31	-823.18	6	0
Ground - 3	0	22	-299.26	0	0
Ground - 4	0	7	-794.89	0	0
Ground - 5	1	10	-3598.91	0	0
Others	2	716	81.84	8	0
Total	3	995	8.84	14	0

Disclosure in Financial Statements – ‘Notes to Accounts’

Ground-1: ATM/DEBIT CARDS RELATED

Ground-2: Mobile/Internet/Electronic Banking Related

Ground-3: Loans and Advances

Ground-4: Levy of Charges

Ground-5: UPI Related

Others: Others(PM JJBY/SBY/APY POLICY ISSUES,DEPOSITS, Forgot MPIN/Reset of MPIN/ATM Card lost/IFS CODE ENQ, etc..)

7. Disclosure of penalties imposed by the Reserve Bank of India

Sl.No	Penalties imposed by the Reserve Bank of India under the provisions of	Penalties
(i)	Banking Regulation Act, 1949	NIL
(ii)	Payment and Settlement Systems Act, 2007	NIL
(iii)	Government Securities Act, 2006 (for bouncing of SGL)	NIL
(iv)	REPO- number of instances of default as well as the quantum of penalty paid to the Reserve Bank of India	NIL

8. Disclosures on remuneration

Particulars of Managerial Remuneration:

(Amount in 000's)

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Shri K. Prathapa Reddy,Chairman	4,547.68	3,809.39
Shri K. Praveen Kumar, Chairman	Nil	767.38
Shri Gouru Sukumar, General Manager	Nil	1,102.60
Shri Ch Srirama Somayaji, General Manager	Nil	2,205.74
Shri Eswara Subrahmanyamu Karri, General Manager	Nil	2,439.34
Vattem Anil, General Manager	3,709.48	3,655.94
Venkata Ramana Vankadari, General Manager	3,984.30	3,532.22
Dayakar Balla, General Manager	4,115.36	4,254.83
Kuppa Krishna Sharma,General Manager	3,024.67	1,107.26
Addanki Vidyadhar,General Manager	4,044.27	1,113.51
Sarilla Sankara Rao,General Manager	3,763.78	1,024.80
Shri Ch Krishna, HOD Audit	1,584.08	Nil



Disclosure in Financial Statements – ‘Notes to Accounts’

9. Other Disclosures

a) Business Ratios

Particular	Current Year	Previous Year
i) Cost of Deposits	5.86%	5.59%
ii) Net Interest Margin	4.38%	4.69%
iii) Operating Profit as a percentage to Working Funds	3.50%	4.16%
iv) Return on Assets	2.08%	2.49%
v) Business (deposits plus advances) per employee(in ₹ crore)	15.68%	16.39%

b) Bancassurance business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by them shall be disclosed for both the current year and previous year.

2023-24	2024-25
Rs.22.11 Crores	Rs. 20.81 Crores

c) Marketing and distribution

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

2023-24	2024-25
Rs.3.66 Crores	Rs. 2.17 Crores

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The bank has sold and purchased following priority sector advances through Priority sector lending certificate (PSLC) in RBI's e-Kuber platform during the Financial Year 2024-25 on various dates and booked a net profit of Rs. 147.3634 Crores. The PSLC is valid upto 31.03.2025.

e) The summary of advances sold and bought through PSLC is furnished under:

(Amount in Crores)

PSLC SOLD		PSLC Purchased		Net Profit/Loss during the Year
Total Sold	Premium Received	Total Purchased	Premium paid	
9325	148.9934	12200	1.63	147.3634



Disclosure in Financial Statements – 'Notes to Accounts'

f) Advances:

Advances are classified as performing and non-performing based on the RBI guidelines and are stated net of Inter-bank participation with risk and Provision made on NPA Advances.

The calculation of Gross Advances and Net Advances is furnished under

Particulars	Amount in Cr.	
	31.03.2025	31.03.2024
Gross Advances	10,350.94	31,394.33
Less: IBPC	658.80	3,808.00
Less: NPA Provisions	110.65	755.29
Less: Staff Festival Advance	5.15	10.21
Net Advances	9,576.33	26,820.82

The Bank transfers advances through Inter-bank participation with and without risk. In the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances. In case where the Bank is assuming risk by participation, the aggregate amount of the participation is classified under advances. In the case of issue of participation certificate without risk, the aggregate amount of participation issued Bank is classified under borrowings and where the Bank is acquiring participation certificate, the aggregate amount of participation acquired is shown as due from banks under advances.

g) Inter Bank Participation Certificate (IBPC):

The bank has entered into the risk sharing participation contract with other banks under the Interbank Participation Certificate (IBPC) and issued priority sector advances on various dates and for ranging from 120 days to 180 days. Few contracts were entered in to agreement in the previous financial year 2023-24 and extended till this financial year.

Rs. In Cr				
IBPC Transactions executed during FY 2024-25				
S. No	FROM	AMOUNT	TO	No of Days
1	16-Apr-24	2420.00	13-Oct-24	180
2	10-May-24	1268.00	06-Nov-24	180
3	21-May-24	632.00	17-Nov-24	180
4	13-Nov-24	1500.00	20-May-23	180
Total		12518.00		

Bank placed some of the IBPC proceeds in the form of Fixed Deposits with other Banks to earn the income margin and also some of the IBPC proceeds credited to outstanding Overdraft Accounts to reduce the cost of borrowings through which Bank could book the Income margin with the total contribution of Rs.72.22 Cr (approx.) to Profit and Loss Account in FY 2024-25.



Disclosure in Financial Statements – 'Notes to Accounts'

h) Bifurcation of Telangana Part of Business:

Until 31st December 2024, the Bank operated in both the States of Telangana and Andhra Pradesh. Pursuant to Notification No. F.No. 15/15/2015(E)-RRB of GFS dated 13th November 2024 and based on the recommendations of the Working Group (WG), the Bank underwent bifurcation with effect from 1st January 2025.

Consequent to the bifurcation, the Bank now operates exclusively in the State of Andhra Pradesh with effect from the said date. The assets and liabilities of the Bank were apportioned between the two successor entities as per the WG recommendations.

The Income and Expenditure for the 9 months of bifurcated entity also has been considered in the profit and loss account of the Bank.

i) Going Concern Assessment:

Pursuant to the Gazette Notification CG-DL-E-07042025-262329 dated April 7, 2025, issued by the Central Government after consultation with the National Bank for Agriculture and Rural Development, the Government of Andhra Pradesh, and the Sponsor Banks Union Bank of India, Canara Bank, Indian Bank, and State Bank of India it has been decided in public interest, and in the interest of the development of the area served and the Regional Rural Banks (RRBs) themselves, to amalgamate the following RRBs:

- Chaitanya Godavari Grameena Bank
- Andhra Pragathi Grameena Bank
- Saptagiri Grameena Bank
- Andhra Pradesh Grameena Vikas Bank

into a single Regional Rural Bank named **Andhra Pradesh Grameena Bank** (the "Transferee Regional Rural Bank"), with effect from **May 1, 2025**.

As per the approved scheme of amalgamation, the **entire business undertaking** of the Bank shall be transferred to the Transferee Regional Rural Bank. Consequently, the Bank will **cease to operate as a separate legal entity** effective from May 1, 2025.

Since the business operations will continue seamlessly under Andhra Pradesh Grameena Bank and there is no discontinuation of the underlying banking services or activities. Accordingly, the financial statements for the year ended 31st March 2025 have been **prepared on a basis of going concern**, considering the merger. Assets and liabilities have been stated at book values in accordance with the approved scheme and applicable regulatory guidelines.

j) Events Occurring after Balance sheet date:

Pursuant to the Gazette Notification CG-DL-E-07042025-262329 dated April 7, 2025, issued by the Central Government after consultation with the National Bank for Agriculture and Rural Development, the Government of Andhra Pradesh, and the Sponsor Banks Union Bank of India, Canara Bank, Indian Bank, and State Bank of India it has been decided in public interest, and in the interest of the development of the area served and the Regional Rural Banks (RRBs) themselves, to amalgamate the following RRBs:



Disclosure in Financial Statements – 'Notes to Accounts'

- Chaitanya Godavari Grameena Bank
- Andhra Pragathi Grameena Bank
- Saptagiri Grameena Bank
- **Andhra Pradesh Grameena Vikas Bank**

into a single Regional Rural Bank named **Andhra Pradesh Grameena Bank** (the "Transferee Regional Rural Bank"), with effect from **May 1, 2025**

The Bank will cease to exist as an independent entity, **the business operations will continue seamlessly under Andhra Pradesh Grameena Bank**, and there is no discontinuation of the underlying banking services or activities.

k) Prior Period Items:

As per the Bank's Depreciation Policy, assets costing less than ₹5,000 each are charged off to the Profit and Loss Account in the year of purchase. However, certain assets procured in prior periods, each costing ₹5,000, were inadvertently not expensed in the respective year of purchase. The same has now been charged to the Profit and Loss Account during the current financial year, and accordingly classified under Prior Period Items.

Amount in Rs.	
FY	WDV OF FIXED ASSETS
2009-10	32
2010-11	60
2011-12	84
2012-13	102
2013-14	83
2014-15	51
2015-16	2,554
2016-17	3,588.50
2017-18	1,719
2018-19	35,890
2019-20	16,308
2020-21	15,330.74
2021-22	21,949.09
2022-23	42,743.77
2023-24	7,88,332.60
Total	9,28,827.70

An income amounting to ₹21,60,471.54 pertaining to the financial year 2018–19 has been received during the financial year 2024–25. This income relates to commission receivable from NIC Limited, which was not recognized earlier due to uncertainty regarding its receipt. In line with the principle of conservatism, the income was not recorded in the earlier years. Upon actual receipt, the amount has now been recognized as income in the current year and disclosed as a Prior Period Item.



Disclosure in Financial Statements – ‘Notes to Accounts’

l) Provisions and contingencies

(Amount in ₹ Crore)

S. No	Provision debited to Profit and Loss Account	Current Year	Previous Year
i.	Provisions for NPI	-	-
ii.	Provision towards NPA	118.98	220.23
iii.	Provision made towards Income tax	256.43	389.20
iv.	Other Provisions and Contingencies (with details)		
	Provision on Standard Assets	9.65	13.62
	Provision on Frauds	0.03	0.04
	Depreciation on SLR Securities under AFS category	-82.33	-77.33
	Provision on Wage revision	21.90	90.07
	Investment Fluctuation reserve	-	-
	Audit Fee provision		
	Provision on Pension	205.96	53.95
	Provision on Income Tax Cases	15.01	33.68

Provision for Income Tax Cases created only for the portion of the Bank as per the WG Recommendations.

m) Payment of DICGC Insurance Premium

(Amount in ₹ Crore)

Sr.No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	29.86	27.42
ii)	Arrears in payment of DICGC premium	NIL	NIL

n) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks


Govt. of India, Ministry of Finance, Department of Financial Services, vide Order No. F.No.8/4/2024-RRB dated 03 October, 2024, in exercise of their powers under provision 2 of section 17(1) of RRB Act, 1976 has communicated the implementation of pension scheme w.e.f 01.11.1993 giving coverage along with consequential arrears to all the left out cases, viz. resignation, voluntary retirement, compulsory retirement as a measure of penalty, medical incapacitation, compassionate allowance in case of Dismissal/removal/termination from service. Accordingly, the pension scheme has been implemented in our Bank. Further, the pension liability as on 31.03.2025 is arrived with revised pension.

Disclosure in Financial Statements – 'Notes to Accounts'

Meanwhile, NABARD Vide Letter Ref.No.NB.HO.IDD.RRB/172918/316-RRB policy)/ 2024-25 has informed that RBI has permitted RRBs to amortize the expenditure, on account of revision in pension over a maximum period of five years vide the circular No.DOR.ACC.REC.No.67/21.04.018/2024-25 dated March 20,2025. This amortization will commence from the financial year ending March 31, 2025 with a minimum of 20% of the total pension liability being expensed each year.

The total pension liability was arrived at Rs.83.45 Crores. Based on the directions from RBI, we have amortized 20% of the total pension liability for the FY 2024-25 amounting to Rs.16.69 Crores, the balance amount of Rs. 66.76 Crores shall be amortized over next 4 years.

For GRANDHY & Co,
Chartered Accountants


(Naresh Chandra Gelli)
Partner
Mem No. 201754



For Andhra Pradesh Grameena Vikas Bank


General Manager (OPS)
(B Dayakar)




Chairman
(K. Prathapa Reddy)

V Sivakumar
(Director)

Avinandan
(Director)

B Sreenivasulu
(Director)

Smt V Hema
(Director)

D Ronald Rose
(Director)

Smt M Janaki
(Director)


K. Prathapa Reddy
(Chairman)

Place: Warangal
Date:

**PROJECTED STATEMENT OF CAPITAL FUNDS, RISK ASSETS/EXPOSURES AND RISK ASSET RATIO
FOR THE PERIOD ENDED 31 MARCH 2025**
PART A - CAPITAL FUNDS AND RISK ASSETS RATIO

CAPITAL		(Rs.000s)	
I			
A	TIER I CAPITAL		
a	Paid up capital	5,48,704	
	Share capital deposit	-	
	Less: Intangible assets and losses	-	
	TOTAL	5,48,704	
b	Reserves & Surplus		
1	Statutory Reserves & Surplus	60,33,524	
2	Capital Reserves	35,499	
3	Other Reserves	45,765	
4	Special Reserve U/s 36(1)(viii) of the I.T. Act, 1961	11,62,171	
5	Surplus in Profit and Loss account	1,67,21,556	
6	TOTAL	2,39,98,515	
	TOTAL TIER I CAPITAL	2,45,47,219	
B	TIER II CAPITAL		
1	Undisclosed Reserves	-	
2	Revaluation Reserves	-	
3	General Provisions and loss Reserves	2,90,849	
4	Investment fluctuation Reserves/Funds	-	
	TOTAL TIER II CAPITAL	2,90,849	
	TOTAL TIER I + TIER II CAPITAL	2,48,38,068	
II			
a	Adjusted value of funded risk assets i.e., Balance Sheet Items	9,54,85,169	
b	Adjusted value of Non funded risk assets i.e., Balance Sheet Items	9,11,579	
c	Total risk weighted Assets(a+b)	9,63,96,748	
III	Percentage of capital funds to Risk Weighted Assets(I:II)	25.77	
	Tier I Capital Ratio	25.47	
	Tier II Capital Ratio	0.30	



A. Funded Risk Assets				
S.no	Item of Asset or Liability	Balance as on 31.03.2025	Risk weight (%)	Adjusted value
I	1.Cash & Balances with RBI	35,90,074	0.00	-
	2.Balance in current account with other banks	1,350	20.00	269.95
	3.Claims on Banks - STDRs with banks	6,14,14,423	20.00	1,22,82,884.65
II	Investments			
	1.Investment in Govt.Sec.	1,76,24,303	2.50	4,40,607.57
	2.Investment in other approved securities guaranteed by Govt/state Govt.	-	2.50	-
	3.Investments in other securities where payment of interest and repayment of	-	2.50	-
	4.Investment in other securities where payment of interest and repayment of	-	2.50	-
	Note: Investment in securities where payment of interest or repayment of	-	2.50	-
	5.Investment in other securities where payment of interest and repayment of	-	22.50	-
	6.Investment in Government guaranteed securities of Govt. undertakings which do	-	22.50	-
	7.claims on commercial banks	-	22.50	-
	8.Investment in Securities which are guaranteed by Banks as to payment of interest	-	22.50	-
	9.Investment in bonds issued by Public Financial Institutions for their Tier -II	-	102.50	-
	10. All other investments including investments in securities by Public Financial	-	102.50	-
	11. Direct investment in equity shares, convertible bonds, debentures and units of	2,499	127.50	3,186.48
III	Loans and Advances including bills purchased and discounted and other credit			
	1.Loans and advances Guaranteed by Govt.of India	-	0.00	-
	2.Loans Guaranteed by State Govt.	-	0.00	-
	3.State Government guaranteed loan which has become a non performing asset.	-	100.00	-
	4.Loans granted to PSUs of GOI	-	100.00	-
	5.Loans granted to public sector undertakings of State Govt.	-	100.00	-
	6. Others including PFIs	7,04,32,943	100.00	7,04,32,942.64
	7(i) For the purpose of credit exposure, bills purchased /discounted/negotiated	-	20.00	-
	7 (ii) Bills negotiated under LCs under reserve, bills purchased /discounted /	-		
	1.Government	-	0.00	-
	2.Banks	-	20.00	-
	3.Others	-	100.00	-
	8.Micro and small enterprises (MSE) Advances Guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) up to the guaranteed portion. Note: Banks may assign zero risk weight for the guaranteed portion. The balance outstanding in excess of the guaranteed portion would attract a risk-weight as appropriate to the counter party.	1,31,34,584	0.00	-
	9(a)Housing Loans to Individuals : RBI Circular DBR: BP.BC.No.44/08.12.015/2015-16 dated 08.10.2015	-		
	Category of Loan	LTV Ratio (%)		
	(a) Up to Rs. 20 Lakh	<=90%	30,00,603	1500301.29
	(b) Above Rs.20 Lakh and Upto Rs.75 lakh	<=80%	62,64,412	3132206.01
	(c) Above Rs.75 lakhs	<=75%	1,72,187	129139.88
	CRE Home Loans	<=75%	-	-
	9(b)Housing loans guaranteed by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) up to the guaranteed portion. Note: The Bank may assign zero risk weight for the guaranteed portion. The balance outstanding in excess of the guaranteed portion would attract a risk-weight as appropriate to the counter party.	-	50.00	-



10.Consumer credit including personal loans	69,080	125.00	86,350.42
11.Loans up to Rs.1 lakh against Gold and silver ornaments. Note: In case the loan amount is more than Rs.1 lakh, entire loan amount has to be risk weighted for the purpose for which the loan has been sanctioned.	72,43,972	50.00	36,21,985.94
12.Education Loans	78,606	100.00	78,606.35
13.Loans extended against primary / collateral security of shares / debentures	-	125.00	-
14.Advances covered by DICGC / ECGC Note: The risk weight of 50% should be limited to the amount guaranteed and not the entire outstanding balance in the accounts. In other words, the outstanding in excess of the amount guaranteed, will carry 100% risk weight.	-	50.00	-
15.Advances for term deposits, life policies , NSC IVPs and KVPs where adequate margin is available	8,46,404	0.00	-
16.Loans and advances granted by RRBs to their staff	11,08,499	20.00	2,21,699.90
17.Take out finance	-	-	-
a.where full credit risk is assumed by taking over institute	-	20.00	-
b.where only partial credit risk is assumed by taking over institute	-	-	-
(i).the amount taken over	-	20.00	-
(ii).the amount not to be taken over	-	100.00	-
(ii).Conditional take over (in the books of lending and taking over institution)	-	100.00	-
Notes: While calculating the aggregate of funded and non-funded exposure of a	-	-	-
(a) advances collateralized by cash margins or deposits	-	-	-
(b) credit balances in current or other accounts of th borrower which are both	-	-	-
(c) in respect of any assets where provisions for depreciation or for bad debts have	-	-	-
(d) claims received from DICGC/ECGC and kept in a Octarate a/c pending	-	-	-
(e) Subsidies received against various schemes and kept in a Octarate account.	-	-	-
IV. Other Assests			
1.Premises,furnitures and fixtures	3,24,525	100.00	3,24,525.13
2.Int.due on Govt. Securities	3,38,763	0.00	-
3.Subvention amount received/receivable from Government / Accrued interest on CRR balances maintained with RBI @ Net of claims of Govt/RBI on banks on account of such transctions.	22,30,294	0.00	-
4.Income tax deducted at source(net of prov)	-	0.00	-
5.Advance tax paid (Net of provision)	13,09,650	0.00	-
6. Interest receivable on staff loans	-	0.00	-
7. Interest receivable from banks	42,32,315	20.00	8,46,463.07
6. All other Assets	23,84,000	100.00	23,83,999.71
Total Assets	19,58,03,486		9,54,85,168.99
V Market Risk on Open Position			
1.Market risk on foreign exchange open position (Applicable to Authorised Dealers only)	-	100.00	-
2. Market risk on open gold position	-	100.00	-

For GRANDHY & Co,
Chartered Accountants
FRN.0010075

(Naresh Chandra Gelli)
Partner
M. No. 201754



For Andhra Pradesh Grameena Vikas Bank

General Manager (Ops)
(B Dayakar)



(K. Prathapa Reddy)
Chairman

ANDHRA PRADESH GRAMEENA VIKAS BANK

HEAD OFFICE : WARANGAL

PRUDENTIAL NORMS - CRAR


**PROJECTED STATEMENT OF CAPITAL FUNDS, RISK ASSETS/EXPOSURES AND RISK ASSET RATIO
FOR THE PERIOD ENDED 31 MARCH 2025**

The credit risk exposure attached to off-Balance Sheet items has to be first calculated by multiplying the face amount of each of the off-Balance Sheet items by 'credit conversion factor' as indicated in the table below. This will then have to be again multiplied by the weights attributable to the relevant counter-party as specified above.

S.No	Instruments	Amount	Credit Conversion factor(%)	Equivalent value	Risk weight	Adjusted value
1	Direct credit substitutes e.g. general guarantees of indebtedness (including standby L/Cs serving as financial guarantees for loans and securities) and acceptances (including endorsements with the character of acceptance).	46344	100.00	46344	100	46344
2	Certain transaction-related contingent items (e.g. performance bonds, bid bonds, warranties and standby L/Cs related to particular transactions).		50.00	0	0	0
3	Short-term self-liquidating trade-related contingencies (such as documentary credits collateralised by the underlying shipments).		20.00	0	0	0
4	Sale and repurchase agreement and asset sales with recourse, where the credit risk remains with the bank.		100.00	0	0	0
5	Forward asset purchases, forward deposit and partly paid shares and securities, which represent commitments with certain draw down.		100.00	0	0	0
6	Note issuance facilities and revolving underwriting facilities.		50.00	0	0	0
7	Other commitments (e.g., formal standby facilities and credit lines) with an original maturity of over one year.		100.00	0	100	0
8	Similar commitments with an original maturity up to one year, or which can be unconditionally cancelled at any time.		0.00	0	0	0
9	i. Guarantees issued by banks against the counter guarantees of other banks.		20.00	0	0	0
	ii. Rediscounting of documentary bills accepted by banks. (Bills discounted by banks which have been accepted by another bank will be treated as a funded claim on a bank)		20.00	0	0	0
	Note: In these cases, banks should be fully satisfied that the risk exposure is, in fact, on the other bank.					
10	Aggregate outstanding foreign exchange contracts of original maturity -					
	(a) less than one year		2.00	0	0	0
	(b) for each additional year or part thereof		3.00	0	0	0
11	Claims against bank not acknowledged as debt	321098	100.00	321098	100	321098
12	Others	544138	100.00	544138	100	544138
		911579				911579

Note : At present,RRB may not be undertaking most of the balance sheet transactions.However,keeping in view their potential for expansion,risk-weights are indicated against various off balance sheet items,which,perhaps banks may undertake in future.

For GRANDHY & Co,
Chartered Accountants
FRN.0010075


(Naresh Chandra Gelli)
Partner
M. No. 201754



For Andhra Pradesh Grameena Vikas Bank


General Manager (Ops)
(B Dayakar)




Chairman
(K. Prathapa Reddy)

ANDHRA PRADESH GRAMEENA VIKAS BANK
HEAD OFFICE: WARANGAL
LONG FORM AUDIT REPORT TO THE MANAGEMENT
BY STATUTORY CENTRAL AUDITORS OF THE BANK
FINANCIAL YEAR: 2024-25

I. CREDIT RISK AREAS

1. Loan Policy

- Existence of Loan Policy - specifying the prudential exposure norms, industry-wise exposure, regular updation of the policy, system of monitoring and adherence thereto.

Bank has adopted the Credit policy duly approved by Bank's board in their meeting dated 14th March 2024.

In addition, the management issues circulars from time to time to all the Branches as well as regional offices on prudential exposure norms, industry wise exposure and system of monitoring and adherence thereto. Adequate delegation of powers has been given to Branch Managers / Regional Managers by the Board.

2. Credit Appraisal

- Existence of a well laid-down system of appraisal of loan / credit proposals, including adequacy of information for appraising the credit worthiness of the applicant and adherence thereto.

The system of appraisal of loan / credit proposals is implemented with circulars and appropriate training has been given to staff from time to time.

3. Sanction / Disbursement

- Delegation of powers/authority at various levels, adherence to authorized limits, whether disbursements are made after complying with terms and conditions of sanction, etc.

Yes, generally, disbursements are made after fulfilling the sanctioned terms and conditions of the Competent Authorities.



4. Documentation

- Systems of ensuring that documents are executed as per the terms and conditions of sanction.

Generally, the documents are executed as per the terms and conditions of sanction norms.

- System of documentation in respect of joint / consortium advances.

No such advances are sanctioned during the financial year.

- Renewal of documents.

No significant deficiencies were observed.

5. Review / Monitoring / Post Sanction follow-up/ Supervision

- Periodic balance confirmation/ acknowledgement of debts.

Balance confirmations and acknowledgement of debt have been obtained from borrowers.

- Receiving regular information, Stock / Book Debt, Statements, Balance Sheet, etc.

In the borrower accounts verified by us and by the branch auditors, in some cases, for mudra CC loans we have observed that the branches are not obtaining timely stock and book debts statements. However, the other financial information applicable to such loans for review and monitoring was taken as applicable.

- Receiving audited accounts in the case of borrowers with limits beyond Rs.25 lakhs.

Income tax returns & audited financial statements are obtained and kept on record.

- System of scrutiny of the above information and follow-up by the bank.

Satisfactory.

- System of periodic physical verification or inspection of stocks, equipments and machineries and other securities.



Yes, as informed, wherever applicable, periodic physical verification / inspection of stocks, equipments and machinery and other securities hypothecated/pledged to the Bank has been done by officers of the Bank.

- Inspection reports and their follow-up.

Normally visits are noted in a unit inspection register and remarks are noted but no separate reports are prepared. The register needs to be improved to make the follow-up effective.

- Insurance coverage

The bank was insuring the hypothecated/mortgaged assets to the extent of bank finance/as a percent of bank finance instead of value of the assets.

- Norms and awarding of Credit Rating.

We are informed that Systems of "norms and awarding of credit rating" was introduced in the Bank and being adopted all Terms Loan and Commercial Loans.

- Review of advances including enhancement of limits.

Review of advances including enhancement of limits are satisfactory.

- Monitoring and follow-up of overdues arising out of other businesses such as leasing, hire purchase, credit cards, etc.

No such accounts.

- Overall monitoring of advances through maturity/aging/industry-wise analysis; Industry-wise exposures and adherence to the Loan Policy

The bank had issued detailed guidelines/circulars/instructions to Regional offices/branches from time to time on various loan products.

The bank had decentralized the process of sanction of loans and advances by delegating powers to Regional offices/branches/Asset Management Hubs. The extent of delegation of powers to various levels in the bank was approved by the Bank's Board.

- System of monitoring of off-balance sheet exposures including periodic review of:

- Claims against the bank not acknowledged as debts-



Claims against the bank not acknowledged as debts amounts to Rs. 32.11 Crs which pertains to the Income Tax demands on which appeals are pending at various authorities.

- Letters of credit

No such cases.

- Guarantees

Follow-up action for financial guarantees is taken properly and detailed guidelines have been given. The letters sent to the beneficiary of the guarantee advising the expiry of the guarantee and seeking return of the original guarantee are to be kept on record.

- Ready forward transactions

Not applicable.

- Co-acceptances

Not applicable.

- Swaps, etc.

Not applicable.

6. Restructuring/Resolution of Stressed Accounts:

Not Applicable

7. Asset Quality:

Classification of accounts into Standard, SMA, Sub Standard and Doubtful or loss as per IRAC norms by the RBI from time to time.

8. Recovery Policy in respect of and Bad / Doubtful debts / NPAs

- Existence of Recovery Policy; regular updation thereof; monitoring and adherence thereto; compliance with the RBI guidelines.

Bank has adopted the recovery policy duly approved by Bank's board in their meeting dated 24.12.2024.

The Bank is having well established system and procedures, in the case of recovery. The following strategies are in existence:

- 1) ***Cash Recovery,***



- 2) Lok Adalat,
- 3) Compromises,
- 4) OTS,
- 5) SARFESAI

- System of monitoring recovery from credit card dues in respect of credit cards issued.

- Not applicable.

- Effectiveness of the system for compiling data relating to bad and doubtful debts and the provision in respect thereof.

It is adequate and satisfactory.

- System for identification, quantification and adequacy of provision (including at foreign branches).

The Bank follows IRAC norms for income recognition, asset classification and provisioning. Bank follows a system generated process in this regard.

- System for suspension of charging of interest and adherence thereto.

With regard to all loan assets, identified by the system as non-performing, charging of interest was stopped as per guidelines of Reserve Bank of India and accrued interest thereon had been reversed.

- Ascertaining the realizable value of securities (including valuation of fixed assets) and the possible realization from guarantors including DICGCI / ECGC.

Bank has been valuing the realizable value of securities(including valuation of fixed assets) once in 3 years.

- Assessment of the efficacy of rehabilitation programs.

Not applicable.

- Method of appropriation of recoveries against principal, interest etc.

Repayment received is appropriated to the charges and interest portion first and balance is adjusted towards principal portion.

- System of compromise settlements: Review all such cases and cases of recovery of over Rs.1.00 crore and also the cases wherein limits of sacrifice laid down in the Recovery Policy are exceeded. Compliance with RBI guidelines.

Being Complied with RBI Guidelines



- Provision / write-off: under proper authority.

Every year, the Bank adopts write-off policy with the Board's approval from time to time.

- Recovery procedures including that relating to suit filed and decreed accounts, write off accounts during the Financial Year.

Branches submit the proposals for filing of suits to the respective Regional Offices who scrutinize and recommend the proposals to Head Office with due approval of ROCC. The Bank is closely monitoring suit filed cases in "P" review meetings being conducted at monthly intervals.

Suit filed Position as on 31.03.2025:

Particulars	No. of Cases	Amount (Rs. Lakhs)
Total No of Suits	279	680.91
Total No of Suits decreed	173	393.34
Total No of EPs Filed	54	117.23
Total No of EPs not filed	119	276.15
Total No of Suits Closed	76	125.62

- System of identifying and reporting of willful defaulters.

The branches are identifying and reporting willful defaulters to Regional Offices/ Head Office. Review is being done by Regional Offices in consultation with Head Office.

- Subsidy Reserve Fund:

Balance Subsidy Reserve Fund account is Rs. 57,57,583/-

Branches are to verify and return the subsidy to respective agencies in cases where the schemes are not scheduled to be grounded. In cases where the outstanding is more than 3 years, the back ended subsidies are to be adjusted to accounts duly complying with extant guidelines.

9. Large Advances

- Comments on adverse features in respect of large advances considered significant and which need management's attention.

Loans above Rs. 1.00 Cr are being closely monitored at Head Office and put up to Board for review and follow up. Further the top 50 accounts are closely



monitored by the board and issues if any are considered for review and resolved in Board Meetings.

II. MARKET RISK AREAS

1. Investments

- Existence of Investment Policy and adherence thereto; compliance with RBI guidelines.

The Bank has constituted an Investment Committee and has adopted an investment policy duly approved by the Bank's Board in its meeting dated 24.12.2024. The Committee meets periodically and approves the purchase and sale of Investments in line with the policy.

- System of purchase and sale of investments; delegation of powers; reporting systems, segregation of back-office functions, etc.

Portfolio Management Services are being undertaken through SBI Funds Management Pvt Ltd (SBI FMPL)

- Controls over investments, including periodic verification / reconciliation of investments with book records.

Yes, there is periodical physical verification by the internal audit department. Bank is obtaining confirmation of balances from the respective Banks/financial institutions.

- Valuation; mode; change in mode of valuation compared to previous year; shortfall and provision thereof.

Investments are classified under 'Held to Maturity (HTM)' category and 'Available for Sale (AFS)' category as per RBI instructions and valued as per the directions of RBI from time to time.

- Investments held at foreign branches; valuation mode; regulatory reserve requirements; liquidity.

Not applicable.

- Composition of investment portfolio as per RBI guidelines and the depreciation on investments, if any, not provided for.

No adverse remarks.

- System relating to unquoted investments in the portfolio and the liquidity of such investments.



Unquoted investments to the extent applicable are valued as per the investment policy of the bank and no material adverse remarks are noticed.

- System relating to SGL / BRs control over SGL / BRs outstanding at the year end and their subsequent clearance.

CSSL Account is being maintained with SBI DFHI Ltd and reviewed at regular intervals.

- System and periodicity of concurrent and internal audit / inspection of investment activities; follow up of such reports.

Inspection and Audit department verifies investments which are satisfactory and no material adverse remarks are noticed.

- System of recording and accounting of income from investments.

Income from investments is accounted on accrual basis incase of 'Held to maturity' category. Profit or loss on sale of investments held under 'Available for Sale Category' is accounted on realizable basis and charged to Profit and Loss account.

- System of monitoring of income accrued and due but not received.

The bank is maintaining Investment Registers in both Digital portal and in manual record and the monitoring is satisfactory.

- System of monitoring matured investments and their timely encashment.

Satisfactory

- Average yield on investments.

Yield on investments is 8.24 %.

- System relating to Reports.

The system of reporting periodical reports to NABARD/RBI is satisfactory.

2. SLR / CRR Requirements – system of ensuring compliance

- System of compiling weekly DTL position from branches.

The Bank is observing fortnightly DTL position for ensuring SLR / CRR compliance.

- Records maintained for the above purpose.



DTL Register is maintained and updated on day-to-day basis.

3. Cash

- System of monitoring of cash at branches; and management of cash through currency chest operations.

Regional Offices review and fix the retention limit for every branch basing on seasonality and business regularly. However, some of the branches are holding excess cash balance over and above the retention limits. The Bank has no currency chest operations.

- Insurance cover (including insurance for cash in transit).

Satisfactory

- System and procedure for physical custody of cash.

Cash is being held under joint custody at all the branches.

4. Call Money Operations

- System relating to inter-bank call money operations.

Bank has obtained approval for Call money operations from RBI vide letter dated 26.10.2023 and funds are being borrowed from other financial institutions to meet the liquidity requirements.

5. Asset Liability Management

- Existence of Policy on Asset – Liability Management and monitoring thereof; compliance with the RBI guidelines.

Asset Liability Management Committee has been constituted as per RBI Guidelines and the performance is satisfactory.

- Functioning of Asset Liability Management committee.

Asset Liability Management Committee monitors the Assets, Liabilities, Maturity, Investment decisions, Interest decisions, risk factors and places them before the Bank's management.

- Structural Liquidity at periodical intervals.

Structural Liquidity position is reported to the Board on a quarterly basis for their review.



III. GOVERNANCE, ASSURANCE FUNCTIONS AND OPERARIONAL RISK AREAS

1. Written guidelines / instructions manual for accounting aspects.

Written guidelines / instructions manuals are regularly sent by Head Office in the form of E circulars through Vikasnet.

2. Balancing of Books / Reconciliation of control and subsidiary records

Not applicable, as the books of account are being maintained in Core Banking System.

- System of monitoring the position of balancing of books / reconciliation of control and subsidiary records.

Books of account are being maintained in Core Banking System.

- Follow-up action.

No adverse remarks.

3. Inter-branch Reconciliation

- Comments on the system / procedure and records maintained.

In CBS, well laid down systems and procedure are/ is adopted for accounting Inter Branch / Regional Office transactions.

- Test check for any unusual entries put through Inter-Branch / Head Office accounts.

There are no unusual entries in Inter Branch / Regional Office / Head Office Accounts.

- Position of outstanding entries, system for locating long outstanding items of high value.

There are no long outstanding entries for more than six months and the system of locating outstanding items of high value is satisfactory.

- Steps taken or proposed to be taken for bringing the reconciliation up to date.

The reconciliation process is on regular basis.

- Compliance with RBI guidelines with respect to provisioning for old outstanding entries.



No material adverse remarks noticed.

- System of follow-up of these reports; position of compliance.

The system of follow-up and compliance is satisfactory.

4. Frauds / Vigilance

- Observations on major frauds discovered during the year under audit.

No.	Particulars	Number of Frauds
1	Total Fraud cases as on 31.03.2024	30
2	No. of cases added during the year	1
3	No. of cases closed during the year	16
4	No. of cases transferred to TGB on 01.01.2025	11
5	Total Fraud Cases as on 31.03.2025	4

One (01) new cases of fraud were reported involving an amount of Rs. 17,72,053/-. The enquiries and further action are under process in respect of the Hanamkonda Branch case. The Case has transferred to Telangana Grameena Bank on account of Bifurcation.

- System of follow-up of frauds / vigilance cases.

S N o	Name of the Branch	Description	Date of Detection	Amount involved (Rs.)	Amount recovered (Rs.)	FIR status	DP status
1	Hanamkonda – Warangal Region	External (Fraud by Borrower) Availed Housing Loan with Fake Income Proofs and Fake Building Permissions. The Link Documents were created and registered with SRO though there is no such property exists.	07.11.2024	17,72,053	2,55,921	Not Filed	V. Prakash Babu, OS IV, Branch Manager retired. Kotagiri Praveen, OS II, Field Officer – DP has initiated.



We were informed that Vigilance Department investigates the fraud noticed; based on its report, disciplinary action is initiated. If necessary, legal action is being taken by the Management.

5. **Suspense Accounts, Sundry Deposits etc.**

- System for clearance of items debited / credited to these accounts.

SUNDRY(CREDIT) INDIVIDUAL ENTRIES as on 31-03-2025				
S.No	Report_date	Branch Code	Branch Name	Amount
1	NIL			

SUSPENSE OTHERS INDIVIDUAL ENTRIES as on 31-03-2025					
S.No	Branch Code	Branch Name	RO	VALUE_DATE	Amount
1	NIL				

6. **Para Banking Activity:**

The bank is into Life and General insurance Business, mutual fund and Portfolio Management.

7. **KYC/AML**

The bank has duly updated and approved KYC/AML policy by the Bank Board and implemented as per guidelines.

IV. **CAPITAL ADEQUACY**

	31.03.2025	31.03.2024
Capital adequacy Ratio	25.77%	27.55%

(The capital adequacy ratio of the Bank is higher than the prescribed limit of 9%)

ICAAP Document:

Bank has duly approved ICAAP policy and strategies are aligned with the objectives envisaged by the Board.

V. **INFORMATION SYSTEMS**

1. **Robustness of IT Systems:**

The Bank is on ASP model with the service provider M/s C-Edge Technologies Ltd for provision of CBS and its allied applications. C-Edge is responsible for the development, maintenance, and security of the applications, including the ATM and other channel Switches. However, the Bank is ensuring security of these applications with the IS Audits & VAPT performed on CBS & its applications. Furthermore, the Bank is conducting regular reviews of our Application Service Provider (ASP) to verify



the presence of intrusion detection control mechanisms, ensuring the implementation of robust security protocols.

In addition to the above, the Bank is performing IS Audit at the Bank level. IS Audit is performed by the CISA approved auditors and closure & compliance to the observations is being ensured by the Bank.

2. IT Security and IS Policy:

The Bank has put in place the Board-approved IT Policy, IS Security Policy and Cyber Security Policies, which are being implemented as per the systems & procedures defined in the policies.

These policies are periodically reviewed based on the need and in the yearly intervals. The policies are framed in compliance with guidelines of the regulatory authorities.

3. Critical Systems/Processes:

Existence of Computerization and Automation Policy, progress made during the year under review.

All branches are computerized and are brought under CBS.

- Critical areas of operations not covered by automation.

Nil

- Number of branches covered by computerization and the extent of computerization

All the branches are computerized and are under CBS.

- Procedures for back-ups, off-site storage, contingency and disaster recovery and adherence thereto.

Taken care by C-Edge Technologies Limited (service provider).

- Existence of systems / EDP audit; coverage of such audit.

During the Financial Year-2024-25, the Bank was subjected to several IT systems related audits viz. IS Audit, Cyber Security Audit, NABARD Cyber Security Framework Gap Assessment Audit, UIDAI IS Audit and even regular RFIA Audit. Few Branches and Regions were covered in the scope along with the IT Dept & Head Office units. The audit was performed by Cert-IN empaneled auditors.

- Electronic Banking: existence of systems and procedures; monitoring; regular updation of technology; method of review and audit of procedures.



We are given to understand that E-banking facility (Mobile Banking & Viewing rights in internet banking) was introduced from May, 2016. Transaction rights in Internet Banking are introduced from March, 2021. Regular review and follow up is taken by Information Technology cell which is located at By-pass road, Prasanth Nagar, Sangareddy District.

- Suggestions, if any, with regard to computerization and automation.

All Branches of the Bank are computerized & CBS is made operational since 2009. The Bank has automated various internal processes like Loan Documentations, Control Returns, Notices, CTS, E-Approvals, MIS, HRMS, Audit modules etc. and many controls have been enabled through software portals. The Bank has also started data purification work by providing relevant data enablers to the branches. Data purification is a continuous process which needs to be prioritized.

VI. GOING CONCERN AND LIQUIDITY RISK ASSESSMENT

1. Going Concern Assessment:

Pursuant to the Gazette Notification CG-DL-E-07042025-262329 dated April 7, 2025, issued by the Central Government after consultation with the National Bank for Agriculture and Rural Development, the Government of Andhra Pradesh, and the Sponsor Banks Union Bank of India, Canara Bank, Indian Bank, and State Bank of India it has been decided in public interest, and in the interest of the development of the area served and the Regional Rural Banks (RRBs) themselves, to amalgamate the following RRBs:

- Chaitanya Godavari Grameena Bank
- Andhra Pragathi Grameena Bank
- Saptagiri Grameena Bank
- Andhra Pradesh Grameena Vikas Bank

into a single Regional Rural Bank named **Andhra Pradesh Grameena Bank** (the "Transferee Regional Rural Bank"), with effect from **May 1, 2025**.

As per the approved scheme of amalgamation, the **entire business undertaking** of the Bank shall be transferred to the Transferee Regional Rural Bank. Consequently, the Bank will **cease to operate as a separate legal entity** effective from May 1, 2025.

Since the business operations will continue seamlessly under Andhra Pradesh Grameena Bank and there is no discontinuation of the underlying banking services or activities. Accordingly, the financial statements for the year ended 31st March 2025 have been **prepared on a basis of going concern**, considering the merger. Assets and liabilities have been stated at book values in accordance with the approved scheme and applicable regulatory guidelines.



2. Profitability

- Analysis of variation in major items of income and expenditure compared to previous year.

Total interest income increased from Rs.3957.79 Crores in 2023-24 to 3609.53 Crores in 2024-25.

Non-interest income, i.e. Commission, Exchange & Brokerage Income has increased from Rs. 410.86 crores in 2023-24 to Rs. 323.37 Crores in 2024-25.

Miscellaneous Income has increased from Rs.126.92 crores in 2023-24 to Rs. 154.97 Crores in 2024-25.

Total Interest Expenditure increased from Rs.2026.88 Crores in 2023-24 to Rs. 1954.22 Crores in 2024-25.

Important ratios comparison and analysis in relation to previous year.

Particulars	2024-25	2023-24
Yield on Advances	9.62%	9.98%
Yield on Investments	8.24%	7.50%
Gross NPA	110.65 Cr	844.31 Cr
Business Per Employee	15.68 Cr	16.39 Cr
CRAR	25.88%	27.55%

- Policy relating to general provisions / reserves.

20% of Net Profit after Tax is transferred to Statutory Reserves. Other provisions relating to expenses and services are provided on accrual basis.

3. Liquidity Assessment:

Bank is having Board approved ALM policy where in Liquidity management have been discussed. Bank is monitoring its Liquidity position on monthly basis along with future forecast of funds inflow & outflow and arriving at the alternatives/options to meet the Liquidity gaps, if any.

VII. SYSTEMS AND CONTROLS

- Existence of systems and procedures for concurrent and internal audits, inspection, EDP audit of computer systems / software, etc, monitoring and follow-up of such reports;

Well laid down procedures developed by Head Office for Inspection & Audit, Snap Audit, Income Audit, Concurrent Audit are in existence.



- **Management Information System:** Existence of Management Information System, method of compilation and accuracy of information.

We were informed that various MIS reports are generated through software.

- Reliability of regulatory reporting under the Off-Site Surveillance system of the RBI.

Satisfactory.

VIII. OTHER MATTERS

- Comments on accounting policies including comments on changes in accounting policies made during the period.

All significant applicable accounting policies have been followed.

- Policies and systems for monitoring activities such as underwriting, derivatives etc.

Not applicable.

- Adequacy of provisions made for statutory liabilities such as Income Tax, Interest Tax, Gratuity, Pension, Provident Fund, etc.

The Bank has made necessary provisions as per respective statutes.

- Compliance with DEAF Norms

Bank has been complied with DEAF Policy approved by the Board of Directors as per guidelines issued by the Reserve Bank of India from time to time.

- Adequacy of provisions made for off-balance sheet exposures and other claims against the bank.

Claims against the bank not acknowledged as debts amounts to Rs.32.11 Crs which pertains to the Income Tax demands on which appeals are pending at various authorities. Bank had made adequate provisions related to the above demands in the financials for the year end 2024-25.

- Compliance Mechanism with regard to recommendations of specific committees appointed by RBI such as Ghosh, Jilani, Mithra Etc.,

The required recommendations are being followed by the Bank.



- Any major observations on branch returns and process of their consolidation in final statements of accounts.

No major observations were observed.

- Balances with other banks – observations on outstanding items in reconciliation statements.

All the balances with other Banks are duly reconciled.

- Procedure for revaluation of NOSTRO accounts and outstanding forward exchange contracts.

Not applicable.

- Observations on the working subsidiaries of the bank:

➤ Reporting system to the holding bank

Not applicable.

➤ Major losses of the subsidiary, if any.

Not applicable.

- Any other matter, which the auditor considers should be brought to the notice of the management.

Nil

For M/s. Grandhy & Co.,
Chartered Accountants
FRN. No.001007S



CA Naresh Chandra Gelli
Partner
M.No. 201754



UDIN:

Place: Warangal
Date:

INDEPENDENT AUDITOR'S REPORT

To
The Members of Andhra Pradesh Grameena Vikas Bank
Warangal.

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Andhra Pradesh Grameena Vikas Bank ('the Bank'), which comprise the Balance Sheet as at 31 March 2025, the Profit and Loss Account and the Statement of Cash Flows for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included the returns for the year ended on that date of the Head Office,
 - i) 22 branches audited by us and
 - ii) 138 branches audited by statutory branch auditors.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the National Bank for Agriculture and Rural Development (NABARD). Also incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 118 branches which have not been subjected to audit.

These unaudited branches account for 24.57 % of advances, 22.06 % of deposits, 24.16 % of interest income and 20.74 % of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Regional Rural Banks Act, 1976, circulars, directions and guidelines issued by Reserve Bank of India (RBI, NABARD from time to time and in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:-

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



Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time subject to Directions/Guidelines issued by the Reserve Bank of India, and provisions of Regional Rural bank Act, 1976 and circulars and guidelines issued by the RBI and NABARD from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Emphasis of Matter

1. We draw attention to Note no. 9(h) to the Standalone financial statements, Department of Financial Services, Government of India under the Phase-IV Amalgamation of Regional Rural Banks for ONE STATE – ONE RRB vide their communication F.No.15/15/2015(E)- RRB dated 13-11-2024 has decided to merge the 493 branches of Andhra Pradesh Grameena Vikas Bank (APGVB) located in Telangana state with 435 branches (including service branch) of Telangana Grameena Bank (TGB), head quartered at Hyderabad, with effect from 01.01.2025. Consequent to the bifurcation, the Bank now operates exclusively in the State of Andhra Pradesh with effect from the said date. The assets and liabilities of the Bank were apportioned between the two successor entities as per the WG recommendations as at 31st Dec, 2024. The Income and Expenditure for the 9 months of bifurcated entity also has been considered in the profit and loss account of the Bank.

2. We draw attention to Note no. 9(i) to the Standalone financial statements, Pursuant to the Gazette Notification CG-DL-E-07042025-262329 dated April 7, 2025, issued by the Central Government after consultation with the National Bank for Agriculture and Rural Development, the Government of Andhra Pradesh, and the Sponsor Banks Union Bank of India, Canara Bank, Indian Bank, and State Bank of India it has been decided in public interest, and in the interest of the development of the area served and the Regional Rural Banks (RRBs) themselves, to amalgamate the following RRBs:

- Chaitanya Godavari Grameena Bank
- Andhra Pragathi Grameena Bank
- Saptagiri Grameena Bank
- Andhra Pradesh Grameena Vikas Bank

into a single Regional Rural Bank named **Andhra Pradesh Grameena Bank** (the "Transferee Regional Rural Bank"), with effect from **May 1, 2025**.



GRANDHY & CO

CHARTERED ACCOUNTANTS

As per the approved scheme of amalgamation, the **entire business undertaking** of the Bank shall be transferred to the Transferee Regional Rural Bank. Consequently, the Bank will **cease to operate as a separate legal entity** effective from May 1, 2025.

Continuation Sheet

Since the business operations will continue seamlessly under Andhra Pradesh Grameena Bank and there is no discontinuation of the underlying banking services or activities. Accordingly, the financial statements for the year ended 31st March 2025 have been **prepared on a basis of going concern**, considering the merger. Assets and liabilities have been stated at book values in accordance with the approved scheme and applicable regulatory guidelines.

3. We draw attention to Note no. 9(n) to the Standalone financial statements, Govt. of India, Ministry of Finance, Department of Financial Services, vide Order No. F.No.8/4/2024-RRB dated 03 October, 2024, in exercise of their powers under provision 2 of section 17(1) of RRB Act, 1976 has communicated the implementation of pension scheme w.e.f 01.11.1993 giving coverage along with consequential arrears to all the left out cases, viz. resignation, voluntary retirement, compulsory retirement as a measure of penalty, medical incapacitation, compassionate allowance in case of Dismissal/removal/termination from service. Accordingly, the pension scheme has been implemented in our Bank. Further, the pension liability as on 31.03.2025 is arrived with revised pension.

Meanwhile, NABARD Vide Letter Ref.No.NB.HO.IDD.RRB/172918/316-RRB policy)/ 2024-25 has informed that RBI has permitted RRBs to amortize the expenditure, on account of revision in pension over a maximum period of five years vide the circular No.DOR.ACC.REC.No.67/21.04.018/2024-25 dated March 20,2025. This amortization will commence from the financial year ending March 31, 2025 with a minimum of 20% of the total pension liability being expensed each year.

The total pension liability was arrived at Rs.83.45 Crores. Based on the directions from RBI, we have amortized 20% of the total pension liability for the FY 2024-25 amounting to Rs.16.69 Crores, the balance amount of Rs. 66.76 Crores shall be amortized over next 4 years.

Our Opinion is not modified in respect of these matters.

Key Audit Matters

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

Key Audit Matter	How it has been addressed
Provision for Pension:	Our procedure:



GRANDHY & CO

CHARTERED ACCOUNTANTS

Continuation Sheet

The Bank has provided under a Defined Benefit Plan for pension of all the eligible employees. The pension liability is recognized based on an independent actuarial valuation carried out and bank makes such initial contributions, periodically to the fund as may be required to secure payment of the benefits under the pension regulations. The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. The measurement of provision being complex, requiring significant professional judgment and estimation in the selection of requisite long-term assumptions and any deficiency / error in such assumptions may result in accurate valuation as per AS 15 and consequent significant impact on the Financial Assertions, in view of the same we consider this to be a key audit matter.

The Bank has a HRMS package in place where details of employees such as Name, Date of Birth, Date of Joining, Basic Pay and other relevant information are being maintained. Details of all the eligible employees have been considered from such package and are forwarded to registered actuarial valuer along with assumptions for actuarial valuations.

We have verified the mechanism in place to ensure completeness of the employee data shared for valuation. Further, we have reviewed the expert's assessment of the appropriateness and reasonableness of the assumptions submitted by the bank in relation to such valuation and for matters involving significant professional judgment; we have relied upon the methodologies adopted by the actuarial expert as suggested in SA 620- Using the work of an Expert".

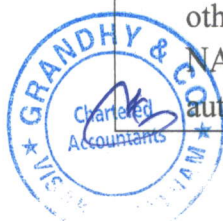
Information Technology (IT) Environment:

On reviewing IT processes in relation to Circular - Automation of IRAC and provisioning processes in RRBs, it is observed that the IRAC and provisioning process is not fully automated. Further, certain processes like monitoring of privileged access users, and evidencing/ supporting of reconciliation of CBS with various other interfaces (finance tools interfaced: RTGS, ATM, Internet banking etc.) needs to be strengthened. We also emphasize on an Internal / external audit every year of CBS and other IT systems to align with NABARD circular related to automated processing.

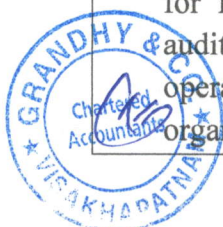
Our procedure:

- Understanding the coding system adopted by the Bank for various categories of customers.
- Understanding the feeding of the data in the system and going through the extraction of the financial information and statements from the IT system existing in the Bank.
- Checking of the user requirements for any changes in the regulations/ policy of the Bank.
- Reviewed the reports generated by the system on sample basis.

Result:



<p>Other compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems.</p> <p>We have considered this as key audit matter as any lapses resulting from manual processing, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.</p>	<p>There is continuous progress, still the system needs to be strengthened for its efficacy to control deficiencies of input/ output data from the system. Classification of Advances on the basis of IRAC norms are to be improved to complete Straight Through Process (STP) as per NABARD Circular dated 20th May, 2021 vide circular no. EC No.49/DoS-04/2021, Ref No. NB. DoS / DoS /POL / 19 J-1/2021-22.</p>
<p>Income Recognition, Asset Classification & Provisioning:</p> <p>The recognition of income on accrual basis on Advances and Investments, Classification of Advances/Investments and Provisioning thereof are in accordance with the extant Prudential norms on Income Recognition and Asset Classification (IRAC) issued by the Reserve Bank of India. Application of these norms involve certain degree of judgment.</p>	<p>We have assessed the process adopted by the bank to ensure compliance with Prudential norms on Income Recognition and Asset Classification (IRAC) issued by the Reserve Bank of India. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as under: -</p> <ul style="list-style-type: none"> - Evaluating the design of internal controls relating to implementation of Prudential norms on IRAC. - Testing relevant IT Controls on sample basis. Review of various audit/ inspection reports made available to us in the relevant areas. - Placing reliance on the opinions of experts on legal matters, titles, valuation and other aspects of securities charged to the bank. - Review of files of the borrowers selected on sample basis and operations of such accounts. - Performing relevant analytical procedures. - Test Checking of Interest application, levying of other charges, commission etc.
<p>Controls in Service organization</p> <p>In alignment with SA 402/ SAE 3402 for ICAI, Neither Type 1 or type 2 audit report has been received on operations of C-Edge and other organizations over reliable processes</p>	<p>Our procedure:</p> <p>Our process involved understanding of the entire business, IT and financial processing environment and the services obtained from such entities.</p>



<p>and checks in their processing of financial information and IT environments which may include (but not restricted to) controls over:</p> <ol style="list-style-type: none"> 1. Whether Service organization's entity and IT controls are designed and operating effectively. 2. Processes (IT and manual) by which APGVB's entries are initiated, recorded, corrected as necessary and transferred to GL. 3. Financial reporting process used to prepare the user entity's financial statement, including significant accounting estimates and disclosures. 4. Controls surrounding journal entries; 5. Whether any frauds, vulnerabilities, non-compliance with laws, etc of IT Services Vendor, identified impacts on APGVB's financial information. 6. Whether service of a sub-service organization has been used that impacts APGVB financial's processing. 	<p>Hence, we are unable to comment on the control environment of service providing entities and their impact. We have considered this as key audit matter in forming our opinion on information received from service organization.</p>
<p>Contingent Liabilities</p> <p>The contingent liability as defined in AS 29 – Provisions, Contingent Liabilities and Contingent Assets requires assessment of probable outcomes and cash flows. The identification and quantification of contingent liabilities require estimation and judgment by the management.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures: -</p> <ul style="list-style-type: none"> - Evaluating reasonableness of the underlying assumptions. - Examining the relevant documents on record. - Relying on relevant external evidence available including legal opinion, relevant judicial precedents and industry practices. - Getting management confirmation where-ever necessary.

5. Other Matters

We did not audit the financial statements / information of 138 branches and processing centres included in the financial statements of the Bank whose financial statements / financial information reflect total assets of Rs.6188.33 crores as at 31st



March 2025 and total revenue of Rs. 599.73 crs for the year ended on that date, as considered in the financial statements. These branches and processing centres cover 59.79% of advances, 48.44 % of deposits and 59.80 % of non-performing assets as at 31st March 2025 and 60.65% of revenue for the year ended 31st March 2025. The financial statements / information of these branches has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Our Opinion is not modified in respect of this matter.

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

6. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the management report and chairman's statement but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Bank's Board of Directors are responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards and provisions of Regional Rural bank Act, 1976 and circulars and guidelines issued by the Reserve Bank of India ('RBI') and National Bank for Agriculture and Rural Development (NABARD) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and



presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs 5 to 8 above and as required by the Regional Rural Banks Act, 1976, and subject also to the limitations of disclosure required therein, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17th, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks – Reporting obligations for SCAs from FY 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:



- (a) In our opinion, the aforesaid standalone financial statements comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.
- (b) The observation or comments on financial transactions or matters which have any adverse effect on the functioning of the bank are - Nil –
- (c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
- (d) The qualification, reservation or adverse remarks relating to the maintenance of accounts and other matters connected therewith are - Nil –
- (e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting with reference to standalone financial statements is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting with reference to standalone financial statements as at 31st March 2025.
11. We further report that:
- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
- b) The Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under Regional Rural Banks Act, 1976 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) In our opinion, the Balance Sheet, the Statement of Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by NABARD and RBI.

For Grandhy & Co.,
Chartered Accountants
Firm Registration No. 001007S



CA Naresh Chandra Gelli
Partner
M.No: 201754
UDIN:

Place: Warangal
Date:



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 10(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date) Report on the Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements as required by the Reserve Bank of India (the "RBI") Letter No. DOS.ARG. No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

Opinion

We have audited the internal financial controls over financial reporting with reference to standalone financial statements of Andhra Pradesh Grameena Bank ("the Bank") as at March 31, 2025 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting with reference to standalone financial statements of the Bank's branches.

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the Other Matters paragraph below, the Bank has, in all material respects, adequate Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements and such Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India"

Management's Responsibility for Internal Financial Controls

The Bank's management is responsible for establishing and maintaining internal financial controls based on Banking Regulation Act, 1949. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by



the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting with reference to standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

A Bank's internal financial controls over financial reporting with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting with reference to standalone financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements



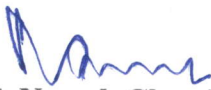
GRANDHY & CO

CHARTERED ACCOUNTANTS

Continuation Sheet

Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Grandhy & Co.,
Chartered Accountants
Firm Registration No. 001007S



CA Naresh Chandra Gelli

Partner

M.No: 201754

UDIN:

Place: Warangal

Date:

