

ANDHRA PRADESH GRAMEENA VIKAS BANK

HEAD OFFICE :: WARANGAL

FORM "A"

BALANCE SHEET AS AT MARCH 2023

('In 000s)

Particulars	Sch No.	As on 31.03.2023	As on 31.03.2022
<u>CAPITAL & LIABILITIES</u>			
Capital	1	9,40,850	9,40,850
Reserves & Surplus	2	5,75,78,313	4,71,11,643
Deposits	3	24,82,12,173	22,73,19,516
Borrowings	4	9,28,54,253	6,60,67,407
Other Liabilities & Provisions	5	1,71,96,869	2,18,51,392
Total		41,67,82,458	36,32,90,808
<u>ASSETS</u>			
Cash and Balances with RBI	6	98,88,865	1,00,74,415
Balances with Banks and Money at Call & Short Notice	7	11,31,94,093	6,77,80,307
Investments	8	5,91,46,958	6,78,38,233
Advances	9	21,88,85,168	19,86,89,822
Fixed Assets	10	10,13,068	8,06,387
Other Assets	11	1,46,54,306	1,81,01,644
Total		41,67,82,458	36,32,90,808
Contingent Liabilities	12	25,78,795	17,63,237

For Komandoor & Co LLP,

Chartered Accountants

K. Mohan Acharya K
(CA. Mohan Acharya K)
Partner

Mem No. 029082

Pradeep Karunakaran
(Director)

B Sreenivasulu
(Director)

Place: Warangal

Date: 14th April 2023

B. Dayakar
General Manager (Ops)
(B Dayakar)

J Sailaja Rani
(Director)

Ravi Rayi
(Director)

K. Praveen Kumar
(Chairman)



K. Praveen Kumar
Chairman
(K. Praveen Kumar)

Binod Kumar Sinha
(Director)

Satyanarayana KVV
(Director)


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

PROFIT AND LOSS ACCOUNT For the period ended MARCH 2023

('In 000s)

Sl.No.	Particulars	Sch no	31.03.2023	31.03.2022
I	Income			
	Interest Earned	13	3,18,33,004	3,04,86,937
	Other Income	14	41,23,727	38,37,712
	TOTAL		3,59,56,731	3,43,24,649
II	Expenditure			
	Interest Expended	15	1,38,48,616	1,34,24,723
	Operating Expenses	16	59,12,342	56,75,006
	Provisions and Contingencies	17	57,29,102	70,86,665
	Total		2,54,90,060	2,61,86,394
III	Profit/Loss for the period		1,04,66,671	81,38,255
	Appropriation			
	Transfer to Statutory Reserves		20,93,334	16,27,651
	Transfer to other Reserves		15,97,738	2,77,118
	Transfer to Government/ proposed dividend		-	-
	Balance carried over to Balance Sheet		67,75,599	62,33,486


(CA. Mohan Acharya K)
 Partner
 Mem No. 029082


 Pradeep Karunakaran
 (Director)

B Sreenivasulu
 (Director)

Place: Warangal
 Date: 14th April 2023




 General Manager (Ops)
 (B Dayakar)

J Sailaja Rani
 (Director)

Ravi Rayi
 (Director)

K. Praveen Kumar
 (Chairman)




 Chairman
 (K. Praveen Kumar)

Binod Kumar Sinha
 (Director)

Satyanarayana KVV
 (Director)

ANDHRA PRADESH GRAMEENA VIKAS BANK::HEAD OFFICE WARANGAL			
CASH FLOW STATEMENT AS ON 31st MARCH 2023.		Rs. '000s	
Particulars	31.03.2023	31.03.2022	
Cash Flows from Operating Activities:			
Net Profit after Tax	1,04,66,671	81,38,254	
Add:			
Depreciation debited to P&L	1,38,490	1,26,161	
Provision for Income Tax	28,70,582	26,95,645	
Investment Fluctuation reserve reversed	-	-	
Deferred Tax Asset Adjustment	-	-	
Interest Paid on Amounts received from RBI, SBI, NABARD	34,03,401	32,63,370	
Income on Investments	(42,21,083)	(47,46,481)	
Operating profit before working capital changes	1,26,58,061	93,17,084	
Working Capital Changes:			
Increase / (Decrease) in Deposits	2,08,92,657	89,34,749	
Increase / (Decrease) in Liabilities and Provisions	(75,25,104)	66,08,683	
(Increase) / Decrease in Advances	(2,01,95,346)	5,07,601	
(Increase) / Decrease in Other Assets	60,87,179	(12,86,353)	
Cash generated from Operations	1,19,17,446	2,40,81,763	
Less: Income Tax Paid	(26,39,841)	(59,08,384)	
Net cash from Operating Activities	92,77,605	1,81,73,379	
Cash Flows from Investing Activities:			
(Purchase) / Sale of fixed assets	(3,45,171)	(1,87,724)	
(Purchase) / Sale of Investments	86,91,275	(71,71,234)	
Income from Investments	42,21,083	47,46,481	
Net cash from Investing Activities	1,25,67,187	(26,12,478)	
Cash Flows from Financing Activities:			
Funds from SBI, NABARD, NHB	2,67,86,846	(1,07,35,781)	
Interest paid to SBI, NABARD, NHB	(34,03,401)	(32,63,370)	
Net cash from Financing Activities	2,33,83,445	(1,39,99,151)	
Effect of Foreign Exchange Rate Changes			
Net Increase/(Decrease) In Cash And Cash Equivalents	4,52,28,237	15,61,750	
Add: Opening cash and cash equivalents			
i) Cash on hand	7,50,765	11,87,040	
ii) Balances with Reserve Bank of India & Other banks	98,55,713	87,16,098	
iii) Deposit Accounts	6,72,48,243	6,63,89,834	
Total	12,30,82,959	7,78,54,722	
Note:			
Closing Cash and Cash Equivalents			
i) Cash on hand	8,03,740	7,50,765	
ii) Balances with Reserve Bank of India & other banks	93,36,776	98,55,713	
iii) Deposit Accounts	11,29,42,442	6,72,48,243	
Total	12,30,82,959	7,78,54,722	
Check Total	-	-	

Cash Flow is prepared using Indirect Method.

For Komandoor & Co LLP,
Chartered Accountants


(CA. Mohan Acharya K)
Partner

Mem No. 029082



For Andhra Pradesh Grameena Vikas Bank


General Manager (OPS)
(B Dayakar)




Chairman
(K. Praveen Kumar)

ANDHRA PRADESH GRAMEENA VIKAS BANK
HEAD OFFICE :: WARANGAL
SCHEDULES FORMING PART OF FORM A AND FORM B - MARCH 2023

SCHEDULE -1
CAPITAL

(in Rs '000s.)

Particulars	AS ON 31.03.2023	AS ON 31.03.2022
Authorised Capital	2,00,00,000	2,00,00,000
(2000000000 Equity Shares of Rs10/-each)		
Issued Capital	9,40,850	9,40,850
(94085049 Equity Shares of Rs10/-each)		
Subscribed Capital	9,40,850	9,40,850
(94085049 Equity Shares of Rs10/-each)		
Called Up Capital	9,40,850	9,40,850
(94085049 Equity Shares of Rs10/-each)		
Less: Calls unpaid	NIL	NIL
Add: Forfeited Shares	NIL	NIL
Total	9,40,850	9,40,850

SCHEDULE -2
RESERVES AND SURPLUS

(in Rs '000s.)

Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I Statutory Reserves		
Opening Balance	94,37,003	78,09,352
Additions During the Year	20,93,334	16,27,651
Deductions During the Year	Nil	Nil
TOTAL	1,15,30,337	94,37,003
II Capital Reserves		
Opening Balance	1,11,038	1,11,038
Additions During the Year	Nil	Nil
Deductions During the Year	Nil	Nil
TOTAL	1,11,038	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	10,44,899	9,27,647
Additions During the Year	15,97,738	2,77,118
Deductions During the Year	-	1,59,866
TOTAL	26,42,637	10,44,899
V Balance in Profit and Loss Account		
Opening Balance	3,65,18,702	3,02,85,217
Additions During the Year*		
Profit for the year	67,75,599	62,33,486
TOTAL	4,32,94,301	3,65,18,702
TOTAL (I, II, III, IV and V)	5,75,78,313	4,71,11,642



SCHEDULE-3
DEPOSITS

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
A. I	Demand Deposits		
	(i) From Banks	18,913	28,681
	(ii) From Others	15,86,500	16,78,981
II	Savings Bank Deposits	9,29,03,102	8,75,59,685
III	Term Deposits		
	(i) From Banks	5,46,37,499	4,26,91,331
	(ii) From Others	9,90,66,158	9,53,60,838
	TOTAL (I, II and III)	24,82,12,172	22,73,19,516
B	(i) Deposits of Branches in India	24,82,12,173	22,73,19,516
	(ii) Deposits of Branches Out Side India	Nil	Nil
	TOTAL	24,82,12,173	22,73,19,516

SCHEDULE -4
BORROWINGS

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	Borrowings in India		
	(a) Reserve Bank of India	37,00,000	Nil
	(b) Other Banks	2,67,94,127	752
	(c) Other Institutions and agencies	6,23,60,126	6,60,66,656
	1 NABARD	5,65,51,250	6,21,49,302
	2 NHB	52,67,110	37,19,552
	3 NSTFDC	5,966	8,135
	4 NBCFDC	4,000	4,667
	5 MUDRA	5,31,800	1,85,000
		Nil	Nil
II	Borrowings Out Side India	9,28,54,253	6,60,67,408
	TOTAL (I and II)		
	Secured Borrowings included in I and II above		

SCHEDULE-5
OTHER LIABILITIES AND PROVISIONS

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	Bills payable/Bankers Cheque	5,37,543	4,82,806
II	Inter Office Adjustments (Net)	0.00	0.00
III	Interest Accrued	54,36,781	51,93,189
IV	Others (Including Provisions)	1,12,22,545	1,61,75,397
	TOTAL	1,71,96,869	2,18,51,392



SCHEDULE-6
CASH AND BALANCE WITH RESERVE BANK OF INDIA

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	Cash in Hand	8,03,740	7,50,765
	(Including Foreign Currency Notes)		
II	Balances with Reserve Bank of India		
	(a) In Current Account	90,85,125	93,23,650
	(b) In Other Account	NIL	NIL
	TOTAL (I and II)	98,88,865	1,00,74,415

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

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	In India		
	(i) Balance with Banks		
	(a) In Current Accounts	2,51,651	5,32,063
	(b) In Other Deposit Accounts (TDRs)	11,29,42,442	6,72,48,243
	(ii) Money at Call & Short Notice		
	(a) With Banks	Nil	Nil
	(b) With Other Institutions	Nil	Nil
	TOTAL (i and ii)	11,31,94,093	6,77,80,306
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)	11,31,94,093	6,77,80,306

SCHEDULE -8
INVESTMENTS

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	Investment in India		
	(i) Government Securities	5,89,34,548	6,61,75,887
	(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	16,59,847
	TOTAL	5,91,46,958	6,78,38,233
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)	5,91,46,958	6,78,38,233



**SCHEDULE-9
ADVANCES**

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
A	(i) Bills Purchased and Discounted	Nil	Nil
	(ii) Cash Credits, Overdrafts and Loans Repayable on Demand	13,64,44,611	13,01,52,425
	(iii) Term Loans	8,24,40,557	6,85,37,397
	TOTAL (A)	21,88,85,168	19,86,89,822
B	(i) Secured by Tangible Assets	21,86,09,579	19,83,98,244
	(ii) Covered by Bank/Government Guarantees	Nil	Nil
	(iii) Unsecured	2,75,589	2,91,578
	TOTAL (B)	21,88,85,168	19,86,89,822
CI	Advances in India		
	(i) Priority Sector	17,75,28,488	16,49,09,985
	(ii) Public Sector	Nil	Nil
	(iii) Banks	Nil	Nil
	(iv) Others	4,13,56,680	3,37,79,837
	TOTAL	21,88,85,168	19,86,89,822
CII	Advances Out Side India		
	(i) Due from banks	Nil	Nil
	(ii) Due from Others	Nil	Nil
	TOTAL (CII)	-	-
	GRAND TOTAL (CI and CII)	21,88,85,168	19,86,89,822



**SCHEDULE-10
FIXED ASSETS**

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	Premises		
	At cost as on the 31st MARCH of the Preceeding Year	1,50,149	1,07,262
	Additions During the Year	-	42,886
	Deductions During the Year		
	Depreciation to date	7,035	4,638
	TOTAL	1,43,114	1,45,510
II	Other Fixed Assets (including Furniture and Fixtures)		
	At cost as on the 31st MARCH of the Preceeding Year	17,64,069	15,79,320
	Additions During the Year	3,10,579	1,88,173
	Deductions During the Year	1,764	3,424
	Depreciation to date	12,43,064	11,06,970
	TOTAL	8,29,820	6,57,099
III	Capital Work in Progress		
	At cost as on the 31ST MARCH of the Preceeding Year	3,779	43,690
	Additions During the Year	36,355	24,406
	Deductions During the Year	-	64,317
	TOTAL	40,134	3,779
	TOTAL (I+II+III)	10,13,068	8,06,388

**SCHEDULE-11
OTHER ASSETS**

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	Inter Office Adjustments (NET)	-	-
II	Interest Accrued	38,29,674	23,73,120
III	Tax paid in Advance/ Tax deducted at Source	26,52,303	59,19,761
IV	Stationery and stamps	19,163	13,726
V	Others *	81,53,166	97,95,038
	TOTAL	1,46,54,306	1,81,01,645



SCHEDULE-12
CONTINGENT LIABILITIES

(in Rs '000s.)

	Particulars	AS ON 31.03.2023	AS ON 31.03.2022
I	Claims against the Banks not acknowledged as debts	20,34,132	12,24,552
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	1,15,437	95,012
	(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)	4,29,226	4,43,673
	TOTAL	25,78,795	17,63,237



**SCHEDULE-13
INTEREST EARNED**

(in Rs '000s.)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
I	Interest/ Discount on Advances/Bills	2,53,50,174	2,40,18,474
II	Income on Investments	42,21,083	47,46,481
III	Interest on Balances with RBI and Other Inter Bank Funds	22,61,747	17,21,982
IV	Others	Nil	Nil
	TOTAL	3,18,33,004	3,04,86,937

**SCHEDULE-14
OTHER INCOME**

(in Rs '000s.)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
I	Commission, Exchange and Brokerage	33,27,712	31,00,262
II	Profit on Sale of Investment	-	7,11,029
	Less: Loss on sale of Investments	-2,28,963	
III	Profit on Revaluation of Investments	Nil	Nil
	Less: Loss on Revaluation of Investments		
IV	Profit on Sale of Lands, Buildings and Other Assets	473	Nil
	Less: Loss on Sale of Lands, Buildings and Other Assets	-26	
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	10,24,531	26,420
	TOTAL	41,23,727	38,37,711

**SCHEDULE-15
INTEREST EXPENDED**

(in Rs '000s.)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
I	Interest on Deposits	1,04,45,215	1,01,61,353
II	Interest on Reserve Bank of India/Inter Bank Borrowings	34,03,401	32,63,370
III	Others	Nil	Nil
	TOTAL	1,38,48,616	1,34,24,723



SCHEDULE-16
OPERATING EXPENSES

(in Rs '000s.)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
I	Payments to provisions for employees	41,44,222	39,10,894
II	Rent, Taxes, Lighting and Fuel	2,46,954	2,03,290
III	Printing and Stationery	28,429	27,478
IV	Advertisement and Publicity	3,047	1,488
V	Depreciation on Banks Property	1,38,490	1,26,161
VI	Directors' Fees, Allowances and Expenses	-	-
VII	Auditors Fee and Expenses	9,110	9,000
VIII	Law Charges	3,266	1,216
IX	Postage, Telegrams, telephone, etc	9,049	7,068
X	Repairs and Maintenance	3,278	1,687
XI	Insurance	3,43,692	3,41,960
XII	Other Expenditure	9,82,805	10,44,765
	TOTAL	59,12,342	56,75,007



SCHEDULE-17
PROVISIONS AND CONTINGENCIES

(in Rs '000s.)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
I	Provision on NPA's	20,27,070	18,30,117
II	Provision on Standard Assets	-7,96,908	9,51,316
III	Provision on Frauds	-2,061	9,331
IV	Depreciation on SLR Securities under AFS category	6,56,308	11,27,961
V	Provision on Wage revision	-	-2,03,054
VI	IFR Reversal	-	-1,59,866
VII	Provison on Pension	7,55,300	10,20,704
VIII	Audit Fee Provision	-693	-1,982
IX	Provision on Tax	-	-
	Deferred Tax	2,19,504	-1,83,507
	Income Tax	28,70,582	26,95,645
	TOTAL	57,29,102	70,86,665



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 to 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:



Description of Fixed Asset	Depreciation rates
Buildings	1.6667%
Furniture & Fixtures other than Electrical Fittings and Fixtures	10%
Electrical Fittings with 3 years life	33.33%
Electrical Fittings with 5 years life	20%
Safe Deposit Lockers, Fire proof data safe	5%
Computer systems & ATMs	33.33%
Computer software which does not form an integral part of computer hard ware and cost of software development	33.33%
Vehicles	20%

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)	5,850.04	4,781.83
ii)	Additional Tier 1 capital*/ Other Tier 1 capital	-	-
iii)	Tier 1 capital (i + ii)	5,850.04	4,781.83
iv)	Tier 2 capital	75.66	155.35
v)	Total capital (Tier 1+Tier 2)	5,926.10	4,937.18
vi)	Total Risk Weighted Assets (RWAs)	23,237.86	21,042.83
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)	25.18	22.72
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.32	0.74
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	25.50	23.46
xi)	Leverage Ratio	NA	NA
xii)	Percentage of the shareholding of		
	a) Government of India	50.00	50.00
	b) State Government (specify name)	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

NIL

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	1773.91	712.56	2493.95	3,887.87	2,410.96	10,241.66	1,604.64	1,695.67	24,821.22
Advances	5617.70	192.76	2107.51	3572.22	7001.00	3573.39	382.96	4684.57	27132.11
Investments	42.94	9.75	2541.44	2396.34	3810.87	2785.78	1985.08	3636.73	17208.93
Borrowings	370.00	0	115.56	3976.89	1676.73	1820.42	477.46	848.37	9285.42
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 31.03.2023

(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	1827.45	0.00	0.00	0.00	0.00	0.00	1827.45	0.00	0.00	0.00	0.00	1827.45
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0
Net	1827.45	0.00	0.00	0.00	0.00	0.00	1827.45	0.00	0.00	0.00	0.00	1827.45
Available for Sale												
Gross	4066.00	0.00	0.25	0.00	0.00	0.00	4,087.24	0.00	0.00	0.00	0.00	4,087.24
Less: Provision for depreciation and NPI	178.42	0.00	0.00	0.00	0.00	0.00	178.42	0.00	0.00	0.00	0.00	178.42
Net	3887.58	0.00	0.25	0.00	0.00	0.00	4840.63	0.00	0.00	0.00	0.00	4840.63
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	5893.45	0.00	0.25	0.00	0.00	0.00	5,914.69	0.00	0.00	0.00	0.00	5,914.69
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	178.42	0.00	0.00	0.00	0.00	0.00	178.42	0.00	0.00	0.00	0.00	178.42
Net	5715.03	0.00	0.25	0.00	0.00	0.00	5,736.27	0.00	0.00	0.00	0.00	5,736.27

Composition of Investment Portfolio as at 31.03.2022

(Amount in ₹ Crore)

	Investments in India						Investments outside India			
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others
Held to Maturity										
Gross	1830.40	0.00	0.00	0.00	0.00	0.00	1830.40	0.00	0.00	0.00
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
Net	1830.40	0.00	0.00	0.00	0.00	0.00	1830.40	0.00	0.00	0.00
Available for Sale										
Gross	4787.19	0.00	0.25	0.00	0.00	165.98	4953.42	0.00	0.00	0.00
Less: Provision for depreciation and NPI	112.79	0.00	0.00	0.00	0.00	0.00	112.79	0.00	0.00	0.00
Net	4674.40	0.00	0.25	0.00	0.00	165.98	4840.63	0.00	0.00	0.00
Held for Trading										
Gross	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
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Investments	6617.59	0.00	0.25	0.00	0.00	165.98	6783.82	0.00	0.00	0.00
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
Less: Provision for depreciation and NPI	112.79	0.00	0.00	0.00	0.00	0.00	112.79	0.00	0.00	0.00
Net	6504.80	0.00	0.25	0.00	0.00	165.98	6671.03	0.00	0.00	0.00

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	112.79	0.00
b. Add: Provisions made during the year	65.63	112.79
c. Less: Write off / write back of excess provisions during the year	0.00	0.00
d. Closing balance	178.42	112.79
ii) Movement of Investment Fluctuation Reserve		
a. Opening balance	0.00	15.99
b. Add: Amount transferred during the year	0.00	0.00
c. Less: Drawdown	0.00	15.99
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	166.23	121.94
b)	Additions during the year since 1 st April	0.00	454.27
c)	Reductions during the above period	144.99	409.98
d)	Closing balance	21.24	166.23
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)	(8)	(9)	(10)	(11)	(12)
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	20.99	165.98	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 *	21.24	166.23	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 the year	Outstanding as on March 31
i) Securities sold under repo				
a) Government securities	NIL	NIL	NIL	NIL
b) Corporate debt securities				
c) Any other securities				
ii) Securities purchased underreverse repo				
a) Government securities	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	Loss	
Gross Standard Advances and NPAs	Total Standard Advances				Total Non-Performing Advances
Opening Balance	235460413	2330317	181819	11068	4159504
Add: Additions during the year					15597116
Less: Reductions during the year					12703977
Closing balance	264268467	3645331	3402298	5014	7052643
Reductions in Gross NPAs due to:					271321110
i) Upgradation					12703977
ii) Recoveries (excluding recoveries from upgraded accounts)					11575822
iii) Technical/ Prudential Write-offs					984883
iv) Write-offs other than those under (iii) above					0
					143272
Provisions (excluding Floating Provisions)					
Opening balance of provisions held	1551557	2330317	1818117	3514	4151948
Add: Fresh provisions made during the year					
Less: Excess provision reversed/ Write-off loans					
Closing balance of provisions held	754649	2588185	3402297	5015	5995497
					6750146
Net NPAs					
Opening Balance					0
Add: Fresh additions during the year					3878035
Less: Reductions during the year					2820889
Closing Balance					1057146



	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	2.60	1.74
Net NPA to Net Advances	0.40	0.00
Provision coverage ratio	85	100



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	18747.02	584.74	3.12	16308.26	298.65	1.83
b)	Advances to industries sector eligible as priority sector lending	1999.50	83.52	4.18	1385.62	58.48	4.22
c)	Services	0.00	0.00	0.00	315.07	21.10	6.70
d)	Personal loans	2338.80	29.20	1.24	2152.05	2.68	0.12
	Subtotal (i)	23085.32	697.46		20161.00	380.91	1.89
ii) Non-priority Sector							
a)	Agriculture and allied activities	0.00	0.00	0.00	0	0	0
b)	Industry	0.00	0.00	0.00	3657.35	25.36	0.69
c)	Services	0.00	0.00	0.00	75.49	3.36	4.45
d)	Personal loans	4046.79	7.80	0.19	68.15	5.56	8.16
	Sub-total (ii)	4046.79	7.80	0.19	3800.99	34.28	13.30
	Total (i + ii)	27132.11	705.26	2.60	23961.99	415.19	1.74



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	91509	NA	NA	NA	91509
	Gross Amount (₹ crore)	NA	NA	NA	NA	NA	995.14	NA	NA	NA	995.14
	Provision held (₹ crore)	NA	NA	NA	NA	NA	102.00	NA	NA	NA	102.00
Sub-standard	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA



Disclosure in Financial Statements – 'Notes to Accounts'

		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	91509	NA	NA	NA	91509
	Gross Amount (₹ crore)	NA	NA	NA	NA	NA	995.14	NA	NA	NA	995.14
	Provision held (₹ crore)	NA	NA	NA	NA	NA	102.00	NA	NA	NA	102.00



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
Number of frauds reported	2	6
Amount involved in fraud (₹ crore)	0.13	1.55
Amount of provision made for such frauds (₹ crore)	0.01	0.95
Amount of Unamortised provision debited from 'other reserves' as at the end of the year (₹ crore)	0	0



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 borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year
Personal Loans	0	0	0	0	0
Corporate persons*	0	0	0	0	0
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.	4250.55	3271.39
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;	17.36	28.19
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures – i. Residential ii. Commercial Real Estate	NIL	NIL
<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	4267.91	3299.58



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;	21.24	26.24
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	21.24	26.24

c) Risk category-wise country exposure

(Amount in ₹ Crore)

Risk Category	Exposure (net) as at March,23	Provision held as at March,23	Exposure (net) as at March,22	Provision held as at March,22
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	27.55	29.16
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 2023	For the year ended 31 st March 2022
Refinance received from State Bank of India	NIL	NIL
Interest paid to SBI	1 67 56	1 11 88
Investments made with:		
SBI - in the form of STDRs	2 01 40 63	195 34 64
SBI Fund Management Private Limited	3 99 98	43 99 78
Interest received from SBI	1,21,405	5 74 48
Profit on sale of Investments on SBI	42 83	1 36 21
Contributions to Gratuity Fund with SBI Life Insurance Company Limited	15 00 00	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	13 00 00	NIL
Current Account Balance with SBI	14 82	36 03 25
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	5595.99	4600.82
Percentage of deposits of twenty largest depositors to total deposits of the bank	22.54 %	20.24 %

b) Concentration of advances

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	26.60	22.21
Percentage of advances to twenty largest borrowers to total advances of the bank	0.09 %	0.09 %

c) Concentration of exposures

(Amount in ₹ Crore)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers/customers	29.08	23.75
Percentage of exposures to the twenty largest borrowers/customers to the total exposure of the bank on borrowers/customers	0.10 %	0.10 %

d) Concentration of NPAs

(Amount in ₹ Crore)

	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	1.23	4.25
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	0.17	1.02



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 current and previous years.	any transactions in derivatives in the current and previous years
iii) Collateral required by the bank upon entering into swaps		
iv) Concentration of credit risk arising from the swaps		
v) The fair value of the swap book		



Disclosure in Financial Statements – ‘Notes to Accounts’

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, 2023 (instrument wise)	Not entered into any transactions in derivatives in the current and previous years	Not entered into any transactions in derivatives in the current and previous years
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not ‘highly effective’ (instrument wise)		
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not ‘highly effective’ (instrument wise)		

c) Disclosures on risk exposure in derivatives

i) Qualitative disclosures

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

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	44.37	39.82
ii)	Add: Amounts transferred to DEA Fund during the year	4.06	9.88
iii)	Less: Amounts reimbursed by DEA Fund towards claims	5.50	5.34
iv)	Closing balance of amounts transferred to DEA Fund	42.92	44.37



Disclosure in Financial Statements – 'Notes to Accounts'

6. Disclosure of complaints

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

Sr.No	Particulars	2020-21	2021-22	2022-23
Complaints received by the bank from its customers				
1.	Number of complaints pending at beginning of the year	25	24	3
2.	Number of complaints received during the year	828	1083	995
3.	Number of complaints disposed during the year	829	1104	984
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	24	3	14
Maintainable complaints received by the bank from Office of Ombudsman				
5.	Number of maintainable complaints received by the bank from Office of Ombudsman	83	52	73
5.1.	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	83	52	73
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	0	0	0
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
2022-23					



Disclosure in Financial Statements – 'Notes to Accounts'

Ground - 1	1	10	-3598.91	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	0	210	22.80	0	0
Others	2	716	81.84	8	0
Total	3	995	8.84	14	0
2021-22					
Ground - 1	8	357	48.84	1	0
Ground - 2	6	282	9.70	0	0
Ground - 3	2	87	30.80	0	0
Ground - 4	1	65	56.96	0	0
Ground - 5	4	162	22.62	0	0
Others	3	130	42.69	2	0
Total	24	1083	30.80	3	0

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: Sought for information (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



Disclosure in Financial Statements – 'Notes to Accounts'

8. Disclosures on remuneration

Particulars of Managerial Remuneration:

(Amount in ₹)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
Shri K. Praveen Kumar, Chairman	4288266.58	3182719
Shri Gouru Sukumar, General Manager	3145985.78	2555350
Shri Ch Srirama Somayaji, General Manager	3405808.20	2601764
Shri. Mahesha Basava, General Manager	1776030.00	1656212
Shri P.Pardhasaradhi, General Manager	2720952.00	2411262
Shri N. Venkata Ramana, General Manager	1830949.00	2924652
Shri Eswara Subrahmanyamu Karri, General Manager	2988982.12	2556106
Vattem Anil, General Manager	2093087.49	Nil
Venkata Ramana Vankadari, General Manager	1705040.12	Nil
Dayakar Balla, General Manager	395265.23	Nil

9. Other Disclosures

a) Business Ratios

Particular	Current Year	Previous Year
i) Cost of Deposits	4.79%	4.70%
ii) Net Interest Margin	5.23%	5.21%
iii) Operating Profit as a percentage to Working Funds	4.41%	4.34%
iv) Return on Assets	2.85%	2.32%
v) Business (deposits plus advances) per employee (in ₹ crore)	14.68	14.26
vi) Profit per employee (in ₹ crore)	0.29	0.25



Disclosure in Financial Statements – 'Notes to Accounts'

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.

2021-22	2022-23
Rs. 15.67 Crores	Rs. 18.48 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.

2021-22	2022-23
Rs. 208.56 lakh	Rs. 202.43 lakh

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 2022-23 on various dates and booked a net profit of Rs.100.0565 Crores. The PSLC is valid upto 31.03.2023.

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	
12675	122.4540	12675	22.3975	100.0565

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 180 days. Few contracts were entered in to agreement in the previous financial year 2021-22 and extended till this financial year. Contract of Rs.1500 Crores, Rs.260.00 Crores, Rs.950 Crores, Rs.375 Crores and Rs.1550 Crores are entered in this financial year in quarter ending 31.12.2022 & quarter ending 31.03.2023 and extended to the next financial year on cash pay-out basis having maturity dates as below:



Disclosure in Financial Statements – ‘Notes to Accounts’

IBPC Transactions done IBPC during FY 2022-23			
Sl No	AMT	FROM	TO
1	2170.00	24-03-2022	20-09-2022
2	1300.00	29-06-2022	26-12-2022
3	275.00	07-09-2022	06-03-2023
4	1423.00	19-09-2022	18-03-2023
5	450.00	20-09-2022	19-03-2023
6	1500.00	22-11-2022	21-05-2023
7	260.00	09-02-2023	08-08-2023
8	950.00	10-02-2023	09-08-2023
9	375.00	16-03-2023	12-09-2023
10	1550.00	21-03-2023	17-09-2023
Total	10253.00		

Bank placed the IBPC proceeds in the form of Fixed Deposits with other Banks to earn the income margin and also credited to outstanding Overdraft Accounts to reduce the cost of borrowings through which Bank could book the Income of Rs.38.88 Cr and also to reduce the cost of borrowings to the extent of Rs.37.11 Cr with the total contribution of Rs.75.99 Cr to Profit and Loss Account in FY2022-23.

e) 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	202.71	183.01
iii.	Provision made towards Income tax	302.87	251.21
iv.	Other Provisions and Contingencies (with details)		
	Provision on Standard Assets	-79.69	95.13
	Provision on Frauds	-0.20	0.93
	Depreciation on SLR Securities under AFS category	65.63	112.80
	Provision on Wage revision		
	Investment Fluctuation reserve	-	-15.99
	Audit Fee provision	-0.07	-0.20
	Provision on Pension	75.53	102.07



Disclosure in Financial Statements – ‘Notes to Accounts’

f) Payment of DICGC Insurance Premium

(Amount in ₹ Crore)

Sr.No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	25.58	23.16
ii)	Arrears in payment of DICGC premium	NIL	NIL


g) 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.81112021-RRB dated 01 April, 2021, in exercise of their powers under provision 2 of section 17(1) of RRB Act, 1976 has communicated the revised salary and allowances to the RRB staff in terms of 11th Bipartite Settlement. Whereas regarding the enhanced family pension to RRBs, consequent to the 11th Bipartite Settlement, it has not been conveyed its approval or otherwise. Accordingly, the enhanced family pension is not implemented in our bank.


Further, the pension liability as on 31.03.2023 is arrived with existing family pension rates. The revised liability will be arrived after approval of competent authority, i.e. Govt. of India, for revision of family pension to employees of RRBs.

For Komandoor & Co LLP,
Chartered Accountants

For Andhra Pradesh Grameena Vikas Bank


(CA. Mohan Acharya K)
Partner
Mem No. 029082


General Manager (OPS)
(B Dayakar)


Chairman
(K. Praveen Kumar)

Pradeep Karunakaran
(Director)

J Sailaja Rani
(Director)

Binod Kumar Sinha
(Director)

B Sreenivasulu
(Director)

Ravi Rayi
(Director)

Satyanarayana KVV
(Director)

K. Praveen Kumar
(Chairman)

Place: Warangal
Date: 14th April 2023

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 2023, 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) 397 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 352 branches which have not been subjected to audit.

These unaudited branches account for 24.92 % of advances, 31.57, %of deposits, 25.04 % of interest income and 24.87 % 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



A partnership firm converted into Komandoor & Co. LLP (A limited liability partnership with LLP Identification No. AAG-0043) with effect from 21st March, 2016

L-504, Divya Shakti Complex, 7-1-58, Dharamkaran Road, Ameerpet, Hyderabad-500 016. Telangana, INDIA

Phone : +91 40-23751300 / 23741400, Cell : +91 9849011300, +91 7207057799.

E-mail : komandoorco@gmail.com info@komandoorco.com URL : www.komandoorco.com

BRANCHES: AGRA, AHMEDABAD, BANGALORE, BHUBANESWAR, CHENNAI, COIMBATORE, GHAZIABAD, GURGAON, GUWAHATI, JAIPUR, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PATNA, PUNE, RAIPUR, RANCHI, TIRUPATI, THIRUVANANTHAPURAM, VIJAYAWADA & VISAKHAPATNAM

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, 2023.
- 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
3. Accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of the Regional Rural Banks 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.

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
<p>Verification of Advances:</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if individual or collective income recognition, classification and provisions are not appropriately identified and estimated as per RBI guidelines. Identification of performing and nonperforming assets, involves establishment of proper mechanism. The Bank accounts for all the transactions related to advances in its Information Technology System called Core Banking Solution (CBS). Further, NPA stamping and provisioning is also done in the CBS. Considering the nature of the transactions, regulatory requirements, existing business environment, and the materiality, audit of advances require significant efforts in verification of the income recognition, asset classification and provisioning.</p> <p>This is a matter of high importance</p>	<p>Our Procedure:</p> <p>We received a process understanding of CBS to review if the IT system is designed in line with the Master Circular on IRAC norms and other related circulars issued by RBI/ NABARD. Further, we have also reviewed the report of Concurrent Audit, Snap Audit and reports and inspection reports of NABARD and internal policies developed by the Bank in accordance with such Norms, including:</p> <p>The accuracy of the data input in the system used for income recognition, asset classification and provisioning in accordance with RBI regulations, Business Logics/ Parameters are in-built in CBS for Tracking, Identification and stamping of NPA. Existence and effectiveness of monitoring mechanisms like Internal Audit, Systems Audit, Snap Audit and daily Concurrent Audit.</p> <p>We have examined: The Reports, MOCs and certificates issued by</p>



for the intended users of the financial statement. Considering these aspects, we consider this as a key Audit Matter.

the Branch Auditors have been considered including observations made in LFAR. Observations, if any, by various audits conducted as per the monitoring mechanism of the bank including NABARD Inspection and how they have been dealt with.

Our audit procedures included considering the appropriateness of the Bank's accounting policies and assessing compliance with the policies in terms of the applicable accounting standards. We have examined the efficiency of processes over advances to determine the nature, timing and extent of the substantive procedures. We performed substantive testing over asset classification with specific focus on whether IRAC norms are followed adequately along with the provisioning requirements. In carrying out substantive procedures, we have examined all large advances while other advances have been examined on a sampling basis. All the stressed accounts of significant amount have been examined in detail. Large numbers of Branches are being audited by the Statutory Branch Auditors who are firms of



	Chartered Accountants included in the panel of NABARD and appointed by the Bank. We have relied on the various returns relating to advances audited by these Statutory Branch Auditors and there report in respect thereof.
Provision for Pension: <p>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</p>	Our procedure: <p>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 experts 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</p>



consequent significant impact on the Financial Assertions, in view of the same we consider this to be a key audit matter.	adopted by the actuarial expert as suggested in SA 620- Using the work of an Expert”.
<p>Information Technology (IT) Environment :</p> <p>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.</p> <p>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.</p> <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</p>	<p>Our procedure:</p> <ul style="list-style-type: none"> • 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. <p>Result</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</p>



<p>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>Through Process (STP) as per NABARD Circular dated 20th May, 2021 vide circular no. <i>EC No.49/DoS-04/2021, Ref No. NB. DoS / DoS /POL / 19 J-1/2021-22.</i></p>
<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 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 entry's 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. 	<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>4. Controls surrounding journal entries;</p> <p>5. Whether any frauds, vulnerabilities, non-compliance with laws, etc of IT Services Vendor, identified impacts on APGVB's financial information.</p> <p>6. Whether service of a sub-service organization has been used that impacts APGVB financial's processing</p> <p>Hence, we are unable to comment on the control environment of service providing entities and their impact.</p> <p>We have considered this as key audit matter in forming our opinion on information received from service organization.</p>	
<p>Financial statements preparation process</p> <p>The financial statement includes the Balance sheet, Income statements and schedules to both.</p> <p>Mapping of Trial balance (TB) to schedules is available. However, accounts from TB have not been mapped to Schedules and then to financial statement.</p> <p>Hence, we have verified schedules through Balance Sheet and Income Statement instead of from Trial balance.</p>	<p>Our procedure</p> <p>Our procedure involved understanding the flow of accounting information across various applications and then mapping the account codes between CBS (BGL codes) and Finance one (CGL codes). clarifications were obtained from Management for concluding</p>



<p>Mapping of Branch GL codes into corporate GL codes</p> <p>Branch GL (BGL) account codes are maintained in Bancs 24 application (CBS). These are processed into Corporate General ledger (CGL) account code which is maintained in Finance One application. On Mapping of BGL to CGL, we have identified BGL which do not have a corresponding CGL.</p> <p>Further, there have been CGL for which there are no corresponding BGL.</p> <p>This is <u>a significant matter</u> for ensuring completeness of accounting information captured in the financial statements.</p>	<p>Our procedure</p> <p>Our procedure involved understanding the flow of accounting information across various applications and then mapping the account codes between CBS (BGL codes) and Finance one (CGL codes). clarifications were obtained from Management for concluding.</p>
---	---

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

5. 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

6. 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.

7. 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.



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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's



report. However, future events or conditions may cause the bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Other Matters

9. We did not audit the financial statements / information of 397 branches and processing centres included in the financial statements of the Bank whose financial statements / financial information reflect total assets of Rs.16169.95 crores as at 31st March 2023 and total revenue of Rs. 1967.37 cr for the year ended on that date, as considered in the financial statements. These branches and processing centers cover 66.27% of advances, 61.93 % of deposits and 69.96 % of Non-performing assets as at 31st March 2023 and 68.25% of revenue for the year ended 31st March 2023. The financial statements / information of these branches have 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.

Report on Other Legal and Regulatory Requirements

10. 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.

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 Komandoor and Co LLP.
Chartered Accountants
Firm Registration No. 001420S/S200034

Komandoor Mohan Acharya
Partner
M.No : 029082
UDIN: 23029082BGVDBX3901



Place: Warangal
Date: 14-04-2023