

# ANDHRA PRADESH MAHESH CO-OPERATIVE URBAN BANK LTD.

(MULTI-STATE SCHEDULED BANK)

Head Office: 8-2-680/1&2, Road No.12, Banjara Hills, Hyderabad - 500 034 (T.S.) India Tel.: 040-24615296 / 5299, 23437100 · 7103 & 7105 Fax: 040 · 24616427 Website: www.apmaheshbank.com E-mail: info@apmaheshbank.com

# **ABRIDGED**

# **BALANCE SHEET** AS AT 31ST MARCH 2022

Particulars	As at 31.03.2022 ₹	As at 31.03.2021 ₹
Capital and Liabilities		
<ol> <li>Capital</li> <li>Reserve fund and Other Reserves</li> <li>Principal/Subsidiary/State</li> </ol>	33 12 79 720 388 35 95 586	34 73 23 160 358 81 08 975
Partnership Fund Account 4. Deposits and Other Accounts 5. Borrowings 6. Bills for collection being	2662 58 64 788 35 092	2963 72 83 494 
bills receivable as per contra  7. Branch Adjustments  8. Overdue Interest Reserve	12 51 419 16 72 973	 1 67 410
(As per Contra) 9. Interest payable 10. Other Liabilities 11. Profit and Loss	45 12 05 501 11 09 98 936 47 05 93 114 41 56 08 844	32 59 17 750 16 47 30 989 48 87 51 974 41 17 82 094
Total	3229 21 05 973	3496 40 65 846
Property and Assets		
Cash     Balances with other Banks     Money at call and	184 18 82 681 370 98 68 436	187 84 69 204 246 99 69 580
Short Notice (TREPS) 4. Investments 5. Investments out of Principal/ Subsidiary/State Partnership	260 00 00 000 1122 70 37 607	110 00 00 000 1318 13 40 607
Fund Account 6. Advances 7. Interest Receivable	1132 05 49 633	1486 02 99 950
i. on Investments     ii. on Loans and Advances	34 59 96 937	33 27 74 358
(As per Contra) 8. Bills receivable being Bills	45 12 05 501	32 59 17 750
for Collection as per contra 9. Branch Adjustments 10. Premises less depreciation 11. Furniture and Fixtures	12 51 419 65 09 966 37 53 01 282	74 07 677 38 70 03 818
less depreciation 12. Computer Software in Progress	10 13 27 827 1 04 98 750	14 68 95 492
Computer Software in Progress     Other Assets     Non-Banking Assets acquired in satisfaction of claims	30 06 75 934	27 39 87 410 
Total	3229 21 05 973	3496 40 65 846

# Contingent Liabilities

As per our report of even date

for M. ANANDAM & CO... CHARTERED ACCOUNTANTS

(Firm Regn. No.: 000125S)

# M.V.RANGANATH

PARTNER M.No.: 028031

UDIN: 22028031ALTFHU4074

Place: Hyderabad Date : 27-06-2022

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2022

Particulars	Year ended 31.03.2022 ₹	Year ended 31.03.2021 ₹
Income		
Interest & Discount     Commissions,	2 65 71 62 711	2 83 10 76 759
exchange and brokerage 3. Profit on Sale of	73 31 216	65 93 188
Securities (Net) 4. Other Receipts	15 33 62 644 10 39 93 802	5 91 07 845 9 87 70 786
Total (A)	2 92 18 50 373	2 99 55 48 578
Expenditure		
Interest on Deposits,     Borrowings	1 71 62 33 044	1 79 87 03 216
Salaries, allowances and Provident fund     Directors' and	27 65 17 109	30 94 84 580
local committee members' fees and allowances 4. Rent, Taxes and Lighting	6 72 43 846	6 47 29 302
Law Charges     Postage, telegram     and telephone charges	28 84 415 25 72 924	18 81 296 20 91 559
7. Auditor's Fees 8. Depreciation on	15 60 652	11 99 000
and repairs to property  9. Stationery, Printing	6 45 81 770	6 77 35 455
and Advertisement  10. Other Expenditure	1 28 35 309 18 14 82 894	1 30 28 643 16 18 32 765
11. Provisions 12. Income Tax Expense	15 54 26 003	13 28 18 524
i. Current Tax ii. Deferred Tax	10 59 00 000 56 38 000	11 97 00 000 (1 96 25 000)
Total (B)	2 59 28 75 966	2 65 35 79 340
Net Profit carried to Balance Sheet (A-B)	32 89 74 407	34 19 69 238

# 31 80 98 612 38 43 23 805

Sd/-

**PURSHOTAMDAS MANDHANA** 

Sr. VICE-CHAIRMAN

for and on behalf of the Board of Directors

RAGHURAMA SHETTY RAMESH KUMAR BUNG MANAGING DIRECTOR & CEO (I/C) CHAIRMAN

Sd/-LAXMINARAYAN RATHI VICE-CHAIRMAN

Sd/-

# **SPEECH BY**

# SHRI RAMESH KUMAR BUNG, CHAIRMAN ANDHRA PRADESH MAHESH CO-OPERATIVE URBAN BANK LTD.

AT THE 46th ANNUAL GENERAL MEETING ON 2<sup>nd</sup> SEPTEMBER, 2022 AT HYDERABAD

Dear Members,

On behalf of the Board of Directors and on my personal behalf, I extend a warm welcome to you all to the 46th Annual General Meeting of the Bank. I feel extremely honored to address this august gathering as a Chairman of the Bank.

In the same breath, I express my heartfelt thanks for your august presence here today and also acknowledge your unstinted and persistent support to the Bank.

The Annual Report including the Directors' Report and Audited Accounts for the year ended 31st March, 2022, has been made available to the Members and with your consent I presume that the same has been perused.

would now like to share with you the performance highlights and key financial indicators of our bank, while also discussing the economic scenario at broader level

#### ECONOMIC SCENARIO :

As we all aware, the global economic and financial environment was not very great during the financial year 2021-22. At the beginning of the financial year, we were combating the Covid-19 and during the close of the said financial year, we were drawing our future estimates in the back drop of Russia-Ukrine war that heightening the risks of recession, tightening of monetary policy and conservative financial approach at global level

The US dollar index soared to a two-decade high. Both advanced economies (AEs) and emerging market economies (EMEs) witnessed weakening of their currencies against the US dollar.

### OUTLOOK:

Spiralling impact of geopolitical shocks are lending considerable uncertainty to the inflation trajectory. More recently, food and metal prices have come off their peaks. International crude oil prices have eased in recent weeks but remain elevated and volatile on supply concerns even as the global demand outlook is weakening.

The elevated risks emanating from protracted geopolitical tensions, the upsurge in global financial market volatility and tightening global financial conditions continue to weigh heavily on the outlook.

In view of the same and to pull back headline inflation within the tolerance band closer to the target, the Monetary Policy Committee has increased policy repo rate by 50 basis points to 5.40 percent in its meeting held in August, 2022, resulting in an upward revision in interest rates on Deposits and Loans by Banks.

Despite the said increase in Reporate. I feel glad to inform that. our Bank has not increased interest rates till date.

Further, in order to encourage our Members and augment loans and advances, our Bank has launched Loan Mobilization drive from 1st August, 2022 to 31st October, 2022. There will be no processing charges on loans & advances on certain category during this drive period, a onetime measure.

# OUR BANK'S PERFORMANCE:

Now let me share with you few of the key financia indicators of the Bank for the year 2021-22 in comparison

- Profit of the Bank (Before Tax) stands at ₹ 44.05 crores as against ₹ 44.20 crores in previous year.
- Profit after Tax stood at ₹ 32.90 crores as against ₹ 34.19 crores in previous year Aggregate business stood at ₹ 3794.64 crores as against
- ₹ 4449.76 crores in previous year. Deposits stood at ₹ 2662.59 crores as against ₹ 2963.73
- crores in previous year Advances stood at ₹ 1132.05 crores as against ₹ 1486.03
- crores in previous year Owned funds increased to ₹ 390.19 crores from ₹ 367.91 crores registering a growth rate of 6.06%. Book Value per share is ₹235.57.
- Earnings per Share is ₹ 19.30.

Further, I feel glad to inform that all the Branches of our Bank are in profit except one.

I am pleased to announce that the Board of Directors have recommended a Dividend of 15% on Pro-rata basis, for the year 2021-22, to our shareholders. Dear Members, let me but on record larger interest of the Bank and long term interest of Members have been kept in mind while recommending the said dividend

# NPA MANAGEMENT:

As on 31.03.2022. Gross NPAs of the Bank stood at ₹ 95.95 crores (8.48%) as against Gross NPAs of ₹74.95 crores (5.04%) in the previous year. Net NPAs stood at 1.56% Therefore, in order to contain and recover NPAs, Bank has constituted a "Recovery Task Force", a special team for

recovery The Task Force Team follows-up with each Branch, Borrowal/overdue account, takes immediate steps, as required for recovery and also to contain slippage of any fresh account into NPA. Besides Task Force Team, Bank's Credit Monitoring Cell and Recovery Departments also

follows-up with the Branches/Borrowers for recovery of

overdues and initiates necessary legal action viz., filing of Arbitration, initiating steps under SARFAESI Act etc., for speedy recovery in delinquent borrowal accounts.

Further, Bank is targeting to bring down NPAs to ₹ 50.00 crores by 31.03.2023 and continues its vigorous steps for

#### DIGITAL BANKING

Digital banking refers to the banking where the customer uses the digital banking delivery channels to carry out the banking transactions.

Digital Banking delivery channels includes :

- POS (Point of Sale) Channel at Merchant establishments
- · Online/e-Commerce Channel
- · Internet Banking Channel
- Mobile Banking Channel
- UPI (Unified Payment Interface) application

Customers can carry out the transactions through the use of below mentioned delivery channels:

- Card based transactions
- NEFT transactions
- · RTGS transactions · IMPS transactions
- Bill Payment transactions
- UPI transactions

All these transaction services are available 24\*7 for the Customers

# POSITIVE PAY SYSTEM (PPS):

The 'Positive Pay System' for cheques which was introduced by the Reserve Bank of India has been implemented by the bank effectively. The new system is going to enhance the safety of cheque-based transactions in the country.

Under the positive pay system, an issuer of cheque will have to electronically submit certain minimum details of the particular cheque (such as date, name of the beneficiary payee and amount) to the drawee bank. This can be done through various channels - SMS, mobile app, internet

The details provided are then going to be cross-checked with the presented cheque by Cheque Truncation System (CTS). In case, there is a discrepancy, it will be flagged by the CTS to the drawee bank and presenting bank, who will then take redressal measures.

#### CORPORATE SOCIAL RESPONSIBILITY:

Our Bank realizes the importance of Corporate Social Responsibility and follows it in the letter and spirit. The principle of "giving back to the Society, out of what we have received from it", has always been in the forefront of our policy decisions. Bank believes that an essential component of its Corporate Social Responsibility is to care for the society at large and demonstrate it in terms of constructive philanthropy, towards meaningful initiatives and purposes. During the year, Bank donated an amount of ₹ 9.20 lakhs for various philanthropic activities.

# CONSTITUTION OF BOARD OF MANAGEMENT:

As per circular dated 31st December, 2019 issued by Reserve Bank, it is mandatory to constitute Board of Management by all Primary Urban Cooperative Banks with deposit size of ₹ 100 crorés and above.

Accordingly, Board of Management has been constituted in

# AMENDMENT TO BYE-LAWS:

Since Bye-law No. 3 (e) (vii) was in contravention to RBI guidelines, amendment to the same is proposed i.e., UCBs are not permitted to undertake any transactions on behalf of Portfolio Management Scheme (PMS) clients in their fiduciary capacity, and on behalf of other clients, either as custodians of their investments or purely as their agents

### PREPARATION OF BALANCE SHEET AND PROFIT & LOSS ACCOUNT:

Balance Sheet and Profit and Loss Account have been prepared in the Forms set out in the Third Schedule of the Banking Regulation Act, 1949 as substituted by clause (zl) of section 56 of the said Act and Necessary disclosures, as applicable, were made in compliance with the RBI Master Directions dated August 30, 2021.

## HUMAN RESOURCES:

Employees are most important Assets and face of the Bank's Brand. Therefore, Bank persuades for Employee Motivation and up-gradation of their skills by arranging various training programs in-house and also deputing staff for College of Agriculture Banking (CAB), Reserve Bank of India, Pune and training classes were arranged through RBI officials, for better understanding the regulatory requirement and compliance Special increments are given for JAIIB and CAIIB qualifications Bank has its own training college in the Head Office Building equipped with required facilities and amenities for imparting training to in-house Staff. During the year, Bank arranged 30 programs for the Staff Members on various functional areas

#### **BUSINESS GROWTH** PIAN FOR THE CURRENT YEAR:

To elevate the performance. Business goals for the year 2022-23 are estimated, as under

- Aggregate business of ₹4500 crores
- CD Ratio of 50% and
- Reduction in Gross NPAs to ₹ 50.00 crores

#### CYBER INCIDENT:

In its history of 45 years, the Bank faced the most acrimonious incident of cyber-attack in which the fraudster hacked an amount of ₹12.48 crore

This cyber-attack took place despite all security systems being in place. Before reinstating the necessary security systems a detailed audit and inspection was carried out. Considering the need of the hour, and upon obtaining advice from the consultants, we have introduced more efficient and robust security systems in the Bank and the Bank has made additiona capital investments in strengthening the new systems. Meticulous investigation regarding the cyber-attack is ongoing through the Cyber Police Hyderabad. Police have made special investigation in this matter. Their success and efforts in this investigation are exemplary and commendable

The Bank stood very strong in this critical situation and we streamlined the day-to-day work successfully within a shor span. Most of the members and customers extended cooperation and stood in solidarity with the Bank during this difficult period. A big salute to you all for the unstinted support, trust and belief posed in the Bank.

#### **MEMORABLE EVENTS:**

45th Foundation Day of the Bank has been commemorated in Bank's Head Office at Banjara Hills, Hyderabad. Sri Mahesh Chandra Ladha, IPS, Inspector General, CRPF Southern Sector, Hyderabad and Sri Pramod Vijayvargia General Manager, SIDBI, Hyderabad were Chief Guests. The chief guests have enlightened the celebrations with their presence and conveyed their best wishes to our Bank.

#### AZADI KA AMRIT MAHOTSAV:

Azadi Ka Amrit Mahotsav is an initiative of the Government of India to celebrate and commemorate 75 years of independence and the glorious history of it's people, culture and achievements. This Mahotsav is dedicated to the people of India who have not only been instrumental in bringing India thus far in its evolutionary journey but also hold within them the nowe and potential to enable Prime Minister Narendra Modi's vision of activating India 2.0, fuelled by the spirit o Aatmanirbhar Bharat. The official journey of Azadi Ka Amrit Mahotsay commenced on 12th March 2021 which started a 75-week countdown to our 75th anniversary of ndependence and will end post a year on 15th August 2023. Bank has celebrated Independence day on 15.08.2022 with lots of zeal and enthusiasm and as a part of "Har Ghar Tiranga" campaign, National flags were supplied to Staff Members to hoist the same at their residence from 13.08.2022 to 15.08.2022.

# REQUEST TO MEMBERS:

Members are requested to submit KYC i.e., two photographs PAN Card and Address proof (Aadhaar/Voter ID/Passpor etc.) to the Shares Department, for updating the records Further, to send important communications/notifications Members are requested to register their e-mail ID and Mobile Numbers, by sending WhatsApp / SMS to 9985767012 or e-mail members@apmaheshbank.com.

# ACKNOWLEDGEMENTS:

Before I conclude. I express my sincere thanks and gratitude to all the Members of the Bank for reposing their faith and confidence in the Management and employees of the Bank. I thank my colleagues on the Board, Sr. Vice-Chairman and Vice-Chairman in particular, Professional Directors and Members of Board of Management, for their valuable support in the development of the bank.

l also place on record my appreciation to all the former Directors for their contribution in the development of the Bank, I express my gratitude to all the customers and well wishers of the Bank for their trust and support. I convey my special thanks to the officials of Reserve Bank of India, Ministry of Co-operation Govt. of India, the State Commissioners and Registrars of Cooperative Societies, A.P., Telangana, Rajasthan, Gujarat and Maharashtra States and other Statutory and Regulatory authorities and officials, for their valuable guidance and support extended from time to time. I profusely thank and acknowledge the co-operation and guidance of National Payment Corporation of India (NPCI), Clearing Corporation of India, Hon'ble Arbitrator Legal Advisors, Valuers, Consultants, Architects, Statutory Concurrent & Internal Auditors.

I also convey my sincere thanks to the print and electronic media for their support in all the endeavours and initiatives of the Bank, I place on record, along with my co-directors on the Board, my appreciation to the Managing Director and his team for their dedication, commitment and endeavours for the growth and development of the Bank

JAI HIND