



Chairman's Message

Dear Shareholders,

I have the pleasure to present the 47th Annual Report of the Bank for the financial year 2022-23. On behalf of the Board of Directors, the Management and the employees, I thank you all for your continued trust and support.

According to the World Bank report, the Indian economy's overall growth rate remained robust, with real GDP increasing by 7.7% year on year over the first three quarters of fiscal year 2022-23. In the second half of Fiscal Year 2022-23, there were some indicators of moderation. Strong investment activity, aided by the government's push for capital spending, and robust private consumption, particularly among higher-income earners, laid the groundwork for growth. Inflation remained high in F.Y. 2022-23, averaging around 6.7%, but the current account deficit decreased in the third quarter due to robust growth in service exports.

Post-pandemic phase, the Bank has re-examined its technology strategies and made efforts to strengthen digital banking facility to offer improved services to its customers and redefine customer relationships. The Bank is making efforts to capitalize on technology investments. The Bank has, despite all odds, initiated prompt recovery actions to improve collections and to restrain fresh slippages in stressed loan accounts through various recovery measures. The Bank is making all efforts to further strengthen its digital infrastructure.

During the year under report, the operating profit of the Bank increased to ₹ 163.27 Crore as compared to ₹ 125.17 Crore in the F.Y. 2021-22. As per the regulatory guidelines, the Bank is required to make substantial provisions towards Security Receipts (SRs) pertaining to the stressed assets assigned to Asset Reconstruction Companies (ARCs). Thus for the F.Y. 2022-23, the Net Loss (above the line) amounts to ₹ 149.39 Crore. Further, as approved at the Annual General Meeting held on 9th September, 2022 and subsequent permission received from the Reserve Bank of India, the free reserves held by the Bank viz. Building Fund and Special Reserve for Security Receipts (SRs) were transferred to the Profit and Loss Account and the Net Profit (below the line) stood at ₹ 50.59 Crore for the F.Y. 2022-23.

Though the Bank has a profit below the line to the extent of ₹ 50.59 Crore, as stated above, the Board of Directors could not propose the dividend for the F.Y. 2022-23, in view of the regulatory guidelines pertaining to the declaration of dividend, which states that dividend can be declared from the profit earned during the specific financial year only. However, the Bank is making efforts to improve profitability to enable itself to declare a decent dividend for the current financial year.

The Bank will continue to focus on its core business and extensive recovery of Non-Performing Assets. More emphasis will be placed to enhance customer service in terms of quality and quantity, with ample support of modern technology in the coming days.

I express my gratitude to all the shareholders, accountholders and well-wishers of the Bank and look forward to your continued support to strengthen your Bank for a better future.

With warm regards,

U. SHIVAJI POOJARY