

BOARD OF DIRECTOR'S REPORT 2022-23

It's our pleasure to present the eleventh report on business and operations of the Bank along with the Audited Statement of Accounts for the financial year ended on 31st March 2023.

Overview of Indian economy

The second advance estimates (SAE) released by the National Statistical Office (NSO) on February 28, 2023 placed India's real gross domestic product (GDP) growth at 7.0 per cent in 2022-23. Real GDP growth for 2023-24 is projected at 6.5 per cent with Q1:2023-24 at 7.8 per cent; Q2 at 6.2 per cent; Q3 at 6.1 per cent; and Q4 at 5.9 per cent as per Monetary Policy Statement, 2023-24 Resolution of the Monetary Policy Committee (MPC) April 3, 5 and 6, 2023.

Inflation in India increased from 5.13% in 2021 to 6.44% in Feb 2023 above RBI tolerance level of 4% to 6%. Resultant Monetary Policy Committee increased repo rate from 4.00% in FY 2021-22 to 6.50% in March 2023 i.e. increase in 250 basis points and changing stance from accommodative to withdrawal of accommodation during the FY 2022-23.

CPI inflation is projected at 5.2 per cent for 2023-24, with Q1 at 5.1 per cent, Q2 at 5.4 per cent, Q3 at 5.4 per cent and Q4 at 5.2 per cent assuming an annual average crude oil price (Indian basket) of US\$ 85 per barrel and a normal monsoon. Average crude oil prices reduced from US\$ 105 per barrel in March 2022 to US\$ 85 per barrel in March 2023 after touching the peak US\$ 116 per barrel in May 2022.

Uttarakhand Economy

Uttarakhand was formed on the 9th November 2000 as the 27th State of India, when it was carved out of northern Uttar Pradesh. Uttarakhand has a total area of 53,483 km² (1.69% of total area of the country), of which 86% is mountainous and 65% is covered by forest. Located at the foothills of the Himalayan mountain ranges, it is largely a hilly State, having international boundaries with China (Tibet) in the north and Nepal in the east. On its north-west lies Himachal Pradesh, while on the south is Uttar Pradesh.

It has been divided into two regions- the western region- Garhwal Mandal and the eastern region- Kumaon Mandal. It is divided into 13 districts which consist of 95 blocks. It is rich in natural resources especially water and forests with many glaciers, rivers, dense forests and snow-clad mountain peaks.

The State's population is around 1.01 crore with 78.82% literacy Rate out of which 70% population resides in villages as per the census of 2011. With levels of literacy higher than the national average, the State has abundant availability of quality human resources. Unemployment rate of Uttarakhand State is 3.5% in March 2022 according to CMIE (Centre for Monitoring Indian Economy).

The growth rate of Uttarakhand's GSDP (at constant prices) is projected at 7.05% in 2021-22. Within a short span of its existence, Uttarakhand has emerged as a significant destination for investments in manufacturing industry, tourism and infrastructure. Emphasis is on stimulating

all three sectors of its economy (agriculture, industry and services), to their fullest potential in tandem with the geographic profile of the state. Around 9.68%, 49.34% and 35.88% contribution to states economy is contributed by Primary sector, Secondary and Tertiary sector respectively, in 2021-22. (Source: Provisional (Second Revised) Estimates of State Domestic Product of Uttarakhand by Directorate of Economics & Statistics, Department of Planning, Government of Uttarakhand, 2011-12 to 2021-22 (PE) with Base Year 2011-12).

Overview of Banking Industry in Uttarakhand

There are total 31 Banks in Uttarakhand having 2392 branches as on 31.03.2022. State has total 31 Banks comprising 12 PSBs, 1 RRB (UGB), 17 Private Banks and Co-operative Bank (1 State Cooperative Bank, 10 District Central Co-operative Banks). Besides, there is one branch of Prathama Gramin Bank in Haridwar District.

Total deposits of all the Banks in the state stood at Rs. 176555 crores as on 31.03.2022 at 10.45% YoY growth. Total advances of all the Banks in the State is Rs. 82886 cr (excluding RIDF) as on 31.03.2022 at 7.33% YoY growth. Gross NPA of all Banks in the State is 5.60% as on 31.03.2022.

CD ratio excluding outside advances of the state is 41% and CD ratio excluding RIDF is 47% as on 31.03.2022. Agricultural advances contribute 19.26% of total advances and Priority sector advances contributes 54.80% of total advances as on 31.03.2022. Crop Loan constitutes 10.82% of total advances, ATL constitutes 8.44% and MSME advances constitute 26.44% of total advances as on 31.03.2022. (Source: SLBC Book).

New Branch/ Offices

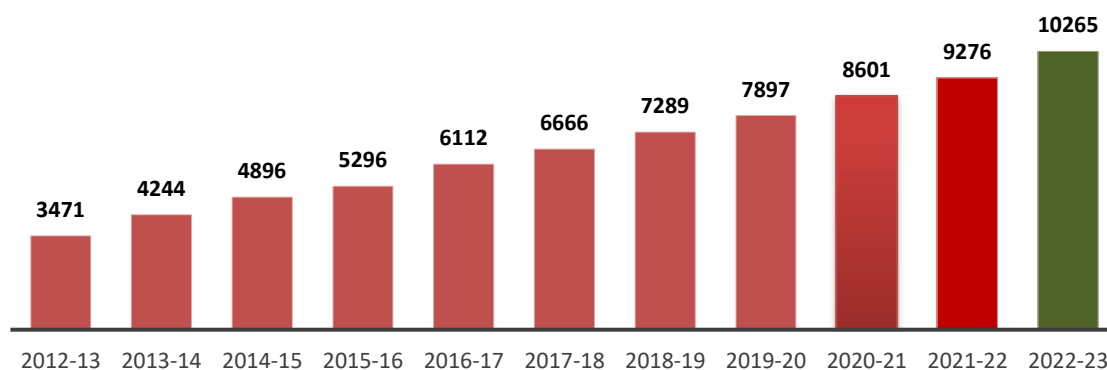
Bank has presence in all 13 districts of Uttarakhand with a network of 288 branches and 624 Business Correspondents. Bank has opened two new Branches, one CPC and one SARB during the FY 2022-23. Details are given below:

Category	Code	Name	Date of opening
Branch	162	Byasi	04-Jan-2023
Branch	522	Paanch Mandir	15-Mar-2023
CPC	901	Rajpur Road, Dehradun	15-Mar-2023
SARB	951	Jakhan, Dehradun	15-Mar-2023

Business Review

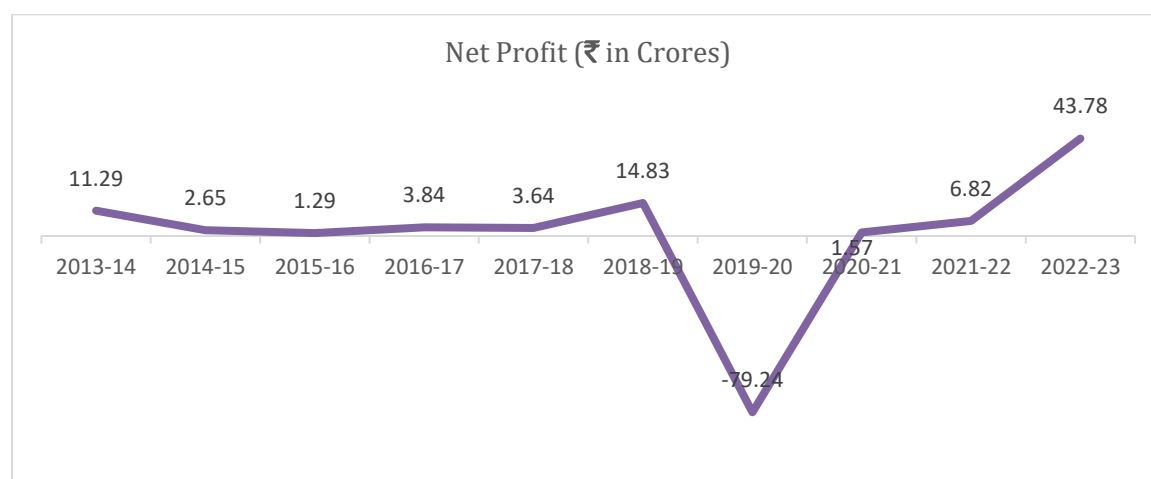
The Bank's business has crossed Rs. 10000 crore in FY 2022-23 and grown at a rate of 10.66% to reach ₹ 10265.16 crore as on 31st March 2023 as against ₹ 9276.35 Crore as on 31 March 2022.

Business (₹ in Crores)



Profit Analysis

The Bank has earned Net Profit of ₹ 43.78 crores in FY 2022-23 after providing ₹ 65.32 crores for annual pension liability. Bank has made 100% of assessed pension liability i.e. Rs. 333.31 cr.



Interest income increased by ₹ 63.67 Cr (includes increase in interest on investment by ₹ 13.56 Cr) and recovery in AUCA (write off accounts) has been to the extent of ₹ 4.96 Crore.

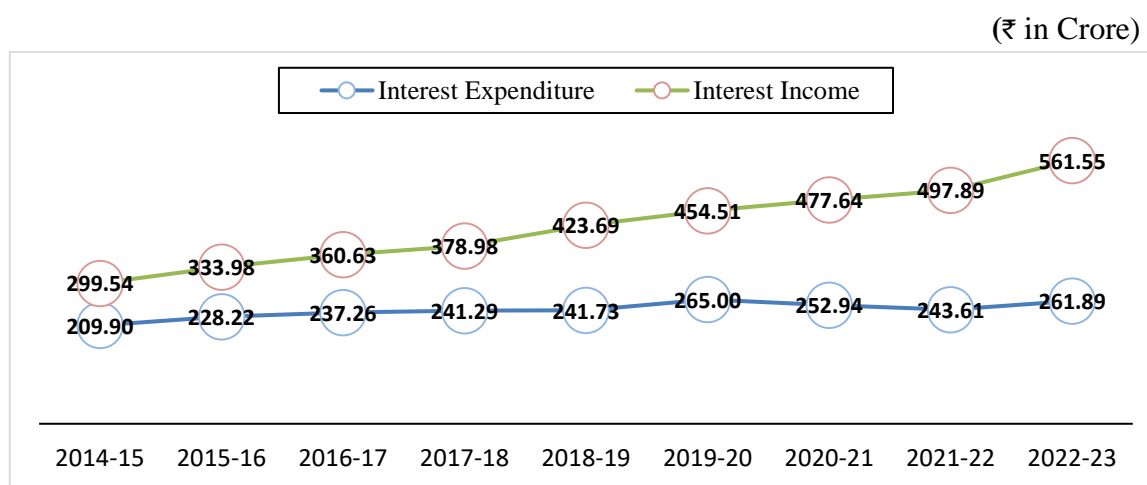
Income and Expenditure

Particulars	(₹ in Crore)		
	2021-22	2022-23	Growth %
Interest Income	497.88	561.55	12.79%
Interest Expenditure	243.61	261.89	7.50%
Non-Interest Income	40.15	34.31	-14.55%
Non-Interest Expenditure	270.41	267.86	-0.94%
Operating profit	24.02	66.11	175.23%
Provisions and Contingencies	16.98	22.16	30.51%
Profit before tax	7.03	43.95	525.18%

Particulars	2021-22	2022-23	Growth %
Income Tax	0.32	0.17	
Deferred Tax Asset & Earlier year adjustments (excess)	0.11	0.00	
Net Profit after tax	6.82	43.78	541.94%

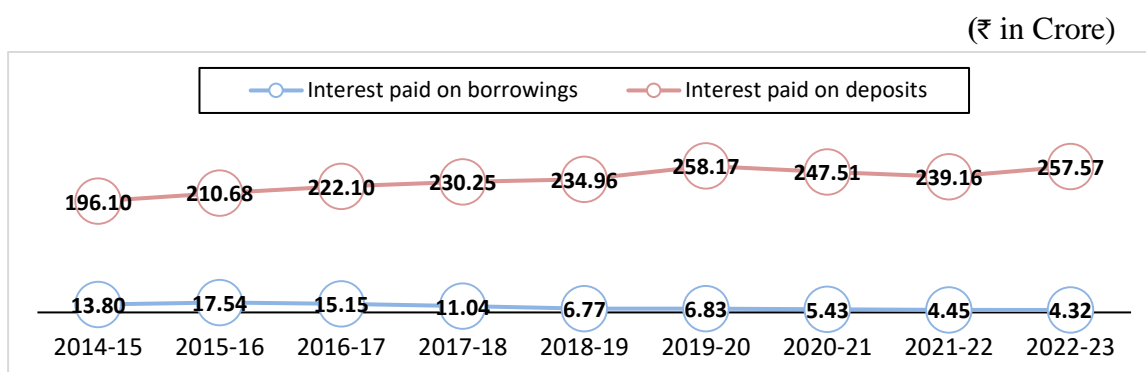
Net Interest Income

Total interest income earned during the year is ₹ 561.55 crores whereas total interest expenditure is at ₹ 261.89 crores. The net interest income has increased by ₹ 45.38 crores to ₹ 299.66 crores during the year vis-à-vis ₹ 254.28 crores in 2021-22.



Interest Expenditure

- Interest paid on deposits has increased to ₹ 257.57 Crore from the last FY's figure of ₹ 239.16 Crore by ₹ 18.42 Crore. Cost of deposits reduced by 4 basis points to 3.84% as against 3.88% in 2021-22 due to 9.99% (₹ 375.91 Crore) growth in CASA Deposits.
- Average cost of borrowings has increased from 4.51% in 2021-22 to 4.59% in 2022-23. The Bank has paid ₹ 4.32 Crore towards interest on borrowings (refinance from NABARD and other organizations) during the year.

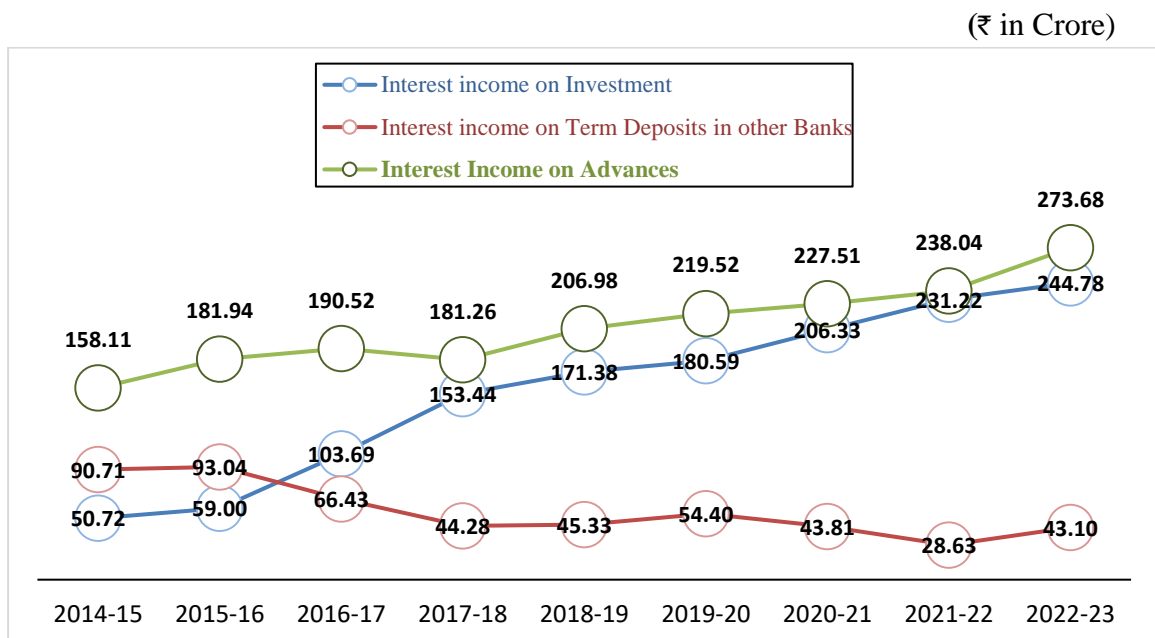


Operating expenditure

- Operating expenditure has decreased by ₹ 2.54 Crore (0.94%) to ₹ 267.86 Crore in 2022-23 from ₹ 270.41 Crore in previous FY 2021-22.
- Operating expenditure also includes ₹ 65.32 crores contribution/provision towards annual pension liability in FY 2022-23. Bank has paid/provided fully for its total pension liability of Rs. 333.31 crores.

Interest Income

- Interest income increased from ₹ 497.89 Crore to ₹ 561.55 Crore during the FY 2022-23 with an absolute growth of ₹ 63.67 Crore (@ 12.79%).
- The Bank has earned an interest income of ₹ 273.68 Crore from loans and advances in current fiscal as against ₹ 238.04 Crore in 2021-22 with an increase of ₹ 35.63 Crore (@14.97%).
- The interest income received from investments and term deposits in other Bank has increased by ₹ 28.03 Crore to reach ₹ 287.87 Crore as against ₹ 259.84 Crore in the previous FY.



Provision for NPAs:

- The Bank has made a provision of ₹ 16.74 Cr on NPAs during the year, taking the total provisions available on advances to ₹ 136.07 Cr (including cumulative provision of ₹ 10.19 Cr on Standard Assets).

(₹ in Crore)

Assets	2021-22		2022-23	
	O/s	Provisions	O/s	Provisions
Standard	2589.65	8.83	2975.51	10.19
Sub-Standard	45.37	4.53	26.29	4.36
Doubtful	154.55	112.90	143.65	119.57
Loss	1.24	1.24	1.95	1.95
Total	2790.81	127.50	3147.40	136.07

Earlier Bank was following the provisioning norms for NPA accounts as prescribed by NABARD for RRBs. Bank has changed provisioning norms in FY 2022-23 at par with Sponsor Bank (State Bank of India) as it will increase Bank's PCR as per RBI Instructions. Bank has made Rs. 4.69 crores of additional provision for NPA during the FY 2022-23 as per revised norms.

Ratio Analysis

S. No.	Ratios	Units	2021-22	2022-23	Change
			Amt / Ratio	Amt / Ratio	
1	Yield on advances	%	9.18	9.62	0.44
2	Yield on investments	%	7.27	7.27	0.00
3	Cost of deposits	%	3.88	3.84	-0.04
4	Cost of borrowings	%	4.51	4.60	0.09
5	Avg. cost of funds	%	3.69	3.59	-0.10
6	Avg. return of funds	%	7.54	7.71	0.17
7	Cost of management	%	4.06	3.68	-0.38
8	Misc. Income as % to Working Funds	%	0.57	0.47	-0.10
9	Net Margin	%	0.10	0.61	0.51
10	Financial Margin	%	3.85	4.12	0.27
11	Risk Cost	%	0.26	0.30	0.04
12	Return on Assets	%	0.10	0.60	0.50
13	Return on Equity	%	2.69	14.72	12.03
14	Expenses ratio (without Pension)	%	68.93	60.65	-8.28
15	Gross NPAs	₹ Crores	201.16	171.89	-29.27
16	Net NPAs	₹ Crores	80.69	45.07	-35.62
17	% Provisions to gross NPAs	%	58.99	73.23	14.24
18	Gross NPAs to advances	%	7.21	5.46	-1.75
19	Net NPAs to advances	%	3.04	1.50	-1.54
20	CRAR	%	11.01	11.53	0.52

Balance Sheet Size

The balance sheet size amounted to ₹ 7760.38 crores with an increase of ₹ 728.28 Crores over March 2022 level.

Share Capital & Reserves

Total paid up share capital of the Bank is ₹ 1,53,10,46,600 (15,31,04,660 shares of ₹ 10 each) as on 31.03.2023. Share capital is contributed by Central Government, State bank of India (Sponsor Bank) and State Government in ratio of 50:35:15 respectively.

Total authorized capital of the Bank is ₹ 2,000 crore; divided into 200,00,00,000 fully paid up equity shares of ₹ 10 each.

Net Reserves stood at ₹ 144.88 crores as on 31.03.2023 as against ₹ 101.10 Crores as on 31.03.2022.

CRAR

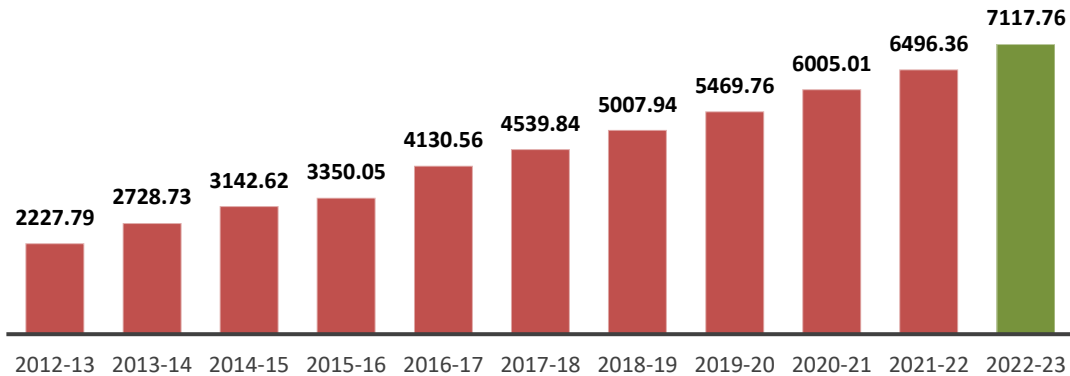
The Capital Adequacy Ratio is significantly improved to 11.53% at the end of the financial year compared to 11.01% as on 31.03.2022. Details of Tier-I, Tier-II Capital, Reserves and computation of CRAR are given below:

		(₹ in Crores)	
Capital		2021-22	2022-23
1	Tier-I		
	a. Paid up Capital including share capital deposits	153.10	153.10
	Less: Accumulated Losses/Intangible Assets	73.16	38.14
	b. Statutory Reserves & Surplus	45.05	53.81
	c. Capital Reserves	0.00	0.00
	d. Other Reserves	119.60	119.60
	e. Spl. Reserve u/s 36(1)(viii) of Income Tax Act 1961	0.00	0.00
	f. Surplus in P&L	0.00	0.00
	Total reserves (b+c+d+e+f+g)	164.65	173.41
	Total Tier-I Capital	244.60	288.38
2	Tier-II		
	a. Undisclosed Reserves	0.00	0.00
	b. Revaluation Reserves	0.00	0.00
	c. General Provisions & Reserves	15.32	16.68
	d. Investment fluctuations Reserves/Fund	8.97	8.97
	Total Tier-II Capital	24.29	25.65
	Grand Total (Tier I + Tier II)	268.89	314.02
3	a. Adjusted value of funded risk assets i.e. balance sheet items	2425.23	2714.73
	b. Adjusted value of non-funded risk assets i.e. off-balance sheet items	17.19	8.67
	c. Total risk-weighted assets (a+b)	2442.42	2723.40
	d. Percentage of Capital (Tier-I + Tier II) to Risk Weighted Assets	11.01%	11.53%

Deposits

Total deposits as on 31.03.2023 stand at ₹ 7117.76 Crore as against ₹ 6485.53 Crore as on 31.03.2022 with growth rate of 9.75%.

Deposits (₹ in Crores)



Deposit Mix

CASA deposits grew by ₹ 375.91 Crore at 9.99% to reach ₹ 4140.29 Crore as against ₹ 3764.38 Crore as on 31.03.2022. Term Deposits grew by ₹ 256.31 Crore to reach a level of 2977.47 Crore at 9.42% growth as against ₹ 2721.16 Crore as on 31.03.2022. The share of CASA Deposits to total deposits increased from 58.04% as on 31.03.2022 to 58.17% as on 31.03.2023.

(₹ in Crores)		
Deposit mix	2021-22	2022-23
Current A/c	154.49	151.71
Growth	23.43	-2.78
Growth %age	16.51%	-1.80%
Savings Bank A/c	3609.89	3988.58
Growth	333.57	378.69
Growth %age	10.18%	10.49%
Total CASA	3764.38	4140.29
Growth	357.00	375.91
Growth %age	10.44%	9.99%
Term Deposits	2721.16	2977.47
Growth	134.35	256.31
Growth %age	5.19%	9.42%
Total deposits	6485.54	7117.76
Growth	491.35	632.22
Growth %age	8.18%	9.75%

DICGC Premium:

The Bank is paying premium to Deposit Insurance and Credit Guarantee Corporation (DICGC) in due time regarding deposit insurance. Bank has paid Rs. 9.44 crores premium to DICGC during the FY 2022-23 as compared to Rs. 8.73 crores during FY 2021-22.

Borrowings

Total refinance availed in this financial year is ₹ 82.37 crore and aggregate borrowings of the Bank as on 31st March 2023 stood at ₹ 100.23 crore.

(₹ in Crore)

BORROWING FROM AGENCIES BY UGB DURING 2021-22 & 2022-23						
S. No.	INST. NAME	TYPE	2021-22	O/S 31-03-2022	2022-23	O/S 31-03-2023
1	NABARD	ST-SAO	50.00	50.00	67.00	67.00
2	NABARD	LTCRF	-	31.91	14.50	30.47
3	NABARD	NRLM	-	1.16	-	.58
4	NABARD TOTAL		50.00	83.07	81.50	98.05
5	NSKFDC		-	-	-	-
6	NHFDC		-	0.12	0.042	0.083
7	NSTFDC		-	1.98	0.61	1.64
8	NBCFDC		0.26	0.26	0.21	0.46
	TOTAL		50.26	85.43	82.37	100.23

Investments

Total investments portfolio of the Bank has increased to ₹ 3456.91 Crore as on 31.03.2023 from previous year's level of ₹ 3278.32 Crore by ₹ 178.58 Crore @5.45%. Bank has MTM Loss of ₹ 2.76 crore on AFS Category of Investment as on 31.03.2023. Modified duration for Govt. Securities including SDL & SSDL is 4.44 years.

(₹ in Crore)

S.No.	Particulars	Amount	% of total investment	% of NDTL
1	SLR	3382.32	97.84%	NA
1.1	AFS	1796.85	51.98%	24.71%
1.2	HTM	1585.47	45.86%	21.80%
2	SSDL	25.60	0.74%	NA
3	Mutual Fund	11.70	0.34%	NA
4	Bonds	37.29	1.08%	NA
Total		3456.91		

CRR and SLR

The Bank has complied with the regulatory requirements for maintenance of adequate balances towards CRR and SLR. There is a well laid down system of assessing the CRR and SLR requirements considering the NDTL. There was no default in maintenance of adequate balances during the year. The Bank has kept ₹ 320.84 crore in CRR and ₹ 3436.79 crores in SLR as on 31.03.2023.

Bank has ₹ 1585.47 crores of Govt. securities in HTM Category and ₹ 1796.85 crores in AFS category. Bank has earned Interest income of ₹ 240.21 crore during FY 2022-23 from SLR investment. Average Yield on SLR Investment is 7.27% for the FY 2022-23.

Credit Portfolio

The credit portfolio of the Bank rose by 12.78% to ₹ 3147.40 Crore during the financial year ended on 31.03.2023 from the previous year level of ₹ 2790.81 Crore, thus showing an absolute growth of ₹ 356.69 Crore. Priority sector advances grew at 6.91% in FY 22-23 to reach ₹ 1870.64 Crore. Priority sector advances share to total advances reduced to 59.43% as on 31.03.2023 from 62.70% as on 31.03.2022.

Credit to Agriculture

Total credit to agriculture and allied activities including agriculture-portion of SHG lending, stood at ₹ 438.94 Crore as on 31.03.2023. The Bank has disbursed ₹ 294.44 Crore to agriculture during the financial year. Total credit to agriculture and allied activities constitutes 13.95% of the total credit portfolio as on 31.03.2023.

Crop loans under Kisan Credit Card

The Bank has made all efforts to disburse agri-credit through Kisan Credit Cards exploiting the available limited potential to its maximum. We have 39040 KCC accounts as on 31.03.2023 out of which 6249 new KCCs were issued in FY 22-23. During the FY 2022-23, we have disbursed an amount of ₹ 179.47 Crore to KCC card holders with total outstanding of ₹ 291.55 Crores.

Interest Subvention

As per Government of India guidelines, Bank is charging 7% interest rate to all crop loan borrowers up to Rs 3.00 lakhs and accordingly claimed an amount of Rs 1,24,24,213/- towards 2% interest subvention from GOI during the FY 2021-22.

As per the directives of Government of India, we have passed on the benefit relating to PRI (Prompt Repayment Incentive) of 3% to the tune of Rs 1,68,32,769/- to the KCC holders and claim have been submitted to NABARD accordingly.

Interest Subvention

As per Government of India guidelines, Bank is charging 7% interest rate to all crop loan borrowers up to Rs 3.00 lakhs and accordingly claimed an amount of Rs 1,02,54,423/- towards 2% interest subvention from GOI during the FY 2022-23.

As per the directives of Government of India, we have passed on the benefit relating to PRI (Prompt Repayment Incentive) of 3% to the tune of Rs 1,54,88,044/- to the KCC holders and claim have been submitted to NABARD accordingly.

Joint Liability Groups (JLGs)

JLG serves as an important tool for augmenting flow of credit to landless farmers cultivating land as tenant farmers and small/marginal farmers and other poor individuals for taking up farm, off-farm and non-farm activities. As on 31.03.2023, the total JLGs accounts financed to

3364 with the outstanding amount of ₹ 14.85 Crores. During the FY 22-23, 536 fresh accounts were financed to the tune of ₹ 2.90 crores.

Self Help Groups

The Bank has given special thrust on formation and credit linkage of Self Help Groups with a view of increasing awareness among the rural masses especially the Women's Self Help Groups regarding fulfillment of their urgent credit needs in a better and a cost effective manner. Our Bank has financed 8131 Self Help Groups with an outstanding portfolio of ₹ 56.08 Crore as on 31.03.2023. During the FY 2022-23 Credit Limits worth ₹ 62.41 Crore have been sanctioned to 3820 groups, out of which 3590 groups were under NRLM and 230 groups other than NRLM have been credit linked with the Bank.

DAY National Rural Livelihood Mission (DAY-NRLM) - Aajeevika – Interest Subvention Scheme

Our Bank has implemented NRLM Scheme as per the guidelines issued by NABARD. The Mission aims at creating efficient and effective institutional platform of the rural poor enabling them to increase household income through sustainable livelihood enhancement and improved access to financial services.

Under the Scheme, all Women DAY NRLM SHGs promoted by Central Government or State Government Line Departments or NABARD or any NGO, which are linked with our Bank, are eligible to avail the benefits of the Scheme. As per the Scheme, Interest Subvention Scheme on Credit to Women SHG during The Year 2022-23 is applicable in all districts of the country. All such Women SHGs in all districts have been extended credit at 7% rate of interest upto 3 Lakhs and Government would subvent at uniform rate of 4.50% per Annum Apart from this, for Loan above 3 lakh and upto 5 lakh Government would subvent at uniform rate of 5%.

We have entered into an agreement with Uttarakhand Government for SHG Linkage under NRLM scheme. The agreement is signed to credit-link maximum number of SHGs under this scheme.

DAY National Urban Livelihood Mission (DAY-NULM)

Government of India restructured Swarna Jayanti Shahari Rozgar Yojana (SJSRY) as National Urban Livelihood Mission (NULM). The SEP (Self Employment Programme) component of NULM focus on providing financial assistance through a provision of interest subsidy on loans to support establishment of Individual and Group Enterprises and SHGs of urban poor. Under the Scheme, (a) Interest subsidy, over and above 7% of ROI is available on a Bank loan of ₹ 2 Lakh to individual enterprises and ₹10 Lakh for Group Enterprises. The difference between 7% p.a. and the prevailing ROI will be provided to Banks under NULM; (b) SHGs in urban areas can avail Bank loan at 7% ROI. The difference between 7% p.a. and the prevailing ROI will be provided to Banks under NULM. Further, an additional 3% interest subvention will be provided to all individuals and women SHGs by GOI for prompt repayment.

Priority Sector Lending

Total outstanding advances of the Bank stood at ₹ 3147.40 crores as on 31.03.2023 and detailed categorization towards Priority Sector, sub-sector achievement as indicated in table below.

Categories	Position as on 31.03.2023 (% of total outstanding)	Target % of ANBC (Average of 4 quarters)	Achievement % after PSLC transactions
Total Priority Sector	59.43	75.00	75.42
Agriculture	13.95	18.00	18.08
Small and Marginal Farmers	10.25	9.50	10.30
Micro Enterprises	24.28	7.50	10.29
Weaker Sections	21.05	15.00	20.67

The Bank's priority sector lending constitutes 59.43% of total advances. In absolute terms, total priority sector lending stood at ₹ 1870.64 crores as on 31.03.2023 as against ₹ 1749.81 crores as on 31.03.2022. There is a growth of ₹ 120.83 crores with growth percentage being 6.91%.

(₹ in Crore)

S.No.	Segment	2021-22		2022-23	
		No. of A/cs	O/s	No. of A/cs	O/s
1.	Weaker Sections	64184	583.76	66189	662.49
2.	Women Borrowers	15303	503.01	16834	595.76
3.	Minorities	3966	104.23	3873	109.37
4.	SCs/STs	16684	309.31	15093	321.95

Inter Bank Participation Certificates

We have not entered into Inter Bank Participation Certificate (IBPC) this year.

Priority Sector Lending Certificates

According to RBI circular no. RBI/FIDD/2020-21/72 (FIDD.CO.Plan.BC.5/04.09.01/2020-21) dated September 04, 2020, PSLC's are bought and sold for non-achievement of Priority Sector targets in FY 2022-23.

Details of PSLCs Issued/Purchased

S.N.	Particulars	till Period Ended (Rs. crore)			
		30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23
1	Total PSLC Issued (1.1+1.2+1.3+1.4)	400.00	400.00	400.00	450.00
1.1	Of 1, PSLC Agriculture	0.00	0.00	0.00	20.00
1.2	Of 1, PSLC SF/MF	0.00	0.00	0.00	0.00
1.3	Of 1, PSLC Micro Enterprises	400.00	400.00	400.00	450.00
1.4	Of 1, PSLC General	0.00	0.00	0.00	0.00
2	Total PSLC Purchased (2.1+2.2+2.3+2.4)	790.00	850.00	917.00	917.00
2.1	Of 2, PSLC Agriculture	65.00	95.00	162.00	162.00

S.N.	Particulars	till Period Ended (Rs. crore)			
		30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23
2.2	Of 2, PSLC SF/MF	0.00	0.00	0.00	0.00
2.3	Of 2, PSLC Micro Enterprises	0.00	0.00	0.00	0.00
2.4	Of 2, PSLC General	725.00	755.00	755.00	755.00

Bank has earned a profit of ₹58.89 Lakhs (after GST) from purchase/sale of PSLCs during FY 2022-23.

Government Sponsored Schemes

The Bank continues to participate actively in providing assistance under various Govt. Sponsored Schemes. New Loans sanctioned during FY 2022-23 under Govt. sponsored schemes is appended below:

(₹ in Crore)

Scheme	Target	Achievement	
	No.	No.	Sanction Limit (Amt.)
SGSY (NRLM)	2760	3590	59.50
Special Component Plan	136	89	0.44
Veer Chandra Singh Garhwali	36	42	6.67
PMEGP	190	488	19.91
NULM	181	180	2.56
DEDS	0	0	0.00
Others	2193	2579	64.78
Total	5496	6961	153.86

Position of Government Sponsored Schemes as on 31.03.2023.

(₹ in Crore)

Scheme	O/s as on 31.03.2023		Disbursement in 2022-23	
	No.	Amt.	No.	Amt.
SGSY (NRLM)	6739	49.19	4655	54.30
Special Component Plan	541	1.41	93	0.46
Veer Chandra Singh Garhwali	256	23.78	88	6.77
PMEGP	2424	57.48	1358	22.49
DEDS	609	5.52	0	0.00
NULM (SJSY)	863	5.77	319	2.98
OTHERS	4560	94.61	3212	65.75
Total	15992	237.76	9725	152.75

Participation in State Credit Plans

The Bank's participation in State Credit Plans is as under:

(₹ in Crore)

		2021-22			2022-23		
		Target	Achievement	% Ach.	Target	Achievement	% Ach.
1.	Crop Loans	754.75	199.01	26.37%	776.28	250.97	32.33%
2.	ATL	367.76	34.63	9.42%	364.63	43.47	11.92%
3.	NFS	661.68	452.63	68.41%	785.49	522.05	66.46%
4.	OPS	368.93	100.62	27.27%	395.28	107.10	27.09%
5.	Total Priority Sector	2153.11	786.89	36.55%	2321.68	923.59	39.78%
6.	Non-Priority Sector	816.93	842.45	103.12%	536.03	1089.58	203.27%
7.	Total Disbursement	2970.04	1629.35	54.86%	2857.71	2013.17	70.45%

Retail Lending

During the year, our performance regarding retail lending to Housing Loans, Education Loans, Demand loans (P-Segment) etc. is as follows:

(₹ in Crore)

S. No.	Segments	O/s March 2022		O/s March 2023	
		No. of A/Cs	Amt.	No. of A/Cs	Amt.
1	Housing Loans	8058	779.57	8393	928.68
2	Education Loans	499	19.34	458	20.57
3	Demand Loans (P-Seg)	2277	36.37	2486	48.56
4	Other Personal Loans	15945	766.38	16285	859.90
5	Total Personal Loans	26779	1601.66	27622	1857.71

Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)

Our Bank is registered with CERSAI in terms of RBI guidelines and complied with the instructions. Equitable/Registered mortgages and Hypothecation in respect of all our loans, which are covered under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) as on 31.03.2023 have been registered with CERSAI within stipulated period.

With this, the details of the security interest created in favour of our bank is available on a public domain for search by citizens / other banks / FIs as a result of which the potential fraud / multiple financing against the same property can be prevented.

Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE)

At present Bank is not a member of CGTMSE. Our Bank has received membership of CGFMU in FY 2022-23.

Credit Information Companies

Our Bank is a member of CIBIL (Credit Information Bureau (India) Limited). Our Bank is uploading the data regularly and all our Regional Offices and Branches are accessing the credit history of the loan applicants in their credit decisions.

Three other CICs, viz., Equifax Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited and CRIF High Mark Credit Information Services Private Limited have been granted Certificate of Registration by RBI.

Reserve Bank of India vide its letter No. DBR No. CID.BC.60/20.16.056/2014-15 dated 15.01.2015 has advised us that all Credit Institutions have a mandate to become members of all CICs, Hence, our bank has also opted for membership of these three CICs as well.

Asset Quality: Management of Non-Performing Assets

The Non-Performing Assets have decreased from ₹ 201.16 crores as on 31.03.2022 to ₹ 171.89 crores as on 31.03.2023. Gross NPAs as a percentage to total advances has decreased from 7.21% as on 31.03.2022 to 5.46% as on 31.03.2023. Net NPAs as a percentage to net advances has also decreased from 3.04% as on 31.03.2022 to 1.50% as on 31.03.2023. In absolute terms, net NPAs decreased from ₹ 80.69 crores to ₹ 45.07 crores.

SARFAESI Act and Suit filing

Performance under SARFAESI is as under for FY 22-23:

(₹ in Crore)

Demand Notices issued		Possession Notices issued		Possession taken		Auctioned		Regularized	
No. of Accounts	Amt	No. of Accounts	Amt	No. of Accounts	Amt	No. of Accounts	Amt	No. of Accounts	Amt
240	44.99	136	29.95	109	22.03	11	3.47	63	8.20

Performance under Suit-filed cases is as under 31/03/2023

(₹ in Crore)

Suit filed		Decreed		EP Filed		Recovery after filing suits	
Cases	Amt	Cases	Amt	Cases	Amt	Cases	Amt
984	23.89	450	9.93	134	11.97	185	2.46

Lok Adalat

During the year, 208 cases amounting ₹ 4.77 crores were referred to Lok Adalats and were settled.

Bank Adalat

Bank has organized Bank Adalat for first time and settled 509 cases amounting ₹ 6.89 crores during FY 2022-23.

Compromise/OTS

Bank has recovered considerable amounts in NPA accounts during the year 2022-23 under OTS/ compromise settlement scheme approved by the Board from Loan accounts which were overdue for several years and where sufficient provisions was already made by bank.

Performance under Compromise/OTS is as under for FY 22-23:

(₹ in Crore)

Compromise/OTS	2019-20	2020-21	2021-22	2022-23
No of A/Cs	515	466	619	952
Amount	6.86	5.02	6.06	11.53

WRITING-OFF OF LOANS:

The bank has written off non-performing loans classified as unsecured, bad & doubtful and loss assets where all avenues of recovery have been exhausted. Figures of loan accounts and amount written off are given below:

(₹ in Crore)

	2020-21	2021-22	2022-23
No of A/Cs	704	67	1188
Amount written off	11.03	0.84	9.62
Notional Interest	12.77	1.02	17.20
Total Amount	23.79	1.86	26.81

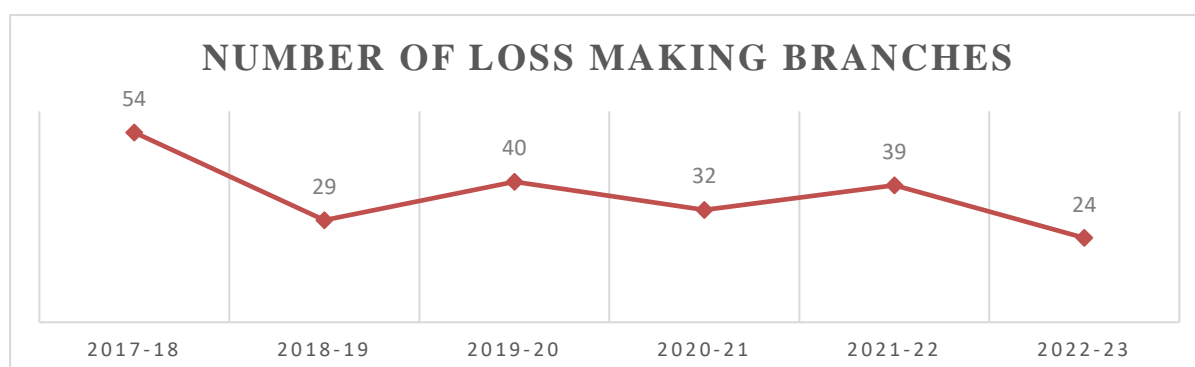
Asset Classification

(₹ in Crores)

Assets	2021-22		2022-23	
	O/s	%	O/s	%
Standard	2589.65	92.79%	2975.51	94.54%
Sub Standard	45.37	1.63%	26.29	0.84%
Doubtful	154.55	5.54%	143.65	4.56%
Loss	1.24	0.04%	1.95	0.06%
Total NPAs	201.16	7.21%	171.89	5.46%
Total Advances	2790.81		3147.40	

LOSS MAKING BRANCHES:

As on 31.03.2023 there were 24 loss making branches in comparison of 39 branches last year.



Internal Control System – Inspection & Audit

All activities of the Bank are subjected to internal audit function, which comprises five different types of audits namely (a) Risk Focused Internal Audit (RFIA) (b) Concurrent Audit (c) Internal Assessment Audit (d) Compliance Audit and (e) Information System Audit.

Risk Focused Internal Audit (RFIA) –

The Risk Focused Internal Audit Report System has been modified in the Bank from 01 April 2017, as suggested by Sponsor Bank (State Bank of India). To tighten the audit norms and criteria to qualify for better ratings IT and IS have been incorporated in this report.

The parameter wise marks regarding rating system are as follows:

Revised Rating	Category	Range of Marks
Well Controlled	A+	850 & Above
Adequately Controlled	A	700 to less than 850
Moderately Controlled	B	600 to less than 700
Unsatisfactorily Controlled	C	Below 600

Branches with 'Well Controlled A+' and 'Adequately Controlled - A' ratings are audited within 18 months from the last audit report date while the Branches with 'Moderately Controlled - B' and 'Unsatisfactorily Controlled - C' rated are audited within a year as per Board approved Audit & Inspection Policy.

During this financial year 215 branches out of 288 branches have been audited. Rating acquired by branches is as under:

Rating		No. of Branches audited during <u>FY 2022-23</u>	Status of <u>All the 288 Branches 2022-23</u>
Well Controlled	A+	41	57
Adequately Controlled	A	173	228
Moderately Controlled	B	1	1
Unsatisfactorily Controlled	C	0	0
New Branches (not Audited)			2
Total		215	288

The reports submitted by the Auditors have been dealt with by taking corrective measures, wherever necessary. The department has carried out its operations with fair and without prejudice which helped in strengthening the systems and procedures.

Out of 236 audit reports which have fallen due for closure during the year (out of which 21 reports were pending of FY 2021-22), 197 have been dealt with and remaining 39 Reports are pending for closure as on 31.03.2023, among these 11 Reports are overdue for closure for the period of more than 3 months as on 31.03.2023.

Concurrent Audit –

As a part of internal control system in our Bank, Concurrent Audit has been introduced from the financial year 2011-12 as per the policy guidelines issued by NABARD. Concurrent Audit has been conducted in the FY 2022-23 at 86 branches (including 4 branches added in January 2023 for Concurrent Audit) by some of the Bank's internal auditors and 5 retired bank-officers.

The Scope of Concurrent Audit is designed to cover (a) handling of cash (b) safe custody of securities (c) exercise of discretionary powers (d) sundry and suspense accounts (e) clearing differences (f) general irregularities etc.

Internal Assessment Audit –

Internal Assessment Audit is conducted in Branches which are not covered under Concurrent Audit. ROs depute officials from one branch to another branch to carry out the Internal Assessment Audit. Internal Assessment Audit has been conducted in 204 Branches during the financial year 2022-23.

Compliance Audit –

Compliance Audit was conducted of 33 (16.25 %) branches during this financial year (as against minimum 10% to be done).

Aadhar Centre Audit –

Aadhar Centre Audit was conducted of 26 branches during this financial year out of 29 branches 03 Aadhar Centres were closed (not in operation).

BC / CSP Centre Audit –

BC / CSP Audit was conducted at 54 centres during this financial year.

Self Audit –

Self Audit was conducted in 222 branches, due in 222 branches, conducted in 100% branches during this financial year.

IS Audit –

Information System Audit of Head Office and Regional Offices have been conducted during this financial year.

Internal Inspection of Administrative Units –

Internal inspection in the Head Office and all the 4 Regional Offices have been conducted during this financial year.

Audit Committee of the Board –

The Audit Committee, constituted with both nominee-director of SBI and nominee directors of RBI, NABARD and nominee director of State Govt. Committee (chaired by one nominee director of SBI Committee) has met four times during the financial year.

NABARD Inspection –

[under Section 35(6) of the Banking Regulation Act 1949]

The NABARD Audit has been conducted with reference to financial position as on 31.03.2022. Compliance for the Report (dated 30.09.2022) was submitted on 29.11.2022.

MANAGEMENT AUDIT –

Management Audit of the bank was done by State Bank of India from 06.07.2021 to 9.07.2021 covering a period of one and half years. The closure of the report was done in stipulated time.

Policy Framework of the Bank

We have endeavored to identify all areas of Banking and put in place a policy framework for consistency in our approach. As on 31.03.2023, our Bank has the following policies now on record, duly deliberated in the Board Meetings and approved/reviewed by the Board.

List of Policies

1. Investment Policy
2. Cheque Collection policy
3. Compensation Policy
4. Policy on Dishonour of Cheque & ECS
5. Grievance & Redressal Policy
6. Depositors Rights Policy
7. Transfer Policy
8. Compliance Policy
9. KYC Policy
10. Fraud Management Policy
11. Loan (Credit) policy
12. B.C. Policy
13. IS Policy
14. Loan Recovery Policy
15. Internet Banking Policy
16. Internship Policy for professional courses
17. Policy on Empanelment & Depanelment of valuers and advocates
18. Policy on staff accountability in respect of advances
19. Policy on preventive, Prohibition and Redressal of Sexual Harassment of women at workplace
20. Whistle Blower Policy
21. Outsourcing Policy
22. Mobile Banking Policy
23. Purchase Policy
24. IT Policy
25. Concurrent Audit Policy
26. Business continuity & Disaster Recovery Policy

27. Fake Note Detection Policy
28. Premise Policy
29. Risk Management Policy
30. Policy for Empanelment of Investigative Agencies
31. Cyber Security Policy
32. Vacation Policy
33. MSME Rehabilitation Policy
34. Record Retention Policy
35. BSBDA Policy
36. E-Waste Management Policy
37. Compromise Policy
38. Deviation Policy
39. Customer's Rights Policy
40. Door-Step Banking Policy
41. Fixed Asset Policy
42. Asset Liability Management Policy

Risk Management

In present global banking scenario, major turmoil has been seen in US Banking industry and Switzerland Banking Industry due to interest risk & liquidity risk. UGB has an effective internal control system to assess & mitigate different types of risks. Bank has Board Approved Risk management policy in place.

Risk Management Department convenes meeting of all HoD's of all departments at quarterly intervals under the chairmanship of General Manager(Admin) of the bank. Risk Management committee assess & identify department wise various risks & formulate strategies to mitigate the risks through effective controls. The proceedings are further reviewed by Chairman of the bank.

The Bank has identified & mitigated following risk in FY 2022-23

1. Liquidity risk & interest rate risk: Bank has Board Approved Asset Liability Committee (ALCO committee), which meet as & when required to review liquidity position and interest rate. Bank has also formulated ALM Policy duly approved by the Board and regularly putting up liquidity parameters and interest rate scenario to ALCO/Board. Bank has also assessed the liquidity position of the bank looking at Banking instability in US & Switzerland and Bank has found satisfactory liquidity and market risk.
2. Operational Risk: like previous Financial year, UGB again completed the process to identify & mitigate operational risk, through RCSA (Risk & Control Self-Assessment exercise in all branches.
3. Credit Risk: UGB has board approved Loan and Recovery Policy. Bank has provided online & offline trainings to officers for credit appraisal through in house Training system i.e. UGB Learning center, apart from the trainings from other outside institutions like BIRD-Lucknow, SBIRB-Hyderabad, CAB Pune, NABARD etc.

during FY 2022-23. Two special offline programs were conducted by UGBLC in association of State Bank Academy, Gurugram for High value MSME advances.

4. Compliance Risk: UGB has effective Audit policy in force. Bank is conducting regular RFIA Audit & concurrent Audit in branches. The Bank has not faced any financial penalty and complies all laws & regulations applicable to the Bank during the FY 2022-23.
5. External Environment Risk: Uttarakhand state is prone to natural disasters. If any natural calamity occurs, it will impact adversely to overall business of the bank and may lead to credit & operational risk resulting in reputational risk also. To mitigate these risks, UGB has undertaken Mock drill exercise to provide banking services uninterruptedly in all branches in case of such unforeseen situations through effective Business Continuity Plan.

Financial Inclusion

Bank is providing basic banking services and products in 624 Sub Service Areas (SSAs) through Bank Mitras, equipped with Kiosk software, during the FY 2022-23 total number of transactions done through CSP channel are 427229 amounting Rs 139.95 Crore against 341903 transactions amounting Rs 103.89 Crore in Previous FY. Number of transactions increased by 25% and amount of transactions done through CSP channel has increased by 35% during FY 2022-23. We have observed Special Campaign for activation & encouragement of CSPs & Corporate BC from 01.01.2023 to 31.03.2023. We are deploying BC supervisors and one chief BC supervisor to increase the control and for effective utilization of CSP channel. To increase participation of the CSP Channel one more corporate BC has been empaneled during the FY 2022-23.

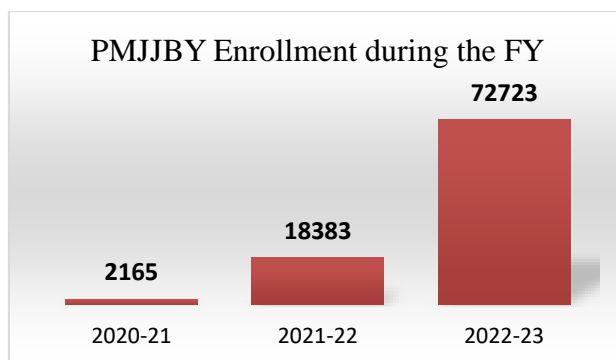
At the end of the FY 2022-23, 56590 SB accounts opened and maintained by Bank Mitras with deposit balance of Rs 32.77 crore as on 31.03.2023 as against 45234 accounts with balance of 22.99 Crore as on 31.03.2022.

Financial Inclusion – Social Security Schemes (PMJJBY, PMSBY & APY)

Our Bank has been actively participating in Social Security Schemes viz., PMJJBY, PMSBY and APY. During this FY, the Bank has mobilized 118508 enrolments under PMSBY against the target of 111940 and 72723 new enrolments under PMJJBY against the target of 73340. Bank has enrolled 28702 APY against the target of 22880 enrolments allocated by the PFRDA/DFS for FY 2022-23.

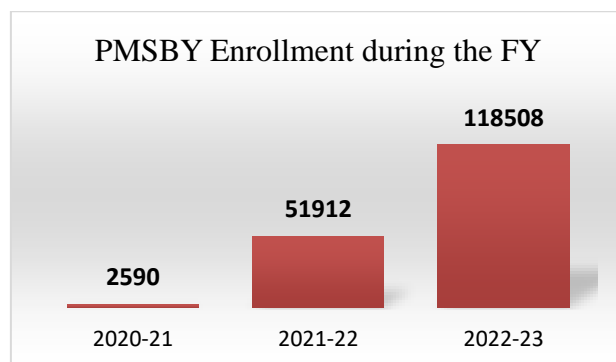
Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

As on 31.03.2023, 108953 customers are enrolled under Pradhan Mantri Jeevan Jyoti Bima Yojana. Total 105 claims worth Rs.2.10 Cr amount was settled under PMJJBY during FY 2022-23.



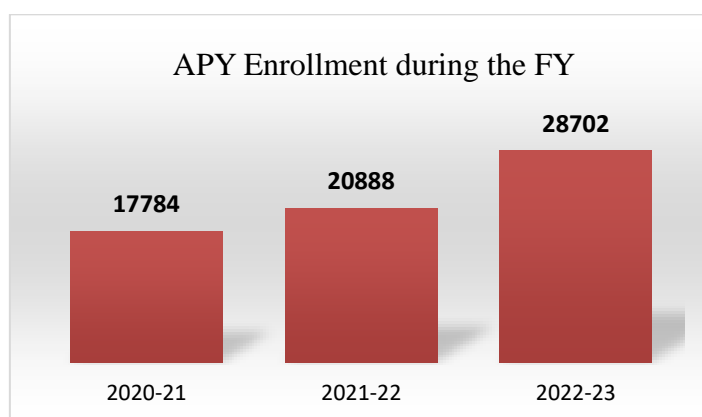
Pradhan Mantri Suraksha Bima Yojana (PMSBY)

As on 31.03.2023, 288311 customers are enrolled under Pradhan Mantri Suraksha Bima Yojana. Total 23 claims worth Rs 0.46 Cr amount was settled under PMSBY during FY 2022-23.



Atal Pension Yojana (APY)

Total of 28702 new enrolments were mobilized under Atal Pension Yojana (APY) for FY 2022-23. Average number of enrolments per branch under APY scheme increased to 100 during the FY 2022-23 from 71 during FY 2021-22 and 62 in FY 2020-21.



Participation in the Campaign conducted by PFRDA

PFRDA organized several campaigns to motivate Banks to promote an organized pension system. PFRDA also prescribed enrolling minimum number of accounts per branch to qualifying for consideration and announced award for the top performer.

Bank has been felicitated by the PFRDA for following campaigns on APY:

Bank have qualified below Campaigns organized by the PFRDA in FY 2022-23.

1. "Beat the Best and Be the Best" (09.05.2022 to 30 June 2022)
2. Power to persist Q1 as on June 2022.
3. Power to persist Q2 as on Sep 2022.
4. Old age financial freedom fighter (16 august to 30 Sep 2022)
5. Winning Wednesday Sep 2022.
6. Winning Wednesday December 2022

Financial Literacy Centers (FLCs):

With a prime objective to impart financial literacy in the form of simple messages like 'why save with Banks, why borrow from Banks, why repay the loans in time' the Reserve Bank of India has advised all the Banks to set up one Financial Literacy Center (FLC). Currently 3 Financial Literacy Centers are functioning in District Tehri, US Nagar & Nainital in tune with the guidelines issued by the NABARD. The Bank has posted retired Bank staff to look after the affairs of FLCs as counselors. The Financial Literacy Counselors have conducted 225 Financial Literacy Awareness Camps during the year. Our Rural Branches have conducted a total of 434 Financial Literacy camps (DFLP) & 203 Village Level programs during the FY 2022-23. Bank has conducted a total of 31 Nukkad Natak during the FY 2022-23.

Aadhar Enrolment and Updation Centres

As per the mandate of Government of India for all the Banks to open Aadhar Enrolment and Updation Centres in at least 10% of their Branch network, our Bank has extended the services of Aadhar enrolment and updation to the public including our customers & 29 Branches have been identified to supervise these Aadhar Enrolment Centres. As on 31.03.2022, 25 Aadhar enrollment centers are functional and four AECs are non-functional due to resignation by operators. We are in process of identifying new operators.

Cross Selling**SBI Life Insurance**

The Bank is a corporate agent of SBI Life Insurance Corporation Limited, to meet the life insurance needs of the Bank's customers, as part of Financial Inclusion apart from earning non-interest income. The Bank mobilized a New Business Premium (NBP) of ₹ 17.20 Crore with 22% YoY growth and earned new business commission of ₹ 194.04 lakhs and total commission of ₹ 258.88 lakhs during the FY 22-23 recording YoY increase of 75%.

SBI General Insurance

We have commenced SBI General Insurance Business during the year 2016-17 as a Corporate Agent to market Insurance products viz., Health Insurance Scheme and Personal Accidental Insurance Scheme apart from insurance to the Assets financed by the Bank to the eligible and willing customers. The Bank mobilized a business premium of ₹ 5.77 Crore (40% YoY growth)

and earned a commission of ₹ 65.49 lakhs during the FY 2022-23 recording YoY increase of 48%.

SBI Mutual Fund

The Bank has entered an arrangement with SBI Mutual Fund to act as a distributor of Mutual funds in 2018. The Bank has mobilized 464 Fresh SIPs amounting ₹ 9.11 lakhs and lumpsum business of ₹ 1.25 Crores during FY 2022-23.

Information Technology

The bank pays utmost importance towards safeguarding the information technology assets of the bank. The Bank has formulated, Information Security Policy, Information Technology Policy, Business Continuity Policy, Disaster Recovery Policy and Cyber Security Policy.

We have conducted campaigns, awareness programs, instilled competition among operating staff in Branches and Regions, to take the IT Products and services to the rural customers. The IT initiatives introduced during the year have more to do with the customers willing to embrace it.

New IT initiatives made during the year-

- Transaction limits for Mobile Banking increased: -
IMPS: 2,00,000/- Per Day, NEFT: 5,00,000/- Per Day.
- Launching of Digital Dispute Management System Portal.
- Launching of LOS.
- Launching of new E-Mail solution Microsoft Office 365.
- Uttarakhand Sarthi-Loan lead generation application.
- Launching of Whatsapp Banking.
- Launching of JanSamarth portal.
- During the financial year 2022-23 our total transactions were 4.52 Cr out of which 3.65 Cr were Digital transactions which is 80.75%.
- 2721 VKYC account opened in the FY 2022-23.
- 18678 customers have registered for Mobile Banking in the FY 2022-23.
- 2973 accounts open through EKYC in till date.

Customer Service & Complaints handling

We are committed to providing best customer service to the customers through the team of our dedicated staff. For effective and timely redressal of customers' complaint, Bank has put in place Board approved Grievances Redressal policy to redress the grievances of the customers and improve the quality of customer service. The Bank has placed enormous emphasis on timely disposal of complaints and follow up system has been strengthened to dispose off the complaints within timelines set. Customers can also write to the Grievance Cell at the Head Office & also through our website. The address and contact details of the Regional Offices and Head Office are available at all branches. All Branches are organizing customer meets regularly. Customers may provide feedback using our website. For complaints received

through Banking Ombudsman, General Manager is designated as “Principal Nodal Officer” of our Bank at Head Office.

Right to Information Act

The Bank has implemented the Right to Information Act, 2005 in order to promote transparency and accountability in the working of bank's various functionaries.

At the Branch level, the Branch Manager has been designated as Central Assistant Public Information Officer (CAPIO) while the Regional Manager concerned is designated as the Central Public Information Officer (CPIO). At Head Office level, Manager HR is the Central Assistant Public Information Officer and Senior Manager (DPD) is the Central Public Information Officer. The General Manager (Admin) has been designated as Appellate Authority in the Bank, under RTI Act.

During the FY 2022-23, the Bank has received 147 RTI applications & 30 appeals and disposed of all RTI applications and appeals within the stipulated time frame.

Human Resource Management

As on 31.03.2023, the staff strength (excluding those who exited the Bank service in the month of March 2023 on account of retirements / resignations) and its composition is as under:

Cadre	No. of Staff	Women	General	SC	ST	OBC
Officers Scale - V	2	0	2	0	0	0
Officers Scale - IV	15	0	13	1	0	1
Officers Scale - III	57	3	43	8	3	3
Officers Scale-II	214	25	135	35	17	27
Officers Scale-I	355	104	200	67	23	65
Office Assistants	422	100	287	72	14	49
Office Attendants	22	6	18	3	0	1
Total	1087	238	698	186	57	146

During the financial year, 48 staff members have retired (including 06 Voluntary Retirements) from the Bank's Service. 25 staff members have resigned and 03 staff members expired during the financial year.

Recruitments

Based on the business volumes as on 31.03.2022, the Bank has taken up recruitment exercise for augmentation of staff in various grades, including lateral recruitment of Scale-II and Scale-III Officers in General banking and Specialized cadre.

Grade	No. of Candidates recruited during the year
Office Attendant	0
Office Assistants	64 (out of which, 08 office assistants appointed on compassionate ground)

Grade	No. of Candidates recruited during the year
Officers Scale-I	34
Officers Scale-II	16 (including 06 specialized cadre officers)
Officers Scale-III	0

All the recruitments have been completed through the Common Written Test including interviews conducted by IBPS.

Promotions

Keeping in view the Bank's policy of giving promotions promptly to staff, we have taken up promotion exercise in terms of manpower assessment as on 31.03.2022 and promoted 89 people in various cadres to next higher grade as under:

S. No.	Promoted to	No. of Posts
1	Officer Scale- IV	4
2	Officer Scale-III	12
3	Officer Scale-II	45
4	Officer Scale-I	27
5	Office Asst.	1
	Total	89

The Bank has fulfilled the statutory requirement of giving pre-promotion training to all SC/ST candidates, eligible for promotion, prior to written test. This has enabled the SC/ST candidates to prepare themselves better, to take on the written test.

Training - Staff Learning Centre

During the year, Bank has conducted 111 training programs (Online & Offline) and provided training to 1388 staff (including repeaters). The participants include all cadres of staff (Officers-591 and 116 Office Assistants and Office Attendants).

116 Officers attended 31 online training sessions from external training institutions like NABARD/BIRD (Mangaluru and Lucknow), RBI (CAB, Pune), SBIRB (Hyderabad), NPCI on important subjects like Departmental Enquiry, KYC-AML, ALM, RTI Act, Treasury Management, Business Development, Loan appraisal, compliance, NPA Management etc.

Overall targets for the training of employees were achieved for the financial year as per training policy of the bank.

The Bank's in-house Learning Centre has been working continuously to train and re-train the new recruits imparting skills and supply inputs in all areas to equip them to handle the day to day functions well.

Our Bank has been paying consistent attention towards women employees. They constitute more than 20% of total workforce. Bank has taken number of steps to boost women

empowerment within the Organization. In this financial year, 154 women employees have attended various training programs.

Committee for prevention of Sexual harassment of women in workplaces and Internal Complaints Committee –

We have also put in place a safe working environment for women employees in the Bank by implementing the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. We have constituted Internal Complaints Committee at all 4 Regional Offices and Committee for prevention of sexual harassment of women employees at Head Office to handle the complaints of sexual harassment and to review the complaints of sexual harassment resolved at RO level. We have been sensitizing the employees of both the genders to be fostering a healthy and conducive work environment.

Staff welfare Measures

Mediclaim policy

In terms of Government of India letter No: F.8/1/2015-R RB dated 20.10.2016, our Bank has implemented Medical Insurance Scheme as per Xth & XIth Bipartite Settlement to employees and officers along with their dependent family members. The Scheme Covers Employee + Spouse + Dependent Children + dependent Parents / parents-in-law with a Sum Insured of ₹ 4 Lakh and ₹ 3 Lakh for Officers and employees respectively. A buffer quota totaling ₹ 20 Lakh is also available for medical exigencies. The Scheme, apart from facilitating hassle free admission into the hospital immediately and payment of cashless claims, makes the settlement of hospitalization expenses become much easier, saving administrative time considerably. The scheme also covers domiciliary treatment expenses up to 10% sum insured.

Group Personal Accident Insurance Policy

All Employees are covered under the Group Personal Accident Insurance Policy with the following sum insured to create a sense of security among the staff members and build loyalty to the organization.

S. No.	Cadre	Sum Insured
1.	Officer	₹ 40.00 Lakhs
2.	Office Assistants	₹ 20.00 Lakhs
3.	Office Attendants	₹ 15.00 Lakhs

Group Term Insurance Policy (Covering COVID-19)

All Employees are covered under the Group Term Insurance Policy with the following sum insured to create a sense of security among the staff members during testing times of the ongoing COVID-19 pandemic and build loyalty to the organization.

S. No.	Cadre	Sum Insured
1.	Officer	₹ 20.00 Lakhs
2.	Office Assistants	₹ 10.00 Lakhs
3.	Office Attendants	₹ 10.00 Lakhs

Gratuity and Leave Encashment Fund

The Bank has taken care of provisional requirements in respect of Gratuity. The total corpus as on 31.03.2023 is to the tune of ₹ 55.40 crore towards Gratuity and ₹ 44.03 crore towards Leave Encashment.

Pension

According to instructions of Govt. of India, we have implemented pension in our Bank through Uttarakhand Gramin Bank Employees' Pension Regulation 2018 for all eligible employees. Currently, we are disbursing pension to 250 general pensioners and 79 family pensioners.

Industrial Relations

The Management and Officers Association and Employees Union have worked in tandem for the welfare of the staff members and business development, sorting out amicable solutions for routine issues that cropped up during the year. Cordial and amicable working atmosphere has prevailed during the year.

Welfare of SC/ST and OBC Employees

The Bank has maintained cordial relations with the SC/ST Welfare Association and OBC Welfare Association and complied with statutory requirements in all aspects of recruitments, promotions etc. The Bank has held regular meetings on quarterly basis with the representatives of Welfare Associations and Liaison Officers to redress their grievances, if any.

The Bank has taken all steps to keep up the morale and motivation of the employees. 155 Employees belonging to SC/ST category have attended various training programs during FY 2022-23.

Settlement of Terminal Benefits

We are committed to provide terminal benefits on the date of retirement of staff members. The process begins three months in advance of retirement to ensure that all formalities are completed to make payment on the date of retirement.

Payment of Ex-gratia

The Bank has implemented the GOI instructions, contained in their notification No: F.20/5/2003-RRB dated 09.06.2006, on payment of ex-gratia in lieu of appointment on compassionate grounds for the legal heirs of the bereaved staff members and also to the staff who are chronically sick and immobile on sick grounds.

Appointment on compassionate grounds

Bank has implemented Board approved Model Scheme for appointment on compassionate grounds in RRBs as per GOI instruction on 06.03.2019, contained in their notification No: F. NO. 7/38/2014-RRB dated 31.12.2018. In the financial year 2022-23, Dependents of 8 deceased employees were given appointment on compassionate grounds as office assistants.

Staff Grievance Redressal System

Staff grievance redressal committee was set up at Head Office and Regional Offices level to address the staff related grievances. No grievance was received this Financial year.

Vigilance Administration:

To strengthen the system, Bank has repeatedly emphasized on whistle blower policy in all meetings with staff. Apart from this, GM (Vigilance) visits branches at regular interval and during visits preventive vigilance meeting are being arranged at branches to bring awareness among the staff.

Training programs and workshops are being arranged for staff to take due precaution in day to day working. Branches/ Regional Offices/Head Office also conduct preventive vigilance meeting on quarterly basis.

GM (Vigilance) of the bank has conducted Suo Moto investigation of 40 branches during the FY 2022-23.

Vigilance Awareness week:

The Bank has observed Vigilance Awareness week from 31.10.2022 to 06.11.2022 in Head Office, Regional Offices and all Branches. Many branches arranged workshops at schools and Gram Sabhas during the week.

CORPORATE GOVERNANCE:

Bank believes in adhering to corporate governance disclosures to ensure transparency and accountability to its stakeholders.

Composition of Board of directors:

The Bank's Board is headed by the Chairman of UGB and it consists of one RBI nominee, one NABARD nominee, two nominees from sponsor bank (SBI), two nominees from the state government and two nominees from the central government. Out of total nine directors, two non-officiating directors from the Govt. of India have not been nominated till 31.03.2023. The Board has undergone the following changes in the composition on account of transfer/superannuation of officials during the financial year. The Bank would like to express thanks for the advice and support of the transferred/superannuated directors and value their contribution in the progress of the Bank and also welcomes the new directors.

Earlier Director	Newly appointed Director
Shri Rakesh Teji Chairman Uttarakhand Gramin Bank	Shri Hari Har Patnaik Chairman Uttarakhand Gramin Bank
Shri Sanjay Tiwari DGM (A&S) State Bank of India, Corporate Office, Mumbai	Shri Rajeev Kumar Verma DGM (A&S) State Bank of India, Corporate Office, Mumbai

Earlier Director	Newly appointed Director
Shri Moti Lal AGM, RBI, Dehradun	Shri Paramdeep Singh AGM, RBI, Dehradun
Shri L. R. Dogra DGM, NABARD, Dehradun	Shri Sunil Kaushik GM, NABARD, Dehradun

Brief profile of Board of Directors as on 31.03.2023

Name	Designation	Qualification
Shri Hari Har Patnaik	Chairman Uttarakhand Gramin Bank	B.Sc., MBA(Banking & Finance)
Shri Rajeev Kumar Verma	DGM (HR & Ops) State Bank of India, Corporate Office, Mumbai	B.Sc.
Shri Kanwaljit Singh Sawhney	DGM (FI) State Bank of India, Local Head Office, New Delhi	M.Sc.(Chemistry)
Shri Paramdeep Singh	AGM, RBI, Dehradun	B.Sc., MA, MBA
Shri Sunil Kaushik	DGM, NABARD, Dehradun	B.A.
Shri Anand Swaroop	Additional Secretary (Rural Development) Uttarakhand Government	B.Com
Shri Ganga Prasad	Additional Secretary (Finance) Uttarakhand Government	M. Sc.

Meetings of Board of Directors

Board Meeting Rules stipulate that the Board meets minimum six times in a calendar year, at least once in a quarter. Complying with the instructions contained in the Gazette of Government of India, the Board of Directors of Uttarakhand Gramin Bank held total 06 meetings during the calendar year 2022.

No. of Meetings held	08
Date of Meetings	14.03.2022, 20.04.2022, 20.06.2022, 20.07.2022, 27.09.2022, 29.11.2022

Attendance of Directors at Board Meetings during the calendar year 2022

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
1	Shri Rakesh Teji	Chairman Uttarakhand Gramin Bank	4	4
2	Shri Hari Har Patnaik	Chairman Uttarakhand Gramin Bank	2	2
3	Shri Sanjay Tiwari	DGM, SBI	4	4
4	Shri Rajeev Kumar Verma	DGM, SBI	2	2
5	Shri Moti Lal	AGM, RBI	1	1
6	Shri Paramdeep Singh	AGM, RBI	5	5

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
7	Shri L. R. Dogra	DGM, NABARD	6	6
8	Shri Ganga Prasad	Additional Secretary (Finance) Uttarakhand Government	6	5
9	Shri Anand Awaroop	Additional Secretary (Rural Development) Uttarakhand Government	6	3

Audit Committee

The Audit Committee was constituted in the first Board meeting held on 19.12.2012 to oversee the internal supervisory system ensuring integrity of information supplied to regulatory/supervisory institutions. Audit committee has five members and four meetings of Audit Committee were held in calendar year 2022.

No. of Meetings held	04
Date of Meetings	14.03.2022, 20.06.2022, 27.09.2022, 29.11.2022

Attendance of Directors at Board Meetings during the calendar year 2022

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
1	Shri Sanjay Tiwari	DGM, SBI	2	2
2	Shri Rajeev Kumar Verma	DGM, SBI	2	2
3	Shri Kanwaljit Singh Sawheny	DGM, SBI	4	4
5	Shri Moti Lal	AGM, RBI	1	1
	Shri Paramdeep Singh	AGM, RBI	3	3
6	Shri L.R.Dogra	DGM, NABARD	4	4
7	Shri Ganga Prasad	Additional Secretary (Finance) Uttarakhand Government	4	4

Fraud Monitoring Committee

The main function of Fraud Monitoring Committee is to frame internal policy for fraud risk management. The Fraud Monitoring Committee was also constituted in the first Board meeting held on 19.12.2012 and has five members.

No. of Meetings held	04
Date of Meetings	14.03.2022, 20.06.2022, 27.09.2022, 29.11.2022

Attendance of Directors at Board Meetings during the calendar year 2022

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
1	Shri Rakesh Teji	Chairman Uttarakhand Gramin Bank	2	2
2	Shri Hari Har Patnaik	Chairman Uttarakhand Gramin Bank	2	2
3	Shri Sanjay Tiwari	DGM, SBI	2	2
4	Shri Rajeev Kumar Verma	DGM, SBI	2	2
5	Shri Kanwaljit Singh Sawhney	DGM, SBI	4	4
6	Shri Anand Swaroop	Additional Secretary (Rural Development) Uttarakhand Government	4	2
7	Shri Ganga Prasad	Additional Secretary (Finance) Uttarakhand Government	4	4

Fraud Monitoring Committee for fraud amount above Rs 20 Lakhs

As per instructions issued by NABARD vide circular no NB.DoS.CFMC/2927/P-80/2016-17 dated 06-12-2016, Fraud Monitoring Committee for fraud amount Rs 20 Lakhs and above was constituted in the Board meeting held on 19.10.2020 and has five members.

No. of Meetings held	04
Date of Meetings	14.03.2022, 20.06.2022, 27.09.2022, 29.11.2022

Attendance of Directors at Board Meetings during the calendar year 2022

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
1	Shri Rakesh Teji	Chairman Uttarakhand Gramin Bank	2	2
2	Shri Hari Har Patnaik	Chairman Uttarakhand Gramin Bank	2	2
3	Shri Sanjay Tiwari	DGM, SBI	2	2
4	Shri Rajeev Kumar Verma	DGM, SBI	2	2
5	Shri Kanwaljit Singh Sawhney	DGM, SBI	4	4
6	Shri Moti Lal	AGM, RBI	1	1
7	Shri Paramdeep Singh	AGM, RBI	3	3
8	Shri Ganga Prasad	Additional Secretary (Finance) Uttarakhand Government	4	4

Customer Service Committee

As per instructions issued by RBI vide circular no RBI/2015-16/59 DBR No. Leg.BC.21/09.07.006/2015-16 dated 01.07.2015, Customer Service Committee was constituted in the Board meeting held on 22.03.2021 and has four members.

No. of Meetings held	04
Date of Meetings	14.03.2022, 20.06.2022, 27.09.2022, 29.11.2022

Attendance of Directors at Board Meetings during the calendar year 2022

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
1	Shri Rakesh Teji	Chairman Uttarakhand Gramin Bank	2	2
2	Shri Hari Har Patnaik	Chairman Uttarakhand Gramin Bank	2	2
3	Shri Kanwaljit Singh Sawhney	DGM, SBI	4	4
4	Shri Moti Lal	AGM, RBI	1	1
5	Shri Paramdeep Singh	AGM, RBI	3	3
6	Shri L. R. Dogra	DGM, NABARD	4	4

Risk Management Committee

Risk Management Committee of Board was constituted in the Board meeting held on 22.03.2021 and has four members.

No. of Meetings held	04
Date of Meetings	14.03.2022, 20.06.2022, 27.09.2022, 29.11.2022

Attendance of Directors at Board Meetings during the calendar year 2022

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
1	Shri Rakesh Teji	Chairman Uttarakhand Gramin Bank	2	2
2	Shri Hari Har Patnaik	Chairman Uttarakhand Gramin Bank	2	2
3	Shri Sanjay Tiwari	DGM, SBI	2	2
4	Shri Rajeev Kumar Verma	DGM, SBI	2	2
5	Shri Kanwaljit Singh Sawhney	DGM, SBI	4	4
6	Shri L. R. Dogra	DGM, NABARD	4	4

NPA Monitoring Committee

The NPA Monitoring Committee consisting of three members was constituted in the 25th Board meeting held on 29.08.2016 to monitor non-performing assets.

No. of Meetings held	04
Date of Meetings	14.03.2022, 20.06.2022, 27.09.2022, 29.11.2022

Attendance of Directors at Board Meetings during the calendar year 2022

S. No.	Name of the Director	Designation	Meetings held during incumbency	No. of Meetings attended
1	Shri Rakesh Teji	Chairman Uttarakhand Gramin Bank	2	2
	Shri Hari Har Patnaik	Chairman Uttarakhand Gramin Bank	2	2
2	Shri Sanjay Tiwari	DGM, SBI	2	2
3	Shri Rajeev Kumar Verma	DGM, SBI	2	2
5	Shri L.R.Dogra	DGM, NABARD	4	4

Means of communication

Bank believes in providing relevant and complete information to its stakeholders. Bank is publishing its annual statement in two leading newspapers in Hindi and English. Bank's financial statement is also available on its website and it is provided to all the stakeholders in printed form.

Acknowledgements

The Board of Directors express their sincere gratitude to the Sponsor Bank, Government of India, State Government, Reserve Bank of India and NABARD for their valuable guidance and continuous support.

The Board acknowledge with deep sense of gratitude to Shri Dinesh Kumar Khara, Chairman, State Bank of India, Corporate Centre, Mumbai, Shri Swaminathan J, MD, SBI, Shri Mihir Narayan P Mishra, Chief General Manager, SBI, Corporate Centre, Shri V. Sivakumar, General Manager (RRB), SBI, Corporate Centre and all the team members in A&S Department, SBI, Corporate Centre, Mumbai, for their constructive suggestions and directions.

The Board of Directors of the Bank would like to take this opportunity to appreciate our esteemed customers for their loyalty, support and trust. Customer satisfaction is our greatest concern. Bank is committed to serve you with excellence for years to come.

The Board is thankful to its media partners for providing wide coverage to the Bank.

The Board extend their appreciation for the hard work and dedication of the knowledge resource of the Bank.

For and on behalf of Board of Directors

Uttarakhand Gramin Bank

(Hari Har Patnaik)
Chairman