

UTTARAKHAND GRAMIN BANK
HEAD OFFICE, 18-NEW ROAD DEHRADUN

Schedule 17: Significant Accounting Policies

A. Background

Uttarakhand Gramin Bank (UGB or the Bank) is a Scheduled Bank, sponsored by the State Bank of India, engaged in providing a wide range of products and services to individuals, commercial enterprises, corporates, public bodies and customers. The Bank is governed by the Banking Regulation Act, 1949 and the Regional Rural Bank Act, 1976.

B. Basis of Preparation

The Bank's financial statements have been prepared and presented under historical cost convention on accrual basis of accounting unless otherwise stated and comply with Generally accepted accounting principles, statutory requirements prescribed under Banking Regulation Act, 1949, RRB Act 1976 and amendments thereto and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), circulars and guidelines issued by Reserve Bank of India, NABARD from time to time and notified accounting standards to the extent applicable and current practices in Banking Industry in India.

C. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that are considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the 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. Actual results could differ from these estimates. The impact of any revision in these estimates is recognised prospectively from the period of change.

D. Significant Accounting Policies

1 Revenue Recognition:

- a) Income and expenditure are accounted on accrual basis, except otherwise stated.
- b) Interest Income is recognized in the Profit and Loss Account on realization bases for following
 - (i) Income from Non-Performing Assets (NPAs), comprising of advances and investments, which is recognized upon realization, as per the prudential norms or income recognition and assets classification prescribed by RBI / NABARD
 - (ii) Commission and fee income are recognized on their realization including commission on Bank Guarantees issued and interest subvention.

2 Investments:

- a) The transactions in all securities are recorded on "Settlement Date".
- b) Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines.
- c) Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)". Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)". Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- d) An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- e) Investments under Held to Maturity category are carried at acquisition Cost.

7.	CCTV & Air Conditioner	12.5%
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- d) In respect of fixed assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.
- e) In respect of leasehold premises, the lease premium is amortised over the period of lease and the lease rent is charged in the respective year(s).
- f) Grant received in respect of fixed assets is presented in the balance sheet by showing grant as a deduction from the gross value of assets concerned in arriving at their book value.

5 Employee Benefits:

a) Gratuity

The Bank provides for gratuity to all eligible employees. Eligible employees are entitled for payment of gratuity either as per the provisions of the payment of Gratuity Act, 1972 or as per Uttarakhand Gramin Bank (Officers & Employees) Service Regulations, 2012, whichever is higher. The Bank has taken a group gratuity scheme from LIC for payment of gratuity to the employees. The Bank provides for gratuity liability based on actuarial valuation.

b) Pension

The Bank provides for pension to all eligible employees (who have joined the Bank on or before 31st March 2010) through Uttarakhand Gramin Bank (Employees') Pension Fund Trust, which is approved under Income Tax Act, 1961. The Bank makes monthly contribution to the Pension Fund at 10% of salary in term of Uttarakhand Gramin Bank (Employees') Pension Regulation, 2018. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment. Vesting occurs upon completion of 10 years of service.

c) National Pension Scheme

The Bank has implemented the New Pension System (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank.

d) Leave Encashment

The bank has entered into an agreement with Life Insurance Corporation of India for payment of leave encashment to employees. The Bank provides for Leave Encashment Liability based on actuarial valuation and contributes to Life Insurance Corporation of India.

e) Provident Fund

As per Uttarakhand Gramin Bank (Employees') Pension Regulation, 2018, Bank has set up Uttarakhand Gramin Bank (Employees') Provident Fund Trust, which is approved under Income Tax Act, 1961. Bank deducts compulsory subscription of 10 % of pay from salary of eligible employees on monthly basis.

6 Taxes on Income

The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income".

Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of 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 re-assessed at each reporting date, based upon management's judgment 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 realized against future profits.

7 Provisions, Contingent Liabilities and Contingent Assets:

- a) In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, 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.
- b) No provision is recognised for Contingent Liabilities.
- c) Contingent Assets are not recognised in the financial statements.

8 Earnings per Share:

The Bank reports basic and diluted earnings per share in accordance with AS 20 –"Earnings per Share" issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding for the year.

9 Cash and cash equivalent:

Cash and cash equivalents include Cash and Balances with RBI, Balances with Banks and money at call and short notice.

Schedule 18: Note to Accounts for the Year ended 31st March 2023

1 Regulatory Capital

a. Composition of Regulatory Capital

(₹ in lakh)

S.No	Particulars	As on 31-03-2023	As on 31-03-2022
i)	Tier 1 Capital	28837.51	24459.87
ii)	Tier 2 Capital	2564.84	2428.70
iii)	Total Capital (Tier 1 + Tier 2)	31402.35	26888.57
iv)	Total Risk Weighted Assets (RWAs)	272339.93	244242.14
v)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	10.59%	10.01%
vi)	Tier 2 Ratio (Tier 1 capital as a percentage of RWAs)	0.94%	1.00%
vii)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	11.53%	11.01%
viii)	Percentage of Shareholding of the –		
a	Government of India	50%	50%
b	Government of Uttarakhand	15%	15%
c	Sponsor Bank (SBI)	35%	35%
ix)	Amount of paid-up equity capital raised during the year	Nil	11095.60

b. Drawdown from Reserves:

During the year, there has been no draw down from the reserves to the Profit and Loss Account.

2 Asset Liability Management: Maturity Pattern of certain items of assets & liabilities as on 31-03-2023

Current Year

(₹ in Lakh)

Slab	1 to 14 days	15 to 28 days	29 days to 3m	> 3m to 6 m	> 6m to 1 yr	> 1yr to 3 yrs	> 3yrs to 5 yrs	> 5 yrs	Total
Deposits	15934.06	14205.3	32888.2	56537.52	105322.77	220685.08	19151.44	247051.58	711775.95
Advances	3830.91	1617.72	4772.65	5592.26	10708.01	85500.2	28794.78	173923.30	314739.83
Investment	670.09	0.00	3773.40	0.00	500.00	37102.92	114619.70	189024.34	345690.45
TDR with Banks	7385.00	625.00	5883.89	28230.00	29205.00	7010.00	0.00	0.00	78338.89
Borrowings	0.00	0.00	0.00	743.35	6166.16	2536.6	558.32	18.92	10023.35
Grand Total	27820.06	16448.02	47318.14	91103.13	151901.94	352834.80	163124.24	610018.14	1460568.47

Previous Year

(₹ in Lakh)

Slab	1 to 14 days	15 to 28 days	29 days to 3m	> 3m to 6 m	> 6m to 1 yr	> 1yr to 3 yrs	> 3yrs to 5 yrs	> 5 yrs	Total
Deposits	15501.11	13629.59	33218.70	56357.43	92542.31	175301.79	16503.66	246581.20	649635.81
Advances	1057.85	1036.90	3521.01	4795.33	9305.35	54382.12	29354.76	175628.17	279081.47
Investment	612.67	0.00	0.00	8587.10	4880.11	11240.73	113108.09	189403.97	327832.67
TDR with Banks	8750.00	1000.00	8187.24	11990.00	13427.59	24680.00	0.00	0.00	68034.84
Borrowings	0.00	0.00	0.00	0.00	5473.20	2291.71	752.00	26.33	8543.24
Grand Total	25921.63	15666.49	44926.96	81729.86	125628.56	267896.35	159718.51	611639.67	1333128.03

3 Investments

a. Composition of Investment Portfolio:

Current Year

(₹ in Lakh)

Composition of Investment	Govt. Securities	Other Approved Securities	Debentures and Bonds	Others	Total Investment
Held to Maturity					
Gross	158547.05	-	-	-	158547.05
Less: Provision for Non-Performing Investment (NPI)	-	-	-	-	-
Net	158547.05	-	-	-	158547.05
Available for Sale					
Gross	179684.53	2559.84	3728.94	1170.09	187143.40
Less: Provision for Depreciation and NPI	274.22	1.41	-	-	275.63
Net	179410.31	2558.43	3728.94	1170.09	186867.77
Held for Trading					
Gross	-	-	-	-	-
Less: Provision for Depreciation and NPI	-	-	-	-	-
Net	-	-	-	-	-
Total Investments					
Gross	338231.58	2559.84	3728.94	1170.09	345690.45
Less: Provision for NPI	-	-	-	-	-
Provision for Depreciation	274.22	1.41	-	-	275.63
Net	337957.36	2558.43	3728.94	1170.09	345414.82

Previous Year

(₹ in Lakh)

Composition of Investment	Govt. Securities	Other Approved Securities	Debentures and Bonds	Others	Total Investment
Held to Maturity					
Gross	121409.03	-	-	-	121409.03
Less: Provision for Non-Performing Investment (NPI)	-	-	-	-	-
Net	121409.03	-	-	-	121409.03
Available for Sale					
Gross	200927.22	2579.28	1804.47	1,112.67	206423.64
Less: Provision for Depreciation and NPI	-	-	-	-	-
Net	200927.22	2579.28	1804.47	1,112.67	206423.64
Held for Trading					
Gross	-	-	-	-	-
Less: Provision for Depreciation and NPI	-	-	-	-	-
Net	-	-	-	-	-

Total Investments					
Gross	322336.26	2579.28	1804.47	1112.67	327832.67
Less: Provision for NPI	-	-	-	-	-
Provision for Depreciation	-	-	-	-	-
Net	322336.26	2579.28	1804.47	1112.67	327832.67

b. Movement of Provisions for Depreciation on Investments and Investment Fluctuation Reserve

(₹ in Crore)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening Balance	-	-
b) Add : Provisions made during the year	2.76	-
c) Less : Write off/write back of excess provisions during the year	-	-
d) Closing Balance	2.76	-
ii) Movement of Investment Fluctuation Reserve		
a) Opening Balance	8.97	8.97
b) Add : Amount transferred during the year	-	-
c) Less : Drawdown	-	-
d) Closing Balance	8.97	8.97
iii) Closing balance of investment in AFS and HFT category	1868.68	2064.24
iv) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	0.48 %	0.43 %

c. Sales and Transfer of Securities to/from HTM Category

The value of sales and transfer of securities to/from HTM category has not exceeded 5% of the book value of investment held in HTM category at the beginning of the year.

d. Non-SLR Investment Portfolio

i) Non Performing Non-SLR Investments

(₹ in Lakh)

Particulars	Current Year	Previous Year
Opening balance	Nil	Nil
Additions during the year	Nil	Nil
Deductions during the year	Nil	Nil
Closing balance	Nil	Nil
Total provisions held	Nil	Nil

ii) Issuer Composition of Non-SLR Investment

(₹ in Lakh)

S.No.	Issuer	Amount	Extent of Private placement	Extent of below investment grade securities	Extent of unrated securities	Extent of un-listed securities
1	2	3	4	5	6	7
i)	PSUs	--	--	--	--	--
ii)	State Government	2559.84	--	--	--	--
iii)	Financial Institutions	3728.94	--	--	--	--
iv)	Banks	--	--	--	--	--
v)	Private corporates	--	--	--	--	--
vi)	SBI-Mutual Fund	1170.09	--	--	--	--
vii)	Other Mutual Funds	--	--	--	--	--
viii)	Provision held towards depreciation	1.41	--	--	--	--
	TOTAL	7457.46	-	-	-	-

e. Repo transactions

The details of securities sold and purchased under repos and reverse repos during the year are given below:

Current Year

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 st March 2023
Securities sold under Repo				
i. Government Securities	NIL	NIL	NIL	NIL
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL
iii. Any other Securities	NIL	NIL	NIL	NIL
Securities purchased under Reverse Repo				
i. Government Securities	NIL	NIL	NIL	NIL
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL
iii. Any other Securities	NIL	NIL	NIL	NIL

Previous Year

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding as on 31 st March 2022
Securities sold under Repo				
i. Government Securities	NIL	NIL	NIL	NIL
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL
iii. Any other Securities	NIL	NIL	NIL	NIL

Securities purchased under Reverse Repo				
i. Government Securities	NIL	NIL	NIL	NIL
ii. Corporate Debt Securities	NIL	NIL	NIL	NIL
iii. Any other Securities	NIL	NIL	NIL	NIL

4 Asset Quality

a. Classification of Advances and provisions held

Current Year

(₹ in Lakh)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	258965.04	4537.26	15454.93	124.24	20116.43	279081.47
Add: Additions during the year	105359.99				2502.46	107862.45
Less: Reductions during the year*	66774.50				5429.59	72204.09
Closing Balance	297550.53	2629.14	14364.96	195.20	17189.30	314739.83
* Reduction in Gross NPA due to:						
i) Upgradation					1939.27	1939.27
ii) Recoveries					2447.68	2447.68
iii) Technical/ Prudential Write-offs					0.00	0.00
iv) Write-offs other than those under (iii) above					1042.64	1042.64
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	882.78	453.73	11290.02	123.91	11867.66	12750.44
Add: Fresh provisions made during the year	136.14				1674.41	1810.55
Less: Excess provision reversed/ Write-off loans	0.00				954.35	954.35
Closing balance of provisions held	1018.92	436.31	11956.54	194.87	12587.72	13606.64
Net NPAs						
Opening Balance		4024.43	4044.98	0.00	8069.41	
Add: Fresh additions during the year					2171.95	
Less: Reductions during the year					5734.12	
Closing Balance		2173.48	2333.76	0.00	4507.24	

Previous Year

(₹ in Lakh)

	Standard	Non-Performing			Total	
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	239242.42	6726.89	13503.98	155.96	20386.83	259629.25
Add: Additions during the year	77599.79				4295.57	81895.36
Less: Reductions during the year*	57877.17				4565.97	62443.14
Closing Balance	258965.04	4537.26	15454.93	124.24	20116.43	279081.47
* Reduction in Gross NPA due to:						
i) Upgradation					2187.25	2187.25
ii) Recoveries					2294.76	2294.76
iii) Technical/ Prudential Write-offs					0.00	0.00
iv) Write-offs other than those under (iii) above					83.96	83.96
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	813.30	672.69	10020.96	155.63	10849.28	11662.58
Add: Fresh provisions made during the year	69.48				1100.72	1170.20
Less: Excess provision reversed/ Write-off loans	0.00				82.34	82.34
Closing balance of provisions held	882.78	453.73	11290.02	123.91	11867.66	12750.44
Net NPAs						
Opening Balance		5983.25	3365.90	0.00	9349.15	
Add: Fresh additions during the year					3684.66	
Less: Reductions during the year					4964.40	
Closing Balance		4024.43	4044.98	0.00	8069.41	

Floating Provisions

(₹ in Lakh)

	Current Year	Previous Year
Opening Balance	NIL	NIL
Add: Additional provisions made during the year	NIL	NIL
Less: Amount drawn down during the year	NIL	NIL
Closing balance of floating provisions	NIL	NIL

Technical write-offs and the recoveries made thereon:

(₹ in Lakh)

	Current Year	Previous Year
Opening balance of Technical/ Prudential written-off accounts	Nil	Nil
Add: Technical/ Prudential write-offs during the year	Nil	Nil
Less: Recoveries made from previously technical/ prudential written-off accounts during the year	Nil	Nil
Closing balance	Nil	Nil

Asset Quality Ratios:

	Current Year	Previous Year
Gross NPA to Gross Advances	5.46%	7.21%
Net NPA to Net Advances	1.50%	3.04%
Provision Coverage Ratio (Including AUCA)	80.86%	68.81%
Provision Coverage Ratio (Excluding AUCA)	73.23%	58.99%

b. Sector-wise Advances and Gross NPAs

(₹ in Lakh)

S.No.	Sector	Current Year			Previous Year		
		O/S total advances	Gross NPA	% of Gross NPAs to total advances in that sector	O/S total advances	Gross NPA	% of Gross NPAs to total advances in that sector
A	Priority Sector						
1	Agriculture & Allied Activities	43894.24	7596.84	17.31	40958.62	9026.35	22.04
2	Industries sector eligible as priority sector lending	22248.55	1800.59	8.09	20847.92	1992.22	9.56
3	Services	62826.10	5383.54	8.57	57109.04	5844.76	10.23
4	Personal Loans	58095.31	1124.19	1.94	56065.44	1491.12	2.66
	Sub Total (A)	187064.20	15905.17	8.50	174981.02	18354.45	10.49
B	Non Priority Sector						
1	Agriculture & Allied Activities	--	--	--	--	--	--
2	Industry	--	--	--	--	--	--
3	Services	--	--	--	--	--	--
4	Personal Loans	127675.63	1284.13	1.01	104100.45	1761.98	1.69
	Sub Total (B)	127675.63	1284.13	1.01	104100.45	1761.98	1.69
C	TOTAL (A+B)	314739.83	17189.30	5.46	279081.47	20116.43	7.21

c. Details of accounts subjected to restructuring

		Agriculture and allied activities		Corporates (excluding MSME)		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	-	-	-	-	-	904	-	369	-	1273
	Gross Amount (₹ Lakh)	-	-	-	-	-	5852.53	-	3562.89	-	9415.42
	Provision held (₹ Lakh)	-	-	-	-	-	292.62	-	356.29	-	648.91
Sub-Standard	Number of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amount (₹Lakh)	-	-	-	-	-	-	-	-	-	-
	Provision held (₹Lakh)	-	-	-	-	-	-	-	-	-	-
Doubtful	Number of borrowers	-	-	-	-	-	-	-	-	-	-
	Gross Amount (₹Lakh)	-	-	-	-	-	-	-	-	-	-
	Provision held (₹Lakh)	-	-	-	-	-	-	-	-	-	-
Total	Number of borrowers	-	-	-	-	-	904	-	369	-	1273
	Gross Amount (₹Lakh)	-	-	-	-	-	5852.53	-	3562.89	-	9415.42
	Provision held (₹Lakh)	-	-	-	-	-	292.62	-	356.29	-	648.91

d. Disclosure of Transfer of Loan exposures

(₹ in Lakh)

Details of stressed loans transferred during the year			
	To ARCs	To Permitted transferees	To Other Transferees
No of accounts	NIL	NIL	NIL
Aggregate principal outstanding of loans transferred	NIL	NIL	NIL
Weighted average residual tenor of the loans transferred	NIL	NIL	NIL

Net book value of loans transferred (at the time of transfer)	NIL	NIL	NIL
Aggregate consideration	NIL	NIL	NIL
Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL	NIL
Details of loans acquired during the year			
	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFs, SFBs and NBFCs including Housing Finance Companies (HFCs)		From ARCs
Aggregate principal outstanding of loans acquired	NIL		NIL
Aggregate consideration paid	NIL		NIL
Weighted average residual tenor of loans acquired	NIL		NIL

The Bank has not transferred any Special Mention Account and loan not in default.
The Bank has not acquired any stressed loan.

e. Fraud Reported and provision made during the year:

(₹ in Lakh)

Particulars	Current Year	Previous Year
Number of frauds reported	2	Nil
Amount involved in fraud	279.07	Nil
Amount of provision made for such frauds	279.07	Nil
Amount of unamortized provision debited from 'other reserves' as at the end of the year	Nil	Nil

f. MSME Restructuring

As per RBI circular no. DBR.No.BP. BC.18/21.04.048/2018-19 dated 01.01.2019 read with circular no. DOR.STR.REC.12/21.04.048/2021-22 dated 05.05.2021, the details of restructured MSME accounts are as under:-

(₹ in Lakh)

Particulars	Current Year	Previous Year
No. of accounts restructured	Nil	904
Aggregate Outstanding	Nil	5852.53

5 Exposures

a. Exposure to Real Estate Sector

(₹ in Lakh)

S.No.	Category	Current Year	Previous Year
a)	Direct Exposure		
(i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	92768.69	77801.07
(ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family 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	--	--

(iii)	Investment in Mortgage Backed Securities (MBS) and other securitized exposures	--	--
	a. Residential	--	--
	b. Commercial Real Estate	--	--
b)	Indirect Exposure Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Financing Companies (HFCs)	--	--
Total Exposure to Real Estate Sector		92768.69	77801.07

b. Unsecured Advances

(₹ in Lakh)

	Current Year	Previous Year
Total unsecured advances of the bank	83808.18	68599.03
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

c. Single Borrower and Group Borrower exposure limits exceeded by the Bank

Prudential Limit of Single borrower exposure for the period 01-04-2022 to 31-03-2023 Rs. 38.13 Crore

Prudential Limit of Group borrower exposure for the period 01-04-2022 to 31-03-2023 Rs. 101.68 Crore

The Bank has not exceeded the Single Borrower exposure & Group Borrower exposure prudential limit as prescribed by RBI.

6 Concentration of Deposits, Advances, Exposures and NPAs

a. Concentration of Deposits

Current Year Previous Year

Total Deposits of twenty largest depositors (₹ in Lakh)	16578	17329
Percentage of deposits of twenty largest depositors to total deposits of the bank	2.33%	2.67%

b. Concentration of Advances

Current Year Previous Year

Total Advances to twenty largest borrowers (₹ in Lakh)	6501	6581
Percentage of advances to twenty largest borrowers to total gross advances of the bank	2.07%	2.36%

c. Concentration of Exposures

Current Year Previous Year

Total exposures of twenty largest borrowers / customers (₹ in Lakh)	7094	7481
Percentage of exposures to twenty largest borrowers / customers to total exposure of the bank on borrowers / customers of the bank	1.75%	2.66%

d. Concentration of NPAs

Current Year Previous Year

Total exposures to top twenty NPA accounts (₹ in Lakh)	1840	1645
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	10.71%	8.18%

7 Transfers to Depositor Education and Awareness Fund (DEA Fund)

(₹ in Crore)

Sr. No.	Particular	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	7.92	6.12
ii)	Add: Amounts transferred to DEA Fund during the year	1.75	1.82
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.10	0.02
iv)	Closing balance of amount transferred to DEA Fund	9.57	7.92

8 Disclosure of complaints

a. Summary information on complaints received by the bank from customers and from the Offices of Ombudsman

Sr. No.	Particulars	Current Year	Previous Year
Complaints received by the bank from its customers			
1	Number of complaints pending at beginning of the year	0	01
2	Number of complaints received during the year	131	79
3	Number of complaints disposed during the year	131	80
	3.1 Of which, number of complaints rejected by the bank	0	0
4	Number of complaints pending at the end of the year	0	0
Maintainable complaints received by the bank from Office of Ombudsman			
5	Number of maintainable complaints received by the bank from Office of Ombudsman	45	22
	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	45	22
	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	02	01
	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	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 ground of complaints received by the bank from customers

Ground of complaints	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
Current Year					
ATM/Debit Card	0	14	250	0	0
Online Transactions	0	8	33.33	0	0
Operation of Accounts	0	15	-34.78	0	0
Loans and Advances	0	31	55	0	0

BC and Outsource	0	3	-25	0	0
Others	0	60	172.73	0	0
Total	0	131	65.82	0	0
Previous Year					
ATM/Debit Card	0	4		0	0
Online Transactions	0	6		0	0
Operation of Accounts	0	23		0	0
Loans and Advances	0	20		0	0
BC and Outsource	1	4		0	0
Others	0	23		0	0
Total	01	79		0	0

9 Disclosure of penalties imposed by RBI

No penalty is imposed by the RBI to the Bank during the financial year 2022-23 for contravention under the provisions of Banking Regulation Act, 1949, Payment and Settlement Act, 2007, Government Securities Act, 2016 (for bouncing SGL).

10 Other Disclosures

a. Business Ratios

(₹ in Lakh)

S.No.	Particulars	Current year	Previous year
i	Interest income as a percentage to Working Funds	7.71%	7.54%
ii	Non-interest income as a percentage to working funds	0.47%	0.57%
iii	Operating profit as a percentage to working funds (including Pension contribution and Wage revision arrear provision)	0.91%	0.36%
	Operating profit as a percentage to working funds (excluding Pension contribution and Wage revision arrear)	1.98%	1.81%
iv	Cost of Deposits	3.84%	3.88%
v	Net Interest Margin	4.12%	3.85%
vi	Returns on Assets	0.60%	0.10%
vii	Business (Deposits plus Advances) per employee	940.89	881.14
viii	Profit per employee (Gross) before tax	4.03	0.67
ix	Profit per employee (Net) after tax	4.01	0.65

b. Bancassurance Business:

Fees/brokerage earned in respect of the insurance broking, agency and bancassurance business

(₹ in Lakh)

Name of the Company	Current year	Previous year
SBI Life Insurance Co. Ltd	258.88	148.31
SBI General Insurance Co. Ltd	65.49	44.29
National Insurance Co. Ltd	12.28	18.02

c. Marketing and distribution:

The details of fees/remuneration received in respect of the marketing and distribution function (excluding bancassurance business) are as follows:

(₹ in Lakh)

Name of the Company	Current year	Previous year
SBI Mutual Fund	10.03	7.27

d. Priority Sector Lending Certificate (PSLC)

The Bank has purchased following PSLCs during the year:-

(₹ in Crore)

Sr. No.	Category	Current Year	Previous year
1	PSLC Agriculture	162.00	85.00
2	PSLC General	755.00	830.00
Total		917.00	915.00

The Bank has sold following PSLCs during the year:-

(₹ in Crore)

Sr. No.	Category	Current Year	Previous year
1	PSLC Micro Enterprises	450.00	370.00
2	PSLC Agriculture	Nil	20.00
Total		450.00	390.00

e. Provisions and Contingencies

Breakup of 'Provisions and Contingencies' shown under head Expenditure in Profit and Loss account as follows

(₹ in Lakh)

Provisions debited to Profit & Loss Account	Current Year	Previous year
Provision for Non-Performing Assets	1674.41	1100.72
Provision on Standard Assets	136.14	69.48
Provision on Restructured Assets	-	528.01
Provision for Depreciation on Investments	275.63	-
Provision for Fraud	129.57	-
Total	2215.75	1698.21

f. Payment of DICGC Insurance Premium

(₹ in Lakh)

Particulars	Current Year	Previous year
Payment of DICGC Insurance Premium	943.80	872.92
Arrears in payment of DICGC premium	0.00	0.00

11 Disclosures as per Accounting Standards

a. Accounting Standard – 5 “Net Profit or Loss for the period, Prior Period Items, and Changes in Accounting Policies”

During the year, there were no material prior period income / expenditure items. There is no change in the Significant Accounting Policies adopted during the financial year 2022-23 as compared to those followed in the previous financial year 2021-22 except provision made on Non Performing Advances as follows:

Nature of Advances	Existing Policy	Revised Policy
Sub-Standard	10 %	General provision of 15 % on the total outstanding Additional provision of 10% for exposures which are unsecured ab-initio
Doubtful Secured Portion	- Up to one year - 20% - Over 1 year to 3 years - 30% - Above 3 years - 100%	- Up to one year - 25% - Over 1 year to 3 years - 40% - Above 3 years - 100%

Due to above changes in accounting policy, both profit and net Advances of the bank have been decreased by Rs.469.89 lakh.

b. Accounting Standard 15—Employee benefits

Bank has taken a group gratuity scheme from LIC for payment of gratuity to the employees. During the FY 2022-23, Bank has debited Rs. 239.38 lakh to Profit and Loss account against the gratuity scheme.

The bank has entered into an agreement with Life Insurance Corporation of India for payment of Leave Encashment to employees. Leave Encashment of Rs. 11.04 lakh is debited to profit and loss account during the year.

Bank has provided Rs.6532.42 Lakh against pension Liability during the FY 2022-23 as per details below:

	Particulars	₹ in Lakh
a)	Net Pension Liability to be provided for in five financial years in five equal instalments starting from FY 2018-19 as per NABARD Circular NB.DoS.Pol.HO/2533/J-1/2019-20 dated 12.12.2019	33331.05
b)	Total Pension Liability to be provided for up to FY 2022-23 - 100% of a	33331.05
c)	Less :- Provision made by the Bank up to 31.03.2022 against the pension liability	26798.63
d)	Net Pension Liability to be provided for during F.Y. 2022-23 (b-c)	6532.42
e)	Total impact of Pension liability in P&L account during F.Y. 2022-23 (d)	6532.42
f)	Out of above, amount paid to Pension Trust during F.Y 2022-23	5500.00
g)	Out of above balance, amount to be payable to pension trust as on 31.03.2023 (f-g)	1032.42
h)	Balance Pension liability carried forward for next year (a-c-e)	Nil

c. Accounting Standard 17—Segment Reporting

As per Accounting Standard 17, Bank recognizes business segment as primary reporting segment and Treasury as secondary reporting segment.

The business segment contains wholesale banking, retail banking, other banking operations.

During financial year 2022-23, revenue from business segment was Rs. 30792.69 lakh (Interest Income & Other Income) and revenue from Treasury was Rs. 28793.58 lakh.

d. Accounting Standard 18—Related Party Disclosures

Associates- State Bank of India (Sponsor Bank holding 35% shares of the Bank)

Particulars	(₹ in Crore)	
	2022-23	2021-22
FDR with SBI as on March 31 st	178.34	222.37
Interest received during the year	0.35	5.36
Interest accrued during the year	10.13	6.00
Interest paid on Overdraft during the year	0.07	0.02

No disclosure is required in respect of related parties, which are “State-controlled Enterprises” as per paragraph 9 of Accounting Standard (AS) 18. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker-Customer relationship have not been disclosed.

e. Accounting Standard 22—Accounting for Taxes on Income

There is a deferred tax asset amounting to Rs. 63.63 lakh on account of depreciation on Fixed Assets and is shown under Other Assets.

12 Additional Disclosures

- a. The bank has issued guarantee on behalf of its customers in the course of its regular business. Total outstanding guarantee as on 31.03.2023 is Rs.848.25 lakh.
- b. During the F.Y. 2022-23, a sum of Rs.1.75 crore has been remitted to RBI as unclaimed amount. Thus, total remitted amount to RBI is Rs 9.57 crore till 31.03.2023.
- c. The previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification.

Krishan Chandra Singh
(Asstt. Gen. Manager- Accounts)

Ishwar Kumar
(General Manager)

Hari Har Patnaik
(Chairman)

Auditor's Report
As per our separate report of even date attached.

For B R A N & Associates
Chartered Accountants
FRN No. 014544N

Place : Dehradun
Date : 19.04.2023

(Brijesh Kaushik)
Partner
M. No. 092573