



द्वितीय वार्षिक प्रतिवेदन 2013-14 - II Ind Annual Report 2013-14

9-	Champawat	III	-	01	07	-	-
10-	Nainital	IV	03	02	24	-	01
11-	Almora	IV	-	03	23	-	-
12-	Bageshwar	IV	-	01	12	-	-
13-	U.S. Nagar	IV	-	05	13	-	01
	<b>Total</b>	<b>04</b>	<b>14</b>	<b>34</b>	<b>212</b>	<b>11</b>	<b>02</b>

Being the area of operation of the Bank as rural having thin population density, it has 212 rural branches, 34 semi-urban branches & 14 urban category branches. As per the directives of the Govt. of India regarding financial inclusion, the Bank opened 23 new branches during the year 2013-14 as mentioned below:-

**Financial Year 2013-2014**  
**(01 April 2013 to 31 March 2014)**

S.No.	Branch	District	Date of Opening
1	Bhauwala	Dehradun	14-11-2013
2	Dwarahat	Almora	05-12-2013
3	Patan	Champawat	06-12-2013
4	Barheni	U.S. Nagar	10-12-2013
5	Devnagar	U.S. Nagar	14-12-2013
6	Dineshpur	U.S. Nagar	18-12-2013
7	Shail NTD	Almora	27-12-2013
8	Rani Pokhari	Dehradun	30-12-2013
9	Naya Gaon Peliyo	Dehradun	31-12-2013
10	Jafarpur	U.S. Nagar	17-01-2014
11	Chiliyanola	Almora	18-01-2014
12	Buggawala	Haridwar	28-01-2014
13	Nanakmatta	U.S. Nagar	08-02-2014
14	Jakhan	Dehradun	21-02-2014
15	Bhagwanpur	Haridwar	22-02-2014
16	Karanpur	Dehradun	28-03-2014
17	Chakarata Road	Dehradun	28-03-2014
18	Nehru Gram	Dehradun	28-03-2014
19	Mohakampur	Dehradun	28-03-2014
20	Sukhro	Pauri	28-03-2014
21	Talli Bamori	Nainital	28-03-2014
22	Banbulpura	Nainital	28-03-2014
23	Sultanpur Patti	U.S. Nagar	28-03-2014



### 3. SHARE CAPITAL :

In terms of section 5 of RRB Act 1976, the Bank has an authorised Share Capital of Rs. 500 lacs and subscribed /fully paid up capital of Rs. 400 lacs contributed by Govt of India, State Bank of India and Govt. of Uttarakhand in the ratio of 50:35:15 respectively. The bank has received Rs. 3814.87 lacs from the shareholders as re-course of cleansing of Balance Sheet under financial restructuring of RRB. The detailed position as on 31.03.2014 is given below:

(Amt. in Thousands)

Particulars	Share of Central Govt.	Share of Sponsor Bank	Share of State Govt.	Total
Paid-up Share Capital	20000	14000	6000	40000
Share Capital Deposits (Sanctioned)	190743	133520	57224	381487
Share Capital Deposits (Received)	190743	133520	57224	381487

### 4. RESERVES AND SURPLUS :

An amount of Rs. 1129.58 lacs was transferred to statutory reserves out of the profit of Rs.1592.93 lacs (before tax). The reserves of the bank are Rs. 14352.62 lacs as on 31.03.2014 as against Rs. 13339.79 lacs as on 31.03.2013. The position is given below:

(Amt. in Thousands)

Particular	31-03-2013	31-03-2014
Reserves & Surplus	1333979	1435262

### 5. DEPOSITS :

Deposit mobilization is one of the top priorities for the profitable operation of the Bank. Deposits of Bank rose to Rs.272872.80 lacs showing a deposit growth of Rs. 50093.60 lacs (22.49%) as on 31.03.2014 as compared to the level of Rs. 222779.20 lacs as on 31.03.2013. Per branch and per employee deposits as on 31.03.2014 are Rs. 1049.51 lacs and Rs. 324.08 lacs respectively. Category-wise break-up of deposits and deposit mix is given below:-

(Amt. in Thousands)

Type of Deposits	31.03.2013			31.03.2014		
	No. of A/cs	Amt	Deposit Mix.%	No. of A/cs	Amt	Deposit Mix.%
Current A/c	11229	801807	3.60	8953	1040561	3.81
(Growth %)	-	40.60	-	-	29.78	-
Saving Bank A/c	685348	10784714	48.41	821202	12528675	45.92
(Growth %)	-	10.79	-	-	16.17	-
Total Demand Deposit	<b>696577</b>	<b>11586521</b>	<b>52.01</b>	<b>830155</b>	<b>13569236</b>	<b>49.73</b>
(Growth %)	-	12.44	-	-	17.11	-
Time Deposits	160788	10691399	47.99	191975	13718044	50.27
(Growth %)	-	5.33	-	-	28.31	-
Total Deposits	<b>857365</b>	<b>22277920</b>	<b>100.00</b>	<b>1022130</b>	<b>27287280</b>	<b>100.00</b>
(Growth%)	-	8.91	-	-	22.49	-



## 6. BORROWINGS :

During the year 2013-14 an amount of Rs. 14000 lacs has been drawn by the Bank from NABARD @4.5% under the head Short Term Seasonal Agriculture Operations (ST-SAO) and Rs. 2500 Lacs under the head Medium Term Refinance for the year 2013-14 with an average cost of borrowings at 5.66%. The details of refinance limits sanctioned, drawn and repaid during the year 2013-14 are as under :-

(Amt. in Thousands)

Particulars	Balance 31-03-2013	limit sanctioned 2013-14	Refinance Availed 2013-14	Repayment 2013-14	Balance 31.03.2014
<b>FROM NABARD</b>					
ST-SAO	950000	1400000	1400000	950000	1400000
ST-OSAO	-	-	-	-	-
MT Schematic	512492	250000	250000	177452	585040
<b>Sub Total</b>	<b>1462492</b>	<b>1650000</b>	<b>1650000</b>	<b>1127452</b>	<b>1985040</b>
<b>From S.B.I.</b>					
ST (SAO)	-	-	-	-	-
ST (OSAO)	-	-	-	-	-
MT (N.S.)	-	-	-	-	-
D.L./OD	20374	-	-	20374	-
<b>Sub Total</b>	<b>20374</b>	<b>-</b>	<b>-</b>	<b>20374</b>	<b>-</b>
D.L./OD from Other Banks	50320	-	-	9158	41162
<b>GRAND TOTAL</b>	<b>1533186</b>	<b>1650000</b>	<b>1650000</b>	<b>1156984</b>	<b>2026202</b>

No default is made in repayments of refinance during the year. The Bank has paid Rs.996.96 lacs during the year 2013-2014

## 7. D.I.C.G.C. :

The Bank is paying the premium to DICGC in due time in regard to Deposit Insurance.

## 8. CASH AND BALANCES WITH BANKS :

Cash retention limits of all branches of the Bank were refixed in view of volume and nature of business and location of the branch. Strict monitoring is being done to keep the minimum required cash balances. Details of cash held by branches, average cash balances, balances with other Banks and RBI are as under:-

(Amt. in Thousands)

Particulars	As on 31-03-13	As on 31-03-14
Cash balance at the end of the year	209731	247533
Average cash balance during the year	202722	243724
% of average cash to average deposits	1.02	1.05
Required C.R.R.	847122	992605
Balance with Reserve Bank of India	956632	1001632
Balance in C/A with Sponsor Bank	227458	156262
Balance in C/A with P.N.B. & others	154653	42046
Balance in Term Deposits with Sponsor Bank	3838901	5152550
Term deposits with other Banks	3217352	4035161
Interest earned on C/A with RBI	-	-
Interest earned on Term deposits	878406	661791



Branches of the Bank are maintaining current accounts with near-by branches of State Bank of India, and Punjab National Bank to meet their day to day cash and out-station collection requirements.

The Bank is maintaining C.R.R. with a current account opened at R.B.I. Kanpur by sending required amount at regular intervals. The Bank has not defaulted while maintaining C.R.R. during 2013-14

## 9. INVESTMENTS :

The Bank has formulated its own investment policy with the approval of the Board and the investment made, is being reviewed on half yearly basis by the Board. Keeping in view the paucity of lucrative investment opportunity, the bank has invested Majority of its funds in the banks TDR & STDR.

In order to maintain the SLR, the Bank has opened an account with SBI, Securities Services Branch, Mumbai and investing funds in Govt. Securities. As per extant instruction of RBI these securities are being held to maturities and were purchased at Premium/Discount through Sponsor Bank under PMS arrangement, which has been amortised equally over the residual maturity period of the securities.

Due to locational disadvantage of Head Office of the Bank far away from nucleus centres of Money Market, major portion of Non-SLR surplus funds has been invested in TDRs/STDRs of Sponsor Bank. Thus, the Bank is not directly participating in the capital market. However funds are being invested in SBI Liquid Fund in short term above 3 days for cash management after taking approval from Board of Directors. As on 31<sup>st</sup> March 2013, the amount invested in different mutual funds is Rs. 2153.43 lacs and the amount invested in different bonds are Rs. 3521.83 lacs.

## 10. LOANS AND ADVANCES :

Bank has disbursed Rs. 79878.39 lacs as against targeted growth of Rs. 78536.38 lacs. Total outstanding advances as on 31.03.2014 were Rs. 151525.96 lacs as compared to the outstanding advances as on 31.03.2013 i.e. Rs. 124271.91 lacs, depicting growth of Rs. 27248.05 (21.93%) out of which Rs. 118576.93 lacs were to priority sector. Per branch and per employee advance as on 31.03.2014 are to the tune of Rs. 582.79 lacs and Rs. 179.96 lacs respectively. Sector-wise and activity-wise position of advances are detailed below :-

### ACTIVITY-WISE OUTSTANDING ADVANCES

(Amt. in Thousands)

Particulars	31.03.2013		31.03.2014	
	A/c	Amt.	A/c	Amt.
1. Crop Loans	48447	1991855	53362	2477827
2. Agri. T. Loan	17937	1480895	17006	1486083
3. Small Scale Industries	6016	912474	8406	1189322
4. Small Busi. Finance	20333	3756737	18914	4272592
5. D.L. & Others	25108	4285830	26136	5726772
<b>Total</b>	<b>117841</b>	<b>12427791</b>	<b>123824</b>	<b>15152596</b>
Out of which				
(i) Advances to priority sector	101636	10122078	105530	11857693
(ii) Advances to S.C./S.T.	31892	1858823	32047	2120681
(iii) Advances to Minorities	3587	436025	3725	460678
(iv) Advances to Small & Marginal Farmers	61478	2773678	55055	2806986
(v) Advances to S.G.S.Y	8572	372228	8147	468005
(vi) Advances to S.C.P.	1523	23474	1663	29706
(vii) Advances to N.T.G.	16205	2305713	18297	3294903
(viii) C.D. Ratio%	-	55.79%	-	55.53%



The Bank has total deposits Rs. 272872.80 lacs against total outstanding advances Rs. 151525.96 lacs as on 31.03.2014. The C.D. Ratio of the Bank was 55.53% as on 31.03.2014. CD Ratio of the bank is comparably for better among all the commercial bank working in the area.

## 11. IRAC NORMS :

### A) ASSET CLASSIFICATION :

The bank has classified its assets as per directives of Reserve Bank of India and accordingly provisions for standard and non performing assets have been made. In order to increase the profitability, top priority has been accorded to reduce NPAs. The level of NPA's decreased to Rs. 7327.82 lacs this year as compared to the level of Rs. 8220.55 as on 31.03.2013 Accordingly, gross NPA of the Bank stood at 4.84% as on 31.03.14 as compared to 6.61% as on 31.03.13 and the level of Net NPAs decreased from 4.58% to 3.06% respectively. The details of assets classification and provisioning are appended :-

(Amt. in Thousands)

Assets	31.03.2013		31.03.2014	
	Amt. o/s	Provisions	Amt. o/s	Provisions
1. Standard Assets	11605736	36228	14419814	46876
2. Sub Standard Assets	360568	34946	181056	17199
3. Doubtful Assets	425419	180791	522751	213024
4. Loss Assets	36068	35510	28975	28331
<b>Total</b>	<b>12427791</b>	<b>287475</b>	<b>15152596</b>	<b>305429</b>
Net O/S advances	12163098	-	14875259	-
Gross NPAs	822055	-	732782	-
% to Gross Advances	6.61	-	<b>4.84</b>	-
Net NPAs	557363	-	445637	-
% to Net Advances	4.58	-	<b>3.06</b>	-

### B) INTEREST DERECOGNISED :

The Bank has recovered derecognised interest income Rs. 38.71 lacs during the period 01.04.2013 to 31.03.2014. Data related to derecognised income are appended.



(Amt. in Thousands)

Particulars	As on 31.03.2013	As on 31.03.2014
Derecognised interest income at the beginning of the year	18016	13445
(-) Recovery during the year	13397	3871
Recovery %	74.36	28.79
(+) addition during the year	8826	9210
Derecognised interest income at the end of the year	13445	18784

**C) PROVISIONS :**

The Bank made provisions against non-performing assets as per the norms prescribed by the Reserve Bank of India, outstanding provisions for NPAs and Standard Assets stood at Rs. 2585.53 lacs and Rs.468.76 lacs respectively.

**D) NPA MANAGEMENT :**

As on 31.03.2014, the level of NPAs was to the tune of Rs. 7327.82 lacs. During the period 2013-14 the level of NPAs decreased by Rs. 892.73 lacs. To reduce NPA's, 20 cases amounting to Rs. 2.65 lacs have been written off, 15 cases amounting to Rs. 64.25 lacs were settled under OTS during the year 2013-14. A comparative position of NPAs is given in the table below :-

(Amt. in Thousands)

Particulars	As on 31.03.2013	As on 31.03.2014
NPA Balance at the beginning of the year	733801	822055
(-) Recovery/reduction during the year	249928	162256
(+) Addition during the year	338182	72983
NPAs at the end of the year	822055	732782

**12. LOAN DISBURSED DURING THE YEAR :**

During the year 2013-2014, the Bank has made a disbursement of loans amounting to Rs. 79878.39 lacs. Region wise details of disbursement of loan for last & current year are placed below :

(Amt. in Thousands)

Particulars	2012-2013				2013-2014			
	Target		Ach.		Target		Ach.	
	A/c	Amt.	A/c	Amt.	A/c	Amt.	A/c	Amt.
1. A.C.C.	17612	2020743	36245	1876521	19961	2353493	52059	2781916
2. A.T.L.	7622	1369265	5522	525717	9649	1902548	3518	311504
3. S.S.I.	2206	488084	1430	269504	2991	727442	1549	373354
4. S.B.F. Services & Other	8171	2627249	15364	3659233	10045	2870155	16501	4521065
<b>Total</b>	<b>35611</b>	<b>6505341</b>	<b>58561</b>	<b>6330975</b>	<b>42646</b>	<b>7853638</b>	<b>73627</b>	<b>7987839</b>



Out of which Loans :								
(a) To Priority Sector	35129	6182341	50761	4848523	41328	7713620	64508	5626530
% age to total Loans	-	-	-	76.58	-	-	-	70.44
Disbursed								
(b) To N.T.G.	482	323000	7800	1482452	1318	140018	9119	2361309
% To total Loans Disb.	-	-	-	23.42	-	-	-	29.56
(c) To S.C./S.T.	1058	-	1489	289039	1545	-	4317	397234
(d) Loans to SF.MF	-	-	44262	1957377	-	-	59064	2875790

The Bank has continued to participate actively in providing assistance under various Govt. Sponsored Schemes. Progress during 2013-14 under Govt. sponsored schemes is appended below:

(Amt. in Thousands)

S. No.	Particulars	Target No.	Achieved		Achievement % (No.)
			No.	Amt.	
1.	SGSY	342	398	117422	116
	i) Revolving Fund	-	64	1470	-
	ii) Main Activity	228	257	62317	113
	iii) Individual	114	77	7290	68
2.	Special Component Plan	1545	280	8527	18
3.	Veer Chandra Singh Garhwali P.S. Yojna	43	96	58610	223
4.	PMEGP	140	344	102116	246
5.	Saghan Mini Dairy	-	60	5195	-
6.	Naveen Sarlikrit Awas Yojana	148	351	12238	237



### DISTRICT-WISE LOAN DISBURSEMENT 2013-14

(Amt. in Thousands)

S.No.	Name of District	Target Amt.	Achievement Amt.	Achievement %
1.	Dehradun	592730	1216775	205.29
2.	Uttarakashi	117000	237792	203.25
3.	Tehri	361912	549500	151.84
4.	Haridwar	117100	256077	218.69
	<b>Sub Total</b>	<b>1188742</b>	<b>2260144</b>	<b>190.13</b>
5.	Pauri	661700	896643	135.51
6.	Chamoli	354600	305590	86.18
7.	Rudraprayag	206040	219046	106.32
	<b>Sub Total</b>	<b>1222340</b>	<b>1421278</b>	<b>116.28</b>
8.	Pithoragarh	572668	817850	142.81
9.	Champawat	187376	183299	97.83
	<b>Sub Total</b>	<b>760044</b>	<b>1001149</b>	<b>131.73</b>
10.	Almora	542900	366831	67.57
11.	Bageshwar	325200	259370	79.76
12.	Nainital	1314612	1507305	114.66
13.	U.S. Nagar	2499800	1171762	46.88
	<b>Sub Total</b>	<b>4682512</b>	<b>3305268</b>	<b>70.59</b>
	<b>Grand Total</b>	<b>7853638</b>	<b>7987839</b>	<b>101.71</b>

#### 13. RECOVERY :

The recovery % age of the Bank (Consolidated of erstwhile bank) as on 30.06.13 stood at 80.15% The details of recovery as on 30.06.2013 are given below :-

(Amt. in Thousands)

Particulars	Total Demand	Recovery	Overdue	Rec. %	Overdues		
					up to 1 yr.	1 to 3 yr.	Above 3 yrs.
Farm Sector	2419702	1792201	627501	74.07	336642	277635	13224
Non Farm Sector	3893221	3267662	625559	83.93	316627	237929	71003
<b>Total</b>	<b>6312923</b>	<b>5059863</b>	<b>1253060</b>	<b>80.15</b>	<b>653269</b>	<b>515564</b>	<b>84227</b>
Out of which SGSY	124911	79021	45890	63.26	31399	12333	2158

#### 14. RASHITRIYA KRISHI BEEMA YOJANA :

As per directives of the Government of India, the scheme is implemented in the State and insurance coverage is being provided to all eligible farmers for notified crops.





### 15. WRITING-OFF OF LOANS :

The exercise of writing-off bad-debts, where all avenues of recovery have been exhausted, has been done regularly. Particulars of written-off account are given below :

(Amt. in Thousands)

Year	A/cs	Amt. Written off	Notional Intt.	Total Amt.
2013-2014	20	265	171	436
<b>Total</b>	<b>20</b>	<b>265</b>	<b>171</b>	<b>436</b>

### 16. RISK FUND :

The Bank is not maintaining any Risk Fund.

### 17. INCOME EARNED :

It is pertinent to mention that during the year, total income increased by 12.69%. Income from advances continued to be the main contributor which is 54.99% of total income. Details of income are given below :-

(Amt. in Thousands)

Particulars	2012-13	2013-14
Interest earned on advances	1187192	1411007
Interest earned on Investment	673224	417037
Interest earned on CA/TDR	337135	661791
Exchange/Commission and other income	79471	76250
Transferred from Risk Fund/Provisions	-	-
<b>Total Income</b>	<b>2277022</b>	<b>2566085</b>

### 18. EXPENDITURE INCURRED :

Expenses increased due to promotions of staff, recruitment and hike in the rate of interest of deposits and increase in the level of deposits. Comparative statement of expenditure incurred is given below :

(Amt. in Thousands)

Particulars	2012-13	2013-14
Interest paid on deposits	1280840	1520383
Interest paid on Borrowings	81244	99697
Salaries and Allowances	394342	428990
Other expenditure	241340	339513
Other Provision & contingencies	20386	18209
<b>Total</b>	<b>2018152</b>	<b>2406792</b>



## 19. FINANCIAL RATIOS :

Important financial Ratios are given below :

(Amt. in Thousands)

	Particulars	31.03.2013	31.03.2014
	<b>Average Working Funds</b>	<b>24775491</b>	<b>29737858</b>
1.	Financial Return	8.87	8.37
2.	Financial Cost	5.50	5.45
3.	Financial Margin	3.37	2.92
4.	Operating Cost	2.57	2.58
5.	Misc. Income	0.32	0.26
6.	Operating Profit	1.13	0.60
7.	Risk Cost	0.08	0.06
8.	Net Margin	1.04	0.54
9.	Provision for Tax	0.31	0.16
10.	Margin after Tax	0.74	0.38

## 20. TRANSFER PRICE MECHANISM :

In order to arrive at the actual profit at branch level, the Bank has adopted the transfer price mechanism. Some important components of Transfer Price Mechanism of the Bank are as under :

Saving Bank Account	200% of interest paid to depositors
Current Account	6% of average monthly balance
Term Deposit Account	108% of interest paid to depositors
Loans & Advances	50% of interest received on advances is received from the Branches
Cash Balances	10% of average cash balance is received from the Branches
<b>Increment in NPA Provision</b>	
(a) Write off in PBA/c	- 50% of written off amount
(b) Recovery in write off A/c	50%

## 21. MEMORANDUM OF UNDERSTANDING :

As on 31.03.14 achievements made by the Bank against the targets of MOU signed with Sponsor Bank for the year 2013-14 are as under :

(Amt. in Thousands)

	Particulars	Projections	Achievement	Achievement%
1.	(a) Share Capital	40000	40000	100
	(b) Share Capital Deposits	381500	381487	99.99
	(c) Reserves	1562000	1435262	91.87