



UTTARAKHAND GRAMIN BANK

HEAD OFFICE : 18 New Road, Dehradun, Uttarakhand

Board of Directors

Chairman :

Shri Sanjay Aggarwal

Directors :

A - Central Govt. Nominees :

- | | |
|--|---|
| <p>1. Shri Aryendra Rastogi
Advocate
(Non Official Director)
Sambhal, Uttar Pradesh</p> | <p>2. Non Official Director
Vacant</p> |
|--|---|

B - Reserve Bank Nominees :

1. **Shri Rajiv Kumar Gupta**
Assistant General Manager
Reserve Bank of India
Regional Office, Dehradun

C - Nabard Nominees :

1. **Shri A.K. Padhi**
Deputy General Manager
Nabard Regional Office
Dehradun

D - Sponsor Bank Nominees :

- | | |
|--|--|
| <p>1. Shri M.B. Diwakar
Deputy General Manager (B&O)
State Bank of India
Dehradun Administrative Office
Uttarakhand</p> | <p>2. Shri Bhagwat Singh
Assistant General Manager
State Bank of India
Dehradun Administrative Office
Uttarakhand</p> |
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E - State Govt. Nominees :

- | | |
|--|-------------------------|
| <p>1. Shridhar Babu Aadanki (I.A.S)
Additional Secretary (Finance)
Govt. of Uttarakhand</p> | <p>2. Vacant</p> |
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BACKGROUND OF THE BANK

UTTARAKHAND

The combined region of Kumaon and Garhwal has been known as Uttarakhand since the time of the Puranas, the ancient Hindu scriptures. Uttarakhand, the 27th state of India, is often referred as the Land of Gods. It occupies 17.3% of India's total land area with 53,483 sq. km. It has a population of about 101.17 Lakh. The population density of the state is 189 people per square kilometer having a decadal growth rate of 19.17% (Census 2001–2011). The gender ratio is 963 females per 1000 males. The GDP of state is INR 126593.30 Millions. The NDP is INR 113420.00 Millions. At the 2011 census the literacy rate of the state was 79.63% with 88.33% literacy for males and 70.70% literacy for females.

Uttarakhand is home of the point of origin of Ganga and Yamuna. Gangotri, Yamunotri, Badrinath and Kedarnath are some of the places regarded sacred by Hindus. It is believed that the sage Vyasa scripted the Hindu epic Mahabharata in the state. Among the first major dynasties of Garhwal and Kumaon were the Kunindas in the 2nd century BCE who practiced an early form of Shaivism and traded salt with Western Tibet. Prominent philosopher and environmental activist Sundarlal Bahuguna and Vandana Shiva are also from Uttarakhand.

The tourism industry is a major contributor to the economy of Uttarakhand, with the Corbett National Park and Tiger Reserve and the nearby hill-stations of Nainital and Bhimtal and several other hill-stations like Mussoorie, Almora and Ranikhet being among the most frequented destinations of India. The state has an unique Ecosystems diverse Flora and Fauna, Sanctuaries, Wildlife Parks etc.

The main crops are wheat, paddy, maize, manduwa and sanwa in food grains, urad, gram, pea, masoor & rajma in pulses and mustard, soybean, groundnut in oil seeds. Rice and wheat dominate the agricultural realm from one corner of the region to the other. The State is rich in mineral deposits like limestone, marble, rock phosphate, dolomite, magnetite, copper, gypsum, etc. The number of small scale industries is 25,294 and 54,047 handicraft units in the state. As many as 1802 heavy and medium industries with an investment of Rs 20,000 crore employ 5 lakh persons. Most of the industries are forest-based.



UTTARAKHAND GRAMIN BANK

PERFORMANCE OF THE BANK : AT A GLANCE

S. No.	Particulars	31.03.2016	31.03.2015
I	KEY PERFORMANCE INDICATORS		
1	no. of Districts in Service area	13	13
2	No. of Branches	286	286
	a) Rural	229	229
	b) Semi-Urban	43	43
	c) Urban	14	14
	d) Metropolitan	0	0
3	Total Staff(Excl. Sp.Bank Staff)	961	898
	Out of Which, Officers	516	510
4	Deposits	33500512	31426220
	Growth%	6.60%	15.17%
5	Borrowings	2597867	2756284
	Growth%(-)	-5.75%	2.08%
6	Gross Loans & Advances O/S	19455922	17532728
	Growth%	10.97%	15.71%
	Of 6 above, Loans to priority Sector	14600342	13527276
	Of 6 above, Loans to SC/ST	2638593	2340270
	Of 6 above, Loans to SF/MF/AL	3232041	2879463
	Of 6 above, Loans to Minorities	474379	470438
7	C. D Ratio	58.08	55.79
8	Investment Outstanding (excluding TDRs)	9905688	6928059
	Growth %	42.98%	12.07%
	i. SLR investment	9224808	6304443
	ii. Non SLR Investments (Excluding TDRs)	680880	623616
	CA balances with Bank	632347	395274
	TDR balances with Bank	7503246	11283215
II	AVERAGE		
1	Average Deposits	31698908	28520756
	Growth%	11.14%	22.72%
2	Average Borrowings	2842228	2334300
	Growth%	21.74%	32.66%
3	Average Loans & Advances o/s	18156363	15855236
	Growth%	14.51%	20%
4	Average Investment (excl. TDRs)	7433534	6535156



S. No.	Particulars	31.03.2016	31.03.2015
	Growth%	13.75%	14.59%
	Average SLR investment	6815530	5994920
	Average Non SLR investment (Excl. TDRs)	618004	540236
	Average Investments as % to Average deposit	23.45	22.91
5	Average Working Funds	39256493	35365287
III	LOANS DISBURSED:		
1	Total Loans Issued during the year	8312271	7903421
	of 14 above, Loans Priority sector	5713708	5424681
	of 14 above, Loans to Non-Target Group	2598563	2478740
	of 14 above, Loans to SC/ST	461234	443102
	of 14 above, Loans to SF/MF/Agriculture labourers	2958470	2865391
IV	PRODUCTIVITY:		
1	Per Branch	185162	171185
2	Per Employee	54820	54039
V	RECOVERY PERFORMANCE		
	Total (as on 30 June)		
	Demand	7709754	6312923
	Recovery	6223853	5059862
	Overdues	1485901	1253060
	Recovery%	80.73	80.15
1	Farm Sector		
	Demand	1817128	241970
	Recovery	1302418	179220
	Overdues	514710	62750
	Recovery%	71.67	74.07
2	Non-Farm Sector		
	Demand	5892626	3893221
	Recovery	4921435	3267652
	Overdues	971191	625559
	Recovery%	83.52	83.93
VI	ASSET CLASSIFICATION		
1	Standard Asset	17480201	16375800
	Sub-Standard	675575	394685
	Doubtful	1278196	742369
	Loss Assets	21950	19804
	Total	19455922	17532728
2	Standard Asset as% to Gross Loans/O/S Advances	89.85	93.4



S. No.	Particulars	31.03.2016	31.03.2015
	Gross NPAs%	10.15	6.6
	Net NPAs%	7.94	4.71
VII	PROFITABILITY ANALYSIS		
1	Interest Paid		
	On Deposits	2106840	1961006
	On Borrowings	175384	138029
2	Salary	767833	578215
3	Other Operating Expenses	306480	323312
4	Provisions made during the Year		
	Against NPAs	122750	36291
	Other Provision	3741	5051
5	Interest earned		
	On Loans & Advances	1819357	1581140
	On C/As & TDRs with Sp. Bank/Other Banks	930369	907062
	On SLR Investments	545839	481844
	On Non-SLR Investments	44194	25369
6	Misc. Income	158077	115534
7	Profit/Loss		
	Profit before Tax	14808	69046
	Profit after Tax	12869	26529
VIII	OTHER INFORMATION		
1	Share Capital Deposit Received	0	381487
2	D.I.C.G.C.	0	0
	Claims Settled Cumulative	0	0
	Claims received but Pending for adustment	0	0
	Claims Pending with the Corporation	0	0
3	Cumulative Provision	0	0
	Against NPAs	384974	288633
	Against other intengible assets	0	0
4	Derecognised income		
	During the year	50197	47373
	Cumulative	83954	39176
5	Loans written off during the year		
	No. of A/cs	230	207
	Amount (excluding notional intt.)	47885	8306
6	Accumulated Losses	0	
7	Reserves	1469638	1453844

BOARD OF DIRECTOR'S REPORT FOR THE YEAR 2015-2016

The Board of Directors of Uttarakhand Gramin Bank have immense pleasure in presenting the 4th Annual Report (2015-2016), audited Balance Sheet as on 31.03.2016 and Profit & Loss Account of Uttarakhand Gramin Bank, for the period 01.04.2015 to 31.03.2016.

1. BRIEF INTRODUCTION :

Uttarakhand Gramin Bank sponsored by State Bank of India came into operation with effect from November 1st 2012 vide Gazette Notification dated 01.11.2012 issued by Govt. of India, under section 23(A) sub section (i) of RRBs Act 1976 (21 of 1976), after amalgamation of two erstwhile Regional Rural Banks viz. Uttaranchal Gramin Bank sponsored by State Bank of India and Nainital Almora Khetriya Gramin Bank sponsored by Bank of Baroda. Accordingly, Bank's area of operation is extended in the districts of Dehradun, Tehri, Uttarakashi, Haridwar, Pauri, Chamoli, Rudraprayag of Garhwal Division and district Pithoragarh, Champawat, Nainital, Almora, Bageshwar and Udham Singh Nagar of Kumaun Division in Uttarakhand.

The Head Office of the Bank is situated at Dehradun, which is the Capital city of the State of Uttarakhand. The major area of operation which is extended in remote areas of the state is thinly populated and seven districts of service area fall under "Zero Industry" zone. However, the area is widely acknowledged for its famous pilgrim centers and tourist places.

Despite abundance of water resources, this area has negligible irrigation facilities and farmers are forced to use conventional methods of farming. Though cash crops like potato, ginger and fruits like malta, apple are cultivated in small areas yet due to lack of basic infrastructure, viz proper transportation, processing and storage facilities such cultivation is restricted in a few pockets only.

ORGANISATIONAL STRUCTURE:

Organizational structure of the Bank is divided into 3 administrative stratas. Branches under the supervision of Branch Managers are the root units functioning under the Regional Offices, supervised by the Regional Managers. Apex administrative control of these two is enshrined in the Head Office. Presently, there are 4 Regional Offices viz. Regional Office-I Dehradun, Regional Office-II Pauri, Regional Office-III Pithoragarh and Regional Office-IV, Haldwani under which 86 Branches and 04 Satellite Offices, 62 Branches and 07 Satellite Offices, 38 and 100 branches and 02 Extension counters are functioning respectively.

2. BRANCH NETWORK:

The area of operation of the Bank is spread with a network of 286 branches covering all 13 districts of Uttarakhand.

The Bank is providing services to its customers through its extended network of 4 Regional offices, 286 branches, 11 satellite offices and 2 extension counters. The district-wise panorama of its branch network is as under:-

Sl.No.	District	Regional Office	Urban	Semi-Urban	Rural Branches	Satellite Offices	Extn. Counter	Total
1.	Dehradun	I	09	08	27	01	-	45
2.	Tehri	I	-	01	19	03	-	23
3.	Uttarkashi	I	-	01	06	-	-	07
4.	Haridwar	I	02	08	05	-	-	15
5.	Pauri	II	-	05	36	04	-	45
6.	Chamoli	II	-	02	11	02	-	15
7.	Rudraprayag	II	-	-	08	01	-	09



8.	Pithoragarh	III	-	04	26	-	-	30
9.	Champawat	III	-	01	07	-	-	08
10.	Nainital	IV	03	03	31	-	01	38
11.	Almora	IV	-	04	25	-	-	29
12.	Bageshwar	IV	-	01	13	-	-	14
13.	U S Nagar	IV	-	05	15	-	01	21
	TOTAL	04	14	43	229	11	02	299

Being the area of operation of the Bank as rural having thin population density, it has 229 rural branches, 43 semi-urban branches & 14 urban category branches. During Financial year 2015-16, we have not opened any branch.

3. SHARE CAPITAL:

As per gazette notification no 18 dated 12.05.2015 for the amendment in RRB Act, the authorized capital of the Regional Rural bank has been increased from Rupees five crores to Rupees two thousand crores and divided into two hundred crores number of fully paid equity shares of Rupees ten each. The share capital deposit has also been converted into subscribed share capital; therefore the total subscribed share capital is Rs 42.14 Crores as on 31.03.2016. The subscribed share capital and share capital deposit of the bank is as under:

(Amt. in Thousands)

Particulars	Share of Central Govt.	Share of Sponsor Bank	Share of State Govt.	Total
Share Capital Deposits (Received)	210743	147520	63222	421485

RESERVES AND SURPLUS:

An amount of Rs. 38.61 Lacs was transferred to statutory reserves out of the profit of Rs. 148.08 Lacs (before tax). The reserves of the bank increased to Rs. 14696.38 Lacs as on 31.03.2016 as against Rs. 14538.44 Lacs as on 31.03.2015. The position is given below:

(Amt. in Thousands)

Particular	31.03.2015	31.03.2016
Reserves & Surplus	1453844.00	1469638.00

4. DEPOSITS:

Deposit mobilization is one of the top priorities for the profitable operation of the Bank. Deposits of Bank rose to Rs. 33500512.00 thousands showing a deposit growth of Rs. 2074292.00 thousands (6.60%) as on 31.03.2016 as compared to the level of Rs. 31426220.00 thousands as on 31.03.2015. The percentage of Demand Deposit stands 49.06% as on 31.03.2016 as compared to 47.05% as on 31.03.2015. Cost of Deposit stands 6.65% as on 31.03.2016. Per branch and per employee (Including Sponsor Bank staff) deposits as on 31.03.2016 are Rs. 117135.00 thousands and Rs. 34,680.00 thousands respectively. Category-wise break-up of deposits and deposit mix is given below:-

(Amt. in Thousands)

Type of Deposits	31.03.2015			31.03.2016		
	No. of A/cs	Amt.	Deposit Mix. %	No. of A/cs	Amt.	Deposit Mix. %
Current A/c	9493	916911	2.92	9835	797834	2.38
(Growth %)	-	(-) 11.88	-	-	-12.99	-
Savings Bank A/C	1049128	13870398	44.14	1127319	15637426	46.68
(Growth %)	-	10.71	-	-	12.74	-
Total Demand Deposits	1058621	14787309	47.05	1137154	16435260	49.06
(Growth %)	-	8.98	-	-	11.14	-
Time Deposits	209510	16638911	52.95	222376	17065252	50.94
(Growth %)	-	21.29	-	-	2.56	-
Total Deposits	1268131	31426220	100.00	1359530	33500512	100
(Growth %)	-	15.17	-	-	6.60	-

5. BORROWINGS :

During the year 2015-16 an amount of Rs. 11300 Lacs has been drawn by the Bank from NABARD @4.5% under the head Short Term Seasonal Agriculture Operations (ST-SAO) and Rs. 4512.00 Lacs under the head Medium Term Refinance for the year 2015-16, average cost of borrowings stood at 6.17%. The details of refinance limits sanctioned, drawn and repaid during the year 2015-16 are as under:-

(Amt. in Thousands)

Particulars	Balance	Limit Sanctioned	Refinance Availed	Repayment	Balance
	31.03.2015	2015-16	2015-16	2015-16	31.03.2016
FROM NABARD					
ST-SAO	1450000	1400000	1130000	1450000	1130000
ST-OSAO	-	-	-	-	-
MT Schematic	1230155	451159	451159	337958	1343357
Sub Total	2680155	1851159	1581159	1787958	2473357
D.L./OD from Other Banks	76129	-	115485	67104	124510
GRAND TOTAL	2756284	1851159	1696644	1855062	2597867

The repayment of refinance was made in time. The Bank has paid Rs. 1, 75,383.42 thousands in the year 2015-16 as interest on refinance.

6. DICGC CLAIMS:

The Bank is paying the premium to D.I.C.G.C. in due time in regard to deposit insurance.

7. 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 31.03.2015	As on 31.03.2016
Cash balance at the end of the year	244912	261271
Average cash balance during the year	265012	285785
% of average cash to average deposits	0.93	0.90
Required C.R.R.	1154702	1293022
Balance with Reserve Bank of India	1181632	1321632
Balance in C/A with Sponsor Bank	272767	537048
Balance in C/A with P.N.B. & others	122507	95299
Balance in Term Deposits with Sponsor Bank	6859023	6050402
Term deposits with other Banks	4424192	1452844
Interest earned on C/A with RBI	-	-
Interest earned on Term deposits	905459	930369

Branches of the Bank are maintaining current accounts with near-by branches of State of 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 2015-16.



8. INVESTMENTS:

The Bank has formulated its own investment policy with the approval of the Board and investment made is being reviewed on half-yearly basis by the Board. Keeping in view of comparative low yield in Term Deposit, Special Term Deposit Schemes of other Banks, Bank has discouraged invest in fixed Deposit of other banks.

In order to maintain the SLR, the Bank has opened an account with SBI, Securities Services Branch, Mumbai / Bank of Baroda 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 amortized equally over the residual maturity period of the securities. During this financial year, bank has specially invested in State Development loan under Government Securities & earn a profit more than 0.50% comparatively from fixed deposit of Banks due to investment in Government Securities Bank could also maintained the CRAR at optimum level.

Bank has also categorized their Government Securities portfolio into three category i.e. HTM, AFS & HFT & earn a net profit of Rs. 3.62 cr. on sale of some scripts, during the financial year. In addition of that 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 31st March 2016, the amount invested in different mutual funds is Rs. 2256.97 Lacs and the amount invested in different bonds are Rs. 4551.83 Lacs.

9. LOANS AND ADVANCES:

Bank has disbursed Rs. 83122.70 Lacs as against targeted growth of Rs. 113830.96 Lacs. Total outstanding advances as on 31.03.2016 were Rs. 194559.22 Lacs as compared to the outstanding advances as on 31.03.2015 i.e. Rs. 175327.28 Lacs out of which Rs. 135272.76 Lacs were to priority sector as on 31.03.2015 and Rs. 146003.42 Lacs as on 31.03.2016. Per branch and per employee (Including Sponsor Bank staff) advance as on 31.03.2016 are to the tune of Rs. 680.28 Lacs and Rs. 201.41 Lacs respectively. Sector-wise and activity-wise position of advances is detailed below:-

ACTIVITY-WISE OUTSTANDING ADVANCES

(Amt. in Thousands)

Particulars	31.03.2015		31.03.2016	
	A/c	Amt.	A/c	Amt.
1- Crop Loans	54871	2879463	55398	3092228
2- Agri. T. Loan	16591	1525534	15314	1389062
3- Small Scale Industries	8123	1331706	8267	1446029
4- Small Busi. Finance	19946	4730551	20969	5066924
5- D.L. & Others	27621	7065474	29072	8461679
Total	127152	1753728	129020	19455922
Out of which				
i) Advances to priority sector	107922	13527276	108793	14600342
ii) Advances to S.C./S.T.	32758	2340270	33688	2638593
iii) Advances to Minorities	3893	470438	3900	474379
iv) Advances to Small & Marginal Farmers	54871	2879463	55892	3232041
v) Advances to I.R.D.P./ S.G.S.Y.	7132	272778	5713	188657
vi) Advances to S.C.P.	1543	27326	1290	23104
vii) Advances to N.T.G.	19230	4005452	20227	4855580
viii) C.D. Ratio%	-	55.79%	-	58.08%

The Bank has total deposits Rs. 335005.12 Lacs as against total outstanding advances Rs. 194559.22 Lacs as on 31.03.2016. The C.D. Ratio of the Bank was 58.08% as on 31.03.2016.

10. 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. As on date 31.03.2016 the level of NPA is 1975721.00 thousands. Accordingly, gross NPA of the Bank stood at 10.15% as on 31.03.16 as compared to 6.60% as on 31.03.15 and the level of Net NPAs increased from 4.71% to 7.94% respectively. The details of assets classification and provisioning are appended:-

(Amt. in Thousands)

Assets	31.03.2015		31.03.2016	
	Amt. o/s	Provisions	Amt. o/s	Provisions
1. Standard Assets	16375800	51927	17480201	56684
2. Sub Standard Assets	394685	36035	675575	63531
3. Doubtful Assets	742369	233421	1278196	300726
4. Loss Assets	19874	19176	21950	20717
Total	17532728	340559	19455922	441658
Net O/S advances	17184919	-	18986994	-
Gross NPAs	1156928	-	1975721	-
% to Gross Advnaces	6.60%	-	10.15%	-
Net NPAs	809119	-	1506793	-
% to Net Advances	4.71%	-	7.94%	-

B) INTEREST DERECOGNISED :

The Bank has recovered derecognized interest income Rs. 25409.00 Thousands during the period 01.04.2015 to 31.03.2016. Data related to derecognized income are appended .

(Amt. in Thousands)

Particulars	As on 31.03.2015	As on 31.03.2016
Derecognized interest income at the beginning of the year	18784	59176
(-) Recovery during the year	6981	25409
Recovery %	37.16%	42.94%
(+) addition during the year	47373	50197
Derecognized interest income at the end of the year	59176	83964

C) PROVISIONS :

The Bank made provisions against non-performing assets as per the norms prescribed by the Reserve Bank of India and the provision made on 31.03.2016 has a increment of Rs. 122750.00 thousands. As at the end of 2015-16 outstanding provisions for NPAs and Standard Assets stood at Rs. 3849.74 Lacs and Rs. 566.84 Lacs respectively.