

UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
BALANCE SHEET AS ON 31st MARCH 2024

(Amt. In Rs.)

CAPITAL AND LIABILITIES	Schedule No.	As on 31.03.2024	As on 31.03.2023
Capital	1	1,84,26,68,910.00	1,53,10,46,600.00
Reserves & Surplus	2	2,20,13,21,318.80	1,44,87,66,489.80
Deposits	3	78,33,62,15,648.55	71,17,75,94,768.94
Borrowings	4	1,90,98,02,152.42	1,00,23,35,210.00
Other Liabilities and Provisions	5	3,07,94,70,888.26	2,44,40,78,896.34
TOTAL		87,36,94,78,918.03	77,60,38,21,965.08
ASSETS			
Cash and Balances with Reserve Bank of India	6	3,75,59,09,587.00	3,42,73,93,658.00
Balance with Banks and money at call and short notice	7	9,08,12,38,595.49	8,15,52,53,074.26
Investments	8	37,22,41,50,193.04	34,54,14,82,104.53
Advances	9	35,70,58,89,831.59	30,01,20,11,359.96
Fixed Assets	10	31,37,96,097.71	23,27,03,491.73
Other Assets	11	1,28,84,94,613.20	1,23,49,78,276.60
TOTAL		87,36,94,78,918.03	77,60,38,21,965.08
Contingent Liabilities	12	47,02,97,705.88	18,23,33,024.72
Significant Accounting Policies	17		
Notes to Accounts	18		

Schedules referred to above form an integral part of the Balance Sheet.

Place: Dehradun
Date: 30-Apr-24



(Signature)
Parashar Datt Joshi
(Asst. Gen. Manager- Accounts)

(Signature)
Ishwar Kumar
(General Manager)

(Signature)
Hari Har Patnaik
(Chairman)

(Signature)
Abhay Gupta
(Director)

(Signature)
Nirmal Kumar
(Director)

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

(Signature)
Ganga Prasad
(Director)

(Signature)
Savin Bansal
(Director)

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

Rajeev Kumar Verma
(Director)



(Signature)
(Brijesh Kaushik)
Partner
M.No - 092573

UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
STATEMENT OF PROFIT & LOSS FOR THE PERIOD 01.04.2023 TO 31.03.2024

(Amt. In Rs.)

	Schedule No.	For the Period 01.04.2023 to 31.03.2024	For the Year 01.04.2022 to 31.03.2023
I. INCOME			
Interest Income	13	6,38,56,63,516.57	5,61,55,12,843.55
Other Income	14	38,64,46,797.64	34,31,13,551.03
TOTAL		6,77,21,10,314.21	5,95,86,26,394.58
II. EXPENDITURE			
Interest Expended	15	3,18,00,70,832.55	2,61,89,38,962.42
Operating Expenses	16	2,38,64,86,717.49	2,67,86,07,890.88
Provisions and Contingencies		32,83,09,583.94	22,15,74,661.21
TOTAL		5,89,48,67,133.98	5,51,91,21,514.51
III. PROFIT/LOSS			
Net Profit / (Loss) for the Year (Before Tax)		87,72,43,180.23	43,95,04,880.07
Add: Provision for Deferred Tax Asset		3,03,928.77	32,800.00
Less: Provision for Income Tax		12,49,92,280.00	17,41,960.00
Net Profit For The Period/Year (After Tax)		75,25,54,829.00	43,77,95,720.07
IV. APPROPRIATIONS			
Transfer to:			
Statutory Reserves		15,05,10,965.80	8,75,59,144.01
Revenue and Other Reserves		-	-
Investment Fluctuation Reserves		34,53,97,755.00	-
Profit and Loss Account		25,66,46,108.20	35,02,36,576.06
TOTAL		75,25,54,829.00	43,77,95,720.07
Earning Per Share (Rs) (Basic/Diluted)		4.08	2.86
(Nominal Value of Rs.10 each)			

Schedules referred to above form an integral part of the Profit & Loss Account.

Place: Dehradun
Date: 30-Apr-24



Abhay Gupta
(Director)

Ganga Prasad
(Director)

Rajeev Kumar Verma
(Director)

Parashar Datt Joshi
(Asst. Gen. Manager- Accounts)

Nirmal Kumar
(Director)

Savin Bansal
(Director)

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
Firm Reg.No 014544N



Brijesh Kaushik
Partner
M.No - 092573

UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 1 CAPITAL

Particulars	As on 31.03.2024	As on 31.03.2023
Authorised Capital (200,00,00,000 Shares of Rs.10/ each)	20,00,00,00,000.00	20,00,00,00,000.00
Issued Capital (18,42,66,500 Shares of Rs.10/- each) (Previous year 15,31,04,660 of Rs. 10/- each)	1,84,26,65,000.00	1,53,10,46,600.00
Subscribed & Paid up Capital (18,42,66,500 Shares of Rs.10/- each) (Previous year 15,31,04,660 of Rs. 10/- each)	1,84,26,65,000.00	1,53,10,46,600.00
Share Application Money received from GOI	3,910.00	-
TOTAL	1,84,26,68,910.00	1,53,10,46,600.00




Parashar Datt Joshi
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 (General Manager)


Hari Har Patnaik
 (Chairman)




UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 2 RESERVES & SURPLUS

Particulars	As on 31.03.2024	As on 31.03.2023
I. Statutory Reserves		
Opening Balance	53,80,61,836.88	45,05,02,692.87
Additions during the year	15,05,10,965.80	8,75,59,144.01
Deductions during the year	-	-
	68,85,72,802.68	53,80,61,836.88
II. Capital Reserves		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
	-	-
III. Investment Fluctuation Reserves		
Opening Balance	8,97,00,000.00	8,97,00,000.00
Additions during the year	34,53,97,755.00	-
Deductions during the year	-	-
	43,50,97,755.00	8,97,00,000.00
IV. Revenue and Other Reserves		
Opening Balance	1,19,60,17,549.56	1,19,60,17,549.56
Additions during the year	-	-
Less: Appropriation of Balance of Profit and Loss Account	37,50,12,896.64	-
	82,10,04,652.92	1,19,60,17,549.56
V. Balance of Profit and Loss Account		
Opening Balance	-37,50,12,896.64	-72,52,49,472.70
Additions during the year	25,66,46,108.20	35,02,36,576.06
Add: Appropriation from Revenue and Other Reserves	37,50,12,896.64	-
	25,66,46,108.20	-37,50,12,896.64
TOTAL (I + II + III + IV + V)	2,20,13,21,318.80	1,44,87,66,489.80




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 3 DEPOSITS

Particulars	As on 31.03.2024	As on 31.03.2023
A. I. Demand Deposit		
i) From Banks	-	3,84,165.18
ii) From Others	1,71,02,01,253.62	1,51,67,67,442.45
II. Savings Bank Deposits	43,92,93,49,941.08	39,88,57,61,861.28
III. Term Deposits		
i) From Banks	-	-
ii) From Others	32,69,66,64,453.85	29,77,46,81,300.03
TOTAL (I+II+III)	78,33,62,15,648.55	71,17,75,94,768.94
B. i) Deposits of Branches in India	78,33,62,15,648.55	71,17,75,94,768.94
ii) Deposits of Branches outside India	-	-
TOTAL	78,33,62,15,648.55	71,17,75,94,768.94




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UTTARAKHAND GRAMIN BANK
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NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 4 BORROWINGS

Particulars	As on 31.03.2024	As on 31.03.2023
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	-	-
iii) Other Institutions		
a) NABARD	1,88,61,00,000.00	98,05,00,000.00
b) NHFDC	9,34,769.00	8,31,463.00
c) NSCFDC	64,72,406.42	-
d) NSTDC	89,29,356.00	1,64,20,269.00
e) NBCFDC	73,65,621.00	45,83,478.00
II. Borrowings Outside India	-	-
TOTAL (I + II)	1,90,98,02,152.42	1,00,23,35,210.00
Secured borrowings included in I & II above	1,90,98,02,152.42	1,00,23,35,210.00




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 5 OTHER LIABILITIES & PROVISIONS

Particulars	As on 31.03.2024	As on 31.03.2023
i) Bills payable	13,80,89,836.18	15,20,76,521.93
ii) Inter Office adjustment (Net)	1,00,00,000.00	92,27,829.50
iii) Interest Accrued	1,79,40,51,231.59	1,53,78,26,135.38
iv) Other (Including Provisions) *	1,00,30,14,050.73	68,34,68,615.30
v) Provision for Income Tax (Net)	-	17,41,960.00
vi) TDS Payable	13,43,15,769.76	5,97,37,834.23
TOTAL	3,07,94,70,888.26	2,44,40,78,896.34

* Includes prudential provision for Standard Assets Rs. 12,20,68,769.77 (previous Year Rs. 10,18,92,026.65)




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 6 CASH & BALANCES WITH RESERVE BANK OF INDIA

Particulars	As on 31.03.2024	As on 31.03.2023
I. Cash in hand (Including Foreign Currency Notes)	20,73,73,587.00	21,89,60,658.00
II. Balance with RBI		
i) In Current Account	3,54,85,36,000.00	3,20,84,33,000.00
ii) In Other Account	-	-
TOTAL	3,75,59,09,587.00	3,42,73,93,658.00




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 7 BALANCE WITH BANKS AND MONEY AT CALL & SHORT NOTICE

Particulars	As on 31.03.2024	As on 31.03.2023
I. In India		
i) Balance with Banks		
a) In Current Accounts	50,16,66,795.49	32,13,64,471.26
b) In other Deposit Accounts	8,57,95,71,800.00	7,83,38,88,603.00
ii) Money at call and Short Notice		
a) With Banks	-	-
b) With Other Institution	-	-
TOTAL	9,08,12,38,595.49	8,15,52,53,074.26
II. Outside India		
i) In Current Account	-	-
ii) In Other Deposit Accounts	-	-
iii) Money at Call & Short Notice	-	-
TOTAL	-	-
GRAND TOTAL (I & II)	9,08,12,38,595.49	8,15,52,53,074.26




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UTTARAKHAND GRAMIN BANK
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NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 8 INVESTMENTS

Particulars	As on 31.03.2024	As on 31.03.2023
I. Investment in India in		
i) Government Securities	36,20,51,08,581.08	33,79,57,36,176.30
ii) Other approved Securities	25,40,40,312.86	25,58,43,050.00
iii) Shares	-	-
iv) Debentures and Bonds	52,50,73,186.71	37,28,93,960.93
v) Subsidiaries and/or Joint Ventures	-	-
vi) Other (to be specified)		
SBI Mutual Fund	23,99,28,112.39	11,70,08,917.30
TOTAL-I	37,22,41,50,193.04	34,54,14,82,104.53
II. Investment Outside India in		
I) Govt. Securities (including Local Authorities)	-	-
ii) Subsidiaries and/or Joint Ventures abroad	-	-
iii) Other investments (to be specified)	-	-
TOTAL-II	-	-
GRAND TOTAL (I & II)	37,22,41,50,193.04	34,54,14,82,104.53
Investment in India		
i) Gross Value of Investments	37,22,41,50,193.04	34,56,90,44,933.91
ii) Less: Aggregate of Provisions	-	2,75,62,829.38
iii) Net Investment (vide I above)	37,22,41,50,193.04	34,54,14,82,104.53




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 9 ADVANCES

Particulars	As on 31.03.2024	As on 31.03.2023
A		
i Bills purchased and discounted	-	-
ii Cash Credits, Overdrafts and loans repayable on demand	16,39,01,39,849.34	14,03,21,73,694.44
iii Term Loan	19,31,57,49,982.25	15,97,98,37,665.52
TOTAL	35,70,58,89,831.59	30,01,20,11,359.96
B		
i Secured by tangible assets	25,55,50,35,867.72	22,09,75,07,757.19
ii Covered by Bank/Govt. Guarantees	1,96,57,81,264.80	54,68,65,606.47
iii Unsecured	8,18,50,72,699.07	7,36,76,37,996.30
TOTAL	35,70,58,89,831.59	30,01,20,11,359.96
C		
Advances in India		
i Priority Sector	19,80,20,16,354.91	17,33,09,30,023.96
ii Public Sector	-	-
iii Banks	-	-
iv Others	15,90,38,73,476.68	12,68,10,81,336.00
TOTAL	35,70,58,89,831.59	30,01,20,11,359.96
D		
Advances Outside India		
i Due from Banks	-	-
ii Due from others	-	-
a) Bills purchased and discounted	-	-
b) Syndicate loans	-	-
c) Others	-	-
TOTAL	-	-
GRAND TOTAL	35,70,58,89,831.59	30,01,20,11,359.96




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 10 FIXED ASSETS

Particulars	As on 31.03.2024	As on 31.03.2023
I. Leased Land		
As cost as on 31st March of the proceeding year	2,80,67,900.00	2,80,67,900.00
Addition during the year	-	-
Deductions during the year	-	-
Depreciation (Amortization) to date	9,45,849.79	6,33,984.23
	2,71,22,050.21	2,74,33,915.77
II. Other Fixed Assets (Including Furniture & Fixtures)		
At cost as 31st March of the proceeding year	29,72,66,742.26	26,09,65,021.61
Add : Additions during the year	3,05,88,793.68	3,87,11,044.08
Less: Deductions during the year	2,57,465.00	24,09,323.43
Less: Depreciation to date	22,51,20,760.74	19,87,43,903.60
	10,24,77,310.20	9,85,22,838.66
III. Assets under Construction (Includes Premises)	18,41,96,737.30	10,67,46,737.30
TOTAL (I, II and III)	31,37,96,097.71	23,27,03,491.73




Parashar Datt Joshi
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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 11 OTHER ASSETS

Particulars	As on 31.03.2024	As on 31.03.2023
i. Inter Office Adjustment (Net)	-	-
ii) Interest Accrued		
a) on Advances	4,42,63,911.16	3,98,08,451.89
b) on Investments	94,09,50,741.31	92,12,24,830.22
iii) Tax Deducted at Source (Net)	43,97,369.95	23,75,956.07
iv) Advance Income Tax (Net)	7,13,07,720.00	-
v) Stationery and Stamps	27,94,178.39	1,06,52,771.60
vi) Others	21,81,14,234.45	25,45,53,737.65
vii) Deferred Tax Asset	66,66,457.94	63,62,529.17
viii) Non-Banking Assets Acquired in Satisfaction of Claims	-	-
TOTAL	1,28,84,94,613.20	1,23,49,78,276.60




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
NOTES FORMING PART OF BALANCE SHEET AS ON 31st MARCH 2024
SCHEDULE : 12 CONTINGENT LIABILITIES

Particulars	As on 31.03.2024	As on 31.03.2023
i) Claim against the Bank not acknowledged as debts	18,24,869.00	18,24,869.00
ii) Liability for party paid Investments	-	-
iii) Liability on account of outstanding forwarded exchange contracts	-	-
iv) Guarantees given on behalf of constituents		
a) In India	5,91,64,050.00	8,48,24,751.00
b) Outside India	-	-
v) Depositor Education and Awareness Fund	40,93,08,786.88	9,56,83,404.72
TOTAL	47,02,97,705.88	18,23,33,024.72




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
STATEMENT OF PROFIT & LOSS FOR THE PERIOD 01.04.2023 TO 31.03.2024
SCHEDULE : 13 INTEREST EARNED

Particulars	For the Period 01.04.2023 to 31.03.2024	For the Year 01.04.2022 to 31.03.2023
I. Interest/discount on advances /bills	3,16,44,60,387.17	2,73,67,70,847.85
II. Income on Investments	2,60,68,77,847.55	2,44,77,64,971.85
III. Interest on balances with RBI and Other Inter Bank Funds	61,43,25,281.85	43,09,77,023.85
IV. Others	-	-
TOTAL	6,38,56,63,516.57	5,61,55,12,843.55




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
STATEMENT OF PROFIT & LOSS FOR THE PERIOD 01.04.2023 TO 31.03.2024
SCHEDULE : 14 OTHER INCOME

Particulars	For the Period 01.04.2023 to 31.03.2024	For the Year 01.04.2022 to 31.03.2023
I. Commission, Exchange & Brokerage	29,93,47,045.89	26,69,53,474.38
II. Profit on sale of Investment	3,32,63,316.35	6,15,545.79
Less : Loss on sale of Investment	-	-
III. Profit on revaluation of investment	-	-
Less : Loss on revaluation of investment	-	-
IV. Profit on sale of Land, Buildings and other assets	1,31,989.63	5,20,443.18
Less : Loss on sale of land Building and other assets	-	(6,687.36)
V. Profit on exchange transaction	-	-
Less : Loss on exchange transaction	-	-
VI. Income earned by way of dividend etc. from Subsidiaries/Companies and/or Joint ventures abroad/in India	-	-
VII. Miscellaneous Income	5,37,04,445.77	7,50,30,775.04
TOTAL	38,64,46,797.64	34,31,13,551.03




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
STATEMENT OF PROFIT & LOSS FOR THE PERIOD 01.04.2023 TO 31.03.2024
SCHEDULE : 15 INTEREST EXPENDED

Particulars	For the Period 01.04.2023 to 31.03.2024	For the Year 01.04.2022 to 31.03.2023
I. Interest on Deposits	3,10,89,17,594.37	2,57,57,40,823.56
II. Interest on Reserve Bank of India/ Inter-Bank Borrowings	7,11,53,238.18	4,31,98,138.86
III. Others	-	-
TOTAL	3,18,00,70,832.55	2,61,89,38,962.42




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UTTARAKHAND GRAMIN BANK
HEAD OFFICE: DEHRADUN
STATEMENT OF PROFIT & LOSS FOR THE PERIOD 01.04.2023 TO 31.03.2024
SCHEDULE : 16 OPERATING EXPENSES

Particulars	For the Period 01.04.2023 to 31.03.2024	For the Year 01.04.2022 to 31.03.2023
i. Payments to and Provision for Employees	1,68,60,26,790.02	1,36,06,42,341.02
ii) Contribution to and Provision for Pension	5,01,60,750.29	65,32,41,667.60
iii) Rent, Taxes and Lighting	10,54,01,477.71	9,87,69,755.57
iv) Printing and Stationery	1,67,63,049.38	93,24,832.44
v) Advertisement and Publicity	6,81,259.92	1,17,780.10
vi) Depreciation on Bank's Property	2,69,46,169.70	2,11,31,283.29
vii) Directors' Fees, Allowance and expenses	-	-
viii) Auditors' fees & expenses	30,53,955.90	27,49,865.00
ix) Law Charges	69,89,422.46	1,31,04,079.20
x) Postage, Telegram, Telephones	1,08,86,518.09	1,02,41,040.88
xi) Repairs and Maintenance	10,51,17,008.00	9,08,54,959.83
xii) Insurance	12,86,63,306.00	11,76,45,050.80
xiii) Payment to Outsources Agencies	6,98,18,942.94	6,11,98,417.52
xiv) Other Expenditure	17,59,78,067.08	23,95,86,817.63
TOTAL	2,38,64,86,717.49	2,67,86,07,890.88




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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.

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.
- f) Investments held under AFS and HFT categories are individually revalued at market price or fair value determined as per the regulatory guidelines and only the net depreciation of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- g) Profit or Loss on sale of investment is recognized in the Profit and Loss account.

3 Loans/Advances and Provisions thereon:

- a) All advances have been classified under four categories viz:
 - i. Standard Assets
 - ii. Sub-standard Assets- a loan asset that has remained non-performing for a period less than or equal to 12 months.
 - iii. Doubtful Assets- A loan asset that has remained in the sub-standard category for a period of 12 months.
 - iv. Loss Assets- A loan asset where loss has been identified but the amount has not been fully written off.
- b) Provisions are made for Standard assets and NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

i. Standard	0.25%, 0.40% or 1% of the outstanding as applicable
ii. Sub-Standard	General provision of 15 % on the total outstanding Additional provision of 10% for exposures which are unsecured ab-initio
iii. Doubtful	
Up to one year	25% of secured+ 100% of unsecured portion
Over 1 year to 3 years	40% of secured+ 100% of unsecured portion
Above 3 years	100%
iv. Loss Assets	100%
- c) Provisions on Standard advances, Restructured MSME advances as per RBI circular dated 06.08.2020 and eligible personal loan as per RBI circular dated 06.08.2020 are reflected in Schedule 5 of the Balance Sheet under the head “Other Liabilities & Provisions – Others” and are not considered for arriving at the Net NPAs.
- d) Advances are net of specific loan loss provisions, unrealized interest, SRF and Floating Provision.
- e) Bank has created Floating Provision at the rate of 1 percent of Gross Advances of the bank as on 31.03.2024. This provision will be utilised only for contingencies under extraordinary



circumstances in accordance with RBI Guidelines. Floating provision is netted off from gross NPAs to arrive at disclosure of net NPAs.

- f) Amounts recovered against debts written off in earlier years are recognized as revenue in the year of recovery.

4 Fixed Assets, Depreciation and Amortisation:

- a) Fixed Assets are carried at cost less accumulated depreciation/ amortisation.
- b) Cost includes purchase price less GST Input Tax Credit availed, Trade Discount and rebates and include any cost such as installation costs and professional fees directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent expenditure(s) incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.
- c) Depreciation is charged on Straight Line Method on depreciable amount of fixed assets at the rates as under:

Sl. No.	Description of Fixed Assets	Depreciation/Amortisation Rate
1.	Furniture & Fixtures	10%
2.	Computers and Hardware	33.33%
3.	Software	33.33%
4.	Electrical Fixture	20%
5.	Motor Vehicle	20%
6.	Safe Locker and FRFC	5%
7.	CCTV & Air Conditioner	12.5%

- 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 plan/scheme of Insurance Company to provide gratuity payments to 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



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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 System (NPS)

The Bank has implemented the 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 taken a group leave encashment plan of Insurance Company to provide leave encashment payments to employees. The Bank provides for leave encashment liability based on actuarial valuation.

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.

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Schedule 18: Note to Accounts for the Year ended 31st March 2024

1 Regulatory Capital

a. Composition of Regulatory Capital

(₹ in lakh)

S.No	Particulars	As on 31-03-2024	As on 31-03-2023
i)	Tier 1 Capital	36022.27	28837.51
ii)	Tier 2 Capital	5870.28	2564.84
iii)	Total Capital (Tier 1 + Tier 2)	41892.55	31402.35
iv)	Total Risk Weighted Assets (RWAs)	331380.13	272339.93
v)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	10.87%	10.59%
vi)	Tier 2 Ratio (Tier 1 capital as a percentage of RWAs)	1.77%	0.94%
vii)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	12.64%	11.53%
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	3116.18	Nil

b. Drawdown from Reserves:

During the year, Rs. 37.50 crore was draw down from 'Revenue and Other Reserves' for the purpose of appropriating/adjusting debit balance under 'Balance of Profit and Loss Account' after obtaining RBI's approval.

2 Asset Liability Management: Maturity Pattern of certain items of assets & liabilities as on 31-03-2024

(₹ in Crore)

Slab	Day	2 to	8 to	15 to	31 days	> 2m to	> 3m to	> 6m to	> 1yr to	> 3yrs to	> 5 yrs	Total
	1	7 days	14 days	30 days	to 2 m	3 m	6 m	1 yr	3 yr	5 yrs		
Deposits	6.59	89.04	88.48	183.03	195.20	283.28	694.22	1184.14	2459.11	184.72	2465.81	7833.62
Advances	0.91	5.44	6.35	12.19	21.87	21.87	61.04	118.03	1082.33	370.50	2047.11	3747.64
Investment	0.00	0.99	0.00	0.00	12.51	12.51	0.00	52.87	999.98	640.63	2002.93	3722.42
TDR with Banks	0.00	80.35	69.25	0.00	27.68	27.68	239.00	414.00	0.00	0.00	0.00	857.96
Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	23.97	133.63	17.24	8.95	7.19	190.98
Grand Total	7.50	175.82	164.08	195.22	257.26	345.34	1018.23	1902.67	4558.66	1204.80	6523.04	16352.62



3 Investments

a. Composition of Investment Portfolio: Current Year

(₹ in Lakh)

Composition of Investment	Govt. Securities	Other Approved Securities	Shares	Debentures and Bonds	Others	Total Investment
Held to Maturity						
Gross	154692.62	-	-	-	-	154692.62
Less: Provision for Non-Performing Investment (NPI)	-	-	-	-	-	-
Net	154692.62	-	-	-	-	154692.62
Available for Sale						
Gross	207358.46	2540.40	-	5250.73	2399.28	217548.87
Less: Provision for Depreciation and NPI	-	-	-	-	-	-
Net	207358.46	2540.40	-	5250.73	2399.28	217548.87
Held for Trading						
Gross	-	-	-	-	-	-
Less: Provision for Depreciation and NPI	-	-	-	-	-	-
Net	-	-	-	-	-	-
Total Investments						
Gross	362051.09	2540.40	-	5250.73	2399.28	372241.50
Less: Provision for NPI	-	-	-	-	-	-
Provision for Depreciation	-	-	-	-	-	-
Net	362051.09	2540.40	-	5250.73	2399.28	372241.50

Previous Year

(₹ in Lakh)

Composition of Investment	Govt. Securities	Other Approved Securities	Shares	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

b. Movement of Provisions for Depreciation on Investments and Investment Fluctuation Reserve
(₹ in Lakh)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments		
a) Opening Balance	275.63	-
b) Add : Provisions made during the year	-	275.63
c) Less : Write off/write back of excess provisions during the year	275.63	-
d) Closing Balance	-	275.63
ii) Movement of Investment Fluctuation Reserve		
a) Opening Balance	897.00	897.00
b) Add : Amount transferred during the year	3453.98	-
c) Less : Drawdown	-	-
d) Closing Balance	4350.98	897.00
iii) Closing balance of investment in AFS and HFT category	217548.87	186867.77
iv) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00 %	0.48 %

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	
		Curr. Year	Prev. Year	Curr. Year	Prev. Year	Curr. Year	Prev. Year	Curr. Year	Prev. Year	Curr. Year	Prev. Year
i)	PSUs	-	-	-	-	-	-	-	-	-	-
ii)	State Government	2540.40	2559.84	-	-	-	-	-	-	-	-
iii)	Financial Institutions	5250.73	3728.94	-	-	-	-	-	-	-	-
iv)	Banks	-	-	-	-	-	-	-	-	-	-
v)	Private corporates	-	-	-	-	-	-	-	-	-	-
vi)	SBI-Mutual Fund	2399.28	1170.09	-	-	-	-	-	-	-	-
vii)	Other Mutual Funds	-	-	-	-	-	-	-	-	-	-
viii)	Provision held towards depreciation	-	1.41	-	-	-	-	-	-	-	-
	TOTAL	10190.41	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 2024
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 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

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	297550.53	2629.14	14364.96	195.20	17189.30	314739.83
Add: Additions during the year					2803.45	137908.33
Less: Reductions during the year*					4473.13	98642.53
Closing Balance	359243.94	2588.94	12571.63	359.05	15519.62	374763.56
* Reduction in Gross NPA due to:						
i) Upgradation					1149.30	1149.30
ii) Recoveries					2318.90	2318.90
iii) Technical/ Prudential Write-offs					0.00	0.00
iv) Write-offs other than those under (iii) above					1004.93	1004.93
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	1018.92	436.31	11956.54	194.87	12587.72	13606.64
Add: Fresh provisions made during the year					2.53	204.30



Less: Excess provision reversed/ Write-off loans					966.08	966.08
Closing balance of provisions held	1220.69	0.00	0.00	0.00	11624.17	12844.86
Net NPAs						
Opening Balance		2173.48	2333.76	0.00	4507.24	
Add: Fresh additions during the year					2184.77	
Less: Reductions during the year					2874.89	
Closing Balance		2155.78	1661.34	0.00	3817.12	
Floating Provisions						
Opening Balance						0.00
Add: Additional provisions made during the year						3747.64
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						3747.64
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						Nil
Add: Technical/ Prudential write-offs during the year						Nil
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						Nil
Closing balance						Nil

Note: Floating Provision is netted off from gross NPA to arrive at Net NPA. Allocation of floating provision among line items of schedule 9, for the purpose of netting off, is done based on weighted average of advances.



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	258965.04	4537.26	15454.93	124.24	20116.43	279081.47
Add: Additions during the year					2502.46	107862.45
Less: Reductions during the year*					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					1674.41	1810.55
Less: Excess provision reversed/ Write-off loans					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	
Floating Provisions						
Opening Balance						Nil
Add: Additional provisions made during the year						Nil
Less: Amount drawn down						Nil



during the year						
Closing balance of floating provisions						Nil
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/ Prudential written-off accounts						Nil
Add: Technical/ Prudential write-offs during the year						Nil
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						Nil
Closing balance						Nil

Ratios (in per cent)

	Current Year	Previous Year
Gross NPA to Gross Advances	4.14%	5.46%
Net NPA to Net Advances	0.02%	1.50%
Provision Coverage Ratio (Including AUCA)	99.70%	80.86%
Provision Coverage Ratio (Excluding AUCA)	99.55%	73.23%

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 NPAs	% of Gross NPAs to total advances in that sector
A	Priority Sector						
1	Agriculture & Allied Activities	55754.51	7426.20	13.32	43894.24	7596.84	17.31
2	Industries sector eligible as priority sector lending	25219.44	1487.19	5.9	22248.55	1800.59	8.09
3	Services	76890.17	4758.67	6.19	62826.10	5383.54	8.57
4	Personal Loans	55514.83	837.72	1.51	58095.31	1124.19	1.94
	Sub Total (A)	213378.96	14509.78	6.8	187064.20	15905.17	8.50
B	Non Priority Sector						
1	Agriculture & Allied Activities	--	--	--	--	--	--



2	Industry	--	--	--	--	--	--
3	Services	--	--	--	--	--	--
4	Personal Loans	161384.61	1009.84	0.63	127675.63	1284.13	1.01
	Sub Total (B)	161384.61	1009.84	0.63	127675.63	1284.13	1.01
	TOTAL (A+B)	374763.56	15519.62	4.14	314739.83	17189.30	5.46

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	-	-	-	-	-	-	-	-	-	-
	Gross Amount (₹Lakh)	-	-	-	-	-	-	-	-	-	-
	Provision held (₹Lakh)	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-
	Gross Amount (₹Lakh)	-	-	-	-	-	-	-	-	-	-
	Provision held (₹Lakh)	-	-	-	-	-	-	-	-	-	-



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, AIFIs, 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:

Particulars	Current Year	Previous Year
Number of frauds reported	3	2
Amount involved in fraud (₹ in Lakh)	194.04	279.07
Amount of provision made for such frauds (₹ in Lakh)	194.04	279.07
Amount of unamortized provision debited from 'other reserves' as at the end of the year (₹ in Lakh)	Nil	Nil



f. Resolution of COVID-19 related Stress:

The details of resolution plan as on 31st March 2024, in terms of RBI Circular DOR. No. BP.BC/3/21.04.048/2020-21 dated 6th August 2020 (Resolution Framework 1.0) and DOR.STR.REC.11/21.04.048/2021-22 dated 5th May 2021 (Resolution Framework 2.0) are:

	(A)	(B)	(C)	(D)	(E)
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan Position as at the end of the previous FY	Of (A), aggregate debt that slipped into NPA during the FY	Of (A) amount written off during the FY	Of (A) amount paid by the borrowers during the FY	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of this FY
Personal Loans	3265.23	114.73	0.00	682.73	2467.77
Corporate Persons*	0.00	0.00	0.00	0.00	0.00
Of which MSME	0.00	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00	0.00
Total	3265.23	114.73	0.00	682.73	2467.77

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

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. Of which (i) Individual housing loans up to ₹35 Lakh (previous year ₹ 35 Lakh) in Metropolitan centres (Population >= 10 Lakh) and ₹ 25 Lakh (previous year ₹ 25 Lakh) in other centres for purchase/construction of dwelling unit per family.	110342.19 54244.55	92868.26 56775.44
(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	11432.00	9781.00
(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		121774.19	92868.26

b. Exposure to capital market

(₹ in Lakh)

	Particulars	Current Year	Previous Year
i.	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	Nil	Nil
ii.	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	Nil	Nil
iii.	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	Nil	Nil
iv.	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	Nil	Nil
v.	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	Nil	Nil
vi.	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	Nil	Nil
vii.	Bridge loans to companies against expected equity flows / issues;	Nil	Nil
viii.	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	Nil	Nil
ix.	Financing to stockbrokers for margin trading;	Nil	Nil
x.	All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total exposure to capital market		Nil	Nil

✍



c. Unsecured Advances

(₹ in Lakh)

	Current Year	Previous Year
Total unsecured advances of the bank	91838.98	83808.18
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	-	-

d. Intra-group exposures

	Current Year	Previous Year
Total amount of intra-group exposures	Nil	Nil
Total amount of top-20 intra-group exposures	Nil	Nil
Percentage of intra-group exposures to total exposure of the bank on borrowers/Customers	Nil	Nil
Details of breach of limits on intra-group exposures and regulatory action thereon	Nil	Nil

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

The Bank has not exceeded the Single Borrower exposure and 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)	17712	16578
Percentage of deposits of twenty largest depositors to total deposits of the bank	2.26%	2.33%

b. Concentration of Advances

Current Year Previous Year

Total Advances to twenty largest borrowers (₹ in Lakh)	6174.84	6501
Percentage of advances to twenty largest borrowers to total gross advances of the bank	1.65%	2.07%

c. Concentration of Exposures

Current Year Previous Year

Total exposures of twenty largest borrowers / customers (₹ in Lakh)	6773	7094
Percentage of exposures to twenty largest borrowers / customers to total exposure of the bank on borrowers / customers of the bank	1.41%	1.75%

d. Concentration of NPAs

Current Year Previous Year

Total exposures to top twenty NPA accounts (₹ in Lakh)	1705	1840
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	10.99%	10.71%



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	9.57	7.92
ii)	Add: Amounts transferred to DEA Fund during the year	31.48	1.75
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0.12	0.10
iv)	Closing balance of amount transferred to DEA Fund	40.93	9.57

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	0
2	Number of complaints received during the year	4972	3684
3	Number of complaints disposed during the year	4961	3684
	3.1 Of which, number of complaints rejected by the bank	0	0
4	Number of complaints pending at the end of the year	11	0
Maintainable complaints received by the bank from Office of Ombudsman			
5	Number of maintainable complaints received by the bank from Office of Ombudsman	55	45
	Of 5, number of complaints resolved in favour of the bank by Office of Ombudsman	55	45
	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	02	02
	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	2536	-18.25	7	0
Online Transactions	0	2325	391.54	4	0
Operation of Accounts	0	22	46.67	0	0
Loans and Advances	0	45	45.16	0	0
Staff Behaviour	0	13	-27.78	0	0
Others	0	31	-31.11	0	0
Total	0	4972		0	0
Previous Year					
ATM/Debit Card	0	3102		0	0
Online Transactions	0	473		0	0
Operation of Accounts	0	15	-34.78	0	0
Loans and Advances	0	31	55	0	0
Staff Behaviour	0	18	500	0	0
Others	0	45	95.65	0	0
Total	0	3684		0	0

9 Disclosure of penalties imposed by RBI

No penalty is imposed by the RBI to the Bank during the financial year 2023-24 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	8.43%	7.71%
ii	Non-interest income as a percentage to working funds	0.47%	0.47%
iii	Operating profit as a percentage to working funds	1.48%	0.91%
iv	Cost of Deposits	4.20%	3.84%
v	Net Interest Margin	4.23%	4.12%



vi	Returns on Assets	0.92%	0.60%
vii	Business (Deposits plus Advances) per employee	1159.28	940.89
viii	Profit per employee (Gross) before tax	8.78	4.03
ix	Profit per employee (Net) after tax	7.53	4.01

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	348.14	258.88
SBI General Insurance Co. Ltd	92.26	65.49
National Insurance Co. Ltd	2.31	10.80

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	2.94	10.03

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	140.00	162.00
2	PSLC General	917.00	755.00
Total		1057.00	917.00

The Bank has sold following PSLCs during the year:-

(₹ in Crore)

Sr. No.	Category	Current Year	Previous year
1	PSLC Micro Enterprises	450.00	450.00
2	PSLC Agriculture	0.00	Nil
Total		450.00	450.00

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 on Non-Performing Assets	2.53	1674.41
Provision on Standard Assets	201.76	136.14
Floating Provision on Advances	3747.64	-
Provision on Restructured Assets	(350.30)	-
Provision for Depreciation on Investments	(275.63)	275.63



Provision for Fraud	(42.90)	129.57
Total	3283.10	2215.75

f. Payment of DICGC Insurance Premium

(₹ in Lakh)

Particulars	Current Year	Previous year
Payment of DICGC Insurance Premium	1040.55	943.80
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 2023-24 as compared to those followed in the previous financial year 2022-23.

b. Accounting Standard 15—Employee benefits

The Bank has taken a group gratuity plan/scheme of Insurance Company to provide gratuity payments to employees. During the FY 2023-24, Bank has provided for Rs. 71.18 lakh as gratuity liability.

The Bank has taken a group leave encashment plan/scheme of Insurance Company to provide leave encashment payments to employees. During the FY 2023-24, Bank has provided for Rs. 65.37 lakh as leave encashment liability.

Bank has provided for Rs.501.61 Lakh against pension Liability during the FY 2023-24 as per details below:

	Particulars	₹ in Lakh
A	Pension liability as per Actuarial valuation	36698.66
B	Investment made and Fund Balance (including accrued interest)	36266.39
C	Pension liability provided for during FY 2023-24 (A-B)	432.27
D	Add: Provision made for revision of pension	69.34
E	Total Pension Provision (C+D)	501.61

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 and other banking operations.

During financial year 2023-24, revenue from business segment was Rs. 351.76 crore (Interest Income & Other Income) and revenue from Treasury was Rs. 325.45 crore.



d. Accounting Standard 18—Related Party Disclosures

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

(₹ in Crore)

	31.03.2024	31.03.2023
Outstanding as at		
Balance with Banks- in other deposits accounts (FDR)	168.21	178.34
Other Assets- Interest Accrued on FDR	8.60	10.14
Maximum Outstanding		
Balance with Banks- in other deposits accounts (FDR)	364.62	272.64
Other Assets- Interest Accrued on FDR	8.60	10.14
During the year		
Interest Income	13.95	10.48
Interest expended	0.10	0.07

e. Accounting Standard 22—Accounting for Taxes on Income

There is a deferred tax asset amounting to Rs. 63.66 lakh on account of depreciation on Fixed Assets and is shown under Other Assets.

12 Additional Disclosures

- The bank has issued guarantee on behalf of its customers in the course of its regular business. Total outstanding guarantee as on 31.03.2024 is Rs.591.64 lakh.
- During the F.Y. 2023-24, a sum of Rs.31.48 crore has been remitted to RBI as unclaimed amount. Thus, total remitted amount to RBI is Rs 40.93 crore till 31.03.2024.
- There are no items in 'Other (including provisions)' under schedule 5 and 'Others' under schedule 11 which exceeds one percent of Total Assets.
- There are no items in Miscellaneous Income and Other Expenditure which exceeds one percent of Total Income
- The previous year figures have been regrouped/reclassified, wherever necessary, to confirm to current year classification.



Parashar Datt Joshi
(Asstt. Gen. Manager- Accounts)



Ishwar Kumar
(General Manager)



Hari Har Patnaik
(Chairman)

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



Place : Dehradun
Date : 30.04.2024

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



(Brijesh Kaushik)
Partner
M. No. 092573

UTTARAKHAND GRAMIN BANK
LONG FORM AUDIT REPORT
Financial Year 2023-24

I. CREDIT RISK AREAS

1. Loan Policy

The Bank has prepared "Uttarakhand Gramin Bank Loan Policy" which has been approved by the Board of Directors in its Meeting dated 03.12.2015 and amended / reviewed annually. During the financial year bank had amended / reviewed the policy on 26.06.2023 and is valid upto 25.06.2024. The Bank has set out optimum exposure levels for the different projects/groups/sectors.

The Bank has laid down general policy for Priority Sector Advances. The Bank is following the primary guiding factors for fixing ceiling on exposures as prescribed by the RBI / NABARD except as reported above.

Business model / business strategy are not included in the Loan Policy by the Bank. However, the Bank has in place various loan schemes including the products designed and based on the local geographical conditions and needs, in respect of which separate circulars has been issued and are being amended from time to time.

2. Credit Assessment

The bank has issued general credit manual and specific credit circular as scheme wise in respect of credit appraisal.

The Bank has laid-down system of appraisal of loan/credit proposals, including adequacy of information for appraising the creditworthiness of the applicant and the sanctioning authority has complied the same. As on 31.03.2024, 59 cases are of quick mortality with total outstanding of Rs.79.23 Lakh. Bank is closely monitoring the cases at HO level.

3. Sanction/Disbursement

The financial powers in respect of sanction/disbursement of loans are delegated to Branch Managers, AMHs, CPC, Regional Office Credit Committee and Head Office Credit Committee and as approved/reviewed by the Board of Directors from time to time. The same is complied accordingly within their sanction power. On the basis of our test examination, we are of the view that disbursals are made after complying with terms and conditions.

4. Documentation

At present 197 branches are covered under 6 CPC and 20 AMSH and the documents are executed as per terms and conditions of sanction by the concerned CPC and AMSH. It improves the documentation part significantly. However, we observed the following observations as mentioned below:

- a) In case of private limited companies / limited companies, charge on assets as per loan agreement has not been registered with ROC in the cases sanctioned in earlier years.
- b) Financial statements of previous years were not found in the documents especially in renewal cases and if the renewal is done on provisional financial statements then audited financial statements are not taken later on to compare the provisional and audited financial statements.



5. Review / Monitoring / Post sanction follow-up/Supervision

- a) Recording of post disbursement inspection of visiting officials regarding assets created through bank loans were found recorded properly in inspection register as per bank's guidelines. We observed that repayment in housing term loans is not started as per the norms i.e., within three months after completion of construction or end of moratorium period whichever is earlier. In CC limits, the concept of paid stock is not followed since creditors outstanding are not taken alongwith stock statement. Besides that Debtors are also not considered to calculate the DP. We are of the view that CC limits having a exposure of Rs.50.00 Lakh and more should be monitored centrally since the Branch Managers are not fully equipped with the scheme.
- b) Renewals of CC/OD limit are pending in some cases. It needs continuous monitoring strictly and the same to be renewed at prescribed time.
- c) It is found in some cases that the repayment schedule is not filled as per loan agreement in CBS particularly in restructured cases where interest is not capitalized of moratorium period while calculating EMI. It results in lacking in monitoring and supervision of advances.
- d) Instructions issued under some loan schemes viz: (i) Loan Against Property (General Purpose) - Circular no 2015/adv/4 dated 12.12.2015, (ii) Loan Against Property (Business Purpose)- Circular no 2015/adv/23 dated 12.12.2015, (iii) Special LAP (Business & other purpose)- Circular no 2015/adv/45 dated 08.09.2015 for obtaining NEC/TIR and Valuation Report for mortgaged property after every 3 years, are not being complied in many branches.
- e) In some cases it was observed that DL & DL Agri accounts are not being adjusted or closed at the time of maturity of Fixed Deposit.
- f) As per credit policy the audited financial statement for non-corporate borrowers who enjoys cash credit limit of above Rs. 20.00 lakhs needs to be obtained, however generally such compliance not strictly complying at branch level. (Refer 2016/adv/38/dated 05.10.2016). It is also observed in some cases that audited financial statements were submitted by the customer but audit report is not found alongwith the financial statements.
- g) We observed that Bank have the system of periodic physical verification or inspection of stocks, equipment, machinery, other securities etc. and the same is adhered by the bank officials.
- h) The Bank have the Risk Management Department and it worked in co-ordination with the Advances Department at HO level. In our view the functioning of system of identifying and reporting of Red Flagged Accounts and Early-Warning System (EWS) is effective.

6. Restructuring/Resolution of Stressed Accounts

During the financial year 2023-24, no account is restructured.

7. Asset Quality

- a) The classification of accounts into Standard, SMA, Sub-standard, Doubtful or loss and recognition of income are being done by the CBS system in accordance with IRAC Norms a. However, provision as per IRAC norms is done manually and adequate. During the year Bank has created a floating provision equal to 1% of total advances and netted off from gross NPAs to arrive at disclosure of net NPAs.
- b) System for suspension of charging of interest as soon as an asset becomes NPA is in vogue and being adhered to.
- c) The system for compiling data related to the NPA and provision in respect thereof is already in place as per norms prescribed by Reserve Bank of India/NABARD and is effective.



- d) Bank is ascertaining the realizable value of securities (including valuation of fixed assets) and the possible realization from guarantors. However, the bank is member of CGFMU and not a member of DICGC/ ECGC/CGTSME and accordingly the provision for NPA is made.
- e) Procedure followed by the Bank in upgradation of NPAs is according to RBI regulations.
- f) During the year the Bank received the Inspection report of NABARD and the same is complied by the Bank and a report of the same is forwarded to NABARD.

8. Recovery Policy

- a) The Bank has Loan Recovery Policy in place and the same is updated yearly. Recovery is appropriated as per the norms prescribed in the policy. The Recovery Policy have prescribed the following approach for recovery of NPAs:
- Rescheduling/Rephasement
 - SARFAESI Act / Legal Action
 - Compromise/One Time Settlement
 - Write off & AUCA

- b) In respect of compromise settlements and One Time Settlement, the Bank has settled following cases by way of compromise:

Rs. in lakh

Financial Year	No. of A/Cs	Compromise Amount	Waiver Amount
2023-24	886	1555.33	1333.75
2022-23	952	1271.89	1129.83

- c) The assets are written off under the Authority of the Head Office Credit Committee/Board are as under:

Rs. In lakh

Financial Year	No. of Branches	No. of A/Cs	Principal Amt. written off	Notional Interest
2023-24	151	989	964.03	1778.07
2022-23	158	1188	961.56	1719.78

- d) The assets during the year transferred to Protested Bill Account (PB Account) under the Authority of the Head Office Credit Committee/ROCC are as under:

Rs. in lakh

Details	Financial Year 2023-24		Financial Year 2022-23	
	No. of Accounts	Amount	No. of Accounts	Amount
Opening Balance	4847	8534.60	5402	7805.85
Addition during the year	1149	1662.05	1130	2151.34
Recovery/Closed during the year	498	631.59	798	461.03
Written off during the year	989	964.03	1188	961.56
Closing Balance	4743	8601.03	4847	8534.60

- e) The proposal for filing RC/Civil Suits etc., were forwarded by branches to Regional Offices along with details of the cases. Depending upon the delegation of power, RO/HO after satisfying itself with the recommendations of the branch manager and reasons, allowed for filing legal case. In cases where decree had been obtained, vigorous efforts required to be made by the branches for execution of decree.



9. Large advances

We have not observed any significant adverse features in top 50 standard large advances. Mostly advances are sanctioned under Solar/Renewable Energy scheme (MNRE) and MSME Asset Back Loan. In a few cases we observed that recovery in the accounts is not regular and the same are categorised in SMA 2 and 3. In respect of advances below the threshold, on a sample testing we have not observed any major deficiency.

10. Audit Reports

We have not come across any major adverse features observed in the reports of all audits/inspections carried out at credit department during the financial year which persist on the date of our report.

11. Recovery Records

The balance of advances under collection account (AUCA) as on 31.03.2024 is of Rs. 7,325.34 Lakh (Previous Year – 6,848.53 Lakh). During the financial year 2023-24, the total recovery in AUCA is Rs. 451.71 lakh (Previous year Rs. 496.25 lakh). The account balance not forms part of the financial statements as the status of such accounts is non live accounts.

12. Wilful Defaulter

The Bank did not have system of identifying and reporting of wilful defaulter. The Bank have not declared any wilful defaulter during the year.

II. MARKET RISK AREAS

1. Investments

- a) As per guidelines of the RBI, an Investment Policy has been made by the Bank and the same is being adhered to.
- b) The Board of Directors of the Bank has delegated power to Investment Committee formed at HO in respect of purchase and sale of Investments. Investment Committee comprise of Chairman, GM (Admin), HOD (Accounts), HOD (Planning), HOD (Credit) and Manager (Treasury). Bank is availing Portfolio Management Services of SBI Funds Management Ltd.
- c) Verification/Reconciliation of Investments with Books Record is done regularly and periodic certificates are timely submitted to Board/NABARD as per instructions. System of periodic review of Investments is in place and being followed generally.
- d) Bank has complied with RBI Guidelines with respect to compliance to exposure norms, classification of investments into HTM / AFS / HFT category, inter-category shifting of securities, valuation, classification and provisioning norms.
- e) During the year, provision for depreciation on investment on account of Mark to Market valuation of AFS investments is Nil (Previous Year – 275.63 lakh). Besides that Bank has booked loss of Rs. Nil (Previous Year – 674.11 lakh) while shifting AFS category securities to HTM category securities.
- f) Holding statement of Government Securities held by State Bank of India are obtained on monthly intervals and reconciled with Bank's books of record. No discrepancy has been observed during the period under review.



- g) System of recording and accounting of income from investments, income accrued and due but not received is as per RBI guidelines.
- h) System of monitoring of mature investments and their timely encashment is in place.

2. SLR / CRR Requirements

- a) Process of compiling and calculation of NDTL position is appropriate.
- b) Records maintained for the above purpose is in the prescribed format and found in order.
- c) Bank has complied with CRR and SLR requirement. During the year, no lapses in maintaining of SLR and CRR found on test checking basis.

3. Asset Liability Management

The Bank has the policy on Asset-Liability Management. Bank has established an Asset Liability Management Committee (ALCO) for monitoring thereof, along with compliance with RBI guidelines. The Committee convenes regular meetings to review and adjust interest rates for deposits and advances.

III. GOVERNANCE, ASSURANCE FUNCTIONS AND OPERATIONAL RISK AREAS

1. Governance and Assurance Functions

- a) Governance, policy and implementation of business strategy is adequate vis-à-vis the risk appetite statement of the Bank.
- b) For effectiveness of assurance functions (risk management, compliance and internal audit), the Bank has Board approved system for conducting Risk Focused Internal/Concurrent Audit through its internal/external auditors and is adequate keeping in view the size of the Bank.
- c) The Board and Management have identified the key risks and the five major risks are listed:-
 1. Operational Risk
 2. Compliance Risk
 3. Liquidity and Interest Rate Risk
 4. Credit Risk
 5. External Environment Risk

The Board and Management of the Bank have established policies addressing those risks (including where appropriate, prudent limits on risk exposures) and have systems and procedures in place to monitor and manage those risks.

Instructions for implementation of the policies have been issued and the policies are adequate to the risks they are designed to control.

Minutes of Risk Management Committee Meeting circulated timely to all Head of Departments and compliance on comments of Management also done timely.

- d) The Inspection of branches is being done by Bank's internal auditors at regular intervals and as per guidelines provided by Sponsor Bank and duly approved by the Board of the Bank.

During the year 229 audit reports have fallen due for closure including 40 audit reports of FY 2023-24. Out of these 192 have been dealt with as on 31.03.2024 and out of the remaining 37 no report is overdue for more than 12 weeks as on 31.03.2024.



The concurrent audit in branches has been conducted as per Board approved policy. Out of total branches, 95 are covered for concurrent audit and 15 branches are pending for closure. 6 reports are pending for more than three months.

Follow-up and compliance of Audit Reports is done at Regional Office level. In very few instances, inordinate delay has been observed in closing of reports which need to be further improved.

2. Balancing of Books/Reconciliation of control and subsidiary records

All the branches of the Bank are computerized and are working in CBS environment. Balancing of books is being done by CBS through GLIF (General Ledger Interface File). System of monitoring and nullifying the position of GLIF entries is in place. Details of system generated transitory accounts/GLIF not nullified at the year-end is as under.

Amount in Rs.

Period	Debit		Credit	
	Nos.	Amount	Nos.	Amount
Up to 3 days	1	885.00	3	7,50,619.00
More Than 3 days	0	0	0	0
Total	0	885.00	3	7,50,619.00

3. Inter-branch Reconciliation

Reconciliation of entries under inter-branch transaction is monitored on day to day basis. Reconciliation of Inter Branch transaction has been done till 31.03.2024 and no entry is pending for more than 3 months. Details of pending entries are as under:

Rs. in Lakh

Period	Debit		Credit	
	Nos.	Amount	Nos.	Amount
Up to 3 Months	0	0	5	100.00
More Than 3 Months	0	0	0	0
Total	0	0	5	100.00

There is no entry in inter-branch transactions for which provision is required to be made at the year end.

4. Frauds/Vigilance

Fraud Management Policy and Vigilance Policy is on record of the Bank. Fraud risk management system and processes for early detection are in place and regular steps are taken to improve the system. Frauds are timely reported to the regulatory authority as per guidelines. Once fraud is declared at the Bank, 100% provision is made in the books against that.

During the financial year 2023-24 the bank has reported three new fraud aggregating to Rs. 194.04 lakh. The total outstanding in fraud as on 31.03.2023 was Rs. 277.10 lakhs. Total Recovery during FY 2023-24 is Rs 74.48 Lakh and Written Off amount is NIL. The total outstanding in 8 frauds as on 31.03.2024 is Rs.396.66 lakhs, which is fully provided for.



Rs. in Lakh

S. No	Branch	Activity	Outstanding as on 31.03.2023	Outstanding as on 31.03.2024	Written Off	Recovery	Nature of Fraud	Action Taken
1	Fatehpur	ATM	0	0	NIL	NIL	ATM card issued in the name of deceased and inoperative account holder and amount was withdrawn by ATM.	FIR has been lodged and punishment to the concerned staff has been awarded.
2	Bazpur	KCC & Agriculture implements	0	0	NIL	NIL	Misutilization of Loan. No asset creation.	FIR has been lodged and punishment to the concerned staff has been awarded.
3	Dharampur	Housing Loan	23.68	23.68	NIL	NIL	Fake Title Deed.	FIR has been lodged and punishment to the concerned staff has been awarded.
4	Chaubatiya	Cash Credit loans	123.85	120.12	NIL	3.73	Loan funds misused, assets not created, borrowers received partial amount, Branch Manager kept remaining money.	FIR has been lodged and punishment to the concerned staff has been awarded.
5	Gawani	7 Forged Loan Accounts	129.57	75.17	NIL	54.40	Branch Manager opened unauthorized accounts, transferred funds to personal account, made fraudulent transactions in SHG accounts.	Complaint has been lodged with concerned Law enforcement Agency. Punishment to the concerned staff has been awarded.
6	Jagjeetpur	Fraudulent Encashment	NIL (as fraud declared on 12.06.2023 & Fraud amount 5.00 lac)	1.00	NIL	4.00	Fraudulent withdrawal of Rs. 5.00 lac from customer's A/c.	FIR has been lodged and punishment to the concerned staff has been awarded.



7	Barhani	Unauthorised Credit Facility Extended for Illegal Gratification	NIL (as fraud declared on 17.08.2023 & Fraud initial amount was 178.54 lac)	166.19	NIL	12.35	Reckless financing through middleman.	Complaint has been lodged with concerned Law enforcement Agency. Departmental action against staff involved is underway.
8	Gumti	Misappropriation and Criminal Breach of Trust	NIL (as fraud declared on 18.03.2024 & Fraud initial amount was 10.50 lac)	10.50*	NIL	NIL	Unauthorised debit in 5 SHG accounts of the branch without mandate / debit confirmation of the authorised signatory.	FIR has been lodged and Departmental action against staff involved is underway.
Total			277.10	396.66	NIL	74.48		

Besides that the Bank has declared the fraud amounting to Rs.3.55 Lakh in seven accounts of Paanch Mandir Branch on 20.04.2024 but the same came in the knowledge of the Bank in the month of Jan. 2024 during the RFIA Audit. A detailed investigation report of the same is prepared and submitted vide report dated 06.03.2024 by Shri Yash Kumar Gautam Senior Manager. The said amount is declared fraud on 20.04.2024, however, 100% provision is made by the bank on 31.03.2024.

* Out of the total amount of Rs.10.50 Lakh, Rs.7.50 Lakh recovered on 24.04.2024.

5. Suspense Accounts, Sundry Deposits etc

System of clearance of items debited / credited to suspense/sundry deposit accounts is in place.

Details of pending entries in Suspense Accounts are as under:

Period	Debit		Credit	
	Nos.	Amt	Nos.	Amt
Up to 3 Months	13	204.22	0	0
More Than 3 Months	0	0	0	0
Total	13	204.22	0	0

The above entries are related to Gratuity and Leave Encashment paid to employees.

Details of pending entries in Sundry Deposit are as under:

Period	Debit		Credit	
	Nos.	Amt	Nos.	Amt
Up to 3 Months	0	0	0	0
More Than 3 Months	0	0	0	0
Total	0	0	0	0

No provision is required to be made for un-cleared entries in Suspense Accounts and Sundry Deposit.



6. **KYC/AML**

The bank has duly updated and approved KYC and AML policies in synchronization with RBI circulars / guidelines and the said policies are effectively implemented by the bank. Provisions for preventing money laundering and terrorist financing is in place in KYC and AML policies.

It is observed that Letter of Thanks is not sent while opening of the new account.

7. **Cash and other security items**

- a) Cash retention limit of branches are fixed after approval of the Board on periodically basis. Monitoring of cash balances held at branches is done by Regional Offices. Bank doesn't have any currency chest. Insurance of Cash at branches and Cash in Transit is done at Head office level and is found adequate. Cash is held in joint custody as per guidelines of the Bank.
- b) It is observed that the branches are keeping the cash in excess of retention limit fixed by the HO in most of the days.
- c) Systems and controls for procurement, issue and custody of valued stationary items such as Cheque Books, Demand Drafts, Pay Orders etc. is in place and found satisfactory.

8. **Para-Banking Activity**

Bank has formulated board approved Customer Value Enhancement & Third-Party Policy for para banking activity. Bank is offering following para-Banking Activities:

Life insurance: SBI Life Insurance

General Insurance: SBI General Insurance, National Insurance Co. Ltd.

Mutual Fund: SBI Mutual Fund

9. **Management Information System**

- a) Management Information System is in place and found adequate.
 - b) Most of the reports as required by the Bank in desired formats are being generated by the CBS system. Besides that Data Team, IT department of the Bank at Head Office is extracting various Reports such as P Report, ALM, SLBC returns, BSR Returns, Interest Subvention reports by extracting the data received from C-Edge in raw form and converting them in to proper format using Excel. In our view the method of compilation is adequate and accuracy of information is assured by the concerned department. Supervisory returns are prepared based on the data extracted from the system as mentioned above and the same are reported under the Off Site Surveillance system of the RBI / NABARD. Information flow for the internal risk management system is reliable. The bank has effective system of preparation and consolidation of branch returns and financial statements.
10. It is found that many Branches of the Bank are working on 1+1 and in our view there is overall shortage of the staff. Maintenance and amendment in CBS system was done with the help of its Software Provider M/S C-edge Technologies Ltd. after prior approval from bank authority.

IV. **CAPITAL ADEQUACY**

1. **Capital adequacy**

The bank has effective system of calculation of capital adequacy as per the directives of RBI / NABARD. Calculation of Capital Adequacy Ratio as on 31.03.2024 is given in Annexure 1.



Capital adequacy Ratio of the bank stands at 12.64% on 31.03.2024 as compared 11.53% as on 31.03.2023.

2. **Stress Testing**

Stress test based on board approved stress testing framework is done as per NABARD stress test guidelines. Assumptions made in the document are realistic, encompassing all relevant risks. Bank strategies are aligned with their Board approved Risk Appetite statements.

V. **GOING CONCERN AND LIQUIDITY RISK ASSESSMENT**

1. **Going Concern Assessment**

The going concern basis of preparation of financial statements of the bank is appropriate. Bank has the necessary resources and strategies in place to continue operating for at least the next 12 months with reasonable assurance. The bank's risk management practices, revenue streams, and measures to mitigate potential challenges contribute to our opinion of bank's ability to sustain operations.

2. **Profitability**

- a) There is no significant variation in major items of income and expenditure in current year as compared to previous year
- b) During the year, the bank has total business of Rs. 11,581.26 Crore (Previous Year – Rs. 10,265.15 Crore) in which Deposit and Advances of bank are Rs. 7,833.62 Crore and Rs. 3,748.11 Crore respectively (Previous Year –Rs. 7,117.75 Crore and Rs. 3,147.40 Crore).
- c) ROA and ROE are 0.92% and 18.64% respectively as on 31st March 2024 (Previous Year 0.60% and 14.72%).

3. **Liquidity Assessment**

Bank's liquidity risk management systems and controls for managing liquidity is in place and found effective. Due to CD ratio of 47.84% as on 31.03.2024, there is no liquidity or funding concerns to the bank.

VI. **INFORMATION SYSTEMS**

1. **Robustness of IT System**

The bank is providing a range of services including CBS, Mobile Banking, Internet Application, CKYC, etc. and these are provided through its ASP (Application Service Provider) vendor – C- Edge. The ATM switch is provided by C-Edge, delivering the necessary infrastructure, software, and support for the ATM switch operation. Bank is a sub member of Centralized Payment System (CPS), offering NEFT and IMPS services via Mobile Banking and Internet Banking, while RTGS services were provided through its branch network.

Bank conducts IS (Information System) Audit and Cyber Security Compliance Audit during each financial year and same has been conducted during the FY 2023-24 and compliance to the findings of those audits is done at the Bank level. Bank's ASP vendor – C- Edge also conducts IS Audit, Cyber Security Audit, VAPT, etc of their systems on regular intervals (as per regulatory compliance) and those certificates are shared by C-Edge to Bank.



2. IT Security and IS Policy

Bank has duly updated the Board approved IT & IS Policies (valid upto 25/06/2024) which is reviewed annually. Bank and its ASP – C-Edge conducts IS Audit and Cyber Security Compliance Audit as per regulatory guidelines and adheres to the advisories issued by CERT-In through its ASP vendor – C- Edge which is in compliance with the RBI advisory/directives.

3. Critical System/Process

Bank is providing CBS and related services through its ASP vendor – C- Edge which has its data centre at Mumbai and disaster recovery centre at Bangalore. ASP vendor – C- Edge conducts the IS Audit, Cyber Security Compliance Audit, Storage of Payment System audit, VAPT of applications and regulatory compliances as per the prescribed guidelines issued by the regulators. In our view there is an effective system of inter-linkage including seamless flow of data under Straight Through Process amongst various software / packages deployed by the Bank since no adverse incident related to seamless flow of data reported by the Bank to the ASP. Bank has internal policy for outsourced activities.

VII. OTHER MATTERS

- a) No changes are made by the bank in its accounting policy.
- b) Bank has made adequate provisions for statutory liability- Income Tax, Gratuity, Pension, etc.
- c) Bank has made adequate provisions for off-balance sheet exposures and other claims against the bank.
- d) Balances with other banks- there is no un-usual items observed in reconciliation statements.
- e) Bank has complied with Section 26A of The Banking Regulation Act, 1949. Bank has transferred all eligible unclaimed deposits to DEA Fund and there are no pending accounts as on 31.03.2024 to be transferred to DEA Fund. Currently, process of identifying eligible unclaimed deposits and accounting is being done manually, however, bank has raised its requirement to its vendor C-Edge to implement auto identifying eligible unclaimed deposits and accounting in CBS.
- f) As on 31.03.2024, 2390 accounts are pending for signature updation in the CBS. We are of the view that Bank should incorporate the signature updation either by scanning or linking with other account of the same CIF. The same should be in the EOD checks of the CBS as a policy.
- g) As per provisions of Regional Rural Bank Act, Bank's Board should consist of 9 members. As on 31.03.2024, 2 posts of non-official directors (Govt. of India nominee) were vacant.

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



Brijesh Kaushik
Partner
M.No-092573

Date: 30.04.2024
Place: Dehradun

(Amt. in lakhs)

Part A-Capital Funds and Risk Assets Ratio	
I Capital Funds	
A. Tier I Capital elements	
1 Paid up capital (including Share Capital Deposit)	18426.69
Less	
1.1 Accumulated losses/ Intangible Assets	66.66
1.2 Shortfall in provisions	0.00
2 Net Paid up Capital	18360.03
3 Reserves and Surplus	
3.1 Statutory reserves	6885.73
3.2 Capital reserves	0.00
3.3 Other reserves	8210.05
3.4 Surplus in Profit & Loss Account*	2566.46
Total Reserves & Surplus	17662.24
Total Tier I Capital	36022.27
Notes: Capital reserves representing surplus on sale of assets and held in a separate account will be included	
Revaluation reserves, general/floating provisions and specific provisions made for loan losses and other asset losses or diminution in the value of any assets will not be reckoned as capital funds.	
*Any Surplus (net) in profit and loss account i.e. balance after appropriation towards dividend payable, education fund, other funds whose utilization is defined and asset loss, if any etc.	
B. Tier II Capital elements	
1 Revaluation reserves	0.00
2 General provisions and loss reserves #(PROVISION FOR STANDARD)	1519.30
3 Investment fluctuation reserves/ funds	4350.98
4 Tier II Perpetual Bonds	0.00
5 HEAD ROOM DEDUCTION	0.00
Total Tier II Capital	5870.28
C Total Capital (Tier I + Tier II)	41892.55
II Risk Assets	
(a) Adjusted value of funded risk assets i.e. on Balance Sheet items (tallies with Part B)	330770.24
(b) Adjusted value of non-funded and off-Balance sheet items (tallies with Part C)	609.89
(c) Total risk-weighted assets (a+b)	331380.13
III.(a) Percentage of Tier 1 capital funds to risk-weighted assets	10.87%
III.(b) Percentage of Tier 2 capital funds to risk-weighted assets	1.77%
III.(c) Percentage of capital funds to risk-weighted assets I/II *100	12.64%
# includes general Provisions on standard Assets. Such Provisions which are considered for inclusion in Tier II capital will be admitted upto 1.25% of total risk weighted assets	



Part-B Risk Weight Assets and Exposures					
ASSET ITEM	Book Value(i)	Margins & Provisions (ii)	Book-Value (Net)(i)-(ii)	Risk Weight (%) (iv)	Risk adjusted value (v)
I. Cash and Bank Balances	128371.49	0.00	128371.49		18162.47
1. Cash and balances with RBI	37559.10	0.00	37559.10	0.00	0.00
2. Balances in current a/c with other Banks	5016.67	0.00	5016.67	20.00	1003.33
3. Claims on banks	85795.72	0.00	85795.72	20.00	17159.14
II. Investments	372241.50	0.00	372241.50		15651.77
1. Investments in Govt. Securities	362051.09	0.00	362051.09	2.50	9051.28
2. Investments in other approved securities guaranteed by central/state govt.	2540.40	0.00	2540.40	2.50	63.51
3. Investments in other securities where payment of interest and repayment of principal are guaranteed by central Govt. (It will include Indira/kisan vikas patra and investment in bonds where payment of interest and principal is guaranteed by Central Govt/State Govt.)	1904.10	0.00	1904.10	2.50	47.60
4. Investments in other securities where payment of interest and repayment of principal are guaranteed by State Govt. (If the same has become NPA, it will attract 102.5% risk weight and therefore include under all other investments at 10 below.)	0.00	0.00	0.00	2.50	0.00
5. Investments in other approved securities where payment of interest and repayment of principal are not guaranteed by central/ state Govt.	0.00	0.00	0.00	22.50	0.00
6. Investments in Govt. Guaranteed securities of Govt. Undertakings which do not form part of the approved market borrowing programme.	0.00	0.00	0.00	22.50	0.00
7. Claims on commercial banks	0.00	0.00	0.00	22.50	0.00
8. Investments in securities which are guaranteed by banks as to payment of interest and repayment of principal	0.00	0.00	0.00	22.50	0.00
9. Investments in bonds issued by public financial institutions for their Tier II capital	0.00	0.00	0.00	102.50	0.00
10. All other investments including investments in securities issued by Public Financial institutions	3346.63	0.00	3346.63	102.50	3430.30
11. Direct investment in equity shares, convertible bonds, debentures and units of equity oriented mutual funds including those exempted from Capital Market Exposure	2399.78	0.00	2399.78	127.50	3059.08
III. Loans and Advances including bills purchased and discounted	374763.57	17704.67	357058.90		28771.29
1. Loans and advances guaranteed by GOI	20359.94	702.14	19657.80	0.00	0.00
2. Loans guaranteed by State Governments	0.00	0.00	0.00	0.00	0.00
3. State Government guaranteed loan which has become a non performing asset	0.00	0.00	0.00	100.00	0.00
4. Loans granted to PSU of GOI	0.00	0.00	0.00	100.00	0.00
5. Loans granted to PSU of State Govt.	0.00	0.00	0.00	100.00	0.00
6. Others including PFIs	143764.92	13683.75	130081.17	100.00	130081.17
7.1 For the purpose of credit exposure, bills purchased/ discounted/negotiated under LC (where payment to the beneficiary is not under reserve) is treated as an exposure on the LC issuing bank and assigned risk weight as is normally applicable to inter-bank exposures	0.00	0.00	0.00	20.00	0.00
7.2 Bills negotiated under LCs under reserve, bills purchased/ discounted/ negotiated without LCs, will be reckoned as exposure on the borrower constituent. Accordingly, the exposure will attract a risk weight appropriate to the borrower		0.00			
a) Government	0.00	0.00	0.00	0.00	0.00
b) Banks	0.00	0.00	0.00	20.00	0.00
c) Others	0.00	0.00	0.00	100.00	0.00
8. Micro and Small Enterprises (MSE) Advances Guaranteed by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) up to the guaranteed portion. (Banks may assign zero risk weight for the guaranteed portion. Outstanding balance in excess of the guaranteed portion would attract a risk-weight as appropriate to the counter-party)	0.00	0.00	0.00	0.00	0.00
9.1 Housing Loan to individuals - Category of Loan		0.00			
a) Up to Rs 20 lakh (LTV Ratio - 90%)	50122.30	1016.47	49105.83	50.00	24552.92
b) Above Rs 20 lakh and up to Rs 75 lakh (LTV Ratio - 80%)	51605.73	565.35	51040.38	50.00	25520.19
c) Above Rs 75 lakh (LTV Ratio - 75%)	1344.66	13.97	1330.69	75.00	998.02
9.2 Housing loans guaranteed by Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFLIH) up to the guaranteed portion. (The bank may assign zero risk weight for the guaranteed portion. The balance outstanding in excess of the guaranteed portion would attract a risk-weight as appropriate to the counterparty.)	0.00	0.00	0.00	0.00	0.00
10.1 Consumer credit including personal loan	83069.61	1403.77	81665.84	125.00	102082.30
10.2 Consumer credit including personal loan - Credit card receivables	0.00	0.00	0.00	0.00	0.00
11. Loans up to Rs. 1 lakh against gold and silver ornaments. (In case the loan amount is more than Rs. 1 lakh, entire loan amount has to be risk weighted for the purpose for which the loan has been sanctioned.)	239.02	2.68	236.34	50.00	118.17
12. Education loans	2164.53	85.52	2079.01	100.00	2079.01
13. Loans extended against primary/ collateral security of shares/debentures	0.00	0.00	0.00	125.00	0.00
14. Advances covered by DICGC/ ECGC (The risk weight of 50% should be limited to the amount guaranteed and not the entire outstanding balance in the accounts. In other words, the outstanding in excess of the amount guaranteed, will carry 100% risk weight.)	0.00	0.00	0.00	50.00	0.00
15. Advances for term deposits, life policies, NSC, VPs, and KVPs where adequate margin is available	10544.32	110.02	10434.30	0.00	0.00
16. Loans and Advances granted by RBI to their staff	11548.54	121.00	11427.54	20.00	2285.51
17. Takeout Finance		0.00			
17.1 Unconditional takeover (in the books of lending institution)		0.00			
a) Where full credit risk is assumed by the taking over institution	0.00	0.00	0.00	20.00	0.00
b) Where only partial credit risk is assumed by taking over institution		0.00			
b.1 The amount to be taken over	0.00	0.00	0.00	20.00	0.00
b.2 The amount not to be taken over	0.00	0.00	0.00	100.00	0.00
17.2 Conditional takeover (in the books of lending and taking over institution)	0.00	0.00	0.00	100.00	0.00
IV. Other Assets	15956.25	0.00	15956.25		9238.71
1. Pictures, furnitures and fixtures	3137.96	0.00	3137.96	100.00	3137.96
2. Interest due on Government securities	5904.19	0.00	5904.19	0.00	0.00
3. Interest subvention receivable from GoI	56.30	0.00	56.30	0.00	0.00
4. Accrued interest on CRR balances maintained with RBI (net of claims of government/RBI on banks on account of such transactions)	0.00	0.00	0.00	0.00	0.00
5. Income Tax deducted at source (net of provision)	43.97	0.00	43.97	0.00	0.00
6. Advance Tax paid (net of provision)	713.08	0.00	713.08	0.00	0.00
7. All other Assets	6100.75	0.00	6100.75	100.00	6100.75
Grand Total	891882.81	17704.67	874178.14		330770.28



Part C-Off Balance Sheet items						
	Gross Book Exposure	Margins and provisions	Net Exposure	CCF for Contingent %	RW for Obligant %	Risk Adjusted Value of Exposure
CONTIGENT LIABILITY						
Letter of Credit (Doc)	0.00	0.00	0.00	20.00	100.00	0.00
Guarantees - Financial (Others)	591.64	0.00	591.64	100.00	100.00	591.64
Guarantees - Others	0.00	0.00	0.00	50.00	100.00	0.00
Acceptance and Endorsements	0.00	0.00	0.00	100.00	100.00	0.00
Undrawn Committed credit lines	0.00	0.00	0.00	20.00	100.00	0.00
Transactions/ Asset sale with Recourse	0.00	0.00	0.00	100.00	100.00	0.00
Liability on account of partly paid shares	0.00	0.00	0.00	100.00	100.00	0.00
Total Others	4093.09	4093.09	0.00	100.00	100.00	0.00
Total Contingent Credit Exposure	4684.73	4093.09	591.64			591.64
Claims against bank not acknowledged as debt	18.25	0.00	18.25	100.00	100.00	18.25





BRAN & ASSOCIATES
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To
The Shareholders
Uttarakhand Gramin Bank

Report on Audit of the Financial Statements

Opinion

1) We have audited the accompanying financial statements of Uttarakhand Gramin Bank ("the Bank") as at March 31, 2024, which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss Account for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of:

- i) The Head Office, 43 Branches audited by us;
- ii) 158 Branches audited by Other Auditors
- iii) 91 Branches not covered under audit.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the National Bank for Agriculture and Rural Development (NABARD). Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 91 branches (including other accounting units) which have not been subjected to audit. These unaudited branches account for 24.05% of Gross advances and 27.39% of deposits.

- 2) In our Opinion and to the best of our information and according to the explanations given to us read with the Memorandum of Changes, Notes to Accounts & Significant Accounting Policies the aforesaid financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs in the case of the
- Balance Sheet of the state of affairs of the Bank as at 31st March, 2024; and
 - Profit & Loss Account of the profit for the year ended 31st March, 2024.

Basis for Opinion

- 3) We conducted our audit in accordance with the standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements Section of our report. We are independent of the bank in accordance with the code of the ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and those charged with Governance for the Financial Statements

- 4) The Bank's Board of Directors is responsible for preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Bank in accordance with the applicable provisions of Regional Rural Bank Act, 1976, Banking Regulations Act, 1949, applicable guidelines of Reserve Bank of India (RBI) /NABARD accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the abovementioned Acts for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; selection in application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

- 5) Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue on auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs' we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, misrepresentations, or the override of internal control.



- Obtain and understating of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.

We communicate with those charged with Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications

Other Matter

- 6) We did not audit the financial statements / information of 158 branches included in the financial statements of the Bank whose financial statements / financial information reflects total assets of Rs. 4408.47 Crore at March 31, 2024 and total revenue of Rs. 166.49 Crore for the year ended on that date. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.



Report on Other Legal and Regulatory Requirements

- 7) The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949.
- 8) Subject to the limitations of the audit indicated in above paragraphs, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
- 9) We further report that
- (a) In our opinion proper books of account as required by law has been kept by bank so as it appears from our examination of those books and proper returns adequate for the purpose of audit has been received from branches not visited by us;
 - (b) The Balance Sheet and Profit & Loss Account dealt with this report are in agreement with books of accounts and with the returns received from branches not visited by us;
 - (c) The reports on the accounts audited by branch auditors of the bank under section 29 of Banking Regulation Act 1949 have been send to us and have been properly dealt with by us in preparing this report; and
 - (d) In our opinion the Balance Sheet & Profit & Loss Account comply with applicable accounting standards to the extent they are not inconsistent with the Accounting policy prescribed RBI/ NABARD.

For BRAN & Associates
Chartered Accountants
FRN: - 014544N

Brijesh Kaushik
Partner

M.No. 092573

UDIN: 24092573BKELNU3884

Dated: 30.04.2024

Place: Dehradun

