



नवम वार्षिक प्रतिवेदन

9th **ANNUAL
REPORT**

2020-21



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उत्कल ग्रामीण बैंक

UTKAL GRAMEEN BANK

Sponsored by STATE BANK OF INDIA



Board Members visiting Saras Poultry financed by our Patnagarh Branch under Balangir Region.



Financial Literacy Camp organised with the support of RBI, Bhubaneswar at Onkadeli, Koraput District on dt. 11.02.2021

निदेशक मण्डल
BOARD OF DIRECTORS



श्री. अलेख चन्द्र बेउरा
अध्यक्ष
SHRI ALEKHA CHANDRA BEURA
Chairman



श्री निर्मल चन्द्र पट्टनायक
नोमिनी निदेशक, भारतीय रिजर्व बैंक
Shri Nirmal Chandra Pattanaik
Nominee Director, Reserve Bank of India



श्री भि. बालासुभ्रमनिथन
नोमिनी निदेशक, नाबार्ड
Shri V. Balasubhramanian
Nominee Director, NABARD



श्री ध्रुव चरण बल
नोमिनी निदेशक, भारतीय स्टेट बैंक
Shri Dhruba Charan Bal
Nominee Director, State Bank of India



श्री संजय तिवारी
नोमिनी निदेशक, भारतीय स्टेट बैंक
Shri Sanjaya Tiwari
Nominee Director, State Bank of India



श्री. ताराकान्त भक्त
नोमिनी निदेशक, ओडिशा सरकार
Shri Tarakanta Bhakta
Nominee Director, Govt. of Odisha

बैंक का शीर्ष प्रबन्धन
TOP MANAGEMENT OF THE BANK



श्री. अलेख चन्द्र बेउरा
अध्यक्ष
SHRI ALEKHA CHANDRA BEURA
Chairman



श्री मनमोहन साहु
महा प्रबन्धक (I)
Shri Manmohan Sahoo
General Manager (I)



श्री रंजन कुमार पृष्ठि
महा प्रबन्धक (II)
Shri Ranjan Ku. Prusty
General Manager (II)



श्री बिपिन बिहारी दाश
महा प्रबन्धक (III)
Shri Bipin Bihari Dash
General Manager (III)



श्री राजीब कुमार राउत
महा प्रबन्धक (सतर्कता)
Shri Rajiba Kumar Rout
General Manager (Vigilance)



Financial Literacy Camp by Dengaosta Branch under Berhampur Region



Financial Literacy Camp by Tikabali Branch under Phulbani Region



Bhabyashree Poultry financed by Attabira Branch under Bargarh Region



Samanmaya Mela by Kinjirikela Branch under Sambalpur Region



Inauguration of new branch premises of Gunupur Branch under Rayagada Region



NPA Recovery Mela at Pastikudi under Bhawanipatna Region



KCC renewal & Recovery Camp by Phiringia Branch under Phulbani Region



National Lok Adalat at Phulbani



Review Meeting of Branch Managers at Berhampur attended by our Chairman



Door Step Banking by Gangapur Branch under Berhampur Region



Financial Literacy Camp by Mahadevpali Branch under Bargarh Region



Street Play on Financial Inclusion by Bhawanipatna Region

Customer Service Points at different locations



UTKAL GRAMEEN BANK

9th ANNUAL REPORT 2020-21



With best compliments from

Shri Alekha Chandra Beura

Chairman

Utkal Grameen Bank

Head Office, Club Pada, Bolangir - 767 001

Tel 06652-232285

www.utkalgrameenbank.co.in

chairman.ugb@gmail.com



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Letter of Transmittal

Utkal Grameen Bank

Head Office : Bolangir

Date : 30.06.2021

The Secretary,
Ministry of Finance, Dept. of Financial Services,
Banking Division, Government of India,
Jeevan Deep Building, Parliament Street,
New Delhi - 110001

Dear Sir,

In accordance with the provisions of Section 20 of the Regional Rural Bank Act 1976, I forward herewith the following documents.

1. A Report of Board of Directors as to the Bank's working and its activities during the period 1st April 2020 to 31st March 2021.
2. A copy of the audited Balance Sheet and Profit & Loss Account for the year ended 31st March 2021.
3. A copy of the Auditor's report in relation to the Bank's accounts for the period 1st April 2020 to 31st march 2021.

Yours faithfully,

(Alekhya Chandra Beura)
Chairman

**BOARD OF DIRECTORS****Shri Alekha Chandra Beura**
CHAIRMAN**NOMINEE OF RBI**

1. **Shri Nirmal Chandra Pattanaik**
Deputy General Manager, RBI,
Bhubaneswar

NOMINEE OF NABARD

2. **Shri V. Balasubramanian**
Deputy General Manager, NABARD,
Regional Office, Odisha
Bhubaneswar.

NOMINEES OF SPONSOR BANK

3. **Shri Dhruba Charan Bal**
Deputy General Manager
(FI & MF), State Bank of India,
Local Head Office, Bhubaneswar.
4. **Shri Sanjay Tiwari**
Deputy General Manager,
Associates & Subsidiaries Dept.
State Bank of India,
Corporate Center, Mumbai

NOMINEE OF GOVT. OF ODISHA

5. **Shri Tarakanta Bhakta**
Deputy Secretary, Finance Department
Govt. of Odisha, Bhubaneswar

STATUTORY AUDITORS

Agasti & Associates
UCN 260360
97 Bhoi Nagar, Unit-9
Bhubaneswar

BRANCH AUDITORS

- | | | |
|--------------------------------|-------------------------------------|---------------------------------|
| 1. M/s A K Lenka & Co. | 10. M/s BCP & Associates | 19. M/s Laldash & Co. |
| 2. M/s Roshan Lal & Associates | 11. M/s Pratyush & Associates | 20. M/s ASP & Associates |
| 3. M/s Ramakrushna Patra & Co. | 12. M/s Das Pattnaik & Co. | 21. M/s RPA & Associates |
| 4. M/s Chhapdia & Associates | 13. M/s GSCS & Associates | 22. M/s BKA & Associates |
| 5. M/s AD Agrawal & Company | 14. M/s DSPK & Associates | 23. M/s Amit Ram Pratap & Co. |
| 6. M/s SABD & Associates | 15. M/s SCP & Co. | 24. M/s Rupesh Rajesh & Co. |
| 7. M/s Agrawal Jain & Bardia | 16. M/s Mishra Badhai & Associates | 25. M/s Sudarshan Sahoo & Co. |
| 8. M/s KD Lath & Co. | 17. M/s Sanjay Shradha & Associates | 26. M/s Suru Kotni & Associates |
| 9. M/s Gudla & Associates | 18. M/s AKAHSB & Associates | 27. M/s T K Agrawal & Co |



Regional Offices

Berhampur

Harsha Arcade, Subbarao Square
Berhampur
Ganjam - 760001
Tel 0680-2220292
ugbbam@gmail.com

Jeypore

Maharanipeta, Near Sarojini Bhawan,
At/PO - Jeypore - 764001
Dist. Koraput
Tel 06854-232607
ugbrojey@gmail.com

Bargarh

Near Khajurtikira Shiva Mandir
At/PO/Dist. Bargarh - 768028
Tel 06646-246875
ugbrobrgh@gmail.com

Bolangir

Palace Line, Near Durga Mandap
At/PO/Dist. Bolangir 767001
Tel 06652-232792
ugb.ro.bgr@gmail.com

Rayagada

Ramakrishna Nagar
At/PO/Dist. Rayagada - 765001
Tel 06856-235418
ugbrorgd@gmail.com

Sambalpur

At. Infront of Poddar Petrol Pump
Cuttack Road, Dhanupali
PO. Dhanupali, Dist. Sambalpur
Tel 0663-2411871
ugbreg1sbp@gmail.com

Phulbani

Penji Sahi, FCI Road
At/PO. Phulbani
Dist. Kandhamal 766001
Tel 06842-254079
ugbrophulbani@gmail.com

Bhawanipatna

Bahadur Bagicha Pada
Bhawanipatna
Dist. Kalahandi
Tel 06854-232607
ugbro.bpt@gmail.com



Highlights - 2020-21

1. Total Business of the Bank has reached a level of Rs 10371.51 crore with a growth of Rs 430.25 cr @ 4.33% (Rs 549.37 cr @ 5.85%)
2. Deposits at Rs. 7487.25 Crore increased by Rs 440.19 Crore at a growth rate of 6.25% from Rs 7047.06 Crore.
3. The share of CASA has increased to 59.62% from 59.15%.
4. Advances at Rs.2884.26 Crore decreased by Rs 9.93 Crore @ -0.34% from Rs.2894.19 Crore.
5. Net Loss increased from Rs.139.49 Cr to Rs. 411.63 cr @ 195.09%.
6. Gross NPAs increased to Rs 854.21 Crore i.e. 29.62% as on 31.03.2021 from Rs 810.36 Crore i.e. 28.00%.
7. Net NPAs increased to Rs.388.50 Cr i.e. 16.06% from Rs.309.37 Cr i.e. 12.93%.
8. Provision Coverage Ratio decreased to 67.25% from 71.79%
9. Cost of deposit improved to 4.39% as on 31.03.21 from 5.01%.
10. Business per Branch Rs.23.84 cr (22.85 Cr)
11. Business per Employee Rs 7.75 cr (6.69 Cr)
12. Net Profit per Employee Rs -30.74 Lakh (-9.39 Lakh)
13. Net worth decreased to Rs.-404.72 Cr as on 31.03.21 from Rs.-33.32 Cr as on 31.03.20 @ -1114.73%.
14. Return on Assets decreased to -4.94% as on 31.03.21 from -1.85%.
15. Return on Equity decreased to -42.21% as on 31.03.21 from -20.51%.
16. Yield on advances decreased to 4.87% as on 31.03.21 from 7.59%.
17. Cost to Income Ratio (Expenses Ratio) improved to 71.15% from 75.82%.
18. NII decreased by 10.96% during the year, from Rs.173.76 crs. during 2019-20 to Rs 154.71 crs. during 2020-21.
19. NIM decreased by 2.06% as on 31.3.21 from 2.52%.
20. Capital Adequacy Ratio decreased to -16.01 as on 31.03.21 from -1.34% as on 31.03.20.
21. Credit to Agriculture @ Rs. 1902.42 Cr (Rs. 2001.21 Cr) as on 31.03.2021.
22. Disbursal to Agriculture Sector Rs. 1020.96 Cr. (Rs. 1021.66 Cr.) during the year 2020-21
23. No. of Agriculture borrowers 298071 (320395) as on 31.03.2021.
24. No. of SHGs 39371 (34690) as on 31.03.2021.
25. SHG Loan outstanding increased to Rs. 396.84 Cr (Rs. 358.56 Cr) as on 31.03.2021

(Figures in brackets pertain to previous FY)

**KEY PERFORMANCE INDICATORS**

(Rs. in '000)

	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
A. KEY PERFORMANCE INDICATORS			
1. No. of District covered	17	17	17
2. No. of branches	438	435	435
a) Rural	365	365	365
b) Semi Urban	56	54	54
c) Urban	17	16	16
3. Total staff(Excluding Sponsor Bank staff)	1650	1486	1339
of which Officers	761	675	598
4. Deposits	64961541	70470647	74872500
Growth %	10.93	8.48	6.25
5. Borrowing outstanding	64678	2705	3530296
6. Gross Loan & Advances outstanding	28957326	28941913	28842551
Growth %	-7.09	-0.05	-0.34
of 6 above, loans to Priority sector	26988518	26738811	25826191
of 6 above, loans to Non Target Group	10080045	10043102	3016360
of 6 above, loans to SC/ST	11293357	11287346	10109314
of 6 above, loans to SF/MF/AL	14508622	14928966	14762809
of 6 above, loans to Minorities	582042	594124	503014
7. CD Ratio	44.58	41.07	38.52
8. Investments Outstanding	37298334	43208870	47841014
SLR Investments Outstanding	32623472	36240684	41919003
Non SLR Investments Outstanding	4674862	6968186	5922011
B. AVERAGE			
9. Average Deposits	61103998	67272084	72135930
Growth%	8.09	10.09	7.23
10. Average Borrowings	218233	92147	718104
Growth%	-28.14	-57.78	679.30
11. Average Gross Loans & Advances	31259891	29591176	29912120
Growth%	-2.39	-5.34	1.08
12. Average Investments	31779857	36363935	45316775
Growth%	17.39	23.86	15.12
Average SLR Investments	25505532	30432930	38488645
Growth%	22.71	19.32	26.46
Average Non-SLR Investments	6274325	8931005	6828130
Growth%	-0.19	42.34	-23.54
13. Average working funds	74031382	75227239	83295758



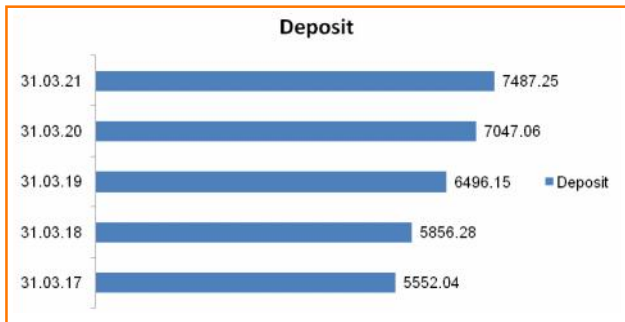
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
C. LOAN DISBURSED DURING THE YEAR			
14 .Loans Disbursed during the year	22579968	23563711	25884067
Growth%	-11.2	4.36	9.85
of 14 above, loans to Priority Sector	19378520	19977405	21513364
of 14 above, loans to Non-Target Groups	3601504	3586306	4370703
of 14 above, loans to SC/ST	8806236	8921220	9189846
D. PRODUCTIVITY			
15. Per Branch Business	214427	228535	238425
Per Staff Business	56921	66899	77457
E. RECOVERY PERFORMANCES			
16. TOTAL			
Demand	25775448	26805585	25922839
Recovery	15805009	16525643	14477905
Overdue	9970439	10279942	11444934
Recovery%(June Position)	61.32	61.65	55.85
17. FARM SECTOR			
Demand	18089034	17925548	16886625
Recovery	11164202	11377345	9832715
Overdue	6924832	6548203	7053910
Recovery%(June Position)	61.72	63.47	58.23
18. NON-FARM SECTOR			
Demand	7686414	8880037	9036214
Recovery	4640807	5148298	4645190
Overdue	3045607	3731739	4391024
Recovery%(June Position)	60.38	57.98	51.41
F. ASSETS CLASSIFICATION			
19. a) Standard	20184497	20838250	20300430
b) Sub-standard	2394837	846786	2000698
c) Doubtful	5729782	6665182	6142585
d) Loss	648211	591695	398838
Total	28957326	28941913	28842551
Standard Assets as % to Gross Loans & Advances outstanding	69.70	72.00	70.38
G. PROFITABILITY ANALYSIS			
20. Interest paid on			
a) Deposits	3269805	3373227	3169589
b) Borrowings	14146	5932	29374



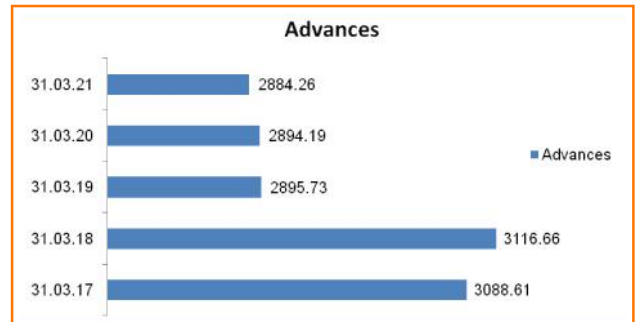
	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
21. Salary (including leave encashment)	1189307	1285682	1121332
22. Other Operating Expenses	392574	501642	484535
23. Provisions made during the year	3172084	1964881	4767469
a) Against NPAs	757291	1895295	1046810
b) Other Provisions	2414793	105586	3720659
c) Amortization	0	0	0
24. Interest received on			
a) Loans & Advances	1499581	2246302	1455338
b) Investments	2355801	2870532	3290772
c) Others	0	0	0
25. Other Income	408206	619604	709910
26. Loss/Profit	-3774317	-1394926	-4116279
H			
27. Share Capital Deposit Received	5272600	9301491	9703731
28. DI & CGC			
a) Claims settled cumulative	348972	348972	348972
b) Claims received but pending adjustment	0	0	0
c) Claims pending with Corporation	0	0	0
29. Cumulative Provision			
a) Against NPAs	4134939	5009978	4657141
b) Against Standard Assets	56522	144630	57739
c) Against Intangible Assets frauds etc.	0	0	0
30. Interest Derecognized During the year	1232973	455685	1146465
31. Loans Written off during the year			
a) No. of Accounts	28198	22708	29263
b) Amount	1103586	950214	1398831
32. Accumulated loss	8239741	9634668	13750947
33. Reserves	0	0	0
Net NPAs	4637890	3093685	3884980
% Provisions to gross NPAs	47.13	61.82	54.52
% Gross NPAs to advances	30.30	28.00	29.62
% Net NPAs advances	18.68	12.93	16.06
CRAR	-11.83	-1.34	-16.01



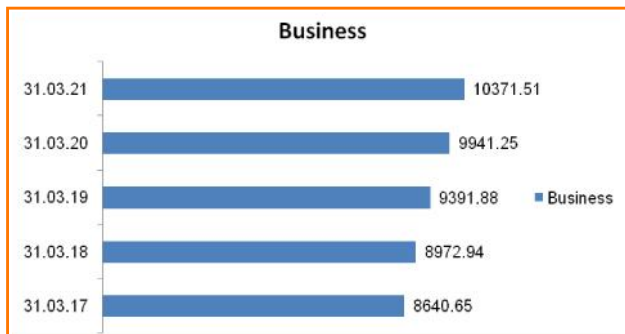
(Rs. In Crore)



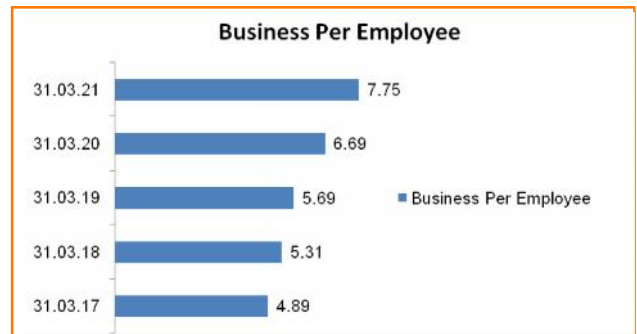
(Rs. In Crore)



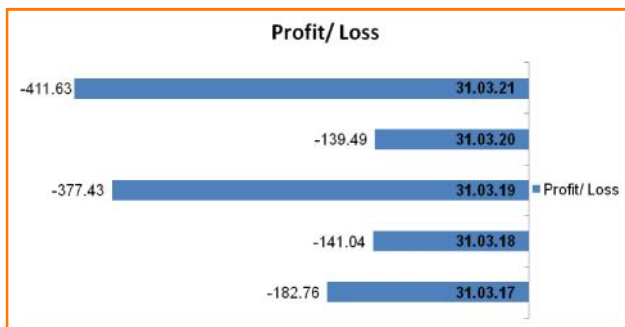
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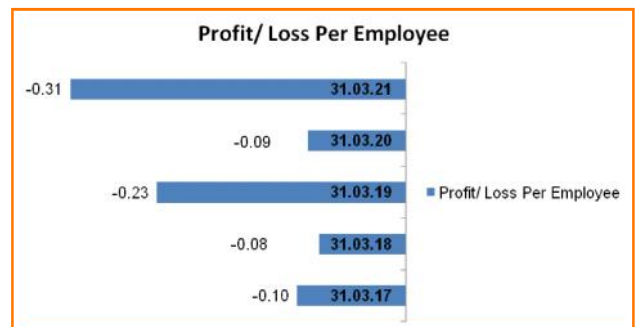
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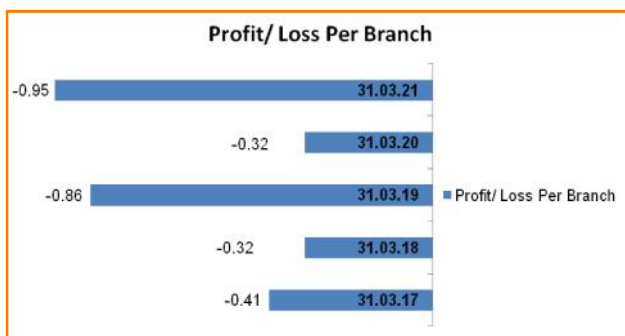
(Rs. In Crore)



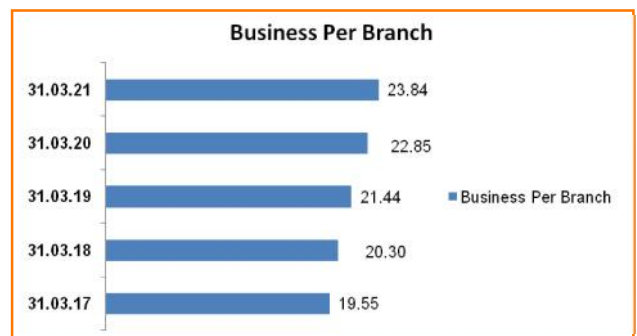
(Rs. In Lakh)



(Rs. In Lakh)



(Rs. In Crore)





BOARD OF DIRECTORS' REPORT 2020-21

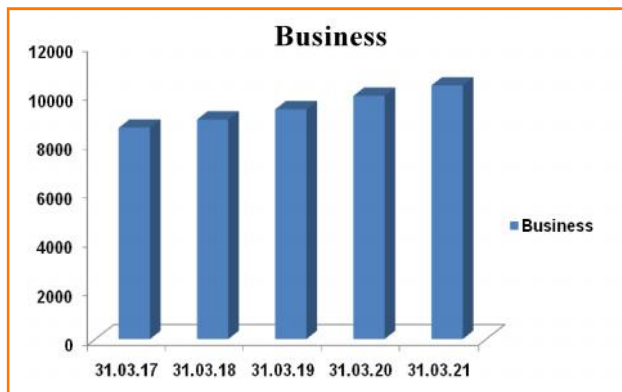
We have pleasure in presenting the 9th Annual Report of Utkal Grameen Bank (UGB) together with the Audited Statement of Accounts, Auditors' Report and the report on business and operations of the Bank for the financial year ended on 31st March 2021.

Business Review

The Bank's business has registered a growth of Rs 430.25 crore at 4.33% to reach Rs. 10371.51 cr as on 31st March 21 as against Rs 9941.26 crore as on 31.3.20.

Business growth of Rs 430.25 crore was contributed by the deposits with an absolute growth of Rs 440.19 Cr whereas advances recorded a marginal decline of Rs. 9.93 cr during the year.

(Rs. in crores)



Profit Analysis

The Bank registered a Net loss of Rs 411.63 cr against a Net Loss of Rs. 139.49 cr as on 31.03.20 during the year registering a fall of 195.09 % after providing Rs.104.68 cr towards NPA provisions, Rs -8.69 cr provision towards Standard Assets, Rs. 323.00 cr towards provision against pension, Rs. 46.79 cr towards wage payment & Rs.10.97 cr towards provisions against gratuity & leave liability during the year.

The Operating profit of the Bank stood at Rs 65.12 crore as on 31.3.21 vis-à-vis previous FY's figure of Rs 57.00 crore. A growth of Rs 8.12 crore (14.25%) was recorded in operating profit during the year.

Operating Profit / Loss

(Rs. in crores)



Income and Expenditure

(Rs. in crores)

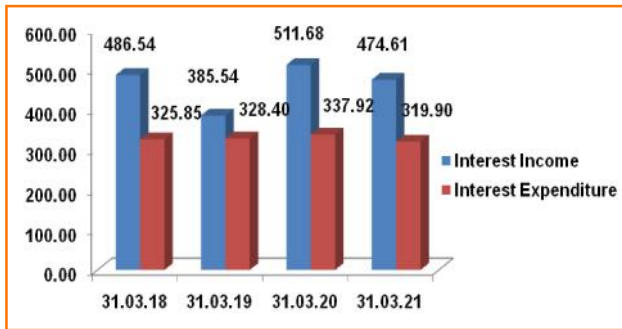
Particulars	2018-19	2019-20	2020-21	Growth %
Interest Income	385.54	511.68	474.61	-7.24
Interest Expenditure	328.4	337.92	319.9	-5.33
Non-Interest Income	40.82	61.96	70.99	14.57
Non-Interest Expenditure	158.19	178.73	160.59	-10.15
Gross Profit/Operating profit	-60.22	56.99	65.12	14.27
Taxes	0	0	0	0.00
Deferred Tax Asset & Earlier year adjustments (excess)	0	0	0	0.00
Provisions and Contingencies	317.21	196.49	476.75	142.63
Prior Period depreciation & rent	0	0	0	0.00
Net Profit(+)/Loss(-)	-377.43	-139.5	-411.63	-195.08

Net Interest Income

Total interest income earned during the year is Rs 474.61 crore where as total interest expenditure is at Rs 319.90 crore. The net interest income is Rs. 154.71 crore during the year against Rs. 173.76 crore of previous year.



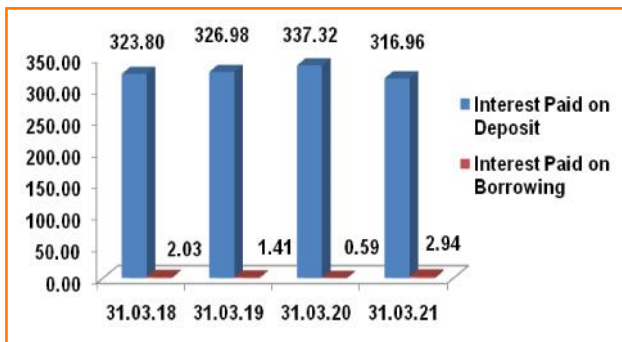
(Rs. in crores)



Interest Expenditure

- Interest paid on deposits has decreased to Rs 316.96 crore from the last FY's figure of Rs.337.32 crore, a decrease by Rs 20.36 crore (6.03%).
- The Bank has paid Rs 2.94 crore towards interest on borrowings (from SBI and NABARD refinance) during the year as against Rs 0.59 Crore of FY 2019-20 with an increase of Rs 2.34 crore.

(Rs. in crores)



Operating expenditure

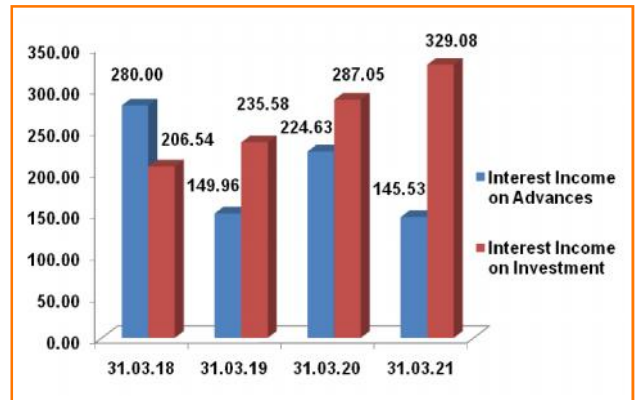
Operating expenditure has decreased by Rs 18.15 crore (10.15%) to Rs 160.59 crore, in 2020-21 from Rs 178.73 crore in previous FY 2019-20.

Interest Income

- Interest income decreased from Rs 511.68 crore to Rs. 474.61 crore during the FY with an absolute degrowth of Rs 37.07 crore (at 7.25%)

- The Bank has earned an interest income of Rs. 145.53 crore from loans and advances in current fiscal as against Rs 224.63 crore in 2019-20 with a degrowth of Rs 79.10 crore.
- The interest income received from investments has increased by Rs 42.02 crore at 14.64% to reach Rs. 329.08 crore as against Rs 287.05 crore in the previous FY.

(Rs. in crores)



Provision for NPAs:

The Bank has made a provision of Rs. 104.68 Cr on NPAs during the year, taking the total Provisions available on Advances to Rs. 471.49 Cr (including cumulative provision of Rs.5.77 Cr on Standard Assets).

(Rs. in crores)

Assets	2018-19		2019-20		2020-21	
	Outstanding	Provisions	Outstanding	Provisions	Outstanding	Provisions
Standard	2018.45	5.65	2083.82	14.46	2030.05	5.77
Sub-Standard	239.48	23.95	84.68	8.47	200.07	20.01
Bad & Doubtful	572.98	324.72	666.52	433.36	614.26	405.83
Loss	64.82	64.82	59.17	59.17	39.88	39.88
Total NPAs	877.28	413.49	810.37	501.00	854.21	465.72
Total Advances	2895.73	419.14	2894.19	515.46	2884.26	471.49

**Ratio Analysis**

S.N	Ratios	2018-19	2019-20	2020-21	
				Amt / Ratio	% Change
1	Yield on advances	4.8	7.59	4.87	-35.84
2	Yield on investments	7.47	7.59	7.31	-3.69
3	Cost of deposits	5.35	5.01	4.39	-12.38
4	Cost of borrowings	6.48	6.44	4.09	-36.49
5	Avg. cost of funds	5.36	5.02	4.39	-12.55
6	Avg. return on funds	6.12	7.42	6.31	-14.96
7	Cost of management	2.14	2.38	1.93	-18.91
8	Misc .Income as % to Working Funds	0.55	0.82	0.85	3.66
9	Net Margin	-5.07	-1.85	-4.92	165.95
10	Financial Margin	0.8	2.31	1.88	-18.61
11	Risk Cost	4.28	2.61	5.72	119.16
12	Return on Assets	-5.1	-1.85	-4.94	167.03
13	Expenses ratio	161.47	75.82	71.15	-6.16
14	Gross NPAs	877.28	810.37	854.21	5.41
15	Net NPAs	463.79	309.37	388.5	25.58
16	% Provisions to gross NPAs	47.13	61.82	54.52	-11.81
17	% Gross NPAs to advances	30.3	28	29.62	5.79
18	% Net NPAs to net advances	16.02	12.93	16.06	24.21
19	CRAR	-11.83	-1.34	-16.01	-1094.78

Balance Sheet Size

The balance sheet size amounted to Rs. 9187.27 cores with an increase of Rs. 864.50 Crore over March 2020 level.

CAPITAL & RESERVES**Authorized Capital**

Pursuant to The Regional Rural Banks (Amendment Act) 2015, the Authorized Capital of the Bank raised from 5,00,000 Equity Shares of Rs. 100/- each aggregating to Rs. 5 crores to 200,00,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 2000 crores.

Paid up Capital

The Bank's paid up capital stood at Rs 9,70,37,30,600 (97,03,73,060 shares of Rs 10 each) as on 31.03.2021, subscribed by Government of India, State Government and State Bank of India in the ratio of 50:15:35. Govt. of India vide DFS Letter No. F. No.3/8/2010-RRB (Vol.V) dt 30/03/2020 had sanctioned recapitalisation assistance of Rs. 268.16 Cr, out of which we could receive Rs. 227.84 cr during

the financial year 2019-20. Rest of Rs. 40.224 cr received on 14.05.2020 and issued share certificates in same proportion to all the three stake holders.

Perpetual Bond

The share of cost of implementation of CBS from Sponsor Bank amounting to Rs.8.13 crore was received against issue of Perpetual Bonds as per directives of NABARD.

Net worth

Net worth of the Bank stood at (-) Rs.404.72 crore with a fall of Rs. 371.40 crore (1114.73%) over previous FY's figure of (-) Rs. 33.32 crore.

The Capital Adequacy Ratio (CRAR) has fall to -16.01% at the end of the year vis-a-vis -1.34% as on 31.03.20 against the minimum 9% stipulated by NABARD.

Supervisory Action Framework (SAF) & Prompt Corrective Action (PCA)

Due to the weak financial position & high NPAs as on 31.03.2018, the Bank came under the purview of NABARD guidelines on Supervisory Action Framework (SAF) for RRBs for Prompt Corrective Action (PCA) and accordingly following strategies were put in place for implementation during the year :

- Risk Management Policy, Revised Investment Policy and Loan Policy put in place for implementation.
- Detailed analysis made of the NPA portfolio and strategies worked out for its management along with monthly monitorable action plan (MAP).
- Lending powers of high NPA branches restricted.
- Loan review mechanism strengthened further.
- Committee/cluster approach in sanctions for better quality Assets.
- Bringing improvement in loan management process, Asset Management Hubs (AMH) under CPC model set up at 4 centres.
- Apart from not entering new line of business, restrictions imposed on unsecured loans to contain risk-weighted assets.



- viii. Focus on increasing exposure in risk mitigated products - Gold loans, Loans against securities, Housing Loans, quality SME Loans (Asset Based).
- ix. Scouting for good investment credit proposals for long term engagement and profitability.
- x. Concentration on loans with high security backing in the absence of CGTMSE coverage.
- xi. Training & skill development in credit appraisal and systems focused on an ongoing basis.
- xii. Stressed Assets Recovery Branch (SARB) set up to follow up high value NPAs and follow up of suit filed cases and decreed cases further streamlined along with all other legal means.
- xiii. Soliciting high cost deposits discontinued and focus on increasing CASA deposits.
- xiv. More focus on fee & commission based business including cross selling of products of SBI Life, APY, General Insurance and trading in G-Secs & PSLCs.
- xv. Recovery drive launched for AUCA.
- xvi. Branch rationalisation attempted to reduce loss-making branches & contain operating cost.
- xvii. Other staff benefits curtailed/deferred for the year.
- xviii. Other austerity measures put in place to reduce operating expenses.

Study by Professional Consultant M/s. Deloitte

Professional Consultant M/s Deloitte Touche Tohmatsu India LLP was engaged by our Sponsor Bank to define a viable turnaround strategy and implementation plan for our Bank,. The Final Report of M/S Deloitte has been received through our Sponsor Bank in October 2020.

More than 30 initiatives have been identified for implementation across following 5 Key levers for our Bank to drive turnaround and profitable growth in next 24 months.

1. Advances & income growth
2. Productivity enhancement
3. Risk, Compliance & Collection Management
4. People & Organisation Transformation &
5. Technology Transformation

The following table gives the position of Tier-I, Tier-II Capital, Reserves and computation of CRAR :

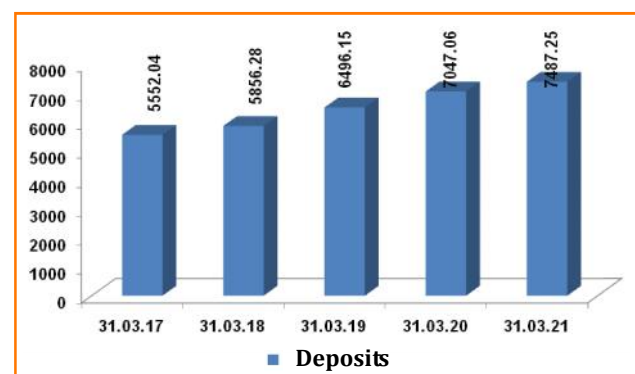
(Rs. in crores)

	Capitals	2018-19	2019-20	2021-21
1	Tier-I			
	a. Paid up Capital	494.92	702.21	970.37
	b. Share Capital Deposit	32.34	227.94	0.00
	c. Accumulated Loss	823.97	963.47	1375.09
	Total Tier-I Capital	-296.71	-33.32	-404.72
2	Tier-II			
	a. Perpetual Bond	8.13	8.13	8.13
	b. General Provisions & Reserves	5.65	14.46	5.77
	Total Tier-II Capital	13.78	22.59	13.90
	Grand Total (Tier I + Tier II) (As Tier-I capital is in negative Tier-II capital not taken for CAR calculation)	-296.71	-33.32	-404.72
3	a. Adjusted value of funded risk assets i.e., balance sheet items	2487.03	2464.54	2501.90
	b. Adjusted value of non-funded risk assets i.e., balance sheet items	22.02	25.12	26.71
	c. a+b	2509.05	2489.66	2528.61
	d. Percentage of Capital (Tier-I + Tier II) to Risk Weighted Assets	-11.83	-1.34	-16.01

Deposits

Deposits registered a growth of Rs 440.19 Crore over March 2020 level at a growth rate of 6.25%. Total deposits as on 31.3.2021 stand at Rs 7487.25 Crore as against Rs 7047.06 Crore as on 31.3.2020.

(Rs. in crores)



**Deposit Mix**

CASA deposits grew by Rs 295.27 Crore at 7.08% to reach Rs 4463.85 crore as against Rs 4168.58 crore as on 31.03.20. Term Deposits grew by Rs 144.91 crore to reach a level of Rs 3023.40 Crore at 5.03% as against Rs 2878.49 crore. The share of CASA has increased from 59.15% (31.03.2020) to 59.62% as on 31.03.2021.

(Rs. in crores)

Deposit Mix	31.03.19	31.03.20	31.03.21
Current A/c	109.63	122.70	132.14
Growth	0.17	13.07	9.44
Growth%	0.16	11.92	7.69
Savings Bank A/c	3627.99	4045.88	4331.71
Growth	454.06	417.89	285.83
Growth%	14.31	11.52	7.06
Total CASA	3737.62	4168.58	4463.85
Growth	454.23	430.96	295.27
Growth%	13.83	11.53	7.08
Term Deposits	2758.52	2878.49	3023.40
Growth	185.63	119.97	144.91
Growth%	7.21	4.35	5.03
Total Deposits	6496.14	7047.07	7487.25
Growth	639.86	550.93	440.18
Growth%	10.93	8.48	6.25

Borrowings

The aggregate borrowings of the Bank as on 31st March 2021 stood at Rs. 353.03 crore against Rs. 0.27crore as on 31st March 2020.

(Rs. in crores)

Institution	2018-19	2019-20	2020-21	Variance
NABARD	6.47	0.27	353.03	352.76
NSKFDC (National SafaiKarmachari Financial Dev. Corpn)	0.00	0.00	0.00	0.00
Total	6.47	0.27	353.03	352.76

Assets**Investments**

Total investments portfolio of the Bank has increased to Rs 4784.10 Crore as on 31.3.21 from previous year's level of Rs 4320.89 Crore by Rs 463.21 Crore @ 10.72%.

(Rs. in crores)

Investment	31.03.19	31.03.20	31.03.21
SLR	3262.35	3624.07	4191.90
Growth	921.88	361.72	567.83
Growth%	39.39	11.09	15.67
NON-SLR	6.00	5.50	3.50
Growth	0.50	-0.50	-2.00
Growth%	9.09	-8.33	-36.36
TDR with other Bank	461.49	691.32	588.70
Growth	-126.73	229.83	-102.62
Growth%	-21.54	49.80	-14.84
Total Investment	3729.84	4320.89	4784.10
Growth	795.65	591.05	463.21
Growth%	27.12	15.85	10.72

Investment Policy:

The Investment Policy of the Bank was formulated in 2008 and the same was reviewed/revised and approved by the Board from time to time. However from the financial year 2018-19, we have adopted the model uniform investment policy circulated by our Sponsor Bank for its RRBs, conforming to the RBI guidelines, which was reviewed by the Board during Financial Year 2020-21.

SLR Investments

In terms of Section 24 of the BR Act 1949, the Bank has maintained investments in the avenues laid down in the Policy, to fulfil the SLR requirements. All SLR investments are made in GOI/State Govt Securities/Sovereign Gold Bond only. The purchase and sale of Govt Securities are undertaken through the Portfolio Management Services Department (Interest Rate Market Desk) of State Bank of India.

Non SLR Investments

Non-SLR investments are in Mutual Funds and TDRs with other Banks. The Bank has been monitoring and following up for prompt receipt of principal & interest dues. There was no instance of income leakage from Non-SLR investments portfolio.

**CRR and SLR**

The Bank has complied with the regulatory requirement of maintenance of adequate balances towards CRR and SLR. There is a well laid down system of assessing the CRR and SLR requirements taking into account the NDTL. There was no default in maintenance of CRR / SLR requirements during the year. The Bank has kept Rs. 270.13 Crore in CRR and Rs 4191.90 crore in SLR as on 31.03.2021

Credit Portfolio

The credit portfolio of the Bank is Rs. 2884.26 Crore at the end of the financial year ended 31.03.2021 against the previous year level of Rs 2894.19 Crore, thus showing a marginal decline of Rs. 9.93 Crore. The negative growth was mainly due to interest reversal (URI) of Rs. 114.65 crores, Written-off of Rs. 139.88 crores and NPA recovery of Rs. 110.15 crores in the FY 2020-21.

Credit to Agriculture

Total credit to agriculture and allied activities including agriculture-portion of SHG lending, stood at Rs 1902.42 Crore as on 31.3.2021 as against Rs. 2001.21 Crore as on 31.03.2020 with a decrease in growth of Rs 98.79 crore due to impact of COVID-19 pandemic. Further, the total number of Bank's loan accounts in Agriculture sector has come down to 298071 as on 31.03.2021 vis-a-vis 320395 in FY 2019-20 due to write off and parking in AUCA of 25773 Agri segment accounts for Rs. 126.86 crores.

The Bank has disbursed Rs. 1020.96 Crore to agriculture during the year 2020-21 as against the previous year's disbursement of Rs 1021.66 Crore. There is a marginal decline of Rs. 0.70 Crs. In disbursement from the previous year due to COVID-19 pandemic.

Total credit to agriculture and allied activities constitutes 65.96% of the total credit portfolio as on 31.3.2021 vis-à-vis 69.15% as at the

end of previous FY 2019-20. The decrease in the Agri. Sector is majorly due to written off and parking in AUCA amount of Rs. 126.86 crs.

Crop loans under**Revised Kisan Credit Card System**

As per the directions of Government of India and NABARD, we have implemented revised Kisan Credit Card System for crop loan borrowers from Kharif 2012. Loan limits are fixed for 5 years and documents are obtained for the maximum permissible limit. Year-wise limits are fixed basing on present Scales of Finance and keeping in view the future cost of investment.

We have issued 234266 KCCs as on 31.3.2021 with an outstanding credit of Rs.1216.36 Crore as against previous FY 2019-20 level of 265476 KCCs for Rs.1380.45 Crore.

During the year 2020-21, we have disbursed an amount of Rs. 746.76 Crore to 124159 KCC account holders as against Rs.870.02 Crore to 163147 card holders during the year 2019-20.

Interest Subvention (Govt. of India)

As per Government of India guidelines, Bank is charging 7% interest rate to all the short term crop loan borrowers with limit up to Rs.3.00 lakhs and accordingly claimed an amount of Rs. 14,33,78,554/- towards 2% interest subvention (including extended moratorium period interest subvention under COVID-19 Regulatory Package) from GOI during the year 2020-21. As per the directives of Government of India, we have passed on the benefit relating to 3% Prompt Repayment Incentive (including extended moratorium period under COVID-19 Regulatory Package) to farmers to the extent of Rs. 12,15,41,220/- towards prompt repayment of short term crop loans up to Rs. 3.00 lakhs and claim has been submitted to GoI accordingly.



**Crop Loans - Interest Subvention
(Govt. of Odisha)**

Government of Odisha had implemented reimbursement of interest subvention @ 2% to short term crop loan borrowers with limit up to Rs. 3.00 lakhs from 2015-16. As per letter No.SLBC/ODI/76/2015-16, this 2% interest subvention is given upfront to the farmers and they are charged 5% interest rate in all short term crop loans with limit up to Rs. 3.00 lakhs. Under this scheme, farmers need not pay the 2% of interest portion. We have submitted our claim of Rs. 9,89,34,758/- to Government of Odisha during the year 2020-21 for reimbursement. In addition to this Govt. of Odisha is also providing 1% additional interest subvention to crop loan borrowers with limit up to Rs. 50,000/- from 01.10.2015 i.e. from Rabi 2015-16. We have submitted our claim of Rs. 1,27,31,138/- to Govt. of Odisha during 2020-21 which will be passed on to the beneficiaries after receipt of the claim amount.

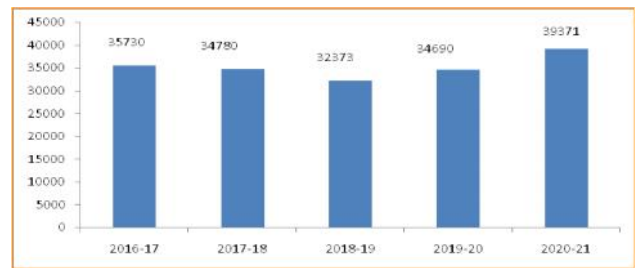
Conducting of Village Level Meeting

All branches have conducted meeting at the village point for renewal of KCC. To ensure maximum coverage of farmers, meetings were conducted in the evening and morning hours, despite of COVID-19 pandemic in the year and farmers were sensitized to renew their crop loans to be eligible for Crop Insurance in case of crop loss due to drought & natural calamities. Apart from operating staff at Branches, functionaries from Regional Offices and Head Office have participated in the meeting, which yielded good results in renewal of KCC.

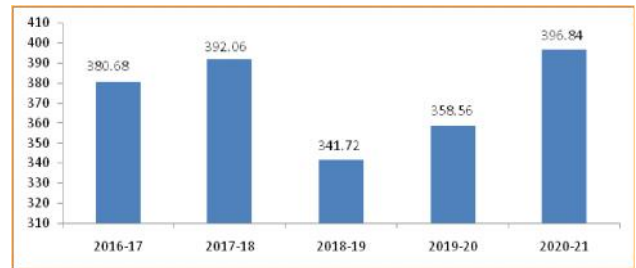
Self Help Groups

Our Bank has financed 39371 Self Help Groups (Covering about 3.92 lakh rural women) with an outstanding portfolio of Rs 396.84 Crore as on 31.3.2021.

The Bank has disbursed Rs 220.80 Crore to 19302 Groups during the year 2020-21.



(Rs. in crores)



SHGs interest subvention

Interest subvention scheme for Women SHGs under DAY-NRLM for the year 2020-21

Under the Scheme, all Women SHGs promoted by NRLM or other Central or State Government Line Departments or NABARD or any NGOs, which are linked with our Bank, are eligible to avail the benefits of the Scheme. GOI has identified 250 backward districts all over the country under Category-I, of which we have fourteen districts in our area of operation namely Balangir, Deogarh, Gajapati, Ganjam, Kalahandi, Kandhamal, Koraput, Malkangiri, Nabarangpur, Nuapada, Rayagada, Sambalpur, Sonepur and Sundargarh

All such Women SHGs in these fourteen districts are eligible for interest subvention on loans up to Rs. 3.00 lakhs at 7% and additional interest subvention of 3% on Prompt repayment. Accordingly they have been extended credit at 7% rate of interest up to Rs. 3.00 Lakhs and Government of India subvents the Bank to the extent of difference between 7% and actual rate of interest (12.5%) subject to a maximum of 5.5%. In this connection, we have claimed Rs.9,94,89,326/- towards 5.50% Interest subvention and Rs.3,94,93,651/- towards 3% Prompt repayment



Interest Incentive from Government of India for the year 2020-21. Further, with introduction of Mission Shakti Scheme by Govt. of Odisha, for better visibility & creation of greater awareness among WSHGs, Govt. of Odisha has reduced the interest burden of WSHGs by providing loans at 0% annual interest to both Rural and Urban WSHGs for loans up to Rs. 3.00 lakhs. This facility is available, w.e.f 1st April 2019 through the state Interest subvention Scheme irrespective of their promoting agencies. In the FY 2020-21 we have claimed Interest Subvention of Rs. 5,26,58,041/- under Mission Shakti Scheme.

For Category-II districts, comprising of Bargarh, Boudh & Jharsuguda in our operational area, all Women SHGs under DAY-NRLM are eligible for interest subvention, which is provided to the State Rural Livelihoods Mission (SRLMs) from the allocation for DAY-NRLM. In the Category-II districts, Banks charge the SHGs as per their respective lending norms and the difference between the lending rates and 7% subject to maximum of 5.5% for the FY 2020-21 will be subvented into the loan accounts of the SHGs by the SRLMs.

Priority Sector Lending

In terms of RBI Circular No: RBI/FIDD/ 2016-17/34, Master Direction FIDD.CO. Plan 2/ 04.09.01/2016-17, dated July 7, 2016, w.e.f 01.01.2016, 75 per cent of outstanding advances should be towards Priority Sector, which constitutes loans extended to (a) Agriculture (Farm credit , Agriculture infrastructure, Ancillary activities) (b) Micro, Small and Medium Enterprises (Manufacturing and Service Sector, KVI and OD to PMJDY) (c) Education (d) Housing (e) Social Infrastructure (f) Renewable Energy (g) Weaker Sections and (h) Others (SHG/JLG, distressed persons, Loans to State Sponsored Organizations for Scheduled Castes/ Scheduled Tribes).

RRBs have a target of 75 per cent of their outstanding advances for priority sector lending. Targets under Priority Sector and its subsectors along with our performance are as indicated in table below.

Categories (of the total Advances)	Target in %	Our position in %
Total Priority Sector	75% of total outstanding	89.54
Agriculture	18% of total outstanding	65.96
Small and Marginal Farmers	8% of total outstanding	51.18
Micro Enterprises	7.5% of total outstanding	8.18
Weaker Sections	15% of total outstanding	35.66

(Rs. in crores)

		2018-19		2019-20		2020-21	
		No.of A/cs	Outstanding	No.of A/cs	Outstanding	No.of A/cs	Outstanding
1.	Weaker Sections	145109	1008.14	142002	1039.37	134514	1028.47
2.	Women borrowers	25240	724.03	30149	715.73	92730	738.42
3.	Minorities	16224	58.15	16660	59.41	14400	50.30
4.	SCs/STs	183240	1129.33	171595	1128.73	145238	1010.93

Priority Sector Lending Certificates

As per RBI master circular No. FIDD.CO. Plan. BC 23/04.09.01/2015-16 dated 07.04.2016 of PSLC, trading in e-Kuber portal is an ongoing process. All traded PSLCs will expire by March 31st and will not be valid beyond the reporting date (March 31st), irrespective of the date it was traded.

We have started trading in e-Kuber portal from FY 2017-18. During the FY 2020-21, we have traded net PSLC of Rs. 470.00 Crore with net premium gain of Rs. 24.10 Crore against Rs. 14.94 Crore during the previous year.

Participation in State Credit Plans

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

(Rs. in crores)

		2018-19		2019-20		2020-21	
		Target	Achievement	Target	Achievement	Target	Achievement
1.	Crop Loans	1006.21	807.89	1106.83	870.02	1217.52	746.76
2.	Other Agr. & allied activities	512.80	104.83	563.98	151.64	617.63	274.20
3.	Non Farm Sector(NFS)	409.91	992.23	450.90	950.87	495.99	1104.74
4.	Other Priority Sector(OPSS)	228.24	32.91	251.16	25.21	279.02	25.64
5.	Total Priority Sector	2157.15	1937.86	2372.87	1997.74	2610.16	2151.34
	% of achievement		89.83%		84.19%		82.42%

Retail Lending

During the year, along with sanitization of the existing portfolio we have continued focus on retail lending to Housing, Mortgage Loans, Personal Gold Loans, MSME etc. Capacity building of the operating staff has been given top priority by



conducting training programmes to diversify the credit portfolio and to increase our profitability. The year-end position is as under :

(Rs. in crores)

Sl. No.	Segments	Outstanding as on					
		31.03.2019		31.03.2020		31.03.2021	
		No of A/Cs	Amt	No of A/Cs	Amt	No of A/Cs	Amt
1	Housing Loans	4412	207.28	4075	196.11	3682	184.87
2	Mortgage Loans	137	17.74	127	15.70	113	12.13
3	Education Loans	524	13.57	412	10.93	308	8.18
4	Demand Loans	7329	57.70	6930	56.86	6974	66.53
5	NFS - Term Loan/MSME	22098	347.03	19870	415.97	15929	428.91
6	Personal Loans	1949	25.39	1782	28.06	1419	24.86
7	Personal Gold Loans	43421	188.38	43415	197.56	51234	273.36
	Total	79870	857.09	76611	921.19	79659	998.84

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

Our Bank had registered with CERSAI in terms of RBI guidelines and complied with the instructions. Equitable/Registered mortgages and Hypothecation in respect of all our loans as on 31.03.2021, which are covered under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), have been registered with CERSAI.

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

Credit Information Companies

Our Bank is a member of four Credit Information Companies (CICs) viz. Transunion CIBIL India Ltd., CRIF High Mark Credit Information Services Private Limited, Equifax Credit Information Services Private Limited & Experian Credit Information Company of India Private Limited. The CICs collect and maintain records of individuals' and non-individuals' (commercial entities) payments pertaining to loans and credit cards from Banks and other lenders on a monthly basis. Using this information a Credit Information Report (CIR) and Credit Score is developed, enabling lenders to evaluate and approve loan applications.

Our Bank has been uploading the data on monthly basis in the web portals of the CICs and all

Regional Offices and Branches are accessing the credit history of the loan applicants in their credit decisions.

Asset Quality -

Asset Management Hub (AMH) have been set up at 4 nos. of centers like: Berhampur, Sambalpur, Bargarh & Jharsuguda for centralized processing of credit proposals. It is acting as a tool for creation of quality assets and improving the performance of the bank, by using cost effective methods and business oriented approach. Presently, 4 nos. of Hub branch are acting as credit branch for the 44 Spoke Branches linked to it on the basis of geographic proximity, operational convenience and business level.

During the year Bank decided to automate the Credit application processing System and selected a software termed as Loan Originating Software (LOS). The application software has three major heads viz. Retail, MSME and Agriculture. LOS interface with BANC-EDGE and fetch data from that system and also send data from LOS to BANC-EDGE on real time basis. The Agri Module software has been implemented in the Bank during the FY 2020-21.

To provide collateral free loan to COVID-19, Pandemic affected units, Government of India through Ministry of Finance, Department of Financial Services introduced the 'Emergency Credit Line Guarantee Scheme (ECLGS)' for providing 100% guarantee coverage for additional working capital term loans guaranteed by National Credit Guarantee Trustee Company Ltd. (NCGTC). Accordingly, our Bank has sanctioned 217 nos. of ECLGS loans consisting limit of Rs.11.56 crore with guarantee coverage from NCGTC during the Fy 2020-21.

Bank as a Prime Lending Institution (PLI) has signed MoU with Housing Development Corporation of India (HUDCO), the Central Nodal Agency (CNA) for implementation of the CLSS scheme under Pradhan Mantri Awas Yojana (Urban) (PMAY-U) to book quality asset in housing loan segment during the year.

Management of Non Performing Assets

The Non-Performing Assets have increased by Rs. 43.85 Crore from Rs. 810.37 crore as on 31st March 2020 to Rs. 854.21 crore as on 31st March 2021. Gross NPAs as a percentage to total advances has increased from 28.00% as on 31.3.2020 to 29.62% as on 31.3.2021. Net NPAs (as a %age to Net advances) has increased from 12.93% to 16.06%. In absolute terms, Net NPAs increased from Rs 309.37 crore to Rs. 388.50 crore.

**Asset Classification**

(Rs. in crores)

Assets	2018-19		2019-20		2020-21	
	Outstanding	%	Outstanding	%	Outstanding	%
Standard	2018.45	69.70	2083.82	72.00	2030.05	70.38
Sub-Standard	239.48	8.27	84.68	2.93	200.07	6.94
Bad & Doubtful	572.98	19.79	666.52	23.03	614.26	21.30
Loss	64.82	2.24	59.17	2.04	39.88	1.38
Total NPAs	877.28	30.30	810.37	28.00	854.21	29.62
Total Advances	2895.73	100.00	2894.19	100.00	2884.26	100.00

Strategies for NPA reduction

The following strategies were adopted to reduce / contain the NPAs:

- Monitorable Action Plan (MAP) prepared on monthly basis and submitted to RBI, NABARD and performance presented to the Board for review.
- Restriction on sanction of fresh loans by the NPA intensive Branches making them free for focused monitoring and recovery/up-gradation of NPAs.
- Branch wise and Region wise targets allotted under different parameters for the purpose and being monitored on regular basis.
- Retired Officers have been posted at war room of Regional Offices for monitoring, support and guidance to Branches for reduction/recovery of NPA and to check further slippage to NPA.
- Monthly review of high value loans introduced for controllers based on the outstanding as under ;
 - Rs.2 lakhs to Rs.5 lakhs by the Manager Advances of each Regional Offices.
 - Above Rs. 5 lakhs by Regional Managers
 - Above 10 lakhs - regular fortnight review by respective General Managers and monthly review by Chairman.
- Strengthening of SARB for follow up & recovery of high value NPAs.
- Allocation of NPA intensive Branches to officials of HO/RO for monitoring.
- Intranet site was strengthened to facilitate the branches to know their performance as well as other branches to create a competitive atmosphere among them.
- Telephonic/personal call to the NPA borrowers by RO/HO officials.
- Conduct of Recovery-cum-renewal camps and night camps.

- Special focus on high value NPAs during P-Review meetings & NPA review meetings.
- Three different campaigns were run for NPA reduction and progress monitored.
- Seizure and auction expedited.
- Action under SARFAESI act intensified by serving 13(2) & 13(4) notices and going for possession and auction.
- Filing & follow up of DRT cases intensified.
- Special OTS with Board approval implemented for loans with outstanding up to Rs. 5.00 lakhs.
- Active Participation in Lok Adalats ensured.
- Bank Adalats conducted every month regularly.
- After the required training 24 qualified BC-CSPs deployed as recovery agents along with regular panel of RAs.

Salient outcome of such strategies are as under :

NPA Reduction Campaigns

Three NPA reduction campaigns were implemented - "Kete Baki Rahila" for KCC, "SHG Nabikaran" for SHG and "Star Branch Campaign" for reduction of SME & other 'P' Segment loans. Achievements under these three campaigns during last Financial Year are as under :

(Amt. in crores)

Kete Baki Rahila		SHG Nabikaran Plan		Star Branch campaign for SME & P-Segment loans	
Account	Amount recovered	Account	Amount recovered	Account	Amount recovered
24132	205.71	3650	42.01	3162	65.31

UGB Special OTS 2020-2021' was launched w.e.f 01.12.2020, to reduce NPAs.

(Amt. in crores)

Outcome of UGB Special OTS as on 31.03.2021			
A/c	Amount O/s	Amount Settled	Amount Recovered
4702	32.09	19.32	13.88

Night Camps / Recovery Camps were organised by Branches. Through 3438 camps Rs. 37.35 crore were recovered.

Through SARFAESI action, we have recovered Rs. 20.48 crore in 228 nos accounts.

For recovery in AUCA a special campaign "CONQUER AUCA" launched w.e.f.01.12.2020 and as on 31.03.2021, Rs.10.75 cr of AUCA has been recovered as compare to Rs.7.17 cr as on 31.03.2020.



Stressed Assets Recovery Branch (SARB)

Stressed Assets Recovery branch (SARB) was strengthened to handle high value NPA accounts and entrusted for migration of high value loans from the Branches and to start/continue Legal Action/ SARFAESI action. SARB is handling 147 nos of high value NPA accounts amounting to Rs. 20.03 crore & 55 nos of AUCA accounts amounting to Rs. 7.19 crore.

SARB has recovered Rs.22.61 crs of NPAs and booked 16 nos high value compromise proposals for Rs.20.04 crs during the FY 2020-21.

Compromise settlements

Bank has recovered sizeable amount of NPAs during the year 2020-21 under compromise settlements which were overdue for several years.

(Rs. in crores)

Compromise	2018-19	2019-20	2020-21
No. of A/Cs	7729	8640	5693
Amount in Crore	21.04	51.97	49.10

These settlements include settlement of bad debts in Lok Adalats, Bank Adalats, UGB Special OTS, Special OTS for Tractor and other general compromises.

Internal Control System - Inspection & Audit

All activities of the Bank are subject to internal audit function, which mainly comprises of Risk Focused Internal Audit (RFIA) applicable for all the branches, Concurrent Audit covering 50% business of the Bank, Credit Audit for Loan Accounts above Rs.1 crore, Snap Audits by ROs as & when required and newly introduced Compliance Audit.

Risk Focused Internal Audit (RFIA)

The Risk Focused Internal Audit Report System has been implemented in the Bank from August-2013, as advised by our Sponsor Bank and the criteria were further refined with the Bank raising the

benchmark for the Inspection ratings with effect from 08.11.2016. For further strengthening of the audit system the new format of RFIA has been introduced in the Bank w.e.f. 30.12.2017 as advised by our Sponsor Bank.

During the year 316 Branches were due for Audit and 208 Branches have been audited. Rating acquired by audited branches is as under:

Rating	Out of 195 Branches audited during 2020-21
Well Controlled - A+	05
Adequately Controlled - A	199
Moderately Controlled - B	04
Unsatisfactorily Controlled - C	Nil
Total	208

Out of 180 Audit Reports, which were due for closure during the year, 112 have been complied and dealt with.

Concurrent Audit

As a part of internal control system in our Bank, Concurrent Audit was introduced from the financial year 2017-18 as per the policy guidelines issued by NABARD. Keeping in view the manpower constraints, Concurrent Audit is being conducted at 132 branches with the help of 16 Auditors for the purpose from amongst retired officers of the Bank engaged on contract basis.

The Scope of Concurrent Audit is designed to cover (a) handling of cash (b) safe custody of securities (c) exercise of Discretionary Powers (d) Sundry and Suspense accounts (e) Clearing Differences (f) Off Balance Sheet items, Security Aspects, verification of Assets Quality etc.

Apart from this, the following audits have also been carried out to enhance the efficiency levels:

IS Audit

The Data Centre of the Bank is subject to IS Audit every year and IS audit has also been conducted at 8 Regional Offices and Head Office with the help of CISA qualified Auditor. Branches with limited IT architecture are covered during the RFIA audit.

**Credit Audit**

All the 24 eligible loan accounts were subjected to Credit Audit during the year and their audit reports complied and dealt with.

Audit Committee of the Board

The Audit Committee of the Bank's Board has been constituted. The Deputy General Manager, (FI & MF), State Bank of India, Local Head Office, Bhubaneswar (Director in the Bank's Board) is the Chairman of the Audit Committee. The Deputy General Manager (NABARD), Odisha Regional Office, Bhubaneswar (Director in the Bank's Board), The Deputy General Manager, Reserve Bank of India, Bhubaneswar (Director in the Bank's Board) and the Deputy Secretary, Finance Department, Govt. of Odisha, Bhubaneswar (Director in the Bank's Board) are the members of the Audit Committee. The Committee has met 4 times during the year and monitored the inspection activities, asset management and accounting position of the Bank.

Management Audit

The Management Audit of our Bank was last conducted by our Sponsor Bank in November, 2020. We have submitted our compliance to the Management Audit Report dated 12.01.2021 along with the final Action Taken Report to our Sponsor Bank.

NABARD Inspection under Section 35(6) of the Banking Regulation Act 1949

The NABARD Audit was conducted for the FY ending 31.03.2020. Final Compliance remarks have been submitted within the stipulated time schedule.

Policy Framework of the Bank

Efforts have been made to identify all areas of Banking and put in place a policy framework for consistency in our approach. While framing the Policies, all extant instructions of Reserve Bank of India, NABARD, Sponsor Bank and general principles of banking as envisaged in various Acts governing the Banking, have been taken into account. Our Bank has the following policies now on record, duly deliberated

in the Board Meetings and approved by the Board.

1. Risk Management Policy
2. Asset Liability Management Policy
3. Investment Policy
4. Loan Policy
5. KYC / AML Policy
6. Interest Rate Policy
7. Customer Complaints / Grievances Redressal Policy
8. Customers Right Policy
9. Policy on Depositor Education and Awareness Fund (DEAF) Scheme and unclaimed deposits / inoperative accounts in Banks.
10. Recovery & NPA Management Policy
11. Business Continuity Plan
12. Financial Inclusion & Business Correspondent Policy
13. Information Technology (IT) Policy & Information Security (IS) policy
14. Internet Banking Policy
15. Cyber Security Policy
16. Internal Audit Policy
17. Information System Audit Policy
18. Concurrent Audit Policy
19. Credit Audit Policy
20. Vigilance Policy
21. Whistle Blower Policy
22. Fraud Risk Management Policy
23. Staff Alertness Award Policy
24. Procurement Policy
25. E-Waste Management Policy
26. Transfer Policy
27. Training Policy
28. Standard Operating Procedure (SOP) for Detection, Impounding and reporting of Counterfeit Notes
29. Standard Operating Procedure on Assets Management Hub
30. Standard Operating Procedure on lending against pledge of gold ornaments.



31. Compromise Policy
32. SOP Lok Adalat
33. SOP Sale of Property Seized under SARFAESI Act
34. SOP for Lease Premises
35. SOP for Reporting of fire incident
36. SOP for CCTV

These policies are meant to help ensure that the Bank has an effective and proven systems and procedures on every key area of the Bank's functioning. They also guide the operating staff to comply with the regulatory requirements.

Financial Inclusion

Financial Inclusion has been the concern of Indian economy and banking industry since independence. Leveraging technology is the basic idea behind our initiative in providing Banking Services at the doorsteps of the unbanked and underprivileged people of the society.

As part of financial inclusion, the bank has 1010 Bank Mitras (CSPs) working at our Customer Service Points, covering 10809 villages which do not have formal banking outlets of any Bank. Out of 10809, 315 villages are with population of 2000 and above and remaining 10494 villages with a population less than 2000. The Bank Mitras are deployed by 6 (Six) Corporate Business Correspondences (BCs). The Corporate BCs working for the Bank are CSC e-Governance Services India Limited, Organisation for Development Integrated Social and Health Action (ODISHA), FIA Technology Services Pvt. Ltd., Samvridhdi Inclusive Growth Network (SIGN), Zero-mass Pvt. Ltd. (ZMPL) & Odisha Livelihood Mission (OLM). Bank has deployed Solar Powered VSATs in 381 locations identified as dark & grey area having connectivity problems with the financial support from NABARD through FIF (Financial Inclusion Fund). Micro ATMs are also provided to the CSPs for transactions.

The Bank Mitras carry out the banking transactions on real time basis at the fixed location

Kiosks in our CBS platform. The following banking transactions are enabled at Bank Mitra Points:

- a. Account opening both SB & RD
- b. Cash withdrawal and deposit
- c. Receipt of loan instalments
- d. AEPS transactions both On-us and Off-us
- e. Rupay Debit card transactions both On-us and Off-us
- f. Balance Enquiry
- g. Mini Statement

The entire Financial Inclusion (FI) operations at KIOSKs work on the principle of Biometric verification of the beneficiaries and are online, hitting our CBS server instantly, which facilitates updation of transactions carried out by CSPs on real time basis, in CBS Server. The AEPS transactions are taking place by Biometric authentication of the Aadhaar Number of the customer. Through Micro ATM, the customer swaps his/her ATM card for the transaction.

The following is the share of transactions (%) performed at Bank Mitras when compared with the total bank transactions.

Sl. No.	Channel at Bank Mitra	% of Total Transaction	
		2019-20	2020-21
1	Cash Withdrawal & Deposit transactions	3.85	4.82
2	AEPS-Onus	2.40	2.53
3	AEPS-Off us	1.77	1.56
4	RuPay Card transactions	0.32	0.31
5	Total overall percentage.	8.34	9.22

As at the end of the FY 2020-21, no. of SB Accounts opened and maintained by Bank Mitras is 7,92,423 with a CASA balance of Rs. 170.69 crore and No. of RD Accounts opened and maintained by Bank Mitras is 2501 with a balance of Rs. 0.68 crore.

Sensitisation Programme for CSP Linked Branches

During 2020-21 we have conducted sensitisation programmes for CSP linked Branches in virtual mode with the assistance of RBI, Regional Office, Bhubaneswar.

**Financial Inclusion Accounts - Aadhaar Seeding & inputting valid Mobile number**

To speed up the process of Aadhaar Seeding, we have taken up the matter with our Corporate Business Correspondents. The CSPs are incentivized by the Bank for collecting Aadhaar Numbers of existing customers. For incorporating valid mobile numbers of existing customers, Bank is paying incentives to the CSPs for collection of the same from the customers.

Financial Inclusion - Social Security Schemes (PMJJBY, PMSBY & APY)**Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)**

We have enrolled 50085 new customers under Pradhan Mantri Jeevan Jyoti Bima Yojana during FY 2020-21, taking the total accounts to 70094. A total of 82 claims were settled for Rs 164.00 lakhs under PMJJBY during FY 2020-21.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

We have enrolled 52967 new customers under Pradhan Mantri Suraksha Bima Yojana during FY 2020-21, taking the total to 312971 accounts. A total of 24 claims were settled for Rs. 48.00 lakhs under PMSBY during FY 2020-21.

Atal Pension Yojana (APY)

Total of 2675 enrolments were mobilised under Atal Pension Yojana (APY) for FY 2020-21, taking total to 41429 accounts.

Financial Literacy Week (FLW)

Our Bank observed Financial Literacy Week from 8th February to 12th February 2021 with the theme "Developing credit discipline and encourage availing credit from formal financial institutions as per requirement". The focus was on the following three topics with a view to improve credit and reduce NPAs.

- a) Timely Repayment & Credit Score
- b) Borrowing from Formal Institutions only

c) Responsible Borrowing.

The publicity material in the form of pamphlets, brochures and banners were distributed during the camps to spread the message of financial awareness among the customers.

Aadhaar Enrolment and Updation Centres

Our Bank has initiated the task of opening Aadhaar Enrolment centres at 45 locations i.e. 10% of the Branch network as per UIDAI guidelines to extend the services of Aadhaar enrolment and updation to the public including our customers. We are operating the AECs in outsourced model with the help of M/s ODISHA, the service provider.

Cross Selling**SBI Life Insurance**

Our Bank is enrolled as a corporate agent of SBI Life Insurance Corporation Limited, to meet the life insurance needs of the Bank's customers, as part of Financial Inclusion apart from earning non-interest income. The Bank mobilized a New Business Premium (NBP) of Rs. 7.53 crore and earned a commission of Rs. 1.69 crore during the FY 2020-21 against the NBP of Rs. 7.49 crore and commission of Rs.1.33 crore during the previous FY 2019-20.

SBI General Insurance

We have commenced SBI General Insurance Business during the year 2016-17 as a Corporate Agent to market Insurance products focusing on Group Health Insurance Scheme, Group Personal Accidental Insurance Scheme apart from insurance of the Assets financed by the Bank to the eligible and willing customers. During 2020-21 Bank booked New Business Premium (NBP) of Rs. 37.00 lakhs and earned a commission of Rs. 4.00 lakhs against the NBP of Rs. 57.12 lakhs and commission of Rs. 6.05 lakhs during the previous FY 2019-20.

Information Technology

The Bank has introduced the following IT initiatives:

**Immediate Payment System (IMPS) Remitter**

IMPS facility as beneficiary bank was launched in October 2015 as sub member of Sponsor Bank.

AEPS-Aadhaar Pay:

To enable our customers to perform cash less transactions at merchant establishments using their Aadhaar linked accounts of our bank, Aadhaar Pay (Issuer) facility has been launched in our bank. Using this facility our bank customers are able to perform cash less transactions at outlets using other bank Aadhaar pay apps.

Alternate Delivery Channels (ADCs) :

Banking transaction through Alternate Delivery Channels has been on the rise vis-à-vis transactions through brick and mortar branches, reducing the footfalls in the Branches considerably, thereby resulting in more focus on marketing and business development. Various alternative delivery channels introduced by the Bank have enabled the customers to avail banking services.

RTGS/NEFT :

We are doing RTGS / NEFT transactions at our Branches through our Sponsor Bank.

Desktop ATMs

In a move to facilitate customers wanting to withdraw small amounts, the Bank has installed Desktop ATMs in five of our Branches on a pilot basis. It works like any other ATM and other Bank customers can also withdraw their money. With desktop ATMs, there is no need for separate ATM room and there is no security problem.

Micro ATM

With the financial support of NABARD under Financial Inclusion Fund, we have supplied Micro ATM to all the Branches for smooth & paperless transactions.

Upgradation of NPA Module in CBS

We have implemented the upgraded version of Agri & URI module in the CBS system to track

the NPAs with better regulatory compliance and presently all NPA data are system generated.

Information Security:

The Bank pays utmost importance towards safeguarding the information technology assets of the bank. The Bank has formulated Information Security Policy, Information Technology Policy and implemented after obtaining Board's approval. As a policy, the Information technology assets of the bank at our Application Service Provider M/s C-Edge Technologies Ltd, are subjected to information security review on yearly basis by an external IS audit agency. Bank's controlling offices are subject to Information Security Audit by external agency at periodical intervals.

Biometric authentication system for login to the CBS application is implemented across all branches. This eliminates login of unauthorized persons into the application and also aids in fixing accountability for any frauds or malpractices.

The CBS platform functions on Wide Area Network (WAN), which functions on connectivity provided on various carriers like VSAT and RF.

Branch Connectivity Up gradation :

As the volume of transactions have increased over the years, to enable branches to perform transactions at a faster rate, up gradation of the branch connectivity to 2 Mbps RF has been taken up. As on 31.03.2021, 324 branches have been upgraded to 2 Mbps RF connectivity out of which 284 Branches also have 4G as secondary connectivity as a backup.

Besides, 346 branches have also been migrated to server less JAVA application as on 31.03.2021.

Security Measures - Installation of CCTVs and Burglar Alarm Systems

Physical security systems that effectively protect the Bank assets, customers and employees assume paramount importance in view of increasing



incidence of robberies, mischief. The Bank has provided CC TV Cameras, Burglar Alarms & Fire extinguishers to all 435 branches of the Bank.

Customer Service & Complaints handling

While complaints cannot be avoided, some of the complaints provide useful feedback to review our performance and systems and procedures. A genuine complaint from a customer means an opportunity to the Bank to upgrade our skills and efficiency. The Bank has put in place complaints/ grievances redressal policy to redress the grievances of the customers and improve the quality of customer service. The Bank has placed enormous emphasis on timely disposal of complaints and follow up system has been strengthened to dispose-off the complaints within timelines set. Branches are conducting customer meets where their views and feedback are solicited in order to take corrective steps, wherever necessary. Regional Managers concerned are attending the customer meetings whenever feasible. The following system of monitoring of complaints for their redressal and submission of compliance is in vogue :

Nature of complaint	Officer in charge at Regional Office/ Branch level	At Head Office level
General Complaints (Other than vigilance nature)	Branch Manager (At Br level) Regional Manager (at RO level)	Chief Manager (Accounts) General Manager of respective network
General Complaints (Vigilance nature)	-	Chief Vigilance Officer Chairman
Complaints from Banking Ombudsman	Regional Manager / Branch Manager	Head of the Dept. (Accounts & Compliances) General Manager of respective network

The status of complaints received is being put up to the Board of Directors in every meeting for their review and information.

A Sub-Committee in the name of 'Customer Service Committee at the Board' has been constituted. Also, Customers Service Standing Committee is in place at Branch level, Regional Office level and Head Office level.

Customer Complaints: Status as on 31.03.2021

S No.	Particulars	No.
1	No. of Complaints pending at the Beginning of the year	4
2	No. of Complaints received during the year 2020-21	24
3	Total Complaints	28
4	No. of Complaints Redressed / Disposed-off during the year	28
5	No. of Complaints pending at the end of the year	0

For complaints received through Banking Ombudsman, General Manager-I is designated as "Principal Nodal Officer" of our Bank at Head Office. The position of complaints received through / from Banking Ombudsman during the year.

S No.	Particulars	No.
1	No. of Complaints pending at the Beginning of the year	1
2	No. of Complaints received during the year 2020-21	9
3	Total Complaints	10
4	No. of Complaints Redressed / Disposed-off during the year	10
5	No. of Complaints pending at the end of the year	Nil

Whistle Blower's Policy with an objective of providing an avenue for raising concerns related to frauds, corruption or any other misconduct is also in place.

Right to Information Act

The Bank implemented the Right to Information Act, 2005 in letter & spirit setting out the practical regime of right to information for citizens to secure access to information under the control of bank in order to promote transparency and accountability in the working of Bank's various functionaries.



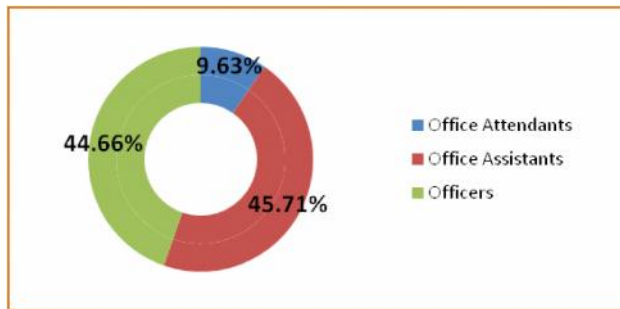
	CAPIOs	CPIOs	Appellate Authority
Branch	Branch Manager	Regional Manager	General Manager
Regional Office	Regional Manager	General Manager	Chairman
Head Office	Head of the Department (Accounts & Compliance)	General Manager	Chairman

During the year 2020-21, the Bank has received 52 applications and appeals were disposed off within the stipulated time frame.

Human Resource Management

As at the end of FY 2020-21, the staff and its composition is as under :

Officers S-IV	9
Officers S-III	43
Officers S-II	127
Officers S-I	419
Office Assistants	612
Office Attendants	129
Total	1339



During the year, 130 staff members have retired from the Bank's Service, 13 staff members have resigned & 10 Staff members expired during the year.

Recruitments

Because of Bank's weak financial position and the Bank continuing under PCA, no recruitment has been made during 2018-19, 2019-20 and 2020-

21. However, 5 nos. of Office Assistants were appointed on compensatory ground.

Promotions

During 2020-21, 2 Office Attendants promoted to Office Assistants, 23 Office Assistants promoted to Officer Scale-I, 23 Officer Scale-I promoted to Officer Scale-II, 9 Officer Scale-II promoted to Officer Scale-III & 4 Officer Scale-III promoted to Officer Scale-IV.

Training - Staff Learning Centre (UGBLC)

The Bank had laid down a Training Policy, which envisages training to all staff members, at least once in three years. During the year, no training was conducted due to Covid-19 pandemic.

99 Officers joined to external training institutions like BIRD (Lucknow), BIRD (Mangalore), BIRD (Kolkata), CAB (Pune) & SBILD (Secunderabad) on important subjects like ALM, Vigilance, Financial Inclusion, Legal Aspects, Capital Adequacy, SLR & other various important programmes on virtual mode.

Staff welfare Measures

Group Personal Accident Insurance Policy

Most of our staff members are youngsters and travel by road, frequently for various official works viz. Cash remittance, field visits for recovery and inspection of units, review meetings etc., and are exposed to the risk of road accidents and face a life threat also.

We have taken the Group Personal Accident Insurance Policy with the following sum insured to create a sense of security among the staff members and build loyalty to the organization.

Sl No.	Cadre	Sum Insured
1.	Officers	Rs 10.00 Lakhs
2.	Office Assistants	Rs 5.00 Lakhs
3.	Office Attendants	Rs 3.00 Lakhs

**EDLI (Employee Deposit Linked Insurance)**

It is a statutory requirement under EPF Act. The employer contributes the premium for all employees of the Bank for life insurance coverage of Rs. 6.00 lakhs till in service.

Additional Insurance Policy during COVID-19 pandemic

Taking the vulnerability of Bank staff during COVID-19 pandemic the Bank has taken up the additional Insurance Policy with SBI-Life under Sampurna Surakshya Policy. In the Policy the sum assured for Officer is Rs. 20.00 lakhs and for Clerical & Sub-ordinate staff it is Rs. 10.00 lakhs.

Medical Insurance for hospitalization

Medical Insurance for hospitalization for all existing staff was introduced w.e.f. 01.10.2020 coverage tie-up with Oriental Insurance Company. The coverage is Rs. 4.00 lakhs for officers and Rs. 3.00 lakhs for office assistants & office attendants.

Gratuity and Leave Encashment Fund

The Bank has taken care of provisional requirements in respect of Gratuity. The total corpus as on 31.3.2021 is to the tune of Rs 85.60 crore towards Gratuity and Rs. 33.69 crore towards Leave Encashment.

Pension Scheme in the Bank

The Bank has introduced Utkal Grameen Bank (Employees') Pension Regulations, 2018 and Utkal Grameen Bank (Officers' and Employees') Service (Amendment) Regulations, 2018 was published in the Gazette of India (Extraordinary) Part III, Section 4 vide Notification No. 533 dated 24.12.2018. During the year 2020-21, Rs. 8.62 crores is refunded by pensioners and Rs. 62.03 crores has been paid to pensioners. As per latest actuarial valuation position, the total pension liability is Rs. 798.34 crores. As per RBI norms, provision required is 60% of Rs. 798.34 crores which comes to Rs. 479.00 crores as on 31.03.2021. From this assessed liability, as per the amortization and as per advice by Sponsor Bank provision for Rs. 323.00 crores has been made during the year 2020-21.

Provision for wage revision

Bank has provided for Rs. 46.79 crores as on 31.03.2021 arising out of arrears to be paid on account of 11th Bi-partite wage settlement from 01.11.2017.

Industrial Relations

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

Welfare of SC/ST and OBC Employees

The Bank has maintained cordial relations with the SC/ST Welfare Council/Association, OBC Welfare Association and complied with statutory requirements in all aspects of recruitments, promotions etc.

The Bank has taken all steps to keep up the morale and motivation of the employees.

Policy on Sexual Harassment of Women at Work Place

Internal Complaint Committee has been formed and functional at Head Office & Regional Offices.

Settlement of Terminal Benefits

The process for payment of terminal benefit begins three months in advance of retirement to ensure that all formalities are completed to make payment of terminal dues.

Payment of Ex-gratia

The Bank has implemented the GOI instructions, contained in the notification No: F.20/5/2003-RRB dated 9.6.2006, on payment of ex-gratia in lieu of appointment on compassionate grounds for the legal heirs of the bereaved staff members and also to the staff who are chronically sick and immobile on sick grounds.

Vigilance Administration

As the Bank is growing in size and with the infusion of young and inexperienced workforce, vigilance together with sensitization to be vigilant has been a thrust area for the Bank.

A set up of Vigilance administration has been introduced in the Bank with the active involvement of Sponsor Bank vide their letter No: A&S/RRB/SKJ/415 dated 12th Sep 2017 after obtaining the Board's approval. It was further strengthened by implementation of revised vigilance administration in our Bank w.e.f. 15.02.2021 vide Sponsor Bank Letter No. A&S/RRB/HD/424 dt. 29.01.2021 after obtaining approval from the Board.



According to the revised vigilance administration Chief Vigilance Officer of State Bank of India is overseeing the Vigilance Administration of our Bank, through ACVO (Additional Chief Vigilance Officer) appointed by DFS (Department of Financial Services) and posted at Corporate Office, Mumbai. H/ She is monitoring the vigilance activities of our Bank and tendering CFA, FSA and SSA (wherever required) for all officers and award staff of our Bank. ACVO is also monitoring the following vigilance activities :

i) Review of pendency of the vigilance cases, ii) implementation of complaint handling policy and whistle blower policy, iii) Preventive Vigilance Committee (PVC) meeting, iv) Regular preventive visits of branches by Vigilance Cell officials, v) Job rotation, vi) Submission of Annual Property Returns of the Officers, vii) Examination of Staff accountability position, viii) Regular training programme for officials and ix) Fraud monitoring

The post of CVO (Chief Vigilance Officer) posted at our Bank has been redesignated as General Manager (Vigilance).

Three senior officials joined the virtual training conducted by BIRD, Mangalore from 25th to 28th August, 2020 for e-Learning Programme on frauds, internal checks & control in computerised environment, KYC, AML and Internal Audit.

During the year 11 disciplinary cases have been disposed of out of 28 cases.

Vigilance Awareness week:

The Bank has organized Vigilance Awareness week from 27th October to 2nd November, 2020 in Head Office, Regional Offices and all Branches.

Board

The Board of the Bank is constituted by

- (a) Chairman of the Bank
- (b) Two non-official directors appointed by Government of India
- (c) One nominee director each from Reserve Bank of India and NABARD
- (d) Two nominee directors from Sponsor Bank
- (e) Two nominee directors from state Government of Odisha.

With Chairman of the Bank as Chairman of the Board.

Board Meeting Rules stipulate that the Board meets minimum six times a year, at least once in a

quarter. During the calendar year 2020, 06 meetings were held.

Acknowledgements

The Board of Directors of the Bank would like to express their sincere gratitude for the continued trust and patronage received from the customers who have stood with the Bank all through.

The Board takes immense pleasure in expressing their gratitude for the guidance and cooperation received from the Sponsor Bank, Government of India, State Government of Odisha, Reserve Bank of India, NABARD, NPCI, UIADI, other Financial Institutions and Banks for their unflinching and valuable support to the Bank from time to time.

The Board also expresses sincere thanks to all the District Collectors, Project Directors of DRDA and other Govt. Departments of Bolangir, Subarnapur, Bargarh, Sambalpur, Deogarh, Jharsuguda, Sundargarh, Kalahandi, Nuapada, Kandhamal, Boudh, Koraput, Malkangiri, Rayagada, Nabarangpur, Gajapati & Ganjam districts in Odisha, for their support and encouragement.

The Board would like to gratefully acknowledge the support rendered by our Technology Service Providers viz., M/s C-Edge Technologies, Mumbai and our Corporate Business Correspondents.

The Board extends its heartfelt gratitude to M/s Agasti & Associates, the Central Statutory Auditors of the Bank and other Statutory Branch Auditors for their cooperation in completing the Audit of the Bank's Financial Statements for the Year 2020-21 in time.

The Board also expresses its gratitude to all Public Relations Officers, Print and Electronic media for their cooperation in giving wide publicity for the Bank. The Board also thanks the Officers' Association, Employees' Union and SC/ST/OBC Welfare Associations for their constructive role played in overall development of the Bank.

Words are not adequate to recall the excellent performance, sense of involvement, ownership and dedicated services rendered by each and every staff member.

For and on behalf of Board of Directors of

Utkal Grameen Bank

(Alekhya Chandra Beura)

Chairman



INDEPENDENT AUDITOR'S REPORT

**To,
The Members
Utkal Grameen Bank
Bolangir**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Utkal Grameen Bank ('the Bank'), which comprise the Balance Sheet as at 31 March 2021, the Profit and Loss Statement for the year then ended, the statement of cash flows for the year then ended and notes to financial statements including a summary of significant accounting policies and other explanatory information in which are included returns for the year ended on that date of 37 branches and Head Office audited by us and 270 branches audited by other branch auditors. 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 of Agriculture and Rural Development. Also included in the Balance Sheet and Profit and Loss and Statement are the returns from 129 branches which have not been subjected to audit. These unaudited branches account for 22.07 percent of advances, 25.53 percent of deposits, and 21.91 percent of interest income.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Regional Rural Bank Act 1976 and Banking Regulation Act, 1949 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Balance Sheet, of the state of affairs of the Bank as at March 31, 2021;
- b. in the case of the Profit and Loss Account, of the loss for the year ended on that date and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Basis for Opinion

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. However, due to Covid-19 pandemic and the consequential nationwide lockdown and restriction on travel we have conducted the Audit on a remote access basis based on the information sent to us by the Bank. This included various financial accounts / records and information. Our Report has been made based on the digital review of the records maintained in the system and other related necessary information received through email from time to time from the Management on our specific queries. This Audit has been conducted as per the guidelines of the Institute of Chartered Accountants of India. Though this remote audit prima facie satisfies the alternative procedure of obtaining sufficient and appropriate evidence for our forming the audit opinion but this remote audit does not satisfies all the standard procedure of auditing conducted under the normal circumstances. We are independent of the Bank in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements in [jurisdiction], 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.

**Material Uncertainty in relation to Going Concern**

The Bank has incurred a net loss of Rs. 411.63 Crores during the year ending March 31, 2021 and it has accumulated losses of Rs. 1375.09 Crores as at 31.03.2021 which has resulted in complete erosion of the net worth of the Bank. In spite of these events or conditions which may cast a doubt on the ability of the Bank to continue as a going concern, the management is of the opinion that going concern basis of accounting is appropriate in view of the continued support of the Government of Odisha, Government of India and Sponsor Bank and having regard to the other facts mentioned in Note No. 26 of Schedule-18 of the Financial Statements.

Our opinion is not modified in respect of this matter.

Emphasis of Matter**Attention is invited to the following matters :**

- 1) As stated in Note No.27 of Schedule-18 of the Financial Statements which describes the business uncertainties due to the outbreak of SARS-Co V-2 virus(COVID-19). In view of these uncertainties, the impact on the Bank's results is significantly dependent on future developments.
- 2) The Bank has disclosed its accumulated losses amounting to Rs 1375.09 crores as on 31.03.2021 under the head Other Assets in Schedule-11 of the Financial Statements. In our opinion, the same should have been disclosed under head Reserves & Surplus in Schedule 2 of the Balance sheet as minus balance.
- 3) As stated in Note No. 5 of Schedule-18 of the Financial Statements, certain items of assets and liabilities are pending for reconciliation. The same are under the process of year-wise-reconciliation and subject to consequential adjustments, if any.
- 4) As stated in Note No.6 of Schedule-18 of the Financial Statements (AS-29) wherein the Bank has disclosed the pending cases of Income tax, subject to quantification of the same.
- 5) As stated in Note No.17.4 of Schedule-18 of the Financial Statements(AS-22) wherein the Bank has not recognized and accounted the deferred tax Asset / Liability in view of the uncertainties and ongoing COVID situation.

Our opinion is not modified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Regional Rural Bank Act 1976, Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') and National Bank for Agriculture and Development (NABARD) from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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 an 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 the 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 skepticism throughout the audit. We also:

- Identify and assess the risks 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, intentional omissions, misrepresentations, or the override of internal control.
- 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 transactions 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 auditor's report unless law or regulation precludes public disclosure 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 communication.

Other Matter

We did not audit the financial statements / information of 270 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of Rs 1,623.87 crores as at 31st March 2021 and total revenue of Rs 75.50 crores for the year ended on that date, as considered in the standalone financial statements. The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditors.

Report on Other Legal and Regulatory Requirements

- a) The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
- b) Subject to the limitation of such disclosures and on the basis of audit indicated in above paragraphs read together with "Significant Accounting Policies" and "Notes on Accounts" in Schedule-17 & Schedule-18, we report as under :
 - i) 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;
 - ii) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - iii) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

We further report that :

- a) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;
- c) The reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the applicable accounting standards and to the extent they are not inconsistent with the accounting policies prescribed by NABARD and RBI.

Place of Signature : Balangir

Date : 17-05-2021

For Agasti & Associates

Chartered Accountants

Firm Reg. No. - 313043E

Sd/-

(TRUPTI REKHA MOHAPATRA)

Partner

Membership No - 300053

UDIN - 21300053AAAAIR8922



UTKAL GRAMEEN BANK
HEAD OFFICE, BOLANGIR (ODISHA)
BALANCE SHEET AS ON 31ST MARCH 2021

(Amt. in “000”)

CAPITAL & LIABILITIES	SCHEDULE	As on 31.03.2021	As on 31.03.2020
<u>EQUITY & LIABILITIES</u>			
Equity Capital	1	97,03,731	70,22,131
Perpetual Bond	1(A)	81,383	81,383
Share Capital Deposit	1(B)	0	22,79,360
Reserves & Surplus	2	0	0
Deposits	3	7,48,72,500	7,04,70,647
Borrowings	4	35,30,296	2,705
Other Liabilities & Provisions	5	36,84,777	33,71,424
TOTAL		9,18,72,687	8,32,27,650
Cash and Balances with Reserve Bank of India	6	30,91,187	24,33,284
Balances with Banks and Money at Call and Short Notice	7	62,72,909	91,44,247
Investments	8	4,19,54,003	3,62,95,684
Loan and Advances	9	2,41,85,410	2,39,31,935
Fixed Assets	10	61,017	76,318
Other Assets	11	1,63,08,161	1,13,46,182
TOTAL		9,18,72,687	8,32,27,650
Contingent Liabilities	12	5,41,701	5,09,654
Bills for Collection		NIL	NIL
Principal Accounting Policies & Notes on Accounts	17 & 18		

The accompanying schedules are integral parts of the Financial Statements.

In terms of our report of even date

SRI. A.C. BEURA
CHAIRMAN

For Agasti & Associates
Chartered Accountants
Firm Regn. No. 313043E

(CA Trupti Rekha Mohapatra)
PARTNER
M. No. 300053
Date : 17-05-2021

Place : Balangir
Date : 14-05-2021



**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 2021**

(Amt. in “000”)

SCHEDULE	As on 31.03.2021	As on 31.03.2020
I. INCOME		
Interest Earned 13	47,46,110	51,16,834
Other Income 14	7,09,910	6,19,604
TOTAL	54,56,020	57,36,438
II. EXPENDITURE		
Interest Expended 15	31,98,963	33,79,159
Operating Expenses 16(A)	16,05,867	17,87,324
Provisions & Contingencies 16(B)	47,67,469	19,64,881
TOTAL	95,72,299	71,31,364
III. PROFIT & LOSS	-41,16,279	-13,94,926
Profit before Tax	-41,16,279	-13,94,926
Less : Tax Provision	0	0
Provision for IT for the Financial Year	NIL	NIL
Profit after Tax	-41,16,279	-13,94,926
Loss brought forward (*)	-96,34,668	-82,39,742
TOTAL	-1,37,50,947	-96,34,668
Balance carried over to Balance Sheet	-1,37,50,947	-96,34,668
TOTAL	-1,37,50,947	-96,34,668

The accompanying schedules are integral parts of the Financial Statements.

In terms of our report of even date.

SRI. A.C. BEURA
CHAIRMAN

For Agasti & Associates
Chartered Accountants
Firm Regn. No. 313043E

(CA Trupti Rekha Mohapatra)
PARTNER
M. No. 300053
Date : 17-05-2021

Place : Balangir
Date : 14-05-2021

**SCHEDULE : 1 EQUITY CAPITAL**

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
Authorised Capital	2,00,00,000	2,00,00,000
Issued, Subscribed & Paid-up Capital	97,03,731	70,22,131
Govt. of India (50%)	48,51,866	35,11,066
State Bank of India (35%)	33,96,336	24,57,776
Govt. of Odisha (15%)	14,55,529	10,53,289
TOTAL	97,03,731	70,22,131
G. TOTAL	97,03,731	70,22,131

SCHEDULE : 1A PERPETUAL BOND

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
State Bank of India	81,383	81,383
TOTAL	81,383	81,383

SCHEDULE : 1B SHARE CAPITAL DEPOSIT

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
State Bank of India	0	9,38,560
Govt. of Odisha	0	0
Govt. of India	0	13,40,800
TOTAL	0	22,79,360

SCHEDULE : 2 RESERVE & SURPLUS

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Statutory Reserves	0	0
II. Capital Reserve on Consolidation	0	0
III. Share Premium Other Reserve (Specify Nature)	0	0
IV. Revenue and Other Reserves	0	0
V. Balance in Profit & Loss Account	0	0
TOTAL	0	0

**SCHEDULE : 3 DEPOSITS**

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
A. I. Demand Deposits		
i) From Banks		
ii) From Others	13,21,403	12,26,956
II. Savings Bank Deposits	4,33,17,072	4,04,58,836
III. Term Deposits		
i) From Banks	0	0
ii) From Others	3,02,34,025	2,87,84,855
TOTAL (I + II + III)	7,48,72,500	7,04,70,647
A. I. Deposits of Branches in India	7,48,42,500	7,04,70,647
II. Deposits of Branches Outside India	0	0
TOTAL (I + II)	7,48,72,500	7,04,70,647

SCHEDULE : 4 BORROWINGS

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
A. I. Borrowings in India		
i) Reserve Bank of India		
ii) Other Banks	0	0
(Sponsor Bank i.e. State Bank of India)	0	0
iii) Other Institutions and Agencies (NABARD)	35,30,296	2,705
iv) NSTFDC	0	0
II. Borrowings Outside India	0	0
TOTAL (I + II)	35,30,296	2,705
Secured Borrowings		
(Included in I & II above)	35,30,296	2,705

SCHEDULE : 5 OTHER LIABILITIES & PROVISIONS

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Bills Payable	37,261	32,614
II. Inter-Office Adjustments	0	0
III. Interest Accrued	22,87,213	22,55,823
IV. Others	13,60,303	10,82,987
TOTAL	36,84,777	33,71,424



DETAILS OF OTHER LIABILITIES (SCHEDULE 5-IV)

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
Subsidy Reserve Fund	51,995	66,604
Sundry deposits	0	24
Sundry Deposit TDS -SYS -Credit	31,988	35,918
Grameen pay Order (GPO)	0	0
Crop Insurance Amount	3,748	3,912
Tax Deducted at Source /TDS	275	1,274
Sundry Creditors	0	0
CA 276 HO with UGB Balangir	0	3,227
Security Deposit Public	4,423	4,396
Miscellaneous Provision	13,104	13,104
Standard Asset Provision	57,739	1,44,630
Prov. on Pension, Leave Liability & Gratuity	11,21,525	5,75,700
SD-Unidentified Cash	2	0
SYS Susp Originating Credit	0	0
Other System Susp. A/C	0	0
Adjusting A/c	20,737	65,159
Others	54,767	1,69,039
GROUP TOTAL	13,60,303	10,82,987



SCHEDULE : 6 CASH & BALANCES WITH RESERVE BANK OF INDIA

(Amt. in "000")

	As on 31.03.2021	As on 31.03.2020
I. Cash in Hand (Including foreign currency notes-NIL)	3,89,852	4,60,249
II. Balance with Reserve Bank of India		
i) In Current Account	27,01,335	19,73,035
ii) In Other Account	0	0
TOTAL (I + II)	30,91,187	24,33,284

SCHEDULE : 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(Amt. in "000")

	As on 31.03.2021	As on 31.03.2020
I. In India		
i) Balances with Banks		
a) In Current Accounts	3,85,898	22,31,061
b) In Other Deposit Accounts	58,87,011	69,13,186
ii) Money at Call & Short Notice / Short Term Deposit		
a) With Banks	0	0
Deposit with State Bank of India)		
b) With other institutions	0	0
TOTAL (I + II)	62,72,909	91,44,247
II. Outside India		
i) In Current Accounts	0	0
ii) In Other Deposit Accounts	0	0
iii) Money at Call & Short Notice	0	0
TOTAL (i + ii+iii)	0	0
TOTAL (I + II)	62,72,909	91,44,247

**SCHEDULE : 8 INVESTMENTS**

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Investments in India in		
i) Government Securities	4,19,17,524	3,62,39,205
ii) Other approved Securities	1,479	1,479
iii) Shares	0	0
iv) Debentures and Bonds	0	0
v) Investments in Associates	0	0
vi) Others (to be specified) (SBI - Mutual Fund)	35,000	55,000
TOTAL	4,19,54,003	3,62,95,684
II Investments Outside India in		
i) Government Securities (including Local Authorities)	0	0
ii) Investments in Associates	0	0
iii) Other Investments	0	0
TOTAL	0	0
GRAND TOTAL (I + II)	4,19,54,003	3,62,95,684
III. Investment in India		
i) Gross Value of Investments	4,19,54,003	3,62,95,684
ii) Aggregate of Provisions for Depreciation	0	0
iii) Net Investment	4,19,54,003	3,62,95,684
IV. Investment outside India		
i) Gross Value of Investments	0	0
ii) Aggregate of Provisions for Depreciation	0	0
iii) Other Investments (to be specified)	0	0

**SCHEDULE : 9 ADVANCES**

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
A. i) Bills Purchased & Discounted		
ii) Cash Credits, Overdrafts & Loans repayable on demand	1,70,61,996	1,67,02,836
iii) Term Loans	71,23,414	72,29,099
TOTAL	2,41,85,410	2,39,31,935
B. i) Secured by Tangible Assets	2,41,56,584	2,38,75,588
ii) Receivable from Govt. of India under ADWDR Scheme - 2008	0	0
iii) Unsecured	28,826	56,347
TOTAL	2,41,85,410	2,39,31,935
C. I) Advances in India		
i) Priority Sector	2,16,53,660	2,21,10,200
ii) Public Sector	0	0
iii) Banks	0	0
iv) Others	25,31,750	18,21,735
TOTAL	2,41,85,410	2,39,31,935
II) Advances outside India		
i) Due from Banks	0	0
ii) Due from Others	0	0
a) Bills Purchased & Discounted	0	0
b) Syndicated Loans	0	0
c) Others	0	0
TOTAL	0	0
GRAND TOTAL (C. I + II)	2,41,85,410	2,39,31,935
TOTAL ADVANCES	2,88,42,551	2,89,41,913
NPA PROVISION	46,57,141	50,09,978
NET ADVANCE	2,41,85,410	2,39,31,935

**SCHEDULE : 10 FIXED ASSETS**

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Premises	0	0
At cost as on 31st March of the preceding year	8	8
Additions during the year	0	0
Deductions during the year	0	0
Depriciation to date	0	0
I.A Premises under construction	0	0
TOTAL	8	8
II. Other Fixed Assets (including furniture and fixtures)		
At cost as on 31st March of the preceding year	3,15,033	3,00,815
Support from SBI & NABARD	0	0
Additions during the year	12,961	14,218
TOTAL	3,27,994	3,15,033
GRAND TOTAL (I + II)	3,28,002	3,15,041
Deductions during the year	0	0
Accumulated Depriciation to date	2,66,985	2,38,723
BALANCE (W.D.V.)	61,017	76,318
GRAND TOTAL	61,017	76,318

SCHEDULE : 11 OTHER ASSETS

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Inter Office Adjustments (Net)	150	4,815
II. Interest Accrued	15,91,216	16,45,065
III. Tax Paid in Advance / tax deducted at source	5,299	5,299
IV. Stationery and Stamps	5,360	6,844
V. Non-Banking assets acquired in satisfaction of Claims	0	0
VI. Others *	1,47,06,136	96,84,159
TOTAL	1,63,08,161	1,13,46,182



DETAILS OF OTHER ASSETS (SCHEDULE 11-VI)

(Amt. in "000")

	As on 31.03.2021	As on 31.03.2020
Suspense Advance	168	253
Accumulated Loss		
a) accumulated loss	1,37,50,947	96,34,668
b) Reserve and Surplus adjusted		
c) Loss before Tax		
d) Tax on profit (Add.)		
System Suspense	50	35
NEFT	2,55,080	-1,43,497
AEPS	0	0
Broken Period Intt	0	0
R.O. Suspense	0	0
IT prov / Advance Tax paid	76,364	76,364
Income Tax Provision	0	0
Income tax refund	0	0
Receivable from NABARD	0	0
CENVAT Input Credit (Service Tax)	0	0
Others	6,23,527	1,16,336
Total	1,47,06,136	96,84,159

SCHEDULE : 12 CONTINGENT LIABILITIES

(Amt. in "000")

	As on 31.03.2021	As on 31.03.2020
I. Guarantees given on behalf of constituents		
a. In India	5,34,142	5,02,415
b. Outside	0	0
II. Unclaimed Deposit in Deaf A/C	7,559	7,239
TOTAL	5,41,701	5,09,654

SCHEDULE : 13 INTEREST EARNED

(Amt. in "000")

	As on 31.03.2021	As on 31.03.2020
I. Interest/Discount on Advances / Bills	14,55,338	22,46,302
II. Income on Investments	29,56,522	25,06,054
III. Interest on balances with Reserve Bank of India / other inter-bank Banks funds	3,34,250	3,64,478
IV. Other : IBPC	0	0
TOTAL	47,46,110	51,16,834

**SCHEDULE : 14 OTHER INCOME** (Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Commission, Exchange, Brokerage	76,808	67,020
II. Profit on Sale of Investments (Net)	0	0
Less : Loss on Sale of Investments		
III. Profit on revaluation of Investments	0	0
Less : Loss on revaluation of Investments (Amortisation)		
IV. Profit on Sale of Land, Buildings and Other Assets	0	0
Less : Loss on sale of Land, Buildings and other assets		
V. Profit on exchange transactions	0	0
Less : Loss on exchange transactions		
VI. a) Lease finance income	0	0
b) Lease management fee	0	0
c) Overdue charges	0	0
d) Interest on lease rent receivables	0	0
VII. Miscellaneous Income	6,33,102	5,52,584
TOTAL	7,09,910	6,19,604

SCHEDULE : 15 INTEREST EXPENDED

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Interest on Deposits	31,69,589	33,73,227
II. Interest on Reserve Bank of India / Inter-Bank Borrowings	29,374	5,932
TOTAL	31,98,963	33,79,159

SCHEDULE : 16(A) OPERATING EXPENSES

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
I. Payments to and Provisions for employees	11,21,332	12,85,682
II. Rent, Taxes and Lighting	56,783	56,406
III. Printing and Stationery	5,301	14,744
IV. Advertisement and Publicity	177	263
V. Depreciation on Bank’s Property	28,261	30,252
VI. Director’s fees, allowances and expenses	0	12
VII. Auditor’s fees and expenses (including branch Auditors)	3,200	3,200
VIII. Law Charges	438	6,919
IX. Postage, Telegrams, Telephones etc.	6,544	8,886
X. Repairs and Maintenance	1,10,575	1,10,864
XI. Insurance	1,00,949	58,007
XII. Other expenditure	1,72,307	2,12,089
TOTAL	16,05,867	17,87,324

**DETAILS OF OTHER EXPENDITURES
(SCHEDULE 16-XII)**

(Amt. in “000”)

	As on 31.03.2021	As on 31.03.2020
Books and Periodicals	3,156	3,673
Entertainment Expenses	12	23
Training / Meeting / Seminars	30	278
Travelling Allowances	4,834	8,126
Halting Allowances	8,724	16,007
Vehicle Hiring / Fuel Expenses	12,744	15,220
Clearing House	0	56
Data Entry Charges	49	154
Sundry Expenses	1,42,758	1,68,552
GRAND TOTAL	1,72,307	2,12,089

SCHEDULE 16-B PROVISIONS

(Amt. in “000”)

Details of Provisions	As on 31.03.2021	As on 31.03.2020
Standard Assets Provision	-86,891	88,109
Bad Debt Provision	10,46,810	18,59,295
Misc. Provision	0	-1,28,723
Ont. On Perpetual Bond	0	0
Prov. towards Fraud	0	0
Prov. towards Leave Liability	30,000	40,000
Prov. On Ammortization	0	0
Prov. on wage payment	4,67,900	0
Prov. towards Gratuity	79,650	1,06,200
Prov. towards Pension	32,30,000	0
GRAND TOTAL	47,67,469	19,64,881

**UTKAL GRAMEEN BANK**

HEAD OFFICE: BOLANGIR

SCHEDULE - 17 - SIGNIFICANT ACCOUNTING POLICIES**1. GENERAL :**

Government of India vide its Notification No. F No. 1/1/2012 RRB dated 01.11.2012 published in Gazette of India being issued by the Ministry of Finance, Department of Financial Services, GOI on 01.11.2012 instructed to amalgamate two Regional Rural Banks viz. "Rushikulya Gramya Bank" and "Utkal Gramya Bank" into a new Regional Rural Bank named as "Utkal Grameen Bank".

2. Basis of Preparation :

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting ongoing concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms / guidelines prescribed by the National Bank for Agriculture and Rural Development (NABARD) / Reserve Bank Of India (RBI), Banking Regulation Act 1949, Regional Rural Bank Act, 1976 and amendments thereto and Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

3. Use of estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable and are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the period in which the result are known / materialised.

4. Revenue Recognition:

- a) Income is accounted on accrual basis, except otherwise stated.
- b) Interest income is recognised in the Profit and Loss Account as it accrues except, income from Non Performing Assets (NPAs), comprising of advances and investments where revenue recognition is postponed till removal of uncertainty of ultimate collection, as per the prudential norms prescribed by the RBI/NABARD or other regulatory authorities.
- c) Income (other than interest) on interest bearing investments in "Held to Maturity (HTM)"



category acquired at a discount to the face value, is recognised only at the time of sale / redemption.

- d) In case of suit filed accounts, legal and other expenses incurred are charged to Profit and Loss Account and at the time of recovery of such expenses is accounted as income.

5. Investments :

Investments in India have been made in both SLR and Non-SLR securities and classified under "Held to Maturity" (HTM) i.e. permanent category & "Available For Sale" (AFS) i.e. Current category as per RBI norms and guidelines as amended from time to time.

SLR securities under HTM category lie within the prescribed limit i.e. 18.25% of NDTL. Investments in SLR securities have been accounted for at acquisition cost unless it is more than the face value, in which case the premium have been amortised over the period remaining to maturity. It has reflected the amortised amount in schedule 13-Interest earned: item II - Income on investments as a deduction.

The investment portfolio has been valued as per the mark to market (MTM) norms prescribed by RBI and any depreciation in value under AFS category has been provided.

6. Loans or Advances and Provisions thereon :

- A. Loans and advances are classified as performing and non-performing, based on the guidelines/directives issued by NABARD & RBI. Loan assets become Non Performing Asset (NPA) where:

- **In respect of agriculture advances :**

- i. For short duration crops, where the installment of principal or interest remains overdue for two crop seasons and
- ii. For long duration crops, where the principal or interest remains overdue for one crop season.

- **In respect of Non Agriculture advances :**

- i. In respect of term loans, interest and / or installment of principal remains overdue for a period of more than 90 days.
- ii. In respect of Overdraft or Cash Credit Advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit or drawing power continuously for a period 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest debited during the same period.

Provisions are made for NPAs as per the extant guidelines/directives prescribed by the RBI:

- a) All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and Loss Assets.
- b) Provisions on Advances are made as under :



I Standard Assets :

General Provision for Standard Assets at the following rates:

1. Direct Advances to Agriculture and SME sectors at 0.25%
 2. Commercial Real Estate sector at 1%
 3. Commercial Real Estate-Residential Housing Sector at 0.75%
- All other advances not included in (1), (2) & (3) above at 0.40%

II Sub-Standard Assets :

A loan asset that has remained non performing for a period less than or equal to 12 months is a Sub Standard Asset

General Provision of 10% on the total outstanding

III Doubtful Assets :

A loan asset that has remained in the sub-standard category for of 12 months is Doubtful Asset

Secured Portion	Up to One year 20%
	One to three years 30%
	More than three years 100%
Unsecured Portion	100%

IV Loss Assets :

A loan asset where Loss has been identified but the amount has not been fully written off is a Loss Asset.

100% Provision on outstanding Advances.

- Advances are net of specific loan loss provisions, unrealised interest.
- In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it confirms to the guidelines prescribed by the regulators.
- Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- In addition to the specific provision on NPAs, general provisions are also made for Standard Assets as per extant RBI guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet and are not considered for arriving at the net NPAs.
- Interest realized on NPAs is taken in to income account provided the credits in the accounts towards interest are not out of fresh/additional credit facilities sanctioned to the borrower concerned.
- Appropriation of recoveries in NPAs i.e. towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority.
 - a. Charges
 - b. Unrealized Interest/Interest
 - c. Principal

**7. Fixed Assets, Depreciation and Amortisation :**

7.1 Fixed assets are stated at their historical cost.

7.2 Depreciation on assets is provided on straight line method at rates prescribed by the sponsor bank for maintaining uniformity in the accounting policy.

8. Employee Benefits :**a. Short Term Employee Benefits :**

The undiscounted amount of short - term employee benefits, such as medical benefits etc., which are expected to be paid for the services rendered by employees, are recognized during the period when the employee renders the service.

b. Long Term Employee Benefits :

i. Gratuity : For all the eligible employees, the Bank provides for Gratuity liability based on actuarial valuation. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

ii. Leave Encashment : For all the employees who have completed five years of service, the Bank provides for Leave Encashment liability based on actuarial valuation.

iii. Pension : Bank has introduced Utkal Grameen Bank (Employees') Pension Regulation, 2018 in the financial year 2018-19 as per guidelines issued by NABARD vide letter no.NB.IDD/344/316(Pension)/2018-19 dt:23.10.2018 and GOI Gazette notification - Extraordinary Part-III, Section-4, No-533 dt: 24.12.2018 and pension payment are made accordingly. Pension provision has been made basing on acturial valuation dt. 28.02.2020 & also as per RBI norms.

c. Defined Contribution Plans such as Provident Fund are recognized as an expense and charged to the Profit& Loss Account on accrual basis.

9. Contingent Liabilities & provisions :

In conformity with AS - 29 "Provisions, Contingent Liabilities and Contingent Assets", issued by ICAI, the bank recognises the 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.

No provision is recognised for :

I. Any possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the bank.

II. Any present obligation that arises from past events but is not recognised because

a. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or

b. A reliable estimate of the amount of obligation cannot be made.

Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

III. Contingent Assets are not recognised in the financial statements.

10. Special Reserves :

Revenue and other Reserve include Special Reserve created under Section 36(i)(viii) of the Income Tax Act, 1961.



SCHEDULE -18

NOTES ON ACCOUNTS

1. SHARE CAPITAL

i) In terms of Gazette Notification dated 12th May, 2015, in regard to amendment of Regional Rural Bank Act, 1976, the authorized capital of the Bank enhanced to Rupees two thousand crore, divided into two hundred crore of fully paid-up shares of ten rupees each effective from the 4th February 2016. In order to meet the minimum level of CRAR and other financial parameters, a proposal was submitted for recapitalization for infusion of Rs.1070.00 crores. The same has been approved by appropriate authorities during Financial Year 2019-20 and partial payment of Rs.227,93,60,000.00 was done during the FY 2019-20 and parked as Share Capital Deposit in Schedule-1B. Rest amount of Rs. 40,22,40,000.00 received from share holder during 2020-21. The total amount received from Share holders as per detail below :

a) Govt. Of India	= Rs. 134,08,00,000.00
b) State Bank of India	= Rs. 93,85,60,000.00
c) Govt. of Odisha	= <u>Rs. 40,22,40,000.00</u>
Total	= Rs. 268,16,00,000.00

Share Capital consists of Shares subscribed to by the Government of India, Sponsor Bank and Government of Odisha in the ratio 50:35:15 as follows:

	As at 31.03.2021	As at 31.03.2020
Authorised Capital		
(200,00,00,000 Shares of Rs 10/- each)	2000,00,00,000.00	2000,00,00,000.00
Issued, Subscribed & Paid up Share Capital		
Govt. of India (485186550 Shares of Rs 10/- each)	485,18,65,500.00	351,10,65,500.00
State Bank of India (339633610 Shares of Rs 10/- each)	339,63,36,100.00	245,77,76,100.00
Govt. of Odisha (145552900 Shares of Rs 10/- each)	145,55,29,000.00	105,32,89,000.00
TOTAL	970,37,30,600.00	702,21,30,600.00

ii) PERPETUAL BOND:

Consequent upon implementation of CBS, the Bank has incurred a total expenditure of Rs.16,27,65,784/- out of which Sponsor Bank's share @ 50% amounts to Rs.8,13,82,892/-. The above amount has been contributed on 08.01.2016 by State Bank of India in form of Perpetual Bond. The same is therefore reflected in the books of accounts under the head "Perpetual Bond" under Liabilities.

iii) Due to a loss of Rs.411.63 crores during the year and an accumulated loss of Rs. 1375.09 crores the networth of the Bank has turned negative (-Rs.404.72 crores). This is attributable to mainly high provision required for Pension, NPA, Wage Payment and Provision for Leave Liability & Gratuity as per Schedule-



16 (B) of the Profit/Loss Statement.

2. INVESTMENTS :

Investments in Govt securities & Sovereign Gold Bond amounting to Rs.419190.03 lakhs made by the Bank represent SLR investments. Out of total SLR portfolio of Rs.419190.03 lakhs, securities of book value amounting to Rs.117955.54 lakhs have been categorized under "Held to Maturity"(HTM) and securities of book value amounting to Rs.301234.49 lakhs have been categorized under "Available For Sale"(AFS). Securities under HTM category are exempted from mark to market (MTM) norms. Securities under AFS categories in both SLR & Non-SLR are valued as per mark to market (MTM) norms. In case of both SLR & Non-SLR investment, there is a net appreciation, hence do not require any provision for depreciation.

3. ADVANCES:

During this FY, Bank has written-off an amount of Rs.139.88 crore, where 100% provision was available.

4. FIXED ASSETS:

a) Fixed assets of the Bank have been physically verified by officials of the Branches of the Bank and shortage/excess found has been suitably adjusted in the books of account during the year.

b) Depreciation on Fixed Assets is provided on Straight Line Method at rates prescribes by Sponsor Bank.

5. RECONCILIATION

a. OTHER ASSETS

Balance under the head Inter Office adjustments reflects Rs.0.015 crore being the pending items for which advices are in transit as on the closing date. The same are under reconciliation and subject to consequential adjustments, if any.

Further, other assets in Schedule-11 includes Suspens Advance amounting to Rs. 0.017 crore, System Suspens amounting to 0.005 crore, NEFT Account amounting Rs. 25.51 crores, AEPS INWARD Acquarier transaction amounting to Rs. 0.53 crore, ATM Clearing Account Suspens amounting to Rs. 1.78 crore, ACH Debit & ACH Debit return amounting to Rs. 0.14 crore & Rs. 0.08 crore respectively, NPCI Credit Return & ACH Credit Return amounting to Rs. 0.01 crore & Rs. 0.82 crore are under the process of reconciliation and subject to consequential adjustment, if any.

Further, other assets in Balance Sheet includes IT Prov./Advance Tax Paid amounting to Rs. 7.64 crores and Tax Refund Receivable amounting to Rs. 7.04 crores. The same are under the process of year-wise-reconciliation and subject to consequential adjustment, if any.

b. OTHER LIABILITY

Other Liability in Schedule-5 includes adjusting account amounting to Rs. 2.07 crores, IMPS INWARD account amounting to (-) Rs. 1.84 crore, POS/ATM Pay account suspens amounting to Rs. 0.13 crore, AEPS OUTWARD Issue Trans. amounting to Rs.4.09 crores, PFMS APB/AEP Settlement



amounting to Rs.0.28 crore and RGB Income Tax Prov. amounting to Rs. 0.42 crore. The same are under the process of reconciliation and subject to consequential adjustment, if any.

Further, Other Liability in Schdule-5 include subsidy reserve fund amounting to Rs. 5.19 crores. The same are under the process of borrower-wise-reconciliation and subject to consequential adjustment, if any.

6. CONTINGENT LIABILITY

Contingent Liability of Rs.54,17,01,219.17 (Previous year Rs.50,96,53,535.30) like Bank Guarantee, DEAF etc has been shown under Schedule-12. Apart from aforesaid, the Bank has pending cases of Income Tax.

7. OTHERS:

The accumulated loss of the Bank as on 31st March 2021 stands at Rs. 137509.47 lakhs.

8. Previous year's figures have been re-grouped and/or rearranged where considered necessary to make it comparable.

9. Additional Disclosures

9. a. Capital

Sr.	Particulars	Current Year (2020-21)	Previous Year (2019-20)
i)	CRAR (%)	-16.01%	-1.34%
ii)	CRAR - Tier I Capital (%)	-16.01%	-1.34%
iii)	CRAR - Tier II	0.55%	0.91%
iv)	Percentage of share holding of the		
a	Government of India	50%	50%
b	State Government	15%	15%
c	Sponsor Bank (SBI)	35%	35%

9. b. Investment

(Rs. in lakhs)

Sr.	Particulars	Current Year (2020-21)	Previous Year (2019-20)
1	Value of Investments		
i)	Gross Value of Investments	419540.03	362956.84
ii)	Provisions for Depreciation	Nil	Nil
iii)	Net Value of Investments	419540.03	362956.84
2	Movement of Provisions held towards depreciation on investments	Nil	Nil
i)	Opening Balance	Nil	Nil
ii)	Add : Provisions made during the year	Nil	Nil
iii)	Less : Write off/Write back of excess provision during the year	Nil	Nil
iv)	Closing Balance	Nil	Nil

**9. c. Repo Transaction**

(Rs. in lakhs)

	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average Outstanding during the year	As on 31st March 2021
Securities sold under Repos	NIL	NIL	NIL	NIL
Securities purchased under reverse Repos	NIL	NIL	NIL	NIL

9.d. Non-SLR Investments portfolio

(i) Issuer composition of Non-SLR Investment

(Rs. in lakhs)

No.	Issuer	Amount	Extent of private placement	Extent of below investment grade securities	Extent of unrated securities	Extent of unlisted securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i)	PSUs	NIL	NIL	NIL	NIL	NIL
ii)	FIs	NIL	NIL	NIL	NIL	NIL
iii)	Banks	NIL	NIL	NIL	NIL	NIL
iv)	Private Corporate	NIL	NIL	NIL	NIL	NIL
v)	Others	350.00	NIL	NIL	NIL	NIL
vi)	Provisions held towards depreciation	NIL	NIL	NIL	NIL	NIL
	TOTAL	350.00	NIL	NIL	NIL	NIL

ii) Non-performing Non-SLR Investments

(Rs. in lakhs)

Particulars	Amount
Opening balance	NIL
Additions during the year since 1st April	NIL
Reductions during the above period	NIL
Closing balance	NIL
Total provisions held	NIL

**10. Asset Quality**

10.1 Non-Performing Asset

(Rs. in lakhs)

Sr.	Particulars	Current Year (2020-21)	Previous Year (2019-20)
i)	Net NPA to Net Advances (%)	16.06%	12.93%
ii)	Movement of NPA (Gross)	-	-
(a)	Opening Balance	81036.63	87728.29
(b)	Additions during the year	40833.96	17170.68
(c)	Reductions during the year	36449.38	23862.34
(d)	Closing Balance	85421.21	81036.63
iii)	Movement of Net NPAs	-	-
(a)	Opening Balance	30936.85	46378.90
(b)	Additions during the year	18375.28	6555.77
(c)	Reductions during the year	10462.30	21997.82
(d)	Closing Balance	38849.80	30936.85
iv)	Movement of provisions for NPAs (Excluding provisions on standard assets)		
(a)	Opening Balance	50099.78	41349.39
(b)	Provisions made during the year	10463.01	18592.96
(c)	Write-off/Write-back of excess provisions	13991.37	9842.56
(d)	Closing Balance	46571.41	50099.78

10.2 Details of Loan Assets subject to Restructuring

	Particulars	Current Year (2020-21)	Previous Year (2019-20)
i)	Total amount of loan assets subject to restructuring, rescheduling, renegotiation	NIL	NIL
ii)	The amount of standard assets subjected to restructuring, rescheduling, renegotiation	NIL	NIL
iii)	The amount of Sub-standard assets subjected to restructuring, rescheduling, renegotiation	NIL	NIL
iv)	The amount of Doubtful assets subjected to restructuring, rescheduling, renegotiation	NIL	NIL
	Note [(i) = (ii) + (iii) + (iv)]	NIL	NIL



10.3 Details of Financial Assets sold to Securitization (SC)
Reconstruction Company (RC) for Assets Reconstruction

	Particulars	Current Year (2020-21)	Previous Year (2019-20)
i)	No. of Accounts	NIL	NIL
ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	NIL	NIL
iii)	Aggregate consideration	NIL	NIL
iv)	Additional consideration realized in respect of accounts transferred in earlier years	NIL	NIL
v)	Aggregate gain / loss over not book value	NIL	NIL

10.4 Details of non-performing Financial Assets purchased/ sold

A. Details of non-performing financial assets purchased.

	Particulars	Current Year (2020-21)	Previous Year (2019-20)
1 (a)	No. of accounts / purchased during the year	NIL	NIL
(b)	Aggregate outstanding	NIL	NIL
2 (a)	Of these, number of account restructured during the year	NIL	NIL
(b)	Aggregate outstanding	NIL	NIL

B. Details of non-performing financial assets sold.

Sr.	Particulars	Current Year (2020-21)	Previous Year (2019-20)
1	No. of Accounts Sold	NIL	NIL
2	Aggregate Outstanding	NIL	NIL
3	Aggregate consideration received.	NIL	NIL



10.5 Provisions on Standard Assets.

(Rs. in lakhs)

Sr.	Particulars	Current Year (2020-21)	Previous Year (2019-20)
	Provisions towards Standard Assets	577.39	580.06
	Provisions on account of COVID-19 made @5.00%	NIL	866.24

N.B: Provisions towards Standard Assets need not be netted from gross advances but shown separately as "Provisions against Standard Assets" under "Liabilities and Provisions - Others" in Schedule No.5 of the Balance Sheet.

11. Business Ratio

Sr.	Particulars	Current Year (2020-21)	Previous Year (2019-20)
i	Interest Income as a percentage to Working Funds	5.70%	6.80%
ii	Non-Interest Income as a percentage to Working Funds	0.85%	0.82%
iii	Operating Profit as a percentage to Working Funds	0.78%	0.76%
iv	Return on Assets	-4.94%	-1.85%
v	Business (Deposits plus advances) per employee (Rs. in lakh)	774.57	668.90
vi	Profit per employee (Rs. in lakh)	-30.74	-9.39

12. Asset Liability Management - Maturity pattern of certain items of assets and liabilities (Rs. in lakhs)

Particulars	1 to 14 days	15 to 28 days	29 to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Over 5 year	Total
Deposits	316.94	73.20	351.10	480.01	883.41	5070.18	247.89	64.51	7487.24
Advances	13.21	22.41	238.49	445.24	371.28	947.05	145.61	235.25	2418.54
Investments & TDR	177.09	64.11	237.32	61.13	172.78	100.69	234.97	3732.36	4780.45
Borrowings	0.00	0.00	0.00	75.00	278.03	0.00	0.00	0.00	353.03
Foreign currency assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign currency liabilities	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Note : The figure have been taken from the CBS system .

**13. Exposures - Exposure to Real Estate Sector during the year.**

(Rs. in lakhs)

Sr.	Category	Current Year (2020-21)	Previous Year (2019-20)
	Direct Exposure	18487.39	19610.88
(i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (individual housing loan upto 20 lakh may be shown separately)	18487.39	19610.88
(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	0	0
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures.	NIL	NIL
	a. Residential	NIL	NIL
	b. Commercial Real Estate	NIL	NIL
b.	Indirect Exposure	NIL	NIL
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	NIL	NIL

14. Details of Single Borrowers (SGL), Group Borrower Limit (GBL) exceeded by the Bank.

As per RBI instructions, the present maximum permissible exposure limit of the Bank is 15% of own fund. No such account exceeds prudential exposure limit during the year under report.

15. Miscellaneous - Amount of provisions made for Income-Tax during the year

Particulars	Current Year (2020-21)	Previous Year (2019-20)
Provision for Income Tax	NIL	NIL

The Bank has incurred a loss of Rs.41162.79 lakhs during the current year. However, it has accumulated losses in past years amounting to Rs.96346.68 lakhs. In view of the above no provision has been made towards income tax in the current year.



16. Disclosure of Penalties imposed by RBI

No penalty has been imposed by RBI during the current year.

17. Disclosure requirements as per Accounting Standards where the RBI has issued guidelines in respect of disclosure items for " Notes to Accounts".

17.1 Accounting Standard -9 - Revenue Recognition

The revenue recognition norms stipulated in the said accounting standard have been properly followed. The accounting policies of the Bank given under Schedule-17 describe the revenue recognition policies followed by the Bank.

17.2 Accounting Standard -15 - Employee benefit

- a) Gratuity : The Bank has taken policies under Group Gratuity Scheme framed with LIC of India & India First and premium paid is charged to revenue. An amount of Rs.25.95 crores has been paid during the current year. As per the LIC's estimate the gratuity liability of Rs.20.00 lakhs amounts to Rs.81.50 crores. Since the corpus of the Bank towards the liability stands at Rs.85.60 crores as on 31.03.2021, there is no requirement of provision.
- b) Leave encashment : The liability of the Bank arising out of Leave encashment amounts to Rs.33.63 crores on actuarial valuation against which the corpus fund of the Bank as on 31.03.2021 stands at Rs.33.69 crores and there is no requirement of provision.
- c) Pension : Bank has introduced Utkal Grameen Bank (Employees') Pension Regulation, 2018 in this financial year as per guidelines issued by NABARD vide letter no NB.IDD/344/316(Pension)/2018-19 dt:23.10.2018 and GOI Gazette notification - Extraordinary Part-III, section-4 , No-533 dt: 24.12.2018. During the year 2020-21, Rs. 8.62 crores is refunded by Pensioners and Rs. 62.03 crores has been paid to Pensioners. As per latest actuarial valuation position, the Pension liabilities Rs. 798.34 crores. As per RBI norms, provision required is 60% of Rs. 798.34 crores which comes to Rs. 479.00 crores as on 31.03.2021. From this assessed liabilities as per the amortization and as per advice by Sponsor Bank, provision of Rs. 323.00 crores has been made during the year 2020-21.
- d) Wage Revision : During the year 2020-21, UGB has provided for Rs. 46.79 crores, arising out of arrear to be paid on account of 11th Bi-partite wage settlement from 01.11.2017. A total amount provided for in respect of the said wage settlement stands at Rs.46.79 crores as on 31.03.2021.

17.3 Accounting Standard -17 - Segment Reporting

- a. There is only one Business segment i.e. retail banking operation.
- b. There is only one Geographical segment i.e. Domestic.

17.4 Accounting Standard -22 - Accounting for Taxes on Income

Since the Bank has incurred loss during the year and there is accumulated loss, the deferred tax Asset / Liability has not been recognized and accounted for.

17.5 Accounting Standard -25 - Interim Financial Reporting

The Bank has already introduced the system of interim financial reporting as per NABARD guidelines .

**18. Additional Disclosures**

18.1 Provisions against Advances

(Rs. in lakhs)

Sr.	Particulars	Current Year (2020-21)	Previous Year (2019-20)
a.	Opening balance in the floating provisions account	51546.08	41914.61
b.	The quantum of floating provisions made in the accounting year	10463.01	19474.03
c.	Amount of draw down made during the accounting year*	14860.29	9842.56
d.	Closing balance in the floating provisions account	47148.80	51546.08

* i. Total written-off during the year Rs.13988.31 lakhs

18.2 Draw Down From Reserve

There was no Draw Down from any reserve account during the year.

18.3. Disclosure of Complaints

A. Customer Complaints

Sr.	Particulars	Details
a.	No. of complaints pending at the beginning of the year	4
b.	No. of complaints received during the year	24
c.	No. of complaints redressed during the year	28
d.	No. of complaints pending at the end of the year	0

B. Award passed by the Banking Ombudsman

Sr.	Particulars	Details
a.	No. of unimplemented Awards at the beginning of the year	NIL
b.	No. of Awards passed by the Banking Ombudsmen during the year	NIL
c.	No. of Awards implemented during the year	NIL
d.	No. of unimplemented Awards at the end of the year.	NIL

18.4 Concentration of Deposits, Advances, Exposures and NPAs

I.

(Rs. in Crore)

Concentration of Deposits	
Total Deposits of twenty largest depositors	161.59
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	2.16%

Concentration of Advances *	
Total Advances to twenty largest borrowers	212.42
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	7.36%



*Advances should be computed as prescribed in our Circular on Strengthening of Prudential Norms - Provisioning Asset classification and Exposure Limit RPCD.RRB.BC.97/03.05.34/2000-01 dated June 11, 2001 as per circular RPCD.RRB.BC.97/03.05.34/2000-01 dated June 11, 2001

Concentration of Exposures **	
Total Exposures of twenty largest borrowers/customers	248.92
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	8.63%

** Exposures should be computed based on credit and investment exposure as prescribed in our Circular on Strengthening of Prudential Norms - Provisioning Asset classification and Exposure Limit RPCD.RRB.BC.97/03.05.34/2000-01 dated June 11, 2001

Concentration of NPAs	
Total Exposure to top four NPA accounts	4.82

II. Sector -wise NPAs

(Rs. in Crore)

SI No.	Sector*	Current Year (2020-21)			Current Year (2019-20)		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	1902.42	647.55	34.03%	2001.21	595.65	29.76%
2	Advances to industries sector eligible as priority sector lending	428.91	128.25	29.90%	415.97	143.52	34.50%
3	Services	58.24	7.88	13.53%	49.66	5.40	10.87%
4	Personal Loans	193.05	37.11	19.22%	207.04	36.23	17.49%
	Sub-total (A)	2582.62	820.79	31.78%	2673.88	780.80	29.20%
B	Non-Priority Sector						
1	Agriculture and allied activities	NIL	NIL	NIL	NIL	NIL	NIL
2	Industry	NIL	NIL	NIL	NIL	NIL	NIL
3	Services	NIL	NIL	NIL	NIL	NIL	NIL
4	Personal Loans	301.64	33.42	11.08%	220.31	29.57	13.42%
	Sub-total (B)	301.64	33.42	11.08%	220.31	29.57	13.42%
	Total (A+B)	2884.26	854.21	29.06%	2894.19	810.37	28.00%

*Regional Rural Banks may also disclose in the format above, sub sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the Khadi and Village industry (KVI) exceed 10 percent of the outstanding total advances to 'Industry' sector it should disclose details of its outstanding advances to KVI separately in the format above under the 'Industry' sector.



II. Movement of NPAs

(Rs. in Crore)

		Current Year (2020-21)	Previous Year (2019-20)
Gross NPAs as on 1st April of particular year (Opening balance)		810.37	877.28
Additions (Fresh NPAs) during the year		408.33	171.71
Sub-total (A)		1218.79	1048.99
Less :			
(i)	Upgradations	114.45	50.94
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	110.16	92.67
(iii)	Write-off	139.88	95.02
Sub-total (B)		364.49	238.62
Gross NPAs as on 31st March of following year (closing balance)(A-B)		854.21	810.37

19. Classification of assets (Advances) as on 31st March 2021.

(Rs. in Lakhs)

	Gross Advances	Net Advances
Standard Asset	203004.30	203004.30
Sub Standard Asset	20006.98	18006.28
Bad, Doubtful & Loss assets	65414.23	20843.62
Total	288425.51	241854.10
Add: Provision on Sub-Standard & Doubtful Assets etc		46571.41
Total gross Advances	288425.51	288425.51

20. **Accumulated written off** Advance Accounts are placed under "AUCA" (Advances Under Collection Account) and cumulative amount as on 31.03.2021 stands at Rs.314,55,33,920.62.

21. **IBPC (Inter-Bank Participation Certificate)** : The Bank takes advantage of the swapping of its advances portfolio in priority Sector with intending partner Banks including Sponsor Bank. However Bank has not participated in IBPC during the current Financial year and the outstanding as on 31.03.2020 is Nil.

22. **PSLC (Priority Sector Lending Certificates)** : The Bank has registered itself in the e-kuber portal of RBI and is actively engaged in trading in the PSLC market. Following are the details of the trading in PSLC during the year.

(Rs. in Crore)

Category of PSLC	Current FY 2020-21			Previous FY 2019-20		
	Sold	Purchase	Income	Sold	Purchase	Income
PSLC (SM)	1320	50	26.97	1150	0	19.70
PSLC (G)	0	900	4.17	0	800	4.76
PSLC (Agri)	100	0	1.30	0	0	0
	1420	950	24.10	1150	800	14.94



23. Grant of Ex-gratia Payment : The claim of Rs. 45,37,998.57 made by the Bank towards the claim under the scheme of grant of ex-gratia payment of difference between compound interest and simple interest for 6 months in specified loan accounts (01.03.20 to 31.08.20) has been received from State Bank of India.

24. Data Purification and Asset Classification : During last year Bank has implemented new NPA functionality i.e 1.1 version of Agri & URI module for more accurate classification of Assets and recognition of income as per prudential norms prescribed by NABARD & RBI.

25. Depositor Education and Awareness Fund (DEAF) Scheme :

Disclosure as required under Depositor Education and Awareness Fund Scheme - 2014 notified by the Reserve Bank of India under DBOD No. DEAF Cell.BC.114/30.01.002/ 2013-14 dated 27th May 2014

(As per details in Schedule-12)

(Rs. in Lakh)

Sl. No.	Particulars	Current FY 2020-21	Previous FY 2019-20
1	Opening Balance of Amount transferred to DEAF	72.39	69.86
2	Add: Amount transferred to DEAF during the Year	3.26	2.72
3	Less: Amounts reimbursed by DEAF towards Claim	0.05	0.19
4	Closing balance of amounts transferred to DEAF	75.59	72.39

26. The Bank has incurred a net loss of Rs. 411.63 crores during the year ended March 31, 2021 and it has accumulated losses of Rs. 1375.09 crores which has resulted in complete erosion of the net worth of the Bank. However, although Bank has got a negative Net Worth as at 31st March 2019, considering the continuous support of the Government of Odisha, Government of India and Sponsor Bank i.e. SBI, the Company is and will continue to be able to meet its financial obligations as they fall due. Accordingly, the Bank has prepared its accounts on a **“Going Concern” basis.**

Various indicators confirming the operational performance of the Bank and affirming the Going concern assumption are detailed below:

- Customer Base :** increase from 46.69 lakhs as on Mar, 2019 to 48.67 lakhs as on Mar, 2020 indicates growing outreach of the Bank, reaching out and attracting new customers.
- Deposits :** Growth rate of 8.48% during current year over last year with growth in Savings Deposits of 11.52%, growth in retail Deposits of 7.92%, growth in Institutional deposits of 9.97% indicate customer confidence on the Bank despite the lowering of interest in deposits. While the share of CASA deposits has gone up to 59.15% from 57.54% last year, cost of deposits has come down from 5.35% to 5.01% over last year. This shows the continued confidence of public in the Bank.
- Given the financial stress of the bank, the Stake holders have reposed confidence on Bank by sanctioning of fresh Capital Infusion of Rs. 268 crs of which Rs. 228 crs have since been received by 31st March, 2020 raising the capital base and the rest are in process. This shows the intention of the Share holders for strengthening the Bank.
- Bank has never defaulted in maintenance of CRR/SLR as per statutory requirement. There is no liquidity problem which is a positive feature in prudential management of funds.
- To abide by the Prompt Corrective Action norms, Risk Weighted Assets (RWS) of the Bank contained at Rs. 2489.67 crs against the benchmark RWA level of Rs. 2509.05 crs.



- f. As part of the overall strategy to grow with minimising RWs, investments shifted to Govt securities indicates the Bank has a safer exposure.
- g. In compliance with the Covid-19 regulatory package of RBI, we have also deferred the demand for interest and installment of loans during the lockdown period and made due provision in the balance sheet.
- h. For better management of NPAs, Gross NPA has been brought down from 30.30% to 28.00% despite unusual variations in weather conditions throughout the operational area during the year, vitiated recovery climate. With tighter control on credit growth under PCA, though advances have remained almost at the same level as last year with further cleansing of the loan portfolio, however, Bank is targeting a growth of 10% in advances in the coming year to enhance interest income going forward.
- i. Per employee business has increased from 5.69 crs as on 31.03.19 to 6.69 cr as on 31.03.20 and NIM has improved from 0.86 as on 31.03.19 to 2.52 as on 31.03.20.
27. Consequent to the outbreak of the COVID-19 pandemic, the government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in are as with significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour amid pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The slow down during the year led to a decrease in loan origination and the efficiency in collection efforts. This may lead to arise in the number of customer defaults and consequently an increase in provisions there against. The extent to which the COVID-19 pandemic, including the current “Second Wave” that has significantly increased the number of cases in India, will continue to impace the Bank’s results will depend on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact.
28. In accordance with the COVID-19 Regulatory Package announced by the RBI on March 27, 2020, April 17, 2020 and May 23, 2020, the Bank, in accordance with its board approved policy, offered moratorium on the repayment to fall installments and/or interest, as applicable, due between March 1, 2020 and August 31, 2020 to all eligible borrowers classified as standard, even if overdue, as on February 29, 2020. In respect of such accounts that were granted moratorium, the asset classification remained stand still during the moratorium period.

The disclosures as required by RBI circular dated April 17, 2020 are given below :

Particulars	Rs in crore
Respective amounts in SMA / Overdue categories, where the moratorium / deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020) Term Loan : Rs. 7.04 crore Cash Credit / Overdraft : Rs. 166.25 crore	173.25
Amount where asset classification benefit is extended	173.25
Provisions made in terms of para 5 of the circular	17.32
Provision adjusted against slippages in terms of paragraph 6 of the circular	17.32
Residual provisions as of March 31, 2021 in terms of paragraph 6 of the circular	NIL



As per our report of even date Signatures for Schedules 1 to 18.

SRI. A.C. BEURA
CHAIRMAN

SHRI N.C. PATTNAIK
DGM, RBI, BBSR
DIRECTOR

SHRI V. BALASUBRAMANIAN
DGM, NABARD, BBSR
DIRECTOR

SHRI TARAKANTA BHAKTA
DEPUTY SECY., FINANCE DEPT.
GOVT. OF ODISHA, BHUBANESWAR
DIRECTOR

FOR AGASTI & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 313043E

(CA. TRUPTI REKHA MOHAPATRA)
PARTNER
M. No. 300053

SHRI S. TIWARI,
DGM, SBI, CORPORATE CENTER, MUMBAI
DIRECTOR

SHRI D.C. BAL,
DGM, (FI & MF)
SBI, LHO, BHUBANESWAR,
DIRECTOR

Place : Bolangir
Date : 14-05-2021



Our Chairman being felicitated by Chairman, SBI for SBI Life Renewal Persistency at Chandigarh



Welcoming new Chairman Shri A.C. Beura and bidding farewell to ex-Chairman Shri R.K. Mishra at Head Office

