

UTKAL GRAMEEN BANK
HEAD OFFICE : BOLANGIR

BALANCE SHEET AS ON 31.03.2023

(Amt. in "000")


Particulars	SCH	As on: 31.03.2023	As on: 31.03.2022
EQUITY & LIABILITIES			
Equity Capital	1	1,65,36,883	97,03,731
Perpetual Bond	1(A)	81,383	81,383
Share Capital Deposit	1(B)	0	47,83,185
Reserves & Surplus	2	0	0
Deposits	3	8,04,53,695	7,64,30,695
Borrowings	4	57,84,736	44,65,920
Other Liabilities & Provisions	5	42,23,530	42,56,983
TOTAL EQUITY & LIABILITIES		10,70,80,227	9,97,21,897
ASSETS			
Cash and Balances with Reserve Bank of India	6	41,03,320	35,91,497
Balances with Banks and Money at Call and Short Notice	7	1,09,29,031	71,57,395
Investments	8	4,34,39,849	4,71,26,086
Loans & Advances	9	3,33,95,091	2,64,60,524
Fixed Assets	10	48,819	49,332
Other Assets	11	1,51,64,117	1,53,37,063
TOTAL ASSETS		10,70,80,227	9,97,21,897
Contingent Liabilities	12	7,85,868	5,47,214
Bills for Collection		NIL	NIL
Principal Accounting Policies and Notes on Accounts	17 & 18		


Shri A.C. Beura
Chairman

Chairman
UTKAL GRAMEEN BANK
Head Office, Balangir

For TEJ RAJ & PAL
Chartered Accountants
FRN No 304124E

For TEJ RAJ & PAL
Chartered Accountants
FRN No 304124E


(CA Dinakar Mohanty) (CA Dinakar Mohanty)
Partner Partner
Memb. No. 059390 Memb. No. 059390

UTKAL GRAMEEN BANK
HEAD OFFICE : BOLANGIR

PROFIT & LOSS STATEMENT FOR THE YEAR 31.03.2023

(Amt. in "000")

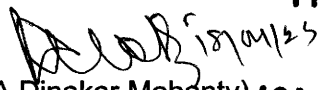
Particulars	SCH	As on: 31.03.2023	As on: 31.03.2022
I. INCOME			
Interest earned	13	67,63,574	63,04,886
Other income	14	9,86,073	9,17,094
TOTAL		77,49,647	72,21,980
II. EXPENDITURE			
Interest expended	15	31,39,600	32,04,030
Operating expenses	16(A)	18,80,344	18,17,196
Provisions & contingencies	16(B)	20,86,593	21,77,342
TOTAL		71,06,537	71,98,568
III. PROFIT & LOSS		6,43,110	23,412
Profit before tax		6,43,110	23,412
Less : Tax Provision		0	0
Provision for Income Tax For the Financial Year		0	4820
Provision to Tax Credit Entitlement			(-)4820
Profit after Tax		6,43,110	23,412
Loss brought forward	(*)	-1,37,27,535	-1,37,50,947
TOTAL		-1,30,84,425	-1,37,27,535
Balance carried over to Balance Sheet		-1,30,84,425	-1,37,27,535
TOTAL		-1,30,84,425	-1,37,27,535


Shri A.C. Beura
Chairman

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UTKAL GRAMEEN BANK
Head Office, Balangir

For TEJ RAJ & PAL
Chartered Accountants
FRN No 304124E

For TEJ RAJ & PAL
Chartered Accountants
FRN No 304124E


(CA Dinakar Mohanty) **(CA Dinakar Mohanty)**
Partner
Memb. No. 059390 **Memb. No. 059390**

SCHEDULE : 1 EQUITY CAPITAL

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Authorised Capital (200,00,00,000 Shares of Rs. 10/- each)	2,00,00,000	2,00,00,000
II.	Issued & Subscribed Capital (Shares of Rs. 10/- each)	1,65,36,883	97,03,731
	Govt of India (50%)	82,68,433	48,51,866
	State Bank Of India (35%)	57,87,921	33,96,336
	Govt of Odisha (15%)	24,80,529	14,55,529
	TOTAL	1,65,36,883	97,03,731
	TOTAL	1,65,36,883	97,03,731

SCHEDULE : 1 A PERPETUAL BOND

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	PERPETUAL BOND		
	State Bank of India	81,383	81,383
	Total	81,383	81,383

SCHEDULE : 1 B SHARE CAPITAL DEPOSIT

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
	SHARE CAPITAL DEPOSIT		
I.	Govt of India	0	23,91,600
II.	State Bank Of India	0	23,91,585
III.	Govt of Odisha	0	0
	Total	0	47,83,185

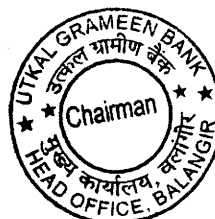
SCHEDULE : 2 RESERVES & SURPLUS

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Statutory Reserves	0	0
II.	Capital Reserves	0	0
III.	Capital Reserves on Consolidation	0	0
IV.	Share Premium	0	0
	Other Reserves (Specify nature)	0	0
V.	Revenue & other Reserves	0	0
VI.	Balance in Profit & Loss Account	0	0
	TOTAL	0	0



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SCHEDULE : 3 DEPOSITS

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
A.	Deposits of Branches in India		
I.	Demand Deposits		
	i) From Banks	0	0
	ii) From Others	9,69,861	12,81,443
II.	Savings Bank Deposits	4,75,58,281	4,49,38,197
III.	Term Deposits		
	i) From Banks	0	0
	ii) From Others	3,19,25,553	3,02,11,055
	TOTAL (I + II + III)	8,04,53,695	7,64,30,695
B. I.	Deposits of Branches outside India	0	0
	TOTAL (I + II)	8,04,53,695	7,64,30,695

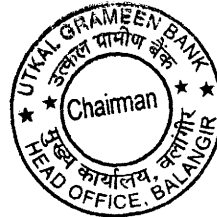
SCHEDULE : 4 BORROWINGS

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Borrowings in India		
	i) Reserve Bank of India	0	0
	ii) Other Banks	0	0
	(Sponsor Bank i.e. State Bank of India)	0	0
	iii) Other Institutions and Agencies (NABARD)	57,80,000	44,60,000
	iv) NSTFDC	4,736	5,920
II.	Borrowings outside India	0	0
	TOTAL (I + II)	57,84,736	44,65,920
	Secured Borrowings (Included in I & II above)	57,84,736	44,65,920



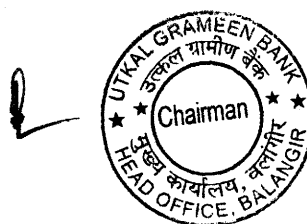
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SCHEDULE : 5 OTHER LIABILITIES & PROVISIONS

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Bills Payable	60,236	31,846
II.	Inter-Office Adjustments	545	0
III.	Interest accrued	21,56,340	22,07,006
IV.	Others	20,06,409	20,18,131
	TOTAL	42,23,530	42,56,983
IV	DETAILS OF OTHER LIABILITIES (SCHEDULE 5-IV)	As on: 31.03.2023	As on: 31.03.2022
	Subsidy Reserve Fund	36,812	44,291
	Sundry deposits	0	424
	Sundry Deposit TDS -SYS -Credit	34,887	27,656
	Grameen pay Order (GPO)	0	0
	Crop Insurance Amount	3,749	3,752
	Tax Deducted at Source /TDS	3,042	2,308
	Sundry Creditors	0	0
	CA 276 HO with UGB Balangir	0	0
	Security Deposit Public	4,466	4,800
	Miscellaneous Provision	63,936	68,049
	Standard Asset Provision	97,663	69,663
	Prov. On Pension, Leave liability, Gratuity & Wage payment	15,96,700	16,72,712
	Provision for Income Tax		4,820
	SD-Unidentified cash	0	0
	SYS Susp Originating Credit	0	0
	Other System Susp A/C	43	14
	Adjusting A/c	41,775	64,183
	Others	1,23,336	55,459
	GROUP TOTAL	20,06,409	20,18,131



SCHEDULE : 6 CASH & BALANCES WITH RESERVE BANK OF INDIA

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Cash in hand (Including foreign currency notes- NIL)	3,38,485	3,85,712
II.	Balance with Reserve Bank of India		
	i) In Current Account	37,64,835	32,05,785
	ii) In Other Accounts	0	0
	TOTAL (I + II)	41,03,320	35,91,497

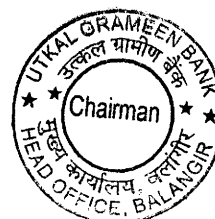
SCHEDULE : 7 BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	In India		
	i) Balances with Banks		
	a) In Current Accounts	2,22,169	2,98,883
	b) In other Deposit Accounts	1,07,06,862	68,58,512
	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)	1,09,29,031	71,57,395
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
	GRAND TOTAL (I + II)	1,09,29,031	71,57,395



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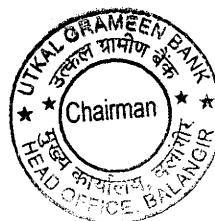
SCHEDULE : 8 INVESTMENTS

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Investments in India in		
	i) Government securities	4,33,88,370	4,71,02,107
	ii) Other approved Securities	1,479	1,479
	iii) Shares	0	0
	iv) Debentures and Bonds	0	0
	v) Investment in Associates	0	0
	vi) Others (to be specified) (SBI Mutual Fund)	50,000	22,500
	TOTAL	4,34,39,849	4,71,26,086
II.	Investments Outside India in		
	i) Government Securities	0	0
	(including local authorities)		
	ii) Investment in Associates	0	0
	iii) Other Investments (to be specified)	0	0
	TOTAL	0	0
	GRAND TOTAL (I + II)	4,34,39,849	4,71,26,086
III.	Investments in India		
	i) Gross value of Investments	4,34,39,849	4,71,26,086
	ii) Aggregate of Provisions for depreciation	0	0
	iii) Net Investment	4,34,39,849	4,71,26,086
IV.	Investments Outside India	0	0
	i) Gross value of Investments	0	0
	ii) Aggregate of Provisions for depreciation	0	0
	iii) Other investments (to be specified)	0	0



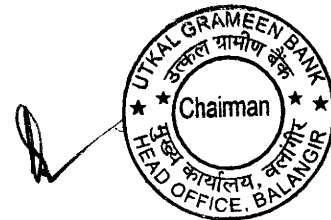
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SCHEDULE : 9 ADVANCES

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
A.	i) Bills Purchased & Discounted	0	0
	ii) Cash Credits, Overdrafts & Loans repayable on demand	2,19,88,737	1,89,80,703
	iii) Term Loans	1,14,06,354	74,79,821
	TOTAL	3,33,95,091	2,64,60,524
B.	i) Secured by Tangible Assets (includes advances against book debts)	3,33,24,497	2,63,64,334
	ii) Receivable from Govt. of India under Agricultural Debt Waiver & Debt Relief Scheme 2008	0	0
	iii) Unsecured	70,594	96,190
	TOTAL	3,33,95,091	2,64,60,524
C. I.	Advances in India		
	i) Priority Sector	2,71,36,851	2,32,13,818
	ii) Public Sector	0	0
	iii) Banks	0	0
	iv) Others	62,58,240	32,46,706
	TOTAL	3,33,95,091	2,64,60,524
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	
	GRAND TOTAL (C. I + II)	3,33,95,091	2,64,60,524
	TOTAL ADVANCE	3,75,72,285	3,10,09,841
	NPA PROVISION	41,77,194	45,49,317
	NET ADVANCE	3,33,95,091	2,64,60,524



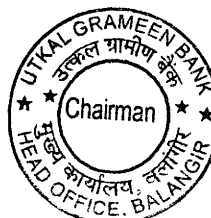
SCHEDULE : 10 FIXED ASSETS

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
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	8	0
	Depreciation to date	0	0
IA.	Premises under construction	0	0
	TOTAL	0	8
II.	Other Fixed Assets (including furniture and fixtures)		
	At cost as on 31st March of the preceding year	3,36,383	3,27,994
	Support from SBI and NABARD	0	0
	Additions during the year	14,868	8,389
	TOTAL	3,51,251	3,36,383
	Grand Total (I+II)	3,51,251	3,36,391
	Deductions during the year	0	0
	Accumulated Depreciation to date	3,02,432	2,87,059
	BALANCE(W.D.V)	48,819	49,332
	GRAND TOTAL	48,819	49,332



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SCHEDULE : 11 OTHER ASSETS

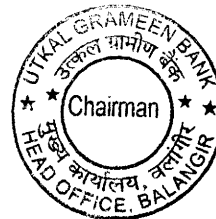
(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Inter Office Adjustments	0	4,560
II.	Interest Accrued	15,73,234	14,39,764
III.	Tax paid in advance	5,299	5,299
IV.	Stationery and Stamps	4,469	10,877
V.	Non-Banking assets acquired in satisfaction of claims	0	0
VI.	Others	1,35,81,115	1,38,76,563
	TOTAL	1,51,64,117	1,53,37,063
	DETAILS OF OTHER ASSETS (SCHEDULE 11-VI)	As on: 31.03.2023	As on: 31.03.2022
	Suspense Advance	119	84
	Accumulated Loss		
	a.accumulated loss		
	b.Reserve and Surplus adjusted	1,30,84,425	1,37,27,535
	c.Loss before Tax		
	d.Tax on profit (Add)		
	System suspense	0	0
	NEFT	0	0
	IT prov / Advance Tax paid	81,884	74,948
	Tax Credit Entitlement	0	4,820
	Others	4,14,687	69,176
	Total	1,35,81,115	1,38,76,563

SCHEDULE : 12 CONTINGENT LIABILITIES

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Guarantees given on behalf of constituents		
	a) In India	7,77,014	5,39,379
	b) Outside	0	0
II.	Unclaimed Deposit in DEAF A/c	8,854	7,835
	TOTAL	7,85,868	5,47,214



SCHEDULE : 13 INTEREST EARNED

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I. (A)	Interest on Advances	31,56,254	27,84,226
(B)	Interest on Bills Discount		0
II.	Income on Investments	33,77,526	33,38,690
III.	Interest on balances with Reserve Bank of India / other inter-bank Bank funds	2,29,794	1,81,970
IV.	Others:IBPC	0	0
	TOTAL	67,63,574	63,04,886

SCHEDULE : 14 OTHER INCOME

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Commission, Exchange, Brokerage	52,168	47,277
II.	Profit on sale of investments (net)		
	Less : Loss on sale of investments	0	0
III.	Profit on revaluation of investments		
	Less : Loss on revaluation of investments (Amortisation)	0	0
IV.	Profit on sale of land, buildings and other assets	0	0
	Less : Loss on sale of land, buildings and other assets	0	0
V.	Profit on exchange transactions		
	Less : Loss on exchange transactions	0	0
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	9,33,905	8,69,817
	TOTAL	9,86,073	9,17,094

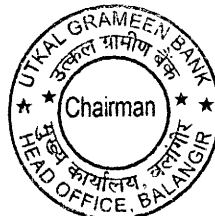
SCHEDULE : 15 INTEREST EXPENDED

(Amt. in "000")

		As on: 31.03.2023	As on: 31.03.2022
I.	Interest on Deposits	29,91,957	29,77,665
II.	Interest on Reserve Bank of India/ Inter-Bank Borrowings	1,47,643	2,26,365
	TOTAL	31,39,600	32,04,030



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SCHEDULE : 16 (A) OPERATING EXPENSES

(Amt. in "000")

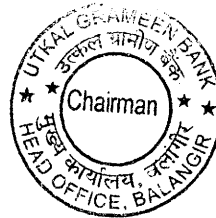
		As on: 31.03.2023	As on: 31.03.2022
I.	Payments to employees	13,39,340	11,93,651
II.	Rent, Taxes and Lighting	66,333	58,986
III.	Printing and Stationery	10,785	4,324
IV.	Advertisement and Publicity	199	107
V.	Depreciation on Bank's Property	15,373	20,074
VI.	Director's fees, allowances and expenses	0	0
VII.	Auditor's fees and expenses	3,500	3,500
VIII.	Law Charges	2,117	4,119
IX.	Postage, Telegrams, Telephones etc.	6,561	6,320
X.	Repairs and Maintenance	1,08,250	1,21,152
XI.	Insurance	84,903	1,00,670
XII.	Other expenditure	2,42,983	3,04,293
	TOTAL	18,80,344	18,17,196

(i) Provision on Standard & impaired assets

	DETAILS OF OTHER EXPENDITURES (SCHEDULE 16-XIII)	As on: 31.03.2023	As on: 31.03.2022
	BOOKS & PERIODICALS	3,295	3,090
	ENTERTAINMENT EXPENSES	531	138
	TRAINING/MEETING/SEMINARS	232	28
	TRAVELLING ALLOWANCES	11,301	5,618
	HALTING ALLOWANCES	13,268	8,185
	VEHICLE HIRING/FUEL EXPENSES	16,466	16,192
	CLEARING HOUSE	0	0
	DATA ENTRY CHARGE	0	0
	SUNDRY EXPENSES	1,97,890	2,71,042
	GROUP TOTAL	2,42,983	3,04,293



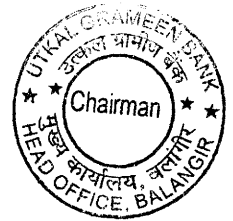
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SCHEDULE : 16 (B) PROVISIONS

(Amt. in "000")

DETAILS OF PROVISION	As on: 31.03.2023	As on: 31.03.2022
Standard Assets Provision	28,000	11,924
Bad Debt Provision	3,05,000	4,20,703
Misc. Provision	17,794	39,757
Int. On Perpetual Bond	0	0
Prov. Towards Fraud	0	15,188
Prov. Towards Leave Liability	69,100	53,370
Prov. On Ammortization	0	0
Prov on wage payment	69,999	20,000
Prov. Towards Gratuity	0	20,000
Prov. Towards Pension	15,96,700	15,96,700
TOTAL	20,86,593	21,77,342



UTKAL GRAMEEN BANK
HEAD OFFICE: BOLANGIR

SCHEDULE – 17 - SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL:

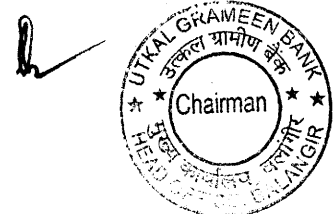
Government of India vide its Notification No. F No. 1/1/2012 RRB dated 01.11.2012 published in Gazette of India being issued by the Ministry of Finance, Department of Financial Services, GOI on 01.11.2012 instructed to amalgamate two Regional Rural Banks viz. "Rushikulya Gramya Bank" and "Utkal Gramya 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 recognized 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 recognized 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. 18.00% 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 amortized over the period remaining to maturity. It has reflected the amortized amount in schedule 13-Interest earned: item II + Income on investments as a deduction.

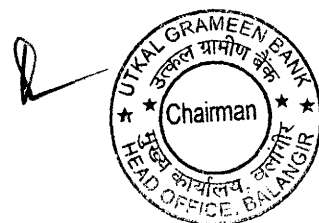
The investment portfolio has been valued as per the mark to market (MTM) norms prescribed by RBI and any depreciation in value under AFS category has been provided.

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 90days.

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

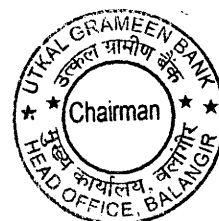
III. Doubtful Assets:

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%



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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 recognized 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 Amortization:

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.

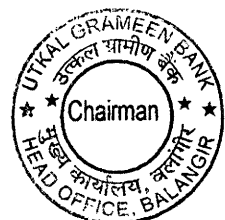
8. Employee Benefits:

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.

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.

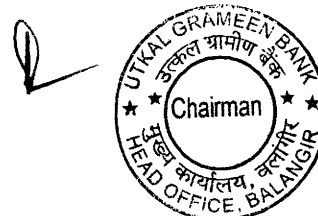
No provision is recognised for:

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.



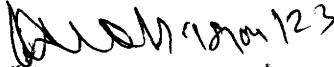
Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be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

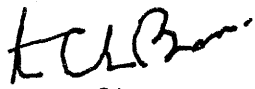
III. Contingent Assets are not recognised in the financial statements.

10. Special Reserves:

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

For TEJ RAJ & PAL
Chartered Accountants
FRN No 304124E


(CA Dinakar Mohanty)
Partner
Memb. No. 059390


Chairman
UTKAL GRAMEEN BANK
Head Office, Balangir

SCHEDULE –18

NOTES ON ACCOUNTS

1. SHARE CAPITAL

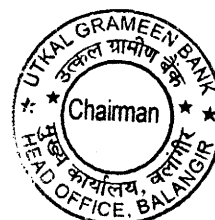
i) In terms of Gazette Notification dated 12th May, 2015, in regard to amendment of Regional Rural Bank Act, 1976, the authorized capital of the Bank enhanced to Rupees two thousand crore, divided into two hundred crore of fully paid-up shares of ten rupees each effective from the 4th February 2016. In order to meet the minimum level of CRAR and other financial parameters, a proposal was submitted for recapitalization for infusion. Accordingly recapitalization infusion of Rs.683.31 crore has been approved by appropriate authorities during Financial Year 2021-22. Rs.239.16 crore each was received from Sponsor Bank & Govt. of India respectively and reflected in "Schedule-1B Share Capital Deposit" during FY 2021-22. Rest amount of Rs.102.50 crore each from Govt. of India and State Govt. have been received during current FY in the month of April 2023. The total amount of Rs.683.32 crore received from Share holders as per details below:

- a) Govt. of India : Rs.341.66 Crore
- b) State Bank of India : Rs.239.16 Crore
- c) Govt. of odisha : Rs.102.50 Crore

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:

(Amount in crores)

	As at 31.03.2023	As at 31.03.2022
Authorised Capital		
(200,00,00,000 Shares of Rs10/- each)	2000.00	2000.00
Issued, Subscribed & Paid up Share Capital		
Govt of India (485186550 Shares of Rs 10/- each)	826.84	485.19
State Bank of India (339633610 share of Rs10/- each)	578.79	339.63
Govt of Odisha (145552900 share of Rs10/- each)	248.05	145.55
TOTAL	1653.68	970.37



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) The networth of the Bank has gone up to Rs.353.38 crore (previous FY networth Rs.84.08 crore) on account of infusion of capital by Govt of India and Sponsor Bank.

2. INVESTMENTS:

Investments in SLR and NON-SLR amounting to Rs. 541467.11 Lakhs made by the Bank represent Bank's investments. Out of total SLR portfolio of Rs. 433898.49 Lakhs, securities of book value amounting to Rs.174737.76 Lakhs have been categorized under "Held to Maturity" (HTM) and securities of book value amounting to Rs.259160.73 Lakhs have been categorized under "Available For Sale"(AFS). Securities under HTM category are exempted from mark to market (MTM) norms. Total NON-SLR investment comprises of STDRS with sponsored and other banks of Rs 107068.62 Lakhs and Investment in SBI Mutual Fund is Rs 500.00 Lakhs 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 depreciation (MTM Loss) of Rs 137.93 Lakh, hence it requires a provision. However we have kept a provision of Rs.138.00 Lakh.

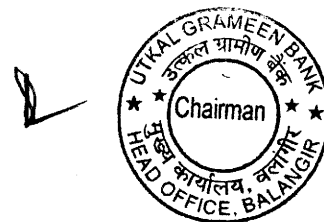
3. ADVANCES:

During this FY, Bank has written-off an amount of Rs.67.72 crore, where 100% provision was available. Similarly, the Bank has accepted OTS & compromise proposals amounting to Rs 48.92 crore & Rs 34.59 crore respectively.

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

Other Assets in Schedule 11 includes Suspense advance amounting to Rs 1.19 Lakhs, and other settlement and other accounts amounting to Rs.4146.87 Lakhs are under the process of reconciliation and subject to consequential adjustments, if any.

Further, Other Assets in balance sheet includes IT prov / Advance Tax paid amounting to Rs 818.84 Lakhs and Tax Refund Receivable amounting to Rs 7.04 Crores. The same are under the process of year-wise-reconciliation and subject to consequential adjustments, if any.

b) OTHER LIABILITIES

Balance under the head Inter Office adjustments reflects Rs. 5.45 Lakh being the pending items for which advices are in transit as on the closing date are under reconciliation and subject to consequential adjustments, if any.

Further, Other Liabilities in Schedule 5 includes adjusting account amounting to Rs 417.75 Lakhs, other settlement accounts and others are under the process of reconciliation and subject to consequential adjustments, if any.

Further, Other Liabilities in Schedule 5 includes subsidy reserve fund amounting to Rs 368.12 Lakhs. The same are under the process of borrower-wise- reconciliation and subject to consequential adjustments, if any.

6. CONTINGENT LIABILITY

Contingent Liability of Rs. 78.59 crore (Previous year Rs. 54.72 crore) like Bank Guarantee, DEAF etc has been shown under schedule-12. Apart from aforesaid, the Bank has pending cases of Income Tax amounting Rs.0.16 crore for AY 2010-11, & Rs.0.13 crore for AY 2012-13 before CIT(A) and pending suit file cases amounting to Rs 0.12 crore by the employees of the Bank.

7. OTHERS:

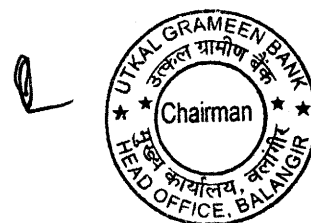
The accumulated loss of the Bank as on 31st March 2023 stands at Rs.1308.84 Lakhs.

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 (2022-23)	Previous Year (2021-22)
i)	CRAR (%)	10.83%	3.44%
ii)	CRAR - Tier I Capital (%)	10.30%	2.87%
iii)	CRAR - Tier II Capital (%)	0.53%	0.57%



iv)	Percentage of share holding of the		
a	Government of India	50%	50%
b	State Government	15%	10%*
c	Sponsor Bank (SBI)	35%	40%*

*Partial Capital support from GOI and State Govt.

9.b. Investments

(Rupees in crore)

Sr.	Particulars	Current Year (2022-23)	Current Year (2021-22)
1	Value of Investments		
i)	Gross value of Investments	4343.98	4712.61
ii)	Provisions for Depreciation	Nil	Nil
iii)	Net value of Investments	4343.98	4712.61
2	Movement of provisions held towards depreciation on Investments	Nil	Nil
i)	Opening Balance	Nil	Nil
ii)	Add : Provisions made during the year	1.38	Nil
iii)	Less: Write off / write back of excess provisions during the year	Nil	Nil
iv)	Closing Balance	1.38	Nil

9.c. Repo Transactions

(Rupees in crore)

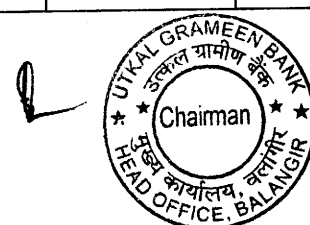
Item	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31 st Mach 2023
Securities sold under Repos	NIL	NIL	NIL	NIL
Securities purchased under reverse Repos	NIL	NIL	NIL	NIL

9.d. Non-SLR Investments portfolio

(i) Issuer composition of Non-SLR Investment

(Rs. in crore)

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 (SBI)	420.89	NIL	NIL	NIL	NIL
ii)	FIs	NIL	NIL	NIL	NIL	NIL
iii)	Other approved Banks	649.79	NIL	NIL	NIL	NIL
iv)	Private Corporate	NIL	NIL	NIL	NIL	NIL



v)	Others (Mutual Fund)	5.00	NIL	NIL	NIL	NIL
vi)	Provisions held towards depreciation	NIL	NIL	NIL	NIL	NIL
	TOTAL	1075.69	NIL	NIL	NIL	NIL

ii) Non-performing Non-SLR Investments

(Rs. in crore)

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

10. Asset Quality

10.1 Non-Performing Asset

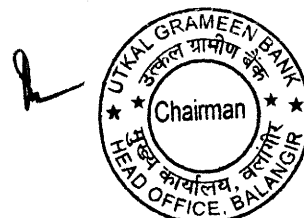
(Rs. in crore)

Sr.	Particulars	Current Year (2022-23)	Previous Year (2021-22)
i)	Net NPA to Net Advances (%)	2.41%	8.34%
ii)	Movement of NPA (Gross)	-	-
(a)	Opening balance	675.70	854.21
(b)	Additions during the year	100.32	230.21
(c)	Reductions during the year	277.78	408.71
(d)	Closing balance	498.24	675.70
iii)	Movement of Net NPAs	-	-
(a)	Opening balance	220.77	388.50
(b)	Additions during the year	89.32	112.34
(c)	Reductions during the year	229.56	280.06
(d)	Closing balance	80.53	220.77
iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	454.93	465.71
(b)	Provisions made during the year	30.50	42.04
(c)	Write -off / write-back of excess provisions	67.72	52.82
(d)	Closing balance	417.71	454.93

10.2 Details of Loan Assets subject to Restructuring

(Rs. in crore)

	Particulars	Current Year (2022-23)	Previous Year (2021-22)
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	NIL	NIL



	to restructuring, rescheduling, renegotiation		
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

(Rs. in lakh)

	Particulars	Current Year (2022-23)	Previous Year (2021-22)
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 net book value	NIL	NIL

10.4 Details of non-performing Financial Assets purchased/ sold

A. Details of non-performing financial assets purchased.

(Rs. in lakh)

	Particulars	Current Year (2022-23)	Previous Year (2021-22)
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.

(Rs. in lakh)

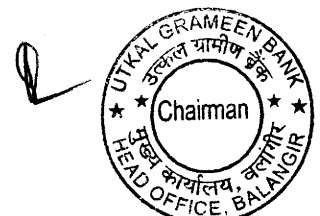
Sr.	Particulars	Current Year (2022-23)	Previous Year (2021-22)
1	No. of accounts sold	NIL	NIL
2	Aggregate outstanding	NIL	NIL
3	Aggregate consideration received.	NIL	NIL

10.5 Provisions on Standard Assets.

(Rs. in crore)

Sr.	Particulars	Current Year (2022-23)	Previous Year (2021-22)
1	Provisions towards Standard Assets	9.77	6.97

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

	Particulars	Current Year (2022-23)	Previous Year (2021-22)
I	Interest Income as a percentage to Working Funds	7.41%	7.45%
ii	Non-Interest Income as a percentage to Working Funds	1.08%	1.08%
iii	Operating Profit as a percentage to Working Funds	2.99%	2.60%
iv	Return on Assets	0.70%	0.03%
V	Business (Deposits plus advances) per employee (Rs. in lakh)	845.46	777.99
VI	Profit per employee (Rs. in lakh)	4.61	0.17

12. Asset Liability Management – Maturity pattern of certain items of assets and liabilities

(Rs. in crores)

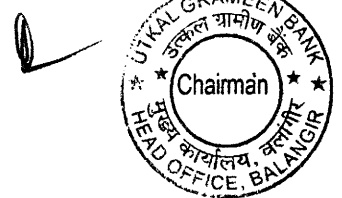
Particulars	1-14 days	15-28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	151.13	166.20	829.89	1165.91	2147.48	2859.46	500.05	225.24	8045.36
Advances	6.69	8.44	55.93	87.38	279.78	1288.87	526.27	1503.87	3757.22
Investments & TDRs	70.52	49.74	230.75	50.01	624.35	390.28	926.82	3077.20	5414.67
Borrowings	0.00	0.00	0.00	235.00	43.00	300.47	0.00	0.00	578.47
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 crore)

Sr.	Category	Current Year (2022-23)	Previous Year (2021-22)
a	Direct Exposure	328.98	210.59
(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)	328.98	210.59
(ii)	Commercial Real Estate	0	0



	Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits		
(iii)	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 net own fund. No such account exceeds prudential exposure limit during the year under report.

15. Disclosure of Penalties imposed by RBI

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

16. Disclosure requirements

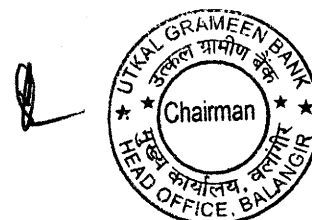
As per Accounting Standards where the RBI has issued guidelines in respect of disclosure items for "Notes to Accounts".

16.1 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.

16.2 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. Due to Gratuity liability of Rs. 20.00 lakhs per employee, the LIC's estimate on Gratuity Liability amounts to Rs. 61.21 Crores. The corpus of the Bank towards the liability as on 31.03.2023 stands at 51.76 Crores. Since, the interest to be accrued on the corpus will meet the liability; hence there is no requirement of provision.



b) **Leave encashment:** The liability of the Bank arising out of Leave Encashment amounts to 28.44 Crores on actuarial valuation. The corpus fund of the Bank as on 31.03.2023 stands at Rs. 27.62 Crores. Since, the interest to be accrued on the corpus will meet the liability; hence there is no requirement of provision.

c) **Pension:** Bank has introduced Utkal Grameen Bank (Employees) Pension Regulation, 2018 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. As per actuarial valuation position, the total pension liability is Rs. 798.34 Crores. From this assessed liability Bank has paid the total liability amount as on dated 31.03.2023 and out of which Rs. 159.67 Crore was paid in FY 2022-23.

d) **Wage revision:** As on dt. 31.03.2022, UGB has a balance of Rs.3.26 Crore as provision towards 11th BPS arrear. Further, Rs. 7.00 Crore was provided in FY 2022-23 towards payment of newly introduced staff benefits (PLI & PL encashment). As on dt. 31.03.2023, Bank has paid the entire provisioned amount i.e. Rs.10.26 Crore and Bank has no liability towards 11th BPS arrear.

16.3 Accounting Standard –17 - Segment Reporting

There is only one Business segment i.e. retail banking operation.

a. There is only one Geographical segment i.e. Domestic.

16.4 Accounting Standard –22 - Accounting for Taxes on Income

Since the Bank has huge accumulated losses, the deferred tax Asset has not been recognized and accounted for.

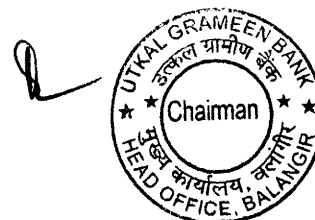
16.5 Accounting Standard –25 - Interim Financial Reporting

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

17. Additional Disclosures

17.1 Provisions against Advances

(Rs. in crore)			
Sr.	Particulars	Current Year (2022-23)	Previous Year (2021-22)
a.	Opening balance in the provisions account	461.90	471.49
b.	The quantum of provisions made in the accounting year	33.30	43.23
c.	Amount of draw down made during the accounting year	67.72	52.82
c.	Closing balance in the provisions account	427.48	461.90



17.2 Draw Down From Reserve

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

17.3. Disclosure of Complaints

A. Customer Complaints

Sr.	Particulars	Details
a.	No. of complaints pending at the beginning of the year	0
b.	No. of complaints received during the year	82
c.	No. of complaints redressed during the year	82
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

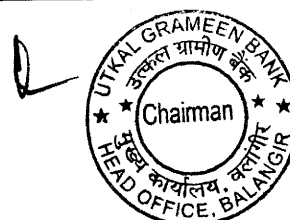
17.4 Concentration of Deposits, Advances, Exposures and NPAs

(Rs. In Crores)

Concentration of Deposits	
Total Deposits of twenty largest depositors	107.35
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	1.33%

Concentration of Advances *	
Total Advances to twenty largest borrowers	299.56
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	7.97%
*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	358.56
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	9.54%
** 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	4.05

II. Sector –wise NPAs

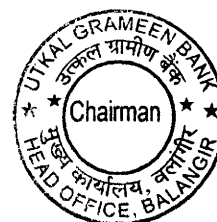
(Rs. in crores)

Sl. No.	Sector *	Current Year (2022-23)			Previous Year (2021-22)		
		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	2145.33	397.61	18.53%	2039.98	528.11	25.89%
2	Advances to industries sector eligible as priority sector lending	493.47	65.84	13.34%	398.11	95.12	23.89%
3	Services	81.24	3.43	4.22%	65.94	4.78	7.24%
4	Personal loans	333.09	14.54	4.37%	216.57	22.92	10.58%
	Sub-total (A)	3053.13	481.42	15.77%	2720.60	650.93	23.92%
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	704.10	16.82	2.39%	380.38	24.77	6.51%
	Sub-total (B)	704.10	16.82	2.39%	380.38	24.77	6.51%
	Total (A+B)	3757.23	498.24	13.26%	3100.98	675.70	21.78%

*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.



2



III. Movement of NPAs

(Rs. in crore)

Particulars		Current Year (2022-23)	Previous Year (2021-22)
Gross NPAs as on 1st April of particular year (Opening balance)		675.70	854.21
Additions (Fresh NPAs) during the year		100.32	230.21
Sub-total (A)		776.02	1084.42
Less:			
(i)	Upgradations	128.07	244.03
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	81.99	111.86
(iii)	Write-offs	67.72	52.82
Sub-total (B)		277.78	408.71
Gross NPAs as on 31st March of following year (closing balance)(A-B)		498.24	675.70

18. Classification of assets (Advances) as on 31st march 2023.

(Rs. in crore)

Classification	Gross Advances	Net Advances
Standard Asset	3258.98	3258.98
Sub Standard Asset	24.68	22.22
Bad, Doubtful & Loss assets	473.56	58.31
Total	3757.22	3339.51
Add: Provision on Sub-Standard & Doubtful Assets etc		417.71
Total gross Advances	3757.22	3757.22

19. Accumulated written off Advance Accounts are placed under "AUCA" (Advances Under Collection Account) and cumulative amount as on 31.03.2023 stands at Rs. 336.00 crore.

20. 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 31.03.2023 is Nil.

21. 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 crores)

Category of PSLC	Current FY 2022-23			Previous FY 2021-22		
	sold	purchase	Income	sold	purchase	Income
PSLC (SM)	1400	00	27.78	1300	00	18.85
PSLC (G)	0	600	-0.07	0	700	1.15
PSLC (Agri)	300	0	2.4	250	0	0.02
	1700	600	30.11	1550	700	17.72

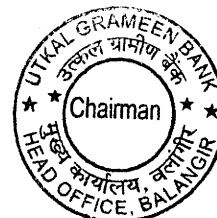
22. Data Purification and Asset Classification: Bank has implemented new NPA functionality i.e 1.1 version of Agri & URI module for more accurate classification of Assets and recognition of income as per prudential norms prescribed by NABARD & RBI.

23. 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)



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Sl. No	Particulars	(Rs. in lakhs)	
		Current Year (2022-23)	Previous Year (2021-22)
1	Opening Balance of Amount transferred to DEAF	78.35	75.59
2	Add: Amount transferred to DEAF during the Year	10.25	2.92
3	Less: Amounts reimbursed by DEAF towards Claim	0.06	0.16
4	Closing balance of amounts transferred to DEAF	88.54	78.35

24. FRAUD CASES: During the FY the Bank has declared 1 number of fraud cases amounting to Rs 0.16 crore against which full provision has been made.

25. During the year the Bank has booked a profit of Rs.64.31crore. Although this year there is accumulated loss of Rs.1308.44 crore but on account of infusion of share capital of Rs.683.32 crore by Govt of India and Sponsor Bank, the net worth of the Bank as at 31.03.2023 has improved.

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 assumptions are detailed below:

- Increased Customer Base
- Increased in Deposit
- Fresh Capital infusion
- Maintenance of CRR/SLR as per statutory requirement
- Ability to meet financial obligation when they falls due.

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

Shri A.C Beura
Chairman

[Signature]
Chairman
UTKAL GRAMEEN BANK
Head Office, Balangir

Place: Bolangir
Date: 18.04.2023

For Tej Raj & Pal
Chartered Accountants
Firm Regn No. 304124E

[Signature] 18/04/23
CA Dinakar Mohanty
Partner (M. No-059390)

For TEJ RAJ & PAL
Chartered Accountants
FRN No 304124E

(CA Dinakar Mohanty)
Partner
Memb. No. 059390



TEJ RAJ & PAL

CHARTERED ACCOUNTANTS

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Independent Auditor's Report on Standalone Financial Statements

To
The Members
Utkal Grameen Bank
Bolangir

Report on Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of Utkal Grameen Bank which comprise the Balance Sheet as at 31 March 2023, the Profit and Loss Account and 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 the returns for the year ended on that date of 25 branches and Head Office audited by us and 271 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 incorporated in the Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows are the returns from 137 branches which have not been subjected to audit. These unaudited branches account for 23.41 percent of advances, 24.73 per cent of deposits & 27.70 per cent of interest income and 23.25 per cent of interest expenses.



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 & Banking Regulation Act, 1949 in the manner so required and give a true & fair view in conformity with accounting principles generally accepted in India and:

- a. The Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2023;
- b. the Profit and Loss Account, read with the notes thereon shows a true balance of profit/loss (as applicable); and
- c. the Cash Flow Statement gives a true and fair view 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 the ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Financial Statements section of our report. 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 prepared in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') & National Bank of Agriculture and Rural Development (NABARD) from time to time 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31 2023. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters prescribed below to be the key audit matters to be communicated in our report.



Key Audit Matter	How it was dealt with in our report
<p>Loans & Advances and Investments are the largest class of assets forming 71.77% of the total assets as on March 31, 2023. Classification, income recognition and loss provisioning on the same are based on objective parameters as prescribed by the regulations (Reserve Bank of India's prudential norms and other guidelines). The management of the Bank relies heavily on its IT systems (including Core Banking Solution), exercise significant estimates and judgement, manual interventions, and uses services of experts (like independent valuers, Lawyers, legal experts and other professional) to determine asset classification, income recognition and provisioning for losses. The Bank has system-based identification of nonperforming assets in accordance with IRAC Norms</p>	<p>Our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and associated impairment provisions. Our audit procedures included the assessment of controls over the approval, disbursements, and monitoring of loans, and reviewing the logic and assumptions used in the CBS and other related IT systems for compliance of the IRAC and provisioning norms and its operating effectiveness. This included evaluation and understanding of following:</p> <ul style="list-style-type: none"> • Bank's internal control system in adhering to the Relevant RBI guidelines regarding income recognition, asset classification and provisioning pertaining to advances/ investments; • System controls and manual controls over the timely recognition of non-performing assets (NPA/NPI); • Operational existence and effectiveness of controls over provisioning calculation models from the IT systems; • Overall Controls on the loan approval, disbursement and monitoring process in case of advances and controls over the purchase, sale and hold decisions making system in case of investments • We tested sample of loans/investments (in cases of branches visited by us) to assess whether they had been identified as non performing on a timely manner, income recognized and provisioning made as per IRAC norms. • We have also reviewed the reliability, effectiveness and accuracy of manual interventions, wherever it has come to our notice, on test check basis.



- We have relied on the reports/returns and work done by other Statutory Branch Auditors (SBA) in cases of branches not visited by us to get an overall comfort with respect to overall compliance in accordance with SA 600 - Using the Work of Another Auditor.
- We have reviewed the work done by other experts like Independent valuers, Lawyers, Legal Experts and other such professionals who have rendered services to the Bank, in accordance with SA 620 Using the Work of an Auditor's Expert.
- Further we have also reviewed the Bank's system of monitoring potentially weak and sensitive accounts which show a sign of stress.
- We have also reviewed the reports and observations of the Bank's internal audit/inspection reports and observations of the concurrent auditors for the same.
- Verification of valuation, classification, provisioning and income recognition of investments by carrying out substantive test including arithmetic accuracy, data accuracy and control over the financial reporting system. We have test checked and assessed the efficacy of the system based identification of NPA.



Emphasis of Matter

Attention is invited to the following matters:

1. 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.
2. As stated, Note No.3 of Schedule-18 of the Financial Statements, bank has during the year accepted OTS and compromise proposals amounting Rs.48.92 Crores and Rs.34.59 Crores respectively.
3. As stated, Note No.25 of Schedule-18 of the Financial Statements, bank has prepared its accounts on a going concern basis considering various positive indicators as mentioned therein.

Other Information

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards, 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') & National Bank of Agriculture and Rural 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material



uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the standalone financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

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 Matters

We did not audit the financial statements / information of 137 branches included in the standalone financial statements of the Bank whose financial statements / financial information reflect total advances of Rs. 3757.23cr as at 31st March 2023 and total revenue of Rs. 774.96cr for the year ended on that date, as considered in the standalone financial statements.

The financial statements / information of 271 branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.

Report on Other Legal and Regulatory Requirements

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Regional Rural Bank Act, 1976 of Section 29 of the Banking Regulation Act, 1949;

Subject to the limitations of the audit indicated in paragraphs read together with "Significant Accounting Policies" & "Notes on Accounts" in the schedule 17 & 18, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
- b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
- c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

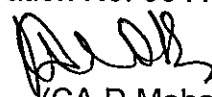


We further report that:

- 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 & proper returns adequate for the purpose of our audit have been received from branches visited by us
- b) The Balance Sheet, the Profit and Loss Account and the Statement of Cash Flows 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 Regional Rural Bank Act, 1976 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, the Statement of Profit and Loss Account and the Statement of Cash Flows comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

Date: 18/04/2023
Place: Bhubaneswar

For Tej Raj & Pal,
Chartered Accountants
Firm Registration No. 304124E


(CA D Mohanty)
Partner

Mem No. 059390
UDIN: 23059390BGWJAD9414

