

PATRONS संरक्षक



Sri. L.V. Prabhakar
Managing Director & CEO
Canara Bank



Sri. Debashish Mukherjee
Executive Director
Canara Bank



Sri.K. Satyanarayana Raju
Executive Director
Canara Bank



Sri. Brij Mohan Sharma
Executive Director
Canara Bank



Chairman Sri.C. Jayaprakash receiving “Empowering India Award” at New Delhi for the outstanding performance under disbursement of Pradhan Mantri Awaz Yojana (PMAY)



Sri.C. Jayaprakash, Chairman calling on Dr.G R Chintala, Chairman, NABARD

BOARD OF DIRECTORS निदेशक मंडल



Sri. C. Jayaprakash
Chairman



Sri. S. Sankar
Asst. General Manager
Reserve Bank of India



Sri. Lalu P.N. Kutty
Deputy General Manager
NABARD



Smt. Shiny George
Additional Secretary
Dept. of Planning & Economic Affairs
Govt. of Kerala



Sri. A. Murali Krishna
General Manager
Canara Bank, HO.
Bengaluru



Sri. S. Premkumar
General Manager
Canara Bank, Circle Office
Thiruvananthapuram

GENERAL MANAGERS महा प्रबंधक



Sri. Surendran V



Sri. Sidharthan C



Smt. Vijayalakshmi C.S



Sri. E. Ramesh



Smt. Indusree S



Sri. Suresh Babu R

Wing Heads (Head Office)

Sri.Prakash P
Smt.Sasikala KR
Smt.Bindu KR
Sri.Ravindran M
Smt.Shyamala S
Sri.Harindran K
Sri.Ragesh TV
Smt.Sreelatha Varma C
Sri.Nandakumar TV
Sri.Suresh Kumar G
Smt.Sindhu AS

General Administration Wing
Credit Review and Monitoring Wing
Strategic Planning & Development Wing
Inspection Wing
Financial Management Wing
Information Technology Wing
Information Technology Wing, PMO
Financial Inclusion Wing
Recoveries, Legal & Fraud Prevention Wing
Credit Wing
Human Resources Wing

Regional Managers

Sri.Prabhakaran VM
Sri.Anandan VV
Sri.Sudhakaran AK
Sri.T J John
Smt.Deena Rajaratnam
Sri.Bapty S. Nidhiri
Sri.Joseph George
Sri.Balagopal MV
Sri.Anil K. Paul
Sri.Manoj S

Kasaragod
Kannur
Thalassery
Kalpetta
Kozhikode
Malappuram
Thrissur
Ernakulam
Kottayam
Thiruvananthapuram

Bankers

Reserve Bank of India
NABARD
Canara Bank

Statutory Auditors

M/s. G. Venugopal Kamath & Co.
Chartered Accountants

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12th Best Bank in India and the only RRB featured on Forbes list of World's Best Banks - 2022

PROGRESS AT A GLANCE

Parameters मापदण्ड		2019-20	2020-21	2021-22
No. of Branches	शाखाओं की संख्या	634	634	634
No. of ATMs	एटीएम की संख्या	320	324	269
Paid up Capital	प्रदत्त पूंजी	841	841	63585
Share Capital Reserves	शेयर पूंजी रिजर्व	0	0	0
Reserves	रिजर्व	73463	76776	89164
Aggregate Deposits	कुल जमा	1925356	2015047	2183359
Growth (%)	वृद्धि (%)	14.06	4.66	8.35
Non Resident Deposits	अनिवासी जमा	149283	175185	180868
Advances (Gross incl. IBPC)	अग्रिम (आईबीपीसी सहित सकल)	1791981	1845679	1927909
Growth (%)	वृद्धि (%)	0.24	3.00	4.45
Advances(Net)	अग्रिम (निवल)	1645128	1803680	1849538
Growth (%)	वृद्धि (%)	7.38	9.63	2.54
Priority Sector Advances	प्राथमिकता क्षेत्र अग्रिम	1690498	1744455	1816566
Agriculture	कृषि	1207102	1224214	1301561
Agriculture (Disbursal)	कृषि (वितरण)	1359552	1403510	1397732
Micro, Small and Medium Enterprises	सूक्ष्म, लघु और मध्यम उद्यम	186579	134326	135438
Advances to SC/ST clients	अनुसूचित जाति/अनुसूचित जनजाति के ग्राहकों को अग्रिम	37100	41715	44969
Total Income	कुल आय	214330	224125	241018
Total Expenditure	कुल खर्च	221003	216631	224829
Operating Profit	परिचालन लाभ	4389	19566	41216
Net Profit	निवल लाभ	-5101	3343	12414
Clientele (in lakhs)	ग्राहक (लाखों में)	91.97	89.36	92.34
Total number of Staff	कर्मचारियों की कुल संख्या	3519	3458	3444

KEY PERFORMANCE RATIOS

Parameters मापदण्ड		2019-20	2020-21	2021-22
Capital Adequacy Ratio (%)	पूंजी पर्याप्तता अनुपात (%)	7.29	6.71	11.41
Business per Employee (Rs. lakhs)	प्रति कर्मचारी कारोबार (रु. लाख)	1056	1062	1194
Profit per Employee (Rs. lakhs)	प्रति कर्मचारी लाभ (रु. लाख)	-1.45	0.97	3.60
Return on Average Assets (%)	औसत संपत्ति पर प्रतिलाभ (%)	-0.21	0.13	0.46
Cost to Income Ratio (%)	आय अनुपात की लागत (%)	94.38	81.42	68.45
Gross NPA Ratio (%)	सकल एनपीए अनुपात (%)	4.30	3.65	3.08
Net NPA Ratio (%)	निवल एनपीए अनुपात (%)	2.51	1.41	0
Return on Equity (%)	इक्विटी पर प्रतिलाभ(%)	-6.87	4.49	15.45
Net Interest Margin (%)	निवल ब्याज मार्जिन (%)	2.40	3.31	3.89
Credit Deposit Ratio (%)	ऋण जमा अनुपात (%)	93.07	91.59	88.30



Sri.C Jayaprakash, Chairman meeting Dr.P.P. Vava, Hon'ble Member,
National Commission for Safai Karmacharis



Sri.C Jayaprakash, Chairman visiting Sri.Rajesh Kumar Singh IAS,
Additional Chief Secretary (Finance), Govt. of Kerala



Sri.C Jayaprakash, Chairman visiting Smt.Sarada G. Muraleedharan IAS,
Additional Chief Secretary (Local Self Government), Govt. of Kerala

DIRECTORS' REPORT 2021-22

The Board of Directors have pleasure in presenting the 9th Annual Report of Kerala Gramin Bank along with the Balance Sheet as at 31st March 2022 and Profit and Loss Account for the Financial Year ended 31st March 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL SCENARIO

The robust economic recovery in 2021 driven by strong consumer spending and some uptake in investment, with trade in goods surpassing pre-pandemic levels- marked the highest growth rate in more than four decades. But it faced significant headwinds amid new waves of Covid 19 infections, persistent labour market challenges, lingering supply chain challenges and rising inflationary pressures. Although output and investment in advanced economies, they will remain markedly below. Downslide risks to the global outlook includes a synchronised pandemic resurgence, further supply disruptions, a de-anchoring of inflation expectations, unexpected financial stress and possible climate related disasters. In the pandemic induced global recession of 2020, global debt has surged. The rise in debt has led to several countries initiating debt restructurings.

Compounding the damage from the pandemic, the Russian invasion of Ukraine has magnified the slowdown of global economy, which is entering what could become a protracted period of feeble growth and elevated inflation. This raises the risk of stagflation with potentially harmful consequences for middle and low income economies alike. Inflation rate is rocketing uncontrolled and countries are forced to increase lending rates to contract inflation. Oil prices had doubled and UN is hinting on a huge shortage in supply of essential commodities like pulses, corn, potato etc, in the coming financial year. Social tensions may heighten as a result of the increase in inequality caused by the pandemic.

As Antonio Guterres, Security General of the United States said:

"In this fragile and uneven period of global recovery, the world economic situation and prospects 2022 calls for better targeted and coordinated policy and financial measures at the national and international level. The time is now to close the inequality gaps within and among countries. If we work in solidarity - as one human family - we can make 2022 a true year of recovery for people and economies alike."

INDIAN SCENARIO

It is not the strongest of the species that survive, not the most intelligent, but the one most responsive to Change – Charles Darwin.

India is resilient to all changes and can withstand and recover quickly from any difficult conditions than any other country in the world. This is quite evident in the financial situation of India in 2021-22 as compared to other countries. As per IMF's world economic outlook projection, India's GDP is projected to grow at 9% in 2021-22 and 2022-23 and at 7.1% in 2023-24 which would make India the fastest growing major economy in the world for all 3 years. In real terms, Indian economy is estimated to grow at 9.2% in 2021-22 subsequent to a contraction of 7.3% in 2020-21.

The central theme of economic survey 2021-22 was the ' Agile approach' implemented through India's economic response to the covid 19 pandemic shock. It relates to the art and science of policy making

under conditions of extreme uncertainty. Under this approach short term policy responses can be tailored to an evolving situation. Economic impact of the second wave was much smaller than the first phase in 20-21, though the health impact was more severe.

Govt. of India's unique response comprised of safety nets to cushion the impact on vulnerable sections of society and the business section. Significant increase in capital expenditure to spur growth and supply side reforms for a sustained long term expansion.

KERALA ECONOMY

Economy of Kerala is the 9th largest in India with an annual gross state product of 9.78 lakh crore. Kerala's high GDP and productivity figures with higher development figures is often dubbed the 'Kerala Model' development by economists, political scientists and sociologists. The phenomenon arises mainly from Kerala's land reforms and social upliftment of entire communities.

Kerala's economy is primarily based on the concept of democratic socialist welfare state. Kerala is the second most urbanized major state in the country with 47.7% urban population and has tried to maintain a pan state economy rather than concentrating in some select cities. Kerala is the second least impoverished state in India. Kerala which accounts for 2.8% of Indian population and 1.2% of its land area contributes more than 4% of the GDP of India. State's per capita income is 60% higher than Indian average. Kerala had the third highest unemployment rate of 12.5% in 2015-16. But it has managed to turnaround despite the corona pandemic affecting all sectors of the society, with unemployment rate as low as 5%.

The economic growth of Kerala consequent to Covid 19 pandemic and containment measures went into negative territory as in many parts of the country and the world. The growth in Gross value added (at constant prices) as per quick estimates dipped to a low of (-) 8.16 percent in 2020-21 as against 2.19 percent growth in 2019-20. At current prices the GSVA declined by (-) 2.54 percent in 2020-21 against 5.28% growth in 2019-20. The Gross state domestic product of Kerala for 2021-22 is 3.14% which is a 1% increase on GSDP in 2019-20, but is less than the growth rate of 6.5% in 2018-19.

KERALA GRAMIN BANK

The two Regional Rural Banks viz. South Malabar Gramin Bank (SMGB), sponsored by Canara Bank and North Malabar Gramin Bank (NMGB) sponsored by e-Syndicate Bank were functioning in the State since 1976. These RRBs, with deep rooted presence in all the districts of Kerala State, were amalgamated into a state wide RRB, namely Kerala Gramin Bank, vide Government of India notification F No.7/9/2011-RRB (Kerala) dated 08/07/2013, with Malappuram as its Head Office and Canara Bank as the Sponsor Bank.

Bank is having a pan Kerala presence with a total branch network of 634 branches and 269 ATMs as on 31.03.2022, with massive rural penetration. The Bank has a strong base of over 92 lakhs customers. Our vision is to become the Bank of first choice and preferred banking partner of each and every Keralite. Customer centric initiatives of the Bank to counter the spread of COVID-19 pandemic has reaped positive results and the Bank has placed itself in the forefront, catering to the requirements of the public, especially in the rural areas by implementing the schemes rolled out by the State and Central Governments.

CAPITAL INFUSION

During the FY 2021-22 total capital of Rs.627.44 Crore was infused to the Bank by Central Government, Sponsor Bank and Government of Kerala in the ratio of 50:35:15 as prescribed in the RRB Act, 1976. Paid up capital of the Bank has increased to Rs.635.85 Crore with this infusion. 627439930 fully paid

up equity shares of Rs.10 have been allotted to the shareholders on 31-03-2022 with the approval of the Board of Directors of the Bank against the recapitalization assistance. Capital to Risk-weighted Asset Ratio (CRAR) of the Bank has improved to 11.41% as on 31-03-2022 with the above and the Bank has come out of eligibility norms of Prompt Corrective Action Framework (PCA) from FY 2022-23.

FINANCIAL PERFORMANCE 2021-22

Bank could register a healthy business growth during the Financial Year 2021-22 amidst the adverse financial conditions prevailed in the Country due to the COVID-19 pandemic. The total business of the bank touched an all-time high of Rs.41,113 Crore as at 31st March 2022.

The performance of the Bank on the business, profits and profitability fronts are as under:

(Rs. in crore)

ACHIEVEMENTS UNDER MoU WITH SPONSOR BANK			
Sl.No.	Parameters	Targets	Achievements
1	No. of branches	--	634
2	Share Capital	--	635.85
	Reserves	--	891.64
3	Deposits		
	Aggregate Deposits	23100	21834
	Demand Deposits	9900	9294
	Term Deposits	--	12540
	Average Deposits	--	20819
4	Advances		
a	Advance outstanding	21250	19279
	Priority Sector	19300	18166
	Agricultural Advances	13500	13016
	Long Term Agricultural Advances	1146	1109
	SME Advances	1550	1354
b	Advances Disbursement	--	17548
	Priority Sector Disbursement	17400	15883
	Agriculture Disbursement	14400	13977
5	CD Ratio	91.99	88.30
6	Recovery %	--	95.5
7	Gross NPA	650	594.57
	Net NPA	200	0
	NPA % to Net Advances	0.94	0
8	Per branch business	--	64.85
9	Per Employee Business	--	11.94
10	Gross Profit	400	412.16
11	Net Profit	120	124.14



Sri.C Jayaprakash, Chairman visiting Sri.T.K. Jose IAS, Additional Chief Secretary (Home), Govt. of Kerala



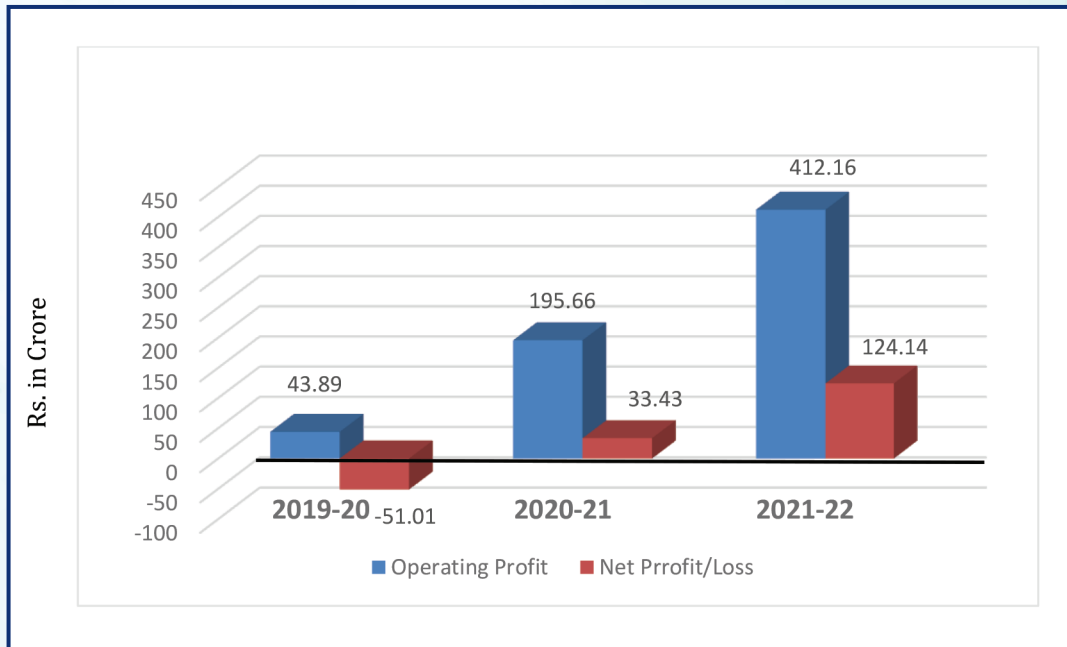
Sri.C Jayaprakash, Chairman visiting Sri.Thomas Mathew, Regional Director, Reserve Bank of India, Thiruvananthapuram



Sri.C. Jayaprakash, Chairman visiting Sri.G. Gopakumaran Nair, Chief General Manager, NABARD, Thiruvananthapuram. Sri.P. Balachandran erstwhile CGM is also seen in the picture

During the Financial Year 2021-22, Bank earned a Net profit of Rs.124.14 Crore compared to the profit of Rs.33.43 Crore during the previous year. Return on Average Assets (RoAA) for the year increased to 0.46% from the previous year level of 0.13%. Net profit per Employee worked out to Rs.3.60 lakhs for the year compared to Rs.0.97 Lakhs during the previous year.

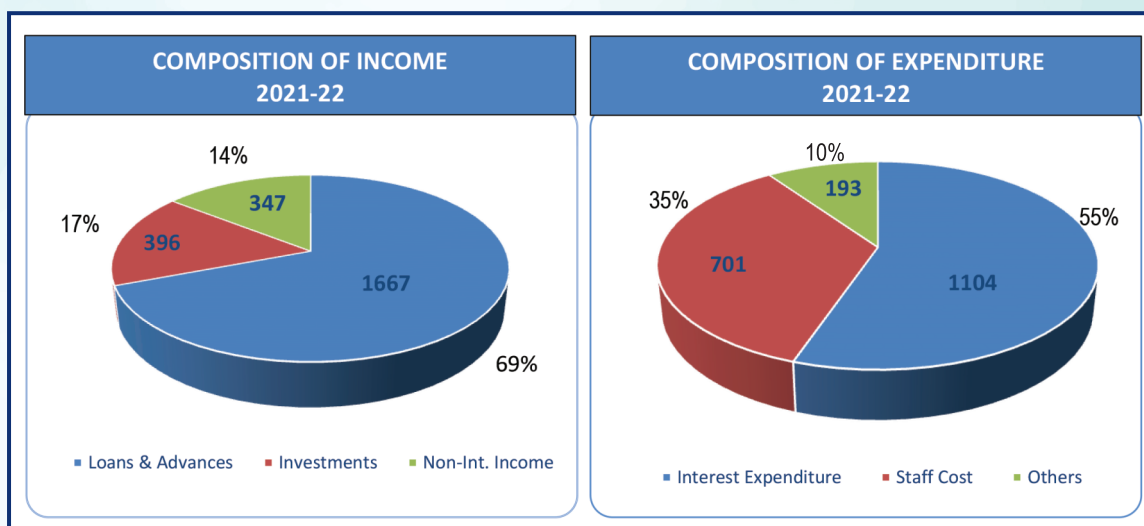
OPERATING PROFIT AND NET PROFIT



KEY FINANCIAL RATIOS

Parameters	March 2022	March 2021
Cost of Funds	4.12	4.71
Yield on Funds	7.70	7.80
Cost of Deposits	4.43	5.13
Yield on Advances	9.04	9.05
Yield on Investments	6.89	6.36
Spread as % to AWF	3.58	3.09
Operating expenses to AWF	3.34	3.40
Return on Average Assets (RoAA)	0.46	0.13
Return on Equity	15.45	4.49
Net Interest Income (NII)(Rs. lakhs)	95918	77985
Business per Employee (Rs. lakhs)	1194	1062
Profit/Loss per Employee (Rs. lakhs)	3.60	0.97

INCOME AND EXPENDITURE ANALYSIS 2021-22



The Bank's interest income recorded a y-o-y growth of 4.81% to reach Rs.2062.91 Crore compared to Rs.1968.15 Crore recorded during the previous Financial Year. Non-interest income increased to Rs.347.27 Crore compared to Rs.273.10 Crore recorded last year.

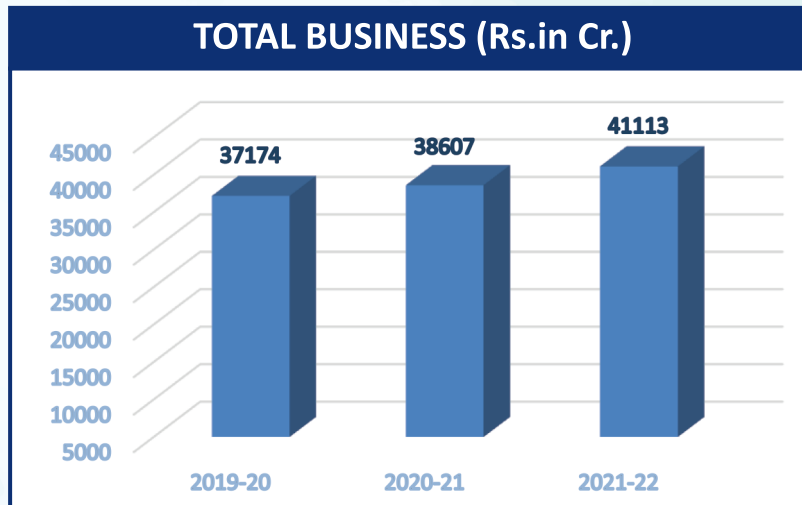
The Bank's cost of deposit decreased substantially to 4.43% as against 5.13% in the previous year. There is no change in yield on Advances during the financial year (9.04%) comparing with that of previous year (9.05%). Interest spread stood at 3.58% compared to 3.09% as at March 2021, while interest expenditure decreased by 7.11% to Rs.1103.73 Crore from the previous level Rs.1188.30 Crore. The Net Interest Income of the Bank increased by 23% to Rs.959.18 Crore from Rs.779.85 Crore last year and Net Interest Margin (NIM) worked out as 3.89%.

COMPOSITION OF CAPITAL

Sl.No.	Parameters	March 2022	March 2021
i	Common Equity Tier 1 capital (CET 1)	1414.01	662.43
ii	Additional Tier 1 capital	-	-
iii	Tier 1 capital (i + ii)	1414.01	662.43
iv	Tier 2 capital	294.55	283.93
v	Total capital (Tier 1 + Tier 2)	1708.56	946.36
vi	Total Risk Weighted Assets (RWAs)	14971.61	14113.21
vii	CET 1 Ratio (CET 1 as a percentage of RWAs)	9.44	4.70
viii	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	9.44	4.70
ix	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	1.97	2.01
x	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	11.41	6.71
xi	Amount of paid-up equity capital raised during the year	627.44	-

BUSINESS GROWTH

During 2021-22, the total business of the Bank grew by 6.5% to reach Rs.41,113 Crore against Rs.38,607 Crore at the close of the previous Financial Year. Productivity as measured by business per employee increased to Rs.11.94 Crore from Rs.10.62 Crore a year ago. During the year Bank's clientele base reached 92.34 lakhs.



DEPOSITS

Total Deposits of the Bank registered a Growth of 8.4% to reach Rs.21834 Crore as at March 2022 compared to Rs.20150 Crore in March 2021. CASA deposit reached Rs.9294 Crore as at March 2022. The share of CASA deposits (Current and Savings Bank deposits) in total deposits stood at 42.25% as against 40.7% as at March 2021.

The bank launched the following Deposit Schemes during the Financial Year.

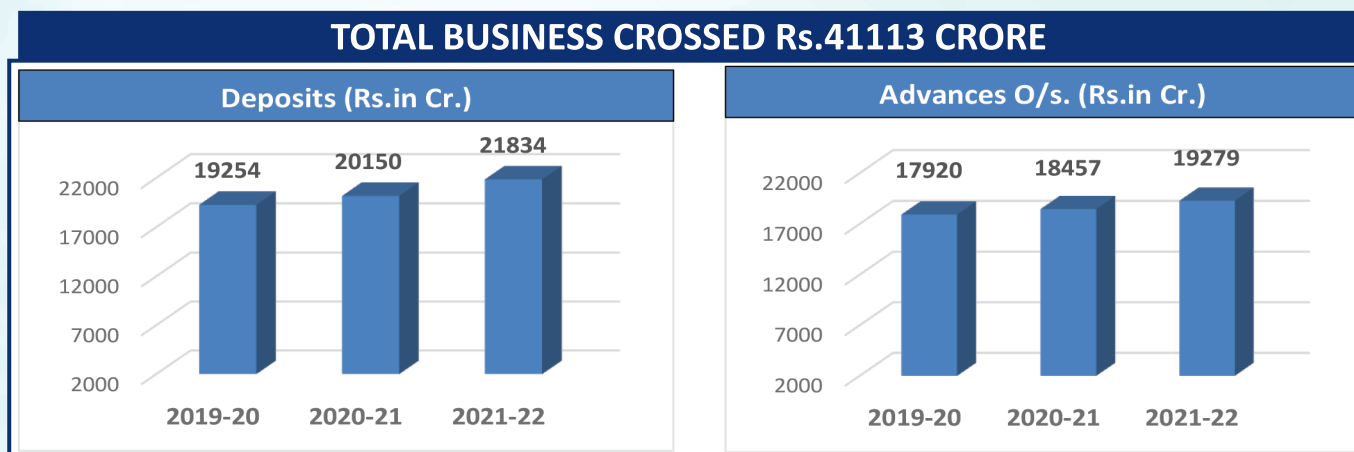
- 1- KGB Kavacham – To Encourage public for Covid vaccination
- 2- KGB Platinum - To commemorate platinum jubilee of Indian Independence



Dr.G.R. Chintala, Chairman, NABARD visited Aralam Tribal Resettlement Area at Kannur district and inaugurated Tribal products Marketing Centre

ADVANCES

During the FY 2021-22, the Bank has registered a growth rate of 4.5% in gross advances and reached at Rs.19279 Crore, of which Rs.200 crore was sold under IBPC arrangement to HDFC Bank. The Net advances witnessed 2.5% growth and reached at Rs.18495 Crore compared to Rs.18037 Crore in FY 2020-21. The Bank has diversified its credit portfolio to increase the performance and to reduce the risk. Though major portion of Credit Portfolio is under agriculture sector, the bank's lending is also concentrated in sectors such as Micro, Small and Medium enterprises (MSME) loans, Housing loans, Education loans, Vehicle loans and other infrastructure segments. The Bank's borrower clientele reached at 14.85 lakhs as on 31.03.2022.



NATIONAL PRIORITIES

Priority Sector Advances

Priority sector Advances of the Bank as at March 2022 is at Rs.18166 Crore spread over 14.36 lakh borrowers which constitutes 94% of Gross Credit, against the Priority sector target of 75%. Bank has also achieved the sub targets set under Agriculture, Micro enterprises and advances to weaker sections such as SC/STs and minorities.

Agriculture Sector

Bank has implemented several measures to increase lending under Agriculture Sector, especially in Agriculture Term Loan Sector. As a result, Bank's advances under agriculture portfolio has reached at Rs.13016 Crore registering a growth rate of 6.3% covering over 12.61 lakh farmers. The Bank has disbursed Rs.13977 Crore under Agriculture, during this financial year. The percentage of Agriculture loans to total Advances is 67.5% against the allocated target of 18%.

	As at March (in Cr.)		% to Total Advances	Mandatory Target %	Growth (in Cr.)	
	2021	2022			Amount	%
Gross Advances	18457	19279	--	--	822	4.45
Total Priority Sector	17444	18166	94	75	722	4.14
Agriculture	12242	13016	68	18	774	6.32

MSME Lending

Advances to Micro, Small and Medium Enterprises (MSMEs) reached at Rs.1354 Crore as at March 2022 and 4722 accounts with an exposure of Rs.130.40 Crore were covered under Credit Guarantee Schemes (CGTMSE & CGFMU). Advances under MUDRA scheme as on 31.03.2022 is Rs.1768 Crore in 1.46 lakh accounts. Percentage of MSME loans to total Advances as on 31.03.2022 is 7%.

Advances to Weaker Sections

The Bank actively participated in implementing various Government Sponsored Schemes, such as, Prime Minister's Employment Generation Programme (PMEGP), National Rural Livelihood Mission (NRLM), Entrepreneurship Development and Employment Generation (EDEG) component of National Livestock Mission.

Bank also extended financial assistance under various schemes recommended by Kudumbasree Mission and other voluntary agencies, Local Bodies (Municipality, Block Panchayath, Grama Panchayath etc.), Dairy Development Department, Animal Husbandry Department, State Horticulture Mission, Employment Exchange under KESRU/SESRU, SC/ST Development Corporation, Weavers Credit Card, NSKFDC, NSFDC, NHFDC, NHB, VFPC, MUDRA etc.

Bank has also extended financial assistance under Central Scheme for Agriculture Infrastructure Fund (AIF) including Farmer Producers Organisations (FPOs).

Performance of the bank under credit to weaker sections

SECTORS	OUTSTANDING AS ON 31-03-2022	
	Number	Amount (in Rs. lakh)
Small & Marginal Farmers, Landless Labourers, Tenant Farmers and Share Croppers	1033617	1073504
Artisans, Village and Cottage Industries	6801	1128
SC/ST beneficiaries	60497	44969
SGSY Beneficiaries	575	220
SHGs/NGOs/MFIs	24667	22487
JLGs	8350	14112
Safai Karmacharis	31	13
Weavers	63	16
Women beneficiaries	683865	742614

Bank's advances to Weaker Sections is Rs.14766 Crores as at 31.03.2022. Percentage of Advances to Weaker Sections is 76% against the allocated target of 15%.

Advances outstanding under various Govt. Sponsored Schemes as on 31.03.2022.

SCHEMES	No of A/c. s	Amount outstanding (Rs. in lakh)
PMEGP	1086	4290
SGSY	575	220
Kudumbasree	11821	23311
SC/ST Corporation	106	159
KESRU/SESRU	223	137
MUDRA	146024	167080
NRLM/NULM	20091	77225

Retail lending

Retail Sector, as one of the focused sectors for credit expansion, Bank has initiated several measures for augmenting lending under Housing Loans, Vehicle Loans, Education Loans, General Consumption Loans etc. Out of total Advances, share of Retail Lending is Rs.4224 Crore in 1.1 lakh accounts. In order to promote lending under this sector we have adopted several measures during this year including reduction of interest rates of Housing loans and Vehicle loans.

Over the years, the Bank has provided remarkable support to students who pursue higher education in India and abroad. The performance of the Bank under this sector is as under.

Period	OUTSTANDING	
	Number	Amount (Rs. in lakh)
2021-22	17455	51758
2020-21	19624	57137
2019-20	23459	64227

Bank's performance under Housing loan sector during the last three years is as under.

Period	OUTSTANDING	
	Number	Amount (Rs. in lakh)
2021-22	62837	320443
2020-21	62139	309089
2019-20	60902	295319

Disbursement under Retail Lending Schemes.

Schemes	No. of accounts	Disbursement (in lakh)
Housing loans	7083	45275
Vehicle loans	4034	13417
Education loans	759	2415
General consumption loans	453	436

The following new products were launched during the FY 2021-22.

Sl.No	Schemes
1	Financing under Animal Husbandry Infrastructure Development Fund (AHIDF).
2	APEDA's Financial Assistance Scheme for SC Exporters.
3	KGB SURAKSHA – Covid Support scheme.
4	KGB SUKANYA VIDYA – Education loan scheme for female students
5	PM Street Vendors ATMA NIRBHAR NIDHI (PM SVANIDHI) Scheme – Second loan
6	Financing under Water, Sanitation and Hygiene (WASH).
7	Financing under Fisheries and Aquaculture Infrastructure Development Fund (FIDF)
8	PM formalization of Micro Food Processing Enterprises Scheme.
9	(KGB SUVARNA Term Loan /OD) 1. SVTL - without bullet payment, by way of term loan. 2. SVOD - by way of overdraft.
10	KGB SURYA – Roof Top Solar Scheme for residential purpose

In tune with the Government's vision on its 75th Anniversary of Independence of the country, Bank has reduced the interest rate for all retail, non-farm and agriculture term loans by 0.50% for women beneficiaries.

Covid-19 relief measures

Bank introduced the following schemes during Covid pandemic period for the customers who are facing financial challenges to cope with the stress successfully.

1. Distressed Assets Fund Subordinate Debt for Stressed MSME.
2. ECLGS extension of scheme period and introduction of ECLGS 3.0 and ECLGS 4.0.
3. Resolution Frame Work 2.0.
4. KGB Suraksha Scheme.

Fisheries

Our Bank is having term loan and short term loan schemes under fisheries portfolio. Term loans are sanctioned for the purpose of financing investment credit for inland fish culture such as construction of pond, bunds, cost of equipments, fingerlings, feed, labour, fuel, electricity etc. In the case of marine fisheries investments to be made in fishing vessels, chafts, boats, outboard/inboard engines, fishing gears, net and other equipments are also financed. We are also having short term loans under KCC for fisheries activities. These loans are sanctioned for the purpose of meeting working capital requirements.

TREASURY AND INVESTMENT OPERATIONS

Treasury manages the Bank’s cash/liquid assets and its investments in securities and other market instruments. The revenue of the treasury segment primarily consists of fees and gains from trading operations and interest income on the investment portfolio. Bank’s trading profit was Rs.34.02 Crore in fiscal 2022 as compared to Rs.33.29 Crore in fiscal 2021. Also, Bank has not incurred any MTM loss during the FY 2021-22 in spite of geopolitical conditions and volatility of market. Bank has witnessed significant growth in PSLC income and it increased to Rs.116.74 crore in FY 2021-22 as compared to Rs.53.32 crore in FY 2020-21.

BANCASSURANCE AND CROSS SELLING OF ASSOCIATE PRODUCTS

The Bank is offering Life, General and Health Insurance as a Corporate Agent under the Insurance Regulatory and Development Authority of India (IRDAI). The BANCASSURANCE associates of the Bank include:

Category of Insurance	Name of insurer
Life Insurance	(1) LIC of India
	(2) Canara HSBC OBC Life Insurance Co Ltd.
General Insurance	(1) United India Insurance Co Ltd.
	(2) New India Assurance Co Ltd.
	(3) Bajaj Allianz General Insurance Co Ltd.
Health Insurance	(1) Star Health and Allied Insurance Co Ltd.

The total premium collected during the Financial Year improved to Rs.42.57 Crore from the previous year figure of Rs.29.90 Crore. Bank earned commission income of Rs.4.47 Crore from BANCASSURANCE operations, compared to Rs.3.63 Crore as on March 2021, showing a Year on Year growth of 23% over the earnings of previous year.

MTSS (Money Transfer Service Scheme)

Bank is providing Rupee inward remittance facilities to NRIs through the two tie-ups:

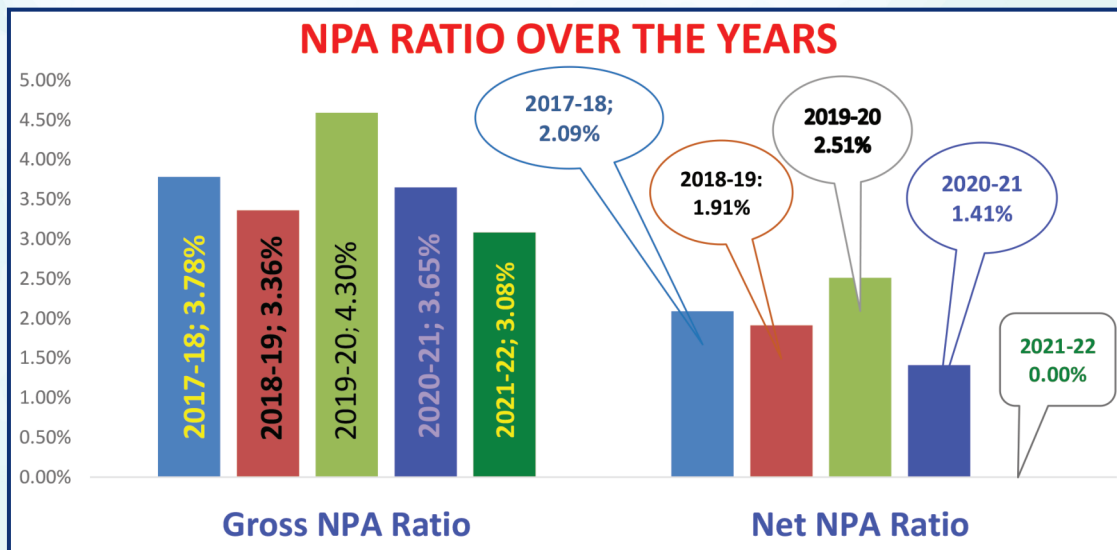
- (1) Western Union Money Transfer
- (2) Ria money



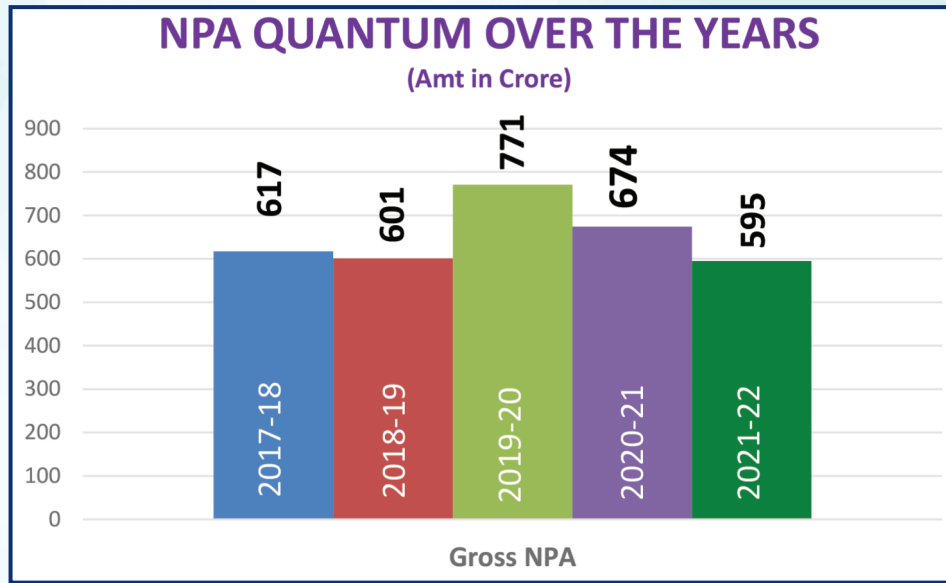
Sri.MP Abdussamad Samadani, Hon’ble Member of Parliament launching “Sansad Adarsh Gram Yojana” in kannamangalam Grama panchayat

ASSET QUALITY

The fiscal 2021-22 closed with an impressive NPA figure of Rs.595 crores which is the lowest during the last 5 years. The current fiscal (2021-22) was marked by the second wave of the pandemic and the consequent restrictions and repeated financial slowdown seemed to tarnish whatever good done in the past. But the redoubled efforts of well-motivated branches ensured further reduction of NPA in tough times. Special campaign was organized for recovery under DA3 and LA accounts. Exclusive SARFAESI month was observed during October 2021 for a more focused approach which paid rich dividends. Branches and ROs actively organized RR Adalaths. Branches ensured maximum participation and settlement at Lok Adalaths conducted by the District and Taluk level Legal Services Authorities. And thus the final result turned out to be quite exciting, with the bank surpassing the MOU target of Rs.650 crores with a huge margin of Rs.55 crores and registering a year-on-year reduction of Rs.79 crores. Gross NPA showed a reduction of 0.59% from 3.65% recorded last year-end to 3.08%. Net NPA got reduced from 1.41% to 0%. A total of Rs.802.02 crore was registered as Cash Recovery in NPA accounts.



Sri.Ajith Jose, Chief Compliance Officer, Canara Bank interacting with executives at Head Office



The Bank has implemented system-based classification of NPA since 2013-14. The prudential norms issued by RBI for asset classification are strictly adhered to, for income recognition and asset classification. System identification of NPA is implemented by the Bank to add to the transparency. The bank is following daily marking of NPA slippage.

ASSET CLASSIFICATION AND PROVISIONING FOR 2021-22

(Rs. in Crore)

Category	Gross Advance	Provision	Net advance after provision
STANDARD	18684.52	211.27	18484.52*
SUB-STANDARD	106.33	106.33	-
DOUBTFUL	324.17	313.31	10.86
LOSS	164.07	164.07	-
TOTAL	19279.09	583.71#	18495.38
NET NPA@	0		

#excluding provision for Standard Assets

@Net off NPA Provision Rs.583.71 Cr. and CGTMSE claim received Rs.10.86 Cr.

*Net of IBPC, Rs.200 Crore

CREDIT REVIEW AND MONITORING

CRM wing of the Bank functions as a watchdog of our assets. It gives early warning signals and suggesting remedial measures to protect the quality of assets. The bank is monitoring pre-release audit, credit review, credit audit, mid-term review and quick mortality accounts. Most important function of the wing is the slippage management and up gradation of newly marked NPA accounts. This Financial Year bank could cross the MOU target under NPA with a margin of Rs.55 Crore. SMA threat during the financial year was Rs.10975 Crore. But bank could regularize Rs.10874 Crore and the slippage was only Rs.101 Crore. Likewise, Bank could upgrade Rs.75.68 Cr from accounts slipped to NPA during 2021-22.

RISK MANAGEMENT AND COMPLIANCE

Kerala Gramin Bank emphasizes considerable significance to Risk Management and there is a separate Risk Management Wing with an architecture of Board of Directors > Chairman > General Manager (Chief Compliance Officer of the Bank) > Risk Management Wing > Chiefs of various Wings/Regional Managers at Regional Offices > Branch Managers. The Risk Management Wing Framework is functioning independent of Operational Departments and with clear delineation of levels of responsibility for management of risk.

The Bank has put in place various Board approved Risk Management Policies on Credit Risk, Operational Risk, Compliance Risk, Investment Risk, Asset Liability Management, Fraud Risk, etc. The policies are consistent with the broader business strategies, capital strength, management expertise and overall willingness to assume risk. Well defined guidelines and parameters are used to govern risk taking including structure of prudential/exposure limits.

The Risk Management Committee (RMC) is a HO Level Committee. The Committee meets at every quarter to review and monitor the risks associated with the functioning of the Bank such as Credit Risk, Liquidity Risk, Market Risk, Interest Rate Risk, Reputational Risk, Regulatory Risk, Compliance Risk etc. The Committee also evaluates the internal and external Operational Risks associated with People, Process, Systems and Legal.

The Systems and Procedures adopted in the Bank are closely monitored to ensure adherence by all the functionaries through various returns and statements and suggest modifications/changes wherever required.



Sri.E Ramesh, General Manager receiving EKL Agro Award from Hon'ble Transport Minister Sri.Antony Raju for Excellence in Agriculture and Rural Development

Bank is compiling data from various functional Wings/Departments/Regional Offices to assess the Integrated Risk Management, Operational Risk Management, Credit Risk Management, etc., and submit periodical Returns of Operational Risk Incidents/Events, Group Risk Return, Stress Test on Credit Risk, Status Report on the Compliance of Instructions of the Regulators, etc., to the Sponsor Bank. There is an Offsite Transaction Monitoring system (OTM), which monitors exceptional transactions on a daily basis.

The Compliance Department is overseen by Chief Compliance Officer. Compliance Department acts as focal point for receipt of all regulatory guidelines/ instructions independently and disseminate the same to the concerned functional Wings/ sections for initiating appropriate action at their end. Functional Wings /Sections/Cells shall issue internal guidelines / instructions to all branches / offices soon on receipt of regulatory guidelines /instructions from Compliance Department.

During the Annual Compliance Meet conducted by Sponsor bank at Bengaluru in November 2021, bank has been selected as the 2nd best RRB.

KNOW YOUR CUSTOMER (KYC)

The bank has initiated several measures for the effective implementation of Know Your Customer (KYC) and Anti-Money Laundering (AML) guidelines and ensuring KYC compliance by all branches. Bank has a comprehensive policy on KYC/AML, CFT and PMLA. Steps were taken to create awareness among the customers through Public notices/ SMSs requesting them to submit the KYC details in time. For reducing the risk of fraud, document forgery etc. UIDAI had launched e-KYC services. The bank has implemented e-KYC services in the branches for the paperless KYC verification. The devices for biometric authentication are installed in the branches for opening accounts using e-KYC facility. The Bank has also enrolled with CERSAI to upload the KYC details of customers to Central KYC Registry. The branches have already started to upload the KYC details of customers to CKYC Registry on daily basis. Bank has achieved 96.94% of CKYCR on boarding of customers as on March 2022.



Onam Celebration at Head Office

ANTI MONEY LAUNDERING (AML)

The Bank was using fully operational AML Software (Panacea by Intellect Design) from January 2017 to March 2021 for monitoring the transactions. Thereafter bank has migrated to new AML package iAML of IDBI Intech. All the four mandatory reports to Financial Intelligence Unit (FIU-India) viz, a) Cash Transaction Report (CTR), b) Non-Profit Organization Transaction Report (NTR), c) Suspicious Transaction Report (STR) and d) Counterfeit Currency Report (CCR) are generated/processed through this AML Software and submitted to FIU-India within the time limit specified by them for each report. A full-fledged team is working in the AML cell of the bank for monitoring the transactions and reports the transactions which are in suspicious nature to FIU-India and also to coordinate with different law enforcement agencies in the country for providing the data as per their requirement for various investigation purposes. The bank also reports the details of Counterfeit Currency identified in the branches to RBI and uploads the details to the web-enabled software of NCRB.

FINANCIAL INCLUSION

Financial Inclusion continues to be the prime priority of the Government and the Bank. Bank has rolled out many innovative activities to reach out to the bottom layer of the society who are deprived of banking services. Bank is closely associated with various agencies for financial inclusion and financial literacy and has been in the forefront of financial inclusion drive in the state of Kerala. Details of various Schemes implemented and monitored by Bank is furnished below.

PMJDY

Pradhan Mantri Jan Dhan Yojana (PMJDY) launched by Govt. of India in August 2014 to ensure access to various financial services like availability of basic savings account, need based credit, remittance facility, insurance and pension to the excluded sections of the society. The accounts opened under the mission give an impetus to the Direct Benefit Transfer (DBT) programmes.

PMJDY as on 31-03-2022	
No of Accounts opened	11,62,490
Of which Aadhaar seeding completed	11,44,588
RuPay cards Issued	4,89,707
Deposit Mobilized (In Lakhs)	Rs.71,323



Chairman Sri. C. Jayaprakash sharing dias with Sri. T.N. Prathapan, Hon'ble Member of Parliament during the inauguration of Credit Outreach Programme at Thrissur.

TABLET BANKING

Tablet Banking is a channel introduced by the bank in order to extend banking facilities to the last mile customers. The Tablet is a mobile device in Android platform capable of carrying out basic banking transactions like cash withdrawal, cash deposit, fund transfer, balance enquiry, mini statement etc. in real time. The device communicates with bank's CBS through a GSM/Wi-Fi data connection.

The tablet device works on AePS mode of transaction using Aadhaar authentication. The transaction limit fixed is Rs.10,000/- per customer per day. Bank revises the transaction limit periodically to suit the needs and regulatory compliance.

Presently Bank has engaged M/s Vision India Software Exports Ltd. and M/s FIA Technology Services Private Ltd. as Corporate BCs. M/s Vision India Software Exports Ltd. have been allotted 50 locations and another 350 locations have been proposed for engaging BCAs through M/s FIA Technology Services Private Ltd.

MOBILE VAN FOR DEMONSTRATION OF BANKING TECHNOLOGY

With a view to create awareness among common public in rural villages and other remote corners of the State, bank has undertaken the project of procuring Mobile ATM Van and visiting such places for demonstration of usage of ATMs.

Currently, bank has 10 mobile ATM Vans, of which 7 vans were implemented during the last financial year (2020-21). The Mobile ATM project has been sanctioned with financial assistance from NABARD under Financial Inclusion Fund (FIF). The vehicles as proposed by NABARD are mapped to all the 14 districts in the State.

The vans are used distributing the Financial Literacy materials such as brochures and also delivering the message of financial inclusion by carrying posters etc. Audio visual aids are also transported to the places and suitable demonstrations and exhibitions are undertaken for spreading the message of Financial Inclusion and Financial Literacy.

SOCIAL SECURITY SCHEMES:

Bank has actively participated in propagating the SSS (Social Security Schemes) rolled out by the Government of India namely, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY). Bank continues to enroll more and more customers under the scheme and also ensures that the customers renewed their policies in time. Bank has got a renewal rate of 99.88 % under PMJJBY and 99.95 % under PMSBY. The details of enrolments under the schemes as on 31/03/2022 are furnished below.

Scheme	New enrolments during the FY 2021-22	Outstanding as on 31/03/2022
APY	19,191	1,20,621
PMJJBY	21,012	1,47,187
PMSBY	86,396	6,60,023

Awards received from PFRDA for outstanding performance in APY enrolments

- ▶ Financial Freedom Fighters' (FFF) Campaign
- ▶ APY Citizens Choice Campaign

FINANCIAL LITERACY CENTRES

The Bank is having 10 Financial Literacy Centres (FLCs) of which seven were established with financial assistance of NABARD. FLCs conducted camps for various stake holders for imparting the basics of digital banking transactions to the people.

Details of the FLCs are furnished below.

SL No	Location	Link Branch	Block	District
1	Ramapuram	Makkaraparamba	Mankada	Malappuram
2	Wandoor	Vaniyambalam	Wandoor	Malappuram
3	Thriprayar	Thriprayar	Thalikkulam	Thrissur
4	Mudiyoorkonam	Pandalam	Pandalam	Pathanamthitta
5	Thodannur	Thodannur	Thodannur	Kozhikode
6	Tuneri	Tuneri	Tuneri	Kozhikode
7	Manjeswar	Hosangadi	Manjeswar	Kasaragod
8	Taliparamba	Taliparamba	Taliparamba	Kannur
9	Erattupetta	Erattupetta	Erattupetta	Kottayam
10	Nedumangad	Nedumangad	Nedumangad	Thiruvananthapuram

Programmes undertaken during 2021-22 – FIDGI CAMPS

During the FY 2021-22 FLCs and rural branches have conducted awareness camps for propagating financial and digital banking literacy. 10 FLCs and 53 rural branches have conducted 674 “FiDgi” camps during the FY. The camps covered various digital platforms and encouraged the public to enroll and use these facilities. RBI has given the necessary training to FLCs to conduct camps on “FiDgi”. NABARD has provided a financial support of Rs.34,38,256/- for conducting the camps by FLCs and rural branches under “FiDgi”.

IMAGE BUILDING ACTIVITIES

The Bank had conducted various image building activities such as Customers’ meet, Farmers’ meet, Awareness Camps etc. for popularizing the various products and services and other unique schemes of the Bank during the financial 2021-22. Bank observed the month of November as ‘Customer Care Month’ for Meeting and Greeting the customers.



Republic Day Celebration at Head Office. Chairman Sri.C Jayaprakash hoisting the National Flag

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Bank has a long legacy of actively participating in various Socio-economic activities of the society, particularly for the upliftment of the weaker sections. During the financial year, bank carried out many CSR activities in coordination with local bodies and other government /Semi Government/ Non-Government Organizations across the State.

ORGANISATION AND SUPPORT SERVICE

BRANCH AND ATM NETWORK

District	No. of Branches							
	As at 31.03.2021				As at 31.03.2022			
	Rural	Semi-urban	Urban	Total	Rural	Semi-urban	Urban	Total
KASARAGOD	21	33	4	58	21	33	4	58
KANNUR	6	90		96	6	90		96
KOZHIKODE	1	70	10	81	1	70	10	81
WAYNAD	2	29		31	2	29		31
MALAPPURAM		93	2	95		93	2	95
PALAKKAD	1	21	2	24	1	21	2	24
THRISSUR	15	26	5	46	15	26	5	46
IDUKKI	1	13		14	1	13		14
ERNAKULAM		28	5	33		28	5	33
KOTTAYAM	4	33		37	4	33		37
ALAPPUZHA		16	1	17		16	1	17
PATHANAMTHITTA	1	30		31	1	30		31
KOLLAM		24	1	25		24	1	25
THIRUVANANTHAPURAM	1	36	9	46	1	36	9	46
TOTAL	53	542	39	634	53	542	39	634

TOTAL NUMBER OF ATMs: 269

OPENING AND SHIFTING OF BRANCHES

No new branch was opened during the financial year. The premises of the following 17 branches have been shifted to new premises during the period for getting good visibility and rendering good customer service:

Pulakode, Vatakara, Ottapalam, Paravur, Vellarada, Payyoli Bazar, Eranhimangad, Cheruthazham, Thiruvambady, Kannadiparamba, Karunagapally, Koottanad, Tuneri, Melady, Chelembra, Kumily and Cheemeni.

SECURITY ARRANGEMENTS

Security cell is working in co-ordination with General Administration Wing under the supervision of General Manager, GA wing as per the approved security policy of the bank. The cell consists of Chief Manager/AGM, Senior Manager and Security officer. The security cell conducted Security Advisory Committee meetings every quarter to review the security aspects of the Bank. Theft attempts had happened in Perumbavoor branch premises and Palazhy branch ATM with no loss to the Bank.

INFOTECH PROGRESS

PROGRESS UNDER DIGITAL BANKING DURING 2021-22

During the Financial year 2021-22, Bank has undertaken many new initiatives and upgradations in technological front. A few of these are mentioned below.

Procurement and implementation of Aadhaar Data Vault (ADV)

As per UIDAI guidelines, Aadhaar Number should not be stored in CBS database and Banks should have a separate secure database for the purpose of storing Aadhaar number by complying security standards. Bank has procured Aadhaar Data Vault solution for the purpose and implemented the same

Card Security Enhancements through Internet Banking

Over the years, the volume and value of transactions made through debit cards have increased manifold. As per RBI direction, Bank has implemented various measures for enhancing card security through Mobile Banking and Internet Banking channels.

CKYC Mobile Application

Bank has enabled a new mobile-based scanning utility application for simplifying the scanning process of KYC documents at branches. This application can be used for scanning the mandatory documents required for CKYC.



Sri.C Jayaprakash, Chairman inaugurating KGB Day Celebration at Head Office

IMPS FIR (Foreign Inward Remittance)

Foreign Inward Remittance facility via IMPS channel has been enabled after completing the necessary certification process with NPCI.

24/7 Monitoring solution for Web application

The solution has the capability to monitor the below mentioned security threats:

- ◆ Anti-phishing
- ◆ Anti-pharming
- ◆ Anti-Malware
- ◆ Anti- Web defacement
- ◆ Anti- Trojan
- ◆ Rogue App Monitoring
- ◆ Dark Web Scanning

UPI SI mandate

Via UPI SI, UPI users can perform recurring payment transactions with ease and convenience. This functionality is having its own mechanism of generating/accepting mandates, independent of any similar services available in the ecosystem. Customers can create mandates or standing instructions (SI) using their UPI applications. This mandate will be registered immediately upon authentication by the payer.

SFMS 6.3

As part of continuous improvement in SFMS application, IDRBT IFTAS team has released latest application patch, SFMS 6.3.

UPI UDIR (Unified Dispute & Issue Resolution)

UDIR is the enhancement implemented at NPCI for UPI to handle time-out issues and disputes. As part of UDIR flow, if there is a time-out from Bank, NPCI will be sending status- check messages every hour from the time of transaction upto 3 times. This will help customers to know the status of the transaction, had there been a time-out.



Sri.C Jayaprakash, Chairman releasing of new Branch Planner for five years from 2022 to 2027

Anti-DDoS Solution

The Anti-DDoS service protects public IP addresses against Layer 4 to Layer 7 distributed denial of service (DDoS) attacks and sends alarms immediately when detecting an attack. It improves the bandwidth utilization and ensures the stable running of user services. It also monitors the service traffic from the Internet to public IP addresses and detects attack traffic in real time.

e-Sign based e-Mandate (Destination Bank)

Using this solution, customers can give mandate to any Bank live with e-Sign based e-mandate and self authenticate the mandate using Aadhaar OTP.

WAF (Web Application Firewall)–Enabling Block mode

All public-facing applications are configured in Block Mode through WAF in DC and DRC.

Procurement of hardware for Branches and offices

During the FY 2020-21, Bank has issued purchase order for 875 All-in-One PCs and received supply in current FY which was distributed to various branches and offices. Further to this, purchase order has been issued for procuring 2250 new All-in-One PCs for replacing all old computer systems.

Upgradation of CBS servers

The CBS server upgradation at the Data Centre and Internet Banking (FEBA) server upgradation were completed during the Financial Year.

Implementation of Cassette Swapping in ATMs

In line with RBI instructions, commenced implementation of Cassette Swapping system in ATMs. At the end of the FY, implementation completed in 210 out of 247 CAPEX ATMs.



Chairman Sri.C Jayaprakash and Dr. A. Gopalakrishnan, Director, Central Marine and Fisheries Research Institute honouring the Best Farmer of the State in the Fisheries sector at Kochi

e-Learning Software

Bank's in-house Team has developed an e-Learning platform for staff members and it is ready for implementation.

PFMS SNA Module

Bank has developed a dedicated online portal for Government Departments for managing Single Nodal Accounts and managing PFMS payments. The module is ready for implementation.

ESS Module

Full-fledged module for the Employees Suggestion Scheme has been developed and is ready for implementation.

HRMS Perquisite module

A new module for calculation of Perquisites of staff members has been implemented.

ReKYC module

A module for updating ReKYC in finacle is introduced. A report to identify the customers due for updating ReKYC is also released.

Enhancements in Loan Management System Module

LMS Module is revamped to process a few more credit schemes of the bank. The following schemes are newly added to the LMS module.

◆KGBSP ◆KCC06 ◆HLP ◆PMAY

Introduction of Digital Signature feature in Statutory Audit Module

Bank has completed the integration of digital signatures in the Statutory Audit module.

Opening of 33 New CTS scanning centers

In line with Reserve Bank of India instruction to extend new Cheque Truncation System (CTS) across all bank branches in the country, Bank has installed 33 new CTS scanners in September 2021.

Onboarding to Self Attestation Portal of NPCI

Bank has been on-boarded to self-attestation portal of NPCI, a new automated solution by NPCI for obtaining confirmation of adherence to Procedural Guidelines/Operating Circular guidelines from members through the portal.



Staff members taking Integrity Pledge during Vigilance Awareness Week

RIGHT TO INFORMATION

Under the Right to Information Act, 2005, an exclusive Right to Information Act outfit is functioning to provide information and bring transparency. As per the requirement of the RTI Act, the Bank has nominated Public information Officers and Appellate Authorities at Head Office and all its 10 Regional Offices to provide information to the applicants. During the year, the Bank has received 49 RTI applications, 13 First Appeals and no Second Appeal as per the provision of RTI Act, 2005.

MANPOWER PROFILE

As at the end of March 2022, the Bank has a total of 3444 staff members in its Rolls. The category wise position is as follows.

Cadre	March 2022 Total Staff	Out Of Which		
		Women	SC	ST
Scale V Officers	15	4	1	0
Scale IV Officers	54	13	11	1
Scale III Officers	106	34	13	11
Scale II Officers	678	253	81	30
Scale I Officers	1306	780	200	31
Sub Total Officers	2159	1084	306	73
Office Assistants (Multipurpose)	1151	619	108	20
Office Attendants (Multipurpose)	134	39	14	1
Sub Total Workmen	1285	658	122	21
Grand Total	3444	1742	428	94

The Bank's Staff comprise 2159 Officers, 1151 Office Assistants (Multipurpose) and 134 Office Attendants. Women employees comprising 1742 constituted 50.58% of the Bank's total staff strength. As at March 2022, the number of Scheduled Castes and Scheduled Tribes together constituted 15.16% of total staff strength of the Bank. The composition of women and SC/ST employees in the Bank as at March 2022 is furnished in the above table.

Recruitment

During the year, the Bank had appointed 101 Office Assistants (Multi-Purpose) and 63 Scale I Officers



Inauguration of "Vigilance Awareness Week" from 26th October to 1st November

Reservation

Bank has been strictly adhering to the Reservation Policy in respect of Scheduled Castes and Scheduled Tribes as per the Government of India guidelines. Out of the appointment made, 20 belonged to Scheduled Castes (SCs), 4 to Scheduled Tribes (STs), 8 to Ex-servicemen category and 6 to Persons With Disability (PWD) category.

- (a) Reservation Policy is implemented through the mechanism of Post Based Rosters. In terms of the directives of the Ministry of Finance, Government of India, the Bank has switched over to Post Based Rosters for all cadres.
- (b) The Bank has been extending Reservation/Relaxations/Concessions in Direct Recruitment as well as in promotions to candidates belonging to Scheduled Castes and Scheduled Tribes as per the Government guidelines.
- (c) Pre-promotion training is given to candidates belonging to Scheduled Castes and Scheduled Tribes.
- (d) Chief Liaison Officer and Assistant Liaison Officer have been nominated at Head Office for ensuring implementation of Reservation Policy. Further, representations received from Scheduled Caste/Scheduled Tribe employees, either directly or through SC/ST Associations, are being looked into by the Liaison officer/Chief Liaison Officer. Wherever required, necessary enquiries are conducted and appropriate action is taken.
- (e) The Board of Directors of the Bank also review the progress made in the implementation of Reservation Policy on yearly basis.



International Women's Day Celebration at Head Office

Promotion

Bank has undertaken the promotion process during the financial year as furnished below:

Cadre	Total Staff promoted
OAST	11
Officer Scale - I	118
Officer Scale - II	122
Officer Scale - III	31
Officer Scale - IV	8
Officer Scale - V	4
Total	294

SC/ST Cell

The SC/ST Cell at Head Office is set up to ensure welfare of SC/ST staff members. Liaison Officer in AGM cadre and Assistant Liaison Officer have been nominated for the purpose. The Cell renders necessary assistance in settling issues brought to the notice of the management. The cell also arranges for training of the SC/ST staff to enhance their knowledge and ensure career growth. The SC/ST cell facilitates the overall welfare of the SC/ST employees and ensures that the benefits of the welfare activities percolates down for the amelioration of the SC/ST. Regional Managers are designated as Asst. Liaison Officer at Regional Office level.

KGB Staff Training College

Bank has identified Capacity Building through training as a key area for development of Human Resources. Bank has a Staff Training College at Kannur and two Regional Staff Training Colleges at Kozhikode and Ernakulam. Apart from conducting in-house trainings, staff members are being deputed to external training institutions also. During the Financial year 2021-22, 931 staff members were given in-house training and 112 Officers were nominated to external training programs.

Total Staff Trained 2021-22		
Cadre	Total Staff	Of which SC/ST
Scale V Officers	7	0
Scale IV Officers	36	5
Scale III Officers	11	3
Scale II Officers	169	26
Scale I Officers	649	80
Sub Total Officers	872	114
Office Assistants (Multipurpose)	171	22
Sub Total Workmen	171	22
Grand Total	1043	136

EXTERNAL TRAINING (Offline/Online)

INSTITUTION	TOTAL	Of which SC/ST
BIRD, LUCKNOW	66	7
BIRD, MANGALORE	18	3
CAB, PUNE	27	3
IIBF MUMBAI	1	0
TOTAL EXTERNAL TRAINING	112	13

INTERNAL TRAINING (Offline/Online)

NAME OF TRAINING PROGRAMME	No. of Participants	Of which SC/ST
Orientation Program for Newly Promoted Assistant Managers	141	15
Orientation Program for Newly Promoted OASTs	24	2
Job-Enrichment Program for Internal Officers	33	11
Job-Enrichment Program for OFDs	205	21
Orientation Program for Promotee OASTs	29	2
Pre-Promotion Training for SC/STs	32	32
Induction Training Program OAST	97	12
Induction Training Program ASSISTANT MANAGERS	63	8
Orientation Program for First-Time Branch Heads	143	14
Orientation program for Newly Promoted Assistant Managers	164	6
TOTAL	931	123

Medical Insurance

The employees have been covered under group medical insurance scheme with United Assurance Company for the following sums.

Category of Employees	Sum Insured (Rs. in lakhs)
Workmen	3.00
Officers	4.00

Similarly, retired employees also have been covered under group medical insurance scheme with New India Assurance Company for the following sum assured.

Category of retired Employees	Sum insured (Rs. in lakhs) (As per option)
Workmen/ Officers	3.00 /4.00



Inauguration of State level Credit Camp by Sri.C Jayaprakash, Chairman

INSPECTION OF BRANCHES

Risk Based Internal Audit (RBIA) of Branches, RBIA of Regional Offices, Concurrent audit of selected 64 Branches, Quality Audit & Quarterly Surprise Inspections are being conducted through inspection module- “BancSoft”. During the financial year 2021-22, RBIA of branches was conducted in 375 branches and the comparative position of Inspection gradation/rating of branches during financial year 2021-22 with that of previous year end is tabled below.

SI No	Inspection Gradation/rating	Position as on 31.03.2021	Position as on 31.03.2022
1	Low	307	434
2	Normal	318	197
3	Moderate	9	3
4	High	0	0
5	Not graded (newly opened branches)	0	0
Total		634	634

Online Inspection Module

RBIA, Quarterly Surprise Inspection and Concurrent Audits are being done through Online Inspection Module (Bancsoft). During financial year 2020-21 bank has shifted RBIA of Regional Offices to Online Module. There are no RBIA/CCA files pending for more than 4 months/exceeding due date for closure as on 31-03-2022. Off-site Transaction Monitoring system has been working in our bank, attached to Inspection Wing, Head Office, for reviewing and monitoring various transactions, detecting irregularities/deviations in systems and procedures, initiating corrective/preventive steps and identification of lapses, if any.

VIGILANCE SETUP

In order to maintain a sound system of internal control and to prevent frauds, misappropriations etc. Vigilance Department is functioning at Head Office headed by Senior Manager, designated as Asst. Vigilance Officer. Vigilance Department is overseen by Chief Vigilance Officer.



Kerala Piravi Celebration on 1st November 2021

Preventive Vigilance Committee

Preventive Vigilance committees are constituted at all branches and regular meetings are conducted monthly. The reports are monitored by RO and consolidated reports are forwarded to Vigilance Department.

Complaint handling

All complaints received at Vigilance Department were placed before Chairman and investigations were conducted as per orders. Complaints of Vigilance nature, as identified by Internal Advisory Committee, were reported to Canara Bank Vigilance Wing for further proceedings.

Scrutiny of staff accountability

Department has conducted investigation in loan accounts sanctioned at head office by GM's power and above when slipped to NPA, and reports are submitted to Canara Bank Vigilance Wing for scrutiny of staff accountability.

Annual Property Return

Annual Property Return submitted by officers were scrutinized by the department. Data given below.

Particulars As on 31-03-2021	Scale I	Scale II	Scale III	Scale IV & Above
No. Of Officers	1296	634	99	72
No. Of officers who submitted APR	1294*	634	99	72
No. Of officers yet to submit APR	0	0	0	0
% of APR to be scrutinised	20%	20%	100%	100%
No. Of APRs to be scrutinised (No.s)	260	127	99	72
APRs scrutinised	265	135	99	72
APRs pending for scrutiny	0	0	0	0

*2 officers resigned from the service.



Sri.C Jayaprakash, Chairman interacting with the Borrowers during Loan Mela at Azhiyur branch

Observance of Vigilance Awareness Week

Vigilance Awareness week was observed from 26th October to 1st November 2021. Awareness classes were conducted at Head Office and Regional offices. Integrity Pledge was taken by all staff members on 26th October morning at 11 AM. At Head Office, Vigilance Awareness Week Program was inaugurated by Sri. Firoz, DySP, Vigilance & Anti-Corruption Bureau, Malappuram District. A quiz program was conducted at Head Office on 28th October 2021 as part of the Vigilance Awareness Week. Various programs like customer awareness meetings, Students awareness programs, etc. were conducted by all the Regions.

CUSTOMER CARE POLICY

For effective implementation of Bank's Customer Care Policy and to have a proper and time bounded follow-up on customer queries and grievances, Bank had set up an exclusive Customer Care Cell at Head Office. Customer Care Cell receives complaints/representations through mail, letters, over phone etc. Based on the nature of the complaint/representation and severity of the issue, matter will be taken up with various functional wings at HO/Regional Offices/Branches, follow up with concerned people and ensure a proper and speedy resolution. The cell is continuously following up the complaints with the concerned till a resolution is formed/suitable reply is prepared. Customer service committee at Head Office headed by General Manager will evaluate the progress on a monthly basis.

In order to streamline the process of handling customer complaints and to have a speedy redressal of grievances, bank had introduced an online portal for grievance registration namely "PGRS". Bank also established a Call Centre at Ernakulum, for public enquiry. The complaints/representations received at our Call Centre are routed through our online portal 'PGRS' to concerned branches/offices for resolution.

Customer Care Cell is also handling complaints routed through Banking Ombudsman, RBI, Canara Bank, DFS and other outside agencies and ensuring suitable reply/ amicable solution in a time bound manner.



Observing November 2021 as "Customer Care Month". Bank level Inauguration by Chairman Sri.C Jayaprakash

AWARDS AND ACCOLADES

We have received the following awards during 2021-22

- 12th Best Bank in India and the only RRB featured on Forbes list of WORLD'S BEST BANKS-2022
- Empowering India Award for the Outstanding Performance under PMAY
- Best IT Risk & Cyber Security Initiative – Runner-up by Indian Banks' Association
- SFBCK Banking Excellence Award-2021 – Second Best performed Bank Branch in Kerala
- APY Award – Financial Freedom Fighter by PFRDA
- APY Award – Citizen's Choice by PFRDA
- EKL Agro Award for Excellence in Agriculture and Rural Banking
- Third Position in Disbursement under PMEGP Loan by KVIC

CHANGE IN THE BOARD OF DIRECTORS DURING 2021-22

Name of Director	Represented by	Date of Appointment/Cessation
Sri. Nair Ajith Krishnan	Sponsor Bank (Canara Bank)	Date of Cessation: 12.05.2021
Sri. Chandrasekhara Rao.B	Sponsor Bank (Canara Bank)	Date of Cessation: 26.11.2021
Sri. H. Manoj	NABARD	Date of Cessation: 17.05.2021
Sri. S. Premkumar	Sponsor Bank (Canara Bank)	Date of appointment: 12.05.2021
Sri. A. Murali Krishna	Sponsor Bank (Canara Bank)	Date of appointment: 29.11.2021
Sri. Lalu.P.N. Kutty	NABARD	Date of appointment: 17.05.2021

BOARD MEETINGS

The Board of Directors consists of Sri.Jayaprakash. C (Chairman), Sri. S. Sankar (RBI Nominee), Sri.Lalu.P.N.Kutty (NABARD Nominee), Sri.A.Murali Krishna (Sponsor Bank Nominee), Sri.S.Premkumar (Sponsor Bank Nominee), Smt. Shiny George (Govt. of Kerala Nominee).

The Board of Directors met 6 times during the Financial Year 2021-22.

Board level Committees

Presently the Bank has three sub Committees of the Board which are as follows:

Name of Committee	No. of Meetings held during the year
1.Audit Committee of the Board	4
2.Customer Service Committee	4
3.IT sub-Committee of the Board	-

The IT sub-Committee of the Board was constituted on 3rd February 2022 during the financial year.



Sri.C Jayaprakash, Chairman interacts with Staff members at Head Office

BUSINESS RESPONSIBILITY REPORT

As a responsible banking entity, the Bank has ensured conduct of business in a manner without having any negative impact on Social, Environmental and Economic fronts. The Bank has always strived to enhance value for all the stakeholders and society at large. The Bank has in place Corporate Governance policy for effective management and discharge of social responsibility. The Bank is adequately investing in technology for promoting safe and sustainable services to its customers. Various HR Measures have been initiated for employee retention and increase productivity and profitability for the organization. Customer grievances are effectively managed through proper mechanism. The Bank is also promoting inclusive development by extending its services to the unbanked and under banked sectors. Apart from the above, the Bank is actively promoting various rural development activities through Farmer's Clubs jointly with other organizations.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, in preparation of the annual accounts for the year ended 31st March 2022, confirm the following:

- That in the preparation of annual accounts, the applicable standards had been followed along with proper explanation relating to material departures.
- That they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the Profit or Loss of the Bank for the period.
- That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of applicable laws governing banks in India for safeguarding the assets of the Bank and for preventing and detecting fraud and other irregularities.
- That they had prepared the annual accounts on a going concern basis.
- The Bank made several initiatives to maximize rewards for all the stakeholders, viz. Shareholders, Customers, Investors, Government, RBI, Employees and the Public at large.

ACKNOWLEDGEMENT

The Board places on record its gratitude to Govt. of India, Govt. of Kerala, RBI, NABARD and Canara Bank for their total support, guidance and Co-operation.

The Board records its appreciation to the dedicated staff members for their continued contribution for the growth of the Bank. The Board also expresses its gratitude to its customers for their continued support and patronage.

For and on behalf of the Board of Directors

Jayaprakash.C
Chairman

PERFORMANCE OF THE BANK AT A GLANCE

(Amount in ₹ Thousands)

Business parameters		2019-20	2020-21	2021-22
A	KEY PERFORMANCE INDICATORS			
1	No. of Districts covered	14	14	14
2	No. of Branches	634	634	634
	a)Rural	53	53	53
	b)Semi Urban	542	542	542
	c)Urban	39	39	39
	d)Metropolitan	-	-	-
3	Total Staff(Excluding Sponsor Bank Staff)	3519	3458	3444
	Of which, Officers	1976	2103	2159
4	Deposits	192535607	201504708	218335928
	Growth %	14.06	4.66	8.35
5	Borrowings outstanding	26821877	47558727	388023.60
6	Gross Loans & Advances Outstanding	179198115	184567874	192790893
	Growth %	0.24	3	4.46
	Of 6 above, loans to Priority Sector	169049842	174445550	181656612
	Of 6 above, loans to Non-Target groups	10148373	10122324	11134281
	Of 6 above, loans to SC/ST	3709957	4171555	4496932
	Of 6 above, loans to SF/MF/AL	96529910	97835366	107200776
	Of 6 above, loans to Minorities	76487289	76131720	79339292
7	CD Ratio	93.07	91.59	88.30
8	Investments Outstanding	36345590	46222985	41771498
	SLR Investments outstanding	34903194	44092229	40751646
	Non-SLR Investments outstanding	1442396	2130756	1019852
B	AVERAGE			
9	Average Deposits	175156724	195566729	208192508
	Growth %	14.73	11.65	6.46
10	Average Borrowings	27749600	33899628	35435003
	Growth %	-36.22	22.16	4.53
11	Average Gross Loans &Advances	180256131	174989737	184318325
	Growth %	6.27	-2.92	5.33
12	Average Investments	36456106	42885542	43595307
	Growth %	6.62	17.64	1.66
	Average SLR Investments	35363155	40350956	41828226
	As % to Average Deposits	20.19	14.1	3.66
	Average Non-SLR Investments	1092951	2534586	1767081
	As % to average Deposits	0.62	131.9	-30.28
13	Average Working Funds	240288622	252218397	267778200
	LOANS ISSUED DURING THE YEAR			
14	Loans Issued During the Year	176814506	176216436	175479103
	Growth %	-2.93	-0.34	-0.42
	Of 14 above, loans to Priority Sector	157362926	169283835	158830439
	Of 14 above, loans to Non-target groups	19451580	6932601	16648664
	Of 14 above, loans to SC/ST	3030564	3615698	3693758

(Amount in ₹ Thousands)

Business parameters		2019-20	2020-21	2021-22
	Of 14 above, loans to SF/MF/AL	106299401	109790062	113691512
	Of 14 above, loans to Minorities	70895019	71648367	69817637
D	PRODUCTIVITY			
15	Per Branch	586331	608947	648465
	Per Staff	105636	111646	119375
E	RECOVERY PERFORMANCE			
16	TOTAL			
	Demand	183123527	192055222	180909648
	Recovery	175241632	183450170	172671543
	Overdue	7881895	8605052	8238105
	Recovery %	95.7	95.52	95.45
17	FARM SECTOR			
	Demand	145617145	153534448	146008443
	Recovery	141888868	149359615	141958766
	Overdue	3728377	4174833	4049677
	Recovery %	97.44	97.28	97.23
18	NON-FARM SECTOR			
	Demand	37506382	38520774	34901205
	Recovery	33352764	34090555	30712777
	Overdue	4153618	4430219	4188428
	Recovery %	88.93	88.5	88.00
F	ASSETS CLASSIFICATION			
19	a) Standard	171487341	177832699	186845163
	b) Sub-Standard	2532861	1662600	1063289
	c) Doubtful	3275404	3299201	3241722
	d) Loss	1902510	1773374	1640719
	TOTAL	179198116	184567874	192790893
20	Standard Assets as % to Gross Loans and Advances Outstanding	95.7	96.35	96.92
G	PROFITABILITY ANALYSIS			
21	Interest paid on			
	a) Deposits	10759948	10028406	9232732
	b) Borrowings	2864843	1854554	1804591
22	Salary	5659611	6827253	7013973
23	Other operating expenses	1709758	1745713	1928907
24	Provisions made during the year			
	a) Against NPA	1084167	776090	1705959
	b) Other Provisions	135202	846266	1174204
	b) Amortisation			
25	Interest Received on			
	a) Loans & Advances	15980624	15843811	16667736
	b) Current A/c with SBI/other Banks			
	c) SLR Investments/Money at Call/TDR with SBI & Approved securities	3003038	3837668	3961395

(Amount in ₹ Thousands)

Business parameters		2019-20	2020-21	2021-22
26	Miscellaneous Income	2719761	2731056	3472664
27	Loss/Profit	-510106	334253	1241429
H	OTHER INFORMATION			
28	Share Capital Deposit received			
29	DI&CGC			
	a) Claims settled cumulative			
	b) Claims received but pending adjustments			
	c) Claims pending with Corporation			
30	Cumulative Provision			
	a) Against NPAs	3585277	4199894	5837072
	b) Against Standard Assets	884934	1316020	2112685
	c) Against Intangible Assets, Frauds etc.	3042	3042	3132
31	Interest Derecognised			
	a) During the year	1253421	682632	747188
	b) Cumulative	4545732	5228364	5975552
32	Loans Written off during the year			
	a) Number of Accounts	7129	5183	2915
	b) Amount	143858	161474	68856
33	Accumulated Loss	557024	365584	0
34	Reserves	7346309	7677594	8916434



Disbursement of Loan to Nano units and SHG groups by Kuniyil branch in association with Keezhuparambu Grama Panchayat