



PASCHIM BANGA GRAMIN BANK

(A Government Enterprise)

(Sponsored by : UCO Bank)

HEAD OFFICE: Natabar Paul Road, Chatterjee Para More, Tikiapara, Howrah- 711 101.
(WEST BENGAL)

Tel.: (033)2667-6078/9327/9961/9468 Fax No: (033)2667-0051/9589

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11th ANNUAL REPORT 2016-2017

**Directors' Report, Auditor's Report, Balance Sheet as on 31.03.2017
Profit and Loss Account for the year ended 31st March, 2017**



PASCHIM BANGA GRAMIN BANK

**HEAD OFFICE: Natabar Paul Road, Chatterjee Para More,
Tikiapara, Howrah- 711 101.**

BOARD OF DIRECTORS

**Shri Sanjoy Kumar
Chairman**

**Shri Sourabh Kumar Das, IAS
(Nominee Director, Govt. of W.B.)
Principal Secretary to.
Govt of West Bengal
Panchayet & Rural Dev. Deptt.**

**Shri A.K. Das
(Nominee Director, Govt. of W.B.)
OSD & E.O
Special Secretary
Govt of West Bengal
Institutional Finance Dept**

**Shri P.C. Mayek
(Nominee Director-Sponsor Bank)
Dy. General Manager, Zonal
Manager, Howrah
UCO Bank, Zonal Office, Howrah**

**Shri G. Mishra
(Nominee Director-Sponsor Bank)
Deputy General Manager
Zonal Manager, Hooghly
UCO Bank, Zonal Office, Hooghly**

**Shri Sudhir Sharma
(Nominee Director-NABARD)
Deputy General Manager
NABARD, Kolkata**

**Ms Uden Sherpa
(Nominee Director-RBI)
Asst. General Manager
Reserve Bank Of India
Regional Office, Kolkata.**

**Shri Monoj Kumar Pandey
(Nominee Director)
Govt. of India**

ADMINISTRATIVE SET-UP OF HEAD OFFICE & REGIONAL OFFICES

HEAD OFFICE

Shri Pannalal Mitra
Chairman

Shri S.S.Negi
General Manager

Shri T.C.Poonia
General Manager

Shri B.C. Mishra
General Manager (Vigilance)

HEAD OF THE DEPARTMENTS AT HEAD OFFICE	
1. Shri Pankaj Bandyopadhyay Chief Manager (DIT)	2. Shri Achintya Kumar Ghosh Chief Manager (Personnel Administration & Inspection)
3. Shri Dipankar Basu Chief Manager (Credit & Recovery)	4. Shri Bikash Roy Chief Manager (General Administration, Planning & Development, MIS)
5. Shri Subir Tribedi Chief Manager (Accounts & TI)	6. Sri Sudhakar Dutta Chief Manager (Inspection)

REGIONAL OFFICES

Regional Office

Howrah
Bardhaman
Suri
Hooghly

Regional Manager

Shri Binoy Kumar Mukhopadhyay
Shri Manik Chandra Mondal
Shri Debojyoti Mukhopadhyay
Shri Swapan Kumar Ray

Bank's Mission

“To become a high value, high performing Bank where we will strive for excellence through continuous development of human relations, competence and commitment.

To remain in readiness to adapt to changing business environment through technological solutions.

To serve the rural area through economic upliftment of the poor.

To become customer friendly through service with hospitality, respect, courtesy, speed and accuracy.”

Bank's Vision

“We envision ourselves to become the most trusted & committed organization where customer satisfaction and mutual growth will be the long term natural process”

Highlights of 2016-17

- ❖ Total Business size of ₹ **6753** crore as on March 31,2017 – an increase of **15.53%** over previous year.
- ❖ Total Deposit of ₹ **4528** crore, an increase of **17.28%**.
- ❖ CASA deposits stands **53.55%** to total deposit.
- ❖ CD Ratio **49.12%** as on Mar 31,2017.
- ❖ Total Advances of ₹ **2225** crore, an increase of **12.15%**. Agriculture advances of ₹ **954** crore, an increase of 17.34% over previous year.
- ❖ Net profit of ₹ **14.49** crore for the year 2016-17.
- ❖ Capital Adequacy Ratio stood at **10.46%**, as on March 31, 2017 as against regulatory minimum of **9%**.
- ❖ Return on equity recorded at **4.69%**.
- ❖ Total network of **230 (all CBS)** branches spread over 04 districts.
- ❖ Business per branch increased to ₹ **29.36** crore as compared to ₹ **25.41** crore of previous year.
- ❖ Business per employee increased to ₹ **6.48** crore as compared to ₹**5.25** crore in the previous year.

PRIORITY AREAS

Financial Inclusion has been high on the agenda of the scheduled commercial banks including RRBs as desired by Government of India. Government of India has launched Pradhan Mantri Jandhan Yoyona in the month of August 2014 to extend the banking service to all the households in the country and provide them subsequent facilities of credit, insurance and pension by which they can be truly included in the financial system.

Extension of hassle free credit to the agriculture, MSME and monitoring of loan accounts and imparting security to the hard earned money of the people are the prime focus of the Banking Industry to take part in the economic growth of the country.

AREA PROFILE

Paschim Banga Gramin Bank is functioning in four districts viz. Howrah, Hooghly, Burdwan and Birbhum in the state of West Bengal.

Hooghly and Burdwan districts traditionally have immense potential both for agriculture and industry, whereas Birbhum District is known as one of the backward ones mainly with agricultural activities that too mostly with mono cropped land area and Howrah district is mainly known as industrial district. Revised and modified industrial policy at the State Level is accelerating the pace of Industrial Development in the aforesaid districts. Besides, introduction of non-traditional crop cultivation and multi dimensional approach for rising food production arising out of new thrust areas in the agricultural policy, may contribute to upliftment of the economy of the aforesaid districts.

Organizational Structure :

Organizational Structure of the Bank is divided into 3 administrative set up-- Branches/Regional Offices/Head Office. Branches under the supervision of Branch Managers are the root units functioning under the Regional Offices supervised by Regional Managers. Apex control of these two is enshrined with Head Office.

At present bank has 4 Regional Offices at Suri, Bardhaman, Hooghly and Howrah.

THE AREA OF OPERATION OF THE REGIONAL OFFICES

Sl.	Name of Region	No. of branches	District wise Branches
1)	Suri	56	Birbhum - 56
2)	Bardhaman	57	Burdwan - 45, Birbhum - 12.
3)	Hooghly	58	Burdwan - 29, Hooghly - 29.
4)	Howrah	59	Howrah - 50, Hooghly - 9.

11th ANNUAL REPORT OF THE BOARD OF DIRECTORS 2016-17

(For the period from 01.04.2016 to 31.03.2017)

The Board of Directors of Paschim Banga Gramin Bank have the pleasure to present herewith, the 11th Annual Report of the Bank along with Audited Balance Sheet as on 31.03.2017, Profit & Loss Account for the accounting period from 1st April, 2016 to 31st March, 2017 and Auditor's Report therein in terms of provisions made under Section 20 of the Regional Rural Bank Act, 1976

A brief review of the performance of the bank in various functional areas is presented below.

BRIEF INTRODUCTION

Paschim Banga Gramin Bank has been established on 26th February 2007 vide Government of India, Ministry of Finance, Department of Economic Affairs (Banking Division), New Delhi, Notification No.1/4/2006 – RRB dated the 26th February, 2007 in exercise of the powers conferred by Sub-section (1) of Section 23A of the Regional Rural Bank Act, 1976 (21 of 1976) by amalgamation of Howrah Gramin Bank, Bardhaman Gramin Bank and Mayurakshi Gramin Bank (all three being treated as transferor banks) sponsored by the UCO Bank in the State of West Bengal. This new entity still remains a joint venture of the Government of India, Government of West Bengal and UCO Bank with contribution of share capital in the ratio of 50%, 15% and 35% respectively.

The prime objective of the Bank remains undiluted, to act as a catalyst to develop rural economy through credit dispensation for productive activities mainly to agrarian populace. With the higher exposure limit, Bank is now enabled to cater to the need of emerging enterprises mainly in the field of agriculture and MSME. In the process, our focus continues to be on JLG, SHG and KCC in Agriculture Sector and enterprises under MSME Sector.

1. BRANCH NETWORK:

Paschim Banga Gramin Bank has a branch network of 230 covering 4 districts of the state West Bengal. The district-wise break up of branches as on 31.03.2017 is as follows.

Sl.	Name of the District	Rural	Semi urban	Urban	Metro	Total
1)	Birbhum	63	5	x	x	68
2)	Burdwan	66	6	2	x	74
3)	Hooghly	36	-	2	-	38
4)	Howrah	39	5	3	3	50
	TOTAL	204	16	7	3	230

Besides, there is one Extension Counter under our Salap Branch under Howrah District.

2. MEMORANDUM OF UNDERSTANDING

During the year all out efforts were made to achieve important business parameters under MOU.

Performance in this regard as follows:

(Amt. ₹ in Lakh)

Sl. No.	Particulars	Achievement up to 31.03.2016	MOU target for 2016-2017	Achievement up to 31.03.2017	% achievement against MOU (column-4)
1	2	3	4	5	6
1	DEPOSIT	386054	431500	452848	104.95
i)	Demand	196781	223700	242520	108.41
ii)	Time	189273	207800	210328	101.22
2	LOAN OUTSTANDING	198435	252000	222452	88.27
i)	of 2 under Priority Sector	171312	214200	192432	89.84
ii)	of 2 under agriculture Loan (inclu. crop loan)	81300	103200	95357	92.40
3	FRESH LOAN SANCTIONED	130146	162500	138642	85.32
4	No of live KCCs	137251	-	116495	-
5	CD Ratio	51.40	58.40	49.12	84.11
6	Gross NPAs	15586	12235	18317	-
7	Profit for the year	626	2386	1449	60.73
8	Per Branch productivity	2541	2848	2936	103.09
9	Per Employees Productivity	525.15	470	648	137.87

3. SHARE CAPITAL

Consequent upon instruction of Govt. of India, amount held in Share Capital Deposit has been transferred to Share Capital a/c.

The detailed break up of Share Capital Account of the Bank as on 31.03.2017 is given below:

(Amt. ₹ in Lakh)

Contribution of	Share Capital
Government of India	15451
Government of West Bengal	4635
UCO Bank	10816
Total	30902

4. Deposits:

Bank has recorded a growth of 17.30% in total deposit. . Share of low cost deposit (CASA) stand at 53.55% .

The movement in deposit of the Bank during last three years is furnished below :

(Amt. ₹ in Lakh)

Particulars	31.03.15	Growth %	31.03.16	Growth %	31.03.17	Growth %
Current Deposit	6134	41.21	7777	26.79	8056	3.59
Savings Deposit	168341	4.25	189004	12.27	234464	24.05
Term Deposit	169683	8.33	189273	11.54	210328	11.12
Total Deposit	344158	4.75	386054	12.17	452848	17.30

5. BORROWING

During the year under report, the bank has drawn refinance from NABARD to the tune of ₹ 13610 lakhs. The particulars of refinance availed by the Bank in last three years are tabled hereunder.

(Amt. ₹ in Lakh)

As on 31.03.2015

Name of lending Institution	Limit sanctioned	Amount drawn	O/s as on date	Maximum O/s
NABARD (ST-SAO)	13500.00	12000.00	12000.00	17543.30
Sponsor bank	13000.00	8500.00	3940.99	8434.80
NABARD General Schemes including ARF	2615.00	2615.00	4016.80	4660.61
Grand Total	29115.00	23115.00	19957.79	30638.71

(Amt. ₹ in Lakh)

As on 31.03.2016

Name of lending Institution	Limit sanctioned	Amount drawn	O/s as on date	Maximum O/s
NABARD (ST-SAO)	6000.00	6000.00	6000.00	12000.00
Sponsor bank	13000.00	13000.00	1621.00	7721.00
NABARD General Schemes including ARF	9355.00	9355.00	11855.00	11855.00
Grand Total	28355.00	28355.00	19476.00	31576.00

(Amt. ₹ in Lakh)

As on 31.03.2017

Name of lending Institution	Limit sanctioned	Amount drawn	O/s as on date	Maximum O/s
NABARD (ST-SAO)	4200.00	4200.00	4200.00	4275.00
Sponsor bank	13000.00	7500.00	3720.70	3720.70
NABARD General Schemes including ARF,NRLM	14052.00	9410.00	17173.88	18234.93
Grand Total	31252.00	21110.00	25094.58	26230.63

The average cost of borrowing works out to be 5.67% p.a. during the year under report as against 5.70 % p.a. during the previous year.

6. CREDIT DEPOSIT RATIO

The Credit Deposit (CD) Ratio of the Bank has declined to 49.12 % as against 51.40% as on 31.03.2016.

7. CASH IN HAND & BALANCE WITH BANKS

The position of Cash-in-hand and balance with Banks stood as follows:

(Amt. ₹ in Lakh)

Particulars	2014-15	2015-16	2016-17
Cash at the year end	1314.31	1492.68	1418.60
Average cash-in hand	1801.00	1675.30	3995.02
Average cash as % to Average deposit	0.54	0.46	0.93

7.1 The balance in Current Account held by the Bank was as follows:

(Amt. ₹ in Lakh)

Particulars	As on 31.03.2015	As on 31.03.2016	As on 31.03.2017
C.A. Balance with			
Reserve Bank of India	14001.19	15601.06	18774.21
UCO & Other Banks	3153.67	5725.65	4630.31
Total	17154.86	21326.71	23404.52

7.2 The balance in deposit Account held by the Bank was as follows :
(Amt. ₹ in Lakh)

Particulars	As on	on	As on	on
Deposit A/c	31.03.2015		31.03.2016	31.03.2017
Balance with				
UCO & Other Banks	121960.70		110159.86	114883.49
Total	121960.70		110159.86	114883.49

8. Investments :

The outstanding balance of investment as on 31.03.2017 stood at ₹ 138192.51 lakh in various Govt. Securities, approved Securities, Shares, Debentures, Bonds etc. as against ₹ 96889.26 lakh as on 31.03.2016. Investment to Deposit (ID) ratio stands at 30.52%. The break up of the SLR and Non-SLR investment along with comparative position of the previous year is furnished here-in-below.

(Amt. ₹ in Lakh)

INVESTMENTS	Outstanding Investment As on 31.03.2015	Outstanding Investment As on 31.03.2016	Outstanding Investment As on 31.03.2017
SLR	80939.09	89909.94	130685.32
Non-SLR	6243.50	6979.32	7507.19
TOTAL	87182.59	96889.26	138192.51

9. LOANS AND ADVANCES OUTSTANDING:

The growth of advance of the Bank is furnished in the following table:-
(Amt. ₹ in Lakh)

Particulars	31.03.15 (Gross)	31.03.16 (Gross)	31.03.17 (Gross)
Total Advance	158378	198435	222452

At the end of the financial year 2016-17, the gross outstanding position of loans & advances stands at ₹ 222452 lakh as against ₹ 198435 lakh as on 31.03.2016.

9.1 SECTORAL BREAKUP OF OUTSTANDING ADVANCE

As against a minimum requirement of 75% of total advance under priority sector in case of RRB, the percentage of Priority Sector advances to total advances (Gross) stood at 86.50% as on 31.03.2017 compared to 86.33% as on 31.03.2016.

The category-wise break up of loans & advances (Gross) outstanding as on 31.03.2017 as compared to the corresponding figure on 31.03.2015 & 31.03.2016 is furnished below.

(Amt. ₹ in Lakh)

Category of Advance	Gross Advance Outstanding as on 31.03.2015		Gross Advance Outstanding as on 31.03.2016		Gross Advance Outstanding as on 31.03.2017	
	Amount	% to Total	Amount	% to Total	Amount	% to Total
Priority Sector						
Agriculture & Allied	65498	41.35	81301	40.97	95357	42.87
MSME	39230	24.77	73472	37.03	79705	35.83
Other Priority Sector	13580	8.58	16539	8.33	17370	7.81
Total Priority Sector	118308	74.70	171312	86.33	192432	86.51
Non-Priority Sector	40070	25.30	27123	13.67	30020	13.49
Total Advances	158378	100.00	198435	100.00	222452	100

9.2 FRESH DISBURSEMENT:

During the year under report Bank has made fresh disbursement of Advance for ₹ 138642 lakh .Category wise break up of fresh disbursement during last three years is as under:

(Amt. ₹ in

Lakh)

Category	During the year Ending 31.03.15	During the year Ending 31.03.16	During the year Ending 31.03.17
Agriculture & Allied	44482	62324	39017
MSME/SSI	33565	40552	53598
Other Priority Sector	18020	15569	37496
Total Priority Sector	96067	118745	130111
Non- Priority Sector	13451	11402	8531
Total Fresh Disbursement	109518	130147	138642

Sector wise Target vis-à-vis Achievement in respect of fresh disbursement under Annual Credit Plan for 2016-17 is as under :

(Amt. ₹ in Lakh)

Category of advances	SLBC Target	Achievement	% of Achievement
Agriculture & Allied	71500	39017	54.57
MSME	45000	53598	119.11
Services	26000	37496	144.22
Total Priority Sector	142500	130111	91.31
Non Priority Sector	20000	8531	42.66
Grand Total	162500	138642	85.32

9.3 GENERAL CREDIT CARDS/SWAROJGAR CREDIT CARD

The Bank has issued 3486 no. of GCC amounting ₹1752 lakh and 227 no. of SCC amounting ₹95 lakh during the year under report. The cumulative no. of GCC stands 26025 amounting ₹7242 lakh and SCC issued till 31.03.2017 stands at 3682 amounting ₹1104 lakh.

Kishan Credit Card (KCC)

The Bank has adopted the policy of issuing credit cards to all farmers who avail crop loans. Crops are covered under NAIS. The Bank issued 34785 no. fresh KCC amounting ₹39017 lakh during 2016-17. The cumulative number of cards issued by the Bank upto 31.03.2017 reached 116495 nos. with aggregate outstanding balance of ₹95357 lakh.

9.4 Self Help Groups (SHG):

The bank has given special thrust on formation of Self-Help Groups with a view to develop awareness amongst the rural masses especially the women folk about fulfillment of their urgent credit needs in a better way. The bank has been trying to involve all the branches in SHG credit linkage programme with the very purpose of extending effective credit flow to that section of people who are still outside the ambit of institutional finance.

During the reporting year 9918 Nos. of Self-Help Groups were formed and the total cumulative No. of SHG stood at 62834 at the end of the year. All groups are maintaining SB A/c with our bank branches and aggregate balance reached to ₹16355 Lakh as on 31.03.2017. During the year the Bank had credit linked 15872 Groups with a disbursement of ₹32848 lakh. The cumulative number of SHGs linked to bank credit as on 31.03.2017 reached 46928 and total finance stood at ₹81742 Lakh

Progress made collectively under SHGs promotion as on 31.03.2017 is furnished herein below:

SHGs maintaining Savings A/c in the Bank :

(Amt. ₹ in Lakh)

	No. of SHGs	No. of Members	Savings Amount
a. Total no. of SHGs	62834	565506	16355
b. Of which under SGSY & other Govt. sponsored schemes	4679	42111	1085
c. Exclusive Women SHGs [Out of (a) above]	58155	523395	15270

SHGs financed by Banks :

(Amt. ₹ in Lakh)

	During the year as on 31.03.17			Loan outstanding	
	Loan Amount Disbursed	No. of SHGs	No. of Members	Amount	No. of SHGs
(a) Total no. of SHGs	32848	15872	422352	81742	46928
(b) Of which under SGSY & other Govt. sponsored programme	1425	649	5841	7315	4669
(c) Exclusive Women SHGs	31423	15223	416511	74427	42259

9.5 Formation of JLGs:

The Bank has been successful in forming 114 number of JLG and disbursed ₹86 lac. The cumulative number of JLGs stands at 2706 and total amount of loan outstanding as on 31.03.2017 is ₹ 3748 lac.

9.6 Assistance to Weaker Sector :

In pursuit of meeting socio economic obligation, the bank is laid utmost emphasis in supporting the weaker sections of the society in all operating districts. Assistance to these sectors recorded upto 31.03.2017 an amount of ₹ 1012.63 crore in 103189 accounts.. Under SGSY 74 groups have been provided financial assistance of ₹1.61 crore during the year. With an

aggregate amount of ₹17.38 crore in 1484 groups. The Bank also accorded due priority in extending credit to SC/ST borrowers and during the year 5124 beneficiaries have been provided bank credit of ₹79.49 crore and the total credit stood at ₹278.66 crore in 53109 accounts representing 14.48% of priority sector advance.

9.8 Farmers' Club:

Taking note of the catalytic role played by the Farmers' Club, in strengthening the bond with local rural clients, the Bank is nurturing 334 clubs. Bank, with assistance from NABARD, organized different programmes viz. sensitization programme, Meet-n-Match programme, Leadership development programme. With the assistance of Farmers' Club the bank has been able to penetrate into the rural masses for deposit mobilization, fresh lending and NPA & MSL recovery.

9.9 Interest Subvention:

As per directive of Reserve Bank of India, all crop loans sanctioned during Kharif, Rabi & Boro 2016-17 upto the limit of ₹3.00 lac per individual farmers are eligible for interest subvention. We have accordingly, submitted our claim to NABARD for reimbursement of ₹3124.29 lac towards interest subvention for the reporting year. As per directive of Govt. of India SHG borrowers under NRLM districts will get the loan at the rate of 7% p.a. and bank will get interest subvention maximum 5.5%. SHG borrowers of other districts will get interest subvention from SRLM. Accordingly bank submitted claim of ₹1091.69 lac to Govt. of India through NABARD.

ASSET QUALITY

a) Asset Classification :

In compliance to the RBI guidelines, the bank has classified its Loans and Advances portfolio as per IRAC norms and necessary provision have been made. The position as on 31.03.2017 along with corresponding figures as on 31.03.2016 and 31.03.2015 is furnished below:

Asset Classification	(Amt. ₹ in Lakh)		
	31.03.2015	31.03.2016	31.03.2017
Standard	146139	182849	204135
Sub-standard	5969	9242	10492
Doubtful	6223	6300	7783
Loss assets	47	44	42
Total NPA	12239	15586	18317
Total advance	158378	198435	222452

The movement of Asset Classification is given below:

(Amt. ₹ in Lakh)

Particulars	2014-15	2015-16	2016-17
NPA at the beginning of the year	11667	12239	15586
Recovery/Reduction of NPA	3261	6099	6074
Addition to NPA during the year	3833	9446	8805
NPA at the end of the year	12239	15586	18317
Gross NPA as % to Gross advances	7.72%	7.85%	8.23%
Provision against NPA	4101	4592	5218
Net NPA	8168	10994	13099
Net NPA as % of net advances	5.27%	5.67%	6.03%

b) Provisioning

(Amt. ₹ in Lakh)

Segment	Provision as on 31.03.2015	Provision as on 31.03.2016	Provision as on 31.03.2017
Standard	523	651	744
Sub-standard	594	924	1049
Doubtful	3460	3624	4127
Loss Asset	47	44	42
Total	4624	5243	5962

During the year under report, the level of NPA has gone up from ₹15586 lakh as on 31.03.2016 to ₹18317 lakh as on 31.03.2017. The provision requirement of the Bank on its Loans and Advances portfolio stands at ₹5962 lakh as on 31.03.2017 as against ₹5243 lakh as on 31.03.2016.

NPA Management

Fresh generation of NPA during the year is ₹8805 lakh. Gross NPA as percentage of gross advance has increased to 8.23% as on 31.03.2017 from the previous year figure of 7.85% due to overall deterioration of recovery in banking sector. However bank has made adequate provision by which Net NPA as percentage of Net Advance has also been increased from 5.67% as on 31.03.2016 to 6.03% as on 31.03.2017.

Movement of NPA is furnished below:

(Amt. ₹ in Lakh)

Classification of NPA	31.03.2015	31.03.2016	31.03.2017
Sub-standard	5969	9242	10492
Doubtful	6223	6300	7783
Loss Assets	47	44	42
Total NPA	12239	15586	18317
Total Advance	158378	198435	222452
% of Gross NPA	7.72	7.85	8.23

10.1 RECOVERY OF LOAN : The percentage of recovery of Bank's Outstanding Advance has posted deterioration from 76.30% during the year ended 2015 June to 74.66% during the year ended 2016 June.

(Amt. ₹ in Lakh)

Year	Demand	Collection	Balance	Recovery %
2014- June	40372	30320	10052	75.10
2015- June	52826	40308	12518	76.30
2016- June	78519	58622	19897	74.66

Sector Wise Recovery Position as on 30.06.2016

(Amt. ₹ in Lakh)

Particulars	Priority Sector				Non Priority Sector		Total
	Farm Sector		Non Farm Sector		A/C	Amt.	
	A/C	Amt.	A/C	Amt.			
Demand	114468	45102	151346	27550	18418	5867	78519
Collection	104166	41056	74848	13548	13204	4018	58622
Overdue	10302	4046	76498	14002	5214	1849	19897
% Recovery		91.03		49.18		68.48	74.66

Age-wise Classification of Overdues as on 30.06.16

(Amt. ₹ in Lakh)

Particulars	Farm Sector	Non-Farm Sector	Non-Priority Sector
Less than 1 Year	3316	7315	1436
1 to 2 years	378	5133	114
2 to 3 years	115	514	63
3 to 5 years	71	316	105
Above 5 years to 8 Years	77	506	103
Above 8 years	89	218	28
Total	4046	14002	1849

10. PRODUCTIVITY

The comparative position of per Branch & per Employee Business for last three years is given below:

(Amt. ₹ in Lakh)

Particulars	As on 31.03.2015		As on 31.03.2016		As on 31.03.2017	
	Amount	Growth(%)	Amount	Growth(%)	Amount	Growth(%)
Total Business	502536	9.55%	584489	16.31%	675300	15.54
CD Ratio	46.02	-	51.40	-	49.12	-
Per Branch Business	2233	6.13%	2541	13.79%	2936	15.55
Per Employee Business	440	9.73%	525	19.32%	648	23.43

11. FINANCIAL INCLUSION

Pashim Banga Gramin Bank is fully engaged in inclusive growth through various Financial Inclusion initiatives to reach 'the last mile' of economy. Under the Social Banking (Financial Inclusion) Pashim Banga Gramin Bank is committed towards the socio-economic development of the people and uplifting the society through bank's Financial Inclusion Initiative. Banking services do not discriminate people; it includes people from all walks of life under its umbrella. PBGB works in tandem with self-help groups (SHGs) and other agencies like BC agents and Bank Sakhis to extend its services to the masses.

PBGB has actively participated in mobilizing Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts since its inception. As on 31st Mar'17, the Bank has opened 7.34 lakh PMJDY accounts with deposit of Rs.125 crore. To extend card based transaction to such customers, Micro- ATMs have been introduced at 357 business correspondent (BC) locations. Here, it is to be mentioned that Bank's concerted efforts have helped the Bank to be adjudged as the Best Bank in SHG lending by RRBs and win the "Inclusive Finance India Award 2016" awarded by NABARD & Access Development Services. Also PBGB has bagged the prestigious Award as "Recognition of outstanding Support to Women SHGs 2016-17" conferred by West Bengal State Rural Livelihood Mission. Under the Financial Inclusion Project (FIP), PBGB has provided basic banking facilities through AEPS transactions at 357 Bank Mitra locations using Micro ATMs. Additionally, the bank has devoted its whole hearted efforts for achieving the maximum number of Aadhaar and Mobile seeding in all active accounts. PBGB provides financial awareness/ literacy through bank's Two Financial Literacy Centres (FLCs) located at 2 District Head Quarters and also by utilizing the services of bank's Financial

Literacy Campaign partners through Financial Literacy Camps and DFCLs organized in villages throughout the Service Area of the Bank. Various meeting and camps are organized at regular intervals through FLC counselors and also at Bank Mitra locations. These camps and meetings emphasize on creating awareness about PMJDY, Atal Pension Yojana (APY), MUDRA loans, Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) , Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Fasal Bima Yojana(PMFBY). Steps have been taken by the bank to introduce the facility of RuPay Card operations (Micro ATM functionalities) as an encouragement to digital push through usage of domestic RuPay card at Bank Mitra Locations.

Financial Literacy and Financial Inclusion Initiatives

Our Bank has undertaken a number of steps to accelerate the pace of Financial Inclusion. Among those steps most important are conducting FLCs through Mass Awareness Camp and also by organizing Muppet shows. Both the programmes were conducted with financial assistance from NABARD, West Bengal by our own FLCs.

Financial Literacy Awareness Camp

It has been widely accepted that Financial Literacy creates demands for financial products and services offered by Banks. Financially excluded population thereby understands the need and benefit of Banking products and services.

In order to achieve the objectives, our Bank, in accordance with the guideline given by Reserve Bank of India/NABARD, have undertaken a massive Financial Literacy Awareness Camps covering all the four districts under its operation. During the financial 2016-17 we have organized 778 in-house programme of financial literacy. The objective of the Mass Awareness Camp is to impart knowledge among the villagers to enable them to take up financial planning, inculcate savings habit and improve the understanding the financial products which are best suited to them.

The impact of the financial literacy camp was found to be extremely good. 230165 number of accounts were opened mobilizing a sum of ₹53.68 Crore.

11.1 NO-FRILL ACCOUNT

Out of 14.58 Lac No-Frill Accounts being opened cumulatively upto 31.03.2017, the Bank has opened 2.11 Lac numbers of fresh No-Frill Accounts during the financial year 2016-17.

PROFITABILITY

Comparative position of Bank's Income and Expenditure, year wise, is furnished below:

INCOME

(Amt. ₹ in Lakh)

Particulars	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2016 to 31.03.2017
a) Interest on Loans & Advance	14349.51	19415.32	22602.20
b) Interest on Investment	6545.37	7123.06	17277.63
c) Other Interest	12893.37	10710.83	0.00
d) Other Income	2324.15	1865.65	2328.48
Total Income	36112.40	39114.86	42208.31

EXPENDITURE

(Amount in ₹ lakh)

Particulars	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2016 to 31.03.2017
a) Interest on Deposit	20742.01	22716.71	25304.68
b) Interest on Borrowings	1056.41	1015.68	1105.71
c) Other Interest	0.00	0.00	0.00
d) Operating Expenses	11904.77	14014.33	13452.77
e) Provisions excluding Tax	1659.90	741.74	896.18
f) Provision for Tax	-	-	--
Total Expenditure	35363.09	38488.46	40759.34

PROFIT/LOSS

(Amount in ₹ lakh)

Particulars	01.04.2014 to 31.03.2015	01.04.2015 to 31.03.2016	01.04.2016 to 31.03.2017
Profit(+) before Tax (PBT)	749.31	626.40	1448.97
Profit(+) after Tax (PAT)	749.31	626.40	1448.97

Interest on Loans and Advances for the year under report has gone up to ₹ 22602.20 Lakh recording a growth of 16.41%. -----(Special Colour)

12. FINANCIAL RATIOS

The key financial ratios of the Bank based on monthly average have been worked out as under.

Financial Ratios	2015-16	2016-17
A. Average Working Fund	425382.86	492470.50
i. Financial Return	8.71	8.31
ii. Financial Cost	5.50	5.36
iii. Financial Margin (i-ii)	3.21	2.95
iv. Operating Cost	3.33	2.73
v. Misc. Income	0.44	0.47
vi. Operating Profit (v+vi)	0.32	0.54
vii. Risk Cost	0.17	0.18
viii. Net margin (vii-viii)	0.15	0.51
Key Ratio		
Cost of Deposit	6.15	5.91
Cost of Borrowings	5.70	5.67
Yield on Advance	11.30	11.01
Yield on Investment	8.28	7.82
Credit Deposit Ratio	51.40	49.12

13. MANPOWER POSITION

In exercise of the power conferred under section 11(1) of the Regional Rural Bank Act 1976, UCO, the sponsor bank, has appointed the Chairman of the Bank. In addition the bank has three General Managers from the sponsor bank.

The position of existing manpower of the Bank, other than the deputed officers, as on 31.03.2016 & 31.03.2017 is as under:

As on 31.03.2016:-

Post/Grade	General	SC	ST	OBC	Total	P/H	Ex-service men
Scale-IV(Chief Manager)	07	03	NIL	NIL	10	NIL	NIL
Scale-III(Senior Manager)	49	04	01	NIL	54	01	NIL
Scale- II (Manager)	128	26	06	02	162	01	NIL
Scale-I(Assistant Manager)	240	57	10	16	323	02	NIL
Office Assistant (Multipurpose)	280	118	22	44	464	05	02
Office Attendant (Multipurpose)	51	41	08	NIL	100	NIL	NIL
Total	755	249	47	62	1113	09	02

As on 31.03.2017:-

Post/Grade	General	SC	ST	OBC	Total	P/H	Ex-service men
Scale-IV(Chief Manager)	10	2	NIL	NIL	12	NIL	NIL
Scale-III(Senior Manager)	44	5	1	1	51	1	NIL
Scale- II (Manager)	119	22	7	2	150	1	NIL
Scale-I(Assistant Manager)	232	64	17	1	314	2	NIL
Office Assistant (Multipurpose)	267	104	18	44	433	5	2
Office Attendant (Multipurpose)	41	33	5	3	82	NIL	NIL
Total	713	230	48	51	1042	09	02

14.Human Resource Development:

The Bank has recruited good numbers of staff during last three years. With a view to upgrade skills and capacity building, the Bank has accorded top priority on training and sensitization of staff members. More stress was given on short duration training programme and sensitization programme at Bank's Staff Training College, Burdwan and Bank's Computer Laboratory at Head Office. In addition bank has participated in the training being imparted by RTC, NABARD, Bolpur & CAB Pune. During the year bank has also arranged training on Fake Note identification with faculty assistance from Reserve Bank of India.

Details of training imparted to the staff members during the year 2016-17 are enumerated below:-

Category of staff	PBGB HO Com.Lab	PBGB STC RO,BDN	PBGB Sarat Sadan	BIRD AEEDI Suri	BIRD Bolpur Bolpur	BIRD LKNW Lucknow	NABARD Kolkata	UCO STC Kolkata	IDRBT Hyderabad	IIBF Mumbai	Total
Officer	-	89	-	-	1	5	-	29	-	-	124
Office Assistant (Multipurpose)	-	112	-	-	-	-	-	-	-	-	112
Office Attendant (Multipurpose)	-	13	-	-	-	-	-	-	-	-	13
Total	0	214	0	0	1	5	0	29	0	0	249

15. Inspection & Vigilance:

The bank has its well established Inspection and Vigilance system to monitor the internal audit and inspection. It ensure availability of work performance and adherence to system and procedures by the branches during day to day operation.

The position of internal inspection as on 31.03.2017 is given hereunder-

No. of Inspection Reports pending as on 01.04.2016	27
No. of New Inspection Reports added during the year 2016-17	88
No. of Inspection Reports closed during 2016-17	97
No. of Inspection Reports pending as on 31.03.2017	18

As per NABARD's guidelines Bank has introduced Concurrent Audit and during the year 2016-17 bank has appointed 10 nos. of CA Firms for conducting Concurrent Audit of 23 branches.

16. Customer Service:

All out efforts have been made to provide prompt and efficient services to customers including implementation of CBS in all its Branches and offices to provide better customer Service. Towards this direction Bank has taken the following initiatives.

- Note Counting Machines have been provided to Branches.
- NEFT facilities has been strengthen for instant credit of proceeds to customers a/c.
- SMS alert system has fully be implemented for all transaction of the customer.

The Bank's customer oriented approach has enabled the Bank to strengthen its customer relationship. Customers were made fully aware of the rights which are conferred upon them to seek redressal against the grievances. The schemes like ombudsman fully publicized at the branches. The Bank is following Know Your Customer (KYC) and Anti Money Laundering Policies in accordance with the Prevention of Money Laundering Act, 2002 and Reserve Bank of India guidelines.

In order to improve our service on an ongoing basis and strengthening the corporate governance structure of the Bank for sustained business growth in the present scenario of competitive banking environment , Bank has constituted customer service committee of the Board and standing committee on Customer Service .

The Bank has formulated Customer Right Policy and Policy for Grievance Redressal to adopt best practice of Consumer Protection.

17. Corporate Agency of Bank:

As per Instruction of Insurance Regulatory and Development Authority (Licensing of Corporate Agents) Bank has entered into tie up arrangement for Life Insurance with LIC, Bharati AXA Life Insurance Co. Ltd. and United India Insurance Company Ltd., Magma HDI General Insurance Co. Ltd. & Future Generali Insurance Co. Ltd. for non-life Insurance for augmentation of non interest income.

18. TECHNOLOGICAL INITIATIVES

In compliance with the directives from Government of India and Reserve Bank of India, Paschim Banga Gramin Bank onboarded to CORE Banking Solutions(CBS) under the guidance of Sponsor Banks with effect from 30.09.2011 in all the branches and one extension counter.

During the period, Bank has launched following technological initiatives:

- a. Clearing of inward CTS 2010 compliant cheques and inward ECS transaction are done centrally and working smoothly.
- b. Bank has successfully enabled Aadhar based and non-Aadhar based 'Direct fund transfer' as well as ECS-Credit (APBS and ACH respectively) through NACH portal of NPCI. Payments towards Social schemes like MNREGA, NSAP , AAY etc. are taking place to cater the 'Direct Benefit transfer' to the rural poor clientele of our Bank. Non-financial activities such as validation of AV (Account Validation) files, Aadhar mapper file generation and ECS-debit mandate validations are being undertaken by the dedicated team of City Bank Office.
- c. Biometric project as 2nd factor Authentication in compliance with RBI directives has successfully been completed during the year 2016-17.
- d. Bank has implemented SMS Alerts as part of Core Banking Infrastructure.
- e. Bank has acquired independent IDRBT solution of New Generation NEFT & RTGS facilitate customers and enabled NEFT transaction-outward directly from branches, NEFT-Inward transactions have been automated in the system.
- f. To meet the statutory requirements of FIU-IND, Government of India on money laundering, AML (Anti-Money Laundering) Solution has been onboarded and running successfully.
- g. I.S.Audit Policy of the Bank duly approved by the Board as per RBI/NABARD guidelines has been adopted by the Board to ensure strong IT/IS governance.
- h. To uphold Bank's image, performances and initiatives in a more interactive format, Bank has refurbished its website.
- i. As first RRB in the state, Paschim Banga Gramin Bank has launches e-Passbook (pbgb m-passbook) application available in google store to facilitate its customers for easy view of their accounts with PBGB in smartphones and email IDs.

- j. As a member of CIBIL, Bank has started sharing high value advance data.
- k. We have successfully on boarded Aadhar Enabled Payment System (AEPS).
- l. We have successfully launched Rupay EMV Card.
- m. Customers can avail Pos & e-commerce facility through Rupay card.

PROJECTS IN THE TESTING

- 1. Mobile Banking
- 2. Implementation of e-KYC
- 3. Transaction through Micro ATM through Rupay Cards

PROJECTS IN THE PIPELINE

- 1. Implementation of HRMS module
- 2. Implementation of MIS & ADF module
- 3. Implementation of ALM module
- 4. Installation of Bank's own ATM
- 5. Installation of Aadhar pay.

19. PUBLIC INFORMATION OFFICER:

As per notification of Ministry of Law & Justice(Legislative Department)dated- 21 June, 2005 on “ **Right to Information Act, 2005, No-22 of 2005** , Bank has selected a Nodal officer at HO. Information's are being provided to the public as per the provisions of the said act.

20. (ALM) Asset Liability Management:

The Bank's ALM Committee (ALCO) meets at regular intervals to review the overall asset liability mismatch position. It also reviews periodically the interest rates keeping in view the various risk factors, profitability and the trend in the industry.

21. Management Information System(MIS):

MIS in the Bank is constantly assessed, upgraded and fine tuned to cater to the growing information requirements and achieving the corporate goals. The performance mechanism since shifted from top line growth to overall performance and bottom lines, the monthly performance reporting system rationalized and streamlined to judge the performance, productivity and profitability of the branch. The data collected is integrated and mapped for analysis for effective and efficient decision making process.

22. INDUSTRIAL RELATION

The Bank maintains a harmonious and cordial relationship with both officers as well as workmen employees enlisting their total commitment, support and co-operation. The Bank continues its positive approach in

staff welfare activities. In order to effectively redress the grievances of SC/ST/OBC employees, one of the Executives had been designated as liaison officer. SC/ST Cell has been created at Head Office and one officer has been designated as Cell In charge. The Bank holds regular Quarterly meeting with the representatives of SC/ST/OBC employees.

23. ROADMAP FOR 2017-18

During the F.Y. 2017-18 the Bank will focus on the following areas.

- **To Increase of the Deposit Growth specially CASA deposit , The Deposit growth is projected at 12.57%**
- **To give more thrust on increasing the loan portfolio for improving the CD Ratio of the Bank . The growth of Advance is projected at 25%**
- **To intensify the field visit to reduce the NPA level at 6%**
- **To reach CD ratio at 55.80%**
- **To form more number of SHG and make them credit linkage to increase our Advance and to increase the income of the Rural poor.**
- **To increase non- interest income through insurance business and other ancillary service.**
- **To introduce more technological support to customers like mobile banking, transaction through Micro ATM**
- **Implementation RTGS through payment gateway**

Disclosure :

The Bank has not entered into any materially significant related party transaction with its directors, management, or their relatives etc. that may have potential conflict with the interest of the Bank at large. The Bank has complied with applicable rules and regulation prescribed by the statutory authorities during the year. No penalties or strictures have been imposed by them on the Bank.

BOARD OF DIRECTORS

The Board has been constituted in accordance with Sec 9 of Regional Rural Bank Act 1976 comprising of the Chairman appointed under sub-section (1) of section 11, and the following other members, viz-(a) two directors, who are officers of the concerned State Government ; (b) one director, who is an officer of the Reserve Bank of India ; (c)two directors, who are officers of the Sponsor Bank, having been nominated by UCO Bank ; (d) one director, who is an officer of NABARD and (e) two directors nominated by the Central Government, out of which one post is lying vacant.

Acknowledgement:

The Board of Directors expresses their sincere thanks to the Ministry of Finance (Banking Division), Govt. of India , Reserve Bank of India, NABARD, UCO Bank, Govt. of West Bengal for their co-operation and valuable guidance extended towards strengthening the Bank.

Board expresses its sincere gratitude to outgoing Chairman Shri P.Mitra (UCO Bank), director Shri M.K.Mandal (NABARD), Shri S.K.Ghosh (UCO Bank), Shri P.C.Nayek (UCO Bank) for their valuable contribution and support.

The Board welcomes Shri A.K.Golechcha (UCO Bank) as new directors nominated on our Board.

The Board also places on record its sincere thanks to the Statutory Central Auditor M/S S. K. Mallick & Co., Chartered Accountants and all the Branch Auditors for conducting statutory audit and finalizing accounts to enable the Bank to finalize its Balance sheet and Profit & Loss Account within scheduled time.

Board also places its deep gratitude towards the customers and well-wishers for their valuable support, guidance and patronage and to the members of staff of the Bank for their involvement in overall development of the Bank.

For & on behalf of the Board of Directors

(Sanjayl Kumar)
Chairman

PERFORMANCE OF THE BANK AT A GLANCE

(Amt. ₹ in Lakh)

Sl.No.	Performance Indicators	2015-2016	2016-2017
A. (i)	Districts Covered	4	4
(ii)	Number of Branches	230	230
	a) Rural	204	204
	b) Semi-Urban	16	16
	c) Urban	07	07
	d) Metropolitan	03	03
(iii)	Staff	1113	1042
(iv)	Deposit Outstanding	386054.46	452848.05
	Percentage of Growth	12.17	17.30
(v)	Borrowing Outstanding	19476.13	25094.58
(vi)	Loans Outstanding	198435.09	222451.76
	Of which Priority Sector	171312.17	192431.66
	SC/ST	27565.09	27865.97
	SM/MF/AL	57950.01	62313.64
	Women	91229.16	91143.56
	Minority Communities	34986.87	36435.72
	Non-Priority	27122.92	30020.10
	Loan Issued	130146.53	138642.46
	Of which		
	Agriculture & Allied	62624.13	39017.26
	MSME	40551.60	53598.01
	Services	15569.10	37496.28
	Non-Priority	11407.70	8530.91
(vii)	Loan issued during the year	130146.53	138642.46
(viii)	Investment Outstanding (Excluding Term Deposits With Bank)	96889.26	138192.51

(ix)	Non SLR Investment O/S (Excluding Term Deposits With Bank)	6979.32	7507.19
(x)	Non-SLR Investment O/S as percentage to Deposit O/S	1.81	1.66
(xi)	CD Ratio	51.40	49.12
(xii)	Productivity per Branch	2541.26	2936.09
(xiii)	Productivity per Staff (including Messenger)	525.15	648.08
(xiv)	Profit/Loss	(+) 626.40	(+) 1448.97
(xv)	Accumulated Losses	(-) 8306.04	(-) 6857.07
(xvi)	Total Demand	52826.00	78519.00
(xvii)	Recovery	40308.00	58622.00
(xviii)	Overdue	12518.00	19897.00
(xix)	Recovery Percentage	76.30	74.66
(xx)	DICGC Collection	----	-
(xxi)	Farm Sector		
	a) Demand	31090.00	45102.00
	b) Recovery	24629.00	41056.00
	c) Overdue	6461.00	4046.00
	d) Recovery percentage	79.22	91.03
(xxii)	Non Farm Sector		
	a) Demand	17692.00	27550.00
	b) Recovery	11934.00	13548.00
	c) Overdue	5758.00	14002.00
	d) Recovery percentage	67.45	49.18

(xxiii)	NON Priority Sector		
	a) Demand	4044.00	5867.00
	b) Recovery	3745.00	4018.00
	c) Overdue	299.00	1849.00
	d) Recovery percentage	92.61	68.48
(XXiV)	Asset Classification		
	a) Standard	182849.00	204135.00
	b) Sub-Standard	9242.00	10492.00
	c) Doubtful	6300.00	7783.00
	d) Loss Assets	44.00	42.00
(XXV)	Non-performing Assets		
	a) Movement of Gross NPA		
	i) Opening Balance		
	ii) Additions during the Year	12239.00	15586.00
	iii) Reduction during the Year	9446.00	8805.00
	iv) Closing Balance	6099.00	6074.00
	v) Gross NPA	15586	18317.00
		7.85%	8.23%
	b) Movement of Net NPA		
	i) Opening Balance		
	ii) Additions during the Year	8138.00	10994.00
	iii) Reduction during the Year	8838.00	8005.00
	iv) Closing Balance	5982.00	5900.00
	v) Net NPA%	10994.00	13099.00
		5.67%	6.03%

	<p>c) Movement of Provisions for NPAs</p> <p>i) Opening Balance</p> <p>ii) Additions during the Year</p> <p>iii) Reduction during the Year</p> <p>iv) Closing Balance</p>	<p>4101.00</p> <p>608.00</p> <p>117.00</p> <p>4592.00</p>	<p>4592.00</p> <p>799.00</p> <p>174.00</p> <p>5217.00</p>
B.	PRODUCTIVITY ANALYSIS		
(i)	Interest Paid		
	a) Deposits	22716.71	25304.68
	b) Borrowings	1015.68	1105.71
(ii)	Transaction Cost	14014.33	13452.77
(iii)	Risk Cost & Other Provisions	741.14	896.18
(iv)	Interest Received		
	a) Loans & Advances	19415.32	22602.20
	b) SLR Deposit	6504.49	7321.45
	c) Non-SLR Deposit	618.57	9956.18
(v)	Miscellaneous Income	1865.65	2328.48
vi)	DICGC Claim Settled (Cumulative)	0	0

(vii)	Interest Derecognized	0	0
(viii)	Profit	626.40	1448.97
(ix)	Accumulated Losses	8306.04	6857.07
(x)	Cost and Margin (per Rs 100 of W Funds)		
	a) Average Working Fund	425382.86	492470.50
	b) Cost of Fund	5.50	5.36
	c) Return of Fund	8.71	8.31
	d) Financial Margin	3.21	2.95
	e) Miscellaneous Income	0.44	0.47
	f) Transaction Cost	3.33	2.73
	g) Risk Cost	0.17	0.18
	h) Net Margin	0.15	0.51
	i) Cost of Deposit	6.15	5.91
	j) Yield on Advance	11.30	11.01
	k) Yield on Investment	8.28	7.82
	l) Cost to income Ratio	0.91	0.97
	m) Return on Assets	0.15	0.29
	n) Return on equity	2.03	4.69
	o) Cost of Borrowings	5.70	5.67

