

# PERFORMANCE HIGH LIGHT OF B.G.V.B AS ON 31.03.2014

**Total Business** ₹ 13375.75 Crore

**Total Deposits** ₹ 8835.19 Crore

**Total Advance (Gross)** ₹ 4540.56 Crore

**PROFIT** ₹ 32.28 Crore

**CRAR** 9.30%

**Business Per Branch** ₹ 22.98 Crore

**Business Per Employee** ₹ 4.97 Crore

**Profit Per Employee** ₹ 1.20 Lac



## **BANGIYA GRAMIN VIKASH BANK**

(A Joint Enterprise of Govt. of India, Govt. of West Bengal and United Bank of India)

HEAD OFFICE: BMC HOUSE, CHUAPUR, NH-34  
PO- CHALTIA, DIST- MURSHIDABAD 742 101 (W.B)

# BOARD OF DIRECTORS

1. Chairman : **Sri Umesh Chandra**  
(Appointed by United Bank of India  
Under Sec.11 (1) of the RRB Act, 1976)
2. Nominee of Govt. of India : **i) Sri Amitava Chakraborty,**  
6-A, Radhanath Mallik Lane  
Kolkata-700 012
3. Nominee of Reserve Bank of India: **Smt Raksha Mishra**  
Deputy General Manager  
Rural Planning & Credit Department  
Reserve Bank of India,  
15 N.S Road, Kolkata-700001  
(Nominated under Sec.9 (1) (b) of the  
RRB Act, 1976)
4. Nominee of National Bank : **Sri M. Narasimhan**  
General Manager  
National Bank for Agriculture & Rural  
Development, Abhilasa,  
6 Royd Street, Kolkata-700016  
(Nominated under Sec.9 (1) (c) of the  
RRB Act, 1976)
5. Nominees of Sponsor Bank : **i) Md. Abdul Wahid**  
General Manager,  
Prisec & RRB  
United Bank of India  
Head Office  
11, Hemanta Basu Sarani  
Kolkata- 700001  
(Nominated under Sec.9 (1) (d) of the  
RRB Act, 1976)  
**ii) Shri Somnath Dutta**  
DGM & CRM  
United Bank of India Murshidabad Region  
26/11 Sahid Surya Sen Road,  
Berhampore - 742101  
(Nominated under Sec.9 (1) (d) of the  
RRB Act, 1976)
6. Nominees of Govt. of West Bengal : **i) Sri Sourav Das IAS**  
Principal Secretary  
Panchayat and Rural Development  
Department, Govt of West Bengal  
63, N.S Road, Kolkata 700001

(Nominated under Sec.9 (1)(e) of the  
RRB Act, 1976)

**ii) Mr. A. K. Das**

Special Secretary

Finance Department, Government of

West Bengal & Managing Director,

WBIDFC, Mangalam Building, Block-A

24, Hemanta Basu Sarani,

Kolkata 700 001

(Nominated under Sec.9 (1)(e) of the  
RRB Act, 1976)



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### **8th ANNUAL REPORT OF THE BOARD OF DIRECTORS 2013-2014 (For the period from 01.04.2013 to 31.03.2014)**

The Board of Directors of Bangiya Gramin Vikash Bank have the pleasure to present herewith, in terms of provisions made under Section 20 of the Regional Rural Bank Act 1976, the 8<sup>th</sup> Annual Report of the Bank along with the Audited Balance Sheet as on 31.03.2014, Profit & Loss Account for the accounting period from 01<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014, and Auditor's Report thereon.

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

#### **BRIEF INTRODUCTION**

Bangiya Gramin Vikash Bank was set up on 21<sup>st</sup> February, 2007 by amalgamation of the five RRBs sponsored by United Bank of India in the State of West Bengal viz. Gour Gramin Bank (GGB), Mallabhum Gramin Bank (MGB), Sagar Gramin Bank (SGB), Nadia Gramin Bank (NGB), and Murshidabad Gramin Bank (MuGB) under the provision of section 23(A) of RRB Act, 1976, having its Head Office at Berhampore, District Murshidabad, West Bengal. The operational area of Bangiya Gramin Vikash Bank was kept unchanged as was covered by the constituent RRBs.

The prime objective of the Bank remains undiluted, to act as a catalyst to develop rural economy through credit dispensation to productive activities 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.

#### **2. Economic Scenario:**

The country's economy expanded by 4.7% in 2013-14, the second successive year of sub 5% growth hurt by policy delays, high inflation and global slowdown. Data released by the Central Statistics Office (CSO) showed that the economy grew by 4.7% in 2013-14, shade below the original estimate of 4.9% but slightly above the 4.5% growth in 2012-13.

Growth in 2013-14 was helped by a smart rebound in the farm sector which grew an annual 4.7% compared with a 4.5% expansion in the year earlier period. The electricity sector also posted a healthy growth rising an annual 5.9% in 2013.14 compared with a 2.3% growth in 2012-13. The manufacturing sector continued to remain under stress declining 0.7% year on year in 2013-14 compared with 1.1% growth in 2012-13. The mining sector fell 1.4% year on year in 2013-14 compared with a decline of an annual 2.2% in the earlier period.

The fiscal deficit in 2013-14 stood at 4.5% GDP lower than 4.6% projected in the revised estimate, mainly on account of curbs on Government Expenditure.

In 2014-15, under the assumption of normal monsoon, the GDP is expected to rise at 6 %.

### 3. **BRANCH NETWORK**

Bangiya Gramin Vikash Bank continues to be the largest Regional Rural Bank in the state of West Bengal with a branch network of 582 covering 11 out of 18 districts of the state. The district-wise break up of branches as on 31.03.2014 is as follows:

<b>DISTRICTS</b>	<b>No. of Branches</b>	<b>Rural</b>	<b>Semi-Urban</b>	<b>Urban</b>	<b>Metropolitan</b>
Malda	60	53	6	1	0
Uttar Dinajpur	37	33	2	2	0
Dakshin Dinajpur	29	26	2	1	0
Murshidabad	73	45	26	2	0
Nadia	67	48	16	3	0
24 Paraganas (North)	57	47	4	6	0
24 Paraganas(South)	73	64	7	2	0
Bankura	70	66	2	2	0
Purulia	30	28	1	1	0
Purba Medinipur	49	45	2	2	0
Paschim Medinipur	37	36	0	1	0
<b>TOTAL</b>	<b>582</b>	<b>491</b>	<b>68</b>	<b>23</b>	<b>0</b>

Besides, there is one Extension Counter of our Hatiara Branch under North 24 Parganas District. During the year under report 6 new branches, were opened.

### 4. **SHARE CAPITAL**

The detailed break up of Share Capital Account of the Bank as on 31.03.2014 is given below:

(Amount in ₹. lakh)

<b>Share Holders</b>	<b>Issued/Called up</b>	<b>Paid up</b>
Government of India	250	250
Government of West Bengal	75	75
United Bank of India	175	175
<b>TOTAL</b>	<b>500</b>	<b>500</b>

Apart from Share Capital contribution as on 31.03.2014, the recapitalization support received by the Bank during pre-amalgamation and post-amalgamation period stands at ₹ 63880.22 lakh which has been shown as Share Capital Deposit in the Balance Sheet.

The detailed break up of Share Capital Deposit Account as on 31.03.2014 is as follows:

(Amount in ₹.lakh)

Share Holders	Share Capital Deposit	% of Share Capital Deposit
Government of India	31940	50
Government of West Bengal	9582	15
United Bank of India	22358	35
<b>TOTAL</b>	<b>63880</b>	<b>100</b>

## 5. DEPOSIT

Bank has recorded a growth of 15.61 % in total deposit against 14.40 % recorded during the corresponding period last year. However, share of low cost deposit has gone down from 55.19% as on 31.03.2013 to 52.84% as on 31.03.2014. While the growth rate is somewhat secular, the Bank has already launched customer acquisition, especially CASA deposit campaign with a view to mitigating low growth rate and pegging the cost of deposit at further low.

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

(Amount in ₹. Lakhs)

Particulars	31.03.12	Growth over 2010-11 %	31.03.13	Growth over 2011-12 %	31.03.14	Growth over 2012-13 %
Current Deposit	21489 (3.22)	34.55	20315 (2.66)	-5.46	25176 (2.85)	23.93
Savings Deposit	360108 (53.91)	6.68	401405 (52.53)	11.47	441611 (49.99)	10.02
Term Deposit	286389 (42.87)	16.68	342479 (44.81)	19.59	416732 (47.17)	21.68
Total Deposit	667986	11.53	764199	14.40	883519	15.61

## 6. BORROWING

During the year under report, the bank has drawn refinance from NABARD to the tune of ₹ 56300 lakhs. The particulars of refinance availed by the Bank in different years are tabled hereunder.

(Amount in ₹. Lakh)

Year	Amount Drawn	Amount Repaid	Amount Otg.
2011-12	29000	16876	34816
2012-13	37034	27248	44602
2013-14	56300	35836	65066

An amount of ₹ 3010 lakh has been paid as interest on borrowing. The average cost of borrowing works out to be 5.53 % p.a during the year under report as against 6.25 % p.a during the previous year. During the year the Bank repaid an amount of ₹ 35836 lakh to NABARD towards principal.

## 7. CASH AND BALANCES WITH BANKS

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

(Amount in ₹. Lakh)

Particulars	2011-12	2012-13	2013-14
Cash at the year end	8135	7214	6468
Average Cash-in-hand	9176	9570	10310
Average Cash as % to average deposit	1.47	1.35	1.31

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

(Amount in ₹.Lakh)

Particulars	As on 31.03.2012	As on 31.03.2013	As on 31.03.2014
<b>C.A. Balance with</b>			
Reserve Bank of India	31255	31002	35977
UBI & Other Banks	16204	16341	14298
<b>TOTAL</b>	<b>47459</b>	<b>47343</b>	<b>50275</b>

## 8. INVESTMENTS

The outstanding balance of investment as on 31.03.2014 stood at ₹ **490059** lakh in various Govt. Securities, approved Securities, Shares, Debentures, Bonds and Banks' Term Deposit etc. The breakup of the SLR and Non-SLR investment along with comparative position of the previous year (excluding term deposit with Bank) is furnished here-in-below.

(Amount in ₹. lakh)

INVESTMENT	Outstanding Investment as on 31.03.2012	Outstanding Investment as on 31.03.2013	Outstanding Investment as on 31.03.2014
SLR	181608	174772	218854
Non-SLR	134371	250191	271205
<b>TOTAL</b>	<b>315979</b>	<b>424963</b>	<b>490059</b>

## 9. LOANS AND ADVANCES OUTSTANDING

The growth of advance of the Bank is furnished in the following table:-

(Amt. in ₹. lakh)

Particulars	31.03.2012 (Gross)	31.03.2013 (Gross)	31.03.2014 (Gross)
Total Advance	347351	393231	454056

From the above it can be observed that the total credit of the Bank has increased from ₹ 393231 lakh (Gross) as on 31.03.2013 to ₹ 454056 lakh (Gross) as on 31.03.2014 registering a growth of 15.48% on Year-on-Year basis compared to 13.21% growth witnessed during the previous year.

The Bank is optimistic that through intensive customer acquisition drive already launched will lead to optimize credit deployment also.

## 9.1 SECTORAL BREAK UP OF OUTSTANDING ADVANCE

As against a minimum requirement of 60% of total advance under priority sector in case of RRB, the percentage of Priority sector advances to total advances (Gross) stood at 61.69 % as on 31.03.2014 compared to 61.26% as on 31.03.2013. The share of priority sector advances has plummeted due to floating of Inter Bank Participatory Certificate (IBPC) for ₹ 1110.00 crore against underlying assets representing our priority sector advances which has been subscribed to by United Bank of India, our sponsor Bank. Similarly the Bank participated in IBPC for ₹ 1110.00 crore floated by United Bank of India, against underlying assets representing their non- priority sector advances. The category-wise break up of loans & advances (Gross) outstanding as on 31.03.2014 as compared to the corresponding figure on 31.3.2012 & 31.03.2013 is furnished below.

(Amount in ₹. Lakh)

Category of Advance	Gross Advance outstanding as on 31.03.2012		Gross Advance outstanding as on 31.03.2013		Gross Advance outstanding as on 31.03.2014	
	Amount	% to Total	Amount	% to Total	Amount	% to Total
PRIORITY SECTOR						
Argil. & Allied Activities	68462	19.71	88839	22.59	128761	28.36
MSME	84854	24.43	88670	22.55	79106	17.43
Other Priority Sector	59466	17.12	61966	15.76	72219	15.90
Total Priority Sector	212782	61.26	239475	60.90	280086	61.69
Non-Priority Sector	134569	38.74	153756	39.10	173970	38.31
<b>Total Advances</b>	<b>347351</b>	<b>100</b>	<b>393231</b>	<b>100</b>	<b>454056</b>	<b>100</b>

Without considering IBPC scenario,, our extent of involvement in Priority Sector would have been as under:-

(Amount in ₹. Lakh)

Category of Advance	Gross Advance outstanding as on 31.03.2012		Gross Advance outstanding as on 31.03.2013		Gross Advance outstanding as on 31.03.2014	
	Amount	% to Total	Amount	% to Total	Amount	% to Total
PRIORITY SECTOR						
Argil. & Allied Activities	148462	42.74	172839	43.95	198761	43.77
MSME	84854	24.43	103270	26.26	120106	26.46



Other Priority Sector	59466	17.12	61966	15.76	72219	15.90
Total Priority Sector	292782	84.29	338075	85.97	391086	86.13
Non-Priority Sector	54569	15.71	55156	14.03	62970	13.87
<b>Total Advances</b>	<b>347351</b>	<b>100</b>	<b>393231</b>	<b>100</b>	<b>454056</b>	<b>100</b>

## 9.2 FRESH DISBURSEMENT

During the year under report Bank has made fresh disbursement of Advance for ₹ **231210** lakh against that of ₹ **197926** lakh during the corresponding previous year. The target for fresh disbursement was ₹ **245000** lakh indicating percentage achievements of 94.37%.

Category	Amount ₹. in Lakh		
	During the year ending 31.03.2012	During the year ending 31.03.2013	During the year ending 31.03.2014
Agril. & Allied Activities	142079	140274	158312
MSME	31877	32645	41641
Other Priority Sector	22625	11467	14918
Total Priority Sector	196581	184386	214871
Non-Priority Sector	32000	13540	16339
<b>Total Fresh Disbursement</b>	<b>228581</b>	<b>197926</b>	<b>231210</b>

Bank has put in utmost effort to increase its Credit Deposit Ratio. After the credit dispensation having received an initial set back on account of the draught like situation, the Bank witnessed a steady growth in credit outlay from October 2013 onwards.

## 9.3 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 provisions have been made. The position as on 31.03.2014 along with corresponding figures as on 31.3.2013 and 31.3.2012 is furnished below.

Asset Classification	(₹. in lakh)		
	31.03.2012	31.03.2013	31.03.2014
Standard	329870	363339	418435
Sub-Standard	4924	18109	9796
Doubtful	12183	11675	25134
Loss Assets	374	108	691
Total NPA	17481	29892	35621
Total Advance	347351	393231	454056

The movement of Non Performing Assets is given below:

(₹. in lakh)

Particulars	2011-12	2012-13	2313.14
NPA at the beginning of the year	16083	17481	29892
Recovery/Reduction of NPA	3526	12549	4530
Addition to NPA during the year	4924	24960	10249
NPA at the end of the year	17481	29892	35621
Gross NPA as % to Gross advances	5.03%	7.60%	7.85
Provision against NPA	8893	10872	14388
Net NPA	8588	19020	21233
Net NPA as % of net advances	2.54%	4.97	4.83

Non Performing Assets have increased from ₹ 29892 lakh as on 31.03.2013 to ₹ 35621 lakh as on 31.03.2014, notwithstanding reduction effected to the tune of ₹ 4530 lakh during the period under review, due to fresh slippage to the tune of ₹ 10249 lakh on account of rigorous compliance with IRAC norms through "System".

**b) Provisioning**

₹. in Lakh

Segments	Provision as on 31.03.2012	Provision as on 31.03.2013	Provision as on 31.03.2014
Standard	1120	1534	1244
Sub-Standard	496	2679	1081
Doubtful	8023	8085	12616
Loss Asset	374	108	691
<b>TOTAL</b>	<b>10013</b>	<b>12406</b>	<b>15632</b>

During the year under report, the level of NPA has gone up from ₹ 29892 lakh as on 31.03.2013 to ₹ 35621 lakh as on 31.03.2014. The provision requirement of the Bank on its Loans and Advances portfolio stands at ₹ 15632 lakh as on 31.03.2014 as against ₹ 12406 lakh as on 31.03.2013, thus resulting in fresh provision to the extent of ₹ 3445.78 lakh, after taking care of utilization from the provision account by the tune of ₹ 219.76 lakh for writing off of Bad & Doubtful Assets during the year under audit. The provision coverage ratio stands at 40.36 as on 31.03.2014.

**NPA Management:** Fresh generation of NPA has been assessed at ₹ 10249 lakh. Gross NPA as percentage of gross advance has increased from 7.60% as on 31.03.2013 to 7.85% as on 31.03.2014. Net NPA as percentage of Net Advance has however declined from 4.97 as on 31.03.2013 to 4.83 as on 31.03.2014. The increase in Gross NPA level is attributed to rigorous compliance to IRAC norms. However, as a part of its continuous endeavor, Bank has already set up Recovery and Monitoring Department at HO and Regional Offices to lend focused attention on recovery of its impaired and stressed assets.

The table showing Classification of NPA is furnished below:

(Amount in ₹. Lakh)

<b>Classification of NPA</b>	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2014</b>
Sub-Standard	4924	18109	9796
Doubtful	12183	11675	25134
Loss Assets	374	108	691
<b>Total NPA</b>	<b>17481</b>	<b>29892</b>	<b>35649</b>
<b>Total Advance</b>	<b>347351</b>	<b>393231</b>	<b>454056</b>
<b>% of Gross NPA</b>	<b>5.03%</b>	<b>7.60%</b>	<b>7.85%</b>

#### **9.4 RECOVERY OF LOAN**

The percentage recovery of Bank's Outstanding Advance has posted decline from 77.71% during 2012-13 to 75.56% during 2013-14. Efforts are being made to improve the position.

(Amount in ₹. Lakh)

<b>Year</b>	<b>Demand</b>	<b>Collection</b>	<b>Balance</b>	<b>Recovery %</b>
2011-12	155405	119848	35557	77.12
2012-13	191443	148767	42676	77.71
2013-14	204118	154231	48887	75.56

#### **9.5 SARFAESI**

During the financial year 2013-14, Demand notices under SARFAESI Act, 2002 were issued to 30 borrowing units with aggregate outstanding amount of Rs 3409. 00 lakh. An amount of Rs 250.90 lakh has been realized.

#### **9.6. New Initiatives:**

Financial Literacy Centers: Under financial assistance from NABARD, The bank has during the year under report opened 5 Financial Literacy Centers (FLCs).

The Bank has already launched an embedded overdraft facility for the BSBD account holders christened as "BGVB Utthan" to underscore our commitment to the financial inclusion.

## 10. PRODUCTIVITY

### Per Branch & Per Employee Business & Growth

The comparative study of per Branch & per employee business for last three years is given below:-

(Amount in ₹. lakh)

Particulars	As on 31.03.2012		As on 31.03.2013		As on 31.03.2014	
	Amount	Growth (%)	Amount	Growth (%)	Amount	Growth (%)
Total Business	1015337	14.68	1157430	13.99	1337550	15.56
CD Ratio	52.00	4.18	51.46	-0.54	51.40	-
Per Branch Business	1771.97	10.47	2016.40	13.79	2298.24	13.98
Per Employee Business	352.30	18.66	414.40	17.63	497.06	19.95

### 11.1 Financial Inclusion Initiatives:

During the year under report, 26 Ultra Small Branches have been opened in unbanked villages out of which 6 branches have been upgraded to brick & mortar branches.

The Bank has successfully introduced real time online transactions in BSBD accounts from October 2013.

The Bank has under financial assistance from NABARD opened five (5) Financial Literacy Centers to sensitise the have nots and underprivileged ones.

The Bank has already launched an embedded overdraft facility for the BSBD account holders christened as "BGVB Utthan" to underscore our commitment to the financial inclusion

### 11.2 Basic Savings Bank Deposit Account (BSBDAs):

As against 1259319 **BSBD Accounts** being opened cumulatively upto 31.03.2013, the Bank has opened 532188 numbers of fresh **BSBD Accounts** during the F.Y 2013-14.

### 11.3 General Credit Cards/ Swarojgar Credit Card

The Bank has issued 19501 no. of GCC and 5398 no. of SCC during the year under report. The cumulative no. of GCC and SCC issued till 31.03.2014 stands at 124977 and 43241 respectively.

#### 11.4 KCC:

To obviate the problems of poor farmers to approach the bank for sanction of crop loans every time to grow crops, for imparting a longer lease of life to the sanction limit and also to minimize hassles of repeated documentations, the Bank has been extending farm credit in the form of Kisan Credit Card, to as many eligible farmers as possible. During the year Bank has issued 60341 fresh KCCs and as on 31.03.2014 the cumulative number of KCCs has gone up to 777235.

#### 11.5 SHG:

Empowerment of rural populace particularly the women section of the society, by inculcating the habit of thrift and credit topped the list of agenda of the Bank. This has been made possible through formation of Self Help Groups and creation of peer pressure. The Bank has SB-linked 5998 numbers of fresh SHGs during the year and as on 31.03.2014, the number of SB linked SHGs stands at 99053. During the year under report Bank credit- linked 6232 numbers of SHGs. As on 31.03.2014 the cumulative number of SHGs credit linked stands at 83291.

#### 11.6 Formation of JLGs:

The Bank has been instrumental in forming 2511 number of JLG as against that of 7112 during the last financial year and provided production credit of **Rs 4140** lakh to landless farmers during the period under report. The cumulative number of JLGs stands at 35713.

### PROFITABILITY

12. Comparative position of Bank's Income and expenditure, year wise, is furnished below

Particulars/Period	INCOME (Amt. ₹.in lakh)		
	01.04.2011 to 31.03.2012	01.04.2012 To 31.03.2013	01.04.2013 To 31.03.2014
a) Interest on Loans & Advance	33131	40019	43505
b) Interest on Investment	22618	23208	30214
c) Other Interest	0	8912	649
d) Other Income	5784	11440	13038
<b>Total Income</b>	<b>61533</b>	<b>83579</b>	<b>87406</b>

### EXPENDITURE

Particulars/Period	01.04.2011 to 31.03.2012	01.04.2012 To 31.03.2013	01.04.2013 To 31.03.2014
a) Interest on Deposit	33864	42379	50547
b) Interest on Borrowings	1322	1933	3010
c) Other Interest	0	8303	0
c) Establishment Expenditure	16675	17283	18470
d) Other Operating Expenses	5056	4466	6999
e) Provisions excluding Tax	1725	4259	3696

f) Provision for Tax	899	1787	1456
<b>Total Expenditure</b>	<b>59541</b>	<b>80410</b>	<b>84178</b>

#### PROFIT/LOSS

Period	01.04.2011 to 31.03.2012	01.04.2012 To 31.03.2013	01.04.2013 To 31.03.2014
Profit (+)/Loss(-) before Tax(PBT)	2891	4956	4684
Profit (+)/Loss(-) after Tax(PAT)	1992	3169	3228

- a) Interest on Loans and advances for the year under report has gone up by **Rs 3486** lakh over that recorded in the corresponding period last year, thus recording a growth of 8.71% against a growth of 15.48 % in Loans and Advance portfolio during the same period. The disparity is due to enhanced level of NPAs marked in the system during the year under report.
- b) Interest income on Investment for the year under report has gone up by **Rs.7006** lakh over that recorded in the corresponding period last year.
- c) Trading income under treasury segment has continued to register substantial accretion during the year under report. The Income from profit on sale of investment has shot up to Rs 9808.00 lakh during the F.Y 2013-14 from Rs 8025.00 lakh recorded during the FY 2013-14.
- d) Interest on Deposit incurred during the current financial year has posted increase of 19.27 % over that recorded during the same period in the previous financial year, against increase of 15.67 % in total Deposit.
- e) The Bank, during the year under audit, has continued to experience pressure in the non interest expenditure front comprising higher depreciation on CBS hardware and other operating expenditures (both planned & non-planned) incidental to CBS implementation.

### 13. FINANCIAL RATIOS

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

<b>Financial Ratios</b>	<b>2012-13</b>	<b>2313-14</b>
A. Average Working Fund	765951	880678
i) Financial Return	9.42	8.44
ii) Financial Cost	6.87	6.08
iii) Financial Margin(I - ii)	2.55	2.36
iv) Operating Cost	2.84	2.89
v) Operating Margin (iii - iv)	-0.29	-0.53
vi) Misc. Income	1.49	1.48
vii) Operating Profit (v - vi)	1.20	0.95
viii) Risk Cost	0.56	0.42
ix) Net Margin (vii - viii)	0.64	0.53
<b>Key Ratios</b>		
Cost of Deposit	5.97	6.44

Cost of Borrowings	6.25	5.53
Yield on Advance	10.87	10.62
Yield on Investment	8.62	9.81
Cost to income ratio	37.04	42.17
Return on Assets	0.37	0.33
Cash Deposit Ratio	1.35	1.31

- a) While both the financial margin and operating margin have shrunk, from 2.55 and -0.29 respectively during 2012-13 to 2.36 and -0.53 respectively during 2013-14, the same can be attributed to de-recognition of interest on fresh slippage which is considered disproportionately higher. .
- b) Cost of deposit has been observed to have gone up from 5.97 % as on 31.03.2013 to 6.44 % as on 31.03.2014, mainly due adverse movement in CASA component.
- c) While yield on Investment, has witnessed improvement over those recorded in the previous year, indicating more efficiency in portfolio management, the yield on advance has received slight jolt, mainly due to enhanced level of NPAs and consequential de-recognition/reversal of interest.
- d) Miscellaneous income, largely comprising trading profit under treasury segment has continued to remain comfortable, thus offsetting the loss in operating margin.

#### 14. MANPOWER POSITION

In exercise of the power conferred under section 11(1) of the Regional Rural Bank Act 1976, United Bank of India, the sponsor bank, has appointed the Chairman of the Bank. In addition the bank has one General Manager, in the rank of SMG Scale-V, from the sponsor bank.

The position of existing manpower of the Bank, other than the deputed officer, as on 31.03.2013 & 31.03.2014 is as under:

Sl. No	Category	As on 31.03.2013	As on 31.03.2014
1	Officer	1128	1331
2	Clerk-cum-Cashier	1091	856
3	Sub-Staff	574	504
	<b>TOTAL</b>	<b>2793</b>	<b>2691</b>

Out of which number of SC & ST employees as on 31.03.2014 stands as under.

	Sub-Staff	Clerk	Officer Sc-I	Officer Sc-II	Officer Sc-III	Officer Sc-IV	Total
Total Staff	504	856	827	410	92	2	2691
SC	130	164	134	62	11	1	502
ST	30	62	43	8	nil	nil	143

## 15. HUMAN RESOURCE DEVELOPMENT

In order to improve the skill & productivity of the staff, 197 Officers and 19 award staff members have been sent to participate in different training programme organized by BIRD, Bolpur, UBI, Staff Training College, Kolkata, CAB, Pune , IIBM, Guwahati and In-house training programme on CBS at Head Office.

The following table will show the comparative position of training imparted to the employees during the last three financial years:

Sl.No	Category	2011-12	2012-13	2013-14
1	Officer	748	412	197
2	Clerk	593	147	19
3	Sub Staff	0	0	0
	<b>TOTAL</b>	<b>1341</b>	<b>559</b>	<b>216</b>

## 16. INSPECTION AND AUDIT

The Bank conducts regular Inspection and Audit of branches to ensure adherence to the systems, procedures and norms prescribed by the Bank and also for identifying the irregularities for prompt rectification.

Position of Audit and Inspection as on 31.03.2014 is as follows:

Nature of Control	No
<b>Inspection</b>	
No of Branches Inspected	165
<b>Concurrent Audit</b>	
No of Branches Audited	193
<b>System Audit</b>	
No of Branches Audited	154
<b>Surprise Verification of Cash</b>	
No of Branches covered	582

## 17. STATUTORY AUDIT

In terms of Sub-Section 1 and 2 of Section 19 of the RRB Act, 1976, M/s. George Read & Co, Chartered Accountants, 1,Chowringhee Square, Kolkata 700 001 was appointed as Statutory Central Auditor in addition to 37 nos. of Branch Auditors for the financial year 2013-14. They have audited 558 numbers of Branches and Head Office as per guidelines of NABARD.

The Board of Directors conveys heartiest thanks to the Auditors.



## **18. TECHNOLOGY ADOPTION**

### **Launching of RuPay Cards:**

The Bank successfully launched RuPay Debit cards on 19<sup>th</sup> September 2013 with active technical and operational support from the sponsor Bank, United Bank of India. There is a rising demand of ATM cards from the rural clientele and hence we have extended the facility to all the customers of the 582 branches.

Presently, the Bank has no ATM of its own and UBI ATM is used as Bank's own ATM. However, the Bank has drawn a road map to open 51 ONSITE ATMs in different locations across eleven districts within the first half of 2014-15.

The Bank is at the threshold of launching RuPay KCC cards with financial assistance from NABARD.

### **Money Transfer Facility:**

The Bank has entered into an agreement with Western Union Money Transfer through its Principal agent M/s Paul Merchants Ltd. to extend Money Transfer facility to the customers as well as non-customers wherein Non Resident citizens may remit money to their relatives in India which may be en-cashed from any Branch of the Bank.

### **Real Time transactions in Financial Inclusion accounts:**

The Bank has successfully introduced real time online transactions in FI accounts from October 2013.

### **Memorandum of Understanding with SIDBI:**

The Bank has entered into a MOU with SIDBI for introduction of software based MSME loan processing up to a limit of rupees ten lakh. The organization is providing technical support for accessing the application through existing intranet.

### **SMS ALERT TO Customers:**

The Bank has introduced SMS alert to customers for any debit or credit transactions free of cost.

## **19. INDUSTRIAL RELATION**

The Bank is maintaining cordial relationship with the Officers and Employees and the overall industrial relations in the Bank remained peaceful.

## **20. 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 not officers of the Central Government, State Government, Reserve Bank, National Bank, Sponsor Bank or any other bank, nominated by the Central Government; (b) one director, who is an officer of the Reserve Bank, being nominated by that Bank; (c) one director, who is an officer of the

National Bank, being nominated by that Bank; (d) two directors, who are officers of the Sponsor Bank, having been nominated by that Bank; and (e) two directors, who are officers of the concerned State Government, being nominated by that Government.

During the year under report, Shri M Narasimhan, General Manager, NABARD, Kolkata, has succeeded Shri R.P Bhargava, DGM NABARD, Kolkata as Director. While Shri Somnath Dutta, DGM & CRM, United Bank of India, Murshidabad Region, has succeeded Md Abdul Wahid, General Manager, as Director, Md Abdul Wahid, General Manager, United Bank of India, Head Office in charge of Prisec & RRB has been renominated as Director in the Board, having succeeded Shri Manas Kumar Dhar, General Manager, United Bank of India, Head Office.

The Board puts on record the invaluable contribution rendered by Shri R.P Bhargava, Shri Manas Kumar Dhar.

### **ACKNOWLEDGEMENT**

The Board of Directors put on record their gratitude to Government of India, Govt. of West Bengal, Reserve Bank of India, National Bank for Agriculture & Rural Development and United Bank of India for extending their valued guidance and support for proper functioning of the Bank. The Board also expresses their thanks to lakhs of clientele, Well-wishers, Channel partners and also to the District Administrations and Panchayet functionaries for extending their continuous support, cooperation, patronage for overall development of the Bank. The Board of Directors puts on record their appreciation to all categories of Officers and Staff for providing better need-based customer service and showing dedications to uplift the cause of the Bank as well as rural masses.

*Dated: 10.05.2014*

*Place: Berhampore, Murshidabad*

*For and on behalf of  
Board of Directors*

*(SHRI UMESH CHANDRA)  
CHAIRMAN*