



DIRECTORS' REPORT FOR THE PERIOD ENDED 31ST MARCH 2024

The Board of Directors feel immense pleasure in presenting **6th Annual Report** of Punjab Gramin Bank along-with Audited Balance Sheet and Profit & Loss Account for the period ended 31st March 2024 in terms of Section 20 (1) of the RRB Act 1976, together with the Statutory Auditors report for the said period.

1. INTRODUCTION

The Central Govt. of India, vide its notification dated 21.12.2018, amalgamated Punjab Gramin Bank, Malwa Gramin Bank and Sulej Gramin Bank sponsored by the Punjab National Bank, State Bank of India and Punjab & Sind Bank respectively and a single Regional Rural Bank called as Punjab Gramin Bank came into existence in Punjab State w.e.f. 01.01.2019 with its Head Office at **Kapurthala** under the sponsorship of **Punjab National Bank**.

Punjab Gramin Bank is a well-established brand name in the State of Punjab with a strong customer base of over **39 Lacs**. The Bank is working with the sole and sacred objective of providing easy and hassle free credit in the rural sector for upliftment of rural poor, development of rural economy and to offer opportunities for safe deployment of their savings. The Bank is fulfilling the credit needs of all sections of the society with an aim to ensure sustainable and inclusive growth. It is also providing credit counseling and financial guidance to the farmers by organizing Financial Literacy Workshops, Kisan Goshties, Credit Camps and forming Kisan Clubs.

2. AREA OF OPERATION OF BANK

The area of operation of the bank extends to all **23 districts** of Punjab State.

3. BRANCH NETWORK

The bank has a network of 446 branches spread over all **23 districts** of Punjab. The district-wise breakup of branches is as follows:

Sr. No.	Name of District	No. of Branches	OUT OF WHICH		
			Rural	Semi-Urban	Urban/Metro
1	Amritsar	29	25	2	2
2	Barnala	15	11	3	1
3	Bathinda	11	9	0	2
4	Faridkot	7	4	3	0
5	Fatehgarh Sahib	11	10	1	0
6	Fazilka	19	16	2	1
7	Ferozepur	19	14	4	1
8	Gurdaspur	31	24	4	3
9	Hoshiarpur	40	37	2	1
10	Jalandhar	23	12	8	3
11	Kapurthala	32	26	6	0
12	Ludhiana	9	8	0	1
13	Malerkotla	5	5	0	0
14	Mansa	14	10	4	0
15	Moga	22	18	3	1
16	Mohali	22	18	3	1
17	Muktsar	13	9	3	1
18	Nawanshehar	8	4	4	0
19	Pathankot	17	15	0	2
20	Patiala	26	25	0	1
21	Ropar	21	19	2	0
22	Sangrur	35	28	7	0
23	Tarn Taran	17	14	3	0
	TOTAL	446	361	64	21

During the Financial Year 2023-24, bank has opened 11 New Branches.





4. ORGANISATIONAL STRUCTURE

In line with NABARD guidelines, Bank has established a three-tier structure i.e. Head Office, Controlling Offices and Branches. Seven controlling offices have been set up at Amritsar, Bathinda, Ferozepur, Hoshiarpur, Jalandhar, S.A.S. Nagar (Mohali) and Sangrur with a view to monitor and control the Branches under specific territorial jurisdiction. These controlling offices are headed by Scale-IV/V officers, designated as Regional Manager/Senior Regional Manager, who have been vested with adequate financial and loaning powers to facilitate smooth functioning of the Branches.

The operational jurisdiction of these offices is as follows:

Controlling Office	Jurisdiction District	No. of branches
Amritsar	Amritsar (29) and Gurdaspur (31)	60
Bathinda	Bathinda(11), Faridkot(07), Mansa(14), Moga (22) and Sri Muktsar Sahib (13),	67
Ferozepur	Ferozepur (19), Fazilka (19) and Tarn Taran (17)	55
Hoshiarpur	Hoshiarpur (40), Pathankot (17) and S.B.S Nagar (Nawanshehar) (08)	65
Jalandhar	Jalandhar (23), Kapurthala (32) and Ludhiana (09)	64
S.A.S. Nagar (Mohali)	S.A.S. Nagar (Mohali) (22), Patiala (26) and Ropar (21)	69
Sangrur	Sangrur (35), Barnala (15), Fatehgarh Sahib(11) and Malerkotia (05)	66
	TOTAL	446

5. SHARE CAPITAL

The Authorized Share Capital of RRBs is Rs. 2000 Crore and the Capital Structure is as follows.

(Amt. Rs. in '000')

Share Holders	Contribution of Share holders	
	Share (%)	Capital
Central Govt. of India	50	126832.25
Punjab National Bank	35	88782.55
State Govt. of Punjab	15	38049.70
TOTAL	100	253664.50

6. DEPOSITS

The deposits of Punjab Gramin Bank stood at Rs. 14,274.73/- crores as on 31.03.2024, showing an absolute accretion of Rs. 883.42/- crores and a growth of 6.60% during the FY 2023-24. The low cost deposits (current + savings) being Rs. 5,725.23/- crores, constitute 40.11 % of the total deposits. The deposit per branch works out to Rs. 32.01 crores. The average cost of deposit is 5.22 % p.a.

The break-up of deposits as on 31.03.2024 is as follows: -

(Amt. Rs. in '000')

Sr. No.	Type of deposit	As on 31.03.2024			As on 31.03.2023		
		No. of A/cs	Amount	%Age to Total Deposit	No. of A/cs	Amount	%Age to Total Deposit
1	S.F.	2323471	5,24,99,979	36.78	2873913	5,60,28,344	41.84
2	C/A	1335636	47,52,336	3.33	577486	29,24,258	2.18
3	Term Deposits	283461	8,54,95,037	59.89	257830	7,49,60,467	55.98
	TOTAL	3942568	14,27,47,352	100.00	3709229	13,39,13,069	100.00





7. BORROWINGS

The Bank has been availing refinance under short term, automatic, schematic, and non-schematic schemes from NABARD on selective basis keeping in view the funds position. During the period 01.04.2023 to 31.03.2024, bank has availed Rs.700.00 crore as refinance from NABARD under short-term ST (SAO) category @4.50 % p.a., Rs. 1200.00 crore under Additional ST (SAO), Rs. 1250.00 crore under ST (Others), and Rs.219.00 crore under LTRCF at concessional interest rate & Rs.116.99 crore under Normal refinance interest rates. The outstanding refinance borrowings from NABARD are Rs. 2648.40 crore as on 31.03.2024. The balance outstanding in respect of borrowing from NSFDC, NBCFDC, NSKFDC, NDFDC, MUDRA and SIDBI for the purpose of financing its target group beneficiaries is Rs. 113.95 crore, Rs. 68.40 crore, Rs. 0.29 crore, Rs. 0.61 crore, Rs. 104.24 crore and Rs. 80.84 crore respectively. Thus, total outstanding of borrowings is Rs. 3016.73 crore as on 31.03.2024. There is no default in repayment during 01.04.2023 to 31.03.2024.

8. OTHER LIABILITIES – DICGC

There is no amount of claims received from DICGC which has not been adjusted in borrowal accounts.

9. CASH & BALANCE WITH BANKS

Every effort is made to keep the need based cash in branches and banker balance in current account to obviate loss of revenue. Balance in current account with RBI is maintained as per statutory requirement. Detail of cash held by the bank at the end of year, average cash in hand etc. is as follows:

(Amt. Rs. in '000')

Particulars	As on 31.03.2024	As on 31.03.2023
Cash in hand	3,95,419	3,88,692
Average cash during the period	5,38,942	4,92,517
Average cash as % to average deposit	0.39	0.39
Balance with RBI	63,01,570	55,82,305
Balance with Sponsor & other Banks in C/A	2,81,813	2,27,804

10. INVESTMENTS

Bank has kept a strict vigil on its funds management to keep minimum idle funds to ensure maximum earnings on surplus funds. The detail of the investment in SLR and NON-SLR category is as follows:

(Amt. Rs. in '000')

Investment	31.03.2024	31.03.2023
SLR	5,03,87,450	4,33,10,413
NON-SLR (Including FDRs with Banks)	2,77,99,327	3,02,37,853
TOTAL	7,81,86,777	7,35,48,266

The detail of SLR investment is as follows.

(Amt. Rs. in '000')

SLR Investment	31.03.2024	31.03.2023
In approved govt. Securities	5,03,87,450	4,33,10,413
TOTAL	5,03,87,450	4,33,10,413

The detail of Non- SLR investment is as follows.

(Amt. Rs. in '000')

Institution/ Security	31.03.2024	31.03.2023
All India Financial Institutions	NIL	NIL
Others	11,99,327	11,00,353
FD (Non-SLR) with Banks	2,66,00,000	2,91,37,500
TOTAL	2,77,99,327	3,02,37,853





11. LOAN AND ADVANCES

The bank is financing all the bankable schemes/ projects to all the sections of the society. The schemes of KCC for farmers and GCC for Bank's Individual customers in rural and semi-urban areas have received very encouraging response in the inclusive growth of rural populace. The bank is also financing under retail segments. In order to increase the advances, the bank has taken the following steps in this period.

Festival Bonanza Scheme was launched to enhance Term Lending under Housing Loan, Car Loan & Loan against Mortgage of IP.

In all the branches Kisan goshties & credit camps were arranged to guide the farmers about new farming techniques and to spread financial literacy to make them aware of the advantages of bank credit over credit obtained from private money lenders.

The outstanding credit of the bank as on **31.03.2024 is Rs. 10,956.56 Crores** as compared to **Rs. 9,707.74 Crores as on 31.03.2023** registering an increase of **Rs. 1,248.82 Crores or 12.86%**.

The priority sector advances are **Rs.9969.93 Crores** which has shown growth of **9.65%** during the **FY 2023-24**. Out of total advances, the share of Priority Sector advances is **90.99%**. The Bank continued to surpass the National goal of **75%**.

The Bank has also issued Priority Sector Lending Certificates (PSLCs) during the period 01.04.2023 to 31.03.2024. The face value of PSLC sold during the 01.04.2023 to 31.03.2024 was Rs. 6555.00 crore and bank has earned premium of Rs. 100.91 crore on sale of PSLC. Further, during the period ended March'24 (April-Mar), the bank has also purchased Priority Sector certificates of Rs. 4000.00 crore under PSLC scheme and paid net premium of Rs. 1.59 crore. PSLC attract GST @ 12% through Reverse Charge Mechanism i.e. Buyer of PSLC has to pay 12% GST under reverse charge. However, ITC of 50% reverse charge is available to the banks. The net expenditure of the bank on purchase of PSLC works out to 106% of fee rate. The net premium earned on trading of PSLCs during the period ended March'24 (April-Mar) is Rs. 99.32 crore.

Similarly, the agriculture sector advances are **Rs.8583.46 Crores** which has shown growth of **8.72%** during the **Financial Year 2023-24**. Out of total advances, the share of Agriculture Sector advances is **78.34%**.

In a significant step towards diversifying Bank's loan portfolio, various schemes under **Retail segment** have been launched during the Financial Year & has achieved a **growth of Rs. 427.65 Crores (52.02 % over 31.03.2023)**.

The loan portfolio of the bank remains well diversified with **yield on advances at 8.89%** for the period ended March, 2024.

The segment-wise breakup of the advance portfolio of the bank is as follows:

(Amt. Rs. in '000')

Particulars	31.03.2024	31.03.2023
Agriculture		
(i) KCC (Crop Loan)	6,58,02,467	6,09,78,709
(ii) Investment Credit (Including Animal Husbandry)	2,00,32,131	1,79,68,509
MSME	98,06,027	83,55,304
Retail Lending	1,24,97,445	82,20,963
Others	14,275,53	15,53,892
TOTAL	10,95,65,623	9,70,77,377

12. DISBURSEMENTS OF ADVANCES/ LOANS

In fulfillment of the basic objective of its establishment, the bank is constantly providing credit facilities to weaker sections of rural society, agriculturists as well as to non-agriculturists. The bank has disbursed fresh loans to the tune of Rs. 11239.84 crores, during the period 01.04.2023 to 31.03.2024. The performance is summarized as follows:

The Bank has achieved 114.00% of budget fixed under Annual Credit Plan for the year 2023-24 in integrated manner.





(Amt. Rs. in '000')

Particulars	During 2023-24 (Apr23-Mar24)	During 2022-23 (Apr22-Mar23)
Total Loans disbursed during the period	112398450	94844331
Loans to Priority Sector	100170445	87050483
Loans to Non-Priority Sector	12228005	7793848
Share of Priority Sector in total disbursement	89.12%	91.78%
Loans to Farm Sector	88359332	77648450
Loans to Non-Farm Sector	24039118	17195881
Share of disbursement to Farm Sector in total disbursement	78.61%	81.87%
Out of these		
Loans to SC/ST	3872634	3070123
Loans to SF/MF/AL	54336815	47747401
Loans to tenant farmers/oral lessee/sharecroppers	1286273	994965

ANNUAL CREDIT PLAN

(Amt. Rs. in '000')

District	Target for 31.03.24	Achievement 31.03.24	%age Achievement	Target for 31.03.23	Achievement 31.03.23	%age Achievement
Amritsar	-	8401989	-	7916475	7621311	96.27
Fazilka	-	5668239	-	3898615	5543179	142.18
Ferozepur	-	7284056	-	8650201	6401901	74.01
Gurdaspur	-	9887483	-	9315624	8550900	91.79
Hoshiarpur	-	7613783	-	4731642	7539085	159.33
Jalandhar	-	4805647	-	4106089	2489538	60.63
Kapurthala	-	4829242	-	7059677	5186855	73.47
Moga	-	5025422	-	3044614	3954576	129.89
Mohali	-	6925912	-	3354736	5272223	157.16
Nawanshehar	-	1578729	-	2683036	1333554	49.70
Pathankot	-	4226732	-	1824028	3568051	195.61
Ropar	-	5346286	-	3717704	4479844	120.50
Tarn Taran	-	4864744	-	5964043	44621.75	74.82
Barnala	-	3619503	-	4608277	3038088	65.93
Fatehgarh Sahib	-	2487049	-	2260059	1965684	86.97
Patiala	-	7057466	-	9046472	5623968	62.17
Sangrur	-	9145338	-	10979746	7380800	67.22
Bathinda	-	3147681	-	1296316	1898157	146.43
Faridkot	-	1617428	-	2986636	1416224	47.42
Ludhiana	-	1574273	-	1683536	1057847	62.83
Mansa	-	4269265	-	3243683	3499648	107.89
Sri Muktsar Sahib	-	3022183	-	1603288	2560723	159.72
TOTAL	98596100	112398450	114.00%	103974497	94844331	91.22

The Bank has achieved 114.00% of budget fixed under Annual Credit Plan for the year 2023-24 in integrated manner including those of Amalgamated entities.

13. PRADHAN MANTRI MUDRA YOJANA

The bank has implemented the Pradhan Mantri Mudra Yojana (PMMY) to fund the unfunded by bringing such enterprises to the formal financial system and extending affordable credit to them. Collateral free loans up to Rs 10.00 lac are provided under PMMY. During the year 2023-24, the bank was allocated target of Rs. 580.00 crore under PMMY against which the achievement of our bank is Rs. 604.00 crore.





(Amt. Rs. in '000')

FY 2023-24			FY 2022-23		
Budgets	Achievement	% Ach	Budgets	Achievement	% Ach
5800000	6040000	104.13%	5100000	6907300	135.43

14. KISAN CREDIT CARD SCHEME

The KCC scheme of the bank takes care of the production credit & term loan requirement of farmers for raising crops, working capital requirements, consumption needs and redemption of debt of farmers availed from informal sector. The bank has covered 39151 farmers under the KCC and provided them Rs. 1863.77

crore during the period 01.04.2023 to 31.03.2024. The cumulative position of number of KCC issued is 542594 and amount advanced under these cards is Rs. 15024.70 crore up to 31.03.2024.

15. INCOME RECOGNITION & ASSET CLASSIFICATION

RBI guidelines for asset classification, income recognition and provisioning for NPAs have been implemented in letter and spirit. The figures at the end of year are summarized as under:

i) Provisioning

The bank is making provisions on different categories of assets as per the prescribed norms. The provisions held by the bank at the end of 31.03.2024 stands at Rs. 588.69 crore.

ii) Asset Classification

Asset-wise classification and provisioning position as on 31.03.2024 & 31.03.2023 is as follows:

(Amt. Rs. in '000')

As at 31.03.2024						
Category	Gross O/S	DICGC	CSRF	Net O/s	Prov. Req.	Prov. Made
Standard	103965219	0	321639	103643580	286560	286560
Sub-Standard	1789516	0	334	1789182	179447	1789516
Doubtful	3765542	0	0	3765542	1794275	3765542
Loss	45346	0	0	45346	45346	45346
Total	109565623	0	321973	109243650	2305627	5886964

(Amt. Rs. in '000')

As at 31.03.2023						
Category	Gross O/S	DICGC	CSRF	Net O/s	Prov. Req.	Prov. Made
Standard	91344208	0	237137	91107071	264567	264567
Sub-Standard	1898900	0	0	1898900	285087	1898900
Doubtful	3758581	0	0	3758581	2448784	3758581
Loss	75688	0	0	75688	75688	75688
Total	97077377	0	237137	96840240	3074126	5997736

iii) NPA Management

NPA position of a bank/ financial institution indicates state of health of its advances. NPAs of the bank stood at Rs.560.04 crore as on 31.03.2024. The percentage of gross NPA to the total advances of the bank is 5.11%. The Net NPA of the bank is 0.00 % of net advances. The NPA position of the bank is summarized as under:





(Amt. in Rs. '000')

Particulars	31.03.2024	31.03.2023
Sub-standard	1789516	1898900
Doubtful	3765542	3758581
Loss	45346	75688
Total NPA	5600404	5733169
% Gross NPA	5.11	5.91
% Net NPA	0.00	0.00

Under NPA Management, Bank's "Policy on Recovery of Loans and NPA Management" was fine tuned. Meetings of Task Force for NPA Management were being held at regular intervals, under the Chairmanship of General Manager of the Bank. Account specific strategies were implemented and progress was monitored regularly. While thrust was given to upgrade NPAs to standard category, actions under SARFAESI Act 2002 were also initiated in eligible cases. RCs and Civil Suits were filed in suitable cases. Compromise, negotiated settlement and OTS were adopted as others strategies to tackle NPAs. Special Recovery Campaigns, comprising Senior Officials from HO, were also launched at various locations.

iv) Movement of NPAs

Movement of NPAs during the period from 01.04.2023 to 31.03.2024 is as follows:

(Amt. Rs. in '000')

Particulars	During 2023-24	During 2022-23
Opening balance	5733169	5865689
Recovery/ Reduction during the quarter	2400307	2300241
Additions during the quarter	2267542	2167721
NPAs at the end of the quarter	5600404	5733169

* 32 Branches of the Bank are NPA free as on 31.03.2024.

16. WRITE-OFF CASES

During FY 2023-24 Bank has resorted to technical write off of 6429 accounts amounting to Rs. 5960.55 Lakhs.

17. RECOVERY IN WRITTEN OFF CASES

Due to concerted efforts put in by branches & Head Office bank has succeeded to recover Rs. 1356.33 lakhs in written off accounts during the FY 2023-24.

(Amt. Rs. in '000')

Recovery in written-off A/Cs	During 2023-24	During 2022-23
Amount	1,35,633	21,517

18. RECOVERY OF LOANS

Bank prepares the position of Demand, Collection and Balance for the period July to June. The position of demand, collection and balance of the bank as on 30.06.2023 is as follows:

(Amt. Rs. in '000')

DEMAND	COLLECTION	OVERDUE	RECOVERY %age
17,56,12,170	15,51,50,726	2,04,61,444	88.35





19. MICRO CREDIT

Bank has been playing an active role in formation and credit linkage of Self Help Groups (SHGs) and Joint Liability Groups (JLGs). The field functionaries are provided training and due motivation to form SHGs and JLGs for the efficient Micro Credit Delivery mechanism.

The progress of the bank under Micro Credit up to 31.03.2024 in as follows:

Particulars	As on 31.03.2024	As on 31.03.2023
Self Help Group Formed (cumulative)	26821	22800
Self Help Group Credit Linked (cumulative)	13436	11170
Joint Liability Groups formed & Linked (cumulative)	13126	11591

20. FARMERS CLUBS

The bank has been taking active interest in promoting the Farmers' Clubs, which are proving quite helpful in disseminating the financial literacy, Credit Counseling, technology transfer and capacity building of the farming community. The progress up to 31.03.2024 is as follows:

Particulars	As on 31.03.2024	As on 31.03.2023
Farmers Clubs formed (cumulative)	1110	1110

21. FINANCIAL LITERACY AND FINANCIAL INCLUSION SERVICES

The concept of financial literacy and credit counseling for the rural community has been taken up quite earnestly by the Bank through following modes:

- I. Organized 2163 Financial Literacy Camps in different villages from 01.04.2023 to 31.03.2024 under 'Grant Assistance from NABARD' in which a total of 118099 people participated.
- II. 400 Village Level Programmes were also conducted during the year in which a total of 15987 people participated.
- III. Financial Literacy in different villages is also being spread through PGB Mobile Vans meant for financial literacy.
- IV. In PMJDY as on 31.03.2024, covered 521777 beneficiaries. Amount of deposits in these PMJDY accounts was Rs. 165.93 Crore.
- V. From 01.04.2023 to 31.03.2024, Bank sourced 55187 APY subscribers.
- VI. During FY 2023-24 PFRDA has announced Bank received various awards: Award of Excellence in Shine & Succeed Campaign, 3 Award of Excellence in Old Age Financial Freedom Fighters Campaign, 8 Wondrous Warrior/Warrior of Winning Wednesday, APY ANNUAL AWARD OF EXCELLENCE ACHIEVER, Award of Excellence Under (SLBC Punjab), 7 Award of Mega Excellence & 1 APY Mega Icon Award

22. CD RATIO

The CD Ratio of the bank as on 31.03.2024 is 76.75%. The Bank has succeeded in maintaining the CD Ratio level well above of National Goal of 60%.

23. RISK FUNDS

The bank has not created any such fund.

24. PROFITABILITY

The bank has earned total income of **Rs.141.13 crore** during the period 01.04.2023 to 31.03.2024 which is summarized as follows:





(Amt. Rs. in '000')

Income	During the period 01.04.23 to 31.03.24	During the period 01.04.22 to 31.03.23
Interest earned on advances	82,06,047	73,80,863
Interest earned on investment	56,52,469	47,53,420
Other income	19,19,626	17,42,419
TOTAL	1,57,78,142	1,38,76,702

Expenditure incurred on deposits, borrowings and on the other heads during the period 01.04.2023 to 31.03.2024 is as follows:

(Amt. Rs. in '000')

Expenditure	During the period 01.04.23 to 31.03.24	During the period 01.04.22 to 31.03.23
Interest paid on deposits	71,97,594	54,59,640
Interest paid on borrowings	16,28,774	14,79,708
Establishment cost	29,22,178	24,95,372
Other expenses	11,47,452	11,86,130
TOTAL	1,28,95,998	1,06,20,850

25. PRODUCTIVITY

The productivity of the bank at the as on 31.03.2024 is as follows:

(Amt. Rs. in '000')

Productivity	As on 31.03.2024	As on 31.03.2023
Per Branch	5,65,724.16	5,31,012.52
Per Employee	1,25,031.21	1,21,318.51

26. FINANCIAL RATIOS: - (Per Rs. 100/- Working Funds)

The important financial ratios (annualized) for the period 01.04.2023 to 31.03.2024 are as follows.

S.No.	Parameters	During the period 01.04.23 to 31.03.24	During the period 01.04.22 to 31.03.23
	Avg. working funds in Rs.(000)	18,23,42,967	16,78,69,958
1.	Financial return	7.60	7.23
2.	Financial cost	4.84	4.13
3.	Financial margin (1-2)	2.76	3.10
4.	Misc. income	1.05	1.04
5.	Transaction Cost	2.23	2.19
6.	Risk cost	0.55	0.72
7.	Net margin (3+4-5-6)	1.03	1.23

27. TRANSFER PRICE MECHANISM

The bank has implemented the system of charging/ allowing interest from/to the branches by way of transfer price mechanism. As on 31.03.2024, the Bank was charging/allowing interest @7.50% (for bulk deposits @weighted average+0.50 %) from/to the branches which have more than three years of operations and incentive of 1% was given to the branches for the first three years of operations.

28. PERFORMANCE OF THE BANK UNDER VAIBILITY PLAN

The performance of Bank under NABARD's Viability Plan for the year F.Y. 2023-2024 is as follows:





(Amt. Rs. in Crores)

Parameter	Target	Achievement
Deposits	14,200.00	14,274.73
Advances	10,900.00	10,956.56
Loan Issued	--	--
Gross Profit	277	188.59
NPAs (Terminal balance)	572.25	560.04

29. ACHIEVEMENT UNDER NATIONAL GOALS

The performance of the bank for the period ended 31.03.2024 vis-à-vis National Goals is as follows:

Parameters	National Goals	Achievement
Priority Sector Adv. to total Adv.	75%	90.99%
Direct Agri. Adv. to total Adv.	18%	78.34%
Small & Marginal Farmers	8%	56.46%
Micro Enterprises	7.5%	8.95%
Weaker Sector Adv. to total Adv.	15%	61.28%
Women Beneficiaries to total Adv.	6%	20.51%
C.D. Ratio	60%	76.75%

30. WEBSITE OF THE BANK

To keep pace with changing scenario and with a view to make available ready information about our bank, viz. Organizational Structure, Performance under various parameters, Deposit and Credit schemes, Rate of Interest, Service Charges etc., website of the bank www.pgb.org.in has been developed in-house. The web-site meets the RBI directions for display of Service charges and Rate of interests and the same are being regularly updated.

31. CORE BANKING SOLUTIONS - INFORMATION TECHNOLOGY

All the 446 Branches of our bank are working under Core Banking Solution (CBS). Today's era is Digital Technology's era and beside it has played an important role in customer's acquisition and retention. It has also carried out faster and efficient financial transaction improvement for customers' convenience.

Our bank is currently issuing RuPay Debit Cards, RuPay Kisan Cards and RuPay PMJDY Cards to all the eligible customers and we will start issuing Contactless cards very soon. Our cards are PoS and eCom enabled.

NEFT, RTGS, IMPS, Mobile Banking, Internet Banking, WhatsApp Banking, SMS Banking, Balance by Missed Call, Personalized Cheque book, E-Com, AEPS and SMS Alert facility has also been implemented in our bank for customers' convenience.

Further, Our Bank has started the ATM Green-PIN generation through PGB m-Banking and Sponsor Bank ATM machine, Account opening through e-KYC and Merchant UPI QR Code issuance.

32. SOCIAL SECURITY SCHEMES (PMSBY, PMJJBY, APY)

In PMSBY, any person between the age of 18-70 years can subscribe to the scheme and the annual premium is Rs.20/-. PMSBY is an accident insurance scheme which offers accidental death and disability cover.

In PMJJBY, any person between the age of 18 to 50 years, can subscribe to the scheme and the annual premium is Rs. 436/-. PMJJBY is term insurance policy with Life cover available up to age 55.





In APY, any person between the age of 18 to 40 years, can subscribe to the scheme. Under the APY pension of Rs.1,000/- to Rs. 5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers.

Bank has actively participated in Social Security Schemes launched by Govt. of India and has enrolled 396755 subscribers under PMSBY, 209719 subscribers under PMJJBY and 55187 subscribers under APY during the period 01.04.2023 to 31.03.2024.

33. NON FUND BUSINESS- INSURANCE BUSINESS

To augment the non-fund based income, our bank has entered in to tie up arrangement for marketing of Life and Non-Life Insurance Products with M/s PNB MetLife and M/s Future Generali, M/s IFFCO TOKIO General Insurance, M/s Care Health Insurance Co. Ltd. During the period 01.04.2023 to 31.03.2024, the Bank has earned commission of Rs. 4.82 Cr. from the insurance business.

34. NON FUND BUSINESS- MONEY TRANSFER SERVICE SCHEME

Bank has a made a tie-up arrangement with Ebix Money Transfer for the purpose of Inward Foreign Remittance.

35. NON-FUND BUSINESS- OTHERS

Locker facility is available at 207 branches. The bank is issuing guarantees on behalf of constituents. Branches are also allowed to purchase cheques up to certain limits. The bills and cheques are collected through current accounts with other banks.

36. INTEREST RATES

The interest rates on deposits & advances are being revised periodically in line with market conditions as well as financial position of the bank. The rates are revised by chairman on the recommendations of ALCO.

37. NEW CREDIT SCHEMES

Keeping in view the changing credit needs of our customers, the bank has launched the under noted new credit scheme during the financial year:

a) PGB SPECIAL SAHYOG RIN

In order to effectively push the Retail credit growth of the Bank and to tap the potential available in the personal loan segment, Bank has approved an exclusive personal loan scheme for Employees of Central/ State Govt. / PSUs & Defence Personnel, namely, PGB Special Sahyog Rin to meet their personal needs.

All Confirmed/ Permanent Employees of Central/ State Govt./ PSUs & Defence Personnel* with minimum 2 years of regular service, including service with the previous employer(s), if any, who are drawing their salary through accounts maintained with our Bank or any other Bank are eligible in this scheme.

b) PGB SAHAYATA RIN

In order to accelerate the Retail credit growth of the Bank and to tap the potential available in the personal loan segment, Bank has approved an exclusive personal loan scheme for Individuals other than Employees of Central/ State Govt. / PSUs & Defence Personnel, namely, "PGB Sahayata Rin" to meet their personal needs.

c) PGB GST SUPERFAST LOAN SCHEME

Bank has approved specific scheme in place namely "PGB GST SUPERFAST LOAN" Scheme for providing hassle free credit based on GST returns to meet working capital requirements related to business activity or for expansion of business.





Business entities which are individuals, firms, companies, Limited Liability Partnership, co-operative societies, dealing in those business activities, which are not prohibited by law and filing GST returns for at least last 12 months.

d) PGB TRADE MASTER SCHEME

Micro Small and Medium Enterprises (MSMEs) are crucial for the economic growth and stability of any country and play a vital role especially for Indian economy as they facilitate economic activity and provide employment to the vast section of the society. MSME sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture.

Traders (wholesale & Retailers) are important part of our economy as they are the important link between manufacturers and customers. They are the final point of sales and are invaluable to the entire distribution channel. Retail stores play an important role in high-level exposure of businesses and widespread distribution of products. It creates a high annual sale and has a huge impact on the economy by providing maximum employment.

Keeping in the view of above, our Bank has approved a dedicated simple scheme for traders.

e) PGB MSME PLUS SCHEME

In order to increase the credit growth in MSME sector and to tap the potential in this segment, Bank has consolidated the following three schemes and Introduced a new scheme in the name of "MSME PLUS".

- a. PGB Udyog Scheme (HO: Credit Circular No: 72/2020 dated 08.10.2020)
- b. PGB Seva Scheme (HO: Credit Circular No: 71/2020 dated 08.10.2020)
- c. PGB Kushal Vyapari Scheme (HO: Credit Circular No: 74/2019 dated 06.04.2019)

f) PM VISHWAKARMA SCHEME

PM Vishwakarma scheme has been launched by Government of India on 17.09.2023 aiming at improving the quality, as well as the reach of products and services to artisans and craftspeople. It is the goal of this scheme to offer holistic end-to-end support to the Vishwakarmas, i.e., the artisans and craftspeople, to enable them to move up the value chain in their respective trades. It will bring a qualitative shift in the way the occupations are practiced by artisans and craftspeople and this will uplift their socio-economic status as well as their quality of life.

g) NATIONAL SCHEDULED CASTES FINANCE AND DEVELOPMENT CORPORATION (NSFDC) FOR FINANCING SC BENEFICIARIES

National Schedules Castes Finance & Development Corporation (NSFDC), a fully owned Government of India undertaking under the aegis of Ministry of Social Justice & Empowerment, engaged in providing financial assistance for the economic development of persons belonging to the Scheduled Caste families having annual family income up to Rs. 3,00,000/- for both rural and urban areas.

Punjab Gramin Bank has entered into Memorandum of Understanding (MOU) with NSFDC on 08.06.2016 for financing SC Beneficiaries under the various schemes of NSFDC.

Earlier, financing was allowed under below mentioned schemes of NSFDC:

1. Micro Credit Finance scheme
2. Laghu Vyavasay Yojana (Project cost upto Rs. 2.00 Lakh) and Laghu Vyavasay Yojana (Project cost upto Rs. 5.00 Lakh).

Now, on account of revision of NSFDC's Lending policy regarding rationalization of schemes, change in interest rates, reduction of utilization period, moratorium period and introduction of new schemes, Bank has approved following modifications under NSFDC schemes:

1. Revision in interest rates, eligible project cost & loan amount, moratorium period & repayment period etc. in Micro Credit Finance Scheme (MCF) and Suvidha Loan (modified Laghu Vyavasay Yojana (LVY)).
2. Introduction of Mahila Samridhi Yojana, Utkarsh Loan and Education Loan Scheme.





h) CREDIT GUARANTEE FUND SCHEME FOR EDUCATION LOAN (CGFSEL)

Bank has introduced CREDIT GUARANTEE FUND SCHEME FOR EDUCATION LOAN (CGFSEL) up to Rs. 7.50 lakh without obtaining collateral security and/or third party guarantee.

The basic aim and objectives of Scheme are:

- Guarantee by default as Risk Mitigant.
- To enable availability of Bank credit without collaterals/third party guarantee.
- To strengthen credit delivery system and facilitate flow of credit under Education loan segment.

i) POLICY REGARDING "IMPACT OF RESET OF FLOATING INTEREST RATE ON EQUATED MONTHLY INSTALMENTS (EMI) BASED RETAIL LOANS"

Bank has introduced POLICY REGARDING "IMPACT OF RESET OF FLOATING INTEREST RATE ON EQUATED MONTHLY INSTALMENTS (EMI) BASED RETAIL LOANS". To address the Effect of upward revision in interest rates on repayment, the borrower always has one of the following options to exercise for repayment of loan:

- To pay increased amount of EMI;
- To continue to pay the existing amount of EMI with condition that the balance outstanding in the account would be paid in one go with last EMI of the originally applicable repayment tenor;
- To prolong the repayment period.

j) INTEREST RATES ON RETAIL & MSME ADVANCES- LINKED WITH EXTERNAL BENCHMARK- REPO LINKED LENDING RATE (RLLR)

To take care of the RBI guidelines and quick transmission in the policy rates, which are directly observable, transparent, market determined and easily understandable & for giving better service to our esteemed customers, the Hon'ble Board in its meeting dated 18.01.2024 has accorded approval for linking of Interest Rates on Retail & MSME Advances with External Benchmark i.e. Repo Linked Lending Rate (RLLR). Final interest rate is arrived at by adding the applicable spread to RLLR.

k) GUIDELINES FOR EMPANELMENT OF RETAIL LOAN COUNSELORS FOR GENERATING BUSINESS UNDER PGB HOME LOAN

Retail Segment Particularly Home Loan carries substantial potential and every Bank/financial institution is focusing on Retail Loans. Many banks and Housing Finance Companies/Non-Banking Finance Companies have engaged the Direct Selling Agents (DSA)/ Marketing Agents for generating the business from the various touch points.

In order to catch the lead from various touch points and further boost the retail credit growth of the Bank, RMC in its meeting dated 25.01.2024 has approved the guidelines/SOP to empanel Agents/ RLCs for generation of quality leads in Home Loan.

38. FACILITIES FOR PWD CUSTOMERS

In an important initiative, most of the Bank's Branches have been made Wheel Chair Accessible for ease of access to Branch Premises.

Further, Bank also offers Doorstep Payment of old age pension to PWD Senior Citizens & Employees have been sensitized towards the needs of PWD Customers and have been enabled to help the concerned customers in availing all types of Banking Facilities.

39. PERSONNEL & TRAINING

The staff strength of the bank as on 31.03.2024 consists of 1372 Officers, 604 Office Assistants and 42 Office Attendants. The cadre-wise staff position is as follows.

	31.03.2024		31.03.2023	
	PNB Staff	RRB Staff	PNB Staff	RRB Staff
Officer- Scale VII	01	-	01	-
Officer- Scale VI	-	-	-	-





Officer- Scale V	03	04	03	03
Officer- Scale IV	01	30	01	34
Officer- Scale III	-	95	-	85
Officer- Scale II	-	328	-	316
Officer- Scale I	-	915	-	837
Clerk/ Cashier	-	604	-	582
Messenger/Driver/sweeper	-	42	-	47
Total	05	2018	05	1904

To enhance the knowledge, skill development and enable the staff members to perform efficiently, the training is being imparted to staff at Bank's own training Centre at Jalandhar, besides nominating them to various other online training programs conducted by various training institutions viz. CAB Pune, BIRD Lucknow etc.

39. THE RIGHT TO INFORMATION ACT- 2005

The Right to Information Act-2005, as passed by the Parliament has come into effect from 12.10.2005. Our bank being a body established under law made by the Central Govt. is a Public Authority under the said Act. For compliance of the provisions of the Right to Information Act, the Bank has nominated two officials as Central Public Information Officer and Central Assistant Public Information Officer. The Bank has also circulated the details of the RTI to all branches for information and meticulous compliance.

40. RESERVE BANK INTEGRATED OMBUDSMAN SCHEME 2021

In order to provide an independent forum as part of confidence building measures among bank's valued clientele, the bank has implemented the **Reserve Bank Integrated Ombudsman Scheme, 2021** as per directions from Reserve Bank of India. This scheme covers all Scheduled Banks including RRBs. Under the scheme, the Bank Ombudsman has authority to look into the complaints of customers in the area concerning deficiencies in bank's various services. Copies of the scheme have been made available to all the branches/ offices of the bank for due compliance. General Manager of the bank has been nominated as the Nodal Officer for the Office of the Banking Ombudsman, Chandigarh, for supervising all the matters pertaining to Banking Ombudsman. The Banking Ombudsman has issued letter of appreciation to our bank for timely redressal of complaints.

41. INTERNAL CONTROL

- i) Housekeeping of the bank continues to be good.
- ii) The Bank has been carrying out the Regular Inspections of the Branches by Internal Auditors as per prescribed periodicity. The reports are closed within the stipulated period. The position of Inspection Rating of the Branches is as follows.

Risk Rating	Position as on 31.03.2024	Position as on 31.03.2023
Low	389	402
Medium	42	22
High	00	00
Total	431*	424

*As on 31.03.2024, out of 446 branches of the bank, 431 branches were rated under RBIA system while 15 branches are newly opened.

42. AUDIT AND INSPECTION

- i) **Inspection by NABARD:** The NABARD Inspection for the Financial Position of the Bank as on 31.03.2023 was conducted by NABARD from 29.05.2023 to 15.06.2023. All the observations/deficiencies have been dealt with and reply has been submitted to NABARD.





ii) **Risk Based Management Audit by Punjab National Bank:** The Risk Based Management Audit of the Bank for the year ended 31.03.2023 was conducted by MARD, Punjab National Bank, New Delhi from 04.12.2023 to 08.12.2023. The compliance of observations has been submitted to MARD, PNB, New Delhi.

43. BOARD MEETINGS

In compliance with the RRB Act, 1976 section 29(2b), Seven (7) Board Meeting was conducted during the period 01-04-2023 to 31-03-2024.

44. ACKNOWLEDGEMENT

The Board of Directors owes its deep gratitude and sincere thanks to Govt. of India, Reserve Bank of India, NABARD, Sponsor Bank (Punjab National Bank), Govt. of Punjab and District Administration of various districts for their valuable guidance, active cooperation and timely support which has enabled the bank to excel during the year.

The Board expresses its sincere thanks to the valuable customers and well-wishers for their unflinching faith, unstinted support and esteemed patronage.

The overall performance of the bank would not have been possible without the deep devotion, sincere efforts and cooperation of the staff members of the bank at all levels. The Board is pleased to record its appreciation for the dedicated services rendered by the staff in projecting a good image of the Bank for achieving its cherished objectives.

With a deep sense of satisfaction, we re-dedicate ourselves to fulfill the expectations and aspirations of Bank's Stake-holders and the clientele.

For and on behalf of Board of Directors



(Gajendar Kumar Negi)
Chairman





PERFORMANCE OF THE BANK AT A GLANCE

(Amt. Rs. in '000's)

A	KEY PERFORMANCE INDICATOR	31.03.2024 (From 01.04.2023 to 31.03.2024)	31.03.2023 (From 01.04.2022 to 31.03.2023)
1	No. of districts covered	23	23
2	No. of branches	446	435
	a) Rural	361	353
	b) Semi urban	64	61
	c) Urban	20	18
	d) Metropolitan	1	3
3	Total staff (excluding sponsor bank staff)	2018	1904
	of which officers	1372	1275
4	Deposits	142747352	133913069
	Growth %	6.60%	9.69%
5	Borrowings outstanding	33956826	26076220
	Growth %	30.22%	6.68%
6	Gross loans & advances outstanding	109565623	97077377
	Growth %	12.86%	11.29%
	Of 6 above, loans to Priority sector	99699310	90919339
	Of 6 above, loans to SC/STs	5222414	3870731
	Of 6 above, loans to SF/MF/AL	61863559	55450695
	Of 6 above, loans to Minorities	628309	648769
	Of 6 above, loans to Agri. Sector	85834598	78946918
7	CD Ratio (%)	76.75	72.49
8	Investments outstanding (incl. bal. with banks)	78186777	73548266
	Growth %	6.00%	6.84%
	SLR investment outstanding	50387450	43310413
	Non-SLR investment outstanding	27799327	30237853

B.	AVERAGES	31.03.2024 (From 01.04.2023 to 31.03.2024)	31.03.2023 (From 01.04.2022 to 31.03.2023)
9	Average deposits	137796516	125346172
10	Average borrowings	26693427	26884379
11	Average Gross loans and advances	98007309	86452613
12	Average investments (incl. bal. with banks)	75506762	74358429
13	Average SLR investment	48500803	45318033
14	Avg. Non SLR investment	1179292	1267014
15	Average working funds	182342967	167869958
C.	LOANS ISSUED DURING THE YEAR		
16	Loans issued during the year	112398450	94844331
	of 16 above loans to priority sector	100170445	87050483
	of 16 above, loans to SC/ST	3872634	3070123
	of 16 above, loans to SF/ MF/ AL/ others	54336815	47747401
D.	PRODUCTIVITY		





17	Per branch	565724.16	531012.52
	Per staff	125031.21	121318.51
E. ASSET CLASSIFICATION			
18	a. Standard	103965219	91344208
	b. Sub-standard	1789516	1898900
	c. Doubtful	3765542	3758581
	d. Loss	45346	75688
	TOTAL	109565623	97077377
19	Std. assets as %age to gross loans & adv o/s	94.89	94.09
F. PROFITABILITY ANALYSIS			
20 Interest paid on			
	a. Deposits	7197594	5459640
	b. Borrowings	1628774	1479708
21	Salary	2922178	2495372
22	Other operating expenses	1147452	1186130
23 Provisions			
	Against NPA (inclusive of provision of Std. Assets)	995203	734660
	Against Non-Borrowal Frauds	965	0
24 Interest received on			
	Loans & Advances	8206047	7380863
	SLR Investments	3386134	3186522
	Non SLR Investments (Including FDRs with Banks & CRR)	2266335	1566898
	Balance with RBI	0	0
25	Other Income	1919626	1742419
26	Profit/Loss (+/-)	1885976	2040638
27	Share capital deposits received	0	0
28 DICGC			
	Claims received but pending adjustment	0	0
29	Interest Derecognized	476635	529338
30 Loans written off			
	Accounts	6429	3112
	Amount	596055	215609
31	Reserves & Surplus	14463669	13032128
32 Breakeven Analysis (%)			
	Cost of deposits	5.22	4.36
	Cost of borrowings	6.1	5.5
	Cost of funds	4.84	4.13
	Return on advances	8.89	8.54
	Return on investments	7.49	6.39
	Return on Funds	7.6	7.23
	Financial margin	2.76	3.1
	Misc. income as %age of working funds	1.05	1.04
	Transaction cost as %age of working funds	2.23	2.19
	Incremental risk cost as %age working funds	0.55	0.72
	Net margin	1.03	1.23

