



**PUDUVAI BHARATHIAR GRAMA BANK**  
(Sponsored by Indian Bank)

**DIRECTORS' REPORT 2018-19**

The Board of Directors has immense pleasure in presenting the Eleventh Annual Report of the Bank with audited Balance sheet and Profit & Loss account for the year ended March 2019.

**1. BRIEF INTRODUCTION:**

Puduvai Bharathiar Grama Bank (Sponsored by Indian Bank) was established by the Govt. of India vide their notification dated 26.03.2008 with Puducherry as its Headquarters and operating area as Union Territory of Puducherry comprising two districts of the UTP viz. Puducherry and Karaikal. The RRB was inaugurated on 1<sup>st</sup> June 2008 and this youngest RRB commenced its operation on 02.06.2008. The Bank has its presence felt by people of all walks of life in the entire Union Territory of Puducherry.

**2. BRANCH EXPANSION/ NETWORK:**

During the year 2018-19, no new branch has been opened. The total number of Branches remained 43.

**Branch Network:**

Region	Classification of branches			No. of branches
	Urban	Semi-Urban	Rural	
Puducherry	11	2	17	30
Karaikal	-	3	6	9
Mahe	-	2	-	2
Yanam	-	2	-	2
<b>Total</b>	<b>11</b>	<b>9</b>	<b>23</b>	<b>43</b>

### Classification of branches based on population:

Tier I (1,00,000 and above)	: 11
Tier II (50,000 to 99,999)	: 3
Tier III (20,000 to 49,999)	: 4
Tier IV (10,000 to 19,999)	: 2
Tier V (5,000 to 9,999)	: 11
Tier VI (Less than 5000)	: 12

### 3. SHARE CAPITAL

The issued and paid up capital of the Bank as on 31.03.2019 is Rs. 13.50 crore consists of 135 lakh shares of Rs.10/- each. The share holding pattern is as under:

(in 000's)

Sl. No	Share holders	No. of shares	Amount	% of share holding
1	Govt. of India	6750000	67500	50
2	Govt. of Puducherry	2025000	20250	15
3	Indian Bank (Sponsor Bank)	4725000	47250	35
	Total	13500000	135000	100

### TOTAL BUSINESS:

The Total Business is Rs. 1302.01 Crores of which Deposits is Rs. 680.78 Crore and Advance is Rs. 621.23 Crore.

### 4. DEPOSITS:

The deposits of the Bank reached the level of Rs.680.78 crores as against the target of Rs.814.00 crores registering a growth of 2.08% during the year. The growth in deposits level slowed down due to withdrawal of bulk deposits to the tune of Rs.111.94 crores by Govt. Depts / others during the year. The break up for deposits is given below:

(in 000's)

Deposits		2018-19	2017-18	YoY Growth%
CA	No. of Accounts	1881	1792	4.97
	Amount	117231	104852	11.81
SB	No. of Accounts	244472	227231	7.59
	Amount	<b>1629784</b>	<b>1582005</b>	<b>3.02</b>
<b>Low Cost Deposits</b>		<b>1747015</b>	<b>1686857</b>	<b>3.57</b>
% of low cost Deposits		25.66	25.29	1.47
Term Deposits	No. of Accounts	21717	18575	16.92
	Amount	5060770	4982356	1.57
<b>Total deposits</b>		<b>6807785</b>	<b>6669213</b>	<b>2.08</b>
Average cost of Deposit		6.27	6.26	0.16
Per Branch Deposit		158321	155098	2.08
Per Employee Deposit		60784	59547	2.08

Cost of Deposits is 6.27%

## 5. BORROWINGS:

The Bank has availed loans/refinance facilities from the Sponsor Bank, NABARD and NSFDC. The details are furnished as under:

### SPONSOR BANK:

(in 000's)

Sl. No	Nature of facility	Purpose	2018-19	2017-18
1	Clean OD	On lending for short term seasonal Agricultural Operations	-222.69*	-13275*
2	Term loan	On lending for other Agricultural purposes	-	-
3	Term Loan	To meet capital Expenditure	3266	3265
<b>TOTAL</b>			<b>-19003*</b>	<b>-10010*</b>

\* Credit Balance

### NABARD:

(in 000's)

Purpose	2018-19	2017-18
Refinance for lending to Seasonal Agricultural Operations (ST-SAO)	1032047	728847
Refinance for lending to Short Term Loan (OSAO)	-	-
Refinance for schematic lending	96392	63368
<b>Total</b>	<b>1128439</b>	<b>792215</b>

### NSFDC:

(in 000's)

Purpose	2018-19	2017-18
Refinance for lending to SC/STs	1500	3000
<b>Total</b>	<b>1500</b>	<b>3000</b>

Cost of the borrowing is 6.27%

## 6. OTHER LIABILITIES – DICGC

There is no claim lodged with the corporation and there is no settlement pending for the past three years.

## 7. CASH AND BALANCE WITH BANKS:

Details of cash held by the Bank during the year in comparison to previous 2 years is  
(in 000's)

Cash and Bank balance	2018-19	2017-18	2016-17
Cash held by the Bank	33167	27298	18355
Balance in CA with Banks	35307	25987	329623
Balance with RBI	271001	258700	238012
Average Cash	31367	25450	37506

Average Deposits	6135628	5924825	5063953
% of Average Cash to Average Deposit	0.51	0.43	0.74

## 8. INVESTMENTS:

The investment portfolio of the Bank has decreased to Rs.17311.69 lakhs during the year since the funds were deployed for lending. The ID ratio of the bank as on 31.03.2019 is 25.43%.

(in 000's)

Particulars	2018-19	2017-18
Total SLR	1267384	1264383
Total Non SLR investments	463785	702912
Of which		
Mutual Funds	0	45164
Term deposits with Indian Bank	213784	207748
Term Deposit with other Bank	250000	300000
Others (NABARD)	0	150000
<b>Total</b>	<b>1731169</b>	<b>1967295</b>
<b>Interest yield on SLR investment</b>	<b>101167</b>	<b>100599</b>
<b>Interest yield on Non-SLR investment</b>	<b>15377</b>	<b>26581</b>

The Yield on Investments is 7.66%.

## 9. LOANS AND ADVANCES (OUTSTANDING):

(in 000's)

PRIORITY SECTOR	2018-19	2017-18
Short Term Loans	5018921	4294753
Of which Agri JL Loans	4892664	4185897
Agri/Allied term loan	208593	204992
<b>Total Agri</b>	<b>5227514</b>	<b>4499745</b>
<b>% of Agri Advances to total adv.</b>	<b>84.15%</b>	<b>82.19%</b>
SME	519514	411612
Others	124079	239129
<b>Total Other Priority sector</b>	<b>643593</b>	<b>650741</b>
<b>Total Priority</b>	<b>5871107</b>	<b>5150486</b>
<b>% of Priority adv to total adv</b>	<b>94.51%</b>	<b>94.08%</b>
NON PRIORITY SECTOR		
LAD	127590	76696
Non Agri Jewel Loan	11584	25556
Others	202051	221773
<b>Total Non Priority</b>	<b>341225</b>	<b>324025</b>
<b>Total Advances</b>	<b>6212332</b>	<b>5474511</b>
Secured Advances	5721746	4890335
Unsecured Advances	490586	584176
<b>Total Advances</b>	<b>6212332</b>	<b>5474511</b>
SHGs/JLGs	490456	462116
Weaker Sections	3446443	3263438
SC/ST	389744	307122
Minority	635700	623497
CD Ratio	91.25%	82.09%

The Bank achieved the advance level of Rs. 621.23 crores against March 2018 level of Rs. 547.45 crores registering a growth of 13.48% on YoY basis.

**The Average rate of interest charged on advances is 9.56%**

**Priority Sector Lending – as on 31.03.2019**

		(in 000's)	
Sl. No	Indicators	31.03.2019	31.03.2018
1	Total Outstanding Advances (as on previous year)	5474511	4631995
2	Priority Sector Advances (Present year)	5871108*	5150486
3	Agriculture (Present year)	5227514	4499745
4	Micro Enterprises (Present year)	464679	372896
5	Small and Marginal Farmers	3889856	3504018*
6	Weaker Sections	3370123	3169264
	% of Priority Sector to Total Advances	107.24%	111.19%
	% of Agri to Total Advances	95.49%	97.14%
	% of Micro Enterprises to Total Advances	8.49%	8.05%
	% of Small and Marginal Farmers to Total Advances	71.05%	75.65%
	% of Weaker Sections to Total Advances	61.56%	68.42%

\* Rs.100.00 Crores PSLC issued during the year 2018-19

The Bank has complied with Priority Sector Lending targets.

**10. IRAC NORMS**

**(a) INCOME RECOGNITION AND ASSET CLASSIFICATION:**

The Bank has Classified 420 accounts involving a total balance of Rs. 364.34 lakhs as Fresh NPA as per prudential norms stipulated by RBI. Cash recovery in NPA during the year is Rs.71.15 lakhs and 54 accounts were closed under OTS scheme which involved write off of Rs.2.77 lakhs. With this, the Gross NPA as on 31.03.2019 moved to Rs.837.65 lakhs which works out to 1.35% of total advances.

The Bank has made 100% provision for all the NPA accounts. The percentage of net NPA of the bank as on 31.03.2019 remains NIL.

The details of Asset Classification and provisioning are furnished below:

(in 000's)

Category of loans	31.03.2019			31.03.2018		
	Balance outstanding	% to total advances	Provision	Balance Outstanding	% to total advances	Provision
Standard	6128567	98.65	16698	5419788	99.00	14024
Substandard	42054	0.68	42054	19895	0.36	19895
Doubtful	41711	0.67	41711	34828	0.64	34828
Loss	0	0	0	0	0	0
Total	6212332		100463	5474511		68747

**b) Interest De-recognized**

(in 000's)

Details	2018-19	2017-18	2016-17
Derecognized income at the beginning of the year	13856	12267	6566
Recovery during the year	1782	499	897
Additions during the year	20157	2088	6598
Derecognized income at the end of the year	32231	13856	12267

**c) Provisions**

(in 000's)

S.No	Particulars	2018-19	2017-18	2016-17
1	Provision on NPA	83765	54723	39195
2	Provision on Standard Assets(Cumulative)	16698	14024	11875
3	Total Provision	100463	68747	51070

**(d) NPA Management**

(in 000's)

Details	2018-19	2017-18
NPA at the beginning	54723	39195
Addition during the year	36434	23020
Recovery in NPA during the year	7392	7492
NPA at the end of the year	83765	54723

**11. DISBURSEMENT:****(in 000's)**

<b>Priority Sector</b>	<b>2018-19</b>	<b>2017-18</b>
Short Term Loans including Agri JLs	5857743	4840420
Agri/Allied Term Loans	312694	186111
<b>Total Agri</b>	<b>6170437</b>	<b>5026531</b>
SME	293835	233122
Other priority	345248	483913
<b>Total priority</b>	<b>6809520</b>	<b>5743566</b>
<b>Non Priority</b>	<b>230393</b>	<b>287861</b>
Of which LAD and other Non Priority Loans	212427	252516
Non Agri JL	17966	35345
<b>Total</b>	<b>7039913</b>	<b>6031427</b>
Disbursement made for weaker sections	4512623	2817608
SHGs/JLGs	806136	434533
SC/ST	612325	306851
Minority	362526	386178

**Performance under Annual Credit Plan:****(in 000's)**

<b>Sl. No</b>	<b>Indicators</b>	<b>Target Mar 2019</b>	<b>Achievement Mar 2019</b>	<b>% of achievement</b>
1	Agriculture	3606881	6170437	171.07
2	Non-farm Sector	336029	293835	87.44
3	Other Priority Sector	233564	345248	147.82
	<b>Total Priority</b>	<b>4176474</b>	<b>6809520</b>	<b>163.04</b>
4	Non Priority Sector	432632	230393	53.25
	<b>Total advances</b>	<b>4609106</b>	<b>7039913</b>	<b>152.74</b>

The Bank achieved the disbursement target set under ACP.

**12. RECOVERY OF LOANS:****(in 000's)**

<b>RECOVERY PERFORMANCE</b>	<b>2018-19</b>	<b>2017-18</b>
<b>TOTAL</b>		
Demand	3358641	3203348
Recovery	3097676	3013172
Overdues	260965	190176
Recovery %	92.23	94.06
<b>FARM SECTOR</b>		
Demand	3052458	2240681
Recovery	2831125	2105634
Overdues	195623	135047
Recovery %	92.75	93.97
<b>NON-FARM SECTOR</b>		
Demand	123569	109607
Recovery	114152	103674
Overdues	7152	5933
Recovery %	92.38	94.59

### 13. RISK FUND:

We have not created any risk fund during this year. The Bank is maintaining 100% provision for NPAs.

### 14. COMPREHENSIVE CROP INSURANCE:

No claims were lodged for settlement under the scheme.

### 15. WRITE-OFF OF LOANS

(in 000's)			
S.No	Particulars	2018-19	2017-18
1	Loans Written Off	277*	2988
2	Recovery in Written off accounts	NIL	NIL

\* Write off portion in OTS sanctioned.

### 16. INCOME EARNED

(in 000's)		
Particulars	2018-19	2017-18
Int. on loans and advances	548545	477683
Int. on investments	116544	100599
Int. on FDs with the Sponsor Bank	5656	15457
Non int. income	97621	81205
<b>Total</b>	<b>762710</b>	<b>674944</b>

### 17. EXPENDITURE INCURRED

(in 000's)		
Type of Expenditure	2018-19	2017-18
Interest paid on deposits	384804	370777
Interest paid on borrowings	76736	51551
Operating expenses	155896	133937
Of which: Salary/Staff expenses	82766	74469
Non int. non Salary expenditure	73130	59468
Provisions and Contingencies	31716	17677
<b>Total</b>	<b>649152</b>	<b>573942</b>

### 18. FINANCIAL RATIOS

(in 000's)		
	2018-19	2017-18
<b>Average Working funds</b>	8018645	7440258
(i) Financial Return	8.29	7.98
(ii) Financial cost	5.76	5.68
(iii) Financial Margin	2.54	2.30
(iv) Cost of Management	1.94	1.80
(v) Operating Margin	1.81	1.60
(vi) Miscellaneous Income	1.22	1.09
(vii) Risk cost	0.40	0.24
(viii) Net Margin	0.93	0.88

## 19. TRANSFER PRICE MECHANISM:

The Bank is arriving Net Profit by Transfer Price mechanism considering the average weekly business, SFVM, interest subvention, Cost of Deposit, Yield on advances, Return, etc., which tallies with our Net Profit of the Bank.

## 20. ACHIEVEMENTS UNDER DAP/MOU:

(In 000's)

S.No	PARAMETERS	Actuals March 18	Target March 19	Actuals March 19	% Achievement (Target)
1	Deposit	6669213	8140000	6807785	83.63
2	Low cost Deposit	1686857	2450000	1747015	71.31
3	% Of Low Cost Deposit	25.29	30.10	25.66	85.25
4	Total Advances	5474511	6550000	6212332	94.84
5	Credit Disbursement	6031427	6980000	7039913	100.86
6	Total Borrowings	792215	1430000	1133205	79.25
7	Total Investments (SLR + Non SLR)	1967295	2150000	1731169	80.52
8	CD Ratio	82.09	80.47	91.25	113.40
9	Branch Productivity	282412	326400	302793	92.77
10	Staff Productivity (Including Sponsor Bank Employees)	108426	127700	116251	91.03
11	Gross NPA % to Total advances	1.00	0.76	1.35	177.63
12	Net NPA % to Total Advances	0.00	0.00	0.00	0
12	ID Ratio	29.50	26.41	25.43	96.29
13	Net Interest Margin	2.55	2.43	2.77	113.99
14	Operating/Net Profit	65611	75000	74526	99.37
15	CRAR %	11.88	12.15	12.42	102.22

## 21. TME CELLS (Technical Monitoring and Evaluation Cells)

Technical Monitoring and Evaluation cell is yet to be created.

## 22. SELF HELP GROUPS and JOINT LIABILITY GROUPS

The Bank has advanced to Self Help Groups and JLGs substantially contributing to the development of the poor, especially women entrepreneurs and people below poverty line.

### i. Progress in Savings linkage of SHGs

(in 000's)

Particulars	No. of SHGs	Credit Amount
Savings account opened during the year	523	4633
Balance outstanding as on 31.03.2019	6459	100051

## ii. Progress in Credit linkage of SHGs

(in 000's)

Particulars	No. of SHGs	Credit Amount
Loan disbursed during the year	776	287053
Balance outstanding as on 31.03.2019	2035	372498

## iii. Progress in lending to JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
SB accounts opened during the year	357	675
Balance outstanding as on 31.03.2019	1201	3781

## iv. Progress in Credit linkage of JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
Loans disbursed during the year	574	76125
Balance outstanding as on 31.03.2019	1041	117957

## 23. NON-FUND BASED BUSINESS

The Bank has not undertaken any non-fund based business during this financial year 2018-19.

## 24. OTHER PARTICULARS

### IMAGE BUILDING ACTIVITIES:

- As a corporate social responsibility, Bank has donated Rs. 5 lakhs to Puducherry Municipality for construction of toilets at Puducherry beach.
- Bank has participated in Swachh Bharath Mission along with Puducherry Municipal Corporation and at all branch locations.
- Two new Aadhaar enrollment centers were opened in Villianur and Kalitheerthalkuppam Branches in addition to the existing two centers at 45 Feet Road and T R pattinam branches.
- Bank has contributed 1 day salary of all employees to Chief Ministers Welfare Fund to support the people affected by cyclone Gaja in Karaikal region.
- Our Manaveli Branch has been shifted to a new premises for extending convenient service to the customers
- The Bank has reached the overall APY target for the financial year 2017-18 and 2018-19.
- Conducted Lok Adalat at Puduchery on 25.01.2019 and at Karaikal on 02.02.2019 for recovery of NPAs.

- Mega recovery camps conducted on 10.01.2019 and 11.01.2019. Regular recovery camps conducted throughout the year for recovery of NPAs and to arrest fresh slippage.
- Bank has taken steps to diversify the loan portfolio by conducting many loan melas on various dates for structured loan products especially for Home Loans
- HRM Dept of the bank has been centralized and automated for various activities. Biometric attendance marking has been implemented for all the staff in HRMS portal.
- Bank has conducted credit workshop for officers to improve the quality and knowledge level of the officers.
- Corporate Agency tie up has been made with M/s India First Life Insurance Co Ltd and M/s Bajaj Allianz Life Insurance Co Ltd for insurance business.
- Bank has launched two new deposit products namely Bharathi Shakthi (Recurring Deposit) and Bharathi Kuber (Short term Deposit) with attractive interest rates to bring in new clientele.
- To improve the manpower position of the bank, 3 new Officers and 12 Office Assistants (Multi Purpose) have been recruited through IBPS during the year.
- 17 Out of 20 Business Correspondents of the bank have successfully completed IIBF BC certification course.
- Customer Meet has been conducted across all the branches during the year.
- Vigilance Awareness week has been conducted during 29.10.2018 to 03.11.2018 across all branches.
- During the year 4 new farmers clubs have been formed in addition to the existing 23 farmers clubs.
- We have conducted 25 number of financial literacy camps through the financial Literacy Credit Counseling Centre functioning at Bahour.

#### **MAN POWER: Staff Strength as on 31.03.2019**

<b>Category</b>	<b>Total Strength</b>	<b>Of which Women</b>
Manager (Scale II)	14	4
Assistant Manager Scale I	51	16
Office Assistant (MP)	43	18
<b>Total</b>	<b>108</b>	<b>38</b>

**Pension Scheme has been implemented for the eligible staff under Pudukkottai Bharathiar Grama Bank (Employees) Pension Regulation, 2018.**

#### **RECRUITMENT**

The Bank acted as nodal Bank for conduct of Common Written Exam for Recruitment of Officers in various scales and Office Asst. Multipurpose in RRBs.

#### **PROMOTIONS:**

Internal Promotion process for the Officers and Office Assistants (MP) of the bank for the year 2018-19 has been completed successfully.

## **SECURITY ARRANGEMENTS:**

Necessary security systems like CCTV, Burglar Alarm etc have been installed in all the branches to ensure security.

## **RECONCILIATION**

**Inter Bank Reconciliation:** Bank has reconciled all the interbank transaction entries upto date and there is no entry pending unreconciled.

## **FRAUD CASES DURING THE YEAR**

During the year fraud has been committed by misappropriation amounting to Rs.0.84 lakhs in BGLs by staff. Total amount has been recovered and disciplinary action completed by termination of the concerned staff from the service of the bank. There is no loss in this fraud.

## **CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR):**

Our capital is strengthened due to profits earned continuously over the years. The risk weighted assets of the Bank gone up to 864.85 Crores from 807.85 Crores and our CRAR as on 31.03.2019 works out to 12.42% with an increase of 0.54% over the previous year.

## **BOARD MEETING:**

Bank has conducted the mandatory requirement of minimum Six Board meetings for the calendar year 2018 and Four meetings of the Audit Committee of the Board were also conducted during the financial year 2018-19.

## **Board of Directors:**

### ***Board of Directors during the year 2018-19***

Smt. J Margaret Laetitia – Chairman – Pudukkottai Bharathiar Grama Bank

Sri. J Ravichandran – AGM (CO:RBD) – Indian Bank, Chennai

Sri. V Uthayakumar – AGM/ZM – Indian Bank, Tiruvannamalai

Sri S Thyagarajan – AGM (FIDD) – RBI, Chennai

Sri. C Ganeshan – DGM – NABARD (DOS), Chennai

The Project Director – DRDA, Pudukkottai

The Director – Planning and Research Department, Pudukkottai

The two GOI Nominee Director postings remain vacant since July 2018.

## **ACKNOWLEDGEMENTS**

The Board expresses its sincere thanks to Indian Bank the Sponsor Bank for the valuable support in administrative and technological matters.

Our sincere thanks to the Dept of Financial Services, Ministry of Finance, GOI, and Reserve Bank of India, National Bank for Agriculture and Rural Development for the valuable support and guidance.

The Board extends sincere thanks to various Govt. Agencies and undertakings for their continued support and patronage.

The Board of Directors further expresses its gratitude to the clientele of the Bank for their support, co-operation and patronage.

The Board records its thanks to M/s P B VIJAYARAGHAVAN & Co (Statutory Central Auditor), Chartered Accountants, Chennai and M/s G NATESAN & CO (Statutory Branch Auditor), Chartered Accountants, Chennai for their valuable suggestions and timely completion of audit and finalization of accounts.

The Board also records its appreciation to the staff of the Bank for their sincere and dedicated services.

**For and on behalf of Board of Directors**

**Chairperson**

**Date : 21.05.2019**  
**Place : Puducherry**