



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

**DIRECTORS' REPORT 2009-10**

The Board of Directors with immense pleasure present the second Annual Report of the Bank with audited Balance sheet and Profit and Loss account for the year ended March 2010.

The second year operations of the Bank witnessed many important developments in functioning of the Bank. The Bank was completely brought under CBS, first among three RRBs sponsored by Indian Bank, a branch at Mahe was opened thus covering all the four regions of the Union Territory viz Puducherry, Karaikal, Mahe and Yanam, additional manpower injected, and 8 branches were opened. The Bank became the Corporate agent of the LIC for marketing their policies to augment fee based income.

**2. Branch Expansion/ Network:**

The Bank opened eight branches during the year. Three branches viz Mahe, Moolakulam and Vizhidiyur for which licenses had been obtained from RBI during the year 2008-09, were opened during 2009-10. During this year authorizations were obtained from RBI for opening branches at 11 more centres also, of which five were opened.

**Branch Network:**

| Region       | No. of branches |
|--------------|-----------------|
| Puducherry   | 12              |
| Karaikal     | 5               |
| Mahe         | 1               |
| Yanam        | 1               |
| <b>Total</b> | <b>19</b>       |

The above 19 branches are classified as follows :

| Classification of Branches opened | No. of Branches |
|-----------------------------------|-----------------|
| Urban                             | 4               |
| Semi-Urban                        | 4               |
| Rural                             | 11              |
| <b>Total</b>                      | <b>19</b>       |

### **3.Share Capital:**

Share holding pattern is as under:

|                           |                      |
|---------------------------|----------------------|
| Authorized Capital        | : Rs.500 lakhs       |
| Issued/paid up capital    | : Rs.100 lakhs       |
| GOI                       | : 50%(Rs.50.00lakhs) |
| Indian Bank               | : 35%(Rs.35.00lakhs) |
| Govt. of UT of Puducherry | : 15%(Rs.15.00lakhs) |

### **4. Deposits:**

(Rs in Lakhs)

| <b>Deposits</b>        | <b>Amount</b> |
|------------------------|---------------|
| CA                     | 234.34        |
| SB                     | 1162.98       |
| Low Cost Deposits      | 1397.32       |
| % of low cost Deposits | 34.24         |
| Term Deposits          | 2684.02       |
| Total deposits         | 4081.34       |

### **5. Advances Outstanding:**

(Rs in Lakhs)

| <b>PRIORITY SECTOR</b>                  | <b>Amount</b>  |
|---|----------------|
| Short Term Loans                        | 2903.33        |
| Of which Agri/JL Loans                  | 2851.50        |
| Agri/Allied term loan                   | 18.75          |
| SHG(Agri)                               | 234.16         |
| <b>Total Agri</b>                       | <b>3156.24</b> |
| <b>% of Agri Advances to total adv.</b> | <b>70.90</b>   |
| SHG (Others)                            | 145.52         |
| SME                                     | 121.44         |
| Others                                  | 0.70           |
| <b>Total Priority</b>                   | <b>3423.90</b> |
| <b>% of Priority adv to total adv</b>   | <b>76.91</b>   |
| <b>NON PRIORITY SECTOR</b>              |                |
| LAD                                     | 57.39          |
| Non Agri Jewel Loan                     | 885.27         |
| Others                                  | 85.12          |
| Total Non Priority                      | 1027.78        |
| <b>Total Advances</b>                   | <b>4451.68</b> |
| Secured Advances                        | 4055.31        |
| Unsecured Advances                      | 396.37         |
| <b>Total Advances</b>                   | <b>4451.68</b> |
| Weaker Sections                         | 1855.55        |
| SC/ST                                   | 372.50         |
| Minority                                | 408.10         |

**Disbursements made:**

| (Rs in lakhs)                         |         |
|---------------------------------------|---------|
| Priority Sector                       | Amount  |
| Short Term Loans                      | 3678.04 |
| Of which Agri JL                      | 3631.04 |
| Others                                | 47.00   |
| Agri/Allied Term Loans                | 20.00   |
| SHG Agri                              | 183.59  |
| Total Agri                            | 3881.63 |
| SME                                   | 255.00  |
| SHG (others)                          | 159.37  |
| Total priority                        | 4296.00 |
| Non Priority                          | 1484.00 |
| Of which LAD                          | 50.50   |
| Non Agri JL                           | 1433.50 |
| Total                                 | 5780    |
| Disbursement made for weaker sections | 2010.75 |
| SC/ST                                 | 372.50  |
| Minority                              | 432.00  |

**6. BORROWINGS:**

The Bank has availed certain loans/refinance facilities from the Sponsor Bank and NABARD, the details of which are as under:

**Sponsor Bank:**

| (Rs. in lakhs)     |  |             |             |
|--------------------|--|-------------|-------------|
| Nature of facility | Purpose  | Limit (Rs.) | Outstanding |
| Clean OD           | On lending for short term seasonal Agricultural Operations | 2500.00     | 1511.92     |
| Term loan          | On lending for other Agricultural purposes                 | 400.00      | 45.23       |
| Term Loan          | To meet capital Expenditure                                | 182.95      | 147.48      |

**NABARD:**

| (Rs. in lakhs)   |                |              |
|--|----------------|--------------|
| Purpose  | Amount Availed | Outstanding* |
| Refinance for lending to Seasonal Agricultural Operations (ST-SAO) | 300            | 300          |
| Refinance for schematic lending                                    | 200            | 200          |

\* Exclusive of Interest provided upto March 2010 for Rs.1.94 lakhs

## 7. Cash and Bank balance:

| (Rs in lakhs)            |                |         |
|--------------------------|----------------|---------|
| Cash and Bank balance    | As of 31.03.10 | Average |
| Cash held by the Bank    | 53.23          | 30.24   |
| Balance in CA with Banks | 644.32         | 66.98   |
| Balance with RBI         | 184.75         | 96.82   |

## 8. Investments:

The details regarding investment of the bank are as under:

| (Rs in lakhs)                  |        |
|--------------------------------|--------|
| SLR                            | 743.97 |
| Term deposits with Indian Bank | 55.67  |
| Total                          | 799.64 |

## 9. Income earned :

| (Rs in lakhs)                    |                 |
|----------------------------------|-----------------|
| Particulars                      | Interest earned |
| Int on loans and advances        | 219.19          |
| Int on investments               | 28.24           |
| Int on FDs with the Sponsor Bank | 2.52            |
| Non int. income                  | 38.87           |
| <b>Total</b>                     | <b>288.82</b>   |

## 10. Expenditure incurred:

| (Rs in lakhs)                   |               |
|---------------------------------|---------------|
| Type of Expenditure             | Amount        |
| Int paid on deposits            | 108.31        |
| Int paid on borrowings          | 68.85         |
| Operating expenses              | 122.56        |
| Of which: Salary/Staff expenses | 66.00         |
| Non int non Salary expenditure  | 56.56         |
| Provisions and Contingencies    | 11.18         |
| <b>Total</b>                    | <b>310.90</b> |

## 11. Fee Based Income

To augment the fee based income, the Bank has DD drawing arrangement with the Sponsor Bank and by this arrangement all the branches of the Bank can draw/ issue DDs on sponsor Bank, payable at 180 select centres all over India. The Bank has become a corporate agent of M/S Life Insurance Corporation of India for marketing their policies.

## **12. IRAC (Income Recognition and Asset Classification) norms:**

No loan account was allowed to slip into NPA category and the Bank has no NPA in loans inspite of credit expansion by about Rs. 40 crores. Recovery level as of March 10 was 99%.

## **13. Image Building Activities:**

The Bank has formed 10 farmers' club and six had been registered with NABARD. These six clubs were inaugurated by AGM, NABARD in the presence of the club members and villagers. Inauguration of the clubs was marked by the presence of officials from various Departments like Dept. of Agriculture, Krishi Vignyan Kendra etc.,

The Bank has financed a Joint Liability Group of women members for manufacturing / making Jute products. The Bank has opened 4485 No Frill accounts during the year especially for old age pensioners and the beneficiaries of Mahatma Gandhi Rural Employment Guarantee Scheme. The Bank has selected 10 villages under "Debt Swap Scheme" to make these villages as Money lenders free villages. As desired by the Board, the Bank also arranged for issuing advertisement in one of the prominent FM Radio channels for a month.

## **14. Staff:**

The Bank appointed 11 Officers and 17 clerks during the year. The Officers were trained for a fortnight by the sponsor Bank at their prestigious training centre IMAGE(Indian Bank Management Academy for Growth and Excellence) , Chennai and clerical staff for a week at Staff Training Centre, Chennai.

## **15. Inter Branch Reconciliation:**

The Bank has reconciled all the entries upto date and there is no unreconciled entry.

## **16. Capital to Risk weighted Assets Ratio(CRAR):**

With rapid expansion in Credit and opening of branches, the asset level of the Bank has gone up considerably. As a result CRAR of the Bank which was 24.90% as of March 2009 has came down to 2.42%. At present no minimum CRAR has been stipulated for RRBs.

## **17. Board Meeting:**

Six Board meetings were conducted during 2009-10

## **18. Board of Directors:**

During the year Sri. A. T. Maria Philip Joseph, General Manager and Circle Head, Indian Bank, Puducherry was nominated by the sponsor Bank in place of Sri. K. Rajan, DGM/ Circle Head who was transferred to Chennai. Sri. Sripathy Kalkura, AGM, NABARD was nominated by NABARD in place of Sri. R. Muralidharan, AGM, NABARD and Director , Planning and Research Department in place of the Finance secretary by Govt. of Puducherry.

**Date: 15.04.2010**

**CHAIRMAN**