

PUDUVAI BHARATHIAR GRAMA BANK
(sponsored by Indian Bank)

1.DIRECTORS' REPORT 2008-09

The Board of Directors with immense pleasure present the First Annual Report of the Bank with the audited Balance Sheet and Profit & Loss account for the year ended 31st March 2009.

Puduvai Bharathiar Grama Bank(Sponsored by Indian Bank) was established by GOI notification dated 26.03.08 with Puducherry as its Head quarters and operating area as Union Territory of Puducherry. The Bank was inaugurated on **01.06.08** by the then Honourable Union Finance Minister **Sri.P.Chidambaram** in the presence of **Sri.N.Rangasamy**, the then Honourable Chief Minister of Puducherry, **Sri.V.Narayanasamy**, Honourable Union Minister of State for Planning and Parliamentary affairs, **Sri.M.S.Sundara Rajan**, Chairman and Managing Director of Indian Bank , **Sri.A.Subramanian**, Executive Director – Indian Bank, **Prof.M.Ramadass M.P.**, and **Sri.Nanda T.Saravanan M.L.A.**,

The first Branch 'Puducherry Main Branch' at Muthialpet commenced its operations on 02.06.08.

2.BRANCH EXPANSION/NETWORK

The Bank obtained RBI licenses for opening of branches at 15 centers with the approval of the Board during 2008-09. 11 branches have been opened so far. Details of Branches opened are as under:

Region	Branch Opened	Classification
Puducherry	Puducherry Main	Urban
	Murungampakkam	Urban
	Thavalakuppam	Rural
	Embalam	Rural
	Bahour	Rural
	Nettapakkam	Rural
	Kalitheerthalkuppam	Rural
	Mannadipet	Rural
	Karaikal	SemiUrban
Karaikal	Thirumalairayanpattinam	Rural
	Yanam	SemiUrban

Fifth Branch at Nettapakkam was inaugurated on 03.01.09 by Sri.V. Vaithilingam, Hon'ble Chief Minister of UT of Puducherry in the presence of Sri.M.S.Sundara Rajan, Chairman and Managing Director of Indian Bank and Embalam Branch on 04.02.09 by Sri.A.Namassivayam, Hon'ble Public Health Minister, UT of

Puducherry and Yanam branch on 09.02.09 by Sri.Malladi Krishna Rao, Hon'ble Revenue Minister, UT of Puducherry.

Only the Region 'Mahe' has to be covered by the Bank where also premises works are in process. The Branches at Vizhidiyur (Karaikal Region-Rural branch), Moolakulam(Puducherry Region-Urban centre) and Mahe will be opened shortly.

Classification of Branches opened	Numbers
Urban	02
SemiUrban	02
Rural	07
Total	11

3.SHARE CAPITAL:

Share holding pattern is as under:

Authorised 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)

Deposits	Amount
CA	4.39
SB	284.08
Low Cost Deposits	288.47
% of low cost Deposists	46.71
Term Deposits	328.99
Total deposits	617.46

5.ADVANCES(OUTSTANDING):

PRIORITY SECTOR	Amt in lakhs
Short Term Loans	276.56
Of which Agri/JL Loans	276.56
Agri/Allied term loan	0.92
SHG(Agri)	25.76
Total Agri	303.24
% of Agri Advances to total adv.	70.87
SHG	61.19
SME	0.25

Total Priority	364.68
% of Priority adv to total adv	85.23
NON PRIORITY SECTOR	
LAD	20.33
Non Agri	36.81
Others	6.03
Total Non Priority	63.17
Total Advances	427.85
Secured Advances	333.95
Unsecured Advances	93.90
Total Advances	427.85
Weaker Sections	165.50
SC/ST	59.50
Minority	50.20

DISBURSEMENTS MADE:

Priority Sector	Amount(Rs in lakhs)
Short Term Loans	
Of which Agri JL	287
Others	-
Agri/Allied Term Loans	01
SHG Agri	27
Total Agri	315
SME	7
SHG	99
Total priority	421
Non Priority	68
Of which LAD	21
Non Agri JL	47
Total	489
Disbursement made for weaker sections	214
SF/MF/AL	185
SC/ST	62
Minority	51

6.BORROWINGS:

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

Nature of facility	Purpose	Limit	Outstanding
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		(Rs)	
Clean OD	On lending for short term seasonal Agricultural Operations	600.00	-
Clean OD	On lending for other Agricultural purposes	200.00	-
Term Loan	To meet capital Expenditure	182.95	30.63
LOD		5.00	5.01

NABARD had sanctioned a refinance limit of Rs.45.00 lakhs and we submitted two drawal applications for **Rs.39.03 lakhs**

7.CASH AND BANK BALANCE(Rs in lakhs):

Cash and Bank balance	As of 31.03.09	Average
Cash held by the Bank	16.19	10.55
Balance in CA with Banks	17.98	26.72

8.INVESTMENTS:

The details regarding investment of the bank are as under:

(Rs in lakhs)

SLR(Govt Securities)	Rs.114.02
Term deposits with Indian Bank	Rs.78.10
Total	Rs.192.12

9.INCOME EARNED :

Interest	Interest earned(Rs IN LAKHS)
Int on loans and advances	10.90
Int on investments	5.17
Int on FD's with the Sponsor Bank	6.33
Non intt income	9.35
Total	31.75

10. EXPENDITURE INCURRED:

Type of Expenditure	Amt(Rs in lakhs)
Int paid on deposits	10.82
Int paid on borrowings	0.85
Operating expenses	27.28
Of which Salary/Staff expenses	2.99
Non int non Salary expenditure	24.29
Total	38.95

11.TRANSFER PRICE MECHANISM:

During the year 2008-09 Transfer price Mechanism was not finalised to find out the Net Profit of each branch, as the branches were recently opened.

12.FEE BASED INCOME:

To manage the fee based income, the Bank has DD Drawing facility with Sponsor Bank and by this arrangement 11 branches of our Bank can draw DD on Sponsor Bank payable at 178 selective centres all over India

13.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. Recovery level is 100% during 2008-09.

14.IMAGE BUILDING ACTIVITIES:

Our Bank stands first in opening of No frill accounts for Old Age Pensioners. The Bank has so far opened 1855 no frill accounts for old age pensioners. The Bank has selected two villages for financing under “Debt Swap Scheme” i.e., to Make these villages as Money lenders free villages.

15.STAFF:

The Bank has recruited 17 Officers and 17 clerks during March 09 for the Bank. The Bank conducted recruitment exams separately for Officers and Clerks on 21.12.08 and 28.12.08 respectively at 4 centers viz., Puducherry, Karaikal, Mahe, Yanam. The selected Officer Candidates were given a fortnight training by the sponsor Bank (Indian Bank) at their Prestigious training Centre IMAGE (Indian Bank Management Academy for Growth and Excellence) Chennai, and the clerical candidates undergone a week training at Staff Training Centre, Chennai. After the training selected candidates were posted to Branches and Head Office.

16.INTER BRANCH RECONCILIATION:

Inter Branch unreconciled entries amount to only Rs.2.05 lakhs and all the entries upto Dec 2008 have been reconciled.

17.CAPITAL TO RISK WEIGHTED ASSETS RATIO:

CRAR of our Bank works out to 24.90% as of. At present no minimum CRAR has been stipulated for RRB's.

18.BOARD MEETINGS:

Four Board Meetings were conducted during 2008-09(10 month period)

19.BOARD OF DIRECTORS:

During the year K.RAJAN, DGM/Circle Head , Indian Bank, Puducherry was nominated by the Sponsor Bank in place of Sri. S. Ganesan , AGM., CO / Cuddalore who was transferred to Chennai. Govt., of UT of Puducherry has nominated Finance Secretary and project Director, DRDA to the Board. As there were changes in portfolios among Secretaries, there were frequent changes in respect of State Govt., nominees, the Finance Secretary.

Acknowledgement

The Board places on record its appreciation of the service rendered by the retired Directors of the Bank.

The Board expresses its deep sense of gratitude to Indian Bank(Sponsor Bank) for its continued valuable guidance and administrative and financial support extended to the Bank.

The Board expresses its heartfelt thanks to Ministry of Finance, Government of India, Reserve Bank of India, National Bank for Agriculture and Rural Development and Government of Puducherry for their valuable advice, support and guidance.

The Board also expresses its sincere thanks to the Dept of Tourism, DRDA ,Puducherry Slum Clearance Board and Pondicherry Central University.

The Board takes this opportunity to express sincere thanks to the Bank's clientele for their continued patronage and confidence reposed on the Bank.

The Board appreciates and commends the contributions made by the staff of all cadres for their active involvement for the development / growth of the Bank.

For and on behalf of Board of Directors

**(Manimaran R)
Chairman**

Place: Puducherry
Date: 17.04.2009