



PUDUVAI BHARATHIAR GRAMA BANK
(Sponsored by Indian Bank)

DIRECTORS' REPORT 2021-22

The Board of Directors has immense pleasure in presenting the 14th Annual Report of the Bank with audited Balance sheet and Profit & Loss account for the year ended March 2022.

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 1st 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 2021-22, no new branch has been opened. The total number of Branches remained 44.

Branch Network:

Region	Classification of branches			No. of branches
	Urban	Semi-Urban	Rural	
Puducherry	11	2	18	31
Karaikal	-	3	6	9
Mahe	-	2	-	2
Yanam	-	2	-	2
Total	11	9	24	44

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)	: 13

3. SHARE CAPITAL

The issued and paid up capital of the Bank as on 31.03.2022 is Rs.13.50 crore consists of 135 lakh shares of Rs.10/- each. The share holding pattern is as under:

(in 000's)

SI. 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.1956.62 Crores of which Deposits is Rs.1023.60 Crore and Advance is Rs.933.02 Crore.

4. DEPOSITS:

The deposits of the Bank reached the level of Rs.1023.60 crores as against the target of Rs.1050.00 crores registering a growth of 14.33% during the year. The break up for deposits are given below:

(in 000's)

Deposits		2021-22	2020-21	YoY Growth%
CA	No. of Accounts	1947	1967	(1.02)
	Amount	72482	53807	34.71
SB	No. of Accounts	288764	273629	5.53
	Amount	2153209	2003968	7.45
Low Cost Deposits		2225691	2057775	8.16
% of low cost Deposits		21.74	22.98	(5.40)
Term Deposits	No. of Accounts	23123	22737	1.70
	Amount	8010332	6895021	16.18
Total deposits		10236023	8952796	14.33
Average cost of Deposit		5.19	5.84	(11.13)
Per Branch Deposit		232636	203472	14.33
Per Employee Deposit		79349	70494	12.56

Cost of Deposits works out to 5.19%

5. BORROWINGS:

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

SPONSOR BANK:

(in 000's)

SI. No	Nature of facility	Purpose	2021-22	2020-21
1	Clean OD	On lending for short term seasonal Agricultural Operations	426589	-31623*
2	Term Loan	To meet capital Expenditure	0	0
TOTAL			426589	-31623*

*Credit Balance

NABARD:

(in 000's)

Purpose	2021-22	2020-21
Refinance for lending to Seasonal Agricultural Operations (ST-SAO)	1550000	1020000
Refinance for lending to Short Term Loan (OSAO)	10000	500000
Refinance for schematic lending	474526	363194
Total	2034526	1883194

Cost of borrowing works out to 4.84%

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	2021-22	2020-21	2019-20
Cash held by the Bank	27082	21948	31820
Balance in CA with Banks	324240	63333	33835
Balance with RBI	334950	282800	320002
Average Cash	33761	30603	33897
Average Deposits	9384449	8438615	7341020
% of Average Cash to Average Deposit	0.36	0.36	0.46

8. INVESTMENTS:

The investment portfolio of the Bank has increased to Rs. 36921.06 lakhs from Rs.27431.80 lakhs during the previous year. The ID ratio of the bank as on 31.03.2022 is 36.07%.

(in 000's)

Particulars	2021-22	2020-21
Total SLR	1643720	1524240
Total Non SLR investments	2048503	1218940
Of which		
Mutual Funds	0	0
Term deposits with Indian Bank	748503	318940
Term Deposit with other Bank	1200000	800000
Others (NABARD)	100000	100000
Total	3692223	2743180
Interest yield on SLR investment	120273	126785
Interest yield on Non-SLR investment	59127	41329

The Average Yield on Investments is 6.17%.

9. LOANS AND ADVANCES (OUTSTANDING):

(in 000's)

Parameter	2021-22	2020-21
PRIORITY SECTOR		
Short Term Loans	7708950	7018199
Of which Agri JL Loans	7577609	6875145
Agri/Allied term loan	326022	349733
Total Agri	8034972	7367932
% of Agri Advances to total adv.	86.12	88.12
MSME	778340	544090
Others	166501	87623
Total Other Priority sector	944841	631713
Total Priority	8979813	7999645
% of Priority adv to total adv	96.24	95.68
NON PRIORITY SECTOR		
LAD	89798	85193
Non Agri Jewel Loan	1036	8910
Others	259586	267179
Total Non Priority	350420	361282
Total Advances	9330233	8360927
Secured Advances	8642323	7729200
Unsecured Advances	687910	631727
Total Advances	9330233	8360927
SHGs/JLGs	687715	630684
Weaker Sections	5328974	4987536
SC/ST	125799	119632
Minority	329468	362514
CD Ratio	91.15	93.39

The Bank has achieved the advance level of Rs.933.02 crores against March 2021 level of Rs.836.09 crores by registering a growth of 11.59% on YoY basis.

The Average rate of interest charged on advances is 7.89%

Priority Sector Lending – as on 31.03.2022

(in 000's)			
Sl. No	Indicators	31.03.2022	31.03.2021
1	Total Outstanding Advances (as on previous year excluding PSLC)	5860927	6828396
2	Priority Sector Advances (Present year)	8979813	7999645
3	Agriculture (Present year)	8034972	7367932
4	Micro Enterprises (Present year)	713765	526154
5	Small and Marginal Farmers	4816416	3988831
6	Weaker Sections	5328974	4987536
	After issuing PSLC		
7	Priority Sector Advances (Present year)	4729813 [^]	5499645 [*]
8	Agriculture (Present year)	3784972 [^]	4867932 [*]
9	Small and Marginal Farmers	566416 [^]	1488831 [*]
	Achievement under Priority Sector targets		
10	% of Priority Sector to Total Advances	80.70	80.54
11	% of Agri to Total Advances	64.58	71.29
12	% of Micro Enterprises to Total Advances	12.18	7.71
13	% of Small and Marginal Farmers to Total Advances	9.66	21.80
14	% of Weaker Sections to Total Advances	90.92	73.04

* Rs.250.00 Crores PSLC issued during the year 2020-21 is deducted from the outstanding.

[^] Rs.425.00 Crores PSLC issued during the year 2021-22 is deducted from the outstanding.

The Bank has complied with Priority Sector Lending targets.

10. IRAC NORMS

(a) INCOME RECOGNITION AND ASSET CLASSIFICATION:

The Bank has Classified 655 accounts involving a total balance of Rs.610.26 lakhs as Fresh NPA as per prudential norms stipulated by RBI. The bank has registered a recovery of Rs.313.77 lakhs during the year with cash recovery of Rs.126.04 lakhs and Rs.156.43 lakhs has been recovered under OTS scheme. With this, the Gross NPA as on 31.03.2022 moved to Rs.1931.99 lakhs which works out to 2.07% of total advances.

The Bank has made 100% provision for all the NPA accounts. The percentage of net NPA of the bank as on 31.03.2022 remains NIL.

The details of Asset Classification and provisioning are furnished below:

(in 000's)

Category of loans	31.03.2022			31.03.2021		
	Balance outstanding	% to total advances	Provision	Balance Outstanding	% to total advances	Provision
Standard	9137034	97.93	25535	8197377	98.04	22856
Substandard	55142	0.59	55142	49486	0.59	49486
Doubtful	138057	1.48	138057	114064	1.37	114064
Loss	0	0		0	0	
Total	9330233	100%	218734	8360927	100%	186406

b) Interest De-recognized

(in 000's)

Details	2021-22	2020-21	2019-20
Derecognized income at the beginning of the year	78061	52365	32231
Recovery during the year	31731	2884	2532
Additions during the year	14333	28580	22666
Derecognized income at the end of the year	60663	78061	52365

c) Provisions

(in 000's)

S.No	Particulars	2021-22	2020-21	2019-20
1	Provision on NPA	193199	163550	131439
2	Provision on Standard Assets (Cumulative)	25535	22856	19568
3	Total Provision	218734	186406	151007

(d) NPA Management

(in 000's)

Details	2021-22	2020-21
NPA at the beginning	163550	131439
Addition during the year	61026	52535
Recovery in NPA during the year	31377	20424
NPA at the end of the year	193199	163550

11. DISBURSEMENT:

(in 000's)

Parameter	2021-22	2020-21
Priority Sector		
Short Term Loans including Agri JLs	8623780	8787942
Agri/Allied Term Loans	323204	491349
Total Agri	8946984	9279291
SME	656941	557795
Other priority	58985	29317
Total priority	9662910	9866403
Non Priority	161341	196473
Of which LAD and other Non Priority Loans	100494	184465
Non Agri JL	1119	12008
Total	9824251	10062876
Disbursement made for weaker sections	4789645	4815622
SHGs/JLGs	672546	507296
SC/ST	181163	207436
Minority	185530	289309

Performance under Annual Credit Plan: (SLBC Target 2021-22)

(in 000's)

Sl. No	Indicators	Target Mar 2022	Achievement Mar 2022	% of achievement
1	Agriculture	4298669	8946984	208.13
2	Non-farm Sector	402975	656941	163.02
3	Other Priority Sector	133262	58985	44.26
	Total Priority	4834906	9662910	199.86
4	Non Priority Sector	202335	161341	79.74
	Total advances	5037241	9824251	195.03

12. RECOVERY OF LOANS:

(in 000's)

RECOVERY PERFORMANCE	2021-22	2020-21
TOTAL		
Demand	2594509	3057986
Recovery	2284470	2758415
Overdues	310039	299571
Recovery %	88.05	90.20
FARM SECTOR		
Demand	2247695	1789645
Recovery	2006916	1710473
Overdues	240779	79172
Recovery %	89.29	95.58
NON-FARM SECTOR		
Demand	346814	1268341
Recovery	277554	1047942
Overdues	69260	220399
Recovery %	80.03	82.62

13. RISK FUND:

No risk fund has been created separately. 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	2021-22	2020-21	2019-20
1	Loans Written Off	3641*	1513*	752*
2	Recovery in Written off accounts	NIL	NIL	NIL

* Write off portion in OTS sanctioned.

16. INCOME EARNED

(in 000's)		
Particulars	2021-22	2020-21
Int. on loans and advances	685464	637864
Int. on investments	179401	168114
Of which		
Int. on FDs with the Sponsor Bank	12785	11811
Non int. income	134458	122821
Total	999323	928799

17. EXPENDITURE INCURRED

(in 000's)		
Type of Expenditure	2021-22	2020-21
Interest paid on deposits	486892	492658
Interest paid on borrowings	88785	61090
Operating expenses	231299	197410
Of which: Salary/Staff expenses	146100	119783
Non int. non Salary expenditure	85199	77627
Provisions and Contingencies	32327	35400
Total	839303	786558

18. FINANCIAL RATIOS

(in 000's)		
	2021-22	2020-21
Average Working funds	12294181	10547224
(i) Financial Return	7.03	7.64
(ii) Financial cost	4.68	5.25
(iii) Financial Margin	2.35	2.39
(iv) Cost of Management	0.55	0.53
(v) Operating Margin	1.56	1.68
(vi) Miscellaneous Income	1.09	1.16
(vii) Risk cost	0.26	0.34
(viii) Net Margin	0.84	0.86

19. TRANSFER PRICE MECHANISM:

The Bank is arriving Net Profit by Transfer Price mechanism considering the average monthly 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 21	Target March 22	Actuals March 22	% Achievement (Target)
1	Deposit	8952796	10500000	10236023	97.49
2	Low cost Deposit	2057775	2520000	2225691	88.32
3	% Of Low Cost Deposit	22.98	24.00	21.74	90.58
4	Total Advances	8360927	10000000	9330233	93.30
5	Credit Disbursement	10062876	12040000	9824251	81.60
6	Total Borrowings	1883194	2170100	2461115	113.41
7	Total Investments (SLR + Non SLR)	2743180	3050000	3692106	121.05
8	CD Ratio	93.39	95.24	91.15	95.71
9	Branch Productivity	393494	445652	444688	99.78
10	Staff Productivity (Including Sponsor Bank Employees)	136329	154135	151676	98.40
11	Gross NPA % to Total advances	1.96	1.52	2.07	136.18
12	Net NPA % to Total Advances	0.00	0.00	0.00	0.00
12	ID Ratio	30.64	29.05	36.07	124.17
13	Net Interest Margin	2.56	2.65	2.49	93.96
14	Operating/Net Profit	91103	115000	103309	89.83
15	CRAR %	11.98	12.15	10.57	87.00

21. 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.

Bank has made MOU with GMF/IGS/PSRLM for credit linkage of 3000 JLGs as a pilot project.

First of its kind in India, the Bank has made an arrangement with NABARD for digitization of SHGs in e-Shakthi portal of NABARD through Business Correspondents of the bank since August 2019.

i. Progress in Savings linkage of SHGs

Particulars	(in 000's)	
	No. of SHGs	Credit Amount
Savings account opened during the year	531	3157
Balance outstanding as on 31.03.2022	4528	113458

* Includes Inoperative SHG accounts 2623

ii. Progress in Credit linkage of SHGs

(in 000's)

Particulars	No. of SHGs	Credit Amount
Loan disbursed during the year (Fresh and renewal)	1547	606612
Balance outstanding as on 31.03.2022	2464	567605

iii. Progress in Savings linkage to JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
SB accounts opened during the year	223	2275
Balance outstanding as on 31.03.2022	1804	3863

iv. Progress in Credit linkage of JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
Loans disbursed during the year	327	64614
Balance outstanding as on 31.03.2022	881	120110

22. NON-FUND BASED BUSINESS

The Bank has not undertaken any non-fund based business during this financial year 2021-22.

23. OTHER PARTICULARS

IMAGE BUILDING ACTIVITIES:

- We have issued PSLC for Rs.425.00 crores and an income of Rs.5.91 Crores realised during the current year.
- We have introduced Android based Merchant POS device facility in our bank with technical support from Sponsor Bank and financial support by NABARD.
- We have received an award for Best Business Partner and Performance under Financial Literacy and Technology adoption by NABARD.
- Bank has introduced the paperless 'Green-PIN' facility for all ATM card holders.
- NPCI's NACH clearing process has been fully automated, without necessitating any manual intervention.
- Bank has taken up with M/s. NSDL for Online PAN Validation facility and completed the testing process.

- During the year Karaikal Branch has been shifted to new premises for extending convenient service to the customers.
- Vigilance Awareness week has been conducted during 26.10.2021 to 01.11.2021 across all branches.
- To improve the manpower position of the bank, 1 new Officer and 6 Office Assistants (Multi-Purpose) have been recruited through IBPS during the year.
- During the year bank has recovered Rs.3.14 crore from old NPA accounts

MAN POWER: Staff Strength as on 31.03.2022

Category	Total Strength	Of which Women
Manager (Scale II)	21	6
Assistant Manager Scale I	47	21
Office Assistant (MP)	58	24
Total	126	51

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

RECRUITMENT:

The Bank has acted as nodal Bank for conducting 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 2021-22 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:

There is no fraud reported during the year.

CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR):

Banks capital is strengthened due to profits earned continuously over the years. The risk weighted assets of the Bank gone up to Rs.1381.53 Crores from Rs.1182.09 Crores and our CRAR as on 31.03.2022 works out to 10.57%.

BOARD MEETING:

Bank has conducted the mandatory requirement of minimum Six Board meetings for the calendar year 2021 and four meetings of the Audit Committee of the Board were also conducted during the financial year 2021-22.

Board of Directors:

Board of Directors during the year 2021-22

Sri K Ranjith Kumar	: Chairman, Pudukkottai Bharathiar Grama Bank
Sri. S S Vaseeharan	: DGM, NABARD, Chennai
Sri. Mani Subramanian	: DGM (CO:RBD), Indian Bank, Chennai
Smt B Srimathy	: DGM/ZM, ZO, Indian Bank, Trichy
Sri K. Dhamodhiran	: AGM, RBI (FIDD), Chennai
Sri. G. Santhamurthy	: The Director, Planning and Research Department, Puducherry
Sri. S Kumar	: The Project Officer, DRDA, Puducherry

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 N C RAJAGOPAL & Co (Statutory Central Auditor), Chartered Accountants, Chennai and M/s R JANAKIRAMAN & 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

Chairman

Date : 04.05.2022

Place : Puducherry