



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

**DIRECTORS' REPORT 2022-23**

The Board of Directors has immense pleasure in presenting the 15<sup>th</sup> Annual Report of the Bank with audited Balance sheet and Profit & Loss account for the year ended March 2023.

**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 2022-23, the Bank has opened 2 new branches viz., SARAM (Urban, Tier-1) and Kumarapalayam (Rural, Tier-5). With this the total number of Branches stood at 46.

**Branch Network:**

Region	Classification of branches			No. of branches
	Urban	Semi-Urban	Rural	
Puducherry	12	2	19	33
Karaikal	-	3	6	9
Mahe	-	2	-	2
Yanam	-	2	-	2
<b>Total</b>	<b>12</b>	<b>9</b>	<b>25</b>	<b>46</b>

**Classification of branches based on population:**

Tier I (1,00,000 and above)	: 12
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)	: 12
Tier VI (Less than 5000)	: 13

**3. SHARE CAPITAL**

The issued and paid up capital of the Bank as on 31.03.2023 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.2251.00 Crores of which Deposits is Rs.1138.32 Crore and Advance is Rs.1112.68 Crore.

## 4. DEPOSITS:

The deposits of the Bank reached the level of Rs.1138.32 crores as against the target of Rs.1177.00 crores registering a growth of 11.21% during the year. The break up for deposits are given below:

(in 000's)

Deposits		2022-23	2021-22	YoY Growth%
CA	No. of Accounts	1976	1947	1.49
	Amount	81010	72482	11.77
SB	No. of Accounts	302660	288764	4.81
	Amount	2290887	2153209	6.39
<b>Low Cost Deposits</b>		<b>2371897</b>	<b>2225691</b>	<b>6.57</b>
% of low cost Deposits		20.84	21.74	(4.14)
Term Deposits	No. of Accounts	25079	23123	8.46
	Amount	9011343	8010332	12.50
<b>Total deposits</b>		<b>11383240</b>	<b>10236023</b>	<b>11.21</b>
Average cost of Deposit		5.33	5.19	2.70
Per Branch Deposit		247462	232636	6.37
Per Employee Deposit		76914	79349	(3.07)

Cost of Deposits works out to 5.33%

## 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)

Sl. No	Nature of facility	Purpose	2022-23	2021-22
1	Clean OD	On lending for short term seasonal Agricultural Operations	-43660*	426589
2	Term Loan	To meet capital Expenditure	0	0
<b>TOTAL</b>			<b>-43660*</b>	<b>426589</b>

\*Credit Balance

### NABARD:

(in 000's)

Purpose	2022-23	2021-22
Refinance for lending to Seasonal Agricultural Operations (ST-SAO)	1800000	1550000
Refinance for lending to Short Term Loan (OSAO)	11600	10000
Refinance for schematic lending	460808	474526
<b>Total</b>	<b>2272408</b>	<b>2034526</b>

## OTHERS

Institution	2022-23	2021-22
National Scheduled Castes Finance and Development Corporation (NSFDC)	196419	0
National Backward Classes Finance and Development Corporation (NBCFDC)	190000	0
<b>Total</b>	<b>386419</b>	<b>0</b>

Cost of borrowing works out to 5.60%

## 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	2022-23	2021-22	2020-21
Cash held by the Bank	29947	27082	21948
Balance in CA with Banks	120394	324240	63333
Balance with RBI	409250	334950	282800
Average Cash	35372	33761	30603
Average Deposits	10593872	9384449	8438615
% of Average Cash to Average Deposit	0.33	0.36	0.36

## 8. INVESTMENTS:

The investment portfolio of the Bank has decreased to Rs. 35797.31 lakhs from Rs.36922.23 lakhs during the previous year. The ID ratio of the bank as on 31.03.2023 is 31.45%.

	(in 000's)	
Particulars	2022-23	2021-22
Total SLR	1794957	1643720
Total Non SLR investments	1784774	2048503
<b>Of which</b>		
Mutual Funds	60000	0
Term deposits with Indian Bank	374774	748503
Term Deposit with other Bank	1350000	1200000
Others (NABARD)	0	100000
<b>Total</b>	<b>3579731</b>	<b>3692223</b>
<b>Interest yield on SLR investment</b>	<b>134385</b>	<b>120273</b>
<b>Interest yield on Non-SLR investment</b>	<b>97527</b>	<b>59127</b>

The Average Yield on Investments is 6.67%.

**9. LOANS AND ADVANCES (OUTSTANDING):****(in 000's)**

<b>Parameter</b>	<b>2022-23</b>	<b>2021-22</b>
<b>PRIORITY SECTOR</b>		
Short Term Loans	9323286	7708950
Of which Agri JL Loans	9153486	7577609
KCC	169799	131340
Agri/Allied term loan	288019	326022
<b>Total Agri</b>	<b>9611305</b>	<b>8034972</b>
<b>% of Agri Advances to total adv.</b>	<b>86.38</b>	<b>86.12</b>
MSME	826062	778340
Others	217516	166501
<b>Total Other Priority sector</b>	<b>1043578</b>	<b>944841</b>
<b>Total Priority</b>	<b>10654883</b>	<b>8979813</b>
<b>% of Priority adv to total adv</b>	<b>95.76</b>	<b>96.24</b>
<b>NON PRIORITY SECTOR</b>		
LAD	98101	89798
Non Agri Jewel Loan	4100	1036
Others	369683	259586
<b>Total Non Priority</b>	<b>471884</b>	<b>350420</b>
<b>Total Advances</b>	<b>11126767</b>	<b>9330233</b>
Secured Advances	10441008	8642323
Unsecured Advances	685759	687910
<b>Total Advances</b>	<b>11126767</b>	<b>9330233</b>
SHGs/JLGs	685754	687715
Weaker Sections	8215245	5328974
SC/ST	357269	125799
Minority	448118	329468
CD Ratio	97.75	91.15

The Bank has achieved the advance level of Rs.1112.67 crores against March 2022 level of Rs.933.02 crores by registering a growth of 19.25% on YoY basis.

**The Average rate of interest charged on advances is 8.10%**

## Priority Sector Lending – as on 31.03.2023

(in 000's)			
Sl. No	Indicators	31.03.2023	31.03.2022
1	Total Outstanding Advances (as on previous year excluding PSLC)	5080233	5860927
2	Priority Sector Advances (Present year)	10654883	8979813
3	Agriculture (Present year)	9611305	8034972
4	Micro Enterprises (Present year)	826062	713765
5	Small and Marginal Farmers	6696148	4816416
6	Weaker Sections	8215245	5328974
	<b>After issuing PSLC</b>		
7	Priority Sector Advances (Present year)	6404883 <sup>^</sup>	4729813 <sup>*</sup>
8	Agriculture (Present year)	5361305 <sup>^</sup>	3784972 <sup>*</sup>
9	Small and Marginal Farmers	2446148 <sup>^</sup>	566416 <sup>*</sup>
	<b>Achievement under Priority Sector targets</b>		
10	% of Priority Sector to Total Advances	126.07	80.70
11	% of Agri to Total Advances	105.53	64.58
12	% of Micro Enterprises to Total Advances	16.30	12.18
13	% of Small and Marginal Farmers to Total Advances	48.15	9.66
14	% of Weaker Sections to Total Advances	161.70	90.92

\* Rs.425.00 Crores PSLC issued during the year 2021-22 is deducted from the outstanding.

<sup>^</sup> Rs.425.00 Crores PSLC issued during the year 2022-23 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 603 accounts involving a total balance of Rs.752.42 lakhs as Fresh NPA as per prudential norms stipulated by RBI. The bank has registered a recovery of Rs.486.04 lakhs during the year with cash recovery of Rs.179.91 lakhs and Rs.293.20 lakhs has been recovered under OTS scheme. With this, the Gross NPA as on 31.03.2023 moved to Rs.2198.37 lakhs which works out to 1.98% of total advances.

The Bank has made 100% provision for all the NPA accounts. The percentage of net NPA of the bank as on 31.03.2023 remains NIL.

The details of Asset Classification and provisioning are furnished below:

(in 000's)

Category of loans	31.03.2023			31.03.2022		
	Balance outstanding	% to total advances	Provision	Balance Outstanding	% to total advances	Provision
Standard	10906931	98.02	301312	9137034	97.93	25535
Substandard	35516	0.32	35516	55142	0.59	55142
Doubtful	176511	1.59	176511	138057	1.48	138057
Loss	7809	0.07	7809	0	0	
<b>Total</b>	<b>11126767</b>	<b>100%</b>	<b>521148</b>	<b>9330233</b>	<b>100%</b>	<b>218734</b>

**b) Interest De-recognized**

(in 000's)

Details	2022-23	2021-22	2020-21
Derecognized income at the beginning of the year	60663	78061	52365
Recovery during the year	20595	31731	2884
Additions during the year	30664	14333	28580
Derecognized income at the end of the year	70732	60663	78061

**c) Provisions**

(in 000's)

S.No	Particulars	2022-23	2021-22	2020-21
1	Provision on NPA	219336	193199	163550
2	Provision on Standard Assets (Cumulative)	30132	25535	22856
3	Total Provision	219837	218734	186406

**(d) NPA Management**

(in 000's)

Details	2022-23	2021-22
NPA at the beginning	193199	163550
Addition during the year	75242	61026
Recovery in NPA during the year	48604	31377
NPA at the end of the year	219837	193199

**11. DISBURSEMENT:**

(in 000's)

Parameter	2022-23	2021-22
<b>Priority Sector</b>		
Short Term Loans including Agri JLs	11134021	8623780
Agri/Allied Term Loans	189074	323204
<b>Total Agri</b>	<b>11323095</b>	<b>8946984</b>
SME	629673	656941
Other priority	96595	58985
<b>Total priority</b>	<b>12049363</b>	<b>9662910</b>
<b>Non Priority</b>	<b>349632</b>	<b>161341</b>
Of which LAD and other Non Priority Loans	342937	100494
Non Agri JL	6695	1119
<b>Total</b>	<b>12398995</b>	<b>9824251</b>
Disbursement made for weaker sections	7718708	4789645
SHGs/JLGs	517563	672546
SC/ST	335892	181163
Minority	320491	185530

**Performance under Annual Credit Plan: (SLBC Target 2022-23)**

(in 000's)

Sl. No	Indicators	Target Mar 2023	Achievement Mar 2023	% of achievement
1	Agriculture	4903818	11323095	230.90
2	Non-farm Sector	426665	629673	147.58
3	Other Priority Sector	131281	96595	73.58
	Total Priority	5461764	12049363	220.61
4	Non Priority Sector	202335	349632	172.80
	<b>Total advances</b>	<b>5664099</b>	<b>12398995</b>	218.90

**12. RECOVERY OF LOANS:**

(in 000's)

RECOVERY PERFORMANCE	2022-23	2021-22
<b>TOTAL</b>		
Demand	3139376	2594509
Recovery	2843531	2284470
Overdues	295845	310039
Recovery %	90.58	88.05
<b>FARM SECTOR</b>		
Demand	2561378	2247695
Recovery	2438316	2006916
Overdues	123062	240779
Recovery %	95.20	89.29
<b>NON-FARM SECTOR</b>		
Demand	577998	346814
Recovery	405215	277554
Overdues	172783	69260
Recovery %	70.11	80.03

### 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	2022-23	2021-22	2020-21
1	Loans Written Off	9912*	3641*	1513*
2	Recovery in Written off accounts	NIL	NIL	NIL

\* Write off portion in OTS sanctioned.

### 16. INCOME EARNED

(in 000's)		
Particulars	2022-23	2021-22
Int. on loans and advances	830314	685464
Int. on investments	231911	179401
Of which		
Int. on FDs with the Sponsor Bank	11416	12785
Non int. income	181486	134458
<b>Total</b>	<b>1243711</b>	<b>999323</b>

### 17. EXPENDITURE INCURRED

(in 000's)		
Type of Expenditure	2022-23	2021-22
Interest paid on deposits	564727	486892
Interest paid on borrowings	134301	88785
Operating expenses	288205	231299
Of which: Salary/Staff expenses	165468	146100
Non int. non Salary expenditure	122323	85199
Provisions and Contingencies	36550	32327
<b>Total</b>	<b>1023368</b>	<b>839303</b>

### 18. FINANCIAL RATIOS

(in 000's)		
	2022-23	2021-22
<b>Average Working funds</b>	14308801	12294181
(i) Financial Return	7.42	7.03
(ii) Financial cost	4.89	4.68
(iii) Financial Margin	2.54	2.35
(iv) Cost of Management	0.53	0.55
(v) Operating Margin	1.79	1.56
(vi) Miscellaneous Income	1.27	1.09
(vii) Risk cost	0.26	0.26
(viii) Net Margin	1.00	0.84



## 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 22	Target March 23	Actuals March 23	% Achievement (Target)
1	Deposit	10236023	11770000	11383241	96.71
2	Low cost Deposit	2225691	2685000	2371898	88.34
3	% Of Low Cost Deposit	21.74	22.81	20.84	91.36
4	Total Advances	9330233	10750000	11126767	103.50
5	Credit Disbursement	9824251	11750000	12398995	105.52
6	Total Borrowings	2461115	2000000	2658827	132.94
7	Total Investments (SLR + Non SLR)	3692223	3450000	3579731	103.76
8	CD Ratio	91.15	91.33	97.75	107.03
9	Branch Productivity	444688	489565	489348	99.96
10	Staff Productivity (Including Sponsor Bank Employees)	151676	156389	152095	97.25
11	Gross NPA % to Total advances	2.07	1.72	1.98	114.53
12	Net NPA % to Total Advances	0.00	0.00	0.00	0.00
12	ID Ratio	36.07	29.31	31.46	107.34
13	Net Interest Margin	2.49	2.52	2.65	105.16
14	Operating/Net Profit	103309	122000	143324	117.48
15	CRAR %	10.57	11.00	10.55	95.91

## 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 2000 JLGs as a pilot project.

### i. Progress in Savings linkage of SHGs

Particulars	(in 000's)	
	No. of SHGs	Credit Amount
Savings account opened during the year	900	3560
Balance outstanding as on 31.03.2023	3967*	120473

\* Operative SHGs

Total Inoperative SHGs - 4741

## ii. Progress in Credit linkage of SHGs

(in 000's)

Particulars	No. of SHGs	Credit Amount
Loan disbursed during the year (Fresh and renewal)	878	433207
Balance outstanding as on 31.03.2023	1975	545480

## iii. Progress in Savings linkage to JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
SB accounts opened during the year	419	3998
Balance outstanding as on 31.03.2023	2091	5904

## iv. Progress in Credit linkage of JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
Loans disbursed during the year	431	84356
Balance outstanding as on 31.03.2023	1044	140274

## 22. NON-FUND BASED BUSINESS

The Bank has not undertaken any non-fund based business during this financial year 2022-23.

## 23. OTHER PARTICULARS

### IMAGE BUILDING ACTIVITIES:

- We have issued PSLC for Rs.425.00 crores and an income of Rs.10.43 Crores realised during the current year.

### TECHNOLOGY INITIATIVES

- We have gone live in IMPS on 30.09.2022.
- Real Time Online PAN validation facility for validating the PANs against the data available with Income Tax Dept.
- In-house development portals have been developed for various fields as below:
  - ❖ To monitor the list of "Probable NPA slippage" accounts for that particular month.
  - ❖ To monitor the Jewel packets and to upload the details of monthly jewel packets counting.
  - ❖ Monthly Fuel reimbursement for all the staff
  - ❖ CIBI/CRIF request from branches for the customers

- ❖ Expenditure confirmation portal
- ❖ Loan repayment monitoring portal
- ❖ Linked accounts checking portal for SHGs and JLGs
- ❖ Jewel Loan Overdue monitoring portal
- ❖ Term Deposit Maturity tracking portal

## MARKETING

- We have conducted Roadshow at our Puducherry and Karaikal regions to campaign our increased rate of interest on Deposits among the general public.
- We have given advertisement in FM radio station and TV Scroll to increase our publicity in the market.
- We have donated Rs.1.00 lakhs to Karaikal District Collector for conduct of “World Space Week” in Karaikal region by ISRO.
- We have donated TV and clothes to all the members of the old age Home in Puducherry under CSR.
- We have distributed Sweets, Clothes, Pressure Cooker and Hot Box to mentally challenged inmates of “UJALA HOME FOR MENTALLY CHALLENGED WOMEN” in Puducherry under CSR.

## CREDIT

- Retail credit disbursement has been more than doubled from 2021-22 to 2022-23. We have disbursed 229 retail loans amounting to Rs.25.51 crores when compared to 176 accounts amounting to Rs.9.09 crores during the FY 2021-22.
- We have signed MOU with NABARD for three years (2021-24) for formation of 2000 JLGs through NGOs and we have formed 277 fresh JLGs from 19.11.2021-31.03.2023.
- Out of 12 accounts under PMFME allotted to our Bank, we have disbursed 16 accounts during the FY 2022-23.

## MAN POWER: Staff Strength as on 31.03.2023

Category	Total Strength	Of which Women
Manager (Scale II)	23	6
Assistant Manager Scale I	56	24
Office Assistant (MP)	66	29
<b>Total</b>	<b>145</b>	<b>59</b>

**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 2022-23 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:**

The following two fraud cases reported during the FY 2022-23:

1. Fraud occurred by one of the Officer by misappropriation of funds through SHG, JLG and SME loans amounting to Rs.19.42 lakhs. Out of that Rs. 16.82 lakhs has been recovered and staff action has been initiated.
2. Fraud occurred by one of the customer by pledging spurious Jewels to an amount of Rs.7.82 lakhs. We have filed a compliant against the customer to the Police and preliminary investigation is under process.

## **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.929.64 Crores from Rs.788.37 Crores and our CRAR as on 31.03.2023 works out to 10.55%.

## **BOARD MEETING:**

Bank has conducted the mandatory requirement of minimum Six Board meetings for the calendar year 2022 and four meetings of the Audit Committee of the Board were also conducted during the financial year 2022-23.

## **Board of Directors:**

### ***Board of Directors during the year 2022-23***

Sri K Ranjith Kumar	: Chairman, Pudukkottai Bharathiar Grama Bank
Sri. Mani Subramanian	: GM, Rural Banking, Indian Bank, Chennai
Sri Srirama Chandra Babu	: DGM/ZM, ZO, Indian Bank, Kumbakonam
Smt C Sumithra	: DGM, NABARD, Chennai
Sri S Ramesh	: AGM, RBI (FIDD), Chennai
Sri. V Aroulmoji	: Joint 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 : 26.04.2023**

**Place : Puducherry**