



PUDUVAI BHARATHIAR GRAMA BANK
(Sponsored by Indian Bank)

DIRECTORS' REPORT 2019-20

The Board of Directors has immense pleasure in presenting the 12th Annual Report of the Bank with audited Balance sheet and Profit & Loss account for the year ended March 2020.

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 2019-20, 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
Total	11	9	23	43

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 31.03.2020 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.1486.98 Crores of which Deposits is Rs.804.14 Crore and Advance is Rs.682.84 Crore.

4. DEPOSITS:

The deposits of the Bank reached the level of Rs.804.14 crores as against the target of Rs.830.91 crores registering a growth of 18.12% during the year. The break up for deposits is given below:

(in 000's)

Deposits		2019-20	2018-19	YoY Growth%
CA	No. of Accounts	1936	1881	2.92
	Amount	56291	117231	-51.98
SB	No. of Accounts	258793	244472	5.86
	Amount	1850947	1629784	13.57
Low Cost Deposits		1907238	1747015	9.17
% of low cost Deposits		23.72	25.66	-7.56
Term Deposits	No. of Accounts	22887	21717	5.39
	Amount	6134115	5060770	21.21
Total deposits		8041353	6807785	18.12
Average cost of Deposit		6.47	6.27	3.19
Per Branch Deposit		187008	158321	18.12
Per Employee Deposit		65377	60784	7.56

Cost of Deposits is 6.47%

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	2019-20	2018-19
1	Clean OD	On lending for short term seasonal Agricultural Operations	-14578*	-22269*
2	Term Loan	To meet capital Expenditure	0	3266
TOTAL			-14578*	-19003*

* Credit Balance

NABARD:

(in 000's)

Purpose	2019-20	2018-19
Refinance for lending to Seasonal Agricultural Operations (ST-SAO)	800056	1032047
Refinance for lending to Short Term Loan (OSAO)	-	-
Refinance for schematic lending	133306	96392
Total	933362	1128439

Cost of borrowing is 6.53%

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	2019-20	2018-19	2017-18
Cash held by the Bank	31820	33167	27298
Balance in CA with Banks	33835	35307	25987
Balance with RBI	320002	271001	258700
Average Cash	33897	31367	25450
Average Deposits	7341020	6135628	5924825
% of Average Cash to Average Deposit	0.46	0.51	0.43

8. INVESTMENTS:

The investment portfolio of the Bank has increased to Rs.22618.01 lakhs during the year since the growth of deposit during the year was increased. The ID ratio of the bank as on 31.03.2020 is 28.13%.

(in 000's)

Particulars	2019-20	2018-19
Total SLR	1326670	1267384
Total Non SLR investments	935131	463785
Of which		
Mutual Funds	0	0
Term deposits with Indian Bank	365131	213785
Term Deposit with other Bank	370000	250000
Others (NABARD)	200000	0
Total	2261801	1731169
Interest yield on SLR investment	102554	101168
Interest yield on Non-SLR investment	33940	15376

The Yield on Investments is 7.34%.

9. LOANS AND ADVANCES (OUTSTANDING):

(in 000's)

Parameter	2019-20	2018-19
PRIORITY SECTOR		
Short Term Loans	5005531	5018921
Of which Agri JL Loans	4877063	4892664
Agri/Allied term loan	251549	208593
Total Agri	5257080	5227514
% of Agri Advances to total adv.	76.99	84.15
SME	528029	519514
Others	561748	124079
Total Other Priority sector	1089777	643593
Total Priority	6346857	5871107
% of Priority adv to total adv	92.95	94.51
NON PRIORITY SECTOR		
LAD	169417	127590
Non Agri Jewel Loan	92232	11584
Others	219891	202051
Total Non Priority	481539	341225
Total Advances	6828396	6212332
Secured Advances	6297706	5721746
Unsecured Advances	530690	490586
Total Advances	6828396	6212332
SHGs/JLGs	530520	490456
Weaker Sections	4630135	3446443
SC/ST	109344	389744
Minority	305877	635700
CD Ratio	84.92	91.25

The Bank achieved the advance level of Rs.682.84 crores against March 2019 level of Rs.621.23 crores registering a growth of 9.92% on YoY basis.

The Average rate of interest charged on advances is **9.40%**

Priority Sector Lending – as on 31.03.2020

(in 000's)

Sl. No	Indicators	31.03.2020	31.03.2019
1	Total Outstanding Advances (as on previous year)	6212332	5474511
2	Priority Sector Advances (Present year)	6346857	5871107
3	Agriculture (Present year)	5257080	5227514
4	Micro Enterprises (Present year)	469581	464679
5	Small and Marginal Farmers	3493578	3889856
6	Weaker Sections	4588903	3370123
	After issuing PSLC		
7	Priority Sector Advances (Present year)	4846857*	4871107^
8	Agriculture (Present year)	3757080*	4227514^
9	Small and Marginal Farmers	1993578*	2889856^
	Achievement under Priority Sector targets		
10	% of Priority Sector to Total Advances	78.02	88.98
11	% of Agri to Total Advances	60.48	77.22
12	% of Micro Enterprises to Total Advances	7.56	8.49
13	% of Small and Marginal Farmers to Total Advances	32.09	52.79
14	% of Weaker Sections to Total Advances	73.87	61.56

^ Rs.100.00 Crores PSLC issued during the year 2018-19 is deducted from the outstanding.

* Rs.150.00 Crores PSLC issued during the year 2019-20 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 533 accounts involving a total balance of Rs.592.13 lakhs as Fresh NPA as per prudential norms stipulated by RBI. Cash recovery in NPA during the year is Rs.107.87 lakhs and 96 accounts of Rs.53.37 lakhs were closed under OTS scheme which involved write off of Rs.7.52 lakhs. With this, the Gross NPA as on 31.03.2020 moved to Rs.1314.39 lakhs which works out to 1.92% of total advances.

The Bank has made 100% provision for all the NPA accounts. The percentage of net NPA of the bank as on 31.03.2020 remains NIL.

The details of Asset Classification and provisioning are furnished below:

(in 000's)

Category of loans	31.03.2020			31.03.2019		
	Balance outstanding	% to total advances	Provision	Balance Outstanding	% to total advances	Provision
Standard	6696957	98.08	19568	6128567	98.65	16698
Substandard	49888	0.73	49888	42054	0.68	42054
Doubtful	81551	1.19	81551	41711	0.67	41711
Loss	0	0	0	0	0	0
Total	6828396		151007	6212332		100463

b) Interest De-recognized

(in 000's)

Details	2019-20	2018-19	2017-18
Derecognized income at the beginning of the year	32231	13856	12267
Recovery during the year	2532	1782	499
Additions during the year	22666	20157	2088
Derecognized income at the end of the year	52365	32231	13856

c) Provisions

(in 000's)

S.No	Particulars	2019-20	2018-19	2017-18
1	Provision on NPA	131439	83765	54723
2	Provision on Standard Assets (Cumulative)	19568	16698	14024
3	Total Provision	151007	100463	68747

(d) NPA Management

(in 000's)

Details	2019-20	2018-19
NPA at the beginning	83765	54723
Addition during the year	59213	36434
Recovery in NPA during the year	11539	7392
NPA at the end of the year	131439	83765

11. DISBURSEMENT:

(in 000's)

Parameter	2019-20	2018-19
Priority Sector		
Short Term Loans including Agri JLs	6020641	5857743
Agri/Allied Term Loans	328625	312694
Total Agri	6349266	6170437
SME	520297	293835
Other priority	513062	345248
Total priority	7382625	6809520
Non Priority	337899	230393
Of which LAD and other Non Priority Loans	233101	212427
Non Agri JL	104798	17966
Total	7720524	7039913
Disbursement made for weaker sections	3804094	4512623
SHGs/JLGs	766341	806136
SC/ST	206502	612325
Minority	252303	362526

Performance under Annual Credit Plan:

(in 000's)

Sl. No	Indicators	Target Mar 2020	Achievement Mar 2020	% of achievement
1	Agriculture	7088800	6349266	89.57
2	Non-farm Sector	307200	520297	169.37
3	Other Priority Sector	495000	513062	103.65
	Total Priority	7891000	7382625	93.56
4	Non Priority Sector	256100	337899	131.94
	Total advances	8147100	7720523	94.76

12. RECOVERY OF LOANS:

(in 000's)

RECOVERY PERFORMANCE	2019-20	2018-19
TOTAL		
Demand	3670001	3358641
Recovery	3364446	3097676
Overdues	305555	260965
Recovery %	91.67	92.23
FARM SECTOR		
Demand	2289313	2264141
Recovery	2245125	2215425
Overdues	84188	48716
Recovery %	98.07	97.85
NON-FARM SECTOR		

RECOVERY PERFORMANCE	2019-20	2018-19
Demand	1380688	1094500
Recovery	1119321	882251
Overdues	221367	212249
Recovery %	81.07	80.61

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	2019-20	2018-19
1	Loans Written Off	752*	277*
2	Recovery in Written off accounts	NIL	NIL

* Write off portion in OTS sanctioned.

16. INCOME EARNED

(in 000's)		
Particulars	2019-20	2018-19
Int. on loans and advances	616276	548545
Int. on investments	136494	116544
Of which		
Int. on FDs with the Sponsor Bank	17521	5656
Non int. income	109622	97621
Total	862392	762710

17. EXPENDITURE INCURRED

(in 000's)		
Type of Expenditure	2019-20	2018-19
Interest paid on deposits	474967	384804
Interest paid on borrowings	64820	76736
Operating expenses	177727	155896
Of which: Salary/Staff expenses	103418	82766
Non int. non Salary expenditure	74309	73130
Provisions and Contingencies	50544	31716
Total	768058	649152

18. FINANCIAL RATIOS

(in 000's)

	2019-20	2018-19
Average Working funds	9085798	8018645
(i) Financial Return	8.29	8.29
(ii) Financial cost	5.94	5.76
(iii) Financial Margin	2.34	2.54
(iv) Cost of Management	1.96	1.94
(v) Operating Margin	1.59	1.81
(vi) Miscellaneous Income	1.21	1.22
(vii) Risk cost	0.56	0.40
(viii) Net Margin	0.67	0.93

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 19	Target March 20	Actuals March 20	% Achievement (Target)
1	Deposit	6807785	8309100	8041353	96.78
2	Low cost Deposit	1747015	2750000	1907238	69.35
3	% Of Low Cost Deposit	25.66	33.10	23.72	71.66
4	Total Advances	6212332	7765300	6828396	87.93
5	Credit Disbursement	7039913	8147100	7720523	94.76
6	Total Borrowings	1133205	1304600	933362	71.54
7	Total Investments (SLR + Non SLR)	1731169	1903100	2261801	118.85
8	CD Ratio	91.25	93.46	84.92	90.86
9	Branch Productivity	302793	357209	345808	96.81
10	Staff Productivity (Including Sponsor Bank Employees)	116251	128595	120892	94.01
11	Gross NPA % to Total advances	1.35	0.76	1.92	252.63
12	Net NPA % to Total Advances	0.00	0.00	0.00	100.00
12	ID Ratio	25.43	22.90	28.13	122.84
13	Net Interest Margin	2.77	2.80	2.53	90.36
14	Operating/Net Profit	74526	95000	61190	64.41
15	CRAR %	12.42	12.70	12.08	95.12

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.

i. Progress in Savings linkage of SHGs

(in 000's)

Particulars	No. of SHGs	Credit Amount
Savings account opened during the year	625	5984
Balance outstanding as on 31.03.2020	6767*	108739

* Includes Inoperative SHG accounts 2981

ii. Progress in Credit linkage of SHGs

(in 000's)

Particulars	No. of SHGs	Credit Amount
Loan disbursed during the year	746	318005
Balance outstanding as on 31.03.2020	1919	400851

iii. Progress in lending to JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
SB accounts opened during the year	414	1596
Balance outstanding as on 31.03.2020	1705	3199

iv. Progress in Credit linkage of JLGs

(in 000's)

Particulars	No. of JLGs	Credit Amount
Loans disbursed during the year	473	82135
Balance outstanding as on 31.03.2020	1108	131209

22. NON-FUND BASED BUSINESS

The Bank has not undertaken any non-fund based business during this financial year 2019-20.

23. OTHER PARTICULARS

IMAGE BUILDING ACTIVITIES:

- Under CSR activity the Bank has received an award for the desilting of ponds in Karaikal region from Lieutenant Governor of Puducherry.
- 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.
- Bank has made MOU with GMF/IGS/PSRLM for credit linkage of 3000 JLGs as a pilot project.
- Bank has contributed 1 day salary of all employees to PM cares Fund and 1 day salary to CM Relief Fund to support the government in COVID-19 pandemic.
- As a corporate social responsibility, Bank has donated Rs.5 lakhs to CM Relief Fund and Rs.50000 to Collector, Karaikal for COVID-19 pandemic.
- During the year Thavalakuppam, Nettapakkam and Madukarai Branches have been shifted to new premises for extending convenient service to the customers.
- During the year 5 new farmers clubs have been formed in addition to the existing 27 farmers clubs.
- Customer Meet has been conducted across all the branches during the year.
- Vigilance Awareness week has been conducted during 28.10.2019 to 02.11.2019 across all branches.
- To improve the manpower position of the bank, 2 new Officers and 12 Office Assistants (Multi-Purpose) have been recruited through IBPS during the year.
- HRM Dept of the bank has been centralized and automated for various activities. Leave and payroll has been implemented for all the staff in HRMS portal.
- 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
- Bank has conducted 152 number of financial literacy camps in rural branches/villages.
- During the year Bank has received DEEDS subsidy amounting to Rs.19.39 lakhs from NABARD out of the total allocation of Rs.30 lakhs for the UT of Puducherry.
- DAY-NRLM for rural SHGs have been implemented.
- New Agri Jewel Loan product “BHARATHI AGRI JEWEL LOAN-FIXD” has been introduced.
- During the year bank has recovered Rs.1.15 crore from old NPA accounts

MAN POWER: Staff Strength as on 31.03.2020

Category	Total Strength	Of which Women
Manager (Scale II)	20	6
Assistant Manager Scale I	50	18
Office Assistant (MP)	50	21
Total	120	45

Pension Scheme has been implemented for the eligible staff under Puduvai 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 2019-20 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.980.38 Crores from Rs.864.85 Crores and our CRAR as on 31.03.2020 works out to 12.08%.

BOARD MEETING:

Bank has conducted the mandatory requirement of minimum Six Board meetings for the calendar year 2019 and four meetings of the Audit Committee of the Board were also conducted during the financial year 2019-20.

Board of Directors:

Board of Directors during the year 2019-20

Smt. J Margaret Laetitia : Chairman, Pudukkottai Bharathiar Grama Bank

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

Sri. K. Thamilarasu : DGM/ZM, Indian Bank, Kancheepuram

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

Sri K. Dhamodhiran : AGM, RBI (FIDD), Chennai

Sri. G. Santhamurthy : The Director, Planning and Research Department, Puducherry

Sri. D. Mohan Kumar : The Project Director, 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 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 : 25.06.2020

Place : Puducherry