



The
Nedungadi Bank
Ltd.

ANNUAL REPORT 1996-97



Our founder



Rao Bahadur T.M. Appu Nedungadi.

His was the vision that is our inspiration...



MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓

Board of Directors

CHAIRMAN :

Sri. A.R. Moorthy

DIRECTORS :

Sri. P.R. Menon

Sri. S. Krishnan

Dr. N. Vijayan

Sri. P. Kumaran

Prof.M.K.A. Hameed

Sri.C.V. Radhakrishnan

Sri.C.V. Nair

Sri.P.S. Menon

Sri.M. Ratna Singh

Sri.C.N. Kutty

(Addl. Director, RBI Nominee)

Smt. S. Valsala Devi

(Alt. Addl. Director, RBI Nominee)

Executives

GENERAL MANAGERS :

Sri.T.V. Radhakrishnan

Sri.P. Sreedharan

ASSISTANT GENERAL

MANAGERS :

Sri.K. Balakrishnan

Sri.V. Narayanan

Sri.M. Kunhimoideen Koya

Sri.K.P. Ramachandran

Sri.V.N. Unnikrishnan Nair

Sri.C.K. Prabhakaran

Sri.G. Rajkumar

Sri. K.P. Sathyadevan

Sri. T.R. Narayanan

COMPANY SECRETARY :

Sri. M. Krishnan

AUDITORS :

M/s. Suri & Co.,

Chartered Accountants, Calicut

Number of shareholders as on 31.03.97 : 17065



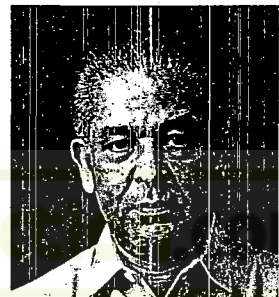
SRI. A.R. MOORTHY
(Chairman)



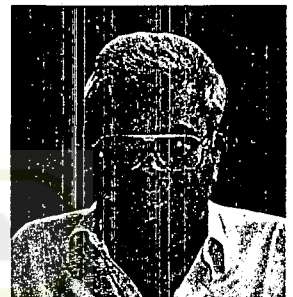
SRI. P.R. MENON



SRI. S. KRISHNAN



DR. N. VIJAYAN

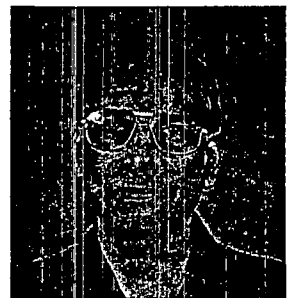


SRI. P. KUMARAN

Chairman and Board of Directors



PROF. M.K.A. HAMEED



SRI. C.V. RADHAKRISHNAN



SRI. C.V. NAIR



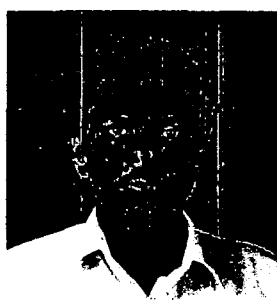
SRI. P.S. MENON



Board meeting in progress



SRI. M. RATNA SINGH



SRI. C.N. KUTTY
(Addnl. Dir., RBI Nominee)



SMT. S. VALSALA DEVI
(Alt. Addnl. Dir., RBI Nominee)



General Managers



SRI. T.V. RADHAKRISHNAN



SRI. P. SRIDHARAN

Company Secretary

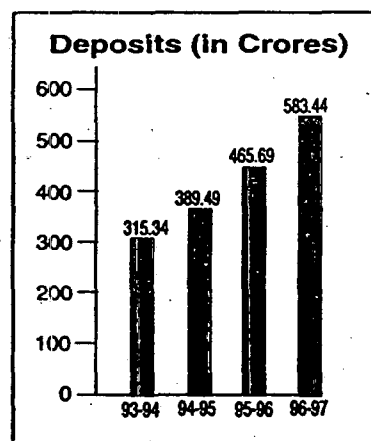


SRI. M. KRISHNAN



The Board of Directors of your Bank has immense pleasure in presenting the 84th Annual Report along with the audited Balance Sheet as on 31st March 1997, and Profit and Loss account for the year ended 31st March 1997.

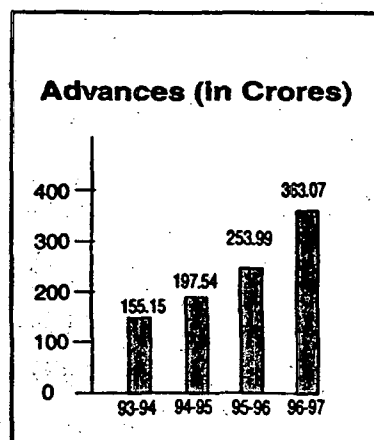
DEPOSITS: The deposits of the Bank as on 31.03.1997 stood at Rs.58,344 lakhs, registering a growth of Rs.11,776 lakhs, and the increase in deposit was 25.29% against the national average growth of 16.10%. The Bank has recently introduced two innovative deposit schemes, Sathabdi Suraksha Savings Bank and Current Account, to augment low cost deposits, where insurance cover is offered to depositors. Another new scheme called NBL



*D*irectors' Report

Aiswarya Deposit Scheme has been introduced where flexibility in withdrawal and high returns have been provided.

ADVANCES: Even though the credit offtake was generally sluggish in the Banking Sector, the total advances as on 31st March 1997 was Rs.36,307 lakhs for our Bank, recording a growth of 42.95%



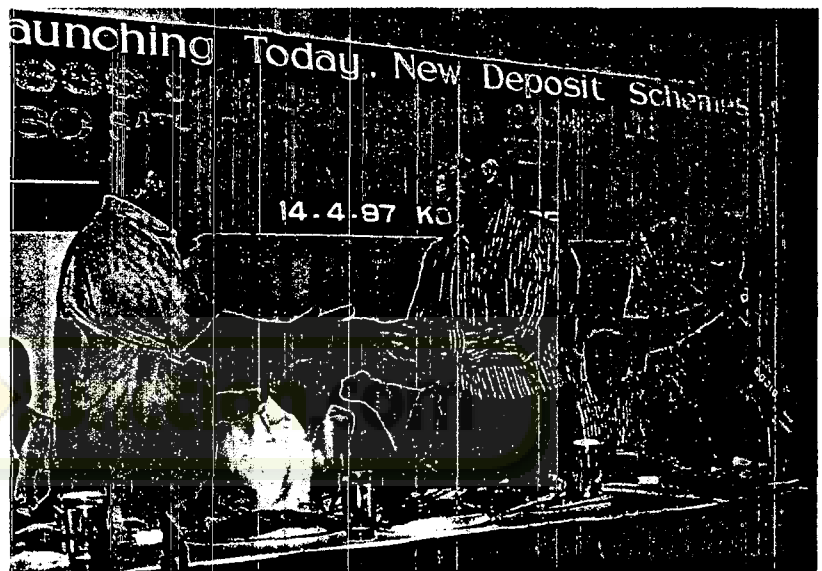
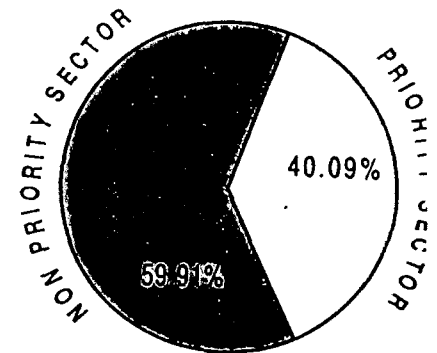
with the credit deposit ratio at 62.23%. The thrust areas of lending were Corporate finance, Priority sector and Export finance. The total advances under priority sectors stood at Rs.11,833 lakhs which accounted 40.09% of total credit of the Bank.

INVESTMENTS: The total investments of the Bank as on 31.03.1997 amounted to Rs.19,671 lakhs



registering a growth of 38.74% and the share of investments to total deposits as on 31.3.1997 was 33.71%. The investments in SLR securities as on 31.03.1997 stood at Rs.16,409 lakhs. The investments were bifurcated into current and permanent categories. The ratio as on 31.3.1997 was at 61:39 against Reserve Bank's stipulated ratio of 50:50 and your Bank is aiming at categorising all securities under current category in the current year.

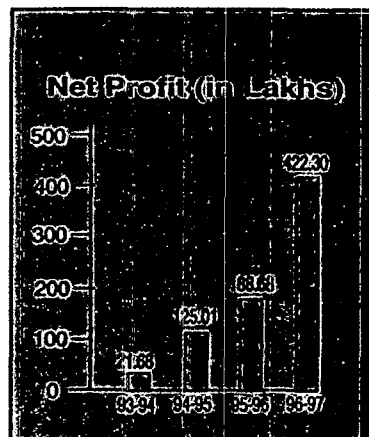
FOREX BUSINESS: The Export Credit as on 31.03.1997 stood at Rs.1459 lakhs registering a growth of 54%. The Foreign Exchange turnover for the year under Review was Rs.73,488 lakhs registering an increase of 161%. The income from foreign exchange business for the year 1996-97 was Rs.230 lakhs registering an increase of 42%.



On the inauguration of Sathabdi Suraksha Deposit Schemes.

CAPITAL & RESERVES: The Capital and Reserves of the Bank as on 31.03.1997 aggregated to Rs.3435 lakhs. The capital to risk weighted assets ratio as on 31.03.1997 was at 11.97% against Reserve Bank's stipulated norm of 8%. We propose to go for an issue of Redeemable Unsecured Non Convertible Debentures/Bonds aggregating to Rs.20.00 crores as a measure to further strengthen our Capital.

WORKING RESULTS: The net profit as on 31.03.1997 was Rs.422.30 lakhs, a record increase in the history of the Bank.





The Working result of the Bank for the year 1996-97 as compared to the previous year is as under.

(Rs. in lacs)

	31-3-97	31-3-96
Net Profit	422.30	188.65
Add: Profit brought forward	8.32	7.61
Total	430.62	196.26

APPROPRIATIONS

Statutory Reserves	110.00	100.00
Other Reserves	100.00	100.00
Balance carried over to		
Balance sheet	220.62	96.26

DIVIDEND: The Directors are pleased to recommend dividend @ 22% subject to approval of Reserve Bank of India.

BRANCH EXPANSION: Even though the Bank has not opened any new branches during the year under review, licences were obtained from Reserve Bank to open branches in Fort (Mumbai), Dombivili (Mumbai suburb), Ahmedabad, Calcutta and Mayur Vihar (New Delhi). The Bank has applied for licences to open branches in six more potential centres of Southern Kerala. Besides, the Bank has also applied for opening branches in four centres in Andhra Pradesh, Mysore city and Pune. The Bank has recently opened an Extension Counter attached to Kalpathy Branch at Vadakkunthara Bhagavathi Temple premises, Palakkad.

HUMAN RESOURCES: Human Resources Development is, now, the main thrust area of the bank and the year 1997-98 has been declared as "Human Resource Development Year". A number of Seminars and Training Programmes have already been scheduled to be conducted to develop the skills of the staff members. The Bank has proposed to start one more Training Institute at Ernakulam with the objective of imparting training to more staff members. Particulars of employees required to be furnished under Section 217(2A) of the Companies Act 1956 are given in the annexed statement which forms part of this report.

CONSERVATION OF ENERGY, ABSORPTION OF TECHNOLOGY, FOREIGN EXCHANGE EARNINGS AND OUTGO: We have initiated all possible efforts for conservation and reduction of energy consumption, in terms of Section 217(1)(e) of the Companies Act 1956. Considering the nature of our activity technology absorption is another area of active involvement. Being a Banking company and an authorised dealer in Foreign Exchange, the Bank has taken all possible steps in augmenting export credit and encourage exporters to explore more avenues of export earnings.

TECHNOLOGY UPGRADATION: Works relating to total automation in 5 branches are nearing completion. It has been proposed to fully automate the 5 new metro branches to be opened. Partial