

CENTENARY CELEBRATIONS - VALEDICTORY - 24.12.2004



CITY UNION BANK LIMITED

CENTENARY VALEDICTORY FUNCTION

DEDICATED TO OUR BELOVED CHAIRMAN
SHRI V. NARAYANAN

24 - 12 - 2004

Hundred Years of Trust and Tradition



SHRI V. NARAYANAN

सर्वेषां यः सुहृन्नित्यं सर्वेषां च हिते रतः ।
कर्मणा मनसा वाचा स धर्म वेद जाजले ॥

He verily knows the substance of dharma
who is always the friend of all and
who is interested in the welfare of all in thought, word and deed.

-The Mahabharata

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Board of Directors and the Staff
of
CITY UNION BANK LIMITED
Kumbakonam
cordially invite you to the
CENTENARY VALEDICTORY FUNCTION
on Friday, the 24th December, 2004 at 6.00 p.m.

Hon'ble Shri **S.S. Palanimanickam**
Minister of State for Finance (Revenue)
will be the Chief Guest.

Shri **G.K. Vasan**, M.P.
pays tribute to our beloved Chairman.

Shri **Y.H. Dalmia**,
President, Dalmia Cement (Bharat) Ltd.
will release the Centenary Souvenir and felicitate.

Shri **S. Balasubramanian**
Executive Director, City Union Bank Limited
presides.

Venue : **Dr. ANNIE BESANT AUDITORIUM,**
Sri Saraswathi Patasala Girls' Higher Secondary School,
KUMBAKONAM.

PROGRAMME

Invocation	
Welcome Address	: Shri S. Balasubramanian Executive Director
Audio Visual on the Bank.	
Tribute to our beloved Chairman Shri V. Narayanan	: Shri G.K. Vasan Member of Parliament (Rajya Sabha)
Centenary Valedictory Address	: Hon'ble Shri S.S. Palanimanickam Minister of State for Finance (Revenue)
Release of Centenary Souvenir and Felicitation	: Shri Y.H. Dalmia , President, Dalmia Cement (Bharat) Ltd.
Vote of Thanks	: Shri N. Kamakodi Deputy General Manager
Violin Concert	: Kalaimamani Kunnakkudi Dr. Vaidyanathan & Party

BOARD OF DIRECTORS

Sarvashri :	M. Mahalingam , B.A., B.Com., F.C.A.
S.M. Miskeen , B.Com., F.C.A.	S. Rajaratnam , M.A., L.L.M., F.I.C.W.A.
R.G. Chandramogan	T.S. Venkatasubban , B.Com., F.C.A.
VR. Arunachalam , B.Sc., F.C.A.	V. Jayaraman , I.R.S. (Retd.)
Dr. S. Kasinathan , Ph.D., D.Sc.	P. Vaidyanathan , B.Com., F.C.A., A.I.C.W.A., A.C.S.
K.V. Raman , B.Sc., F.C.A., A.I.C.W.A.	K.S. Raman , M.Sc.
	S. Balasubramanian , Executive Director



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நூற்றாண்டு நிறைவு விழாவில் ராஜ்யஸபா உறுப்பினர்
திரு. G.K.வாசன், அவர்கள் நிகழ்த்திய சிறப்புரை



சி டி டி யூ னி ய ன்
வ ங் கி யி னு டை ய
நூ ற் றா ண் டு வி ழா
நிகழ்ச்சியிலே கலந்து
கொள்வதிலே மிக்க
பெருமையடைகிறேன்.
மே டை யி லே
அ ம ர் ந்தி ரு க் கு ம்
மரியாதைக்குரியடால்மியா

சிமெண்ட்ஸ் இயக்குநர் திரு. கோபால் சாமி அவர்களே, மரியாதைக்குரிய பத்மஸ்ரீ திரு. R.V. ரமணி அவர்களே, வரவேற்புரை வழங்கிய சிட்டி யூனியன் வங்கி செயல் இயக்குநர் மரியாதைக்குரிய திரு. பாலசுப்ரமணியன் அவர்களே இந்த நிறுவனத்தைச் சார்ந்த மரியாதைக்குரிய இயக்குநர்களே, அதிகாரிகளே, ஊழியர்களே, நன்றியுரை ஆற்ற இருக்கும் Deputy General Manager திரு. காமகோடி அவர்களே, உங்கள் அனைவருக்கும் எனது வணக்கங்களைத் தெரிவித்துக் கொள்கிறேன்.

இந்த நிகழ்ச்சியிலே எனக்கு கொடுக்கப் பட்டிருக்கும் பணி மறைந்த வங்கியின் சேர்மன் மரியாதைக்குரிய திரு. நாராயணன் அவர்களுக்குப் புகழஞ்சலி செலுத்த வேண்டும், அவருடைய படத்தைத் திறக்க வேண்டும் என்பது. நான் இதை நினைத்துப் பார்க்கவே இல்லை. எதற்காக இதைச் சொல்கிறேன் என்றால், இது எனக்கு ஒரு கடினமான பணி. ஏன்? ஒரு வேதனையான பணி என்று கூடக் கூறலாம். பேசக் கூடமுடியாத நிலையிலே பேசுகின்ற சூழ்நிலை என்று கூடக் கூறலாம். உங்களில் ஒருவனாக அமர்ந்து மறைந்த சேர்மன் திரு. நாராயணன் அவர்களை மற்றவர்கள் புகழ்ந்து பேசுவதைக் கேட்க வேண்டுமென்று நினைத்தவன் நான். அதுதான் சேர்மன் அவர்களுக்கும் எங்கள் குடும்பத்துக்கும் இருக்கும் நட்பு. ஆனால் இன்றைக்கு சூழ்நிலை அவருடைய படத்தைத் திறந்து வைத்து நான் அவருக்குப் புகழஞ்சலி செலுத்த வேண்டிய நிலை. கடவுளையும், விதியையும் நம்புபவன் என்ற காரணத்தினால் இந்த வங்கியினுடைய வருங்கால

வளர்ச்சியிலே உங்களில் ஒருவனாக எனக்கும் அக்கரை உண்டு. அந்த பணியில் எனக்கும் பங்கு இருக்கிறது என்ற காரணத்தினால் என்னுடைய உரையைத்துவங்குகிறேன்.

கோவில் நகரமாம் கும்பகோணத்தைத் தலைமையிடமாகக் கொண்டு துவங்கப்பட்ட சிட்டி யூனியன் பாங்க், இந்திய திருநாட்டில் 130 கிளைகளைக் கொண்ட ஒரு வெற்றிகரமான வங்கியாக செயல்பட்டு கொண்டிருக்கிறது. அத்தகைய இந்த வங்கி நூறு ஆண்டுகளாக நடைபெற்றுக் கொண்டிருக்கிறது என்றால் நிச்சயமாக அதைவிட பெருமை இந்த வங்கிக்கு வேறு எதுவும் இருக்க முடியாது என்பதில் எந்தவித சந்தேகமும் கிடையாது.

இந்த விழாவுிற்கு மரியாதைக்குரிய மாண்புமிகு மத்திய நிதித்துறை இணை அமைச்சர் திரு. பழனிமாணிக்கம் அவர்கள் வருவதாக இருந்தார். மாண்புமிகு அமைச்சர் திரு. பழனிமாணிக்கம் அவர்களைப் பொருத்த வரையில் இந்த விழாவிலே கலந்து கொள்ளப் பொருத்தமானவர். தனது பணிகளைச் சிறப்பான முறையில் செய்து கொண்டு இருப்பவர். ஆனால் இன்றைய சூழ்நிலை காரணமாக அவர்கள் கலந்து கொள்ள முடியாதநிலை ஏற்பட்டு இருக்கிறது. அவர் வரமுடியாத சூழ்நிலை என்ன என்று உங்கள் அனைவருக்கும் நன்றாகவே தெரிந்து இருக்கும். இருப்பினும் இந்த துறையின் அமைச்சராக அவர் இருக்கின்ற காரணத்தினால் வரும் நாட்களில் இந்த வங்கியின் வளர்ச்சிக்கு அவர்களது துணை சிறப்பாக இருக்கும் என்பதை இந்த நேரத்திலே தெரிவித்துக் கொள்கிறேன். சிட்டி யூனியன் வங்கியைப் பற்றியும் அதனுடைய வளர்ச்சியைப் பற்றியும் குறிப்பிடும்போது மறைந்த சேர்மன் திரு. நாராயணன் அவர்களைப் பற்றிக் குறிப்பிடாமல் இருக்க முடியாது. அவர் இந்த வங்கியினுடைய வளர்ச்சிக்காகவும், ஊழியர்களின் நலனுக்காகவும் தன்னை முழுமையாக அர்ப்பணித்துக் கொண்டவர் என்பதை நாம் நன்கு அறிவோம். இது அவர் வங்கியிலே



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செய்த பணி. அவர் ஒரு இசைப்பிரியர் என்பதை நீங்கள் நன்கு அறிவீர்கள். இதை எதற்காகச் சொல்கிறேன் என்றால் அவர் திருவையாறு தியாகப் பட்டம் மஹோத்ஸவத்தில் காட்டும் நல்ல நட்பும், வங்கி காட்டுகின்ற ஆதரவையும் இந்த நேரத்திலே நான் நினைவு கூற விரும்புகிறேன். மறைந்த நமது சேர்மன் திரு. நாராயணன் அவர்களைப் பற்றி பேசவேண்டும் என்றால் நிறைய பேசலாம்.

சுருக்கமாக சொல்ல வேண்டும் என்றால் அவர் நல்ல பண்பாளர், கடின உழைப்பாளி, எளிமையானவர். எளிமையானவர் என்று ஏன் சொல்கிறேன் என்றால் தோற்றத்தில் மட்டும் இல்லை. அவர் மறைந்த அன்று, அவரது இல்லத்திற்கு நான் சென்றிருந்தேன். சாதாரணமான ஒரு கம்பெனியின் சேர்மன் வீட்டுக்கும் நான் சென்று இருக்கிறேன். பெரிய வங்கியின் சேர்மன் வீட்டிற்கும் நான் சென்று இருக்கிறேன். அன்றைக்கு நான் அவரது இல்லத்திற்கு சென்ற பிறகு தான் அவர் எவ்வளவு எளிமையானவர் என்பதை உண்மையிலேயே புரிந்து கொள்ள முடிந்தது என்பதை இந்த நேரத்திலே கூறிக்கொள்ள விரும்புகிறேன்.

இவற்றுக்கு மேல் அவர் மனித நேயர். நல்ல மனிதர். இத்தகைய சிறப்புகளுடன் பணியாற்றிய இந்த சிறந்த மனிதருடன் இணைந்து பணியாற்றி இந்த சிட்டி யூனியன் வங்கியை நூற்றாண்டுக்கு அழைத்து சென்றிருக்கும் மரியாதைக்குரிய இயக்குநர்களுக்கும், அதிகாரிகளுக்கும், ஊழியர்களுக்கும் நான் என்னுடைய வாழ்த்துக்களையும் பாராட்டுதல்களையும் இந்த நேரத்தில் தெரிவித்துக் கொள்கிறேன். நம்முடைய மரியாதைக்குரிய மறைந்த சேர்மன் திரு. நாராயணன் அவர்களைப் பற்றி இந்த வங்கியை இணைத்துக் கூறவேண்டும் என்றால் ஒன்றை தெளிவாக கூறலாம். எங்கெல்லாம் ராமநாமம் ஒலிக்கின்றதோ அங்கெல்லாம் ஆஞ்சநேய ஸ்வாமி இருப்பார் என்று கூறுவார்கள். அதைப்போல, சிட்டி யூனியன் வங்கியைப் பற்றி யார் எங்கெல்லாம் பேசினாலும், நமது மறைந்த சேர்மன் திரு. நாராயணன் அவர்கள் அங்கெல்லாம் மறைந்தும் மறையாமல் வாழ்ந்து கொண்டு இருப்பார் என்பதிலே எந்த சந்தேகமும் கிடையாது.

ஒரு நூற்றாண்டு காலம் கடந்து, அடுத்த நூற்றாண்டுக்கு சிட்டி யூனியன் வங்கி, அதே புத்துணர்ச்சியுடன் சென்று கொண்டிருக்கிறது என்றால் இது ஒரு மகத்தான சாதனை என்பதை எவராலும் மறுக்க முடியாது. இந்த வங்கியினுடைய 100 வருட காலத்திலே அரை நூற்றாண்டை எடுத்துக் கொள்ளுங்கள். அந்த அரை நூற்றாண்டிலே மரியாதைக்குரிய மறைந்த நமது சேர்மன் திரு. நாராயணன் அவர்கள் சேர்மன் ஆக பதவியேற்றிருந்தார்கள் என்பதை நாம் நன்றாக அறிவோம். கால் நூற்றாண்டை எடுத்துக் கொண்டு ஒரு கிராஃப் (Graph) நாம் போட்டுப் பார்த்தால் அந்த கிராஃபினுடைய வளர்ச்சி செங்குத்தாக அதாவது Vertical ஆகத் தான் போகும் என்பதில் எந்த சந்தேகமும் கிடையாது. அது ஒரு நிதர்சனமான உண்மை என்பதை இந்த நேரத்திலே தெரிவித்து கொள்ள விரும்புகிறேன்.

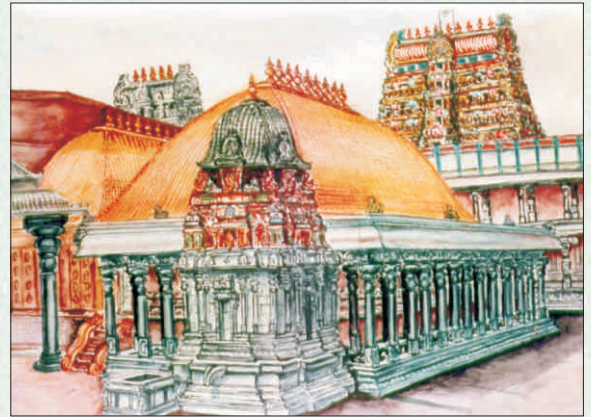
இந்த நேரத்திலே உங்களிடம் நான் ஒரு கதையைக் கூற விரும்புகிறேன். ஒரு சிற்றூரிலே ஒரு கால் பந்தாட்ட அணி இருந்தது. அந்த அணி மிகச் சிறந்த அணி. எல்லா நிலைகளிலும் வெற்றிபெறக்கூடிய அணி. அந்த அணியிலே இருப்பவர்கள் எல்லோரும் 18 வயதுக்கு மேற்பட்ட வாலிபர்கள். அதே ஊரிலே 12 வயதுக்குட்பட்ட ஒரு மாணவன் மிகச் சிறப்பான முறையிலே கால்பந்தாட்டத்தில் பயிற்சி எடுத்துக் கொண்டு மிகச் சிறப்பான விளையாட்டு வீரனாக விளங்கினான். அந்த மாணவன் சிறப்பாக விளையாடக் கூடிய மாணவனாக இருந்தான். அவனை ஒரு அறிவுஜீவி (Prodigy) என்று அழைக்கக் கூடிய வகையிலே சிறந்த மாணவனாக இருந்தான். அந்த மாணவனுக்குத் தாத்தா ஒருவர் இருந்தார். கால் பந்தாட்டம் மேனேஜரிடமும், கோச்சிடமும் பல நிலைகளிலே தன்னுடைய பேரனை விளையாட அனுமதிக்க வேண்டுமென கேட்டுக் கொண்டிருந்தார். ஆனால் அந்த மேனேஜரும் கோச்சும் இந்த மாணவனுடைய திறமையை நன்கு அறிந்தவர்களாக இருப்பினும் 18 வயதுக்குட்பட்ட காரணத்தினால் அந்த மாணவனை விளையாட்டுப் போட்டிகளில் சேர்த்துக் கொள்ளவில்லை. ஆனால் அந்த மாணவனிடம் உள்ள விளையாட்டுத்



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திறமையின் காரணத்தினால் அந்த மாணவனை டீமில் சப்ஸ்டிடியூட் ஆக சேர்த்துக் கொண்டார்கள். பல போட்டிகளில் அந்த டீம் விளையாடியது. அவற்றில் அவர்கள் வெற்றி பெற்றுக் கொண்டிருந்தார்கள். ஒரு முக்கியமான போட்டி ஒன்று நடைபெற இருந்தது. அதில் பல்வேறு சூழ்நிலை காரணமாக ஒரு முக்கியமான விளையாட்டு வீரர் விளையாட முடியாமல் இருந்தது. அந்த நிலையிலே கோச்சம், டீம் கேப்டனும் அந்த மாணவனை அழைத்து “இன்றைக்கு நீஇந்த முக்கியமான போட்டியிலே கலந்து கொண்டு விளையாட போகின்றாய். அதற்கு உன்னை தயார் செய்து கொள்” என்றார்கள். அந்த மாணவனும் மிகச் சிறப்பாக தயார் செய்து கொண்டு அந்த போட்டியில் கலந்து கொண்டு விளையாடி அந்த டீம் வெற்றி பெறச் செய்தான். அவன் தான் மிக முக்கியமாக வெற்றிக்கு காரணமாக இருந்தான். அவன் சிறந்த விளையாட்டு வீரனாக தேர்வு செய்யப்பட்டான். அந்த வெற்றிக்குப் பிறகு டீம் கோச்சம், கேப்டனும் அந்த மாணவனிடம் “ஏனப்பா! நீவிளையாடாத எல்லா போட்டிகளிலும் உன் தாத்தா வந்து உன்னையும் எங்களையும் ஊக்குவித்தாரே! அவர் இப்போது காணவில்லையே” என்றார்கள். அதற்கு அந்த மாணவன் “இதுநாள் வரை என்னுடைய தாத்தா உயிரோடு இருந்தார். சிறிது நாட்களுக்கு முன்பு அவர் மறைந்து விட்டார். அவர் இறந்து விட்டாலும் அவர் விண்ணிலிருந்து என்னையும் இந்த டீமையும் வாழ்த்துவார்” என்று கூறினான். இதை எதற்கு கூறுகிறேன் என்றால் நமது சேர்மன் திரு நாராயணன் அவர்கள் நூற்றாண்டு விழா தொடக்கத்தில் இங்கு இருந்து இந்த விழா நிறைவடையும் நேரத்தில் அவர் இல்லை என்று நினைக்கும் போது அதைவிட ஒரு ஆதங்கம், வேதனை, குறை, இழப்பு வேறு எதுவும் கிடையாது என்பதிலே எந்த சந்தேகமும் இல்லை. அப்படி இருந்த போதிலும் சிட்டி யூனியன் வங்கியை அடுத்த நூற்றாண்டுக்கு நல்ல பாதைக்கு வழி வகுத்துக் கொடுத்து அவர் விண்ணிலிருந்து ஆசி வழங்கிக் கொண்டிருப்பார் என்பதை நான் முழுமையாக நம்புகிறேன்.

இந்த தருணத்திலே நூறு வருடங்களுக்கு முன்பு தீர்க்கத் தரிசனத்தோடு இந்த வங்கியைத் துவங்கிய முன்னோடிகளை நன்றியோடு நினைத்துப்பார்க்க வேண்டும் என உங்களை அன்புடன் கேட்டுக் கொள்கிறேன். இந்த வங்கியினுடைய கடந்த கால, நிகழ் கால வாடிக்கையாளர்கள், பணிபுரிந்தோர், பணிபுரிந்து கொண்டிருப்போர், நலம் விரும்பிகள் பலர் இங்கு உள்ளனர். நானும் எங்கள் குடும்பமும் இந்த வங்கியினுடைய நலம் விரும்பியாக இருக்கிறோம் என்பதை என்னால் உறுதியாகக் கூறமுடியும். மறைந்த எனது தந்தையார் ஐயா மூப்பனார் அவர்கள் இந்த வங்கியின் மீது வைத்திருந்த நம்பிக்கையும் மறைந்த மரியாதைக்குரிய சேர்மன் திரு. நாராயணன் அவர்கள் மீது வைத்திருந்த அன்பையும் இந்த நேரத்திலே நினைவு கூற விரும்புகிறேன். இது போன்ற பலரின் நல்லெண்ண வாழ்த்துக்களாலும் சேவை மனப்பான்மையாலும் இந்த வங்கி இன்றைக்கு நூறு ஆண்டுகளை தாண்டி வந்திருக்கிறது. உண்மையான, ஆழமான, தூய்மையான நல்லெண்ணங்களே ஒரு மாபெரும் சக்தி என்று ஸ்வாமி விவேகானந்தர் அவர்கள் கூறியிருக்கிறார்கள். இங்கே வந்திருக்கும் அனைவரின் சார்பிலும் எண்ணற்ற இந்த வங்கியின் நலம் விரும்பிகள் சார்பிலும் இவ்வங்கியின் அடுத்த வாழ்த்துக்களை மறைந்தும் தம் சேவையால் இவ்வங்கியின் ஒவ்வொரு செயலிலும் ஐக்கியமாகிவிட்ட மறைந்த நமது சேர்மன் திரு நாராயணன் அவர்களுக்குப் பாராட்டு புகழ்ச்சலியை சமர்ப்பித்து விடைபெறுகிறேன்.



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GREETINGS

R.Sridharan,

Private Secretary to Deputy Governor,
Reserve Bank of India

It is indeed a great moment to be cherished in the history of your Bank to celebrate the centenary in the wake of tough competition in banking. City Union Bank as I know from my school days being a native of Kumbakonam, is a Bank known for its ethical banking. Banking in City Union Bank has grown like a banyan tree in whose shelter common man banks without fear and with more trustworthiness. The root of City Union Bank strongly lies in its simple but effective banking. Kumbakonam is known for having in its heart, many temples and also for retaining a holy place in the mythology. Likewise, City Union Bank will be a landmark adding a feather to the cap of Kumbakonam. At this glorious moment, may I pray to the LORD that may HE bestow upon His fullest grace on the functioning of your Bank so that it may scale new heights in the banking in spite of many anticipated challenges that may come in its way. Kudos to the Board of Directors and the staff members of your Bank in bringing it to the fore the name of your Bank in the banking circle and to be one of the best managed banks!

S.J.S. Swamidoss,

Director, Reserve Bank of India

My greetings to all the staff in City Union Bank Ltd. On the occasion of its Centenary Valedictory function. I wish all success to the bank's efforts in the coming days to serve the people with renewed vision and vigour to enhance welfare of the people. It is gratifying to note that the function is a tribute to the contribution of Late Shri Narayanan in building the bank as a financial institution that has earned the reputation of the people.

I regret my inability to attend the function on that day. I wish the function success.

Y.H. Dalmia

Dalmia Cement (Bharat) Ltd.
Dalmiapuram, Trichy

I am extremely sorry, that due to my indisposition, I have to deny myself the privilege of participating in the Centenary Valedictory function of City Union Bank, and releasing the Centenary Souvenir.

The Function is being celebrated with mixed feelings. On the one hand, this great institution has completed 100 years in the service of the society, on the other, we all miss the presence of Mr. V. Narayanan, who was one of the key architects in building it brick by brick. Here is one institution, where no one need to talk about its growth and performance, figures speak louder than words. A compound annual growth of about 25% in Deposits, Advances & Profits during the last 10 years, is a performance of which any institution can justly be proud.

I had personally known Mr. Narayanan for quite sometime. A person so learned & Performance oriented, yet so simple, humble and unassuming. These traits, indicate greatness of a person, as a human being. I really feel privileged that, I had an association with a person like him.

I am confident that the strong foundations, on which this institution stands, would pave the way for it, to scale still greater heights, in the coming years. I take this opportunity of conveying my heartiest congratulations to you all, on this happy occasion. I also pray to Almighty to bless this institution, with glorious coming years.

With my warm personal regards,



CENTENARY CELEBRATIONS - VALEDICTORY - 24.12.2004

P. Sarangapani,

Retd. Post Master, Kumbakonam - 612 001.

As one of the client of the City Union Bank Ltd., for the past 5 decades and its share holder, now celebrating its 100th year of service, I am proud and happy to record my appreciation.

Having participated in many functions of CUB like Golden Jubilee, Platinum Jubilee and the inauguration of the new building of the Main and Central offices, I am proud to be in the Centenary year also.

“Formulation of a plan is no easy still more difficult is its implementation”, so said Pandit Jawaharlal Nehru. Because without a well-trained and committed administrative machinery the fruits of the Plans, however good they are, can hardly reach the concerned. As far as our Bank is concerned,

its Board ably chaired by Sri V. Narayanan releases the broad policy matters intended for the benefit of the customers and the employees for their turn leave no stone unturned to implement them sincerely to the satisfaction of the clients, thus earning niche for themselves and the Bank as well.

As a trade unionist while I served in the P & T, during my interaction with many staff of CUB, I have not come across even a whisper of dis-contentment among them concerning their salary. The Bank faced no stoppage of work so far from the staff. It is therefore clear that the Management takes care as a parent in the welfare and interest of the employees. A very cordial atmosphere is maintained between the management and the Union / Association.

I wish the CUB a long service.



CENTENARY SOUVENIR COMMITTEE

S. Balasubramaniam	DGM, Accounts
S. Sridharan	DGM, Inspection
V. Gopalan	DGM, Advances
T.S. Ramanujan	AGM, Advances
S. Gopalakrishnan	Manager, P & D
R. John Mary Antony Raj	Faculty, Staff College
S. Venkatesh	Chief Manager, HRMD
N. Raman	Manager, Accounts
G. Krishnamurthy	Clerk, Main Office
V. Usha	Clerk, P & D

CENTENARY CELEBRATIONS - VALEDICTORY - 24.12.2004

THE TEAM OF SOLIDARITY
Representatives of the Staff Union, Officers' Association and Management





*From
the Archives*



PRESIDENTIAL ADDRESS

by

Sri C.R. Srinivasan

(Editor, "Swadesamitran" & Director, Reserve Bank of India)

at the Golden Jubilee Celebrations of the

Kumbakonam Bank Limited,

on Sunday, the 14th November, 1954 at Kumbakonam.

I am grateful to the Board of the Kumbakonam Bank Ltd. For inviting me to preside over the Golden Jubilee celebrations of the bank and giving me an opportunity to meet so many of my friends on this happy occasion. I presided over the Diamond Jubilee celebrations of the Madura Hindu Permanent Fund last month, and earlier I had the privilege of presiding over like celebrations of the Srirangam Janopakara Nidhi and the Mayavaram Permanent Fund also. I refer to these to show my deep and abiding interest in the progress and welfare of relatively smaller credit institutions, operating, may be, in a minor sector with limited resources, but most definitely playing an important, nay, indispensable role in the banking economy of the country. Individual credit sources are generally of a casual and capricious character and to the extent these have been displaced by institutional credit the community has benefitted in many ways. Habits of thrift deeply ingrained in human nature have found dynamic expression; small savings drawn from a multiplicity of homes have been canalised into a steady flow and, integrated, they have been used to serve the needs of the community. The cost of credit has also been brought down and the range and reach of credit have progressively expanded. Further a community of interest has also been established between borrower and lender by the operation of institutional credit, because the lender of today may well be the borrower of tomorrow and, often times, the roles get

merged at the same time. By way of illustration I may cite the example of a depositor who borrows money from the bank.

A vast Vista of opportunities is now opening before us with a Planning Commission deliberately seeking to give form and shape to the meaning and purpose of the Freedom that has come our way. The measure of success that awaits its labours will largely depend on the flow of funds to exploit these opportunities. It would be foolish to depend on the goodwill of foreign interests for our needs. No doubt the interdependence of world economy, fast developing during the past few decades, has stimulated the flow of foreign funds in appreciable measure; but it would be wise policy not to depend too much on it, as economic power, however innocently expressed, carries within itself the seeds of corruption. After all, India is a large country, rich in resources, with a population eager and willing to exploit every opportunity that comes its way. If the savings scattered in millions of homes, infinitesimal may be at the moment but surely not for all time, can be gathered and harnessed to productive enterprise, our capital needs should largely be met. It is in this context that the role of banking institutions in the economy of the country should be correctly assessed and the line cleared for their effective service.

The development of institutional banking in this country is mainly the





contribution of the last half a century; it grew suo moto out of the needs of the situation; its scope and purpose were largely determined by local conditions. Its progress, now viewed in perspective, may strike one as lopsided; that is because at no stage could it claim to have received the consideration or enjoyed the confidence of the Government of the day. With the advent of Freedom, however, the process of rationalization has set in. The Banking Companies Act recently placed on the Statute Book is, in essence, a conservation measure designed to build up healthy and helpful traditions. In the actual Working of several institutions now in existence, defects many and varied, have come to the notice of the Reserve Bank - defects of procedure, administration, policy and control; these must be weeded out if the fountain of savings is to be kept pure and undefiled. Naturally, in the conduct and control of these institutions, grown haphazard, it is not to be expected that a high standard of technical efficiency would prevail; but where men of character and integrity, out of a desire to serve the community, took charge of public responsibilities, it should not be difficult to bring home to them the need for care and caution in the discharge of these responsibilities. I am free to confess that few cases have come to notice where people have erred of set purpose or malice. I am confident, therefore, that it is only a question of time for these defects to be corrected, and ere long we may well expect a network of banks, big and small, streamlined to meet the multi - purpose needs of developing community. I have deliberately used the words "big and small" for the reason that in my view the smaller units of the banking system have a notable part to play in popularizing banking habits in the countryside.

You are aware of the controversy now raging over the question of pay and emoluments, amenities and service conditions of banking employees in the country. Tribunals have sat and given their awards but apparently the interests concerned are not satisfied. Government attempted to interfere in the larger interests of the country, but their intrusion has not escaped criticism and now the whole thing has again been referred for further review. What the outcome will be is anybody's guess; the broad elements of the problem lie to the surface; we certainly require a contented service to give of their best in the service of the new economy that we seek to build up; equally we are aware that there are other interests to be reconciled if the climate for the progressive achievement of our purpose is to be maintained. It is elementary that the cost of Service, in the last analysis, is borne by the constituents of the bank, be they shareholders, depositors or borrowers. In the conciliation of these varied interests lies the crux of the problem. There is however one point of vital interest to the future, which has not received as much attention as it should have, though abundant evidence of the play of this factor strikes the discerning eye. First, there has been a notable shrinkage in the volume of deposits of banks in recent years; secondly, there has been a perceptible drop in the number of branches of banks operating in this country; and thirdly there has been a lamentable lack of enterprise in opening up new centres for the integration of savings and extension of credit facilities. These are not isolated phenomena. Really these are symptoms of festering sore in the body politic which call for serious diagnosis and proper treatment.

The art of banking deals with the mechanics of credit, and on its proper

direction and control will depend the pace of progress of society. Banking is not merely an industry in itself but is the bedrock on which other industries are built. In assessing the claims of rival interests for justice and fairplay the larger interests of the community should not be lost sight of; and it is the community that seems to be getting a raw deal out of this dispute. We want more banks; we want more money to flow into banks; we want more people to profit by the ministrations of the bank. These are possible only if the way is clear for banks to open out in the countryside. Any force that rears its head to block the way, howsoever it may be justified on a narrow interpretation of rights and obligations, is essentially anti-social in its incidence and must be rated as such. Today unemployment stares us in whatever direction we look and under-employment seems to be the denominator of rural economy. The range and reach of banks must widen in farther and fuller measure if this condition is not to persist. If more banks operate, not merely can they absorb more men in their own service, but by stimulating and sustaining enterprise open out other means of employment also. It is against this background of realism will inform the solution that is finally adopted.

May I take this opportunity to sound another note of caution. The economy that we have inherited is one of creaks and cracks, held together by a parallelogram of forces. In reconditioning this economy, care must be taken that piecemeal treatment of affected parts, moved and motivated by doctrinaire considerations, does not eventuate in bringing down the whole edifice. I am constrained to say this, because, recent attempts to improve agricultural credit by measures of debt relief have really operated to impair what credit facilities were available to agricultural interests.

The normal run of commercial banks play little part in agricultural economy except in the last lap, concerned with the movement of crops. A few regional institutions, however, attracted by the soundness of security and quickness of turnover, have ventured into the financing of the ancillary services and they find themselves today in hot waters. May be it is difficult to resist the desire to play Providence to needy and clamant interests, especially when they possess large voting strength in a democratic set-up; but to yield to this temptation may well involve the sacrifice of their long-term interests for a short-term relief and result in irreparable damage to the whole community. Act, no doubt, you must when you see ills crying aloud for relief. Only don't act in haste and repent in leisure; if you needs must act, for Heaven's sake, exempt institutional credit from the scope of your act. It is not enough to exempt cooperative societies only. The part they play in rural credit is still limited. There is no two way movement in the flow of credit in their operations. In the integration of savings, which is the essential role of banking, the primaries, in particular, have little part yet. That can only come when greater confidence prevails in the knowledge and integrity of those in charge of these institutions. Until then let commercial credit play what part it can in the service of the community. It is useful to remember that the good is not the enemy of the better.

In the souvenir presented to the shareholders and depositors of the Kumbakonam Bank, Ltd., there is a historical review of the origin and development of the bank and an interesting array of figures has been compiled to show the measured and methodical progress of the bank. I have nothing but praise for the spirit of service that





prompted the enlightened founders of this institution and it is to the credit of the second generation that it has maintained and improved on these foundations. May I take the opportunity to congratulate the Managing Director, my friend Sri S. Mahalinga Aiyer, who incidentally completes the silver jubilee of his service in the institution along with the Golden Jubilee of the institution, on the good care he has shown, perhaps better care even, in the administration of this institution than of his own personal affairs. It is during his period of service that the bank proceeded to build up a net work of branches, all located within a radius of 50 miles, and placed its services at the disposal of not merely the people of this town but also of the district. Wisely it preferred the role of a regional bank to that of a national bank, and as its progress chart shows, year by year, brick by brick, with now and again a set-back, it has built for itself a respected place not merely in the banking economy of this State but also in the hearts of people who have in successive years in expanding measure profited by its ministrations. The reserve funds of the bank have outstripped the paid-up capital of the bank, and as against a deposit of nearly 60 lakhs, the advance portfolio is roundabout 36 lakhs. The strength of the bank is demonstrated by its cash position and its investments in government securities. With the first and second line of defence adequately provided, the bank is well set to take on additional responsibilities, and I hope, once the labour controversy is resolved, a further programme of expansion within the limits it has set for itself will be undertaken.

Reviewing briefly the figures furnished in the tabulated statement, the first point that I would pick out for notice is the dividend policy pursued by the bank. The average dividend paid during the last 15 years works

out to 7½ per cent on capital and is in marked contrast to the higher level sought to be maintained during the middle period. I think the bank, would be wise to stick to the later level as more in consonance with growing public opinion in the country. To labour interests assessing yield on capital to build up a case for themselves, I would venture to point out they should take note of the reserve funds also in computing the market value of share capital, and calculated thus nobody can say that the yield errs on the extravagant side. Taking next the figures given in respect of deposits, investments and advances, the overall picture is undoubtedly heartening, though a little more information would have been instructive also.

For example, if distribution of deposits, in terms of current, savings, and fixed deposits, distribution of investments in terms of short-dated, medium-dated, and long-dated securities, distribution of advances in terms of cash credits and bill discounts, secured and unsecured loans, I am sure a more impressive picture would have been presented to all interested in the bank. It might perhaps have entailed considerable labour if average lending and borrowing rates had been worked out, but it would have provided a good selling point to those who do not bank with the bank. Likewise, the average size of loans negotiated, and the average size of the deposits secured, would have thrown an interesting sidelight on the operation of the bank. But taking all in all, the information disclosed underlines the note of caution and care that has marked the progress of the bank, and I congratulate those in charge of the institution on the inspiring results they have achieved. I wish the bank all success in the eventful days that lie ahead.

THANK YOU,

MESSAGES RECEIVED FOR THE GOLDEN JUBILEE CELEBRATIONS HELD ON 14th NOVEMBER, 1954 AT KUMBAKONAM

B. PATTBHI SITARAMAYYA,
Governor, Madhya Pradesh.
Founder, Andhra Bank Ltd.

The year 1904 was a land-mark in the economic and agrarian progress of our country. That was the year when the co-operative movement was organized for the first time during the Viceroyalty of Lord Curzon and incidentally banking received an impetus. That Kumbakonam should have taken time by the forelock and started at Bank in that year argues much for the farsightedness and clear vision and business sense of the friends of Kumbakonam (Kumbaghonam as I find the Sanskrit rendering of the name to be).

A study of the table of your figures showing capital, reserve funds, deposits, investments, advances, net profits and rate of dividends, investments, advances, net profits and rate of dividends, shows that you have paid the capital fully over even by 1924 and by 1931 you paid it over a second time, and by 1938 a third time and by 1952 a fourth time. I notice that you have become a scheduled bank in 1945 and since then your dividends have become more and more moderate, ranging between 7 and 9 percent. While you have built up a reserve fund of Rs. 2,20,000 in 40 years, you have easily raised up your reserve fund in the next 8 years from Rs. 2,20,000 to Rs. 3,58,000, i.e., you have increased it by Rs. 1,38,000. What you have reduced in the rate of dividend, you have more than compensated by increasing the reserve fund which means raising the market value of your share. I wish the bank success and ever more success.

DR. C.P. RAMASWAMI AIYAR,
Vice Chancellor,
Banaras Hindu University.

I am in receipt of the invitation to the Golden Jubilee of the Kumbakonam Bank Ltd., on the 14th instant and wish the celebrations all success and the Bank all prosperity.

K. SANTHANAM
Lieutenant Governor, Vindhya Pradesh.

The Bank has played a significant part in the economy of the Tanjore District. I earnestly hope that the bank will be able to extend its activities in the coming years.

T.L. VENKATARAMA AIYER,
Judge, Supreme Court, India.

Though I have had no dealings with the Bank direct, I have heard enough of it to know that it is working very satisfactorily, and has a record of useful service. I wish the Bank a long career of prosperity and usefulness.

T.T. KRISHNAMACHARI
Minister for Commerce & Industry,
New Delhi.

I am aware that this institution has risen from small beginnings by reason of very careful and prudent management of its affairs by those in charge of its destinies. You must be a very proud man to be in charge of the Bank fifty years after its commencement.



C. SUBRAMANIAM,
Minister for Finance & Education,
Fort St. George, Madras.

I wish the function every success and I hope the Bank will continue to serve the people of the Tanjore District as before.

M. BHAKTAVATSALAM,
Minister for Agriculture,
Fort St. George, Madras.

I am glad to hear that your bank is completing 50 years of its useful existence. I offer my warmest felicitations and wish the function every success.

N. SUNDARESAN,
Reserve Bank of India, Central Office,
Department of Banking Operations,
Bombay.

I am glad to note the progress made by the bank and hope that it will continue to render useful banking to the public.

SIR SHRI RAM,
Director, Reserve Bank, New Delhi.

Please convey my thanks to your Board of Directors. I wish your bank even greater success in the years to come.

K. SRINIVASAN,
Managing Editor, the Hindu, Madras.

On this auspicious of the Golden Jubilee of the Kumbakonam Bank Ltd., I send you and your colleagues and its Board of Directors my best wishes for continued success and service to the people in your area.

DR. B. RAMAMURTI, M.A., D. SC.
Joint Director, Central Statistical
Organization, Cabinet Secretariat,
New Delhi.

I must congratulate the authorities of the Bank on its phenomenal progress and

trust that this trend will be maintained at an increasing pace. I have no doubt that this must be in a large measure due to the ability and hard work of the Managing Director and his colleagues.

M.A. CHIDAMBARAM,
“Chettinad House” Rajah
Annamalaipuram, Madras.

I have pleasure in wishing the jubilee Celebration all success and the Bank many more years of useful service to the country.

M.L. TANNAN, O.B.E., I.E.S. (Retd.)
Bombay.

I find that the steady progress shown by the figures of your Capital, Reserves, Deposits, etc. peak well of the Institution. I have, therefore, much pleasure in sending you my heartiest congratulations on the occasion of Golden Jubilee of your Bank and best wishes for its future prosperity.

K. VENKATASWAMY NAIDU,
B.A., B.L., M.L.A.
Madras.

The Bank has an influential Directorate and has been rendering very useful service to the public of Kumbakonam and other places in the District. I am glad to hear that the bank has attained the position of one of the most important financial Institutions. I wish the Bank more years of prosperity and usefulness.

S. RAJARATNAM,
Secretary, The Madras Industrial
Investment Corporation Ltd., Madras.

With its eight branches in various small towns, the Bank has been doing a very useful service to the rural and semi-urban population of the area served by it - service which can never be substituted by the large joint stock banks.



In this country notorious for the number of Bank failures, it is gratifying to note that the Kumbakonam Bank, started on a tiny scale, has grown in strength year by year and now in its fiftieth year bids fair to last for ever.

**RAJAH R.S.R. RANGA RAO
BAHADUR,**

Rajah of Bobbili, Chairman, The Madras Industrial Investment Corporation Ltd., Madras.

The Kumbakonam Bank Ltd. has for the last fifty years been catering to the Banking needs of the semi-urban localities of the Tanjore District. The fact that it has built up a reserve fund exceeding its paid-up capital and has been given the status of a scheduled Bank by the Reserve Bank, are tributes to the prudent management of the Bank in the past and augurs well for the future.

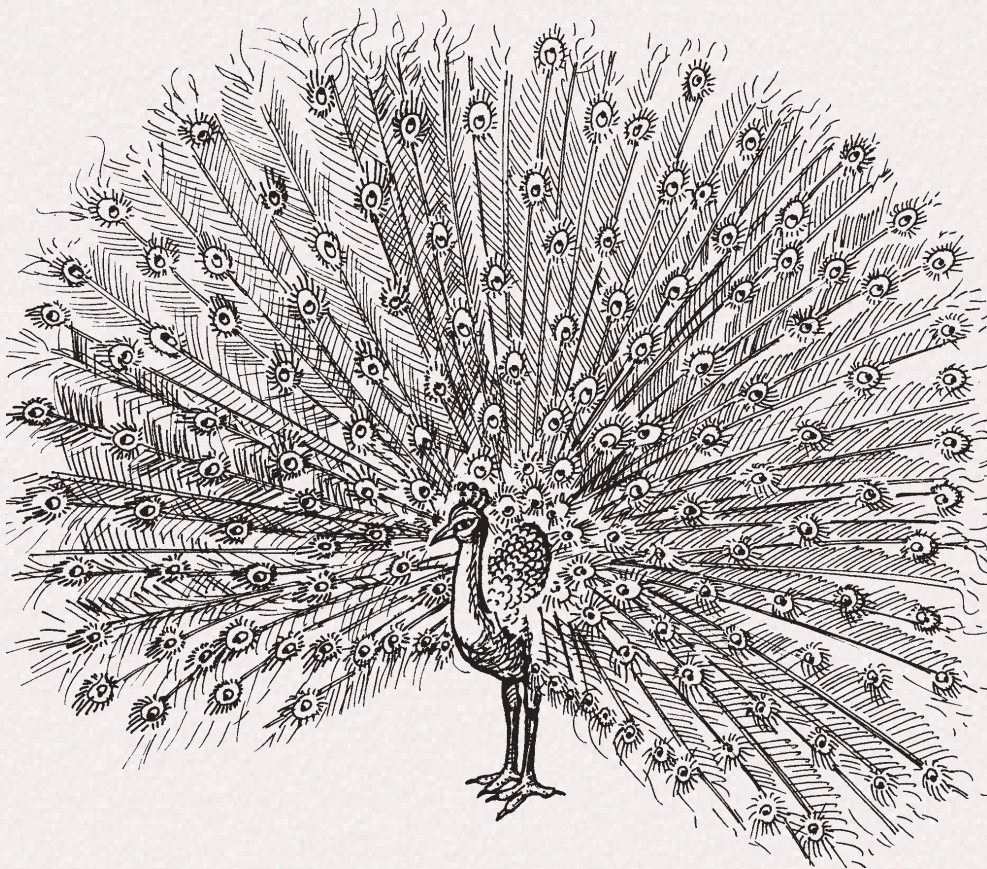
V. RANGACHARI,
Maconochie & Co. Madras.

I take this opportunity of sending my good wishes for the continued prosperity of your institution.

This memorable occasion marks yet another milestone in the career of the Bank. I wish it many happy returns of such occasions as also increased opportunities to serve an expanding clientele.

D.P. PARTHASARATHY,
Deputy Secretary, Indian Bank Ltd., Madras.

It is a matter for pride that the first Joint Stock Bank to celebrate its Golden Jubilee in India will be your Bank. Please accept my sincere congratulations to you and to the institution you have helped to function so well, for a very prosperous and continued existence.



REFLECTION OF WISDOM OF OUR FORMER MANAGING DIRECTOR

Shri S. Mahalinga Aiyer, former Managing Director of our bank was known for his versatile knowledge on subjects from oriental philosophy to modern banking. We reproduce here a chapter from the book "Wealth, Capital, Money and Credit" authored by him. The book was the result of his studies of Law, Banking and Vedanta.

MONEY

Money in modern communities is not a thing of value or usable by itself. When coins alone were money and gold and silver were used for coins, money had intrinsic value. They could be converted into ornaments for wearing or kept as bullion or sold for purchasing desired commodities. The metal has its worth as a metal. It is impressed with the quality of money by the king or the State.

A community living a simple life with limited wants can carry on by mutual exchange of commodities. What some have in excess for their own use may be exchanged for things in similar excess in others' hands. Money is needed as a medium of exchange, when numerous things are wanted, produced and used. But money in this aspect is useless by itself. It is an instrument for buying useful things. The "purchasing power" of money is a super-imposition. To attribute "power" to money is an illusion. Money other than coins of intrinsic value is representative money. Credit money i.e. bank cheques, and even the so-called cash money i.e. currency notes are all representative money.¹

Money is a measuring instrument used in sale and debt transactions. It must be true, reliable and not liable to be changed constantly by an unseen hand. The transactions in a cloth bazaar will not be true trading but a game of

blindman's buff, if the yardstick is being changed constantly.

The Sovereign or the State exists for doing justice between man and man and to hold the scales even between the clashing interests in Society. It should be in the exclusive power of the State to fix the value of money so that it functions justly, with stability and reliability. Nothing more unjust, more inimical to social morality and stability can be imagined than the use of money of variable value. But in modern economies, the value of money is constantly changing. How the State and the bankers intervene and change the value of money will be explained in the chapters on "Banking", and "Currency and Credit".

It is strange that this power of fixing or altering the value of money was not recognized and enforced as an exclusive attribute of sovereignty. In London where modern banking began, they allowed the goldsmiths and later the bankers to issue "bank notes". The bank notes were simply debt instruments in which no particular person was named as the creditor. Therein lay its elusiveness and effectiveness. In a normal debt transaction the creditor and the debtor know each other. Their contract is mutual, has a beginning and an end. In the case of the bank note, the debtor issues the note promising to discharge the debt represented by the note to anybody who would present it. The story of history is that he kept gold equivalent to the value of the notes. Whether this was a fact was under no check or control. If he had issued "excessive" notes, the bubble would be pricked only on the contingency of more notes being presented to him than he could pay at the moment. So long as that

1. The Sanskrit word for coin and money is the same, Pana. Ancient Hindu view was that Pana was only for social convention (vyavahara) of selling and buying. (Sri Sankara, Vishnusahasranama Bhashya Versa, 115) - Manu says, "Copper, silver and gold are to be used for Pana," (VIII - 131). Sri Sankara illustrates wealth as "gold, gems etc." (Commentary on Brithadaranyaka, IV-8-8).

Money cannot be wealth. It is not directly enjoyable. Sri Sankara would define wealth as Bhoga Sadhana, (means of enjoyment) Vishnu Sahasranama Bhashya, Verse, 59).

