

**MIZORAM RURAL BANK**  
**HEAD OFFICE : AIZAWL**

**33rd ANNUAL REPORT**  
**2015-2016**

## INDEX

1.	<i>Board of Directors</i>	2
2.	<i>Report of the Board of Directors</i>	3
3.	<i>Performance highlight</i>	3
4.	<i>Business Development</i>	5
5.	<i>Key Performance of the Bank</i>	5
6.	<i>Branch Network</i>	10
7.	<i>Financial Inclusion</i>	10
8.	<i>Core Banking Solution</i>	11
9.	<i>Risk Fund</i>	11
10.	<i>Write off of Loans</i>	11
11.	<i>Non-Fund Business</i>	11
12.	<i>Transfer Price Mechanism</i>	11
13.	<i>Loan Policy</i>	11
14.	<i>NPA Mannual</i>	12
15.	<i>Audit &amp; Inspection</i>	12
16.	<i>Rural Housing Loans</i>	12
17.	<i>Self Help Group</i>	12
18.	<i>Kisan Credit Card</i>	13
19.	<i>Share Capital</i>	13
20.	<i>Deposits</i>	13
21.	<i>Govt. Sponsored Scheme</i>	15
22.	<i>Borrowings</i>	16
23.	<i>Cash</i>	17
24.	<i>Investments</i>	17
25.	<i>Loans &amp; Advances</i>	18
26.	<i>IRAC Norms</i>	20
27.	<i>Loan Disbursed</i>	22
28.	<i>Recovery</i>	23
29.	<i>Income</i>	24
30.	<i>Expenditure</i>	24
31.	<i>Financial Ratios</i>	25
32.	<i>Interest Rates</i>	25
33.	<i>HRD</i>	27
34.	<i>MOU</i>	28
35.	<i>Acknowledgement</i>	29
36.	<i>Auditor's Report</i>	30
37.	<i>Balance Sheet</i>	33
38.	<i>Profit &amp; Loss</i>	34
39.	<i>Schedules with Annexures</i>	35 - 57

**MIZORAM RURAL BANK**  
**HEAD OFFICE B-5, BABU TILLA, ZARKAWT : AIZAWL,**  
**MIZORAM. PIN - 796 007**

**BOARD OF DIRECTORS**

*Appointed under Section II (i) of Regional Rural Banks Act, 1976*  
**Shri Gautam Sengupta, Chairman**

*Non Official Nominees of Government of India under Section 9(1)(a) of Regional Rural Banks Act, 1976.*

**(Vacated since December 2008 and not yet appointed)**

*Nominees of Reserve Bank of India and NABARD under Section 9(1)(b) and 9(1) (c) of Regional Rural Banks Act, 1976.*

**Shri. C. Sangpu Vaiphei,**  
Assistant General Manager,  
Reserve Bank of India,  
Rural Planning and Credit Department,  
Station Road, Panbazar,  
Guwahati - 781 001.

**Shri. R. Sankaranarayanan,**  
Deputy General Manager,  
National Bank for Agriculture  
and Rural Development,  
Mizoram Regional Office,  
Bawngkawn South,  
Aizawl - 796 012

*Nominees of Sponsor Bank under Section 9(i)(d) of Regional Rural Banks Act, 1976.*

**Shri Z.T. Kiangte**  
Assistant General Manager (LB & RRBs)  
State Bank of India  
Local Head Office  
G.S. Road, Guwahati - 781 009

**Shri Amitava Dutta,**  
Assistant General Manager  
State Bank of India  
Regional Business Office  
Babutlang, Aizawl - 796 001

*Nominees of Government of Mizoram under Section 9(i)(e) of Regional Rural Banks Act, 1976*

**Shri. Lalmalsawma**  
Addl. Secretary, Finance,  
Government of Mizoram  
Aizawl - 796 001

**Dr. C. Lalzarliana**  
Director of Agriculture (CH),  
Government of Mizoram  
Aizawl - 796 001

**MIZORAM RURAL BANK : HEAD OFFICE**  
**B - 5, BABU TILLA, ZARKAWT**  
**AIZAWL : 796 007, MIZORAM**

**Report of the Board of Directors**

In terms of section 20(1) of the provision of Regional Rural Bank Act 1976 the Board of Directors of the Mizoram Rural Bank has the pleasure in presenting its 33rd Annual Report along with the Audited Balance sheet, Profit & Loss Account, Note on Account and Auditors Report for the accounting year ended the 31<sup>st</sup> March 2016.

**Brief Report :** The bank has the privilege of being sponsored by the premier and largest bank in India, the State Bank of India and owned jointly by Govt. of India, Govt. of Mizoram. It has been established on the 27th September 1983 under the Regional Rural Bank Act 1976. It covers the entire State of Mizoram having 8 districts and 26 R.D Blocks with a branch network of 78 comprising of 17 urban, 13 semi urban, 48 rural centres. The population of the State as per 2011 census is 1091014 in an area of 21000 sq. km with 830 villages and 23 towns. The State has been declared the greenest state in India and forests account for about 66% of the geographical area. Agriculture is the main stay of occupation and nearly 80% of the total population is engaged in the activity. It has good scope for development of horticulture, fisheries, animal husbandry etc with abundant rainfall during the monsoon period. The infrastructural deficiencies, however, bottleneck the potentials from being exploited fully still leaving much to do with the Govt., financial / banking institutions. The literacy rate at 91.58% is one of the highest in India next to Kerela and Lakshadweep. MRB is the largest bank in terms of number of branches and second in terms of business, next to its sponsor bank, in the State.

**Performance highlights during the year:**

- The bank's total business has reached Rs.2382.48 crores placing the bank in the Category II of RRB, as per H.R. policy approved by the Govt. of India.
- It registered a growth of 15.99% in total business.
- The bank participated in IBPC with our sponsor bank. We lent our standard agriculture outstanding of Rs.13.00 crores to State Bank of India and get interest margin of 2% from our participation.
- It posted gross profit of Rs. 24.44 crores bringing its reserves to Rs.72.42 crores. We achieved by 68.09% in profit against MoU target of Rs.35.89 crores.

- Business per employee increased from Rs 6.81cr. to Rs.7.01cr.
- Business per branch improved from Rs.29.19 cr to Rs.30.54 cr. during the year.
- 142 villages have been 100% covered under financial inclusion by way of opening savings banks/no frills accounts.
- We have opened 1 new branch at E. Bungtlang in rural centre under Serchhip district with CBS compliant during the financial year.
- We have converted share capital deposit of Rs. 30.04 crores contributed by the three share holders as per the instruction of NABARD with that of Share Capital and we have Rs. 31.04 cr. as at March 2016.
- The State Government Flagship rural development programme known as New Land Use Policy (NLUP) has been implemented through the bank. The programme envisages a project cost of Rs.2700.00 crores spread over a period of 5 years.
- Business premium achievement on SBI General comes up to Rs. 77.97 lakhs and earned commission of Rs. 6.23 lakhs in this account.
- Under the Corporate Social Responsibility(CSR), two children of CI ix & x student of boys and girls from 77 villages have been adopted and funded for requirement of their studies.
- State Government has allotted us a plot of land measuring 875sq.m. within New Secretariat Complex for construction of Head Office building. Approval since draw from LHO of our sponsor bank and construction will be started during the calendar year.
- We have issued 8358 Rupay Debit Card to our customers during the year.
- We have issued 675 ATM enabled KCC Card during the year.
- We have opened 39608 Basic Savings Bank during the year.
- We have achieved Premium on SBI Life to the tune of Rs. 202.00 lakhs and earned commission of Rs. 5.60 lakhs.
- CRAR of the Bank stood at 11.05% which is beyond the expectation of GoI.
- Recruitment of 13 Officers, 18 Office Assistants are affected during the year.
- 26 Office Assistant and 33 Officers get promoted to a higher scale during the year.

## **Business Development**

The bank achieved Rs.1517.12 crore in deposits and Rs. 865.36 crore in advances which constitute total business of Rs. 2382.48 cr. The percentage of achievement of MoU target was 88.42 % and 100.14% respectively in deposits and advances. In a tight market situation where almost all other players fell short of their targets the bank's achievement in business development has been one of the best in its area of operation.

### **KEY PERFORMANCE OF THE BANK AT A GLANCE**

<b>A. Performance Indicators</b>	<b><u>2013-14</u></b>	<b><i>(Rs in Thousands)</i></b>	
		<b><u>2014-15</u></b>	<b><u>2015-16</u></b>
1. <b>No. of District covered</b>	8	8	8
2. <b>No. of Branches</b>	<b>75</b>	<b>77</b>	<b>78</b>
a) Rural	46	47	48
b) Semi-Urban	13	13	13
c) Urban	16	17	17
d) Metropolitan	-	-	-
3. <b>Total Staff (excluding sponsor bank staff)</b>	322	330	340
Of which, Officers	131	128	162
4. <b>Deposits</b>	13411880	14920332	15171166
Growth %	17.16%	11.25%	1.68%
5. <b>Borrowings Outstanding</b>	550710	354597	478430
Growth %	45.56%	-35.61%	34.92%
6. <b>Gross Loans &amp; Advances Outstanding</b>	6337084	7558762	8653580
Growth %	15.25%	19.28%	14.48%
Of 6 above, loans to Priority Sector	4233010	5968173	6610745
Of 6 above, loans to Non-Target Group	3906978	1590689	2042835
Of 6 above, loans to SC/ST	6337084	7558762	8653580
Of 6 above, loans to SF/MF/AL	983796	1017820	1001530
Of 6 above, loans to Minorities	140118	152163	171618
Of 6 above, weaker sections	372900	588796	536817

**B. AVERAGES**

9.	<b>Average Deposits</b>	12429702	13732524	15735062
	Growth %	25.24%	10.48%	14.58%
10.	<b>Average Borrowings</b>	465865	363487	346315
	Growth %	-8.61%	-21.98%	4.72%
11.	<b>Average Gross Loans and Advances</b>	5917746	6766694	7926245
	Growth %	27.71%	14.35%	17.14%
12.	<b>Average Investments</b>	5238795	4071313	4194129
	Growth %	73.33%	-22.28%	30.02%
	Average SLR Invt. as % to Average Deposits	17.95%	20.03%	19.06%
	Average Non-SLR Invt.as % to Avg. Deposits	24.20%	9.61%	7.59%
13.	<b>Average Working Funds</b>	12895567	14096011	16081377
	i) Average Business	18347448	20499218	23661307
	ii) Average Business per branch	251335	266224	303350
	iii) Average Business per employee	59764	62119	69592

**C. LOANS ISSUED DURING THE YEAR**

14.	<b>Loans Issued during the year</b>	2418901	2622045	3134263
	Amount growth	313287	203144	512218
	Growth %	14.88%	8.40%	19.53%
	Of 14 above, loans to Priority Sector	1727303	1696292	2111393
	Of 14 above, loans to Non-Target Group	691598	925753	1022870
	Of 14 above, loans to SC/ST	2418901	2622045	3134263
	Of 14 above, loans to SF/MF/AL	425947	405125	416098
	Of 14 above, loans to Minorities	41500	36820	36817

**D. PRODUCTIVITY**

15.	Per Branch	263320	291936	305445
	Per Staff	61332	68118	70073

**E. RECOVERY PERFORMANCE**

16.	<b>Total</b>			
	Demand	1318033	2398263	2131475
	Recovery	1106379	1828051	1716705
	Overdues	211654	569757	414770
	Recovery % (June Position)	83.94%	76.22%	80.54%
17.	<b>Farm Sector</b>			
	Demand	285947	414726	178018
	Recovery	229288	340179	129470
	Overdues	56659	745555	48548
	Recovery % (June Position)	80.19%	82.02%	72.73%
18.	<b>Non-Farm Sector</b>			
	Demand	1032086	1983537	1953457
	Recovery	877091	1487872	1587235
	Overdues	154995	495202	366222
	Recovery % (June Position)	84.98%	75.01%	81.25%

**F. ASSET CLASSIFICATION**

19.	a) Standard	6012522	7175953	8168950
	b) Sub-Standard	150378	168519	105958
	c) Doubtful	91611	95356	279355
	d) Loss	82573	118934	99317
	Total	6337084	7558762	8653580
20.	<b>Std. Assets as % Gross Loans O/S</b>	94.88%	94.94%	94.40%

**G. PROFITABILITY ANALYSIS**

21.	<b>Interest paid on</b>			
	a) Deposits	579440	642279	784370
	b) Borrowings	26817	21352	24419
22.	<b>Salary</b>	151919	180777	183345
23.	<b>Other Operating Expenses</b>	65967	95051	88052



24.	<b>Provisions made during the year</b>			
	a) Against NPAs	39951	34313	28519
	b) Other Provisions	42584	38000	103060
25.	<b>Interest received on</b>			
	a) Loans & Advances	690318	829900	957633
	b) Current A/c with Sp.bks/Other Banks	-	-	-
	c) SLR Invt.	208487	235828	215698
	d) TDR with Spr.banks	198514	115208	89313
	e) Non-SLR Investments	21223	141601	68677
	f) TDRs with other banks	-	-	-
26.	<b>Miscellaneous Income</b>	35970	35541	41760
27.	<b>a) Gross Profit</b>	247835	346306	244375
	<b>b) Net Profit</b>	163600	211605	161315
<b>H.</b>	<b><u>OTHER INFORMATION</u></b>			
28.	<b>Share Capital etc</b>			
	a) Paid up	10000	10000	310382
	b) Additional Share Capital (Equity Support)	80382	80382	-
	c) Recapitalization Funds	220000	220000	-
29.	<b>Cumulative Provision</b>	161746	179967	193867
	a) Against NPAs, frauds etc.	161746	179967	193867
	b) Against Intangible Assets	-	-	-
30.	<b>Interest Derecognised</b>			
	a) During the year	1268	527	7361
	b) Cumulative	21455	14142	21503
31.	<b>Loans Written off during the year</b>			
	a) No. of Accounts	519	422	166
	b) Amount	46822	16118	14620
32.	<b>Accumulated Loss</b>	-	-	-
33.	<b>Reserves</b>	351323	592928	724242
34.	<b>Net Worth</b>	661705	903310	1034624

	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>
35. <b>No. of branches audited during the year</b>	50	45	41
a) Excellent Ratings	4	1	1
b) Unsatisfactory	-	-	-
c) Up graded	10	2	-
d) Down graded	1	1	1
36. <b>No. of Loss making branches</b>	6	5	5
a) Less than 1 year old	3	2	1
b) More than 1 year old	3	3	4
37. <b>Capital Risk Assets Ratio %(CRAR)</b>	10.08	10.83	11.05
38. <b>Market Share</b>			
a) Deposits	26.30	28.55	23.62
b) Advances	28.38	29.93	30.48
39. <b>Net NPA %</b>	3.43	2.68	3.44
40. <b>Compromise Settlement</b>			
a) No. of a/c settled	47	42	79
b) Amount settled	7937	12281	21966
c) No. of OTS settlement	16	22	-
41. <b>No. of Farmers Club</b>	55	55	55
42. <b>No. of tsff recruited</b>			
a) Officer	12	-	12
b) Others	25	24	13
43. <b>No. of staff promoted</b>			
a) to Scale-IV	3	-	4
b) to Scale-III	7	-	7
c) to Scale-II	8	-	22
d) to Scale-I	5	-	26
b) to Assistant	1	-	-

## **BRANCH NET-WORK**

The bank opened its 78th branch at E. Bungtlang in Serchhip District on 19.06.2015 and has 6(six) pending licences for branch opening. Its branches spread over the entire state covering 8 districts with 26 R.D.Blocks. The bank has now extended its coverage to 17 urban,13 semi-urban and 48 rural centres. The districtwise break up of branches is as under:

Sl. No.	Name of District	No.of Branches	No.of Urban branch	No.of Semi-Urban	No.of Rural branch	of which			
						Relo-cated	Newly opened	exten-sion	Sate-lite
1	Aizawl	29	17	-	12	-	-	-	-
2	Kolasib	6	-	2	4	-	-	-	-
3	Mamit	6	-	1	5	-	-	-	-
4	Serchhip	8	-	2	6	-	1	-	-
5	Champhai	11	-	1	10	-	-	-	-
6	Lunglei	9	-	3	6	-	-	-	-
7	Saiha	3	-	2	1	-	-	-	-
8	Lawngtlai	6	-	2	4	-	-	-	-
	TOTAL	78	17	13	48	-	1	-	-

## **FINANCIAL INCLUSION :**

True to its mandate the MRB continues to spread over the entire length and breadth of the state taking upon itself the task of reaching out to remote and almost inaccessible interiors. The grassroots level connection it has established with the rural masses facilitates mass banking with the rural people and the State Govt. has entrusted on us the task of disbursing the NLUP funds through the 78 branches. The bank has also appointed B.Cs under the Financial Inclusion Technology Fund. NABARD has sanctioned Rs 42.00 lakhs for engaging a card based BCs with a target of opening 40,000 accounts in five blocks under the programme. With a view to achieve the objectives of greater Financial Inclusion as per the Reserve Bank of India's directives, the following basic banking schemes have been introduced in the bank.

**a) No Frills Account** - A huge number of rural customers have been brought under the scheme. Basic Banking with "No frills account" either with "NIL" or with very low of minimum balance Savings Bank Account in all the branches. We have 142 villages covering 100% financial inclusion through 196806 Nofrills/Basic Banking Accounts.

**b) FLCC** - Most of all the branches conducted FLCC during the year. All together 278 FLCC has been conducted with 20226 participants. Expenditure of Rs. 8.21 lakhs was incurred and claimed for reimbursement from NABARD.

b) **GCC** - To strengthen the credit delivery system at affordable cost, the GCC scheme has been introduced in the bank as per RBI guideline. Credit limit has not been fixed as per RBI instruction. The small ticket size scheme at one point of time was quite popular under the scheme.

### **CORE BANKING SOLUTION**

Pursuant to RBI guidelines, the Bank initiated the process of Computerisation on CBS platform using “B@NCS 24” application software through the ASP model. Upgradation of the 78 branches of the bank have been completed and migrated to CBS platform on 21st June 2011. Hence, all the branches including Head Office have been placed under CBS. New branch opened after CBS have been placed and operated under the system.

### **RISK FUND**

As per the prudential norms applicable to RRBs, the bank made a total provision of Rs.1938.67 lakhs as on 31st March 2016 to fully cover bad and doubtful debt and assessable losses on account of frauds and misappropriations. No separate risk fund other than this provision has been made.

### **WRITE OFF OF LOANS**

The Bank undertook a write-off exercise of loans under agriculture and small business segments classified as loss assets with very bleak prospect of recovery, to the extent of Rs. 1.46 lakhs in 166 accounts during the year. There is no pending appropriation for write off at present. The bank observed restraint on write off despite the upward movement of NPA and started restoring to legal measures. Full provision has however, been made for all bad and doubtful loans.

### **NON - FUND BASED BUSINESS**

The Bank is yet to start issuing LCs, inland and foreign. The BGs issued are also still insignificant as a source of income. We have a tie up agreement with SBI Life and General Insurance which effects a considerable increased in non-fund business income.

### **TRANSFER PRICE MECHANISM**

The Bank has adopted Transfer Price Mechanism for flow of funds between Head Office and the branches on almost similar lines being followed by our sponsor bank with a view to eliminating loss making branches. The number of loss making branches has decreased from 6 to 5. The loss making branches are mainly new barches.

### **LOAN POLICY**

The published “Loan Manual 2011” for internal circulation meet the varied demands of its customers as well as the workers of different levels. The contents of the manual are a collection of various circulars issued by the Bank and our sponsor bank. This had help much and facilitate in credit delivery at the branch level. We have Executive Credit Committee and Credit Committee at Head Office. These committee are the sanctioning authority for all proposal of loans submitted by branches beyond their respective discretionary.

## **NPA MANNUAL**

With a view to equip our working staff and to maintain the quality of assets, we have devised a 'NPA Management Policy' and published the same for our internal circulation. This has much facilitate our operating staff to have better clarity and focussed attention for settlement of chronic and bad loans through compromise.

## **AUDIT AND INSPECTION**

### **a) NABARD's Inspection :**

NABARD's Inspection under Section 35(6) of Banking Regulation Act, 1949 has been conducted from 31.08.2015 to 15.09.2015 with reference to the Bank's financial position as on 31.03.2015. Compliance in respect of the report has been prepared and submitted.

b) **Management Audit :** Management Audit of the Bank under Section 24 (a) of RRB Act, 1976 was conducted during August 2015 by Shri. P.N. Viswanathan, GM(MA-OMD) SBI I & MA Deptt., Hyderabad with reference to the Bank's financial position as on 31.03.2015. The audit certainly help the bank in its overall improvement as many meaningful and valuable suggestions for improvement have been given in the report. We have been awarded Overall Risk Rating of A- on a four point scale of A+, A, A- and B by the inspecting official.

### **c) Inrternal Audit and Inspection :**

During the year we had carry out audit & inspection of 41 branches. The report reveal that, out of 41 branches, 40 branches maintained and 1 brach have been downgraded from the previous inspection. Due to constant follow-up to the deficiencies brought out by the audit and inspection, there have been slow but steady improvement in the overall position of branches, espicially for internal house keeping and processing of loan.

## **RURAL HOUSING LOAN SCHEME**

The bank's exposure under Rural Housing Loan Scheme stood at Rs .29996.80 lakhs as end of the year. The target being individuals in the lower and middle income groups. The bank's single largest exposure being the Rural Housing loan, they are sanctioned under "Priority Sector" category.

## **SELF-HELP GROUP**

The bank continues to promote and also finance to credit linked micro-enterprises in rural areas through the mechanism of self-help groups, A good number of self-help groups have been brought into the bank's book and 283 SHGs have been credit linked with an amount of Rs. 473.41 lakhs during the year. It is intended that SHG linkage would be a part of the bank's mainstream credit operation. In this endeavour 2673 groups have been formed of which 1603 groups have been credit linked. The bank's achievement in this area accounts for more than 50% of the aggregate achievement of all operating banks in the state.

## **KISAN CREDIT CARD SCHEME**

As in the case of KCC, the bank's performance in issuing KCC has been quite appreciable. 68.93% of the total cards issued by all banks in the state is the share of the MRB. The KCC issued are mainly for production and consumption purposes to help farmers for raising of crops production. Produce marketing scheme is yet to be made popular. Kisan Cash Credit as well as Agricultural Term Loans are sanctioned to KCC holders.

## **SHARE CAPITAL**

The total capital including equity support, recapitalization funds to the tune of Rs.3103.82 lakhs have been contributed by all the share holders, viz., Government of India, Government of Mizoram and State Bank of India (Sponsor Bank) in the ratio of 50:35:15. The fund flow towards paid up share capital, equity support and recapital funds received from share holders are as given below :

*(Rs.in lakhs)*

	<b>Share holders</b>	<b>% of share</b>	<b>Paid up Capital</b>	<b>Equity Support</b>	<b>Recapital Funds</b>	<b>Total Funds</b>
i)	Government of India	50%	50.00	401.91	1100.00	1551.91
ii)	State Bank of India	35%	35.00	281.34	770.00	1086.34
iii)	Government of Mizoram	15%	15.00	120.57	330.00	465.57
	<b>TOTAL</b>	<b>100%</b>	<b>100.00</b>	<b>803.82</b>	<b>2200.00</b>	<b>3103.82</b>

## **DEPOSITS**

The Bank achieved aggregate deposits of Rs. 1551711.66 lakhs as on 31.03.2016 against the budgeted level of Rs.171583.82 lakhs projected for the year ending 31st March,2016. The Bank registered a positive growth of Rs.2508.34 lakhs over last year's level of Rs. 149203.32 lakhs, which is a growth of 1.68% only. The comparative position of deposits, share of low-cost deposits and average cost of deposit mobilised during the last three years are given below :

*(Amount in thousand)*

Sl	<b>Parameters</b>	<b>March 2014</b>	<b>March 2015</b>	<b>March 2016</b>
i)	Total No.of Accounts	404400	517322	604060
ii)	Total Deposits	13411880	14920332	15171166
iii)	Absolute growth	1964356	1518452	250834
iv)	Percentage growth	17.16%	11.25%	1.68%
v)	Institutional Deposits	2300970	2401197	2969427
vi)	Non-institutional Deposits	11110910	12519135	12201739
vii)	Average Deposit per branch	178825	193771	194502
viii)	Average deposit per employee	41652	45213	44621
ix)	Average account per employee	1256	1568	1777
x)	Average cost of deposits	4.68%	4.87%	6.23%

**Category-wise break-up of deposits of the last three years is furnished as under :**

*(Rs in thousand)*

Category of deposits	Actual as on			%
	31.03.2014	31.03.2015	31.03.2016	growth
i) Current Deposits	2721694	2859843	1296300	-54.67%
ii) Savings Bank Deposits	6583885	7336230	7761831	5.80%
iii) Term Deposits	4106301	4724259	6113035	29.40%
<b>TOTAL</b>	<b>13411880</b>	<b>14920332</b>	<b>15171166</b>	<b>1.68%</b>

**Percentage of various deposit accounts for the last three years are as under :**

Parameters	31.03.2014	31.03.2015	31.03.2016
i) Percentage of Saving Bank Deposits to total deposit	49.09%	49.17%	51.16%
ii) Percentage of Current Deposits to total deposit	20.29%	19.17%	8.54%
iii) Percentage of Term Deposits to total deposit	30.62%	31.66%	40.30%
iv) Percentage of Institutional Deposits to total deposit	17.16%	16.09%	19.57%
v) Percentage of non-institutional deposit to total deposits	82.84%	83.91%	80.43%

The District-wise position of Deposits as on 31.03.2016 are also enumerated here under :

*(Rs in thousands)*

Name of District	March 2014	March 2015	March 2016	As on 31.03.2016		
				Rural	Semi-urban	Urban
Aizawl	6769883	9577124	9280739	976412	-	8304327
Kolasib	869322	837312	924261	470155	454106	-
Serchhip	666291	700252	755970	475979	279991	-
Mamit	421151	527675	556277	329285	226992	-
Champhai	666231	704610	870418	538482	331936	-
Lunglei	1453126	1630115	1765020	451234	1313786	-
Lawngtlai	2175831	538862	594544	151316	443228	-
Saiha	390045	404382	423937	47197	376740	-
<b>Total</b>	<b>13411880</b>	<b>14920332</b>	<b>15171166</b>	<b>3440060</b>	<b>3426779</b>	<b>8304327</b>

#### GOVT. SPONSORED & SPECIAL SCHEME

The Scheme-wise position of loans and advances issued and outstanding under Govt. Schemes/ Special Scheme for the year March 2015 and March 2016 is as under :

*(Rs in thousand)*

Sl. No	Scheme	O/s (31.03.15) Amount	Disbursed (2015-16)		O/s (31.03.16) Amount	% growth
			A/c	Amount		
1.	Crop Loan	23201	1017	95136	20337	-12.34%
2.	JLGs	131199	303	64580	139773	6.54%
3.	KCC	657994	2791	210798	616736	-6.27%
4.	SHGs	110312	283	41478	112738	2.20%
5.	GCC	377125	4503	431149	584314	54.94%
6.	WCC	-	72	3020	3478	100.00%
7.	Education	7848	7	1030	8042	2.47%
8.	PMEGP	13758	290	23754	23866	73.47%
9.	Housing	2999680	2138	830457	3487979	16.28%
	<b>TOTAL</b>	<b>4321117</b>	<b>11404</b>	<b>1701402</b>	<b>4997263</b>	<b>15.65%</b>



## **BORROWINGS**

The Bank availed of refinance from outside agencies aggregating to Rs. 4784.30 lakhs as on 31st March 2016 from NABARD, SBI, NHFDC and NSTFDC which are the major sources of funds of the Bank besides the deposits. During the year, the Bank fulfilled its repayment obligations of instalments as well as interest to all agencies in strict conformity with the stipulated repayment schedules. The details of refinance obtained by the Bank and outstanding for the last two years i.e. as on 31.03.2015 and 31.03.2016 respectively are as under :

<i>(Rs in thousand)</i>					
Sl.Scheme No.		Outstanding as on 31.03.2015.	Availed during the year	Repaid during the year	Outstanding as on 31.03.2016
1.	<b>NABARD</b>				
	i) Solar (ARF)	9900	-	1100	8800
	ii) SAO	20000	35000	20000	35000
	iii) ARF (NFS)	163141	20000	52596	117645
	iv) LTRCF	39350	168750	6450	214550
	<b>Sub-total</b>	<b>232391</b>	<b>223750</b>	<b>80146</b>	<b>375995</b>
2.	<b>Sponsor Bank (SBI)</b>				
	i) ST (SAO)	-	-	-	-
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.	<b>NHFDC</b>				
	<b>Sub-total</b>	<b>1078</b>	<b>-</b>	<b>9890</b>	<b>99</b>
4.	<b>NSTFDC</b>				
	<b>Sub-total</b>	<b>28823</b>	<b>-</b>	<b>8532</b>	<b>20291</b>
5.	<b>NHB</b>				
	<b>Sub-total</b>	<b>92305</b>	<b>-</b>	<b>10260</b>	<b>82045</b>
<b>GRAND TOTAL</b>		<b>354597</b>	<b>223750</b>	<b>108828</b>	<b>478430</b>

## **CASH AND BALANCES WITH BANKS**

A policy decision has been taken to hold cash and non-interest bearing balances to the lowest possible level. The position in respect of cash and balance with other banks for the last three years are as under :

<i>(Rs..in thousand)</i>			
<b>Particulars</b>	<b>March 2014</b>	<b>March 2015</b>	<b>March 2016</b>
i) Cash in hand	236925	241050	307625
ii) Average cash during the year	280812	290781	362943
iii) Average cash as % to average deposits	2.28%	2.12%	2.31%
iv) Balance with RBI	554602	570616	683802
v) Balance with Sponsor Bank			
a) in current account	424478	215667	218929
b) in STDRs	1931295	2206000	2098775
vi) Interest earned from			
b) STDRs	22848	115208	89313

## **INVESTMENTS**

As on 31st March 2016, the aggregate investment amount of the Bank stood at Rs. 62252.51 lakhs. The SLR portion of the Bank's investments were kept in Government Securities as per stipulation. The position of investments, and the break-up of SLR and Non-SLR funds for the last three years are highlighted here under :

	<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
1.	<b>Total investments</b>	<b>5052860</b>	<b>5687594</b>	<b>6225251</b>
	a) Approved Securities	2441565	2791594	3095476
	b) Other Securities	2611295	2896000	1031000
2.	<b>SLR Investments</b>	<b>2441565</b>	<b>2791594</b>	<b>3095476</b>
3.	<b>Non-SLR Investments</b>	<b>2611295</b>	<b>2896000</b>	<b>3129775</b>
4.	<b>Interest earned on</b>			
	a) SLR Funds	208487	235828	215698
	b) Non-SLR Funds	219737	256809	157990

## LOANS AND ADVANCES OUTSTANDING

The Bank's aggregate outstanding advances as on 31.03.2016 was Rs. 86535.80 lakhs as against Rs 86412.29 lakhs projected by us for the year. It registered an absolute growth of Rs. 10948.18 lakhs over last year's outstanding of Rs. 75587.62 lakhs, which shows a growth of 14.48 % in total advances. The position of loans and advances outstanding during the last three years is furnished as under :

		<i>(Rs. in thousand)</i>		
Sl.No.	Particulars	31.03.2014	31.03.2015	31.03.2016
1.	No.of borrowal accounts	47643	53192	53253
2.	Amount outstandings	6337084	7558762	8653580
3.	Absolute growth	838676	1221678	1094818
4.	Percentage growth	15.25%	19.28%	14.48%
5.	Per account outstanding	133.04	142.10	162
6.	Per branch outstanding	84494	98165	110943
7.	Priority Sector outstanding	4233042	5968173	6610745
8.	Non-Priority sector outstanding	2104042	1590589	2042835
9.	Interest received on loans	690318	829900	957633
10.	Average advances during the year	5786625	6766694	7926245
11.	Average yield on advances	11.93	12.28	12.08
12.	Percentage of advances to total assets	42.35	43.87	49.50
13.	Percentage of Priority sector to total	66.80	78.96	76.39
14.	Percentage of performing assets to total	94.88	94.94	94.40

The Facility-wise break-up of loans and advances outstanding for the last three years are as under :

Sl. No	Sector	Outstanding as on			
		31.03.2014	31.03.2015	31.03.2016	%share
1.	Agriculture	758266	768458	686957	7.94
2.	Allied Agriculture	225530	249362	314573	3.63
3.	SSI, Cottage and Rural artisans	240750	272728	276921	3.20
4.	Services and Small Business	1083254	1224275	1915811	22.14
5.	Rural Housing	2659499	2999680	3487979	40.31
6.	Others	1369785	2044259	1971339	22.78
	<b>TOTAL</b>	<b>6337084</b>	<b>7558762</b>	<b>8653580</b>	<b>100.00</b>

District-wise and Sector-wise loan outstanding as on 31.03.2016 is as under :

(Rs. in thousand)

Sl. No.	Name of district	Total loan outstanding	Priority Sector outstanding	Non-Priority outstanding	% of P/s to total
01.	Aizawl Dist	358427	2612590	968837	72.95
02.	Champhai Dist	688382	545665	142717	79.27
03.	Mamit Dist	338314	254178	84136	75.13
04.	Kolasib Dist	475336	374960	100376	78.88
05.	Serchhip Dist	542912	417104	125808	76.83
06.	Lunglei Dist	1245630	975854	269776	78.34
07.	Lawngtlai	1044915	856131	188784	81.93
08.	Saiha Dist	736664	574263	162401	77.95
	<b>Total Loan</b>	<b>8653580</b>	<b>6610745</b>	<b>2042835</b>	<b>76.39</b>

Sector-wise loan outstanding as on 31.03.2016 is as under:

Sl.	Particulars	31.03.2014	31.03.2015	31.03.2016
01.	Percentage of Priority Sector advances to total outstandings	79.66%	78.96%	76.39%
02.	Target group outstanding	3985455	5134724	5883563
03.	Non-Target group outstanding	2351629	2424038	2042835
04.	Percentage of target group to total outstandings	62.89%	67.93%	67.99%
05.	Outstanding to Minority Community	140118	152163	171618
06.	C : D Ratio	47.25%	50.66%	57.04%
07.	Average interest rate charge	11.93%	12.28%	12.28%
08.	Outstandings to SC/ST	6337084	7558762	8653580

## **IRAC NORMS**

The Bank follows the RBI prudential norms for recognition of income based on classification of loans and advances as standard, sub-standard, doubtful and loss assets. Out of the total advances outstanding, 94.40% has been classified as standard assets. The Bank has made provisions of 0.25% and 0.40% for Std. Assets under Agriculture & SME respectively, and 1% for Commercial Real. Total provision made for the Bank's Loans and Advances as per prudential norms stood at Rs. 1938.67 lakhs as on 31.03.2016 as against Rs.1799.67 lakhs for last year. The provision also covers assessable losses against frauds and misappropriations.

The summary of Assets Classification, Position of Non Performing Assets (NPA), Interest De-recognised (INC) and Provisions made there against for the last three years are enumerated here as under :

*(Rs . in thousand)*

<b>a)</b>	<b>Assets Classification</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
i)	Standard Assets	6012522	7175953	8168950
ii)	Sub-standard Assets	150378	168519	105958
iii)	Doubtful Assets : D-I	46562	34420	238532
	D-II	32724	36719	29799
	D-III	12325	24217	11024
iv)	Loss Assets	82573	118934	99317
	<b>T O T A L</b>	<b>6337084</b>	<b>7558762</b>	<b>8653580</b>

### **b) Interest De-recognised**

<b>Particulars</b>	<b>31.03.14</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
At the beginning of the year	23335	21455	14142
Additions during the year	5816	1814	8618
Recovery during the year	7696	9127	1257
At the end of the year	21455	14142	21503

**c) Provisions***(Rs . in thousand)*

	<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
i)	Additional Provisions made during the year	82535	207014	131579
	i) towards loan	39951	34313	28519
	ii) other provisions	42584	172701	103060
ii)	Total Provision held	299285	376475	327165
iii)	Provision held against NPA	161746	179967	193867

**d) NPA Mangement**

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
NPA at the beginning of the year	417946	379007	382810
Additions to NPA during the year	177608	149540	254326
Recovery against NPA during the year	216547	145737	152506
NPA at the end of the year	379007	382810	484630
Percentage of NPA to gross advances	5.98%	5.06%	5.60%
Net NPA at the end of the year	217261	202843	290763
Net Advances at the end of the year	6175338	7378795	8459713
Percentage of Net NPA to Net Advances at the end of the year	3.52%	2.75%	3.44%

## **LOANS DISBURSED DURING THE YEAR**

During the year under report, the Bank disbursed fresh loans to the tune of Rs.31342.63 lakhs against a budget of Rs.29891.31 lakhs committed in the Memorandum of Understanding with the Sponsor Bank. Achievement was 104.85% against the budget. The position of loan disbursed vis-a-vis the targets for the last two financial years are as under :

*(Rs. in thousands)*

<b>Particulars</b>	<b>2014-15</b>		<b>2015-16</b>		
	<b>Target</b>	<b>Achievt.</b>	<b>Target</b>	<b>Achievt.</b>	<b>%</b>
i) Loan disbursed during the year	22745453	2622045	2989131	3134263	104.85
ii) Priority Sector advances	1813668	1584918	1806707	2111393	116.86
iii) Non-Priority Sector advances	931784	1037127	1182325	1022870	86.51
iv) % of Priority Sector to total loan disbursed	66.06%	60.45%	60.45%	67.36%	111.43
v) Target group advances	1210663	1017829	879374	1072884	122.01
vi) Non-target group advances	1534790	1604216	2109757	2061379	97.70
vii) SC/ST Communities	2745453	2622045	2989131	3134263	104.85
viii) Minority Communities	20940	20270	158010	164039	103.82
ix) <u>Sector-wise disbursement</u>					
a) Agriculture & Allied Agriculture	447244	405125	461843	428761	92.84
b) Industries	145100	141728	417531	102819	24.63
c) Services & others	294600	290782	927432	1599813	170.34
d) Non-Priority Sector	931784	1037127	1182325	1022870	86.51

(Rs. in thousand)

	31.03.2015		31.03.2016		
	Target	Achievement	Target	Achievement	%
x) % of loans disbursement to gross advances	38.17%	34.69%	34.59%	36.22%	104.71
xi) % growth in disbursement	1.87%	24.52%	14.00%	19.54%	139.57
xii) % of achievements	100.00%	95.51%	100.0%	104.85%	104.85

### **RECOVERY OF LOANS**

The recovery performance of the Bank at the end of June 2015 was 80.54% as against 76.22% at the end of previous year (i.e. June 2014). During the year under report, vigorous recovery campaigns were launched by all the branches. The position of loan recovery for the period July, 2014 to June 2015 is given below :

(Rs. in thousand)

	Purpose/Sector	Demand	Recovery	Overdue	Recovery %
1.	Agricultural Short Term Loans	81350	53598	27752	65.89%
2.	Agricultural/Allied Term Loans	96668	75872	20796	78.49%
3.	Non-Agricultural Loans	1953457	1587235	366222	81.25%
	<b>TOTAL</b>	<b>2131475</b>	<b>1716705</b>	<b>414770</b>	<b>80.54%</b>

The position of Sector-wise/age-wise classification of overdues are as under :

Purpose/Sector	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	5 yrs. and above	Total over dues
1. Agricultural Short Term Loans	2455	881	2048	22250	118	27752
2. Term Loan for Agricultural & Allied Agricultural	9124	5852	5350	401	69	20796
3. Non-Agricultural Loans (ST & TL)	118241	17606	36201	180862	13312	366222
<b>TOTAL</b>	<b>129820</b>	<b>24339</b>	<b>43599</b>	<b>203513</b>	<b>13499</b>	<b>414770</b>



## **INCOME EARNED**

The Bank's total income during the year as on 31.03.2016 stood at Rs.13730.80 lakhs of which Rs.9576.33 lakhs was income earned from advances, which is 69.74% of total income. The break-up of income earned during the last three years are detailed as under :

*(Rs. in thousand)*

<b>Particulars</b>	<b>March 2014</b>	<b>March 2015</b>	<b>% growth</b>	<b>March 2016</b>	<b>% growth</b>
1. Income from advances	690318	829900	20.22%	957633	15.39
2. Income from bank investments	407001	377429	-7.27%	284374	-24.65
3. Income from Bank balance	21223	115208	442.84%	89313	-22.48
4. Other interest earned	-	-	-	-	-
5. Other/Miscellaneous Income	35970	35541	-1.19%	41760	17.50

## **EXPENDITURE INCURRED**

Total expenditure incurred by the Bank during the financial year ending 31st March 2016 stood at Rs.11287.05 lakhs as against Rs.10117.72 lakhs in the previous year. The detailed position of expenditure incurred by the Bank for the last three years is enumerated here-under :

	<b>March 2014</b>	<b>March 2015</b>	<b>March 2016</b>
1. <u>Total Interest Expenses</u>	<b>606257</b>	<b>663631</b>	<b>808788</b>
i) Interest paid on deposits	579439	642279	784370
ii) Interest paid on borrowings	26817	21352	24419
iii) Other interest expenses	1	-	-

*(Rs. in thousand)*

	<b>March 2014</b>	<b>March 2015</b>	<b>March 2016</b>
<b>2. Total Operating Expenses</b>	<b>217886</b>	<b>275828</b>	<b>271397</b>
i) Salary & Allowances	151919	180777	183345
ii) Rent/Tax/Lighting	7834	13054	3332
iii) Depreciations	7029	13122	15112
iv) Repairs & maintainance	11866	671	278
v) Insurance	6396	19474	13821
vi) Printing & Stationery	4626	5025	3890
vii) Other expenses	28216	43705	51619
<b>3. Total Provisions &amp; Contingencies</b>	<b>82535</b>	<b>72313</b>	<b>48519</b>
i) Provision for bad & doubtful debts	39951	34313	28519
iii) Provision for Wage Arrears	24066	8000	-
iv) Other provision & contingencies	18518	30000	20000

### **FINANCIAL RATIOS**

	<b>31.03.2014</b>	<b>31.03.2015</b>	<b>31.03.2016</b>
	<b>Prior year</b>	<b>Prev. year</b>	<b>This year</b>
Average working fund	12895567	14096011	16081377
i) Financial Return	8.41%	10.52%	8.34%
ii) Financial cost	4.55%	4.95%	4.74%
iii) Financial Margin (i - ii)	3.86%	5.57%	3.60%
iv) Operating Cost	1.69%	1.96%	1.68%
v) Miscellaneous Income	0.28%	0.25%	0.26%
vi) Operating Profit [(iii+v) - iv]	2.45%	3.86%	2.18%
vii) Risk cost	0.31%	0.24%	0.18%
viii) Net Margin (vi - vii)	2.14%	3.62%	2.00%

### **INTEREST RATES**

The Bank itself determines interest rate structure on deposits and advances as permitted by the Reserve Bank. The interest rates on deposits and advances has been determined and fixed by the ALCO Committee with compared to the rates prevailed in other banks. Interest rate prevail in our Bank as on the 31st March 2016 are listed here under :

**A. Rate of Interest on deposits p.a.**

1.	Current Deposits	Nil
2.	Savings Bank	4.00 % p.a.
3.	<u>Term Deposits (Period-wise)</u>	
	i) 7 days and up to 14 days	6.00 % p.a.
	ii) 15 days to 29 days	6.00 % p.a.
	iii) 30 days to 45 days	6.00 % p.a.
	iv) 46 days to 60 days	7.00 % p.a.
	v) 61 days to 90 days	7.00 % p.a.
	vi) 91 days to 179 days	7.00 % p.a.
	vii) 180 days to 240 days	7.25 % p.a.
	viii) 241 days to less than 1 year	7.25 % p.a.
	ix) 1 year to less than 2 years	7.25 % p.a.
	x) 2 years to less than 3 years	8.25 % p.a.
	xi) 3 years to less than 5 years	8.25 % p.a.
	xii) 5 years to less than 10 years	7.50 % p.a.
	xiii) Senior Citizen (for 1 year above)	0.50% extra.
4.	Recurring Deposits (Period- wise)	
	a) 181 days to less than 1 year	7.75 % p.a.
	b) 1 year to less than 2 years	9.25 % p.a.
	c) 2 years to less than 3 years	9.25 % p.a.
	d) 3 years to less than 5 years	9.25 % p.a.
	e) 5 years to less than 8 years	9.25 % p.a.
	f) 8 years to less than 10 years	9.25 % p.a.

**B. Rate of Interest on Advances p.a.**

<b>1.</b>	<b>Small &amp; Medium Enterprise (SME)</b>	<b>Rate of interest</b>
a)	i) CC - SSI/SBF/Mortgage Loan upto 2 lacs	13.00% p.a.
	ii) More than 2 lakhs	14.00% p.a.
	iii) General Credit Card	13.00% p.a.
	iv) SPCC/SCC upto 50,000/-	13.00% p.a.
b)	i) SBF/SSI Term Loan upto 2 lakhs	13.00% p.a.
	ii) More than 2 lakhs	14.50% p.a.
<b>2.</b>	<b>Agriculture &amp; Allied Activities</b>	
a)	Crop Loan upto 3 lakh	7.00% p.a.
b)	i) Term loan upto 1 lakh	13.50% p.a.
	ii) More than 1 lakh	13.50% p.a.
	iii) KCC other than Crop Loan upto 1 lakh	12.50% p.a.
	iv) SHG/SGSY (Farm sector)	12.50% p.a.
	v) SHG/SGSY (non-farm sector)	13.50% p.a.

### 3. Personal Segment

a)	i) Housing Loan upto 10 years	12.00% p.a.
	ii) More than 10 years	12.50% p.a.
b)	Personal loan/Festival loan any amount	14.50% p.a.
c)	i) Vehicle loan upto 0.50 lacs	13.00% p.a.
	ii) Up to 2 lakhs	14.00% p.a.
	iii) 2 lakhs above	14.50% p.a.
d)	i) Education loan upto 4 lakhs	13.50% p.a.
	ii) More than 4 lakhs	14.50% p.a.
e)	Demand loan against TDR	2.00% above

### 4. Clean Overdraft

i) Public	16.00% p.a.
ii) No Frills Account upto 500/-	12.00% p.a.

### 5. Staff Loans

a)	i) Housing loan for Officer upto 1 lakh	5.00% p.a.
	ii) More than 1 lakh	11.00% p.a.
b)	i) Housing loan for sub-staff upto 1.10 lakh	5.00% p.a.
	ii) More than 1.10 lakh	11.00% p.a.
c)	i) Vehicle/Conveyance loan upto 80,000/-	8.50% p.a.
	ii) More than 80,000/-	12.00% p.a.
d)	Personal loan	8.50% p.a.

## **HUMAN RESOURCES DEVELOPMENT/TRAINING**

The bank lays emphasis on investment in human resources development. To improve skill and sharpen their knowledge, different categories of employees were deputed on various training programmes organised by the sponsor bank, the NABARD and the IIBM, Guwahati. Despite some constraints and the shortage of man-power, a good number of officers and clerical staff attended various training courses during the year under report. Besides this, seminar of Branch Managers and cashier - cum- clerks on SHGs, KCC, REGP and Management of NPA were organised by the Bank locally with the help of our sponsor bank and NABARD.

### **Position of Staff & Training**

Sl. No	Category of Staff	No. of Staff as on 31.03.2015	No. of Staff recruit during the year	No. of Staff trained during the year	No. of Staff as on 31.03.2016
1.	Officers	128	13	32	162
2.	Office Assistants	118	18	4	99
3.	Office Attendants	84	-	-	79
	<b>TOTAL</b>	<b>330</b>	<b>31</b>	<b>36</b>	<b>340</b>

Chairman, GM & Chief Inspector are on deputation from sponsor bank.

## MEMORANDUM OF UNDERSTANDING (MOU)

Memorandum of Understanding (MOU) in mutual consultation with our sponsor bank have been signed on various parameters. The performance of achievement under MOU have been monitored and reviewed by the board/sponsor bank periodically. The performance under this memorandum during the year 2015-2016 in regard to major parameters are as under :

<i>(Rs. in thousand)</i>				
Sl. No	Parameters	Position as on 31.03.2015	Target for the yr. 2015-2016	Achievement as on 31.03.2016
1.	<b>Owned Funds</b>			
	a) Share Capital	10000	10000	310082
	b) Reserves	562928	525674	562928
	c) Share Capital Deposit	300382	344382	-
2.	Deposits	14920332	17158382	15171166
3.	Advances	7558762	8641229	8653580
4.	Borrowings	354597	404241	478430
5.	Investments			
	i) SLR	2791594	3500310	3095476
	ii) Non-SLR	2896000	3475200	3129775
6.	Loan Disbursed	2622045	2989131	3134263
7.	C : D Ratio	50.66%	50.36%	57.04%
8.	Recovery %	78.66%	81.81%	80.54%
9.	NPA			
	at the beginning of the year	379007	382810	382810
	addition during the year	149540	130022	182621
	recovery during the year	145737	340096	80801
	at the end of the year	382810	172736	484630
	% of NPA to total advances	5.06%	2.00%	5.60%

(Rs. in thousand)

Sl. No	Parameters	Position as on 31.03.2015	Target for the yr. 2015-2016	Achievement as on 31.03.2016
10.	Assets Classification			
	Standard Assets	7175953	8468493	8168950
	Sub-standard Assets	168519	83097	105958
	Doubtful Assets	95356	42017	279355
	Loss Assets	118934	47622	99317
11.	Business per branch	291936	314629	305445
12.	Profit	346306	358879	244375
13.	Business per employee	68118	68616	70073
14.	Profit per employee	1048	954	724

#### **ACKNOWLEDGEMENT**

The Board of Directors of the Bank put on record its warm appreciation and sincere thanks to our valued customers, which have increased our business volume many folds during the last few years. The Board also give appreciation to all officers and members of staff of the Bank for their sincere efforts and dedication towards discharging their duties. The Board expresses its sincere thanks, gratitudes and appreciation to our Statutory Central Auditor *M/s Krishanu Bhattacharyya & Associates*, Chartered Accountants, Kolkata for the accounting year 2015 - 2016 for the services rendered by them in finalisation of our accounts. The Board expresses its gratitude to the Government of India, Government of Mizoram, Reserve Bank of India, National Bank for Agriculture and Rural Development and our Sponsor Bank (State Bank of India) for their valuable guidance, constant support, advice and directions which have been a source of inspiration and have shaped up the improvement of the Bank towards viability and progress in serving the rural masses and having placed it on a strong pedestal to march ahead for the years to come.

*For and on behalf of*  
Board of Directors

**Sd/-**  
**Gautam Sengupta**  
*Chairman*

Dated : Aizawl  
5th August 2016

# **Krishanu Bhattacharyya & Associates**

*CHARTERED ACCOUNTANTS*

*122(Old47), Lawrence Street,  
Uttarpara, Hoogly,  
Pin - 712 258  
Phone : (033) 2663 6802.*

## **Independent Auditor's Report**

### **Report Financial Statements**

1. We have audited the accompanying Financial Statements of Mizoram Rural Bank, headquarters at Aizawl, Mizoram, which comprises the Balance Sheet as at 31st March 2016, Profit and Loss Account for the year ended, and other explanatory information.

### **Management's Responsibility for the Financial Statements:**

2. Management of the Bank is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the Bank in accordance with the Banking Regulation Act, complying with Reserve Bank of India Guidelines from time to time. This responsibility includes the Design, implementation and maintainance of internal control relevant to the perpetration and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility:**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The Procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion.

**Opinion:**

6. In our opinion, and to the best of our information and according to the explanation given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Bank as at 31st March 2016; and

(b) In the case of Profit and Loss Account, of the Profit for the year ended on that date;

**Report on Other Legal and Regulatory Requirements**

7. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

8. Subject to the limitations of the audit as indicated in paragraphs 3 to 5 above and paragraph 10 below, we report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory.

b. The transactions of the Bank which have come to our notice have been within the powers of the Bank.

9. We further report that:

a. the Balance Sheet and Profit and Loss Account dealt with in this report are in agreement with the books of accounts and returns;

b. in our opinion, proper books of account as required by law have been kept by the Bank so far as appears from our examination of those books;

**Other Matters**

10. The following observation requires immediate attention:

a. The outstanding amount in Suspense A/C's, Balancing A/C's and Adjustment A/C's should be adjusted immediately.



- b.** CA A/C debit & credit balances appearing in Head Office A/C of branches and branches A/C in HO to be immediately looked into & reconciled.
- c.** Cash Management at branch level should be closely monitored.
- d.** Closing Cash in Hand, as on 31st March 2016 is as certified by the management.
- e.** Balance with various branches of SBI and other Banks are neither reconciled nor confirmed as on date.
- f.** Interest on various investments (SLR, TDR & Mutual Fund) is as certified by the Management.
- g.** NPA management should be properly monitored.
- h.** Previous year's figures have regrouped/recast wherever necessary.

Place : Mizoram  
Date : 14.05.2016

For Krishanu Bhattacharyya & Associates  
Chartered Accountants  
FRN: 324327E

Sd/- (CA Krishanu Bhattacharyya) (Partner)  
Membership Number : 059934

**The Third Schedule to the Banking Regulation Act, 1949**

(See Section 29) **FORM - 'A'**

**Balance Sheet of Mizoram Rural Bank**

*Balance Sheet as on 31st March 2016*

Schedule	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<b>Capital and Liabilities :</b>		
Capital	1	310,382,000.00
Share Capital Deposit	-	10,000,000.00
Recapitalisation	-	80,382,000.00
Reserve and Surplus	2	220,000,000.00
Deposits	3	724,242,344.47
Borrowings	4	592,927,764.26
Other Liabilities and Provisions	5	15,171,166,386.75
<b>TOTAL</b>	<b>:</b>	<b>17,482,716,148.28</b>
<b>Assets :</b>		
Cash and Balance with Reserve Bank of India	6	991,427,502.73
Balances with Banks and Money at Call & Short Notice	7	811,665,785.05
Investments	8	218,929,313.80
Advances	9	6,225,250,915.00
Fixed Assets	10	5,687,593,576.50
Other Assets	11	7,558,762,059.17
<b>TOTAL</b>	<b>:</b>	<b>16,955,439,869.84</b>
Contingent Liabilities	12	11,837,396.00
Notes Forming Parts of Accounts	19	11,837,396.00

*Schedules referred to above form an integral part of the  
Balance Sheet as per our report of even date*

*For and on behalf of Mizoram Rural Bank* For Krishanu Bhattacharyya & Associates

Sd/-

Sd/-  
(Saibal Chakraborty)

Sd/-  
(R. Sankar)

CA Krishanu Bhattacharyya (Partner)

Director

Sd/- Chartered Accountants

Sd/-  
(Amitav Dutta)

Sd/-  
(Lalbiakhluni)

(Gautam Sengupta)

Chairman

Director

Director 33

The 13rd May 2015

**FORM - 'B'**  
**Profit and Loss Account of Mizoram Rural Bank**  
*For the Year ending 31st March 2016*

	Schedule	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<i>(000's Ommitted)</i>			
<b>Income</b>			
Interest Earned	13	1,331,320,154.86	1,322,537,056.58
Other Income	14	41,759,573.75	35,541,454.71
<b>T O T A L</b>	<b>:</b>	<b>1,373,079,728.61</b>	<b>1,358,078,511.29</b>
<b>Expenditure</b>			
Interest Expended	15	808,788,836.00	663,631,294.75
Operating Expenses	16	271,396,866.37	275,828,036.00
Provisions & Contingencies	17	48,519,446.03	72,313,120.10
<b>T O T A L</b>	<b>:</b>	<b>1,128,705,148.40</b>	<b>1,011,772,450.85</b>
<b>Profit/Loss</b>			
Net Profit/Loss for the year		244,374,580.21	346,306,060.44
Provision for Tax		83,060,000.00	134,701,000.00
Deferred Tax		-	-
<b>Profit after Tax</b>		<b>161,314,580.21</b>	<b>211,605,060.44</b>
Profit/Loss brought forward	:	562,927,764.26	351,322,703.82
<b>T O T A L</b>	<b>:</b>	<b>724,242,344.47</b>	<b>562,927,764.26</b>
<b>Appropriations</b>			
Transferred to Statutory Reserves	:	-	112,585,552.85
Transferred to other Reserves	:	-	30,000,000.00
Transferred to Govt./Proposed Divident	:	-	-
Balance carried over to Balance Sheet	:	724,242,344.47	420,342,211.41
<b>T O T A L</b>	<b>:</b>	<b>724,242,344.47</b>	<b>562,927,764.26</b>
Significant Accounting Policies	18		

*Schedules referred to above form an integral part of  
the Profit & Loss A/c as per our report of even date*

***For and on behalf of Mizoram Rural Bank***

*For Krishanu Bhattacharyya & Associates  
CA Krishanu Bhattacharyya (Partner)*

Sd/-  
(Saibal Chakraborty)  
Director

Sd/-  
(R. Sankar)  
Director

Sd/-  
(Gautam Sengupta)  
Chairman

Chartered Accountants

Sd/-  
(Amitav Dutta)  
Director

Sd/-  
(Lalbiakhluni)  
Director

The 13rd May 2015

## Schedule -1

### Capital

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<b>I. For Nationalised Banks</b>		
<b>Capital</b> (fully owned by Central Government)	-	-
<b>II. For Banks Incorporated outside India</b>		
i) (The amount brought in banks by way of start-up Capital as prescribed by RBI should be shown under this head)	-	-
ii) Amount of deposit kept with the RBI under section II (2) of the Banking Regulation Act, 1949	-	-
<b>TOTAL</b>	-	-
<b>III. For Other Banks</b>		
<b>Authorised Capital</b> (31,03,82,000 shares of Rs.10/- each)	31,03,82,000.00	1,00,00,000.00
<b>Issued Capital</b> (31,03,82,000 shares of Rs.10/- each)	31,03,82,000.00	1,00,00,000.00
<b>Subscribed Capital</b> (31,03,82,000 shares of Rs.10/- each)	31,03,82,000.00	1,00,00,000.00
<b>Called-up Capital</b> (31,03,82,000 shares of Rs.10/- each)	31,03,82,000.00	1,00,00,000.00
Less: Calls unpaid	-	-
Add : Forfeited Shares	-	-
<b>Paid up Capital</b>	<b>31,03,82,000.00</b>	<b>1,00,00,000.00</b>
<b>TOTAL</b>	<b>31,03,82,000.00</b>	<b>1,00,00,000.00</b>
<b>Share Capital Deposit :</b>		
a) Govt. of India	-	15,01,91,000.00
b) State Bank of India	-	10,51,34,000.00
c) Govt. of Mizoram	-	4,50,57,000.00
<b>Total</b>	<b>=</b>	<b>30,03,82,000.00</b>

## Schedule - 2

### Reserve & Surplus

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<b>I. Statutory Reserves</b>		
Opening Balance	112,585,552.85	7,02,64,540.76
Additions during the year	-	4,23,21,012.09
Deductions during the year	-	-
<b>II. Capital Reserves</b>		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
<b>III. Share Premium</b>		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
<b>IV. Revenue and other Reserves</b>		
Opening Balance	-	-
Additions during the year	-	3,00,00,000.00
Deductions during the year	-	-
<b>V. Balance in Profit &amp; Loss Account</b>		
Opening Balance	450,342,211.41	28,10,58,163.06
Additions during the year	161,314,580.21	16,92,84,048.35
Deductions during the year	-	-
<b>TOTAL (I,II,III,IV &amp; V)</b>	<b>724,242,344.47</b>	<b>59,29,27,764.26</b>

### Schedule - 3

#### Deposits

		As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<b>A.</b>	<b>I. Demand Deposits</b>		
	i) From Banks	-	-
	ii) From Others	1,296,300,184.04	2,85,98,43,120.43
	<b>II. Savings Bank</b>		
	i) From Banks	-	-
	ii) From Others	7,761,830,783.86	7,33,62,30,305.74
	<b>III. Term Deposits</b>		
	i) From Banks	-	-
	ii) From Others	6,113,035,418.85	4,72,42,58,681.35
	<b>TOTAL</b>	<b>15,171,166,386.75</b>	<b>14,92,03,32,107.52</b>
<b>B.</b>	i) Deposits of Branches in India	15,171,166,386.75	14,92,03,32,107.52
	ii) Deposit of Branches outside India	-	-
	<b>TOTAL</b>	<b>15,171,166,386.75</b>	<b>14,92,03,32,107.52</b>

## Schedule - 4

<b>Borrowings</b>		<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
		<b>(Current Year)</b>	<b>(Previous Year)</b>
<b>I.</b>	<b>Borrowings in India</b>		
	i) Reserve Bank of India	-	-
	ii) Other Banks	-	-
	iii) Other Institutions and Agencies* (Annexure - I)	478,430,066.00	354,596,758.00
	<b>II. Borrowings Outside India</b>	-	-
	<b>T O T A L</b>	<b>478,430,066.00</b>	<b>354,596,758.00</b>
	Secured borrowings included in I & II above	NIL	NIL

### Annexure - I

<b>* Other Institutions and Agencies</b>		<b>As on 31.3.2016</b>	<b>As on 31.3.2015</b>
		<b>(Current Year)</b>	<b>(Previous Year)</b>
<b>1.</b>	<b>NABARD</b>		
	i) Non Farm Sector (ARF)	117,644,850.00	212,391,250.00
	ii) LTRCF	214,550,000.00	-
	iii) Solar (ARF)	8,800,000.00	-
	iv) SAO	35,000,000.00	20,000,000.00
	<b>Sub-Total</b>	<b>375,994,850.00</b>	<b>232,391,250.00</b>
<b>2.</b>	<b>NHFDC</b>	99,382.00	1,077,786.00
	<b>Sub-Total</b>	<b>99,382.00</b>	<b>1,077,786.00</b>
<b>3.</b>	<b>NSTFDC</b>	20,290,834.00	28,822,722.00
	<b>Sub-Total</b>	<b>20,290,834.00</b>	<b>28,822,722.00</b>
<b>4.</b>	<b>NHB</b>	82,045,000.00	92,305,000.00
	<b>Sub-Total</b>	<b>82,045,000.00</b>	<b>92,305,000.00</b>
	<b>G. T O T A L</b>	<b>478,430,066.00</b>	<b>354,596,758.00</b>

**Schedule - 5**  
**Other Liabilities and Provisions**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
I. Bills Payable	-	-
II. Inter-Office adjustment (Net)	2,636,914.47	-
III. Interest accrued	308,059,427.98	274,190,918.25
IV. Others (including provisions)	50,30,10,321.81	
<b>T O T A L</b>	<b>77,72,01,240.06</b>	

**Annexure - II**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
<b># Others includes :</b>		
i) Provision for audit fee	555,826.00	529,828.00
ii) Outstanding in B.Chq	890,483.67	3,571,353.67
iii) Outstanding in Sundry A/c	4,141,015.29	10,062,329.29
iv) Provision for Bad & Doubtful Debts	193,866,724.80	179,967,365.07
v) Balance in INC A/c	21,502,605.67	14,142,099.38
vi) Credit balance in AUCA	83,209,872.11	70,428,581.27
vii) Interest Relief to Farmers	689,153.00	689,153.00
viii) Adjusting Account	-	2,641,540.00
ix) NEFT Commission A/c	600.00	-
x) Perpetual Bonds	17,304,000.00	-
xi) Provision for Investments	-	460,200.00
xii) PMJJBY SBI Life	1,982.00	-
xiii) Provision for Leave Encashment	-	20,846,500.00
xiv) Prov. for Gratuity	-	7,904,857.00
xv) PMSBY-NIC	204.00	-
xvi) Provision for Wage Arrear	-	32,066,000.00
xvii) Provision for Income Tax	83,060,000.00	134,701,000.00
xviii) Provision for construction	50,000,000.00	-
xix) Steps Rapid Remittance	-	24,999,515.13
xx) DBTL Settlement A/c	32,576,542.07	-
<b>T O T A L</b>	<b>487,799,008.61</b>	<b>503,010,321.81</b>



### Schedule - 6

#### Cash and Balance with Reserve Bank of India

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
I. Cash in hand (including foreign currency notes)	307,625,356.71	241,049,703.03
II. Balance with Reserve Bank of India		
i) In Current Account	683,802,146.02	570,616,082.02
ii) In other Accounts	-	-
<b>TOTAL</b>	<b>991,427,502.73</b>	<b>811,665,785.05</b>

### Schedule - 7

#### Balance with Banks and Money at Call & Short Notice

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<b>I In India</b>		
i) Balance with Banks		
a) in current account	218,929,313.80	215,666,6753.09
b) in other deposit account	-	-
ii) Money at Call & short notice		
a) With banks	-	-
b) With other institutions	-	-
<b>TOTAL</b>	<b>218,929,313.80</b>	<b>215,666,6753.09</b>
<b>II. Outside India</b>		
i) In current Accounts	-	-
ii) In other deposit Accounts	-	-
iii) Money at call & short notice	-	-
<b>TOTAL</b>	-	-
<b>GRAND TOTAL (I+ II)</b>	<b>218,929,313.80</b>	<b>215,666,6753.09</b>

## Schedule - 8

<b>Investments</b>		<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
		<b>(Current Year)</b>	<b>(Previous Year)</b>
<b>I.</b>	<b>Investments in India in</b>		
i)	Government Securities	3,095,476,115.00	27,915,93,576.50
ii)	Other approved Securities	-	-
iii)	Shares	-	-
iv)	Debenture and Bonds	-	-
v)	Subsidiaries and/or joint ventures	-	-
vi)	Others (to be specified @) (Annexure-III)	3,129,774,800.00	28,960,00,000.00
	<b>TOTAL</b>	<b><u>6,225,250,915.00</u></b>	<b><u>56,875,93,576.50</u></b>
<b>II.</b>	<b>Investments outside India in</b>		
i)	Government securities (including local authorities)	-	-
ii)	Subsidiaries and/or joint ventures	-	-
iii)	Other Investments (to be specified)	-	-
	<b>TOTAL</b>	-	-
<b>GRAND TOTAL (I + II)</b>		<b><u>6,225,250,915.00</u></b>	<b><u>56,875,93,576.50</u></b>

### Annexure - III

		<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
<b>@ Others Includes:</b>		<b>(Current Year)</b>	<b>(Previous Year)</b>
i.	SBI Mutual Fund	1,001,000,000.00	610,000,000.00
ii.	UTI Mutual Fund	30,000,000.00	80,000,000.00
iii.	TDRs with SBI	2,098,774,800.00	22,060,00,000.00
	<b>TOTAL</b>	<b><u>3,129,774,800.00</u></b>	<b><u>2,896,000,000.00</u></b>

## Schedule - 9

### Advances

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<b>A.</b>		
i) Bills purchased and discounted	-	-
ii) Cash Credits, Overdrafts and loans repayable on demand	2,336,113,759.02	2,045,617,287.10
iii) Term Loans	6,317,466,467.30	5,513,144,772.07
<b>TOTAL</b>	<b>8,653,580,226.32</b>	<b>7,558,762,059.17</b>
<b>B.</b>		
i) Secured by tangible Assets	8,551,524,532.39	7,438,279,964.11
ii) Covered by Bank/ Government Guarantee	-	-
iii) Unsecured	102,055,693.93	120,482,095.06
<b>TOTAL</b>	<b>8,653,580,226.32</b>	<b>7,558,762,059.17</b>
<b>C. I. Advances in India</b>		
i) Priority Sector	6,610,744,921.36	5,968,172,776.20
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	2,042,835,304.96	1,590,589,282.97
<b>TOTAL</b>	<b>8,653,580,226.32</b>	<b>7,558,762,059.17</b>
<b>II. Advances outside India</b>		
i) Due from Banks	-	-
ii) Due from others	-	-
iii) a) Bills purchased & discounted	-	-
b) Syndicate loans	-	-
c) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (CI + CII)</b>	<b>8,653,580,226.32</b>	<b>7,558,762,059.17</b>

**Schedule - 10**  
**Fixed Assets**

	As on 31.03.2016 (Current Year)	As on 31.03.2015 (Previous Year)
<b>I. Premises</b>		
At cost as on 31st. March of the preceding year	-	-
Addition during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
<b>II. Other Fixed Assets \$ (Annexure - IV)</b> ( including furnitures and fixtures)		
At cost as on 31st. March of the preceding year	74,972,178.31	55,205,243.66
Additions during the year	4,296,403.03	45,191,243.03
Deductions during the year	808.04	12,302,215.03
Depreciation for the year	15,111,842.68	13,122,093.35
Depreciation to date	45,477,162.86	31,964,235.83
Written Down Value	64,155,930.62	74,972,178.31
<b>TOTAL</b>	<b><u>64,155,930.62</u></b>	<b><u>74,972,178.31</u></b>

**HEAD OFFICE : AIZAWL**  
**SUMMARY OF FIXED ASSETS ACCOUNT AND DEPRECIATION AS ON 31.03.2016**

**ANNEXURE - IV**

Sl. No.	Particulars	Value at cost 31.03.2015	Added during the period	Dispos- ed off/ adjmnt	Total as on 31.03.2016	Rate of Depre- ciation	Depre- ciation upto 31.03.2015	Depre- ciation during the year 31.03.2016	WDV as on 31.03.2016	WDV as on 31.03.2015	
1	2	3	4	5	6	7	8	9	10	11	12
1.	Office equipment	31719022.59	2299.00	0.00	31721321.59	10%	8608879.05	3690287.16	12299166.21	14240605.38	17928593.54
2.	Plant & Machinery	23742139.50	1191350.00	0.01	24933489.49	5%	4349440.04	1246674.47	5596114.51	14547817.99	14603142.47
3.	Furnitures & Fixures	40428095.53	208866.00	0.00	40636961.53	10%	8909274.50	4063696.15	12972970.65	27608190.88	31463021.03
4.	Motor Vehicles	2273500.00	0.00	-0.40	2273500.00	20%	1659491.19	454700.08	2114191.27	159309.13	614008.81
5.	Electric Appliances	11551765.66	1945260.00	897.72	13496127.94	20%	2886787.00	2699225.59	5586012.59	5648515.35	6403378.66
6.	Computer & Accessories	7925456.87	948628.03	-89.29	8874174.19	33.33%	3951448.40	2957259.23	6908707.63	1951491.90	3962008.48
	<b>TOTAL</b>	<b>117639980.15</b>	<b>4296403.03</b>	<b>808.04</b>	<b>121935575.14</b>		<b>30365320.18</b>	<b>15111842.68</b>	<b>45477162.86</b>	<b>64155930.63</b>	<b>74972178.32</b>

**Schedule- 11  
Other Assets**

	<b>As on 31.03.2016 (Current Year)</b>	<b>As on 31.03.2015 (Previous Year)</b>
I Inter-Office adjustments (Net)	-	1,911,668,836.17
II Interest accrued	120,439,394.48	151,279,546.06
III Stationery and stamps	(253,067.01)	(704,892.84)
IV Non-banking Assets acquired in satisfaction of claims	-	-
V Others @ \$ (Annexure - V)	1,209,185,932.34	544,536,106.33
<b>TOTAL</b>	<b><u>1,329,372,259.81</u></b>	<b><u>2,606,779,595.72</u></b>

@In case there is any unadjusted balance of loss the same may be shown under this item.

**Annexure - V**

	<b>As on 31.03.2016 (Current Year)</b>	<b>As on 31.03.2015 (Previous Year)</b>
<b>\$ Other Assests</b>		
i) Outstanding in suspense a/c	2,325,061.35	657,977.58
ii) Balance in H.O. PB A/c	5,597,147.00	5,597,147.00
iii) Bills receivables a/c	20,200,030.00	23,660,766.00
iv) Gramin Pay Order	12,712,265.33	18,255,127.39
v) Core Inter-Branch A/c	4,444.40	4,444.40
vi) Other Assets	-	19,868,337.96
vii) Bal in AUCA. a/cs	83,147,563.11	70,370,744.27
viii) NATCH	35,986,397.04	3,022,193.63
ix) DBTL Settlement A/c	-	11,000.00
x) RTGS Settlement A/c	10,000,441.29	10,000,893.79
xi) Branch Clearing	581,614,558.31	304,637,448.31
xii) DEAFS RBI	3,026.00	3,026.00
xiii) Advance Tax	95,882,000.00	88,447,000.00
xiv) Dr. Balance in CA	324,303,983.05	-
xv) IMPS Settlement A/c	19,886.00	-
xvi) TDS	861,130.00	-
xvii) Step Rapid Remittance RR	36,527,999.45	-
<b>TOTAL</b>	<b><u>1,209,185,932.34</u></b>	<b><u>544,536,106.33</u></b>

**Schedule - 12**  
**Contingent Liabilities**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
I. Claims against the bank not acknowledged as debts	11,837,396.00	11,837,396.00
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents		
a) In India	-	-
b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable. Income Tax liability if any, arising for non-compliance with income Tax Laws	-	-
<b>TOTAL</b>	<b><u>11,837,396.00</u></b>	<b><u>11,837,396.00</u></b>

**Schedule - 13**  
**Interest Earned**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
I. Interest/discount on advances/ bills	957,632,582.72	829,900,382.12
II. Income on Investments	373,687,572.14	492,636,674.46
III. Interest on balances with Reserve Bank of India & other Inter-Bank funds.	-	-
IV. Others	-	-
<b>TOTAL :</b>	<b><u>1,331,320,154.86</u></b>	<b><u>1,322,537,056.58</u></b>

**Schedule - 14  
Other Income**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
I. Commission, exchange and brokerage	41,510,413.75	35,391,756.71
II. Profit on sale of investments less- loss on sale investments	-	-
III. Profit on revaluation of investments less- loss on revaluation of investments	-	-
IV Profit on sale of land, buildings and other assets(Vehicles)	-	-
V Profit on exchange transaction less- Loss on exchange transaction.	-	-
VI Income earned by way of dividends etc, from subsidiaries/companies/and/or joint ventures abroad in India.	-	-
VII Miscellaneous Income		
a) Other Income	249,160.00	149,698.00
<b>TOTAL</b>	<b><u>41,759,573.75</u></b>	<b><u>35,541,454.71</u></b>

**Schedule - 15  
Interest Expended**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
I. Interest on deposits	784,369,557.00	642,279,059.60
II. Interest on Reserve Bank of India/ Inter-Bank borrowings	24,419,279.00	21,352,235.15
III. Others	-	-
<b>TOTAL</b>	<b><u>808,788,836.00</u></b>	<b><u>663,631,294.75</u></b>



**Schedule - 16**  
**Operating Expenses**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
i. Payments to and provisions for employees	183,344,571.96	180,777,262.25
ii. Rent, taxes and lightning	333,210.50	13,053,591.00
iii. Printing and stationery	3,889,857.00	5,025,277.74
iv. Advertisement and Publicity	8,200.00	89,497.00
v. Depreciation on bank's property.	15,111,842.68	13,122,093.35
vi. Director's Fees & Expenses	-	-
vii. Auditors' fees and expenses (including branch Auditors)	598,326.00	529,828.00
viii. Law charges	842,042.00	455,134.00
ix. Postage, Telegrams, Telephones..	1,689,539.00	1,366,764.95
x. Repairs and maintenances	278,471.00	670,518.10
xi. Insurance	13,821,051.00	19,473,992.21
xii. Service Tax	6,034,681.00	4,232,287.00
xiv. Depreciation on Investments	(460,200.00)	460,200.00
xii. Other expenditures	45,905,274.23	36,571,590.40
<b>TOTAL</b>	<b><u>271,396,866.37</u></b>	<b><u>275,828,036.00</u></b>

**Schedule - 17**  
**Provision and Contingencies**

	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
i) Provision for Bad & Doubtful Debts (including Risk fund)	28,519,446.03	34,313,120.10
ii) Provision for Wage Arrear	-	8,000,000.00
iii) Reserve for Construction of H.O. building	20,000,000.00	30,000,000.00
<b>TOTAL</b>	<b><u>48,519,446.03</u></b>	<b><u>72,313,120.10</u></b>

	<b>Schedule - 17A</b>	
	<b>As on 31.03.2016</b>	<b>As on 31.03.2015</b>
	<b>(Current Year)</b>	<b>(Previous Year)</b>
Provision for Tax	83,060,000.00	134,701,000.00
<b>TOTAL</b>	<b><u>83,060,000.00</u></b>	<b><u>134,701,000.00</u></b>

**Schedule - 18**  
**Significant Accounting Policies adopted in preparing**  
**Financial Statements**

**1. General :**

1.1. *The accompanying financial statements are prepared under the historical cost convention. They conform to the statutory provisions, regulatory / RBI guidelines, Accounting Standards, of going concern concept, except as otherwise stated.*

**2. Revenue Recognition:**

2.1. *Revenue is recognized generally on accrual basis except as mentioned in (2.2) below.*

2.2. *In case of non-performing assets, Income is recognized to the extent of realization. Partial recoveries of interest in NPA accounts are recognized as income as per Reserve Bank of India guidelines.*

2.3. *Commission on exchange is normally recognized on cash basis.*

2.4. *Commissions on drafts, collection bills, etc. are recognized on cash basis.*

2.5. *NEFT and RTGS commissions is normally recognized on accrual basis.*

**3. Investments:**

3.1. *Investments were held under two categories viz. Held to Maturity (HTM) and Available for Sale (AFS).*

3.2. *49.12% of total investments were put under 'Held to Maturity' and are valued at cost. The excess of acquisition cost, if any, over face value is amortized over the remaining period of maturity.*

3.3. *Investment holdings other than HTM were classified under Available for Sale (AFS) and is mark to market every quarters.*

3.4. *Loss on sale of investment under AFS holdings have been taken into Profit & Loss Account.*

#### **4. Advances :**

- 4.1. *Advances are classified as per Reserve Bank of India's guidelines/directives vide circular No. RPCD.RRB.BC.97/03.05.34/2000-01 dated June 11, 2001 under four categories i.e., (i) Standard Assets, (ii) Sub-Standard Assets, (iii) Doubtful Assets, and (iv) Loss Assets.*
- 4.2. *System generated NPAs after stamping are strictly followed. Marking of NPA was done following prudential norms and stamping was done before the year end.*
- 4.3. *Provisions on standard assets as per the extant instruction has been done.*
- 4.4. *Provision arrived on all outstanding net off interest de-recognized on non- performing assets (NPAs) as under :*
- | <b>Assets Classification</b>   | <b>Provision made</b> |
|--|-----------------------|
| a) <i>Standard Assets :</i>  |                       |
| i) <i>Agl &amp; SME</i>  | <i>: 0.25%</i>        |
| ii) <i>Commercial Real Estate</i>  | <i>: 1.00%</i>        |
| iii) <i>Other Loans</i>  | <i>: 0.40%</i>        |
| b) <i>Sub-Standard Assets</i>  | <i>: 10.00%</i>       |
| c) <i>Doubtful Assets</i>  |                       |
| i) <i>Secured portion upto 3 yrs.doubtful</i>                                      | <i>: 20.00%</i>       |
| ii) <i>Secured portion 3 yrs.to 5 yrs. “</i>                                       | <i>: 30.00%</i>       |
| iii) <i>Secured portion more than 5 yrs. “</i>                                     | <i>: 50.00%</i>       |
| iv) <i>Unsecured portion</i>   | <i>: 100.00%</i>      |
| d) <i>Loss Assets of the outstanding after netting off interest de-recognised.</i> | <i>: 100.00%</i>      |
- 4.5. *Unrealized Interest of previous years on advances which become non-performing during the year is provided for.*

#### **5. Fixed Assets :**

- 5.1. *Fixed assets are accounted for on historical cost basis.*
- 5.2. *Depreciation has been provided at the following rates & methods :*

<i>Particulars</i>	<i>Rate for 1 yr</i>	<i>Method</i>
<i>Furniture</i>	<i>10%</i>	<i>S.L.M.</i>
<i>Office Equipment</i>	<i>10%</i>	<i>S.L.M.</i>
<i>Vehicles</i>	<i>20%</i>	<i>S.L.M.</i>
<i>Plant &amp; Machineries</i>	<i>5%</i>	<i>S.L.M.</i>
<i>Computer &amp; Accessories</i>	<i>33.33%</i>	<i>S.L.M.</i>
<i>Electrical Equipments</i>	<i>20%</i>	<i>S.L.M.</i>

5.3. *Depreciation on fixed assets have been provided on SLM basis as per the latest RBI Notification.*

5.4. *Depreciation is provided for full year for times purchased up to half yearly closing. 50% of the prescribed percentage is provided for times purchased after half-yearly closing of the Bank except computer & accessories for which full year depreciation is provided irrespective of number of days of put to use.*

#### **6. Retirement Benefits :**

6.1. *Gratuity on actuarial valuation and Provident Fund to staff as per statutory requirement has been made. The amount has been contributed to approved funds.*

6.2. *Contribution to the Gratuity Fund is made based on actuarial valuation at the year end.*

6.3. *Provision for Leave Encashment is calculated on actuarial basis. Payment has been made on 'Pay-as-You-Go' method.*

#### **7. Taxation :**

7.1. *Provision for Income Tax has been made in accordance with the provisions of Income Tax Act, 1961.*

7.2. *Deferred Tax charge or credit is determined in accordance with the Accounting Standard 22 of the ICAI.*

## **8. Net Profit:**

8.1. *Net Profit has been arrived at after accounting for the followings :*

- a. *Provision for possible Loan losses.*
- b. *Provisions on standard advances.*
- c. *Provision for income Tax*
- d. *Provision for depreciation on investment*
- e. *Other usual and necessary provisions.*

### **Schedule - 19** **Notes on Accounts**

#### **1. Reconciliation:**

- a) *Balancing, reconciliation of accounts relating to inter branch deposits and adjustment of transaction between Head Office and Branches has all been reconciled as on 31.03.2016.*
- b) *Interest & Income on inter-bank borrowing of funds and/or lent to the Bank has also been reconciled up to 31.03.2016.*
- c) *Intra-branch deposits and deposits with sponsor bank and balances of borrowings has been reconciled up to 31.03.2016.*

#### **2. Concentration of Deposits:**

- i) *Total deposits of twenty largest depositors* : 146.61 crores
- ii) *Percentage to total deposits* : 9.66%

#### **3. Concentration of Advances:**

- i) *Total advances to twenty largest borrowers* : 18.49 crores
- ii) *Percentage to total advances* : 2.14%
- iii) *Advances are computed as per the prescribed Prudential Norms of RBI.*
- iv) *For provisioning requirement, provision for bad and doubtful debts has been made strictly in conformity as per guidelines issued by RBI as on 8.3.2010.*
- v) *Provision to the extent of 0.25% to 1.00% has been made in performing loans as per Reserve Bank of India's instructions.*
- vi) *System Generated NPAs has been strictly followed for classification of advances.*

**4. Concentration of Exposures:**

- a) Total Exposures of twenty largest borrowers/customers : 165.10 crores  
 b) Percentage to Total Exposures : 11.10%  
 c) Pursuant to the policy of making investment, the Bank had made a total investment of Rs. 56875.94 lakhs in Government Securities, Mutual Funds and Fixed Deposits with sponsor bank. These investments are made only on specified securities approved by RBI/NABARD.  
 d) All investments are valued at cost.  
 e) Provision for Amortization of premium on investments has been made.

**5. Concentration of NPAs:**

- i) Total Exposure to top four NPA accounts : 2.59 crores  
 ii) Sector-wise NPAs

(Amount in rupees crores)

Sl No.	Sector	Current Year			Previous Year		
		Total Advances	Gross NPAs	% to total	Total Advances	Gross NPAs	% to total
A	Priority						
1.	Agl & allied	100.15	12.38	1.43	101.78	8.16	1.08
2.	Industries	27.69	5.76	0.67	27.27	4.28	0.57
3.	Services	499.09	24.92	2.88	447.33	23.32	3.09
4.	Personal Loans	34.16	0.17	0.02	20.44	1.14	0.15
	<b>Sub-total (A)</b>	<b>661.08</b>	<b>43.23</b>	<b>5.00</b>	<b>596.82</b>	<b>36.90</b>	<b>4.88</b>
B	Non-Priority						
1.	Agl & allied	0	0	0	0	0	0
2.	Industries	0.39	0.39	0.05	0	0	0
3.	Services	27.33	0.14	0.02	28.12	0	0
4.	Personal Loans	176.56	4.70	0.54	130.94	1.38	0.18
	<b>Sub-total (B)</b>	<b>204.28</b>	<b>5.23</b>	<b>0.60</b>	<b>159.06</b>	<b>1.38</b>	<b>0.18</b>
	<b>Total (A+B)</b>	<b>865.36</b>	<b>48.46</b>	<b>5.60</b>	<b>755.88</b>	<b>38.28</b>	<b>5.06</b>

**iii) Movement of NPAs:**

	<i>(amount in rupees crores)</i>
Gross NPAs as on 1 <sup>st</sup> April of a year (opening balance)	38.28
Additions (Fresh NPAs) during the year	25.43
<b>Sub-total (A)</b>	<b>63.71</b>
Less:	
(i) Upgradations	4.24
(ii) Recoveries (excluding recoveries from updated accounts)	9.55
(iii) Write-offs	1.46
<b>Sub-total (B)</b>	<b>15.25</b>
Gross NPAs as on 31 <sup>st</sup> March of following year (closing balance)(A-B)	48.46

**6. Profit and Loss Account:**

- a) Transfer Price Mechanism (TPM) model has been followed in order to facilitate centralization of funds.
- b) Interest earned on funds borrowed from Head Office by branches and interest on funds lent to Head Office by branches has been netted off to arrive at the actual interest earned during the year.
- c) Incentives and penalties were levied between Head Office and branches for the funds flow which is netted off to arrive at the actual profit and loss.

**7. Consolidation:**

- a) In case of un-audited branches returns / data including classification of advances have been adopted on the basis of information available at Head Office.
- b) LFAR in respect of audited branches has been prepared and, consolidation with Head Office has also been prepared.

**8. Additional Information:**

<b>a) Business Ratios:</b>	<b>(in rupees crores)</b>
i) Capital Adequacy Ratio	11.05
ii) Percentage of Govt. share holding	50.00
iii) Percentage of Gross NPAs	5.60

vi)	Other Provision (specify)	8.33
iv)	Percentage of Net NPAs	3.36
v)	Total NPAs Provision	19.39
vii)	Amount held in INC	2.15
viii)	Total Business	2382.47
ix)	Business per branch	30.54
x)	Business per employee	7.01
xi)	Profit per employee	0.07

**b. Financial Ratios:**

**a. Average working funds (amt. in thousands) 16081377**

**b. Ratios**

i.	Financial Return	8.34
ii.	Financial Cost	4.74
iii.	Financial Margin	3.60
iv.	Operating Cost	1.68
v.	Miscellaneous Income	0.26
vi.	Operating Profit [(iii + v) - iv]	2.18
vii.	Risk Cost	0.18
viii.	Net Margin (vi – vii)	2.00

**9. Maturity Pattern of Deposits: (amt.in thousand)**

i.	1 to 14 days	41255.18
ii.	15 to 28 days	1837.64
iii.	29 days up to 3 months	10167.46
iv.	3 months to 6 months	7630.12
v.	6 months to 1 year	10094.46
vi.	1 year up to 3 years	73723.52
vii.	Over 3 years up to 5 years	1416.88
viii.	Over 5 years	5586.40
	<b>TOTAL</b>	<b>151711.66</b>



<b>10.</b>	<b><i>Maturity pattern of Loans and Advances:</i></b>	
i.	<i>1 to 14 days</i>	4324.17
ii.	<i>15 to 28 days</i>	658.96
iii.	<i>29 days up to 3 months</i>	1104.25
iv.	<i>3 months to 6 months</i>	2877.93
v.	<i>6 months to 1 year</i>	4155.74
vi.	<i>1 year up to 3 years</i>	26527.88
vii.	<i>Over 3 years up to 5 years</i>	13869.33
viii.	<i>Over 5 years</i>	33017.54
	<b>TOTAL</b>	<b>86535.80</b>

<b>11.</b>	<b><i>Maturity pattern of Investment</i></b>	
i.	<i>1 to 14 days</i>	8900.00
ii.	<i>15 to 28 days</i>	0
iii.	<i>29 days up to 3 months</i>	0
iv.	<i>3 months to 6 months</i>	0
v.	<i>6 months to 1 year</i>	0
vi.	<i>1 year up to 3 years</i>	1992.31
vii.	<i>Over 3 years up to 5 years</i>	34640.45
viii.	<i>Over 5 years</i>	16719.75
	<b>TOTAL</b>	<b>62252.51</b>

**12.** *Previous year figures have been re-grouped or recast wherever necessary.*