

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

**34th ANNUAL REPORT**  
**2016-2017**

## 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>	28
34.	<i>MOU</i>	29
35.	<i>Acknowledgement</i>	30
36.	<i>Auditor's Report</i>	31
37.	<i>Balance Sheet</i>	34
38.	<i>Profit &amp; Loss</i>	35
39.	<i>Schedules with Annexures</i>	36 - 58

**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.*

***(Vacant since December 2008 and no new appointment)***

*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. J. Suresh,**  
*Deputy General Manager,  
National Bank for Agriculture  
and Rural Development,  
Mizoram Regional Office,  
Aizawl - 796 012*

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

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

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

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

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

**Vacant**  
*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 34th 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 2017.

**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 84 comprising of 19 urban, 16 semi urban, 49 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.2778.87 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 16.64% in total business.
- The bank participated in IBPC with our sponsor bank. We lent our standard agriculture outstanding of Rs.14.00 crores to State Bank of India and get interest margin of 2% from our participation.
- It posted gross profit of Rs. 30.41 crores bringing its reserves to Rs.92.50 crores. We achieved by 120.29% in profit against MoU target of Rs.25.28 crores.

- Business per employee increased from Rs 7.01cr. to Rs.8.15cr.
- Business per branch improved from Rs.30.54 cr to Rs.33.08 cr. during the year.
- 172 villages have been 100% covered under financial inclusion by way of opening basic savings banks.
- We have opened 6 new branches with CBS compliant during the financial year.
- We have a Capital of Rs. 31.04 cr. as at March 2017.
- 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. 113.93 lakhs and earned commission of Rs. 10.16 lakhs in this account during the year.
- 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. MoU signed with MPWD on 22.07.2016 and construction since started during the financial year year.
- We have issued 8358 Rupay Debit Card to our customers during the year.
- We have issued 2491 ATM enabled KCC Card during the year.
- We have achieved Premium on SBI Life to the tune of Rs. 220.22 lakhs and earned commission of Rs. 6.21 lakhs.
- CRAR of the Bank stood at 11.55% as on 31st March 2017.
- Recruitment of 4 Office Assistants are affected during the year.

## **Business Development**

The bank achieved Rs.1824.44 crore in deposits and Rs. 954.43 crore in advances which constitute total business of Rs. 2778.87 cr. The percentage of achievement of MoU target was 107.37% and 100.27% 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>2014-15</b>	<b>(Rs in Thousands)</b>	
		<b>2015-16</b>	<b>2016-17</b>
1. <b>No. of District covered</b>	8	8	8
2. <b>No. of Branches</b>	<b>77</b>	<b>78</b>	<b>84</b>
a) Rural	47	48	49
b) Semi-Urban	13	13	16
c) Urban	17	17	19
d) Metropolitan	-	-	-
3. <b>Total Staff (excluding sponsor bank staff)</b>	<b>330</b>	<b>340</b>	<b>341</b>
Of which, Officers	128	162	162
4. <b>Deposits</b>	<b>14920332</b>	<b>15171166</b>	<b>18244375</b>
Growth %	11.25%	1.68%	20.26%
5. <b>Borrowings Outstanding</b>	354597	478430	731080
Growth %	-35.61%	34.92%	52.81%
6. <b>Gross Loans &amp; Advances Outstanding</b>	<b>7558762</b>	<b>8653580</b>	<b>9544328</b>
Growth %	19.28%	14.48%	10.29%
Of 6 above, loans to Priority Sector	5968173	6610745	7493244
Of 6 above, loans to Non-Target Group	1590689	2042835	2051085
Of 6 above, loans to SC/ST	7558762	8653580	9544328
Of 6 above, loans to SF/MF/AL	1017820	1001530	1206663
Of 6 above, loans to Minorities	152163	171618	200431
Of 6 above, weaker sections	588796	536817	668103

**B. AVERAGES**

9.	<b>Average Deposits</b>	13732524	15735062	16923571
	Growth %	10.48%	14.58%	7.55%
10.	<b>Average Borrowings</b>	363487	346315	594059
	Growth %	-21.98%	4.72%	71.54%
11.	<b>Average Gross Loans and Advances</b>	6766694	7926245	8902178
	Growth %	14.35%	17.14%	12.31%
12.	<b>Average Investments</b>	4071313	4194129	5195613
	Growth %	-22.28%	30.02%	23.88%
	Average SLR Invt. as % to Average Deposits	20.03%	19.06%	19.46%
	Average Non-SLR Invt.as % to Avg. Deposits	9.61%	7.59%	11.24%
13.	<b>Average Working Funds</b>	14096011	16081377	17517630
	i) Average Business	20499218	23661307	25825749
	ii) Average Business per branch	266224	303350	307449
	iii) Average Business per employee	62119	69592	75735

**C. LOANS ISSUED DURING THE YEAR**

14.	<b>Loans Issued during the year</b>	2622045	3134263	2986804
	Amount growth	203144	512218	-147459
	Growth %	8.40%	19.53%	-4.70%
	Of 14 above, loans to Priority Sector	1696292	2111393	1915263
	Of 14 above, loans to Non-Target Group	925753	1022870	1071541
	Of 14 above, loans to SC/ST	2622045	3134263	2986804
	Of 14 above, loans to SF/MF/AL	405125	416098	383986
	Of 14 above, loans to Minorities	36820	36817	65710

**D. PRODUCTIVITY**

15.	Per Branch	1763738	1760359	2055831
	Per Staff	399434	403847	506422

**E. RECOVERY PERFORMANCE**

16.	<b>Total</b>			
	Demand	2398263	2131475	2114316
	Recovery	1828051	1716705	1744257
	Overdues	569757	414770	370059
	Recovery % (June Position)	76.22%	80.54%	82.50%
17.	<b>Farm Sector</b>			
	Demand	414726	178018	163460
	Recovery	340179	129470	120731
	Overdues	745555	48548	42729
	Recovery % (June Position)	82.02%	72.73%	73.86%
18.	<b>Non-Farm Sector</b>			
	Demand	1983537	1953457	1950856
	Recovery	1487872	1587235	1623526
	Overdues	495202	366222	327330
	Recovery % (June Position)	75.01%	81.25%	83.22%

**F. ASSET CLASSIFICATION**

19.	a) Standard	7175953	8168950	8974309
	b) Sub-Standard	168519	105958	233854
	c) Doubtful	95356	279355	259610
	d) Loss	118934	99317	76555
	Total	7558762	8653580	9544328
20.	<b>Std. Assets as % Gross Loans O/S</b>	94.94%	94.40%	94.03%

**G. PROFITABILITY ANALYSIS**

21.	<b>Interest paid on</b>			
	a) Deposits	642279	784370	912260
	b) Borrowings	21352	24419	35901
22.	<b>Salary</b>	180777	183345	228331
23.	<b>Other Operating Expenses</b>	95051	88052	144335



24.	<b>Provisions made during the year</b>			
	a) Against NPAs	34313	28519	25695
	b) Other Provisions	38000	103060	179662
25.	<b>Interest received on</b>			
	a) Loans & Advances	829900	957633	1033142
	b) Current A/c with Sp.bks/Other Banks	-	-	-
	c) SLR Invt.	235828	215698	276903
	d) TDR with Spr.banks	115208	89313	194830
	e) Non-SLR Investments	141601	68677	175400
	f) TDRs with other banks	-	-	-
26.	<b>Miscellaneous Income</b>	35541	41760	46623
27.	<b>a) Gross Profit</b>	346306	244375	304062
	<b>b) Net Profit</b>	211605	161315	200715
<b>H.</b>	<b><u>OTHER INFORMATION</u></b>			
28.	<b>Share Capital etc</b>			
	a) Paid up	10000	310382	310382
	b) Additional Share Capital (Equity Support)	80382	-	-
	c) Recapitalization Funds	220000	-	-
29.	<b>Cumulative Provision</b>	179967	193867	239334
	a) Against NPAs, frauds etc.	179967	193867	208019
	b) Against Intangible Assets	-	-	-
30.	<b>Interest Derecognised</b>			
	a) During the year	527	7361	12606
	b) Cumulative	14142	21503	34119
31.	<b>Loans Written off during the year</b>			
	a) No. of Accounts	422	166	106
	b) Amount	16118	14620	19428
32.	<b>Accumulated Loss</b>	-	-	-
33.	<b>Reserves</b>	592928	724242	924957
34.	<b>Net Worth</b>	903310	1034624	1235339

35.	<b>No. of branches audited during the year</b>	45	41	31
	a) Excellent Ratings	1	1	2
	b) Unsatisfactory	-	-	-
	c) Up graded	2	-	1
	d) Down graded	1	1	-
36.	<b>No. of Loss making branches</b>	5	5	5
	a) Less than 1 year old	2	1	5
	b) More than 1 year old	3	4	-
37.	<b>Capital Risk Assets Ratio %(CRAR)</b>	10.83	11.05	11.55
38.	<b>Market Share</b>			
	a) Deposits	28.55	23.62	23.08
	b) Advances	29.93	30.48	30.49
39.	<b>Net NPA %</b>	2.68	3.44	3.79
40.	<b>Compromise Settlement</b>			
	a) No. of a/c settled	42	79	35
	b) Amount settled	12281	21966	10973
	c) No. of OTS settlement	22	-	21
41.	<b>No. of Farmers Club</b>	55	55	55
42.	<b>No. of tsff recruited</b>			
	a) Officer	-	12	-
	b) Others	24	13	4
43.	<b>No. of staff promoted</b>			
	a) to Scale-IV	-	4	-
	b) to Scale-III	-	7	-
	c) to Scale-II	-	22	-
	d) to Scale-I	-	26	-
	b) to Assistant	-	-	-

## **BRANCH NET-WORK**

The bank opened its 84th branch at Bethlehem Vengthlang in Aizawl District on 11.03.2017 and has no 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 19 urban,16 semi-urban and 49 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	33	19	1	13	-	4	-	-
2	Kolasib	6	-	3	3	-	-	-	-
3	Mamit	6	-	-	6	-	-	-	-
4	Serchhip	10	-	2	8	-	2	-	-
5	Champhai	11	-	3	8	-	-	-	-
6	Lunglei	9	-	3	6	-	-	-	-
7	Saiha	3	-	2	1	-	-	-	-
8	Lawngtlai	6	-	2	4	-	-	-	-
	<b>TOTAL</b>	<b>84</b>	<b>19</b>	<b>16</b>	<b>49</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>

### **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 grassroot 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 84 branches. The bank has also appointed B.Cs under the Financial Inclusion Technology Fund. 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) Basic Savings Account** - A huge number of rural customers have been brought under the scheme. We have opened Basic Banking account either with Nil or with very low of minimum balance Savings Bank Account in all the branches. We have 172 villages covering 100% financial inclusion through 196806 Basic Banking Accounts.

**b) FLCC** - Most of all the branches conducted FLCC throughout the financial year. All together 211 FLCC has been conducted by our branches with 18920 participants. Expenditure in this regards incurred by the Bank was 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” version 2.9.5 application software through the ASP model. The CBS service provider is C-Edge Technologies Ltd, a joint venture of SBI & TCS. Connectivity between branches and data center was established via V-SATs installed at each branch. Upgradation of 56kbps for 84 branches of the bank have been completed. Migration to CBS platform for all branches established on 21st June 2011. 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.2393.34 lakhs as on 31st March 2017 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. 194.28 lakhs in 106 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 of Rs. 6.21 lakhs and Rs. 8.30 lakhs respectively.

### **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 stands at 5 branches being we opened 6 new branches during the year. The loss making branches are mainly new branches opened in the financial year.

### **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 powers.

## **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 22.08.2016 to 06.09.2016 with reference to the Bank's financial position as on 31.03.2016. Compliance in respect of the report has been prepared and submitted on board's approval for the same.

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 31 branches. The report reveal that, out of 31 branches, 30 branches maintained and 1 brach have been upgraded 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 . 36861.91 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 293 SHGs have been credit linked with an amount of Rs. 700.19 lakhs during the year. It is intended that SHG linkage would be a part of the bank's mainstream credit operation. In this endeavour 2966 groups have been formed of which 1896 groups have been credit linked. The bank's achievement in this area accounts for more than 81.72% 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. 52.94% 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. 182443.75 lakhs as on 31.03.2017 against the budgeted level of Rs.169917.06 lakhs projected for the year ending 31st March,2017. The Bank registered a positive growth of Rs.30732.09 lakhs over last year's level of Rs. 151711.66 lakhs, which is a growth of 20.26%. 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 2015</b>	<b>March 2016</b>	<b>March 2017</b>
i)	Total No.of Accounts	517322	604060	739716
ii)	Total Deposits	14920332	15171166	18244375
iii)	Absolute growth	1518452	250834	3073209
iv)	Percentage growth	11.25%	1.68%	20.26%
v)	Institutional Deposits	2401197	2969427	3411698
vi)	Non-institutional Deposits	12519135	12201739	14832677
vii)	Average Deposit per branch	193771	194502	217195
viii)	Average deposit per employee	45213	44621	53503
ix)	Average account per employee	1568	1777	2169
x)	Average cost of deposits	4.87%	6.23%	5.77%

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

*(Rs in thousand)*

Category of deposits	Actual as on			%
	31.03.2015	31.03.2016	31.03.2017	growth
i) Current Deposits	2859843	1296300	1400630	8.05%
ii) Savings Bank Deposits	7336230	7761831	9863802	27.08%
iii) Term Deposits	4724259	6113035	6979943	14.18%
<b>TOTAL</b>	<b>14920332</b>	<b>15171166</b>	<b>18244375</b>	<b>20.26%</b>

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

Parameters	31.03.2015	31.03.2016	31.03.2017
i) Percentage of Saving Bank Deposits to total deposit	49.17%	51.16%	54.06%
ii) Percentage of Current Deposits to total deposit	19.17%	8.54%	7.68%
iii) Percentage of Term Deposits to total deposit	31.66%	40.30%	38.26%
iv) Percentage of Institutional Deposits to total deposit	16.09%	19.57%	18.70%
v) Percentage of non-institutional deposit to total deposits	83.91%	80.43%	81.30%

The District-wise position of Deposits as on 31.03.2017 are also enumerated here under :

*(Rs in thousands)*

Name of District	March 2015	March 2016	March 2017	As on 31.03.2016		
				Rural	Semi-urban	Urban
Aizawl	9577124	9280739	10846701	1045289	-	9801412
Kolasib	837312	924261	10756020	514587	561433	-
Serchhip	700252	755970	1002204	494845	507359	-
Mamit	527675	556277	664761	664761	-	-
Champhai	704610	870418	1102497	676726	425771	-
Lunglei	1630115	1765020	2347523	452302	1895221	-
Lawngtlai	538862	594544	759976	155102	604874	-
Saiha	404382	423937	444695	215163	229532	-
<b>Total</b>	<b>14920332</b>	<b>15171166</b>	<b>18244375</b>	<b>4218775</b>	<b>4224190</b>	<b>9801412</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 2016 and March 2017 is as under :

*(Rs in thousand)*

Sl. No	Scheme	O/s (31.03.16) Amount	Disbursed (2016-17)		O/s (31.03.17) Amount	% growth
			A/c	Amount		
1.	Crop Loan	120337	462	35430	124198	3.20%
2.	JLGs	139773	185	42966	125576	-10.16%
3.	KCC	616736	2105	146996	627889	1.81%
4.	SHGs	112738	293	61672	138861	23.17%
5.	GCC	584314	2734	247285	138861	4.26%
7.	Education	8042	17	2350	9352	16.29%
8.	PMEGP	23866	229	22141	36895	54.59%
9.	Housing	3487979	1882	766951	3686191	5.68%
	<b>TOTAL</b>	<b>4993785</b>	<b>7907</b>	<b>1325791</b>	<b>4748962</b>	<b>-4.90%</b>



## **BORROWINGS**

The Bank availed of refinance from outside agencies aggregating to Rs. 7310.80 lakhs as on 31st March 2017 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 31.03.2016 and 31.03.2017 respectively are as under :

<i>(Rs in thousand)</i>					
Sl.Scheme No.		Outstanding as on 31.03.2016.	Availed during the year	Repaid during the year	Outstanding as on 31.03.2017
1.	<b>NABARD</b>				
	i) ST (SAO)	35000	50000	35000	50000
	ii) Non Farm (ARF)	137645	-	44097	93548
	iii) SHGs	-	116815	1406	115409
	iv) Solar (ARF)	8800	-	2200	6600
	v) LTRCF	194550	227629	40200	381979
	<b>Sub-total</b>	<b>375995</b>	<b>394444</b>	<b>122903</b>	<b>647536</b>
2.	<b>Sponsor Bank (SBI)</b>				
	ST (SAO)	-	-	-	-
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3.	<b>NHFDC</b>				
		99	-	99	-
	<b>Sub-total</b>	<b>99</b>	<b>-</b>	<b>99</b>	<b>-</b>
4.	<b>NSTFDC</b>				
		20291	-	8532	11759
	<b>Sub-total</b>	<b>20291</b>	<b>-</b>	<b>8532</b>	<b>11759</b>
5.	<b>NHB</b>				
		82045	-	10260	71785
	<b>Sub-total</b>	<b>82045</b>	<b>-</b>	<b>10260</b>	<b>71785</b>
<b>GRAND TOTAL</b>		<b>478430</b>	<b>394444</b>	<b>141794</b>	<b>731080</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 2015</b>	<b>March 2016</b>	<b>March 2017</b>
i) Cash in hand	241050	307625	396732
ii) Average cash during the year	290781	362943	340183
iii) Average cash as % to average deposits	2.12%	2.31%	2.01%
iv) Balance with RBI	570616	683802	745052
v) Balance with Sponsor Bank			
a) in current account	215667	218929	225586
b) in STDRs	2206000	2098775	4143816
vi) Interest earned from			
b) STDRs	115208	89313	194830

## INVESTMENTS

As on 31st March 2017, the aggregate investment amount of the Bank stood at Rs. 89125.39 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>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
1.	<b>Total investments</b>	<b>5687594</b>	<b>6225251</b>	8912539
	a) Approved Securities	2791594	3095476	3287722
	b) Other Securities	2896000	1031000	1481000
2.	<b>SLR Investments</b>	<b>2791594</b>	<b>3095476</b>	<b>3287722</b>
3.	<b>Non-SLR Investments</b>	<b>2896000</b>	<b>3129775</b>	<b>5624816</b>
4.	<b>Interest earned on</b>			
	a) SLR Funds	235828	215698	276903
	b) Non-SLR Funds	256809	157990	370230

## **LOANS AND ADVANCES OUTSTANDING**

The Bank's aggregate outstanding advances as on 31.03.2017 was Rs. 95443.28 lakhs as against Rs 95189.38 lakhs projected by us for the year. It registered an absolute growth of Rs. 8907.48 lakhs over last year's outstanding of Rs. 86535.80 lakhs, which shows a growth of 10.29% in total advances. The position of loans and advances outstanding during the last three years is furnished as under :

		<i>(Rs. in thousand)</i>		
<b>Sl.No.</b>	<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
1.	No.of borrowal accounts	53192	53253	58437
2.	Amount outstandings	7558762	8653580	9544328
3.	Absolute growth	1221678	1094818	890748
4.	Percentage growth	19.28%	14.48%	10.29%
5.	Per account outstanding	142.10	162	163
6.	Per branch outstanding	98165	110943	113623
7.	Priority Sector outstanding	5968173	6610745	7493244
8.	Non-Priority sector outstanding	1590589	2042835	2051085
9.	Interest received on loans	829900	957633	1033142
10.	Average advances during the year	6766694	7926245	8902178
11.	Average yield on advances	12.28	12.08	11.61
12.	Percentage of advances to total assets	43.87	49.50	45.12
13.	Percentage of Priority sector to total	78.96	76.39	78.51
14.	Percentage of performing assets to total	94.94	94.40	94.03

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

<b>Sl. No</b>	<b>Sector</b>	<b>Outstanding as on</b>			
		<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>	<b>%share</b>
1.	Agriculture	768458	686957	736819	7.72
2.	Allied Agriculture	249362	314573	469844	4.92
3.	SSI, Cottage and Rural artisans	272728	276921	368214	3.86
4.	Services and Small Business	1224275	1915811	2304940	24.15
5.	Rural Housing	2999680	3487979	3686191	38.62
6.	Others	2044259	1971339	1978320	20.73
	<b>TOTAL</b>	<b>7558762</b>	<b>8653580</b>	<b>9544328</b>	<b>100.00</b>

District-wise and Sector-wise loan outstanding as on 31.03.2017 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	3991069	3166689	824382	79.34
02.	Champhai Dist	735618	594039	141579	80.75
03.	Mamit Dist	336607	254039	82568	75.47
04.	Kolasib Dist	518035	393943	124092	76.05
05.	Serchhip Dist	568646	434492	134154	76.41
06.	Lunglei Dist	1365088	1046168	318920	76.64
07.	Lawngtlai	1210682	955075	255607	78.89
08.	Saiha Dist	818583	648801	169782	79.26
	<b>Total Loan</b>	<b>9544328</b>	<b>7493244</b>	<b>2051084</b>	<b>78.51</b>

Sector-wise loan outstanding as on 31.03.2017 is as under:

Sl.	Particulars	31.03.2015	31.03.2016	31.03.2017
01.	Percentage of Priority Sector advances to total outstandings	78.96%	76.39%	78.51%
02.	Target group outstanding	5134724	5883563	7493244
03.	Non-Target group outstanding	2424038	2042835	2051084
04.	Percentage of target group to total outstandings	67.93%	67.99%	78.51%
05.	Outstanding to Minority Community	152163	171618	200431
06.	C : D Ratio	50.66%	57.04%	52.31%
07.	Average interest rate charge	12.28%	12.28%	11.85%
08.	Outstandings to SC/ST	7558762	8653580	9544328

## **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, 94.03% 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. 2393.34 lakhs as on 31.03.2017 as against Rs.1938.67 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>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
i)	Standard Assets	7175953	8168950	8974309
ii)	Sub-standard Assets	168519	105958	233854
iii)	Doubtful Assets : D-I	34420	238532	100557
	D-II	36719	29799	147756
	D-III	24217	11024	11297
iv)	Loss Assets	118934	99317	76555
	<b>T O T A L</b>	<b>7558762</b>	<b>8653580</b>	<b>9544328</b>

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

<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
At the beginning of the year	21455	14142	21503
Additions during the year	1814	8618	13606
Recovery during the year	9127	1257	990
At the end of the year	14142	21503	34119

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

	<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
i)	Additional Provisions made during the year	207014	131579	205357
	i) towards loan	34313	28519	57010
	ii) other provisions	172701	103060	148347
ii)	Total Provision held	376475	327165	418263
iii)	Provision held against NPA	179967	193867	208019

**d) NPA Mangement**

<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
NPA at the beginning of the year	379007	382810	484630
Additions to NPA during the year	149540	254326	235581
Recovery against NPA during the year	145737	152506	196881
NPA at the end of the year	382810	484630	570021
Percentage of NPA to gross advances	5.06%	5.60%	5.97%
Net NPA at the end of the year	202843	290763	362002
Net Advances at the end of the year	7378795	8459713	9336309
Percentage of Net NPA to Net Advances at the end of the year	2.75%	3.44%	3.87%

## **LOANS DISBURSED DURING THE YEAR**

During the year under report, the Bank disbursed fresh loans to the tune of Rs.24599.69 lakhs against a budget of Rs.34476.89 lakhs committed in the Memorandum of Understanding with the Sponsor Bank. Achievement was 71.35% 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>2015-16</b>		<b>2016-17</b>		
	<b>Target</b>	<b>Achievt.</b>	<b>Target</b>	<b>Achievt.</b>	<b>%</b>
i) Loan disbursed during the year	2989131	3134263	3447689	2459969	71.35
ii) Priority Sector advances	1806707	2111393	2322532	1915263	82.46
iii) Non-Priority Sector advances	1182325	1022870	1125157	1071541	95.23
iv) % of Priority Sector to total loan disbursed	60.45	67.36	67.36	77.86	115.59
v) Target group advances	879374	1072884	1935570	1738118	89.80
vi) Non-target group advances	2109757	2061379	1512119	721851	47.74
vii) SC/ST Communities	2989131	3134263	3447689	2459969	71.35
viii) Minority Communities	158010	164039	198821	181808	91.44
ix) <u>Sector-wise disbursement</u>					
a) Agriculture & Allied Agriculture	461843	428761	597243	383986	64.29
b) Industries	417531	102819	158530	106689	67.30
c) Services & others	927432	1599813	1566759	897753	57.30
d) Non-Priority Sector	1182325	1022870	1125157	1071541	95.23

(Rs. in thousand)

	31.03.2016		31.03.2017		
	Target	Achievement	Target	Achievement	%
x) % of loans disbursement to gross advances	34.59%	36.22%	36.22%	25.77%	104.71%
xi) % growth in disbursement	14.00%	19.54%	10.00%	-9.28%	7.76%
xii) % of achievements	100.0%	104.85%	100.00%	71.35%	71.35%

### **RECOVERY OF LOANS**

The recovery performance of the Bank at the end of June 2016 was 82.50% as against 80.54% at the end of previous year (i.e. June 2015). During the year under report, vigorous recovery campaigns were launched by all the branches. The position of loan recovery for the period July, 2015 to June 2016 is given below :

(Rs. in thousand)

	Purpose/Sector	Demand	Recovery	Overdue	Recovery %
1.	Agricultural Short Term Loans	72763	53294	19469	73.24%
2.	Agricultural/Allied Term Loans	90697	67437	23260	74.35%
3.	Non-Agricultural Loans	1950856	1623526	327330	83.22%
	<b>TOTAL</b>	<b>2114316</b>	<b>1744257</b>	<b>370059</b>	<b>82.50%</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	6945	2145	4504	3002	2873	19469
2. Term Loan for Agricultural & Allied Agricultural	14792	4938	1860	978	692	23260
3. Non-Agricultural Loans (ST & TL)	178939	46483	33859	35138	32911	327330
<b>TOTAL</b>	<b>200676</b>	<b>53566</b>	<b>40223</b>	<b>39118</b>	<b>36476</b>	<b>370059</b>



## **INCOME EARNED**

The Bank's total income during the year as on 31.03.2017 stood at Rs.17268.98 lakhs of which Rs.10331.42 lakhs was income earned from advances, which is 59.83% 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 2015</b>	<b>March 2016</b>	<b>% growth</b>	<b>March 2017</b>	<b>% growth</b>
1. Income from advances	829900	957633	15.39	1033142	7.88
2. Income from bank investments	377429	284374	-24.65	452303	59.05
3. Income from Bank balance	115208	89313	-22.48	194830	118.14
4. Other interest earned	-	-	-	-	-
5. Other/Miscellaneous Income	35541	41760	17.50	46623	11.65

## **EXPENDITURE INCURRED**

Total expenditure incurred by the Bank during the financial year ending 31st March 2017 stood at Rs.14228.37 lakhs as against Rs.11287.05 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 2015</b>	<b>March 2016</b>	<b>March 2017</b>
1. <u>Total Interest Expenses</u>	<b>663631</b>	<b>808788</b>	<b>948160</b>
i) Interest paid on deposits	642279	784370	912260
ii) Interest paid on borrowings	21352	24419	35900
iii) Other interest expenses	-	-	-

*(Rs. in thousand)*

	<b>March 2015</b>	<b>March 2016</b>	<b>March 2017</b>
<b>2. Total Operating Expenses</b>	<b>275828</b>	<b>271397</b>	<b>372666</b>
i) Salary & Allowances	180777	183345	228331
ii) Rent/Tax/Lighting	13054	3332	17549
iii) Depreciations	13122	15112	14918
iv) Repairs & maintainance	671	278	482
v) Insurance	19474	13821	25262
vi) Printing & Stationery	5025	3890	5576
vii) Other expenses	43705	51619	80548
<b>3. Total Provisions &amp; Contingencies</b>	<b>72313</b>	<b>48519</b>	<b>102010</b>
i) Provision for bad & doubtful debts	34313	28519	25695
iii) Provision for Wage Arrears	8000	-	-
iv) Other provision & contingencies	30000	20000	76315

### **FINANCIAL RATIOS**

	<b>31.03.2015</b>	<b>31.03.2016</b>	<b>31.03.2017</b>
	<b>Prior year</b>	<b>Prev. year</b>	<b>This year</b>
Average working fund	14096011	16081377	17312526
i) Financial Return	10.52%	8.34%	8.70%
ii) Financial cost	4.95%	4.74%	4.91%
iii) Financial Margin (i - ii)	5.57%	3.60%	3.79%
iv) Operating Cost	1.96%	1.68%	1.93%
v) Miscellaneous Income	0.25%	0.26%	0.26%
vi) Operating Profit [(iii+v) - iv]	3.86%	2.18%	2.12%
vii) Risk cost	0.24%	0.18%	0.53%
viii) Net Margin (vi - vii)	3.62%	2.00%	1.59%

### **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 2017 are listed here under :

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

1.	Current Deposits	Nil
2.	Savings Bank	4.00 % p.a.
3.	Term Deposits (Period-wise)	
	i) 7 days and up to 45 days	5.75 % p.a.
	ii) 46 days to 60 days	6.75 % p.a.
	iii) 61 days to 90 days	6.75 % p.a.
	iv) 91 days to 180 days	6.75 % p.a.
	v) 181 days to to less than 1 year	7.10 % p.a.
	vi) 1 year to less than 2 years	7.10 % p.a.
	vii) 2 years to less than 3 years	7.00 % p.a.
	viii) 3 years to less than 5 years	6.75 % p.a.
	ix) 5 years and up to 10 years	6.75 % p.a.
	x) Senior Citizen (for 1 year above)	0.50% extra.
4.	Special Term Deposits	
	i) 1 year to less than 2 years	7.10 % p.a.
	ii) 2 years to less than 3 years	7.00 % p.a.
	iii) 3 years to less than 5 years	6.75 % p.a.
	iv) 5 years and up to 10 years	6.75 % p.a.
	v) Senior Citizen (for 1 year above)	0.50% extra.
5.	Recurring Deposits (Period- wise)	
	i) 7 days and up to 45 days	5.75 % p.a.
	ii) 46 days to 60 days	6.75 % p.a.
	iii) 61 days to 90 days	6.75 % p.a.
	iv) 91 days to 180 days	6.75 % p.a.
	v) 181 days to to less than 1 year	7.10 % p.a.
	vi) Senior Citizen (for 1 year above)	0.50% extra.

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

1.	<b>Small &amp; Medium Enterprise (SME)</b>	<b>Rate of interest</b>
	a) Cash Credit - (SSI/SBF)	
	i) Up to 3 lakhs	13.00% p.a.
	ii) 3 lakhs to 5 lakhs	13.50% p.a.
	iii) Above 5 lakhs	13.75% p.a.
	b) GCC/ACC/Swarojgar CC/SPCC	12.75% p.a.

c)	Term Loan (SBF/SSI)	
i)	Up to 2 lakhs	13.00% p.a.
ii)	Above 2 lakhs	13.50% p.a.
d)	SHG/NRLM/JLG (Non-Farm Sector)	
i)	Up to 0.50 lakhs	12.50% p.a.
ii)	0.50 lakh to 2 lakhs	13.00% p.a.
iii)	Above 2 lakhs	13.50% p.a.
<b>2.</b>	<b>Agriculture &amp; Allied Activities</b>	
a)	Crop Loan	7.00% p.a.
b)	Working Capital and Term Loan	
i)	Upto 1 lakh	12.00% p.a.
ii)	1 lakh to 5 lakhs	12.50% p.a.
iii)	Above 5 lakhs	13.00% p.a.
c)	KCC other than Crop	
i)	Upto 1 lakh	12.00% p.a.
ii)	Above 1 lakhs	13.00% p.a.
d)	SHG/NRLM/JLG (Farm Sector)	
i)	Up to 0.50 lakhs	12.00% p.a.
ii)	0.50 lakh to 2 lakhs	12.50% p.a.
iii)	Above 2 lakhs	13.00% p.a.
<b>3.</b>	<b>Other Priority Sector Advances</b>	
a)	Public Vehicle Loan	
i)	Up to 0.50 lakhs	13.00% p.a.
ii)	0.50 to 2 lakhs	13.50% p.a.
iii)	Above 2 lakhs	13.75% p.a.
b)	NULM	
i)	SHG Women	7.00% p.a.
ii)	SHG (Others)	7.50% p.a.
c.	NHFDC	
i)	Male	5.00% p.a.
ii)	Female	4.00% p.a.
d.	JNNSM	12.75% p.a.
e.	School Plus	12.50% p.a.
f.	MUDRA	
i)	Shishu	12.00% p.a.
ii)	Kishore	12.50% p.a.
iii)	Tarun	13.00% p.a.
g.	Housing Loan	
i)	Up to 10 lakhs	11.50% p.a.
ii)	10 lakhs to 20 lakhs	12.00% p.a.
	Above 20 lakhs (Non-Priority Sector)	12.50% p.a.

- d) i) Education loan up to 4 lakhs 12.75% p.a.  
 ii) 4 lakhs to 7.50 lakhs 13.00% p.a.  
 iii) Above 7.50 lakhs 13.75% p.a.

**4. Non-Priority Sector Advances**

1. Personal Segment  
 i) Full Check Off 13.25% p.a.  
 ii) Partial Check Off 13.75% p.a.  
 iii) No Check Off 15.00% p.a.
2. Festival Loan  
 i) Full Check Off 15.25% p.a.
3. Car Loan  
 i) Up to 3 lakhs 13.00% p.a.  
 ii) 3 lakhs to 6 lakhs 13.50% p.a.
4. Demand loan against TDRs 2.00% above
5. Clean Overdraft 15.50% p.a.
6. Staff Loans  
 a) House Building Advance (all cadre)  
 i) Upto 1 lakh 5.00% p.a.  
 ii) Above 1 lakh 11.00% p.a.  
 b) Vehicle Loan/Conveyance Loan  
 i) Upto 0.80 lakh 8.50% p.a.  
 ii) Above 0.80 lakh 12.00% p.a.
- d) Personal loan 8.50% p.a.  
 e) Consumer Loan 8.50% p.a.

**HUMAN RESOURCES DEVELOPMENT/TRAINING**

The bank lays emphasis on investment in human resources development. Different categories of employees were deputed on various training programmes organised by the sponsor bank, the NABARD and the IIBM, Guwahati. Besides this, seminar on various aspects for Officers and OAS 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 31.03.2016	No.of Staff recruit during the year	No.of Staff trained during the year	No.of Staff as on 31.03.2017
1.	Officers	162	-	32	162
2.	Office Assistants	99	4	4	101
3.	Office Attendants	79	-	-	78
	<b>TOTAL</b>	<b>340</b>	<b>4</b>	<b>36</b>	<b>341</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 2016-2017 in regard to major parameters are as under :

Sl. No	Parameters	<i>(Rs. in thousand)</i>		
		Position as on 31.03.2016	Target for the yr. 2016-2017	Achievement as on 31.03.2017
1.	<b>Owned Funds</b>			
	a) Share Capital	310082	387734	310382
	b) Reserves	562928	893622	924957
	c) Share Capital Deposit	-	-	-
2.	Deposits	15171166	16991706	18244375
3.	Advances	8653580	9518938	9544329
4.	Borrowings	478430	535842	731080
5.	Investments			
	i) SLR	3095476	3653217	3287722
	ii) Non-SLR	3129775	4381685	5624816
6.	Loan Disbursed	3134263	3447689	2459969
7.	C : D Ratio	57.04%	56.02%	52.31%
8.	Recovery %	80.54%	81.35%	82.50%
9.	NPA			
	at the beginning of the year	382810	484630	484630
	addition during the year	182621	200883	282272
	recovery during the year	80801	161602	196881
	at the end of the year	484630	523911	570021
	% of NPA to total advances	5.60%	5.50%	5.97%

(Rs. in thousand)

Sl. No	Parameters	Position as on 31.03.2016	Target for the yr. 2016-2017	Achievement as on 31.03.2017
10.	Assets Classification			
	Standard Assets	8168950	8995027	8974309
	Sub-standard Assets	105958	127150	233854
	Doubtful Assets	279355	293323	259610
	Loss Assets	99317	103439	76555
11.	Business per branch	305445	315603	330818
12.	Profit	244375	252806	304062
13.	Business per employee	70073	75962	81492
14.	Profit per employee	724	724	892

#### **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 2016 - 2017 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  
24th August 2017

# **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 2017, 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, read with the Memorandum of changes (mentioned in paragraph 11 below), 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 2017; 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 the balance sheets and 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 2017 is as certified by the management.
- e.** Balance confirmation certificates from various branches of SBI was not obtained.
- f.** Interest on various investments (SLR, TDR & Mutual Fund) is as certified by the Management.
- g.** NPA management should be properly monitored.
- h.** Half yearly accounts as on 30.09.2016 are neither prepared nor Audited.
- i.** Previous year's figures have regrouped/recast wherever necessary.

Place : Aizawl  
Date : 27.04.2017

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 2017*

	Schedule	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>Capital and Liabilities :</b>			
Capital	1	310,382,000.00	310,382,000.00
Reserve and Surplus	2	924,956,976.52	724,242,344.47
Deposits	3	18,244,375,348.44	15,171,166,386.75
Borrowings	4	731,080,296.00	478,430,066.00
Other Liabilities and Provisions	5	943,605,933.84	798,495,351.06
<b>TOTAL</b>	<b>:</b>	<b>21,154,400,554.80</b>	<b>17,482,716,148.28</b>
<b>Assets :</b>			
Cash and Balance with			
Reserve Bank of India	6	1,141,784,276.11	991,427,502.73
Balances with Banks and			
Money at Call & Short Notice	7	225,585,908.59	218,929,313.80
Investments	8	8,912,538,548.50	6,225,250,915.00
Advances	9	9,544,328,192.60	8,653,580,226.32
Fixed Assets	10	59,366,603.65	64,155,930.62
Other Assets	11	1,270,797,025.35	1,329,372,259.81
<b>TOTAL</b>	<b>:</b>	<b>21,154,400,554.80</b>	<b>17,482,716,148.28</b>
Contingent Liabilities	12	11,837,396.00	11,837,396.00
Notes Forming Parts of Accounts	19		

*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  
Chartered Accountants  
FRN: 324327E*

Sd/- (Gautam Sengupta)  
Chairman

Sd/- (J. Lalzamliana)  
Director

Sd/-CA Krishanu Bhattacharyya  
Partner(Membership No:059934)

Place : Aizawl  
Dated : 27th April 2017

Sd/- (C. Sangpu Vaiphei)  
Director

Sd/- (Dibyendu Choudhuri)  
Director

Sd/- (J. Suresh)  
Director

**FORM - 'B'**  
**Profit and Loss Account of Mizoram Rural Bank**  
*For the Year ending 31st March 2017*

	Schedule	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>Income</b>			
Interest Earned	13	1,680,274,941.67	1,331,320,154.86
Other Income	14	46,623,306.46	41,759,573.75
<b>T O T A L</b>	<b>:</b>	<b>1,726,898,248.13</b>	<b>1,373,079,728.61</b>
<b>Expenditure</b>			
Interest Expended	15	948,160,389.40	808,788,836.00
Operating Expenses	16	372,666,168.53	271,396,866.37
Provisions & Contingencies	17	102,010,058.15	48,519,446.03
<b>T O T A L</b>	<b>:</b>	<b>1,422,836,616.08</b>	<b>1,128,705,148.40</b>
<b>Profit/Loss</b>			
Net Profit/Loss for the year		304,061,632.05	244,374,580.21
Provision for Tax	17A	103,347,000.00	83,060,000.00
Deferred Tax		-	-
<b>Profit after Tax</b>		<b>200,714,632.05</b>	<b>161,314,580.21</b>
Profit/Loss brought forward	:	724,242,344.47	562,927,764.26
<b>T O T A L</b>	<b>:</b>	<b>924,956,976.52</b>	<b>724,242,344.47</b>
<b>Appropriations</b>			
Transferred to Statutory Reserves	:	40,142,926.41	32,262,916.04
Transferred to other Reserves	:	-	-
Transferred to Govt./Proposed Divident	:	-	-
Balance carried over to Balance Sheet	:	884,814,050.11	691,979,428.43
<b>T O T A L</b>	<b>:</b>	<b>924,956,976.52</b>	<b>724,242,344.47</b>
Significant Accounting Policies	18	<i>Schedules referred to above form an integral part of the Profit and Loss as per our report of even date</i>	

*For and on behalf of Mizoram Rural Bank*

*For Krishanu Bhattacharyya & Associates*  
Chartered Accountants  
FRN: 324327E

Sd/- (Gautam Sengupta)  
Chairman

Sd/- (J. Lalzamliana)  
Director

Sd/-CA Krishanu Bhattacharyya  
Partner (Membership No:059934)

Place : Aizawl  
Dated : 27th April 2017

Sd/- (C. Sangpu Vaiphei)  
Director

Sd/- (Dibyendu Choudhuri)  
Director

Sd/- (J. Suresh)  
Director

## Schedule -1

### Capital

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (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	31,03,82,000.00
<b>Issued Capital</b> (31,03,82,000 shares of Rs.10/- each)	31,03,82,000.00	31,03,82,000.00
<b>Subscribed Capital</b> (31,03,82,000 shares of Rs.10/- each)	31,03,82,000.00	31,03,82,000.00
<b>Called-up Capital</b> (31,03,82,000 shares of Rs.10/- each)	31,03,82,000.00	31,03,82,000.00
Less: Calls unpaid	-	-
Add : Forfeited Shares	-	-
<b>Paid up Capital</b>	<b>31,03,82,000.00</b>	<b>31,03,82,000.00</b>
<b>TOTAL</b>	<b>31,03,82,000.00</b>	<b>31,03,82,000.00</b>

## Schedule - 2

### Reserve & Surplus

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>I. Statutory Reserves</b>		
Opening Balance	724,242,344.47	112,585,552.85
Additions during the year	40,142,926.41	-
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	-	-
Deductions during the year	-	-
<b>V. Balance in Profit &amp; Loss Account</b>		
Opening Balance	-	450,342,211.41
Additions during the year	160,571,705.64	161,314,580.21
Deductions during the year	-	-
<b>TOTAL (I,II,III,IV &amp; V)</b>	<b>924,956,976.52</b>	<b>724,242,344.47</b>

### Schedule - 3

#### Deposits

		As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>A.</b>	<b>I. Demand Deposits</b>		
	i) From Banks	-	-
	ii) From Others	1,400,630,472.21	1,296,300,184.04
	<b>II. Savings Bank</b>		
	i) From Banks	-	-
	ii) From Others	9,863,802,249.38	7,761,830,783.86
	<b>III. Term Deposits</b>		
	i) From Banks	-	-
	ii) From Others	6,979,942,626.85	6,113,035,418.85
	<b>TOTAL</b>	<b>18,244,375,348.44</b>	<b>15,171,166,386.75</b>
<b>B.</b>	i) Deposits of Branches in India	18,244,375,348.44	15,171,166,386.75
	ii) Deposit of Branches outside India	-	-
	<b>TOTAL</b>	<b>18,244,375,348.44</b>	<b>15,171,166,386.75</b>

## Schedule - 4

### Borrowings

		As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>I.</b>	<b>Borrowings in India</b>		
i)	Reserve Bank of India	-	-
ii)	Other Banks	-	-
iii)	Other Institutions and Agencies* (Annexure - I)	731,080,296.00	478,430,066.00
	<b>II. Borrowings Outside India</b>	-	-
	<b>T O T A L</b>	<b>731,080,296.00</b>	<b>478,430,066.00</b>
	Secured borrowings included in I & II above	NIL	NIL

### Annexure - I

		As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
	<b>* Other Institutions and Agencies</b>		
<b>1.</b>	<b>NABARD</b>		
i)	Non Farm Sector (ARF)	93,548,250.00	137,644,850.00
ii)	SHGs	115,408,500.00	-
iii)	LTRCF	381,979,600.00	194,550,000.00
iv)	Solar (ARF)	6,600,000.00	8,800,000.00
v)	SAO	50,000,000.00	35,000,000.00
	<b>Sub-Total</b>	<b>647,536,350.00</b>	<b>375,994,850.00</b>
<b>2.</b>	<b>NHFDC</b>	-	99,382.00
	<b>Sub-Total</b>	-	<b>99,382.00</b>
<b>3.</b>	<b>NSTFDC</b>	11,758,946.00	20,290,834.00
	<b>Sub-Total</b>	<b>11,758,946.00</b>	<b>20,290,834.00</b>
<b>4.</b>	<b>NHB</b>	71,785,000.00	82,045,000.00
	<b>Sub-Total</b>	<b>71,785,000.00</b>	<b>82,045,000.00</b>
	<b>G. T O T A L</b>	<b>731,080,296.00</b>	<b>478,430,066.00</b>



### Schedule - 5

#### Other Liabilities and Provisions

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
I. Bills Payable	-	-
II. Inter-Office adjustment (Net)	225,254.92	2,636,914.47
III. Interest accrued	367,983,148.10	308,059,427.98
IV. Others (including provisions)	575,397,530.82	487,799,008.61
<b>T O T A L</b>	<b>943,605,933.84</b>	<b>798,495,351.06</b>

#### Annexure - II

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b># Others includes :</b>		
i) Provision for audit fee	581,354.00	555,826.00
ii) Outstanding in B.Chq	1,537,933.67	890,483.67
iii) Outstanding in Sundry A/c	5,895,650.79	4,141,015.29
iv) Provision for Bad & Doubtful Debts	208,018,757.85	193,866,724.80
v) Balance in INC A/c	34,118,619.41	21,502,605.67
vi) Credit balance in AUCA	92,517,177.97	83,209,872.11
vii) Interest Relief to Farmers	-	689,153.00
viii) Adjusting Account (Office A/c)	5,223,838.00	-
ix) NEFT Commission	-	600.00
x) Perpetual Bonds	17,324,700.00	17,304,000.00
xii) PMJJBY SBI Life	(1,749.00)	1,982.00
xii) NACH (DR)	587,345.00	-
xv) PMSBY-NIC	240.00	204.00
xvi) System Suspense	10,661,111.52	-
xvii) Provision for Income Tax	103,347,000.00	83,060,000.00
xviii) Provision for construction	75,000,000.00	50,000,000.00
xx) DBTL Settlement A/c	-	32,576,542.07
xix) Provision for Standard Assets	31,315,484.91	-
xx) APBS Settlement Account	(1,164,678.97)	-
xxi) DEAFS RBI	(3,026.00)	-
xxii) Gramin Pay Order	(9,562,228.33)	-
<b>T O T A L</b>	<b>575,397,530.82</b>	<b>487,799,008.61</b>

### Schedule - 6

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

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
I. Cash in hand (including foreign currency notes)	396,732,130.09	307,625,356.71
II. Balance with Reserve Bank of India		
i) In Current Account	745,052,146.02	683,802,146.02
ii) In other Accounts	-	-
<b>TOTAL</b>	<b>1,141,784,276.11</b>	<b>991,427,502.73</b>

### Schedule - 7

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

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>I In India</b>		
i) Balance with Banks		
a) in current account	225,585,908.59	218,929,313.80
b) in other deposit account	-	-
ii) Money at Call & short notice		
a) With banks	-	-
b) With other institutions	-	-
<b>TOTAL</b>	<b>225,585,908.59</b>	<b>218,929,313.80</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>225,585,908.59</b>	<b>218,929,313.80</b>

### Schedule - 8

#### Investments

		As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>I.</b>	<b>Investments in India in</b>		
i)	Government Securities	3,287,722,394.50	3,095,476,115.00
ii)	Other approved Securities	-	-
iii)	Shares	-	-
iv)	Debenture and Bonds	-	-
v)	Subsidiaries and/or joint ventures	-	-
vi)	Others (to be specified @) (Annexure-III)	5,624,816,154.00	3,129,774,800.00
	<b>TOTAL</b>	<b><u>8,912,538,548.50</u></b>	<b><u>6,225,250,915.00</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>8,912,538,548.50</u></b>	<b><u>6,225,250,915.00</u></b>

#### Annexure - III

		As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>@ Others Includes:</b>			
i.	SBI Mutual Fund	1,421,000,000.00	1,001,000,000.00
ii.	UTI Mutual Fund	30,000,000.00	30,000,000.00
iii.	TDRs with SBI	4,143,816,154.00	2,098,774,800.00
iv.	NABARD TMB	30,000,000.00	-
	<b>TOTAL</b>	<b><u>5,624,816.154.00</u></b>	<b><u>3,129,774,800.00</u></b>

## Schedule - 9

### Advances

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>A.</b>		
i) Bills purchased and discounted	-	-
ii) Cash Credits, Overdrafts and loans repayable on demand	2,565,590,008.74	2,336,113,759.02
iii) Term Loans	6,978,738,183.86	6,317,466,467.30
<b>TOTAL</b>	<b>9,544,328,192.60</b>	<b>8,653,580,226.32</b>
<b>B.</b>		
i) Secured by tangible Assets	9,467,679,514.34	8,551,524,532.39
ii) Covered by Bank/ Government Guarantee	-	-
iii) Unsecured	76,648,678.26	102,055,693.93
<b>TOTAL</b>	<b>9,544,328,192.60</b>	<b>8,653,580,226.32</b>
<b>C. I. Advances in India</b>		
i) Priority Sector	7,493,243,511.53	6,610,744,921.36
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	2,051,084,681.07	2,042,835,304.96
<b>TOTAL</b>	<b>9,544,328,192.60</b>	<b>8,653,580,226.32</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>GRAND TOTAL (CI + CII)</b>	<b><u>9,544,328,192.60</u></b>	<b><u>8,653,580,226.32</u></b>

### Schedule - 10

#### Fixed Assets

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (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) ( including furnitures and fixtures)</b>		
At cost as on 31st. March of the preceding year	64,155,930.63	74,972,178.31
Additions during the year	10,163,964.02	4,296,403.03
Deductions during the year	35,160.00	808.04
Depreciation for the year	14,416,117.20	15,111,842.68
Depreciation to date	502,013.80	45,477,162.86
Written Down Value	59,366,603.65	64,155,930.62
<b>TOTAL</b>	<b><u>59,366,603.65</u></b>	<b><u>64,155,930.62</u></b>

**HEAD OFFICE : AIZAWL**  
**SUMMARY OF FIXED ASSETS ACCOUNT AND DEPRECIATION AS ON 31.03.2017**

**ANNEXURE - IV**

Sl. No.	Particulars	Value at cost 31.03.2016	Added during the period 31.03.2017	Dispos- ed off/ adjmnt	Total as on 31.03.2017	Rate of Depre- ciation	Depre- ciation upto 31.03.2016	Depre- ciation during the year	Adjust- ment in depre- ciation	Depre- ciation upto 31.03.2017	SLM as on 31.03.2017	SLM as on 31.03.2016
1	2	3	4	5	6	7	8	9	10	11	12	13
1.	Office equipment	31719022.59	357702.00	0.00	32079023.59	10%	12299166.21	3207902.36	502013.80	16009082.37	10888391.22	14240605.38
2	Plant & Machinery	24933489.49	0.00	0.00	24933489.49	5%	5596114.52	1246674.47	0.00	6842788.99	13301143.52	14547817.99
3	Furnitures &Fixures	40636961.53	3290566.00	0.00	43927527.53	10%	12972970.65	4329865.15	0.00	17302835.80	26568891.73	27608190.88
4	Motor Vehicles	2273500.40	859708.00	0.00	3133208.40	20%	2114191.27	245279.69	0.00	2359470.96	773737.44	159309.13
5	Electric Appliances	13496127.94	3730878.00	7360.00	17219645.94	20%	5586012.59	3135641.39	0.00	8721653.98	6236391.96	5648515.35
6	Computer & Accessories	8874174.19	1925110.02	27800.00	6828602.31	33.33%	6908707.63	2250754.14	0.00	9159461.77	1598047.78	1951491.90
	<b>TOTAL</b>	<b>121935575.14</b>	<b>10163964.02</b>	<b>35160.00</b>	<b>128121497.26</b>		<b>45477162.87</b>	<b>14416117.20</b>	<b>502013.80</b>	<b>60395293.87</b>	<b>59366603.65</b>	<b>64155930.63</b>

### Schedule- 11

#### Other Assets

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
I Inter-Office adjustments (Net)	-	-
II Interest accrued	219,140,433.45	120,439,394.48
III Stationery and stamps	42,864.14	(253,067.01)
IV Non-banking Assets acquired in satisfaction of claims	-	-
V Others @ \$ (Annexure - V)	1,051,613,727.76	1,209,185,932.34
<b>TOTAL</b>	<b><u>1,270,797,025.35</u></b>	<b><u>1,329,372,259.81</u></b>

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

#### Annexure - V

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
<b>\$ Other Assests</b>		
i) Outstanding in suspense a/c	5,859,586.81	2,325,061.35
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	20,200,030.00
iv) Gramin Pay Order	-	12,712,265.33
v) Core Inter-Branch A/c	4,444.40	4,444.40
vi) Other Assets	6,941,510.00	-
vii) Bal in AUCA. a/cs	92,422,752.97	83,147,563.11
viii) NATCH	27,817,552.84	35,986,397.04
ix) DBTL Settlement A/c	(10,365,351.59)	-
x) RTGS Settlement A/c	10,000,034.59	10,000,441.29
xi) Branch Clearing	708,679,146.41	581,614,558.31
xii) DEAFS RBI	-	3,026.00
xiii) Advance Tax	85,923,000.00	95,882,000.00
xiv) Dr. Balance in CA	69,626,986.10	324,303,983.05
xv) IMPS Settlement A/c	3,824,571.07	19,886.00
xvi) TDS	486,867.00	861,130.00
xvii) Step Rapid Remittance RR	14,121,158.16	36,527,999.45
xviii) Tax Receivables (Refund)	10,474,292.00	-
<b>TOTAL</b>	<b><u>1,051,613,727.76</u></b>	<b><u>1,209,185,932.34</u></b>

### Schedule - 12

#### Contingent Liabilities

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
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

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
I. Interest/discount on advances/ bills	1,033,141,641.66	957,632,582.72
II. Income on Investments	647,133,300.01	373,687,572.14
III. Interest on balances with Reserve Bank of India & other Inter-Bank funds.	-	-
IV. Others	-	-
<b>TOTAL :</b>	<b><u>1,680,274,941.67</u></b>	<b><u>1,331,320,154.86</u></b>



#### Schedule - 14

##### Other Income

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
I. Commission, exchange and brokerage	46,623,306.46	41,510,413.75
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
<b>TOTAL</b>	<b><u>46,623,306.46</u></b>	<b><u>41,759,573.75</u></b>

#### Schedule - 15

##### Interest Expended

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
I. Interest on deposits	912,259,676.40	784,369,557.00
II. Interest on Reserve Bank of India/ Inter-Bank borrowings	35,900,713.00	24,419,279.00
III. Others	-	-
<b>TOTAL</b>	<b><u>948,160,389.40</u></b>	<b><u>808,788,836.00</u></b>

### Schedule - 16

#### Operating Expenses

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
i. Payments to and provisions for employees	228,330,967.60	183,344,571.96
ii. Rent, taxes and lightning	17,548,526.00	333,210.50
iii. Printing and stationery	5,575,945.85	3,889,857.00
iv. Advertisement and Publicity	-	8,200.00
v. Depreciation on bank's property.	14,918,131.00	15,111,842.68
vi. Director's Fees & Expenses	-	-
vii. Auditors' fees and expenses (including branch Auditors)	601,812.00	598,326.00
viii. Law charges	1,187,951.00	842,042.00
ix. Postage, Telegrams, Telephones..	1,354,951.00	1,689,539.00
x. Repairs and maintenances	482,390.00	278,471.00
xi. Insurance	25,262,203.40	13,821,051.00
xii. Service Tax	9,875,422.00	6,034,681.00
xiv. Depreciation on Investments	-	(460,200.00)
xii. Other expenditures	67,527,868.68	45,905,274.23
<b>TOTAL</b>	<b><u>372,666,168.53</u></b>	<b><u>271,396,866.37</u></b>

### Schedule - 17

#### Provision and Contingencies

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
i) Provision for Bad & Doubtful Debts (including Risk fund)	25,694,573.24	28,519,446.03
ii) Provision for Standard Assets	31,315,484.91	-
iii) Reserve for Construction of H.O. building	45,000,000.00	20,000,000.00
<b>TOTAL</b>	<b><u>102,010,058.15</u></b>	<b><u>48,519,446.03</u></b>

### Schedule - 17A

	As on 31.03.2017 (Current Year)	As on 31.03.2016 (Previous Year)
Provision for income Tax	103,347,000.00	83,060,000.00
<b>TOTAL</b>	<b><u>103,347,000.00</u></b>	<b><u>83,060,000.00</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. *36.89% 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>
	<i>ii) Commercial Real Estate</i>	<i>: 1.00%</i>
	<i>iii) 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>
	<i>ii)Secured portion 3 yrs.to 5 yrs. “</i>	<i>: 30.00%</i>
	<i>iii)Secured portion more than 5 yrs. “</i>	<i>: 50.00%</i>
	<i>iv)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. *Provision for Head Office Construction*
- f. *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 31.03.2017.*
- b) *Interest & Income on inter-bank borrowing of funds and/or lent to the Bank has also been reconciled up to 31.03.2017.*
- c) *Intra-branch deposits and deposits with sponsor bank and balances of borrowings has been reconciled up to 31.03.2017.*

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

- i) *Total deposits of twenty largest depositors* : 242.34 crores
- ii) *Percentage to total deposits* : 13.28%

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

- i) *Total advances to twenty largest borrowers* : 23.76 crores
- ii) *Percentage to total advances* : 2.49%
- 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 : 266.10 crores  
 b) Percentage to Total Exposures : 9.58%  
 c) Pursuant to the policy of making investment, the Bank had made a total investment of Rs. 89125.39 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 : 2.69 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	123.55	22.59	2.37	100.16	12.38	1.43
2.	Industries	61.51	5.75	0.60	27.69	5.76	0.67
3.	Services	168.48	14.77	1.55	499.09	24.92	2.88
4.	Personal Loans	394.89	7.70	0.81	34.16	0.17	0.02
	<b>Sub-total (A)</b>	<b>748.43</b>	<b>50.81</b>	<b>5.32</b>	<b>661.08</b>	<b>43.23</b>	<b>5.00</b>
B	Non-Priority						
1.	Agl & allied	0	0	0	0	0	0
2.	Industries	0	0	0	0.39	0.39	0.05
3.	Services	11.25	0.07	0.01	27.33	0.14	0.02
4.	Personal Loans	194.75	6.12	0.64	176.56	4.70	0.54
	<b>Sub-total (B)</b>	<b>206.00</b>	<b>6.19</b>	<b>0.65</b>	<b>204.28</b>	<b>5.23</b>	<b>0.60</b>
	<b>Total (A+B)</b>	<b>954.43</b>	<b>57.00</b>	<b>5.97</b>	<b>865.36</b>	<b>48.46</b>	<b>5.60</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)	48.46
Additions (Fresh NPAs) during the year	26.23
<b>Sub-total (A)</b>	<b>76.69</b>
Less:	
(i) Upgradations	5.57
(ii) Recoveries (excluding recoveries from updated accounts)	12.18
(iii) Write-offs	1.94
<b>Sub-total (B)</b>	<b>19.69</b>
Gross NPAs as on 31 <sup>st</sup> March of following year (closing balance)(A-B)	57.00

**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	11.55
ii) Percentage of Govt. share holding	50.00
iii) Percentage of Gross NPAs	5.97



iv)	Percentage of Net NPAs	3.97
v)	Total NPAs Provision	2.57
vi)	Other Provisions (Specify)	17.96
vii)	Amount held in INC	3.44
viii)	Total Business	2778.87
ix)	Business per branch	33.08
x)	Business per employee	8.15
xi)	Profit per employee	0.09
xii)	Net Profit per employee (after tax)	0.06

**b. Financial Ratios:**

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

**b. Ratios**

i.	Financial Return	8.70
ii.	Financial Cost	4.91
iii.	Financial Margin	3.79
iv.	Operating Cost	1.93
v.	Miscellaneous Income	0.26
vi.	Operating Profit [(iii + v) - iv]	2.12
vii.	Risk Cost	0.53
viii.	Net Margin (vi – vii)	1.59

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

i.	1 to 14 days	3290458
ii.	15 to 28 days	244298
iii.	29 days up to 3 months	139599
iv.	3 months to 6 months	1102831
v.	6 months to 1 year	1186590
vi.	1 year up to 3 years	10626352
vii.	Over 3 years up to 5 years	1256390
viii.	Over 5 years	397857
	<b>TOTAL</b>	<b>18244375</b>

<b>10.</b>	<b><i>Maturity pattern of Loans and Advances:</i></b>	
i.	<i>1 to 14 days</i>	2565590
ii.	<i>15 to 28 days</i>	86432
iii.	<i>29 days up to 3 months</i>	121216
iv.	<i>3 months to 6 months</i>	468315
v.	<i>6 months to 1 year</i>	531896
vi.	<i>1 year up to 3 years</i>	1425863
vii.	<i>Over 3 years up to 5 years</i>	758826
viii.	<i>Over 5 years</i>	3586190
	<b>TOTAL</b>	<b>9544328</b>

<b>11.</b>	<b><i>Maturity pattern of Investment</i></b>	
i.	<i>1 to 14 days</i>	1010000
ii.	<i>15 to 28 days</i>	3030000
iii.	<i>29 days up to 3 months</i>	700000
iv.	<i>3 months to 6 months</i>	400000
v.	<i>6 months to 1 year</i>	73816
vi.	<i>1 year up to 3 years</i>	1831195
vii.	<i>Over 3 years up to 5 years</i>	612612
viii.	<i>Over 5 years</i>	1254915
	<b>TOTAL</b>	<b>8912538</b>

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