



मेघालय ग्रामीण बैंक  
MEGHALAYA RURAL BANK



# MEGHALAYA RURAL BANK

**Empowering Rural Lives**

## **39<sup>th</sup> Annual Report 2019-20**

With Best Compliments from

**Dilip Kumar Guha**

**Chairman**

Meghalaya Rural Bank Head Office, MTC Building: 2<sup>nd</sup> floor

Police Bazar, Shillong 793 001, Meghalaya

[meghalayaruralbank.com/megrrb@gmail.com](http://meghalayaruralbank.com/megrrb@gmail.com)

वार्षिक प्रतिवेदन - 2019-20  
ANNUAL REPORT : 2019-20



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# Meghalaya Rural Bank

Established on 29<sup>th</sup> December 1981 under the Regional Rural Banks Act of 1976,  
listed as a Scheduled Bank under the RBI Act of 1934,  
endowed with a mandate to provide banking services to Meghalaya as a whole  
and its rural sector in particular.

## Vision:

*To be the Bank of first choice  
and contribute significantly to the State's development*

## Mission:

*To provide quality banking services,  
promote growth in the community  
and be a part of growth opportunities*

## Values:

*Leadership action  
Innovative thinking  
Prompt delivery  
Updated knowledge  
Transparent dealings*



# Letter of Transmittal

Meghalaya Rural Bank, Head Office: Shillong

Dated: 30<sup>th</sup> June 2020

Secretary to the Government of India,  
Ministry of Finance,  
Dept. of Economic Affairs: Banking Division,  
New Delhi 110001

Dear Sir,

## **MEGHALAYA RURAL BANK: 38<sup>th</sup> ANNUAL REPORT**

In accordance with the provisions of Sec. 20 of the Regional Rural Banks Act, 1976, we are glad to forward the following documents herewith:

- > Report on the Bank's activities and performance during 2019-20
- > Bank's balance sheet and P&L statement for the year ended 31<sup>st</sup> March 2020
- > Auditors' Report for the year 2019-20.

Yours faithfully,

**(Dilip Kumar Guha)**  
Chairman



## Chairman's Message



I feel honored to present the Annual Report for the Financial Year 2019-2020, for the third consecutive time. Five important things that we have achieved or sustained this year also have put the Bank where we are today. They are; profitability, efficiency parameters, strengthening and streamlining the system and procedures, Business growth and IT initiatives. The major achievements of the Bank during the FY 2019-2020 are as under:

1. During the year, the Bank's Board has reviewed all the Policies and put in place for meticulous adherence. All these policies have been drafted duly incorporating the guidelines/instructions/policy framework of GOI/RBI/Nabard/Sponsor Bank. The operations of the Bank in all crucial areas are governed by these policies.
2. New Regional Office and MRB Learning Centre have been opened in a new building. Learning and Sensitization of officials at all levels have been taken up on a top priority basis as to respond to the calls received from top level administration as well as to place demand on the lower levels. Key Responsibility Areas of workforce at all level, have been prepared and circulated for effective functioning.
3. Bank has generated Net Profit despite subdued market trends and after making all the required provisions including Pension Provision, Covid-19 Provision etc.
4. Bank has grown exponentially expanded the loan book, especially in Housing Loan, SHG, KCC, PPL, etc.

The year was devoted to streamlining of rules and regulations, system and procedures and higher degree of compliance. I appreciate that the Bank possesses a pool of staff endowed with talent and experience and hence key objectives of the Bank were readily achieved. We have, to a large extent, fulfilled our mandate of: *'developing the rural economy by providing.....credit and other facilities, particularly to small and marginal farmers, agricultural laborers, artisans and small entrepreneurs'*.

I thank each and every Board Member for their guidance, and every member of staff for their support and cooperation all along the year, taking on the challenges and giving their best to the Organization. I thank the State Government of Meghalaya, Reserve Bank of India – Shillong, NABARD – Shillong, State Bank of India, A&S Department - Mumbai, State Bank of India, B&O – Shillong for their continuous directions, guidance and support to the Bank. Last, but not the least, my gratitude goes to all the customers of our Bank for reposing confidence in our Bank and giving us the opportunity of serving them.

Yours sincerely,

**(Dilip Kumar Guha)**  
Chairman







## *Regional Offices and select Branches*

**Head Office:** 2<sup>nd</sup> Floor MTC Building,  
Police Bazar, Shillong-793001, East Khasi Hills  
Email: megrrb@gmail.com

**Regional Office I:** KJPA Centre, Central Ward, Barik Point,  
Shillong-793001, East Khasi Hills.

**Regional Office II:** KJPA Centre, Central Ward, Barik Point,  
Shillong-793001, East Khasi Hills.

**Shillong Main Branch:** 2<sup>nd</sup> Floor MTC Building,  
Police Bazar, Shillong-793001, East Khasi Hills

**Nongpoh Branch:** 1<sup>st</sup> Floor, Belcrest Building,  
Nongpoh Proper, Nongpoh-793102

**Nongstoin Branch:** 2<sup>nd</sup> Floor, C/o Smt. Antimon Nongrum,  
New Nongstoin, Nongstoin- 793119,  
West Khasi Hills

**Tura Branch:** 1<sup>ST</sup> Floor, Ambika Mansion, Tura Bazar,  
Tura – 794001, West Garo Hills

**Jowai Branch:** Opp. Thomas Jones Synod College, Iawmusiang,  
Jowai-793150, West Jaintia Hills



# BOARD OF DIRECTORS

## 31st March 2020



*Shri Dilip Kumar Guha*



*Shri P. Gangte*  
GM, RBI, SHILLONG  
RBI NOMINEE



*Shri Shantanu Sharma, IAS*  
CEO, MSRLS  
GOVT. OF MEGHALAYA NOMINEE



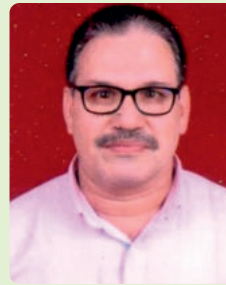
*Smti Lipy Deori*  
AGM, NABARD, SHILLONG  
NABARD NOMINEE



*Shri E. Y. Chen*  
DIRECTOR: INSTITUTIONAL FINANCE  
GOVT. OF MEGHALAYA NOMINEE



*Smti Seema Dikshit*  
DGM (AB), SBI LHO, GUWAHATI  
SPONSOR BANK NOMINEE



*Shri Mukesh Papriwal*  
AGM, SBI Corporate Center, Mumbai  
SPONSOR BANK NOMINEE





# HEAD OF DEPARTMENTS

## 31<sup>st</sup> March 2020



*Shri Dilip Kumar Guha*  
CHAIRMAN



*Smti Clotilda Marbaniang*  
General Manager



*Shri Arun Kumar Khangembam*  
General Manager



*Shri Prailyshon Wahlang*  
Regional Manager - I



*Shri Reginald Lyngdoh*  
Regional Manager - II





## OUR MENTORS



*Shri Rajnish Kumar*  
Chairman  
State Bank of India  
Corporate Centre, Mumbai



*Shri Dinesh Khara*  
Managing Director  
State Bank of India  
Corporate Centre, Mumbai



*Shri S. P. Singh*  
Chief General Manager (A&S-RRB)  
State Bank of India  
Corporate Centre, Mumbai





## Key Performance Indicators: 2019-20

(Rupees in thousands)

Particulars		2017-18	2018-19	2019-20
<b>A KEY PERFORMANCE INDICATORS</b>				
1.	No. of Districts covered	11	11	11
2.	No. of Branches	94	94	90
	i Rural	73	73	70
	ii Semi-Urban	17	17	16
	iii Urban	4	4	4
3.	Total staff (excluding Sponsor Bank staff)	388	397	399
	Of which, Officers	159	173	172
4.	Deposits	18586485	21362597	22658864
	Growth %	3.51	14.94	6.07
5.	Borrowings Outstanding	259370	323945	370912
	Growth %	10.77	24.90	14.50
6.	Gross Loans & Advance Outstanding	6644818	7028430	7586332
	Growth %	0.96	5.77	7.94
	Of 6 above, loans to			
	a. Priority Sector	3966745	4589067	4749503
	b. Non Priority Sector	2678073	2439363	2839829
	c. SCs & STs	6330269	6318981	7239618
	d. SF/MF/AL	985478	1104423	1436404
	e. Minorities	6330269	6318981	7239618
7.	CD Ratio	35.75	32.91	33.48
8.	Investments Outstanding	6285900	5150960	5394200
9.	SLR Investment Outstanding	4886100	4761160	4809200
	Non-SLR Investment Outstanding	1399800	389800	585000



Particulars		2017-18	2018-19	2019-20
<b>B.</b>	<b>AVERAGES</b>			
10.	Average Deposit	18586485	19974541	22029498
	Growth %	16.79	7.46	10.29
11.	Average Borrowings	253096	291658	363046
	Growth %	-2.91	15.24	24.48
12.	Average Gross Loans and Advances	6478632	6836624	7161668
	Growth %	5.34	5.53	4.75
13.	Average Investments	6524238	5718430	15376264
	Growth %	32.58	-12.35	168.89
	Average SLR Investment	4215394	4823630	4806255
	Average SLR Investment as % of. Dep	22.68	24.14	21.82
	Average Non-SLR Investment	8352408	894800	10570009
	Average Non-SLR Invt. as % of Avg.Dep	44.94	4.48	47.98
	Average Working Funds	18884221	21788478	25827631
<b>C</b>	<b>LOANS ISSUED</b>			
14.	Loans issued during the year	3011803	4015623	3287648
	Growth %	10.69	18.56	-18.13
	Of 14 above Loans to			
i.	Priority Sector	1825800	2920504	1940833
ii.	Non Priority Sector	1186003	1095119	1346815
iii.	SC & ST	2531416	3693844	2958883
iv.	SF/MF	660200	619939	542474
v.	Minorities	2531416	3693844	2958883
<b>D</b>	<b>PRODUCTIVITY</b>			
15.	Per Branch	268418.12	302032	336058
	Per Staff	65029.13	71514	75802
	<b>ERECOVERY PERFORMANCE</b>			



Particulars		2017-18	2018-19	2019-20
16.	<b>TOTAL</b>			
	Demand	38161	3049324	4343587
	Recovery	28222	2205570	3225341
	Overdues	9939	843754	1118246
	Recovery % (June Position)	74.00	72.33	74.26
17.	<b>FARM SECTOR</b>			
	Demand	24948	703791	689342
	Recovery	17583	530515	476182
	Overdues	7365	173276	213160
	Recovery % (June Position)	70.48	75.38	69.08
18.	<b>NON-FARM SECTOR</b>			
	Demand	13213	2345533	3654245
	Recovery	10639	1675055	2749159
	Overdues	2574	670478	905086
	Recovery % (June Position)	80.52	71.41	75.23
<b>F</b>	<b>ASSET CLASSIFICATION</b>			
19.	i. Standard	4643168	6194304	6707352
	ii. Sub-Standard	140673	220057	272931
	iii. Doubtful	450458	458048	473592
	iv. Loss	59069	156021	132457
	Total	6644817	7028430	7586332
	Standard Assets as % to Gross Loans & Adv.	69.88	88.13	88.41
<b>G</b>	<b>PROFIABILITY ANALYSIS</b>			
20.	Interest Paid on:			
	i. Deposits	857158	858711	959465
	ii. Borrowings	11312	13987	15607
21.	Salaries	267671	311111	290311
22.	Other Operating Expenses	115006	138926	140319
23.	Provisions made during the year			
	i. Against NPA	71386	283255	228664
	ii. Other Provisions	14004.18	187740	207291





Particulars		2017-18	2018-19	2019-20
24.	Interest Received on			
	i. Loans & Advances	620524	677385	670019
	ii. Investments	470532	476654	417313
	iii. Others	393499	547910	671462
25.	Other Income	77808	110608	92428
26.	Loss/Profit	225826	17826	5443
<b>H</b>	<b>OTHER INFORMATION</b>			
27.	Share capital Deposit Received	25976	25976	25976
28.	Deposit Insurance & Credit Guarantee			
	i. Claims settled- Cumulative	-	-	-
	ii. Claims received but pending adjustment	-	-	-
	iii. Claims pending with corporation	-	-	-
29.	Cumulative Provisions			
	i. Against NPAs	233997	450046	623529
	ii. Against Standard Assets	18686	20155	37944
30.	Interest Derecognized			
	i. During the year	-	-	-
	ii. Cumulative	-	-	-
31.	Loans Written-off during the year			
	i. No. of Accounts	1796	531	320
	ii. Amount	86437	64019	55186
32.	Accumulated loss	-	-	-
33.	Reserves and Surplus	1594119	1602170	1607613
	i. Net NPAs	441016	384080	255451
	ii. % Provisions o gross NPAs	53.44	53.95	70.94
	iii. % Gross NPAs to advances	10.16	11.87	11.59
	iv. % Net NPAs advances	6.64	5.46	3.37
	v. CRAR	15.94	16.78	14.61





### Model Branch Awards

The winners of the Best Performance Awards, 2019-20 were the following :

Table : <b>Branch Performance Awards 2019-20</b>		
	<b>Award categories</b>	<b>Branch / Officer</b>
1.	Best All Round Performance:	
	First	Kynshi (86.82/100 Marks)
	First Runner-up	Rynjah (86.75/100 Marks)
	Second Runner-up	Golfink (85.77/100 Marks)
2.	Highest Achievement in Deposit budget -	
	First	Saitsohpen (500.7%)
	First Runner-up	Mawkynrew (409.54%)
	Second Runner-up	Bishnupur (368.15%)
3.	Highest Achievement of Loans & Advances Budget:	
	First	Ampati (353.82%)
	First Runner-up	Mawhati (342.64)
	Second Runner-up	Patharkhmah (323.55%)
4.	Highest NPA Reduction other than through write-off:	
	First	Kynshi (61.30%)
	First Runner-up	Saitsohpen (46.37%)
	Second Runner-up	Sutnga (40.03%)
5.	Lowest NPA for 4 consecutive years among branches in operation for over 10 years:	
	First	Golfink (Ave. NPA - 0.78%)
	First Runner-up	Mawkyrwat (Ave. NPA-1.33%)
	Second Runner-up	Tura (Average NPA - 1.43%)
6.	Highest Cross-selling of SBI Life Insurance items	
	First	Shillong
	Second	Demthring
	Third	Mawlai
	Fourth	Iewduh
	Fifth	Nongstoin
7.	Heighest cross-selling of SBI General Insurance items	
	First	Shillong
	Second	Iewduh
	Third	Demthring
	Fourth	Baridua
	Fifth	Nongstoin



8.	Best implementation of social security scheme	
	PMJDY	Ampati (1299 Accounts)
	PMJJBY	Markasa (401 Nos)
	PMSBY	Lumshnong (423 Nos)
	APY	Tyrsad (32 Nos)
9.	Highest No. of FLCs conducted during the year	Ringgre (24 Nos)
10.	Best Controlling Heads	
11.	Best Departmental Heads	





## DIRECTORS' REPORT

We take pleasure in presenting the 39th Annual Report of Meghalaya Rural Bank together with the audited Statements of Accounts and Auditors' Report for the financial year ended 31<sup>st</sup> March 2020.

### Business review

The quantum of business handled by the Bank increased by 6.53% during the year from a level of Rs 2839.10 cr. to Rs. 3024.52cr. Loans and advances increased by 8.45% from Rs. 702.84 cr. to Rs. 758.63cr. , and deposits by 14.93% from Rs. 2136.26 cr. to Rs 2265.89 cr. By comparison, total business had grown by 6.53% in 2019-20.

The respective contribution of deposits and loans and advances to the business-mix as on March 2019 was in the ratio of 3:1.

Year	Deposits	Loans & advances	Business	Increase
2014	1041.56	503.10	1544.65	12.41 %
2015	1192.61	615.83	1808.43	17.08 %
2016	1269.29	649.72	1919.02	06.11 %
2017	1795.67	658.73	2454.39	27.90 %
2018	1858.64	664.48	2523.13	02.80 %
2019	2136.26	702.84	2839.10	12.52 %
<b>2020</b>	<b>2265.89</b>	<b>758.63</b>	<b>3024.52</b>	<b>6.53%</b>

### Profit analysis

Net profit for the year stood at Rs 0.54cr. compared to Rs 0.81 cr. in the previous year. Operating profit before provisions and contingencies had negatively grown by as much as 3.80% from Rs. 48.89 cr. to Rs. 47.03 cr., but the quantum of provisions required to be made impact on our overall profitability.

Year	Income	Expenditure	Net profit
2013-14	106.98	74.91	31.68
2014-15	123.69	85.00	30.06
2015-16	129.20	101.81	12.98
2016-17	143.72	115.80	11.65



2017-18	156.24	125.11	12.34
2018-19	181.26	132.37	0.81
2019-20	187.60	187.60	.54

### Net Interest Income

Interest earnings grew by 3.34% from Rs 170.46 cr. to 175.87 cr., and Interest Expenditure by 11.60 % from Rs 87.37 cr. to 97.51 cr. Net Interest Income grew negatively by 5.39% from Rs 82.83 cr. to Rs 78.36 against growth of 14.62% registered during the previous year.

### Operating Income / Expenditure

Total Operating Expenditure had risen from Rs 48.82 cr. in Mar'19 to 47.03 cr. in Mar'20 and Operating Income from Rs 181.26 cr. to Rs 187.60 cr.

### Provisions

Total provisioning for the year ended Mar'20 amounted to Rs 43.59crore.

Table: Total provisions made during the year ended 31 <sup>st</sup> March 2019 (Rs in thousands)	
Standard Assets	1933
Standard Assets : nCOVID-19	15857
Bad & Doubtful Debt	228664
Provison for Wage Revision Arrear	25000
Provision for Pension	146630
RBI Deaf Claim Receivable	21
System Suspense Account	1047
Demand Draft Received Realisation	265
Provision for amount receivable from	3145
Unreconciled Entries with Bank	3326
Fraud/Dociety/Embezzlement or Defalcation	10067
<b>Total</b>	<b>435954</b>

### Balance sheet size

The Bank's Balance Sheet grew in size by 5.70% from Rs 2432.66 cr. in March 2019 to Rs 2571.35 cr. in March 2020. The corresponding growth rate between March 2018 and March 2019 had been by 13.95%.



## Capital and Reserves

### Authorised capital

The Bank's authorised share capital of Rs 2,000 cr remained unaltered from the position that had obtained as in March 2018.

### Paid-up capital

The amount of fully paid-up capital also stood unchanged at Rs 2,59,76,000/-.

Table: Bank's Paid-up/Issued Share Capital – March 2019		
Shareholder	Share amount (Rs)	Holding percentage
Government of India	1,29,88,000	50
State Bank of India	90,91,600	35
Government of Meghalaya	38,96,400	15
	<b>2,59,76,000</b>	<b>100</b>

## Reserves & Net Worth

Table: Bank's Net Worth					
	(Rs in crores)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Share Capital	2.6	2.6	2.6	2.6	2.6
Reserves	47.45	50.36	53.45	53.65	53.78
Accum. profit	87.97	96.71	105.97	106.57	106.98
<b>Total</b>	<b>138.02</b>	<b>149.67</b>	<b>162.02</b>	<b>162.82</b>	<b>163.36</b>
Increase	10.38%	8.44%	8.25%	0.49%	0.33%





### Capital Adequacy Ratio

Table: Capital Adequacy Ratio		(Rs in thousands)			
		2016-17	2017-18	2018-19	2019-20
<b>Tier I</b>					
a	Paid-up Capital	25976	25976	25976	25976
b	Statutory reserves & surplus	503604	534454	536467	537828
c	Accumulated profit	967116	1059665	1065703	1069785
<b>Total</b>		<b>1496696</b>	<b>1620095</b>	<b>1628146</b>	<b>1633589</b>
<b>Tier II</b>					
d	General provisions & reserves	<b>32450</b>	<b>40936</b>	<b>42405</b>	<b>63708</b>
<b>Grand total (a to d)</b>		<b>1529146</b>	<b>1661031</b>	<b>1670551</b>	<b>1697297</b>
Risk weighted assets		11204431	10473860	9954062	11621192
<b>Capital to Risk Weighted Assets</b>		<b>13.65%</b>	<b>15.86%</b>	<b>16.78%</b>	<b>14.61%</b>

### Business ratios

Table: Business Ratios		(Rs in lacs)		
		2017-18	2018-19	2019-20
i	Interest Income as percentage of Working Fund	7.28	7.83	6.81
ii	Non-interest Income as percentage of Working Funds	0.38	0.51	0.45
iii	Operating Profit as percentage of Working Funds	1.53	2.25	1.82
iv	Return on Assets	0.64	0.04	0.02
v	Business (Deposits plus Advances) per Employee	618	715	758
vi	Profit per Employee	2.93	0.20	0.14





## Deposits Growth

31 <sup>st</sup> March -	Deposit level	Increase
2013	995.30	23.27%
2014	1041.56	04.65%
2015	1192.61	14.50%
2016	1269.29	06.43%
2017	1795.66	41.47%
2018	1858.65	3.51%
2019	2136.26	14.94%
2020	2265.89	6.07%

## Deposit-mix & CASA

	31 <sup>st</sup> Mar'17	31 <sup>st</sup> Mar'18	31 <sup>st</sup> Mar'19	31 <sup>st</sup> Mar'20
Current Acc.	105.96	110.30	155.03	114.85
Savings Bank	1137.21	1131.06	1325.93	1434.72
Sundries	-	0.42	0.77	0.00
<b>CASA total</b>	<b>1243.17</b>	<b>1241.78</b>	<b>1481.73</b>	<b>1549.57</b>
Term Deposits	539.44	601.34	635.57	694.12
Recurring Dep.	13.05	15.53	18.96	22.20
<b>Grand total</b>	<b>1795.66</b>	<b>1858.65</b>	<b>2136.26</b>	<b>2265.89</b>

The Bank had posted the year's highest growth in **CASA** at **69.36%** deposits among State Bank of India-sponsored RRBs.

## Borrowings

	March 2017	March 2018	March 2019	March 2020
NABARD	19.78	23.42	28.28	31.75
NSTFDC	2.43	1.98	1.88	3.11
<b>Total</b>	<b>22.21</b>	<b>25.40</b>	<b>30.16</b>	<b>34.87</b>





## Investments

The Investment Policy of the Bank was formulated in 2006 and the same was reviewed/revised and approved by the Board from time to time, confirming to the RBI guidelines. In terms of Section 24 of the BAct 1949, the Bank has maintained investment in the avenues laid down in the Policy.

SLR funds were invested largely in government securities with SBI's Securities Services Branch, Mumbai handling transactions in this regard on behalf of the Bank. Non-SLR funds were kept in current accounts and term deposit accounts with the sponsor bank and other banks as well as in selective mutual funds. The Bank was guided in the matter of investments by a Board-approved Investment Policy drafted on lines suggested by the sponsor bank.

Non SLR investments are invested in TDRs of Banks. The Bank has been monitoring the following up for prompt receipt of interest due from Govt Securities/Banks.

	March 2017		March 2018		March 2019		March 2020	
	Amt	Yield %	Amt	Yield %	Amt	Yield %	Amt	Yield %
SLR	312.89	8.19%	421.54	8.65%	414.64	8.47%	480.63	7.83
Non-SLR	686.38	6.91%	835.24	5.98%	609.92	6.82%	1057	6.74
<b>Total</b>	<b>999.27</b>	<b>7.31%</b>	<b>1256.78</b>	<b>7.13%</b>	<b>1024.56</b>	<b>7.40%</b>	<b>1537.63</b>	<b>7.08%</b>

## CRR and SLR

The Bank has complied with the regulatory requirement of maintenance of adequate balances towards CRR and SLR. There is a well laid down system of assessing the CRR and SLR requirements taking into account the NDTL. No default had occurred in fulfillment of CRR and SLR obligations during the year.

In the last full reporting fortnight of 2019-20 covering the period from 14<sup>th</sup> to 27<sup>th</sup> March 2020, an average balance of Rs. 94.17 cr. was maintained in current account with RBI against the CRR requirement of Rs. 92.13 cr., and an average amount of Rs 480.92 cr. in approved SLR avenues against the required SLR average of Rs 418.55 cr.

## Credit portfolio

The credit portfolio of the Bank increased to Rs. **758.6332** cr in March 2020 from Rs. **702.84** cr. in March 2019.



## Total disbursement and outstanding

		Table: Credit Portfolio				(Rs in crore)	
Loans & Advances	2017-18		2018-19		2019 - 20		
	Yr end outstanding		Yr end outstanding		Yr end outstanding		
	No. of Acc.	Amt.	No. of Acc.	Amt	No. of Acc.	Amt.	
KCC	19,074	98.55	20651	110.44	22466	124.71	
Other Agri. Loans			457	4.39	458	1.52	
AAFL	958	7.85	202	63.22	1689	13.64	
JLGs		2	19	0.11	14	0.08	
NRLM	774	6.12	1426	8.97	2750	20.55	
Other SHGs			2065	13.97	402	2.54	
Small Business	5137	144.58	5940	193.60	5345	177.32	
Transport Operators	950	21.24	863	19.49	802	20.12	
PMEGP	801	20.46	524	10.34	584	11.95	
Other SSI	360	7.90	523	15.31	407	13.45	
Housing	759	52.02	969	7.21	1026	78.11	
Education Loan	335	6.78	371	7.14	400	7.25	
GCC	3272	6.36	2568	4.71	2097	3.68	
<b>Priority Sector</b>	<b>34415</b>	<b>396.67</b>	<b>36278</b>	<b>458.90</b>	<b>38440</b>	<b>474.95</b>	
Non-priority sector	8536	267.81	8537	243.94	9034	283.6829	
<b>Total</b>	<b>42771</b>	<b>664.48</b>	<b>44815</b>	<b>702.84</b>	<b>47474</b>	<b>758.6332</b>	

As per the directions of Government of India and NABARD we have implemented revised Kisan Credit Card System for crop loan borrowers from Kharif 2012. Further, loan limit will be fixed for 5 years and documents will be obtained for the terminal limit. Year wise limits will be fixed based on present Scale of Finance and keeping in view the future cost of investment.

As per the directions of Government of India and NABARD we have been implementing Cash Credit System for SHG loans with effect from January 2012. Accordingly we have arranged for fixing limits for a period of 5 years basing on their present corpus and proposed thrift.

### Asset Management Hub for sanction of loans

Implementation of the Hub and Spoke Model for centralised processing of credit proposals proceeded in right earnest with a view to improving the quality of the Bank's loan assets. At present there are three



Asset Management Hub, i.e. at Shillong, Jowai and Tura, providing services to all the 90 Branches within the state.

The AMHs were well equipped with staff and adequate infrastructure and helped to standardize/streamline our procedures for the appraisal, sanction and documentation of loans and advances, and in filtering out unhealthy practices that had crept into this area of operation. By the end of the year, over a fourth of the total amount of loans and advances sanctioned by the Bank was being routed through the centralised Hubs.

### Agricultural credit

Agriculture continued to be the key focus area for the Bank and credit outstanding under this sector stood at Rs.143.64 cr. as on 31.03.2020 in comparison to Rs. 182.87 cr. as on 31.03.2019.

### Priority Sector Lending (PSL)

In terms of RBI Circular No. FIDD.CO.Plan.BC No. 14/04.09.01/2015-16 dated December 3, 2015, w.e.f. 01.01.2016 75 per cent of outstanding advances should be towards Priority Sector. RRBs will have a target of 75% of their outstanding advances for priority sector lending and sub-sector targets as below:

Categories	Targets
Total Priority Sector	75% of total outstanding
Agriculture	18% of total outstanding
Small and Marginal Farmers	8% of total outstanding
Micro Enterprises	7.5% of total outstanding
Weaker Sections	15% of total outstanding

		March 2019		March 2020	
PSL	Accts.	Amt.	Accts.	Amt.	
Disbursed	14980	2920504	11651	1940833	
Outstanding	36278	4589067	38440	4749503	



### National Rural Livelihood Mission (NRLM)-Aajeevika – Interest Subvention Scheme

The government restructured Sawarnajayanti Gram Swarozgar Yojana - SGSY into National Rural Livelihoods Mission (NRLM) to provide great focus and momentum for poverty reduction. SRLM and SERP will provide each 7% interest as subvention for prompt repayers through e-transfer to the SHGs account under the scheme.

The position of NRLM as on 31.03.2020.

	March 2019				March 2020			
	Disb.		Outstng.		Disb.		Outstng.	
	Accts.	Amt.	Accts.	Amt.	Accts.	Amt.	Accts.	Amt.
<b>Revolving Fund</b>	729	54187	1391	87419	1740	270500	2735	204069
<b>Activity Loan</b>	23	1941	35	2286	1	500	15	1467
<b>Total</b>	<b>752</b>	<b>56128</b>	<b>1426</b>	<b>89705</b>	<b>1741</b>	<b>271000</b>	<b>2750</b>	<b>205536</b>

### Government-sponsored Scheme: Prime Minister's Employment Generation Programme (PMEGP)

The position of PMEGP as on 31.03.2020.

March	Disbursed		Outstanding	
	Accts.	Amt.	Accts.	Amt.
2017	71	20385	464	130921
2018	110	31133	801	204559
2019	125	40111	524	103351
2020	163	37989	584	119479





**Government sponsored Scheme: Pradhan Mantri MUDRAYojana (PMMY)**

The position of MUDRA as on 31.03.2020.

Table: Financing under MUDRA (Rs in thousands)												
	SHISHU (Loans up to Rs 50,000)			KISHORE (Loans of Rs 50,000 to Rs 5 lac)			TARUN (Loans of Rs 5 lac to 10 lac)			Total		
	Accs.	Disb.	Outstd	Accs.	Disb.	Outstd	Accs.	Disb.	Outstd			
STs	1614	75924	52817	93	17608	12941	2	1700	1301	1709	95232	67059
General	0	0	0	0	0	0	0	0	0	0	0	0
Total	1614	75924	52817	93	17608	12941	2	1700	1301	140	95232	67059
Of the above entrepreneurs:												
New	535	25019	21218	32	6570	5272	2	1700	1301	569	33289	27791
Women	994	46375	32043	56	10180	8054	1	1000	611	1051	57555	40708
Other Minorities	0	0	0	0	0	0	0	0	0	0	0	0

**Government Sponsored Scheme: Pradhan Mantri Awas Yojana (PMAY) -Housing for All (Urban Mission)**

Table: Financing under PMAY (Rs in thousands)				
	2018-19		2019-20	
	Disbursed	Outstanding	Disbursed	Outstanding
Accounts	10	32	0	30
Amount	6540	17425	0	15469





### Interest subvention

The benefit of interest subvention made available by various sponsoring agencies were passed on to eligible borrower-clients of the Bank.

### Lending to Scheduled Tribe communities

Table: Lending to Scheduled Tribe communities (Rs in thousands)								
2018-19					2019-20			
Disbursed			Outstanding		Disbursed		Outstanding	
	Amt.	As % of total disb.	Amt.	As % of total disb.	Amt.	As % of total disb.	Amt.	As % of total disb.
<b>Accts.</b>	14568	81.56	39672	88.52	13095	84.94	42314	89.13
<b>Amt.</b>	3693844	91.99	6318981	89.91	2958883	90.00	7239618	95.43

### Credit Information Companies

The Bank has acquired affiliation with all four Credit Information Bureaus (CICs) conferred with Certificates of Registration by the RBI. These CICs are Credit Information Bureau (India) Ltd., Equifax Credit Information Services Pvt. Ltd., Experian Credit Information Company of India Pvt. Ltd., and CRIF High Mark Credit Information Services Pvt. Ltd.

Our Bank has been uploading the data regularly and all our AMHs and Credit Committee are accessing the credit history of the loan applicants in their credit decisions.

### Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)

Our Bank has registered with CERSAI in terms of RBI guidelines and complied with the instructions. Equitable/Registered mortgages and Hypothecation in respect of all our loans, which are covered under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest, 2002 (SARFAESI Act) as on 31.03.2017 have been registered with CERSAI.

With this, the details of the security interest created in favour of our bank is available on a public domain for search by citizens/other banks/FIs as a result of which the potential fraud/multiple financing against the same property can be prevented





## Annual Credit Plan 2019-20

Sector	Achievement	
	Accts.	Amount
Short Term Credit(Crop Loan)	6108	49.01
Investment Credit for Agri& Allied Agri.	1126	5.23
<b>Total Agriculture</b>	<b>7234</b>	<b>54.25</b>
Non Farm Sector (Msme)	4195	131.11
Other Priority Sector	222	8.73
<b>Grand total</b>	<b>11651</b>	<b>194.08</b>

## Recovery& Management of NPAs

	March 2018	March 2019	March 2020
NPAs at beginning of the year	66,51,66	67,50,25	834126
Added during the year	16,28,27	27,79,63	157991
NPAs upgraded to Standard Assets	2,67,01	59,23	43463
Recovered	4,00,87	4,89,20	14488
Written-off	8,61,80	6,40,19	55186
Total reduction during the year	15,29,68	11,88,62	113137
<b>Gross NPAs at the year-end</b>	<b>67,50,25</b>	<b>83,41,26</b>	<b>878980</b>
Gross NPAs as % of total advances	10.16%	11.87%	11.59%
NPAs net of provisions	42,20,16	38,40,81	255451
<b>Net NPAs as % of total advances</b>	<b>6.64%</b>	<b>5.46%</b>	<b>3.37%</b>

The following strategies were adopted to reduce/contain the NPAs:

1. NPA reduction team has been strengthened by posting of a senior officer and 4 others.
2. They are responsible for initiating action under SARFAESI, Suit Filed, vehicle seizure, closure of suit filed cases, AUC recovery etc.
3. NPA team continuously call borrowers under IRAC 1,2,4 and above for up-gradation of accounts.
4. Review mechanism has been put in place. Regular review meetings are being conducted.
5. More than Rs. 20.00 lack outstanding NPA account are being monitored by Chairman personally.
6. Chronic NPA branches have been allotted to senior officials.



**DCB as in June 2019**

Table: Demand Collection Balance (DCB) <i>(Rs in Lacs)</i>								
	Demand		Collection		Overdues		Recovery%	
	Jun '18	Jun'19	Jun '18	Jun'19	Jun '18	Jun'19	Jun '18	Jun'19
Farm/Priority Sector	23040	33263	15420	22900	7614	10363	66.93	68.84%
Non-Farm/Non-Priority Sector	7462	10173	6638	9353	824	819	88.96	91.95%
<b>Total</b>	<b>30493</b>	<b>43436</b>	<b>22056</b>	<b>32253</b>	<b>8438</b>	<b>11182</b>	<b>72.33</b>	<b>74.26%</b>

**Suit-filed under the SARFAESI Act**

Table: SARFAESI cases filed <i>(Rs in thousands)</i>			
Pending cases at the beginning of the year	Cases filed during the year	Total no. of cases filed	Amt. involved
37	08	45	131940

**Bakijai (Certificate) cases**

Table: Bakijai (Certificate) cases filed <i>(Rs in thousands)</i>				
	March 2019		March 2020	
	Accts.	Amt.	Accts.	Amt.
Pending at beginning of year	1919	100732	1958	104171
Settled during year	1	22	206	23371
Additional filed during year	40	3461	118	14420
Pending at the year-end	1958	104171	1870	95220

**Compromise settlements**

Table: Compromise settlement/OTS/Write-off <i>(Rs in thousands)</i>				
	March 2018		March 2019	
	Accts.	Amt.	Accts.	Amt.
Loans written-off	779	64776	607	75823
Out of which,				
Bad Debts debited	531	64019	308	52529
Compromise/One-Time settlement	248	757	299	50564





## Income Recognition and Asset Classification (IRAC)

	March 2019				March 2020			
	Secured	Unsecured	Total	Provision	Secured	Unsecured	Total	Provis'n
Standard	4536643	1657661	6194304	20154	4740351	1967001	6707352	22088
Sub-standard	201664	18393	220057	34848	162335	110597	272931	51999
Doubtful 1	112758	22367	135125	50556	33492	109083	142576	120457
Doubtful 2	190504	54885	245389	131987	20666	213837	234502	222103
Doubtful 3	12728	64806	77534	77534	0	96514	96514	96514
Loss	-	156021	156021	156021	0	132457	132457	132457
<b>Total</b>	<b>5054297</b>	<b>1974133</b>	<b>7028430</b>	<b>470200</b>	<b>4956844</b>	<b>2629488</b>	<b>7586332</b>	<b>645617</b>

## Internal Control System – Inspection & Audit

All activities of the Bank are subjected to internal audit function, which comprises three different types of audits namely (a) Risk Focused Internal Audit (RFIA), Snap Audit, and Concurrent Audit. The Risk Focused Internal Audit system has been implemented in the Bank from August 2017, as suggested by our Sponsor Bank i.e. State Bank of India. For further strengthening of the audit system the new format has been introduced with the following rating system parameters-wise marks

### Revised Rating

Well Controlled: A+  
Adequately Controlled: A  
Moderately Controlled: B  
Unsatisfactorily Controlled: C

### Range of Marks

>=850  
>700 and <=850  
>600 and <=699  
<600

## RFIA and Snap Audit

Inspection/Audit	Pending in Mar '19	Br. that became due during 2019-20	Total branches due in 2019-20	Inspected/audited during 2019-20
Internal Inspection	0	67	67	62
Snap Audit	0	89	89	88





### **Concurrent Audit**

Concurrent Audit as a mechanism of Management control and monitoring took concrete shape during the year with the appointment of three Concurrent Auditors from among retired personnel of the Bank as well as the sponsor bank. The Concurrent Auditors undertook Concurrent Audit of well over a third of the total number of branches, besides scrutinising of systems and procedures followed at the Head Office.

### **Information System (IS) Audit**

In compliance with NABARD and sponsor bank guidelines, Information Security (IS) Audit of the Bank was conducted from 9<sup>th</sup> to 11<sup>th</sup> October 2019 by Shri Swarup Kr Mukherjee, Auditor commissioned by the sponsor bank. The audit covered Head Office, Regional Office I and 10 of the larger branches and focused on hardware/software control at the branch-level, user management, maintenance of IT assets, customer management involving IT, and other related issues. A rectification report on points relating to the IS Audit Report has been submitted to NABARD.

### **NABARD Inspection under Section 35(6) of the Banking Regulation Act 1949**

The XIXth Statutory Inspection of the Bank under Section 35(6) of the Banking Regulation Act, 1949, with reference to the financial position as on March 2019, was conducted from 31<sup>st</sup> July to 17<sup>th</sup> August 2019 by Inspectors from NABARD Regional Office, Guwahati. The Bank's compliance remarks on points contained in the Statutory Inspection Report was submitted to NABARD within the stipulated period.

Weighted Average Marks Awarded during the inspection: 62%, Good .

### **Statutory Audit**

The closing accounts of the year were audited by M/s M.C. Bhandari & Co., Kolkata (as Statutory Central Auditor), and M/s D. Das & Associates and Amit O.P. Sharma & Co., Shillong, (as Statutory Branch Auditors). The Statutory Central Auditor has in his report confirmed that the Bank's Balance Sheet and statement of Profit and Loss Account were in compliance with the applicable accounting standards issued by the ICAI.

### **Financial Literacy Camps (FLCs)**

In course of 2019-20, a total of 1474 financial literacy camps were organized by the Bank's rural branches at village locations throughout the state. Instruction on credit-availing procedures, digital banking facilities, activation of KCC cards, the importance of timely repayment of loans and other such topics was disseminated in course of the FLCs. The largest number of FLCs during the year was arranged by \_\_\_\_\_ Branch and their performance in this regard has been duly recognised.



Expenses incurred in connection with organizing the FLCs were partly defrayed with financial assistance generously received from NABARD Regional Office, Shillong.

### Pradhan Mantri Jan Dhan Yojana (PMJDY)

Table: PMJDY accounts		
	No. of accounts	
	2019-20	Cumulative as on March 2020
Opened	14538	207288
RuPayDebit Cards issued	1687	81032

Ampati Branch had opened the highest number of PMJDY accounts during 2019-20.

### Prime Minister's Social Security schemes: PMJJBY, PMSBY, APY

Table: Enrolment under the Prime Minister's Social Security Schemes: 2019-20		
	Nos. of accounts	
	2019-20	Cumulative as on March 2020
PMJJBY	6698	24631
PMSBY	5470	29386
APY	327	2004
<b>Total</b>	<b>12495</b>	<b>56021</b>



The branches most active in implementation of the Prime Minister's social security schemes during 2019-20 were Markasa Branch (PMJJBY), Lumshnong Branch (PMSBY), and Tyrsad Branch (APY).

### BCs/CSPs

The 28 BCs/CSPs on the Bank's books extended critical support to selected branches in regard of such tasks as account opening, cash deposits and withdrawals, sourcing of loan applications, NPA recovery, enrolment under the government's social security schemes, and extension of micro-insurance coverage.

### RSETI, Nongstoin

Shri Omin Pohlong, Manager Scale II, took charge as Director: MRB-RSETI, Nongstoin from Shri Erming Nengnong, former Director, on 24<sup>th</sup> April 2018.

Table : Training programmes conducted by MRB-RSETI, Nongstoin: 2018-19				
Prog.	Topic	Duration	No. of trainees	Of whom, women
43 <sup>rd</sup>	Piggery Farming	15 <sup>th</sup> to 25 <sup>th</sup> April 2019	25	15
44 <sup>th</sup>	Poultry Farming	27 <sup>th</sup> May to 6 <sup>th</sup> June 2019	16	14
45 <sup>th</sup>	FL CRPs	10 <sup>th</sup> June to 15 <sup>th</sup> June 2019	30	30
46 <sup>th</sup>	EDP for PMEGP Beneficiaries	18 <sup>th</sup> June to 28 <sup>th</sup> June 2019	26	08
47 <sup>th</sup>	Piggery Farming	9 <sup>th</sup> to 19 <sup>th</sup> July 2019	19	19
48 <sup>th</sup>	Piggery Farming	23 <sup>rd</sup> July to 02 <sup>nd</sup> Aug 2019	26	17
49 <sup>th</sup>	Piggery Farming	20 <sup>th</sup> to 30 <sup>st</sup> Aug 2019	21	15
50 <sup>th</sup>	Piggery Farming	10 <sup>th</sup> to 20 <sup>th</sup> Sept 2019	25	09
51 <sup>st</sup>	Poultry Farming	15 <sup>th</sup> to 25 <sup>th</sup> Oct 2019	33	28
52 <sup>nd</sup>	Piggery Farming	12 <sup>th</sup> to 22 <sup>nd</sup> Nov 2019	26	19
53 <sup>rd</sup>	Poultry Farming	14 <sup>th</sup> to 24 <sup>th</sup> Jan 2020	27	19
54 <sup>th</sup>	Dairy/Vermi composting	18 <sup>th</sup> Feb to 28 <sup>th</sup> Feb 2020	34	18
	<b>TOTAL</b>		<b>308</b>	<b>211</b>
	Prior to 2019-20		832	487
	<b>Cumulative</b>		<b>1312</b>	<b>777</b>



## Cross-selling

Progress achieved in cross-selling of SBI Life Insurance and SBI General Insurance products during the year was as follows:

### SBI Life Insurance

Table: Cross-selling of SBI Life Insurance Co. products (Rs in thousands)		
	2018-19	2019-20
No. of new insurance policies sold	335	
New business insurance premium collected (Rs)	16018	27500
Total Commission Income (Rs.)	1980	4487
No. of CIFs in place	42	42
No. of MDRTs	3	3

### SBI General Insurance

Table: Cross-selling of SBI General Insurance Co. products (Rs in thousands)		
	2018-19	2019-20
No. of new insurance policies sold	2,170	3200
New business insurance premium collected (Rs)	3900	9012
Total Commission Income (Rs)	470	990
No. of Specified Persons (SPs)	2	7

## Best performers in cross-selling

The best performing branches in regard of cross-selling during the year were the following:

Table: Top achievers in Cross-Selling		
	SBI Life Insurance	SBI General Insurance
First	Shillong Branch	Shillong
Second	Demthring Branch	Iewduh
Third	Mawlai Branch	Demthring
Fourth	Iewduh Branch	Baridua
Fifth	Nongstoin Branch	Nongstoin





## Information Technology

The Bank had purchased its first PC in 1995 and subsequently initiated Total Branch Automation (TBA) on the Zenith InfoTech Banc 724 platform.

Migration to integrated networking via the TCS-developed Bancslink Core Banking Solutions (CBS) software was initiated in January 2011 and completed by June that year, with C-Edge Technologies Ltd, Mumbai as the Application Service Provider. All business units of the Bank are now connected via VSAT services managed by C-Edge Technologies Ltd and their implementing telecommunications partners viz., Tatanet (NELCO), Hughes & Airtel. The Bank's Head Office has a Leased Line for primary connectivity and VSAT for backup/secondary connectivity.

On 13<sup>th</sup> December 2015, agreement for extension of Service Level Agreement (SLA) for another 5 years, inclusive of WAN connectivity, was executed with C-Edge Technologies Ltd.

Several other packages of computerised facilities, such as money transfer via RTGS and NEFT, RuPay ATM-cum-Debit Cards, SMS and NEFT alerts, Mobile Banking, and Direct Benefit Transfers (DBT), are now available to customers of the Bank.

## Information Security

The ongoing thrust towards a cashless economy has necessitated greater reliance on technology. However the use of technology also requires that adequate safeguards and checks be in place. In light of the above, the Bank had commissioned an IS Audit of our Head Office, Regional Office and 10 branches by a qualified IS Auditor during 2018-19.

## Mobile Banking

The Bank completed User Acceptability Testing (UAT) for Mobile Banking in March 2017 and had rolled out Mobile Banking services for its customers in April 2017. The MRB Mobile Banking app has been well accepted by the Bank's urban as well as rural customers. Mobile Banking facilitates remittance of funds through NEFT, IMPS, and transfer transactions within the Bank, and also balance enquiries. Customers can also hot-list ATM cards for their accounts through the App. This has enabled the Bank to attract new customers and retain existing customers. More than 2000 customers have since availed our Mobile Banking services. The volume of transactions that took place during the year through different payment channels via mobile banking are as under:

NEFT		IMPS		UPI		Intra-Bank transfer	
No. of transactions	Value (in Crs.)	No. of transactions	Value (in Crs.)	No. of transactions	Value (in Crs.)	No. of transactions	Value (in Crs.)
9602	7.59	18910	14.12	115068	14.77	8870	8.6



## Unified Payment Interface (UPI) services

The Bank went live for Unified Payments Interface (UPI) in January 2018. Customers can now download Bharat Interface for Money (BHIM) App and transact on their respective Bank accounts 24×7×365. Bharat Interface for Money (BHIM) is a payment app that lets you make simple, easy and quick transactions using Unified Payments Interface (UPI). Direct bank payments to anyone on UPI using their UPI ID or scanning their QR with the BHIM app can be done. During 2019-20, transactions involving an amount of Rs.14.77 crore had taken place through UPI.

## Internet Banking

The Bank had completed User Acceptability Testing (UAT) for Internet Banking (INB) in September 2014 and rolled out Retail INB for its customers with view rights only in March 2016. While transaction rights are yet to be given by RBI, the existing facility has fetched a good response from institutional, business and SME segment customers as access to account statements is greatly simplified.

## RTGS / NEFT

In December 2011, the Bank rolled-out its National Electronic Fund Transfer (NEFT) facility under sub-membership of State Bank of India, and with sponsor bank assistance also introduced RTGS at around the same time. Currently, the NEFT facility is also available via the MRB Mobile Banking App, making this payment channel more accessible to our customers.

## ATM Cards

In May 2013, NPCI on-boarded the Bank on the RuPay ATM platform as a sub-member Bank with SBI as the sponsor bank. The first ATM cards were delivered to staff and customers in June 2013. The total number of ATM cards issued by the Bank up to the 2019-20 FY ending is as under:

	No. of Accounts	No. of Cards issued
Savings Bank Accounts	686884	140256
PMJDY Accounts	207288	81032

Meghalaya Rural Bank was certified as an Issuer Bank on the RuPay Global Clearing & Settlement System (RGCS) in January 2015. This has enabled customers of the Bank issued with RuPay Debit Cards to swipe their cards in PoS Machines installed at merchant establishments for making financial transactions.

An e-Commerce product facilitating use of the Bank's RuPay ATM Debit Cards for online shopping and payment of utility bills was launched on 12th January 2016.



### PoS Machine installation

On 23rd October 2017, the Bank entered into an agreement with SBI for Merchant Acquiring Business and deployment of Point of Sale (PoS) machines to merchants having accounts with Meghalaya Rural Bank. A total of 18 merchant establishments have since been provided with PoS machines, thus furthering the national objective of progressing towards a more cashless society by the 2018-19 FY ending.

### AEPS

To enable our customers to increase cashless transactions at merchant establishments using their Aadhaar-linked Meghalaya Rural Bank account, the Aadhaar Pay (Issuer) facility was launched by the Bank. Through use of the Aadhaar payment apps, customers of the Bank are able to carry out cashless transactions at various retail outlets.

### Right to Information Act

Ten applications seeking information under the Right to Information Act, 2005 were received during 2018-19. Each of these applications was responded to within the stipulated time-frame.

### Human Resource Management

#### Staff strength

*Table: Staff position as on 31<sup>st</sup> March 2020*

Designation	Total	Out of total, STs	Out of total, women
Chief Managers (Scale IV)	06	02	00
Senior Managers (Scale III)	19	10	04
Managers (Scale II)	40	35	22
Assistant Managers (Scale I)	107	67	32
<b>Officers: total</b>	<b>172</b>	<b>114</b>	<b>58</b>
Office Assistants (Multipurpose)	128	116	42
Office Attendants (Multipurpose)	97	94	45
<b>Staff: total</b>	<b>225</b>	<b>210</b>	<b>87</b>
As % of total staff strength	-	93.33	38.66

#### Promotions

Based on a promotion exercise set in motion in June 2019, 1 officer was promoted from Scale III to Scale IV grade, 1 from Scale II to Scale III grade, and 6 from Scale I to Scale II grade. Also, 7 Office Assistants were promoted to Officers Scale I, and 2 Office Attendants to the Office Assistants cadre. The promotions took effect from 11<sup>th</sup> December 2019.



## Recruitment

Based on the outcome of IBPS's CRP (Common Recruitment Process) RRBs VI, 08 new recruits joined the Bank in course of the year as Officers Scale I and 14 as Office Assistants.

## Training

Several in-house seminars and training programmes were organised for staff of the Bank. The programmes included orientation courses held in February 2020 for new recruits and promotees to the Officer Scale I and Office Assistant cadres.

The Bank also, on behalf of IBPS, undertook pre-examination training (PET) in Shillong from 21<sup>st</sup> July to 1<sup>st</sup> August 2018 for reserved seat categories of candidates appearing for the CRP VII for RRBs. 208 candidates for the posts of officers and 572 for the posts of Office Assistants attended the training.

## Industrial relations

Industrial relations remained on an even keel with the various associations of officers and employees of the Bank cooperating constructively with the Management throughout the year.

## Payment of pensions

Following the order of the Hon'ble Supreme Court order and publication of notifications by the Government of India regarding grant of pension to employees of RRBs, the Bank completed various relevant procedures, including adoption and registration of a Pension Trust Deed, setting up a Trusteeship for the Meghalaya Rural Bank Employees' Pension Fund, and establishment of a Pension Cell at Head Office.

## Settlement of terminal benefits

No effort was spared to enable release of terminal benefits to staff who retired during the year within a month of the staff proceeding into retirement.

## Vigilance administration

The role of the Bank's Chief Vigilance Officer (CVO) was undertaken by a Chief Manager deputed from the sponsor bank. The CVO handled vigilance-related issues, internal disciplinary cases, as well as complaints redressal.

As part of efforts to strengthen preventive vigilance, the CVO undertook regular branch visits and formulated guidelines and policies to improve security and sensitise staff to the ever lurking risk of fraud inherent in day-to-day banking operations.

Vigilance Awareness Week was observed by the Bank from 28<sup>th</sup> October to 2<sup>nd</sup> November 2019 as per advice of the Central Vigilance Commission (CVC). This theme of this year's observance was 'Eradicate Corruption – Build a New India' and included taking of a Vigilance Pledge by functionaries



of the Bank on 28<sup>th</sup> October and convening of special preventive vigilance meetings at the branch and controlling office/Head Office levels.

### Board of Directors

The following were the Directors who joined/retired from the Board during the year:

**Shri Shantanu Sharma**, CEO, MSRLS, Shillong, w.e.f. 23.05.2019

**Shri Seema Dikshit**, Deputy General Manager, LHO, Guwahati, w.e.f. 24.12.2019,

**Smt. Lipy Deori**, Assistant General Manager, NABARD..

The Board appreciated the services rendered by the out-gone Directors and extended a warm welcome to the newly-appointed Directors.

Meetings of the Board during 2019-20 were convened on 08<sup>th</sup> May, 21<sup>st</sup> June, 30<sup>th</sup> August, 01<sup>st</sup> November, 17<sup>th</sup> December(2019), and 28<sup>th</sup> February (2020). The record of attendance at the meetings is as under:

Table: Attendance of Directors at Board Meetings held during 2019-20			
Director	Designation	Appointed on:	No. of meetings attended
Shri Dilip K. Guha	Chairman	7 <sup>th</sup> August 2017	6
Smt A.T. Lyndem	SBI nominee	15 <sup>th</sup> November 2016	3
Shri M. Papiwal	SBI nominee	5 <sup>th</sup> February 2019	5
Shri P. Gangte	RBI nominee	9 <sup>th</sup> September 2017	5
Shri S.D. Rohilla	NABARD nominee	6 <sup>th</sup> June 2018	3
Shri E. Y. Chen	State Govt. nominee	15 <sup>th</sup> July 2016	2
Shri Shantanu Sharma	State Govt. nominee	23.05.2019	2
Shri Seema Dikshit	SBI Nominee	24.12.2019	0
Smt. Lipy Deori	NABARD Nominee	03.12.2019	2



The following policies were adopted by the Board in course of the year with a view to augmenting the Bank's procedural set-up and streamlining its operations:

Table: Policies adopted by the Board during 2019-20	
i	Cyber Security policy & Standards
ii	Hand Book on vigilance administration & disciplinary action
iii	Disaster recovery and Business continuity plan for Branches
iv	Policy for extending legal & financial support to :
	i) Member Board of Directors,
	ii) Officer on deputation from sponsor bank &
	iii) Officers and employees of MRB:
v	MRB: Learning and Development policy.
vi	Outstanding policy
vii	Fraud Management Policy.

A couple of agenda items were moved for approval of the Board by circulation of papers. Each of the agenda was placed to and ratified by the Board at meetings that immediately followed from date of approval of the agenda.

### Acknowledgements

The Board of Directors of the Bank would like to express their sincere gratitude for the continued trust and patronage received from the customers who have stood with the Bank all through. The feedback received from customers by way of suggestions/complaints/interactions during the meeting on the service element have helped the Bank to take corrective measures and new initiatives to improve our efficiency levels.

The Board takes immense pleasure in expressing their gratitude for the guidance and cooperation received from the Government of India, Government of Meghalaya, Reserve Bank of India, NABARD and State Bank of India and for the steady fast support extended by them to the Bank throughout FY 2019-20. In this connection, special acknowledgement is made to the Ministry of Finance, New Delhi; the Hon'ble Chief Minister, Chief Secretary, Finance Department, and Deputy Commissioners of Meghalaya; Reserve Bank of India's Central Office, Mumbai and Regional Office, Shillong; NABARD Head Office, Mumbai and Regional Offices, Shillong and Guwahati; and SBI Corporate Centre, Mumbai/ Local Head Office, Guwahati/ Administrative Office, Shillong/ and its Shillong, Laitumkhrah, and G.S. Road branches.



We will be failing in our duty if we do not acknowledge the help extended by RBI, Shillong, NABARD, Shillong and State Bank of India, Local Head Office, Guwahati, State Bank of India, Shillong B&O in sparing their officers to be members of the Selection committees constituted for promotions.

The Board also expresses its gratitude to all Public Relations Officers, Print and Electronic media for their cooperation in giving wide publicity for the Bank. The Board also thanks the Officers Association, Employees Union and SC/ST Welfare Association for their constructive role played in overdevelopment of the Bank.

Words are not adequate to recall the excellent performance, sense of involvement, ownership and dedicated services rendered by each and every staff member in achieving the sustained business growth and profit targets set out for the year. Amazing work by the individuals is always valued and kept on record.

For and on behalf of the Board of Directors of  
Meghalaya Rural Bank

**(Dilip Kumar Guha)**  
**Chairman**

Shillong: 30<sup>th</sup> June 2020



**M.C. Bhandari & Co**  
CHARTERED ACCOUNTANTS

4, Synagogue Street  
(Behind Central Bank, Brabourne Road  
Kolkata - 700 001 (India)  
Phone : (O) 2242 6077 / 2231 6526  
Tele Fax : 033 2242 1053  
E : mcbncokol@gmail.com  
mail@mcb.net.in  
web : mcb.net.in

## STATUTORY CENTRAL AUDITOR'S REPORT

**To**  
**Members of Meghalaya Rural Bank**  
**Shillong**

### 1. Qualified Opinion

We have audited the accompanying financial statements of **MEGHALAYARURALBANK** (Bank) as at March 31, 2020, which comprises the Balance Sheet as at March 31, 2020 and Profit and Loss Account for the year then ended, and a summary of significant accounting policies, notes and other explanatory Information (Financial Statements). Incorporated in these financial statements are the returns of:

- i. The Head Office, 20 Branches audited by us;
- ii. 30 Branches audited by Other Auditors.

The branches audited by is and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the bank by the National Bank for Agriculture and Rural Development (NABARD). Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 40 branches (including other accounting units/regional offices) which have not been subjected to audit. These unaudited branches account for 24.70% percent of advances, 31.90% percent of deposits, 23.37% percent of interest income and 32.47% percent of interest expenses.

2. In our opinion as shown by books of the Bank and to the best of our information and according to the explanations given to us, except for the effects of the matters as described in the Basis of Qualified Opinion paragraph of our report, the above referred Financial Statements given the information required by the Regional Rural Bank Act 1976, Banking Regulation Act 1949 and the directions issued by the Reserve bank of India (RBI) and National bank for Agricultural & Rural Development (NABARD), in the manner so required for the Bank and in conformity with the accounting principles generally accepted in India and give true and fair view in case of Balance Sheet, of the state of affairs of the bank as at 31st March 2020 and its Profit for the year ended on that date.



### 3. Basis for Qualified Opinion

Bank has not complied and made necessary disclosures as required under the following Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI)

1. Accounting Standard 3 - Cash Flow Statement
2. Accounting Standard 15 - Employee Benefits
3. Accounting Standard 9 - Leases.
4. Accounting Standard 22 - Accounting for Taxes on Income.

The resultant financial and disclosure impact on the accounts could not be ascertained.

We conducted our audit in accordance with the Standards on Auditing (SAs) Issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the applicable and relevant provision of the Regional Rural Bank Act 1976, Banking Regulation Act 1949 and the rules made there under as well as the relevant directions issued by RBI and NABARD. We have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe the audit evidence, that we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### 4. Key Audit Matter

<b>Income Recognition, classification of Loans and Advances and provision thereon</b>	
<b>Key Audit Matter</b>	<b>Audit Approach</b>
<p>The advances portfolio of the Bank constitutes of 27.08% of the total assets, which is the significant part of the financial statements. Bank is required to comply with the Reserve Bank of India's (RBI) directions on Income recognition, asset classification and provisioning as regards to the financial management of its advance portfolio. Further, bank has also laid down its own internal policies, in line with the directions as laid down by the RBI with reference to credit appraisal, monitoring, recovery, restructuring etc. Considering the volume of advance portfolio, regulatory and management supervision and complexity of its management, we have considered the same to be a Key Audit Matter.</p>	<p>We had obtained understanding from the Bank about the controls built in the system, checks and balances incorporated with respect to adherence to the RBI guidelines and related Bank's Policies for identification of non - performing assets, provisioning and had accordingly planned and executed our audit procedures.</p> <p>Further, to above, we have also audited the Top 20 branches of the bank and have relied on the report of branch auditor in respect of 30 branches and management certified returns and statements in respect of unaudited branches. MEGHALAYA RURAL BANK ANNUAL REPORT : 2019-20 MEGHALAYA RURAL BANK ANNUAL REPORT : 2019-20</p>





	<p>Our audit procedures amongst other matters, included the following :</p> <ol style="list-style-type: none"><li>a) Review of design and operating effectiveness of major controls around the process of advance monitoring which includes amongst others, areas like (i) proper assessment of drawing power, (ii) valuation of securities (iii) compliance of post disbursement conditions (iv) Security charge creation etc.</li><li>b) On a sample basis, review of the borrower records and agreements executed by the Bank with its borrowers, especially with reference to credit appraisal, documentation, security creation etc.</li><li>c) Test Checking of Interest income credited in the books, with reference to sanction terms, conduct of the account and the relevant CBS records and books of account</li></ol> <p>we have also referred various reports of the internal/regulatory inspection, concurrent auditors etc also carried out the evaluation of the design and application of various IT related general and specific controls associated with the management of credit portfolio of the Bank.</p>
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## 5. Emphasis of Matter

Reference is invited to note no 8 of Schedule 18 to the financial statements, the bank has recognized provision on standard loan assets, for which moratorium benefit has been granted, in accordance with the Reserve bank of India COVID 19 Regulatory Package. Further, the extent to which the pandemic COVID 19 will have impact on the Bank's financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of the above matter.

## 6. Information other than the Financial Statements and Auditor's Report Thereon

The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

## **7. Responsibilities of Management and Those Charged with Government for the Financial Statements**

The Bank's Board of Directors is responsible for preparation of these financial statements that give a true and fair view of the financial position and financial performance of Bank in accordance with the applicable provisions of Regional Rural bank Act, 1976, Banking Regulations Act, 1949, applicable guidelines of Reserve bank of India/NABARD accounting principles generally accepted in India, including the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due of fraud or error.

In preparing the financial statements, management is responsible for assessing the bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

## **8. Auditor's Responsibilities for the Audit of the Financial Statements.**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit, we also :



Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## 9. Other matter

We did not audit the financial statements / information of 30 branches including in the financial statements of the Bank whose financial statements / financial information reflect total advances of Rs. 10892.80 Lakhs as at 31st March 2020 and total interest on advance income of Rs. 852.70 lakhs for the year ended on that date, as considered in the financial statements.

The financial statements / information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosure included in respect of branches, are based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

## 10. Report on Other Legal and Regulatory Requirements

- i. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of the banking Regulation Act, 1949;
- ii. Subject to the limitations of the audit as indicated in paragraphs 7 to 8 above, we report that:
  - a) We have obtained all the information and explanation which, to the best of our knowledge and belief, were necessary for the purposes of our 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; and
  - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

## 11. We further report that :

- a) In our opinion, proper books of account as required by law have been kept by the bank so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- b) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us
- c) The report on the accounts of the branch offices audited by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report; and

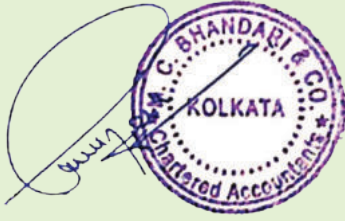


- d) Except for the matters described in our basis of qualified opinion section of the report, the Balance Sheet, and Profit and Loss Account comply with the applicable accounting standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For M C Bhandari & Co.  
Chartered Accountants  
FRN : 303002E

(Neeraj Jain)  
Partner

M. No : 064393  
UDIN – 20064393AAAAIL8776



Date : 11. 05. 2020  
Place : Kolkata



**MEGHALAYA RURAL BANK**  
Head Office : Shillong  
Balance Sheet As at 31st March 2020

(Rs. in 000)

Particulars	Schedule	Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
<b>CAPITAL AND LIABILITIES</b>			
Capital	1	25,976.00	25976.00
Reserve and Surplus	2	1607613.00	1602170.00
Deposits	3	22658864.00	21362597.00
Borrowings	4	370912.00	323945.00
Other liabilities and provisions	5	1050188.00	1011879.00
<b>TOTAL</b>		<b>25713553.00</b>	<b>24326567.00</b>
<b>ASSETS</b>			
Cash and Bank Balance with RBI	6	1061941.00	981,946.00
Balance with Bank & Money at Call and Short notice	7	10916507.00	10552669.00
Investments	8	5394200.00	5150960.00
Advances	9	6962802.00	6578385.00
Fixed Assets	10	79203.00	62541.00
Other Assets	11	1298900.00	1000066.00
<b>TOTAL</b>		<b>25713553.00</b>	<b>24326567.00</b>
Contingent Liabilities	12	178481.00	46644.00

Summary of Significant Accounting Policies

Notes to Accounts

Schedules as referred to above forms an integral part of the financial statements

As per our report of even date

For M.C. Bhandari & Co.

Chartered Accounts

Firm Registration No. : 303002E

Neeraj Jain  
(Partner)

Membership No. 064393



Place : Shillong

Date : 11th May 2020

For Meghalaya Rural Bank

Clotilda Marbaniang (General Manager)
   
 S.K. Kumar Guha (Chairman)
   
 M.Y. Choudhury (Director)
   
 Institutional Finance & Ex-Officio
   
 Joint Secy. to the Govt. of Meghalaya
   
 Finance (Economic Affairs) Deptt.
   
 G.O.
   
 11-05-2020
   
 ৪০/- obtained.
   
 (Anurag Kumar Guha)
   
 ৪০



## MEGHALAYA RURAL BANK

Head Office : Shillong

Statement of Profit & Loss for the year ended 31st March 2020 (Rs. in 000)

	Particulars	Schedule	Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
1.	<b>Interest Earned</b>	13	1758794.00	1701949.00
	a. Interest / Discount on Advances/Bills		670019.00	677385.00
	b. Interest on Investments		417313.00	476654.00
	c. Interest on Balances with RBI and other Inter Bank Funds		0.00	0.00
	d. Interest on Deposits with Bank		671462.00	547910.00
2.	<b>Other Income</b>	14	117250.00	110608.00
	i. Commission, Exchange and Brokerage		16804.00	18111.00
	ii. Miscellaneous Income		100446.00	92497.00
3.	<b>TOTAL (1+2)</b>	15	1876044.00	1812557.00
4.	<b>Interest Expended</b>		975073.00	873698.00
5.	<b>Operating Expenses</b>	16	430630.00	450037.00
	a. Employees Costs		290311.00	311111.00
	b. Other Operating Expense		140319.00	138926.00
6.	<b>Total Expenditure excluding Provisions and Contingencies (4+5)</b>		1405703.00	1323735.00
7.	<b>Operating Profit before Provisions and Contingencies (3-6)</b>		470341.00	488822.00
8.	<b>Provision (other than Tax) and Contingencies</b>		435954.00	470996.00
9.	<b>Exceptional Items</b>		--	--
10.	<b>Profit / Loss from Ordinary Activities before Tax (7-8 -9)</b>		34387.00	17826.00
11.	<b>Tax Expense</b>		28944.00	9775.00
	a. Provision for Taxation		28944.00	9775.00
	b. Deferred Tax Asset		0.00	0.00
12.	<b>Net Profit for the period for Ordinary Activities after Tax (10-11)</b>		5443.00	8051.00
13.	<b>Extra-ordinary items (net of tax expenses)</b>		--	--
14.	<b>Net Profit/Loss for the period (12-13)</b>		5443.00	8051.00
15.	<b>APPROPRIATION</b>			
	a. Net Profit/Loss for the period		5443.00	8051.00
	b. Brought forward Profit		1065703.00	1059665.00
	c. Transfer to Statutory Reserves		1361.00	2013.00
	<b>Profit / Loss carried over to Balance Sheet</b>		1069785.00	1065703.00
16.	<b>Basic and Diluted Earning Per Share</b>		2.10	3.10

Summary of Significant Accounting Policies

Note to Accounts

Schedules as referred to above forms an integral part of the financial statements

As per our report of even date  
For M.C. Bhandari & Co.  
Chartered Accountants  
Firm Registration No. : 303002E

Neeraj Jain  
(Partner)  
Membership No. 064393

Place : Shillong  
Date : 11th May 2020



For Meghalaya Rural Bank

Clotilda Marbaniang  
(General Manager)

Dilip Kumar Guha  
(Chairman)

Y. Chandra  
(Director)

11-05-2020

Director  
Institutional Finance & Ex-Officio  
Joint Secy. to the Govt. of Meghalaya  
Finance (Economic Affairs) Deptt.  
(G.O.)

80/- obtained  
over mail  
(Anurag Bapna)



## MEGHALAYA RURAL BANK

Head Office : Shillong

Schedules forming part of Balance Sheet As at 31st March 2020

### SCHEDULE - I: SHARE CAPITAL

(Rs. in 000)

Particulars	Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
<b>Authorised Capital</b> (200,00,000,00 Equity Shares of Rs. 10/- each)	20000000	20000000
<b>Issued Capital</b> (25,97,600 Equity Shares of Rs. 10/- each)	25976	25976
<b>Subscribed Capital</b> (25,97,600 Equity Shares of Rs. 10/- each)	25976	25976
<b>Called up Capital</b> (25,97,600 Equity Shares of Rs. 10/- each)	25976	25976
Less : Call unpaid	-	-
Add : Forfeited Share	-	-
<b>TOTAL</b>	<b>25976</b>	<b>25976</b>





## SCHEDULE - 2 : RESERVES AND SURPLUS

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
<b>I</b>	<b>Statutory Reserve</b>		
	i) Opening Balance	536467	534454
	ii) Addition during the year	1361	2013
	iii) Deduction during the year	-	-
<b>Total</b>		<b>537828</b>	<b>536467</b>
<b>II</b>	<b>Capital Reserve</b>		
	i) Opening Balance	-	-
	ii) Addition during the year	-	-
	iii) Deduction during the year	-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>III</b>	<b>Share Premium</b>		
	i) Opening Balance	-	-
	ii) Addition during the year	-	-
	iii) Deduction during the year	-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>IV</b>	<b>Revenue and other reserves</b>		
	i) Opening Balance	-	-
	ii) Addition during the year	-	-
	iii) Deduction during the year	-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>V</b>	<b>Balance in Profit and Loss Account</b>		
	i) Opening Balance	1065703	1059665
	ii) Addition during the year	4082	6038
	iii) Deduction during the year	-	-
<b>Total</b>		<b>1069785</b>	<b>1065703</b>
<b>GRAND TOTAL (I+II+III+IV+V)</b>		<b>1607613</b>	<b>1602170</b>





### SCHEDULE - 3 : DEPOSITS

(Rs. in 000)

Particulars			Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
A	I	<b>Demand Deposits</b>		
		i From Bank	--	--
		ii From Others	1148461	1558037
	II	Savings Bank Deposits	14347249	13259306
	III	Term Deposits		
		a. From Banks	--	--
		b. From Others	7163154	6545254
<b>Total</b>			<b>22658864</b>	<b>21362597</b>
B	i	Deposits of Branches in India	<b>22658864</b>	21362597
	ii	Deposits of Branches out side India	--	--
	<b>Total</b>			<b>22658864</b>

### SCHEDULE - 4 : BORROWINGS

(Rs. in 000)

Particulars			Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)	
I	<b>Borrowings in India</b>				
	i	Reserve Bank of India	--	--	
	ii	Other Banks	--	--	
		a State Bank of India	22250	22250	
		b Others	--	0	
	<b>Total</b>			<b>22250</b>	<b>22250</b>
	iii	Other Institutions and Agencies :			
		a	NABARD	317531	282863
		b	NSTFDC	31131	18832
	<b>Total</b>			<b>348662</b>	<b>301695</b>
II	<b>Borrowings outside India</b>		--	--	
<b>Grand Total (I+II)</b>			<b>370912</b>	<b>323945</b>	



## SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
I	Inter Office Adjustments (Net)	1186	1424
II	Interest Accrued on :		
	a] Deposits	350494	331949
	b] Borrowings	1418	967
	<b>Total Interest Accrued</b>	<b>351912</b>	<b>332916</b>
III	Provisions for		
	a] Audit Fees	563	878
	b] Gratuity	2842	7804
	c] Leave Encashment	-	6060
	d] Standard Assets	37944	20155
	e] Inter Branch Item in Transit	-	1034
	f] Income Tax	386532	357588
	g] Fixed Assets	-	1182
	h] Stationary Stock	-	3472
	i] Wage Revision Arrears	25817	17562
	j] Bonus	338	566
	k] Investment Fluctuation Reserve	3514	3514
	l] RBI DEAF Notional Interest	-	37
	m] National Pension Scheme	-	287
	n] Pension	146630	160300
	o] RBI Deaf Claim Receivable	21	-
	p] System Suspense Account	1046	-
	q] Demand Draft Received Realisation	265	-
	r] Amount receivable from MRB Accounts	3145	-
	s] Unreconciled entries with Bank Accounts	3326	-
	<b>Total Provisions</b>	<b>611983</b>	<b>580439</b>
IV	Other Liabilities		
	i] Subsidy Reserve Fund	14614	25930
	ii] Deposits received on account of SBI Cheques Issued	2130	2480
	iii] ATM Settlement	-	15421
	iv] NEFT/RTGS/UIPI/IMPS Settlement Account	-	32926
	v] Credit Balance in Advances Accounts	7924	4212
	vi] Subsidy received for RSETI	625	625
	vii] RSETI Construction Fund	3900	3900
	viii] NABARD FLC Fund	-	571
	ix] TDS Payable	2052	2516
	x] Pradhan Mantri Social Security Scheme	217	12
	xi] Goods & Service Tax	5074	3948
	xii] Liability for unreconciled/suspense balances	43881	4401
	xiii] Sundry Expenses Payable	966	158
	xiv] Demand Draft Received Realisation	3724	-
	<b>Total Other Liabilities</b>	<b>85107</b>	<b>97100</b>
	<b>GRABD TOTAL (I+II+III+IV+V)</b>	<b>1050188</b>	<b>1011879</b>





**SCHEDULE - 6 : CASH AND BALANCE WITH RESERVE  
BANK OF INDIA**

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
I	Cash in hand (including Foreign Currency Notes)	120257	100262
II	Balance with Reserve Bank of India		
	i. In Current Account	941684	881684
	ii. In Other Accounts	--	--
<b>Total</b>		<b>941684</b>	<b>881684</b>
<b>GRAND TOTAL (I+II)</b>		<b>1061941</b>	<b>981946</b>

**SCHEDULE - 7 : BALANCES WITH BANKS AND MONEY AT CALL AND SHORT  
NOTICE**

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
A	<b>In India</b>		
	I Balances with Banks		
	a In Current Account	753297	880297
	b In Other Deposits Accounts	10163210	9672372
	<b>Total</b>	<b>10916507</b>	<b>10552669</b>
	II Money at call and short notice:		
	a With Banks	--	--
	b With other Institutions	--	--
	<b>Total (I+II)</b>	<b>10916507</b>	<b>10552669</b>
B	<b>Outside India</b>		
	i In Current Account	--	--
	ii In Other Deposit Accounts	--	--
	iii Money at call and short notice	--	--
	<b>Total</b>	<b>--</b>	<b>--</b>
<b>GRAND TOTAL (A + B)</b>		<b>10916507</b>	<b>10552669</b>





## SCHEDULE - 8 : INVESTMENTS

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
I	Investment in India		
	i Government Securities	4809200	4761160
	ii Other Approved Securities	--	--
	iii Shares	--	--
	iv Debentures and Bonds	--	--
	v Subsidiaries and/or Joint Ventures	--	--
	vi Others - Mutual Fund	585000	389800
	<b>Total</b>	<b>5394200</b>	<b>5150960</b>
II	Investment outside of India		
	a Government Securities (Including Local Authorities)	--	--
	b Subsidiaries and /or Joint Ventures	--	--
	c Other Investments	--	--
	<b>Total</b>	<b>--</b>	<b>--</b>
<b>GRAND TOTAL (I + II)</b>		<b>5394200</b>	<b>5150960</b>





**SCHEDULE - 9 : ADVANCES**

(Rs. in 000)

Particulars			Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)	
A	i	Bills purchased and discounted	--	--	
	ii	Cash Credit, Overdraft, and Loans Repayable on Demand	2857040	3715666	
		iii	Term Loans	4105762	2862719
<b>Total</b>			<b>6962802</b>	<b>6578385</b>	
B	a	Secured by Tangible Assets	4900456	5097500	
	b	Covered by Bank/Govt. Guarantee	--	--	
	c	Unsecured	2062346	1480885	
<b>Total</b>			<b>6962802</b>	<b>6578385</b>	
C	I	<b>Advances in India</b>			
		i	Priority Sector	4200382	4185693
		ii	Public Sector	--	--
		iii	Banks	--	--
		iv	Others	2762420	2392692
<b>Total</b>			<b>6962802</b>	<b>6578385</b>	
	II	<b>Advance outside India</b>			
		a	Due from Banks	--	--
		b	Due from others	--	--
		e	Others	--	--
<b>Total</b>			<b>--</b>	<b>--</b>	
<b>Grand Total</b>			<b>6962802</b>	<b>6578385</b>	





## SCHEDULE - 10 : FIXED ASSETS

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
<b>I</b>	<b>Land</b>		
	i At cost as on 31st March of preceding year	15840	15840
	ii During during the year	--	--
	iii Deductions during the year	--	--
	<b>Total</b>	<b>15840</b>	<b>15840</b>
<b>II</b>	<b>Building</b>		
	a At cost as on 31st March of preceding year	--	--
	b During during the year	--	--
	c Deduction during the year	--	--
	<b>Total</b>	<b>--</b>	<b>--</b>
<b>III</b>	<b>Other Fixed Assets</b>		
	i At cost as on 31st March of the preceding year	165692	151325
	ii Addition During the year	27697	14959
	iii Deductions During the year	1182	592
	iv Depreciation to date	128844	118991
	<b>Total</b>	<b>63363</b>	<b>46701</b>
<b>Grand Total (I+II+III)</b>		<b>79203</b>	<b>62541</b>





## SCHEDULE - 11 : OTHERASSETS

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
i	Interest Accrue on		
	a Investments	392939	445389
	b Loans & Advances	4202	3368
	<b>Total</b>	<b>397141</b>	<b>448757</b>
ii	Advance Income Tax	510957	485657
iii	Stationery	1397	4608
iv	Stamps	76	78
vi	Branch Clearing Account	47763	12668
vii	Advance for capital asstes and expenses	118	5658
viii	Unamortorised Premium on Investment	16763	20598
ix	Agl. Interest Subvention Account	--	200
xi	Others		
	a Interbank Settlement Account	299318	2599
	b RBI DEAF Notional Interest	21	58
	c GST Credit Input	4671	3557
	d Demand Draft Received Realisation	--	15628
	e Income Tax paid against disputed demand	17530	--
	f Receivable from MRB Pension Trust	3145	--
	<b>Total</b>	<b>324685</b>	<b>21842.35</b>
	<b>Grand Total</b>	<b>1298900</b>	<b>1000066</b>





## SCHEDULE - 12 : CONTINGENT LIABILITIES

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
i	Claims against the Bank not acknowledged as debt	87648	--
	- Disputed Income Tax		
ii	Liability for partly paid investments	--	--
iii	Liability on account of outstanding forward exchange contracts	--	--
iv	Guarantees given on behalf of Constituents - In India	88225	44057
v	Acceptance, Endorsements and Other Obligations	--	--
vi	Other items for which the Bank is contingently liable (Depositor Education and Awareness Fund)	2608	2550
<b>Total</b>		<b>178481</b>	<b>46607</b>

## SCHEDULE - 13 : INTEREST EARNED

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
Interest / Discount on Advances / Bills		670019	677385
Interest on Investments		417313	476654
Interest on Balance with RBI and other Bank Funds		--	--
Others			
	- Interest on TDR/STDR with Banks	671462	547910
<b>Total</b>		<b>1758794</b>	<b>1701949</b>





### SCHEDULE - 14 : OTHER INCOME

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
i	Commission, Exchange and Brokerage and Others	16804	18111
ii	Recovery in written-off loan accounts	22557	13566
iii	Profit on Sale of Investments	--	217
iv	Commission on Bank assurance Business	4502	2097
v	Miscellaneous Income		
a	Inspection Charge on Loans and Advances	25612	21993
b	Leave Encashment Reimbursement from SBI Life	9997	3897
c	ATM Alert Charge	4221	2899
d	ATM Charges	4235	3586
e	Subsidy received from NABARD	4500	--
f	Provision no longer required, written-back	24822	44242
	<b>Total</b>	<b>73387</b>	<b>76617</b>
	<b>Grand Total</b>	<b>117250</b>	<b>110608</b>

### SCHEDULE - 15 : INTEREST EXPENDED

(Rs. in 000)

Particulars	Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
Interest on deposits	959465	859711
Interest on RBI/Inter Bank Borrowings	15608	13987
Others	--	--
<b>Total</b>	<b>975073</b>	<b>873698</b>





## SCHEDULE - 16 : OPERATING EXPENSES

(Rs. in 000)

Particulars		Current Year (As on 31.03.2020)	Previous Year (As on 31.03.2019)
i	Salary Payments and Provisions to Employees	290311	311111
ii	Rent, Taxes and Lighting	22341	19613
iii	Printing and Stationery	3632	2614
iv	Advertisement and Publicity	626	421
v	Directors' Fee, Allowances and Expenses	--	--
vi	Depreciation on Bank's Property	9853	10833
vii	Auditor's Fee and Expenses	746	878
viii	Legal Charges	165	34
ix	Postage & Telephone Charges	1944	1419
x	Repairs and Maintenance	725	2969
xi	Insurance	23298	21265
xii	Travelling and Conveyance Expenses	9252	9702
xiii	Medical Expenses	6099	4294
xiv	CBS Expenses	27757	24772
xv	AMC for Hardware	1554	1197
xvi	Newspaper, Books and Periodicals	840	851
xvii	Computer Expenses	482	301
xviii	Fuels & Lubricants for Vehicle	58	72
xix	Business Development	391	379
xx	Hiring Charge of Generator	6118	5414
xxi	Hiring Charge of Vehicles	2594	1544
xxii	Trainings, Seminars and Recruitment	343	459
xxiii	Administrative Charge on EPF Account	397	462
xxiv	ATM Charges	3837	3333
xxv	SMS Alert Charge	707	753
xxvi	Tax Consultancy Service	205	236
xxvii	Board Meetings Expenses	41	55
xxviii	Exchange/Clearing Charges/Bank Charges	897	1223
xxix	Remittance and Security Services	643	833
xxx	Miscellaneous Expenses	14774	23000
<b>Total</b>		<b>430630</b>	<b>450037</b>



**DETAILS OF ITEM No. (af) OF SCHEDULE - 16**

(Rs. in 000)

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
a	Financial Literacy Campaign	56	238
b	Water Supply and Washing Expenses	158	122
c	Pension	--	10707
d	Carriage Charge	242	236
e	Expenses for Business Correspondents	1507	974
f	Expenses for Recovery Agent	156	2846
g	Consultancy Fee for Bank's Doctor	120	150
h	Staff Welfare	--	20
i	Payment to Contractual Auditor/s Contractual Retire Staff	1595	720
j	Reimbursement Expenses	280	176
k	Incentivies	--	246
l	Membership/Certification Fees	3196	275
m	Other Sundry Expenses	7464	6290
<b>Total</b>		<b>14774</b>	<b>23000</b>





## SCHEDULE 17 - SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation :

The Bank's financial statements are prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated and conform in all material aspects to Generally Accepted Accounting Principles (GAAP) in India, which comprise applicable statutory provisions, regulatory norms/ guidelines prescribed by the Reserve Bank of India (RBI), Banking Regulation Act 1949, Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), and the practices prevalent in the banking industry in India.

### 2. Use of Estimates :

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ materially from these estimates.

### 3. Revenue recognition :

- a) Income and expenditure are accounted on accrual basis, except otherwise stated.
- b) Interest income is recognised in the Profit and Loss Account as it accrues except : (i) income from Non-Performing Assets (NPAs), comprising of advances and investments which is recognised upon realisation, as per the prudential norms prescribed by the RBI/NABARD or other regulatory authorities.
- c) Profit or Loss on sale of investments is recognised in the Profit and Loss Account.
- d) Income (other than interest) on interest bearing investments in 'Held to Maturity (MTM) category acquired at a discount to the face value is recognised in the Profit and Loss Account.
- e) Commission, Exchange have been recognised on realisation basis.
- f) In case of suit filed accounts, legal and other expenses incurred are charged to Profit and Loss Account and at the time of recovery of such expenses same is accounted as income.

### 4. Investments :

The transactions in Government Securities are recorded on 'Settlement Date' Investments other than Government Securities are recorded on 'Trade Date'

- i) In investments are classified into three categories, viz. Held to Maturity (HTM) Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines.



- a) Investment that the Bank intends to hold till maturity are classified as Held to Maturity (HTM)
- b) Investments that are held principally for resale with 90 days from the date of purchase are classified as Held for Trading (HFT)
- c) Investments, which are not classified in the above to categories, are classified as Available for Sale (AFS)
- d) An Investment is classified as HTM/ HFT/ AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.

However, for disclosure in Balance Sheet these are classified as under - Government Securities, Other Approved Securities and Others.

- ii) The Securities in each classification are valued in accordance with RBI guidelines as detailed hereunder :

In determining the acquisition cost of an investment

Broken period interest paid / received on debt instruments is treated as interest expense / income and is excluded from cost of sale consideration.

- iii) Transfer of securities from HFT / AFS category to HTM category is carried out at the lower of acquisition cost / book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iv) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head 'Interest on Investment.
- v) Investment under AFS and HFT category are individually revalue at market price of fair value determined as per regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government Securities, (ii) Other Approved Securities) is provided for and net appreciation is ignored. On provision for depreciation, the book value of individual security remains unchanged after marking to market.
- vi) Investments are classified as performing and Non-Performing based on the guidelines issued by the RBI. Investments of domestic office become non-performing where interest or instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.





## 5. Loans /Advances and Provisions thereon :

Loans and Advances are classified as performing and non-performing, based on the guidelines/directive issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where :

- i) In respect of term loans, interest and /or instalment of principal remains overdue for a period of more than 90 days;
- ii) In respect of Overdraft or Cash Credit Advances, the account remains 'out of order', i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance sheet, or if the credits are not adequate to cover the interest due during the same period.
- iii) In respect of agriculture advances : (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- iv) NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by NABARD/RBI:
  - a) Sub-standard : A loan asset that has remained non-performing for a period less than or equal to 12 months.
  - b) Doubtful : A loan asset that has remained in the sub-standard category for a period of 12 months
  - c) Loss : A loan asset where loss has been identified but the amount has not been fully written off
- v) Provision are made on all outstanding net of interest not realised on non-performing assets as per prudential norms prescribed by RBI as under :

Classification of Assets		Secured	Unsecured
1	Standard Assets		
	i General Accounts	0.40%	0.40%
	ii Direct Agri & SME	0.25%	0.25%
	iii Commercial Estate	1.00%	1.00%
	iv Covid-19	5%	





		outstanding Balance	Outstanding (unsecured abintio)
2	Sub-Standard	15.00% of out Standing Bal.	25.00% out Standing Bal.
3.	Doubtful -I	25.00%	100.00%
4.	Doubtful - II	40.00%	100.00%
5.	Doubtful - III	100.00%	100.00%
6.	Loss	-	100.00%

- vi) In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provision are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions" and are not considered for arriving at the Net NPAs.
- vii) Unrealized interest on advances which have become non-performing during the year has been provided for.
- viii) Appropriation of recoveries in NPAs (not out of fresh/additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority.
- Charges
  - Unrealized Interest/Interest
  - Principal
- ix) Interest realized on NPAs are taken in to income account provided the credit in accounts towards interest are not out of fresh / additional credit facilities sanctioned to the borrowed concerned.
- x) In the case of loan accounts classified as NPAs, an account may be reclassified as performing asset, of it confirms to the guidelines prescribe by the regulators.
- xi) Amount recovered against debts written off in earlier years are recognized as revenue in the year of recovery.
- xii) Advances as per the Balance Sheet are net of NPA provisions and unrealized interest.

#### 6. Fixed Assets and Depreciation :

- Fixed Assets are carried at cost less accumulated depreciation.
- Cost includes cost of purchase and all expenditure directly attributable to or incur in connection with acquiring the fixed assets before it is put to use.
- Depreciation is provided on straight line method as per the rates stated below :



Nature of assets	Rate of depreciation on SLM basi	
	Useful life	Rate
Vehicles (Motor Cars)	5 years	20.00%
Safe, Safe Deposit, Lockers, Strong Room Doors, Strong Room	20 years	5.00%
Plant & Machinery, Furniture and fixtures & VC Equipment	10 years	10.00%
Electrical fittings and fixtures & Refrigerator	5 years	20.00%
Server	4 years	25.00%
Computer Hardware & software forming an integral part of hardware	3 years	33.33%
Air-Condition System & CCTV	8 years	12.50%
Automatic Voltage Stabilizer	5 years	20.00%

#### 7. Provisions, Contingent Liabilities and Contingent Assets :

In conformity with AS 29, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the Institute of Chartered Accountants of India, the Bank recognizes provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

#### 8. No provision is recognized for :

- i) any possible obligation that arises from past event and the existence of which will be confirmed only the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
- ii) any present obligation that arises from past events but is not recognised because :
  - a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - b) a reliable estimate of the amount of obligation cannot be made

such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.





Contingent Assets are not recognised in the financial statements

## 9. Taxes on Income :

Income tax expense is the aggregate amount of current tax, deferred tax incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - 'Accounting for Taxes on Income' respectively. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

## 10. Earning Per Share :

The Bank reports basic and diluted earnings per share in accordance with AS 20 - 'Earnings per Share' issued by the ICAI. Basic Earnings per Share are computed by dividing the Net Profit after Tax for the year attributable to equity shareholders (other than minority) by the weighted average number of equity shares outstanding for the year.

Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.





## SCHEDULE - 18 : NOTES ON ACCOUNTS

- Schedules 1 to 17 form an integral part of the Balance Sheet and Statement of Profit and Loss Account.
- In view of RRB (Amendment) Act, 2015 and as per NABARD's instruction vide letter No. NB.IDD.RRCBD/1637/316 (Gen) / 2016-16 dated 30.03.2016, Share Capital Deposit of ₹. 1,59,76,000/- converted to Share Capital in the ratio of 50% (Government of India), 15% (Government of Meghalaya) and 35% (State Bank of India) during the financial year 2015-16
- Sub-section (1) of section 17 of the Banking Regulation Act, 1949 requires creation of a reserve fund equivalent to not less than 20% of the balance of profit of each year. This requirement is complied with 25% of this year's profit being set aside for the purpose.
- The Bank invested in Central and State Government securities amounting to ₹. 48092.00 lakh through the Securities Services Branch, State Bank of India. The premium amount paid at the time of acquisition has been amortised equally over the remaining life of the securities. For the year ended 31-03-2020, an amount of ₹. 39.29 lakh is amortised by netting from interest received on investments.
- Inter office accounts between branches and head office are being reconciled on an ongoing basis and no material effect is expected on the profit and loss account of the current year
- During the year ended 31st March, 2020, a total provision of ₹. 4359.54 lakh has been made for :

Standard Asset	₹. 19.33 lakh
Standard Asset - COVID - 19	₹. 158.56 lakh
Bad & Doubtful Asset	₹ 2286.64 lakh
Fraud/Theft/Embezzlement/Robbery	₹. 100.67 lakh
Wage Revision Arrears	₹ 250.00 lakh
Pension	₹ 1466.30 lakh
RBI Deaf Claim Receivable	₹ 0.21 lakh
Receivable from MRB Pension Trust	₹ 31.45 lakh
System Suspense Account	₹ 10.47 lakh
Unreconciled Entries with Bank	₹ 33.26 lakh
Demand Draft Received Realisation	₹ 2.65 lakh
<b>Total Provisions</b>	<b>₹ 4359.54 lakh</b>





7. During the year, provision of ` 289.44 lakh has been made for income tax liability. Advance tax amounting to ` 253.00 lakh was paid during the year.
8. In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated march 27, 2020 and April, 2020, the Bank is granting a moratorium of three months on the payment of all instalments and / or interest, as applicable, falling due between March 1, 2020 and May 31, 2020 to all eligible borrowers classified as Standard, even if overdue, as on February 29, 2020. For all such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period (i.e the number of days past-due shall exclude the moratorium Classification and Provisioning norms). The Bank holds provisions of holds ` 158.56 lakh as at March 31, 2020 against the potential impact of COVID-19, management considered the same to be adequate.
9. Income has been recognized in terms of RBI guidelines vide paragraph 3 of the significant accounting policies.
10. Provision has been made for advances in terms of RBI guidelines vide paragraphs 5 (v) of the significant accounting policies.
11. Contingent liabilities of ` 1784.81 include an amount of ` 882.25 lakh for financial Bank Guarantee given to constituents and ` 26.08 lakh for Depositors' Education Awareness Funds (DEAF) with RBI and ` 876.48 lakh for disputed income tax relating to assessment year 2017-18.
12. In terms of RBI guidelines vide letter No. RBI/2013-14-DBOD. No. DEAF. Cell BC. 114/30.01.002/2013-14 dated 27th May 2014, the Bank are liable to remit amount lying in inoperative accounts of more than 10 years old w.e.f. 23rd May 2014. Therefore, the Bank has remitted an amount of Rs. 0.21 lakh (exclusive of notional interest) till 31st March 2020. Details as under :

Rupees in lakh

Particulars	Current Year	Previous Year
Opening Balance of amount transfer to DEAF Account	25.87	25.41
Add: Amount transferred to DEAF Account during the Year	0.21	0.46
Less : Amount reimburses by DEAF towards claim	--	--
Closing Balance transferred to DEAF Account	26.08	25.87

13. The Bank has made an ad-hoc provision Rs. 250.00 lakh towards arrears of wages due for revision with effect from 1st November 2017





#### 14. Fraud Reported and Provision made during the year

During the financial year following cases of credit related fraud has been identified :

Name of the Branch	No of case	Aggrehate amount involved (₹ in Lakh)	Amount Recovered	Provision made	Nature of Fraud
Jaiaw	1	20.80	0.00	20.80	Misappropriation of fund from School Deposit Account
Byrnihat	1	7.00	4.87	2.13	Robbery during cash remittance
Nongpyndeng	1	77.74	0.00	77.74	Misappropriation of deposit from one Deposit Account
Total	3	105.54	4.87	100.67	

Full provision against such fraud cases has been made in the accounts and recovery measure has been initiated by the bank.

#### 15. Balancing of various Accounting-Head

Balances of inter-bank settlement, inter-branch sundry-suspense, system migration, inter office suspense, interest accrued on deposit balance etc. are subject to reconciliation and confirmation. Necessary accounting adjustment, if any required will be made on completion of such reconciliation exercise.

#### 16. Disclosures :

##### I. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits		
(Amount in Rupees Crores)		
Particulars	31-03-2020	31-03-2019
Total Deposits of twenty largest depositors	2670.66	31788.96
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	11.78	14.88





<b>Concentration of Advances</b>		
(Amount in Rupees Crores)		
<b>Particulars</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
Total Advances of twenty largest borrowers	3594.99	4170.26
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank.	4.74	6.34

<b>Concentration of Exposures</b>		
(Amount in Rupees Crores)		
<b>Particulars</b>	<b>31-03-2020</b>	<b>31-03-2019</b>
Total Exposures of twenty largest borrowers/ customers	30301.60	32083.37
Percentage of Exposures to twenty largest borrowers/customers to Total Exposures of the Bank on borrowers/customers.	10.02	11.30

<b>Concentration of NPA</b>		
(Amount in Rupees Crores)		
	<b>31-03-2020</b>	<b>31-03-2019</b>
Total Exposures of top four NPA accounts	638.12	624.93





## II. Sector-wise NPSa

Sl. No.	Sector	Current Year 31-03-2020			Previous Year 31-03-2020		
		Outstanding Total Advance	Gross NPAs	Percentage of Grodd NPAs to Total Advances in that sector	Outstanding Total Advance	Gross NPAs	Percentage of Grodd NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	14364.04	1011.65	7.04	13017.10	741.02	5.69
2	Advances to industries sector eligible as priority sector lending	2540.24	866.92	34.13	2561.64	815.21	31.81
3	Services	22054.49	5468.68	24.80	22390.19	5596.13	24.99
4	Personal Loans	8536.26	608.35	7.13	7921.73	375.93	4.75
	<b>Sub-total</b>	<b>47495.03</b>	<b>7955.60</b>	<b>16.75</b>	<b>45890.66</b>	<b>7528.29</b>	<b>16.40</b>
<b>B</b>	<b>Non-Priority Sector</b>						
1	Agriculture and allied activities	--	--	--	--	--	--
2	Industry	--	--	--	--	--	--
3	Services	2993.90	3.38	0.11	2981.95	52.31	1.74
4	Personal loans	25374.39	830.82	3.27	21411.29	760.78	3.55
	<b>Sub-total</b>	<b>28368.30</b>	<b>834.20</b>	<b>2.94</b>	<b>24393.24</b>	<b>813.09</b>	<b>3.33</b>
	<b>Total (A+B)</b>	<b>75863.32</b>	<b>8789.80</b>	<b>11.59</b>	<b>70283.90</b>	<b>8341.38</b>	<b>11.87</b>

## III. Capital

Particulars		Current Year	Previous Year
i	CRAR (%)	14.57	16.78
ii	CRAR - Tier I Capital (%)	14.05	16.36
iii	CRAR - Tier II Capital (%)	0.52	0.42
iv	Percentage of sharehold of the		
	a Government of India	50	50
	b State Government	15	15
	c Sponsored Bank	35	35



#### IV. Investments

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
1	Value of Investments		
i	Gross value of Investments	53942.00	51509.60
ii	Provision of Depreciation	--	35.14
iii	Net value of Investments	53942.00	51474.46
2.	Movement of provisions held towards depreciation on investments		
i	Opening Balance	35.14	11.50
ii	Add : Provisions made during the year	0.00	23.64
iii	Less : Write off / write back of excess provisions during the year	0.00	0.00
iv	Closing Balance	35.14	35.14

#### V. Repo Transaction

Rs. in lakh

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repos	--	--	--
Securities purchased under Repos	--	--	--





**VI. Non-SLR Investments**

**i. Issuer Non-performing Non-SLR Investments**

Particulars	Amount	Extent of Private placement	Extent of below Investment Grade Securities	Extent of unrated Securities	Extent of unlisted Securities
a PSUs	--	--	--	--	--
b Fls	--	--	--	--	--
c Banks	--	--	--	--	--
d Private Corporates	--	--	--	--	--
e Others	--	--	--	--	--
f Provisions held towards depreciation	--	--	--	--	--
<b>Total</b>	--	--	--	--	--

**ii. Non-performing Non-SLR Investments**

Particulars	Amount (Rs. in lakh)
Opening Balance	--
Additions during the year since 1st April 2019	--
Reductions during the above period	--
Closing Balance	--





**VII. Assest Quality**  
**(A) Non-Performing Assets**

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
i	Net NPAs to Net Advances (s)	3.67	5.83
ii	Movement of NPAs (Gross)		
	a Opening Balance	8341.26	6750.25
	b Additions during the year	1579.91	2779.63
	c Reducations during the year	1131.37	1188.62
	d Closing Balance	8789.80	8341.26
iii	Movement of Net NPAs		
	a Opening Balance	3840.80	4410.36
	b Additions during the year	(-) 706.73	84.56
	c Reducations during the year	579.57	654.12
	d Closing Balance	2554.50	3840.80
iv	Movement of provisions for NPAs (excluding provisions) on standard assets		
	a Opening Balance	4500.52	2339.97
	b Additions during the year	2286.64	2832.55
	c Reducations during the year	551.86	672.00
	d Closing Balance	6235.30	4500.52

**(B) Movement of NPA**

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
Movement of NPAs (Gross)			
a	Opening Balance	8341.26	6750.25
b	Additions during the year	1579.91	2779.47
c	Reducations during the year	1131.37	1188.46
d	Closing Balance	8789.80	8341.26





**(C) Details of Loan Assets subject to Restructuring**

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
i	Total amount of loan assets subject restructuring, rescheduling, renegotiation	--	--
ii	The amount of standard assets subject to restructuring, rescheduling, renegotiation	--	--
iii	The amount of sub-standard assets subject to restructuring, rescheduling, renegotiation	--	--
iv	The amount of doubtful assets subject to restructuring, rescheduling, renegotiation	--	--
Total		--	--

**(D) Details of Financial Assets sold to Securitisation**

(Sc/ Reconstruction Company (RC) for Assets Reconstruction

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
i	Number of accounts	--	--
ii	Aggregate value (net of provisions of accounts sold to SC / RC)	--	--
iii	Aggregate consideration	--	--
iv	Additional consideration realised in respect of accounts transferred in earlier years	--	--
v	Aggregate gain / loss over net book value	--	--

**(E) Details of non-performing financial assets purchased**

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
1	a	No. of accounts/purchased during the year	--
	b	Aggregate outstanding	--
2	a	Of these, number of account restructured during the year	--
	b	Aggregate outstanding	--





**(F) Details of non-performing financial assets sold**

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
1	a	No. of accounts/purchased during the year	--
	b	Aggregate outstanding	--
2	a	Of these, number of account restructured during the year	--
	b	Aggregate outstanding	--

**(G) Provision of Standard Assets**

Rs. in lakh

Particulars	Current Year 31-03-2020	Previous Year 31-03-2019
Provisions on Standard Assets	220.88	201.55
Provision on account of COVID - 19	158.56	--
Total	379.44	201.55

**VIII. Business Ratios**

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
i	Interest income as a percentage to Working Fnds	6.81%	7.83 %
ii	Non-Interest income as a percentage to Working Funds	0.45%	0.51 %
iii	Operating profit as a percentage to Working Funds	1.82%	2.25 %
iv	Returns on Assets	0.02%	0.04 %
v	Business (Deposits plus advances) per employee	7.58 lakh	7.15 lakh
vi	Profit per employee	0.14 lakh	0.20 lakh





**IX. Asset Liability Management-Maturity Pattern of certain items of assets and liabilities**

Rs. in lakh

Particulars	1 to 14 days	15 to 28 days	28 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	19655.90	9625.40	17122.95	26108.51	31528.16	119497.89	1880.02	1169.81	226588.64
Advances	1480.62	2885.82	9587.25	5331.07	11112.98	7551.93	16667.18	15011.17	69628.02
Investments	950.00	3950.00	100.00	718.00	771.00	7442.00	5836.00	34175.00	53942.00
Borrowings	20.03	0.00	18.72	1047.62	1528.15	606.18	255.75	232.67	3709.12
Foreign currency assets	--	--	--	--	--	--	--	--	--
Foreign currency Liabilities	--	--	--	--	--	--	--	--	--

**X. Exposures - Exposures to Real Estate Sector**

Rs. in lakh

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
A	<b>Director Exposure</b>		
i	a) Residential Mortgages above Rs. 20.00 lakh lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	6497.71	6057.37
	b) Up to Rs. 20.00 Lakh	5849.12	4467.32
ii	Commercial Real Estate Lending secured by mortgage on commercial premises, multi-family residential commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc. Exposure would also include non-fund based (NFB) limit	--	--
iii	Investments in mortgage backed securities (MBS) and other securitised exposures (a) Residential (b) Commercial Real Estate	-- --	-- --
B	Indirect Exposure Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	--	--





#### XI. Details of Single Borrower (SLG) and Group Borrower Limit (GBL)

During the year, The Bank had not exceeded the single borrower limit and group borrowe limit fixed by the Board.

#### XII. Segment Reporting :

**Part - A : Business Segment Revenue :** Bank recognize Business segment as primary reporting segment and as the banking business is activity if covered only under the state of Meghalaya, hence no geographical segment has been identified. Primary Business segment comprise of :

1. **Treasury :** The Treasury Segment includes the entire investment portfolio of the Bank. The revenue of the treasury segment primarily consists of fees and gains or losses from trading operations and dividend/interest income on the investment portfolio.
2. **Corporate / Wholesale Banking :** The Corporate / Wholesale Banking segment comprises the lending activities of borrowers having exposure of Rs. 5.00 Crores and above.
3. **Retail Banking :** The Retail Banking Segment comprises of borrower accounts having exposure of less the Rs. 5.00 Crore and which primarily caters to Individuals partnership firms, Self Help Groups etc.
4. **Other Banking Operations :** Any other operations, which could not be classified amongst other heads are grouped under Other Banking Operations.

#### Segment-wise Results

Rs. in lakh

Business Segment		Current Year 31-03-2020	Previous Year 31-03-2019
1	Segment Revenue		
	i Treasury	4173.12	4766.54
	ii Corporate / Wholesale banking	49.44	50.64
	iii Retail Banking	14492.86	13287.42
	iv Other Banking Operation	45.02	20.97
	Total	18760.44	18125.57
	Less : Inter-segment Revenue	--	--
	Income from Operation	18760.44	18125.57
2.	Segment Results after Provisions & Before Tax		
	i Treasury	4173.12	4766.54
	ii Corporate / Wholesale banking	- 106.64	- 89.23
	iii Retail Banking	- 3767.63	- 4520.02
	iv Other Banking Operation	45.02	20.97
	Total	343.87	178.26
	Less : Inter-segment Revenue	--	--
	Total Profit before Tax	343.87	178.26



**Part B : Geographic Segment**

There is only one segment i.e., Domestic Segment

**XII. Miscellaneous - Amount of provision made for Income Tax during the year**

Rs. in lakh

Particulars	Current Year 31-03-2020	Previous Year 31-03-2019
Provision for Income Tax	289.44	97.75

**XIII. Disclosure of penalties imposed by RBI**

The Bank has maintained CRP and SLR as per RBI Act 1934 and Banking Regulation Act 1949 and not defaulted during the financial year under report.

**XV. Draw Down from Reserve**

No draw down of reserve has so far been made by the Bank.

**XVI. Disclosure of complaints**

**A. Customer Complaints**

Rs. in lakh

Particulars	Current Year 31-03-2020	Previous Year 31-03-2019
i No. of complaints pending at the beginning of the year	2	--
ii No. of complaints received during the year	1	8
iii No. of complaints redereesed during the year	2	6
iv No. of complaints pending at the end of the year	1	2

(As compiled & certified by the Management)

**B Awards passed by the Banking Ombudsman**

Rs. in lakh

Particulars	Current Year 31-03-2020	Previous Year 31-03-2019
a No. of complaints pending at the the beginning of the year	--	--
b No. of complaints received during the year	--	--
c Total Complaints	--	--
d No. of complaints redressed during the year	--	--
e. No of complaints pending at the end of the year	--	--
f. No of awards passed by Banking Ombudsman	--	--
g. No of awards implemented	--	--
h. No of awards pending for implementation	--	--

(As compiled & certified by the Management)





### XVII. Floating Provisions

Bank does not have any policy of creating floating provision and consequently no such provisions have been made during the year.

### XVIII. Additional Disclosures as per Accounting Standards applicable to Bank

1. **Net Profit or Loss for the period, prior period items, and changes in accounting policies (AS-5) :**

There is no material 'prior period item' included in Profit and Loss account required to be disclosed as per AS-5 issued by ICAI read with RBI guidelines.

2. **Revenue Recognition (AS-9):**

Revenue is recognize as per Accounting Standard (AS-9) and Accounting policy No. 3 of Schedule - 17

3. **Government Grants**

During the period under audit, bank has not received any grants from any Central of State Governments or authorities owned/controlled by them.

4. **Related Party Disclosures**

Related parties where control / significant influence exists or with whom transaction have been taken place during the year.

**Sponsor bank their Subsidiaries and Association : State bank of India**

a)	Key Management Personnel
i)	Mr. Dilip Kumar Guhs, Chairman
ii)	Ms. Clotilda Marbaniang, General Manager
iii)	Mr. P. Gangte, Director Nominated by Reserve Bank of India
iv)	Mr. Lipy Deory, Director Nominated by National Bank for Agricultural & Rural Development
v)	Ms. Seema Dikshit, Director Nominated by State Bank of India
vi)	Mr. Mukesh Papiwal, Director Nominated by State Bank of India
vii)	Mr. E. Y. Chen, Director Nominated by Govt. of Meghalaya
viii)	Mr. Shantanu Sharma, Director Nominated by Govt. of Meghalaya
b)	Entities having significant control or influence
i)	State Bank of India - Sponsor Promoter Bank.
ii)	SBI Life Insurance - Follow Group Company
iii)	SBI General Insurance - Follow Group Company
iv)	SBI Mutual Fund - Follow Group Entity





c)		Details of Transactions made during the year and outstanding balances as at year end :		
		Rs. in lakh		
d	Particulars	Name of Related Party	Current Year 31-03-2020	Previous Year 31-03-2019
i.	Managerial Remuneration and Perquisites	Mr. D. K. Guha	20.29	17.00
ii.	Investment in Mutual Fund	SBI-Mutual Fund	3300.00	3210.00
iii.	Income from Mutual Fund	SBI-Mutual Fund	409.58	620.08
iv.	Interest received from Bank	SBI-Mutual Fund	5430.94	1804.00
v.	Interest paid to the Bank	State Bank of India	15.33	10.00
vi.	Balance outstanding of Current Accounts	State Bank of India	6137.48	70223.72
vii.	Balance outstanding of Other Accounts (Term Deposits)	State Bank of India	74832.10	8803.00
viii.	Balance of Investment in Mutual Funds	State Bank of India	5850.00	3898.00
ix.	Balance of Investment in Perpetual Bonds	State Bank of India	222.50	222.50
x.	Commission Income From SBI Life	SBI Life Insurance Company	45.02	20.97

## 5. Earning Per Share

(Amount in Rs.)

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
1.	Net Profit after Tax Available for Equity Shareholders	₹ 54.43 Lakh	₹ 80.51 Lakh
2.	No of Equity Shares	2597600	2597600
3.	Weighted Number of Equity Shares	2597600	2597600
4.	Nominal value per share	10.00	10.00
5.	Basic & Diluted Earnings per Share	₹ 2.10	₹ 3.10





**6. Accounting for Taxes on Income (As-22)**

In absence of the demonstrable reasonable certainty of reversals of the deferred tax balance in forthcoming year, no deferred tax assets/liabilities has been recognized on conservative basis.

**7. Applicability of AS-21, 23, 24 and 27**

As the Bank does not have Subsidiaries or controlling interest in Associates/Joint Ventures, As 21- Consolidated Financial Statements, AS 23 - Accounting for Investements in Associates in Consolidated Financial Statements, As - 24 - Discontinuing Operations, AS - 27 - Financial Reporting of Interest in Joint Ventures issued by the ICAI are not applicable to the Bank.

**8. Intangible Assests :**

Fixed Assets of the bank includes computer software, which has been considered as Intangibles as per AS-26, issued by the ICAI. The movement in the balances of such intangible assets is placed herein below :

Particulars		Current Year 31-03-2020	Previous Year 31-03-2019
i.	Gross Block at the beginning of the year	--	--
ii.	Less : Amortization during the year	--	--
ii.	Net Block at the end of the year	--	--

**9. Impairment of Assets**

In view of the absence of the indication of material impairment within the meaning of Accounting Standard - 28 "Impairment of Assets", no impairment of fixed assets is required in respect of current financial year.

**XIX. Derivatives**

During the Financial Year 2019-20, Bank is not having any exposure in Derivatives.

**XX. Contingent Liabilities, Provisions and Contingent Assets**

Rs. in lakh

Particulars		Opening Balance as at 01-04 2019	Additions during the year	Deductions/ Reversals during the year	Closing Balance as at 31-3-2020
1.	Provision for Standard Assets	201.55	19.33	0.00	220.88
2.	Provision for Standard Assets - COVID - 19	0.00	158.56	0.00	158.56
3.	Provision for Non Performing Assets	4500.52	2286.64	551.86	6235.30



4.	Provision for Taxation	3 575.88	289.44	0.00	3865.32
5.	Provision for Gratuity	78.04	0.00	49.62	28.42
6.	Provision for Leave Encashment	60.60	0.00	60.60	0.00
7.	Provision for Pension	1603.00	1466.30	1603.00	1466.30
8.	Provision for NPS	2.87	0.00	2.87	0.00
9.	Provision for Bonus	5.67	3.38	5.67	3.38
10.	Provision for RBI Deaf Claim Receivable	0.00	0.21	0.00	0.21
11.	Provision for System Suspense Account	0.00	10.47	0.00	10.47
12.	Provision for Demand Draft Received Realisation	0.00	2.65	0.00	2.65
13.	Provision for amount receivable from MRB Trust Fund	0.00	31.45	0.00	31.45
14.	Provision for Unreconciled Entries with Bank	0.00	33.26	0.00	33.26
15.	Provision for Fraud/Robber/Embezzlement or Defalcation	0.00	100.67	0.00	100.67
16.	Provision for Wage Revision Arrear	175.62	250.00	167.45	258.17
17.	Claims against the Bank not acknowledged as Debt-Disputed Income Tax	0.00	876.48	0.00	876.48
18.	Guarantees given on behalf of Constituents - In India	440.57	441.68	0.00	882.25
19.	Other items for which the Bank is contingently liable (RBI DEAF)	25.87	0.21	0.00	26.08





**XXI. Description of Contingent Liabilities (AS-29)**

Particula		Brief Description
1	Claims against the Bank not acknowledged as debts	The Bank is party to various proceedings in the normal course of business. It does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, results of operations or cash flows. The bank is a party to various taxation matters in respect of which appeals are Pending.
2.	Liability on partly paid-up investments/ venture Funds.	This item represents amounts remaining unpaid towards liability for partly paid investments.
3.	Liability on account of Outstanding forward exchange contracts	The Bank does not having any foreign exchange business, as such no contingent liability on account of forward exchange contracts are envisage.
4.	Guarantees given on behalf of constituents, acceptances, endorsements and other obligations	As a part of its commercial banking activities, the bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payment in the event of the customer failing to fulfill its Financial or performance obligations.
5.	Other items for which the Group is contingently liable	These comprises of Bank's Liability under Depositors Education and Awareness Fund A/c and other sundry contingent liabilities.

**Previous Year Figures**

Previous year figures have been regrouped / reclassified, wherever necessary, to confirm to current year classification. In cases where disclosures have been made for the first time in terms of RBI guidelines / Accounting Standards, previous year's figures have not be mentioned.

For Maeghalaya Rural Bank

As per our report of even date  
For M.C. Bhandari & Co.  
Chartered Accounts  
Firm Registration No. : 303002E

Neeraj Jain  
(Partner)  
Membership No. 064393



Place : Shillong  
Date : 05th May 2019

Clotilda Marbaniang (General Manager)
   
 Philip Kumar Guha (Chairman)
   
 Y. Chandra Prasad (Director)
   
 Director Institutional Finance & Ex-Officio Joint Secy. to the Govt. of Meghalaya Finance (Economic Affairs) Deptt.
   
 2020
   
 80/- obtained over mail (Muzahab Referral) 201



