



मेघालय रुरल बैंक  
**MEGHALAYA RURAL BANK**

वार्षिक रिपोर्ट  
**ANNUAL REPORT**  
**2020-21**



Launching & Distribution of Micro ATM to the Business Correspondent Agent (BCAs) in the presence of Hon'ble Chief Minister



मेघालय रुरल बैंक  
MEGHALAYA RURAL BANK



# MEGHALAYA RURAL BANK

**Empowering Rural Lives**

## 40<sup>th</sup> Annual Report 2020-21

With Best Compliments from

**Smt. Tshering Diki**

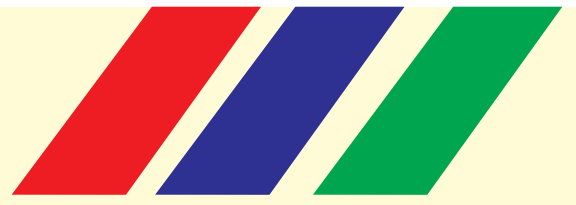
**Chairman**

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

Police Bazar, Shillong 793 001, Meghalaya

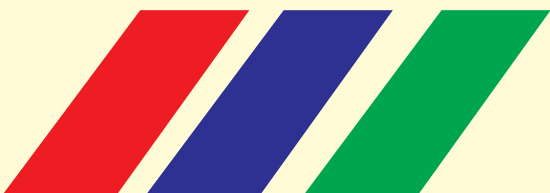
[meghalayaruralbank.com/megrrb@gmail.com](http://meghalayaruralbank.com/megrrb@gmail.com)

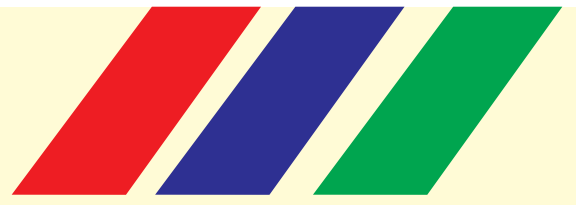
वार्षिक प्रतिवेदन - 2020-21  
ANNUAL REPORT : 2020-21



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# Meghalaya Rural Bank

Established on 29th 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:

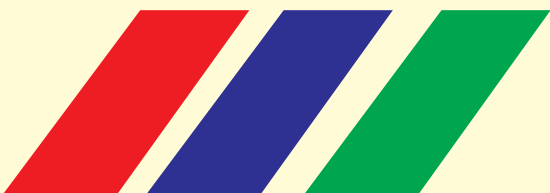
*To be the Bank of first choice  
and contribute significantly for the State's development*

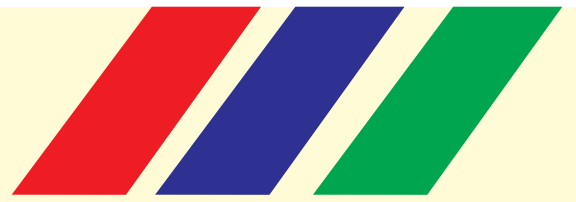
## Mission:

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

## Values:

- 1. Leadership in action*
- 2. Innovation in thinking*
- 3. Promptness in delivery*
- 4. Update in knowledge*
- 5. Transparency in dealings*





# Letter of Transmittal

Meghalaya Rural Bank, Head Office: Shillong

Dated: 30<sup>th</sup> June 2021

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

Dear Sir,

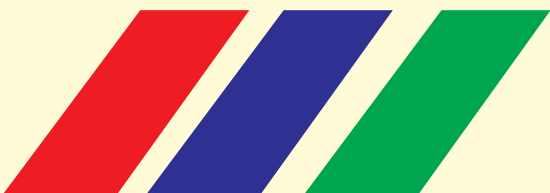
## **MEGHALAYARURALBANK: 40<sup>th</sup> ANNUALREPORT**

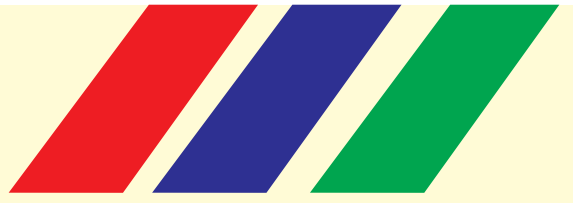
In accordance with the provisions of Sec. 20 of the Regional Rural Banks Act, 1976, we are glad to forward the following documents herewith:

- > Report on the Bank's activities and performance during 2020-21
- > Bank's balance sheet and P&L statement for the year ended 31<sup>st</sup> March 2021
- > Auditors' Report for the year 2020-21.

Yours faithfully,

**(Tshering Diki)**  
**Chairman**





## CHAIRMAN'S FOREWORD



It is a privilege and honour to present the Annual Report for the first year of my tenure as Chairman of Meghalaya Rural Bank.

Meghalaya Rural Bank is empowered with the vision of being the Bank of first choice and of contributing significantly to the development of the state, providing quality banking services, promoting economic growth of the community and being a part of growth opportunities. We have now set sail on a transformational journey anchored by a new leadership reinvigorated by a renewed vision for the Bank.

The major achievements of the Bank during FY 2020-21 are as follows:

1. We have increased our MRB Family by 63,000 new customers,
2. Net profit has increased by 40% despite full provisioning made for payment of salary arrears, revised salaries and pensions,
3. Completion of 100% digitization in Ri Bhoi District,
4. At 72.16% of total deposits, our CASA ratio is the highest in the country among SBI-sponsored RRBs,
5. Reduction of gross NPA from 11.59% to 11.02%, and of net NPA from 3.37% to 2.87% of total advances,
6. Improvement in per employee business,
7. Per branch business has also gone up.

We have devoted ourselves to bringing down the NPA level; increasing our deposit and advances, and ensuring the streamlining of rules and regulations, and of systems and procedures; besides improving the infrastructure of our branches.

For the way ahead, we shall strive towards –

Improving our CD Ratio

Achieving our Priority Sector target

Bringing NPAs below 5% of total advances

Achieving KCC saturation through financing of PMKY beneficiaries

Achieving our vision of 100% digitization in the remaining Districts of Meghalaya

Covering the villages we serve with inter-operable Micro-ATMs.

I thank each and every Board Member for their guidance, and every member of staff for their support and cooperation all through the year and for tackling challenges as they came and giving of their best to the organization. I thank the Government of Meghalaya, Reserve Bank of India: Shillong, NABARD: Shillong, State Bank of India, A&S Department: Mumbai, and State Bank of India, B&O: Shillong for their continuous direction, guidance and support of the Bank.

Last but not least, I thank our 7,76,877 customers for giving us the opportunity of serving them. My dear customers, Team MRB humbly acknowledges that it is only with your faith, confidence and support in our journey that our progressive growth has been made possible, and we believe that with your continued support we will achieve new dimensions of growth and tread new pathways of progress and prosperity. To each customer, I - on behalf of Meghalaya Rural Bank - pledge a commitment to 'Excellence in Services with a Human Touch'.

  
(Tshering Diki)  
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.

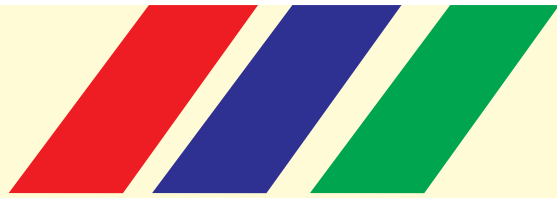
**Shillong Main Branch:** 2<sup>nd</sup> Floor MTC Building,  
Police Bazar, Shillong-793001, East Khasi Hills

**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 2021



**Smt. Tshering Diki**  
Chairman  
Meghalaya Rural Bank, Shillong



**Shri L. Hangmuanthang**  
GM, RBI, Shillong



**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

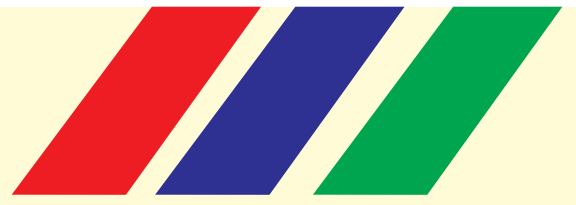


**Smti Seema Dikshit**  
DGM (AB), SBI LHO, GUWAHATI  
SPONSOR BANK NOMINEE



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



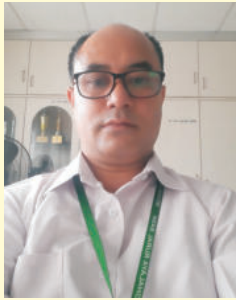


# HEAD OF DEPARTMENTS

31<sup>st</sup> March 202



**Smt. Tshering Diki**  
Chairman  
Meghalaya Rural Bank, Shillong



*Shri Shemphang Lyngdoh*  
**General Manager**



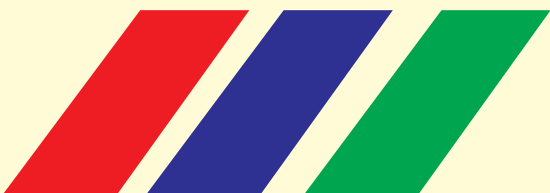
*Shri Arun Kumar Khangembam*  
**General Manager**

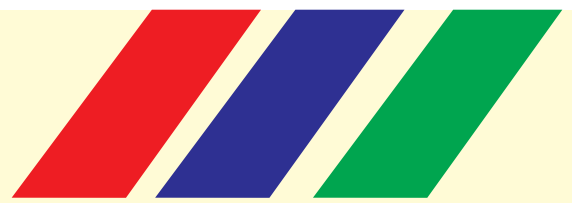


*Shri Prailyshon Wahlang*  
**Regional Manager - I**



*Shri Reginald Lyngdoh*  
**Regional Manager - II**





# OUR MENTORS



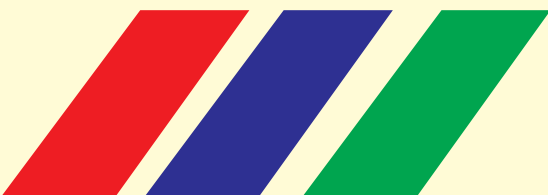
**Shri Dinesh Kumar Khara**  
**Chairman**  
**State Bank of India**  
**Corporate Centre, Mumbai**



**Shri Ashwani Kumar Tewari**  
**Managing Director (IB & TS)**  
**State Bank of India**  
**Corporate Centre, Mumbai**



**Shri Mihir Narayan P Mishra**  
**Chief General Manager (A&S)**  
**State Bank of India**  
**Corporate Centre, Mumbai**

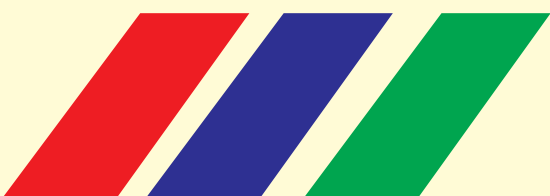


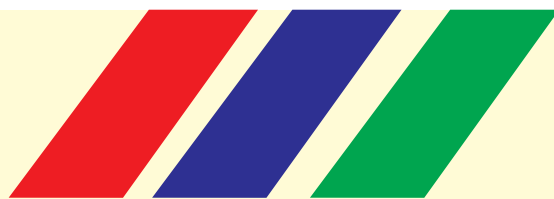


## Key Performance Indicators: 2020-21

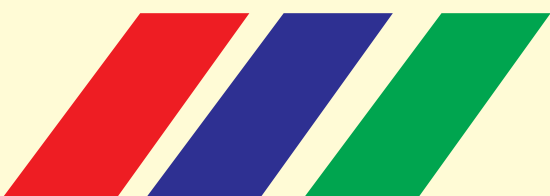
(Rupees in thousands)

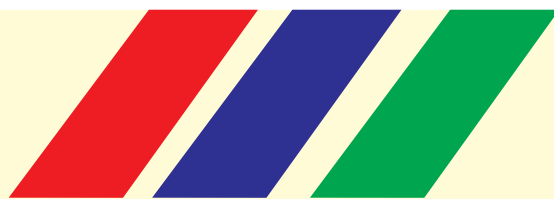
| Particulars                         |  | 2018-19  | 2019-20  | 2020-21  |
|-------------------------------------|--|----------|----------|----------|
| <b>A KEY PERFORMANCE INDICATORS</b> |  |          |          |          |
| 1.                                  | No. of Districts covered                   | 11       | 11       | 11       |
| 2.                                  | No. of Branches                            | 94       | 90       | 90       |
|                                     | i Rural                                    | 73       | 70       | 70       |
|                                     | ii Semi-Urban                              | 17       | 16       | 16       |
|                                     | iii Urban                                  | 4        | 4        | 4        |
| 3.                                  | Total staff (excluding Sponsor Bank staff) | 397      | 399      | 382      |
|                                     | Of which, Officers                         | 173      | 172      | 167      |
| 4.                                  | Deposits                                   | 21362597 | 22658864 | 26880916 |
|                                     | Growth %                                   | 14.94    | 6.07     | 18.63    |
| 5.                                  | Borrowings Outstanding                     | 323945   | 370912   | 350248   |
|                                     | Growth %                                   | 24.90    | 14.50    | -5.57    |
| 6.                                  | Gross Loans & Advance Outstanding          | 7028430  | 7586332  | 8418613  |
|                                     | Growth %                                   | 5.77     | 7.94     | 10.97    |
|                                     | Of 6 above, loans to                       |          |          |          |
|                                     | a. Priority Sector                         | 4589067  | 4749503  | 4749503  |
|                                     | b. Non Priority Sector                     | 2439363  | 2839829  | 2839829  |
|                                     | c. SCs & STs                               | 6318981  | 7239618  | 7239618  |
|                                     | d. SF/MF/AL                                | 1104423  | 1436404  | 1436404  |
|                                     | e. Minorities                              | 6318981  | 7239618  | 7239618  |
| 7.                                  | CD Ratio                                   | 32.91    | 33.48    | 31.32    |
| 8.                                  | Investments Outstanding                    | 5150960  | 5394200  | 6901403  |
| 9.                                  | SLR Investment Outstanding                 | 4761160  | 4809200  | 6251430  |
|                                     | Non-SLR Investment Outstanding             | 389800   | 585000   | 649973   |



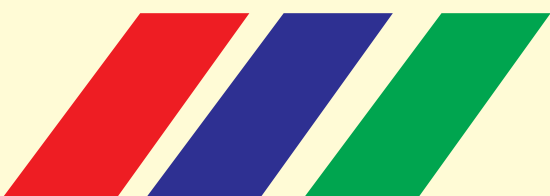


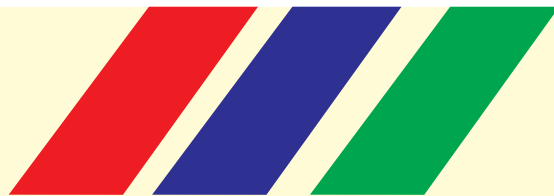
| Particulars |                                       | 2018-19  | 2019-20  | 2020-21  |
|-------------|---------------------------------------|----------|----------|----------|
| <b>B.</b>   | <b>AVERAGES</b>                       |          |          |          |
| 10.         | Average Deposit                       | 19974541 | 22029498 | 25031862 |
|             | Growth %                              | 7.46     | 10.29    | 13.63    |
| 11.         | Average Borrowings                    | 291658   | 363046   | 420532   |
|             | Growth %                              | 15.24    | 24.48    | 15.83    |
| 12.         | Average Gross Loans and Advances      | 6836624  | 7161668  | 7929177  |
|             | Growth %                              | 5.53     | 4.75     | 10.72    |
| 13.         | Average Investments                   | 5718430  | 15376264 | 17313093 |
|             | Growth %                              | -12.35   | 168.89   | 12.60    |
|             | Average SLR Investment                | 4823630  | 4806255  | 5571192  |
|             | Average SLR Investment as % of. Dep   | 24.14    | 21.82    | 22.26    |
|             | Average Non-SLR Investment            | 894800   | 10570009 | 11741900 |
|             | Average Non-SLR Invt. as % of Avg.Dep | 4.48     | 47.98    | 46.91    |
|             | Average Working Funds                 | 21788478 | 25827631 | 26918562 |
| <b>C</b>    | <b>LOANS ISSUED</b>                   |          |          |          |
| 14.         | Loans issued during the year          | 4015623  | 3287648  | 2513400  |
|             | Growth %                              | 18.56    | -18.13   | -23.55   |
|             | Of 14 above Loans to                  |          |          |          |
| i.          | Priority Sector                       | 2920504  | 1940833  | 1940833  |
| ii.         | Non Priority Sector                   | 1095119  | 1346815  | 1346815  |
| iii.        | SC & ST                               | 3693844  | 2958883  | 2958883  |
| iv.         | SF/MF                                 | 619939   | 542474   | 542474   |
| v.          | Minorities                            | 3693844  | 2958883  | 2958883  |
| <b>D</b>    | <b>PRODUCTIVITY</b>                   |          |          |          |
| 15.         | Per Branch                            | 302032   | 336058   | 392217   |
|             | Per Staff                             | 71514    | 75802    | 92407    |
|             | <b>ERECOVERY PERFORMANCE</b>          |          |          |          |



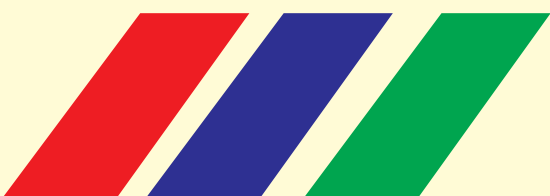


| Particulars |  | 2018-19 | 2019-20 | 2020-21 |
|-------------|--|---------|---------|---------|
| 16.         | <b>TOTAL</b>                               |         |         |         |
|             | Demand                                     | 3049324 | 4343587 | 4932501 |
|             | Recovery                                   | 2205570 | 3225341 | 3673689 |
|             | Overdues                                   | 843754  | 1118246 | 1258812 |
|             | Recovery % (June Position)                 | 72.33   | 74.26   | 74.48   |
| 17.         | <b>FARM SECTOR</b>                         |         |         |         |
|             | Demand                                     | 703791  | 689342  | 1000388 |
|             | Recovery                                   | 530515  | 476182  | 747185  |
|             | Overdues                                   | 173276  | 213160  | 253203  |
|             | Recovery % (June Position)                 | 75.38   | 69.08   | 74.69   |
| 18.         | <b>NON-FARM SECTOR</b>                     |         |         |         |
|             | Demand                                     | 2345533 | 3654245 | 3932113 |
|             | Recovery                                   | 1675055 | 2749159 | 2926504 |
|             | Overdues                                   | 670478  | 905086  | 1005609 |
|             | Recovery % (June Position)                 | 71.41   | 75.23   | 74.43   |
| <b>F</b>    | <b>ASSET CLASSIFICATION</b>                |         |         |         |
| 19.         | i. Standard                                | 6194304 | 6707352 | 6707352 |
|             | ii. Sub-Standard                           | 220057  | 272931  | 272931  |
|             | iii. Doubtful                              | 458048  | 473592  | 473592  |
|             | iv. Loss                                   | 156021  | 132457  | 132457  |
|             | Total                                      | 7028430 | 7586332 | 8418613 |
|             | Standard Assets as % to Gross Loans & Adv. | 88.13   | 88.41   | 88.98   |
| <b>G</b>    | <b>PROFIABILITY ANALYSIS</b>               |         |         |         |
| 20.         | Interest Paid on:                          |         |         |         |
|             | i. Deposits                                | 858711  | 959465  | 959465  |
|             | ii. Borrowings                             | 13987   | 15607   | 15607   |
| 21.         | Salaries                                   | 311111  | 290311  | 278123  |
| 22.         | Other Operating Expenses                   | 140319  | 290311  | 271807  |
| 23.         | Provisions made during the year            |         |         |         |
|             | i. Against NPA                             | 283255  | 228664  | 228664  |
|             | ii. Other Provisions                       | 187740  | 207291  | 207291  |





| Particulars |  | 2018-19 | 2019-20 | 2020-21 |
|-------------|--|---------|---------|---------|
| 24.         | Interest Received on                       |         |         |         |
|             | i. Loans & Advances                        | 677385  | 670019  | 726963  |
|             | ii. Investments                            | 476654  | 417313  | 498912  |
|             | iii. Others                                | 547910  | 671462  | 589761  |
| 25.         | Other Income                               | 110608  | 92428   | 92428   |
| 26.         | Loss/Profit                                | 17826   | 5443    | 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                            | 450046  | 623529  | 685999  |
|             | ii. Against Standard Assets                | 20155   | 37944   | 44621   |
| 30.         | Interest Derecognized                      |         |         |         |
|             | i. During the year                         | -       | -       | -       |
|             | ii. Cumulative                             | -       | -       | -       |
| 31.         | Loans Written-off during the year          |         |         |         |
|             | i. No. of Accounts                         | 531     | 320     | 123     |
|             | ii. Amount                                 | 64019   | 55186   | 14767   |
| 32.         | Accumulated loss                           | -       | -       | -       |
| 33.         | Reserves and Surplus                       | 1602170 | 1607613 | 1607613 |
|             | i. Net NPAs                                | 384080  | 255451  | 241594  |
|             | ii. % Provisions o gross NPAs              | 53.95   | 70.94   | 78.04   |
|             | iii. % Gross NPAs to advances              | 11.87   | 11.59   | 10.44   |
|             | iv. % Net NPAs advances                    | 5.46    | 3.37    | 2.87    |
|             | v. CRAR                                    | 16.78   | 14.61   | 13.9    |





## Board of Directors' Report: 2020-21

We take pleasure in presenting the 40th 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 2021.

### Business review

The quantum of business handled by the Bank increased by 16.71% during the year from a level of Rs.3024.52cr. to Rs.3529.95cr. Loans and advances increased by 10.97% from Rs. 758.63cr. to Rs.841.86cr. , and deposits by 18.63% from Rs.2265.89cr. to Rs.2688.09cr. By comparison, total business had grown by 16.71% in 2020-21.

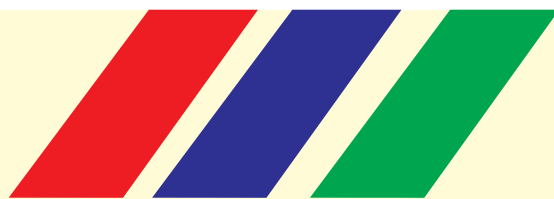
The respective contribution of deposits and loans and advances to the business-mix as on March 2021 was in the ratio of 3:1.

| 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 %       |
| 2020        | 2265.89        | 758.63           | 3024.52        | 6.53%         |
| <b>2021</b> | <b>2688.09</b> | <b>841.86</b>    | <b>3529.95</b> | <b>16.71%</b> |

### Profit analysis

Net profit for the year stood at Rs0.94cr. compared to Rs 0.54 cr. in the previous year. Operating profit before provisions and contingencies had negatively reduced by as much as 10.82% from Rs. 47.03 cr. to Rs. 42.32 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        | 187.06        | .54         |
| <b>2020-21</b> | <b>188.97</b> | <b>188.03</b> | <b>0.94</b> |

### Net Interest Income

Interest earnings grew by 3.23% from Rs175.87 cr. to 181.56 cr., and Interest Expenditure reduced by 6.00% from Rs97.51 cr. to 91.66 cr. Net Interest Income grew positively by 14.71% from Rs78.36 cr. to Rs89.90 against de growth of 5.39% registered during the previous year.

### Operating Income/Expenditure

Total Operating Expenditure had reduced from Rs 47.03 cr. in Mar '20 to 42.32 cr. in Mar '21 and Operating Income increased from Rs187.60 cr. to Rs188.97 cr.

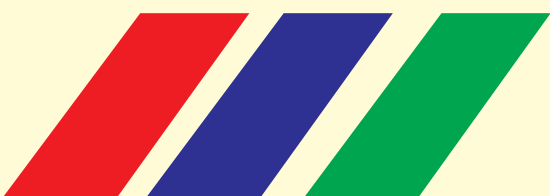
### Provisions

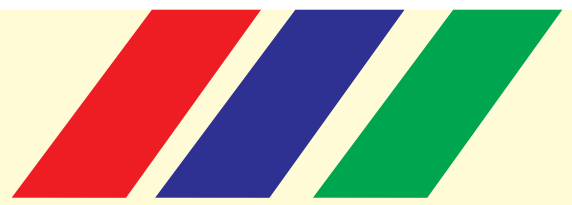
Total provisioning for the year ended Mar '21 amounted to Rs 34.87crore.

|                                   |               |
|-----------------------------------|---------------|
| Standard Assets                   | 2774          |
| Standard Assets : nCOVID-19       | 3902          |
| Bad & Doubtful Debt               | 77238         |
| Provison for Wage Revision Arrear | 84500         |
| Provision for Pension             | 160000        |
| Gratuity                          | 895           |
| Leave Encashment                  | 1251          |
| Investment Fluctuation Reserves   | 503           |
| Bonus                             | 161           |
| Building Fund                     | 17500         |
| <b>Total</b>                      | <b>348725</b> |

### Balance sheet size

The Bank's Balance Sheet grew in size by 15.95% from Rs2571.35cr. in March 2020 to Rs2981.65 cr. in March 2021. The corresponding growth rate between March 2019 and March 2020 had been by 5.75%.





## Capital and Reserves

### Authorised capital

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

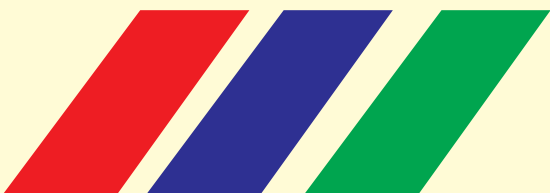
### Paid-up capital

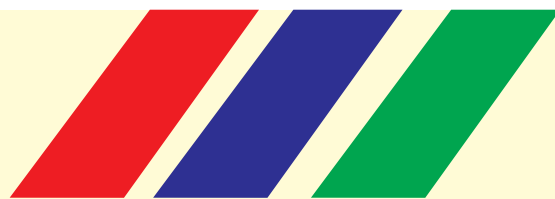
The amount of fully paid-up capital also stood unchanged at Rs 2,59,76,000/-.

| Table: Bank's Paid-up/Issued Share Capital – March 2021 |                    |                    |
|---|--------------------|--------------------|
| 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) |               |               |               |               |
|                         | 2016-17        | 2017-18       | 2018-19       | 2019-20       | 2020-21       |
| Share Capital           | 2.6            | 2.6           | 2.6           | 2.6           | 2.6           |
| Reserves                | 50.36          | 53.45         | 53.65         | 53.78         | 54.02         |
| Accum. profit           | 96.71          | 105.97        | 106.57        | 106.98        | 107.68        |
| <b>Total</b>            | <b>149.67</b>  | <b>162.02</b> | <b>162.82</b> | <b>163.36</b> | <b>164.30</b> |
| Increase                | 8.44%          | 8.25%         | 0.49%         | 0.33%         | 0.58%         |



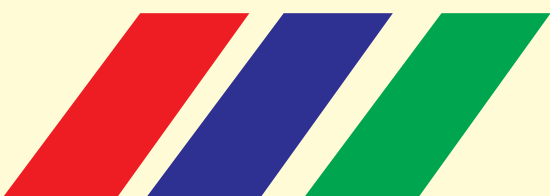


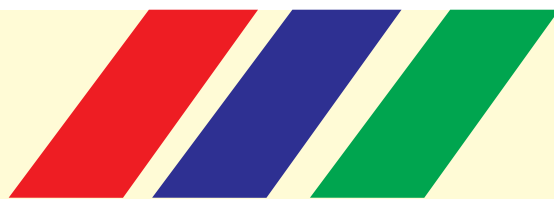
## Capital Adequacy Ratio

| Table: Capital Adequacy Ratio          |                               | (Rs in thousands) |                |                |                |
|--|-------------------------------|-------------------|----------------|----------------|----------------|
|  |                               | 2017-18           | 2018-19        | 2019-20        | 2020-21        |
| <b>Tier I</b>                          |                               |                   |                |                |                |
| a                                      | Paid-up Capital               | 25976             | 25976          | 25976          | 25976          |
| b                                      | Statutory reserves & surplus  | 534454            | 536467         | 537828         | 540182         |
| c                                      | Accumulated profit            | 1059665           | 1065703        | 1069785        | 1076847        |
| <b>Total</b>                           |                               | <b>1620095</b>    | <b>1628146</b> | <b>1633589</b> | <b>1643005</b> |
| <b>Tier II</b>                         |                               |                   |                |                |                |
| d                                      | General provisions & reserves | 40936             | 42405          | 63708          | 66871          |
| <b>Grand total (a to d)</b>            |                               | <b>1661031</b>    | <b>1670551</b> | <b>1697297</b> | <b>1709876</b> |
| Risk weighted assets                   |                               | 10473860          | 9954062        | 11621192       | 12305636       |
| <b>Capital to Risk Weighted Assets</b> |                               | <b>15.86%</b>     | <b>16.78%</b>  | <b>14.61%</b>  | <b>13.90%</b>  |

## Business ratios

| Table: Business Ratios |  | (Rs in lacs) |         |         |
|------------------------|--|--------------|---------|---------|
|                        |  | 2018-19      | 2019-20 | 2020-21 |
| i                      | Interest Income as percentage of Working Fund      | 7.83         | 6.81    | 6.74    |
| ii                     | Non-interest Income as percentage of Working Funds | 0.51         | 0.45    | 0.28    |
| iii                    | Operating Profit as percentage of Working Funds    | 2.25         | 1.82    | 1.57    |
| iv                     | Return on Assets                                   | 0.04         | 0.02    | 0.03    |
| v                      | Business (Deposits plus Advances) per Employee     | 715          | 758     | 924     |
| vi                     | Profit per Employee                                | 0.20         | 0.14    | 0.25    |





## 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%         |
| <b>2021</b>              | <b>2688.09</b> | <b>18.63%</b> |

## Deposit-mix & CASA

|                    | 31 <sup>st</sup> Mar'18 | 31 <sup>st</sup> Mar'19 | 31 <sup>st</sup> Mar'20 | 31 <sup>st</sup> Mar'20 |
|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Current Acc.       | 110.30                  | 155.03                  | 114.85                  | 118.23                  |
| Savings Bank       | 1131.06                 | 1325.93                 | 1434.72                 | 1821.44                 |
| Sundries           | 0.42                    | 0.77                    | 0.00                    | 0.00                    |
| <b>CASA total</b>  | <b>1241.78</b>          | <b>1481.73</b>          | <b>1549.57</b>          | <b>1939.67</b>          |
| Term Deposits      | 601.34                  | 635.57                  | 694.12                  | 724.00                  |
| Recurring Dep.     | 15.53                   | 18.96                   | 22.20                   | 24.42                   |
| <b>Grand total</b> | <b>1858.65</b>          | <b>2136.26</b>          | <b>2265.89</b>          | <b>2688.09</b>          |

The Bank had posted growth in **CASA at 72.16%** deposits

## Borrowings

|              | March 2018   | March 2019   | March 2020   | March 2021   |
|--------------|--------------|--------------|--------------|--------------|
| NABARD       | 23.42        | 28.28        | 31.75        | 30.19        |
| NSTFDC       | 1.98         | 1.88         | 3.11         | 2.61         |
| <b>Total</b> | <b>25.40</b> | <b>30.16</b> | <b>34.87</b> | <b>32.80</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 BR Act 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.

| Table: Average Investments |                |              |                |              |                |              |                |              |
|----------------------------|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| (Rs in crores)             |                |              |                |              |                |              |                |              |
|                            | March 2018     |              | March 2019     |              | March 2020     |              | March 2021     |              |
|                            | Amt            | Yield %      | Amt            | Yield %      | Amt            | Yield %      | Amt            | Yield %      |
| SLR                        | 421.54         | 8.65%        | 414.64         | 8.47%        | 480.63         | 7.83         | 557.11         | 8.96%        |
| Non-SLR                    | 835.24         | 5.98%        | 609.92         | 6.82%        | 1057           | 6.74         | 1174.19        | 5.02%        |
| <b>Total</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> | <b>1731.30</b> | <b>6.29%</b> |

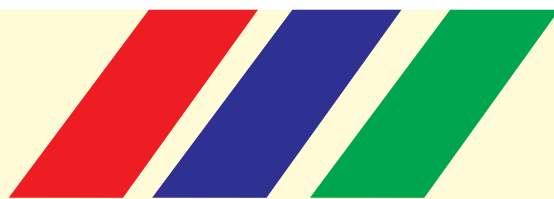
## CRR and SLR

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 2020-21 covering the period from 13<sup>th</sup> to 26<sup>th</sup> March 2021, an average balance of Rs. 86.42 cr. was maintained in current account with RBI against the CRR requirement of Rs. 78 cr., and an average amount of Rs546 cr. in approved SLR avenues against the required SLR average of Rs513cr

## Credit portfolio

The credit portfolio of the Bank increased to Rs. **841.86**cr in March 2021 from Rs. **758.63**cr. in March 2020.



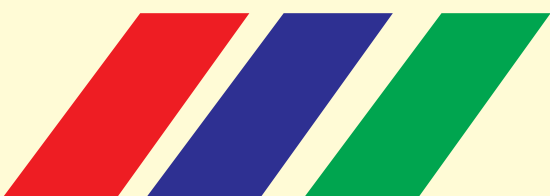
## Total disbursement and outstanding

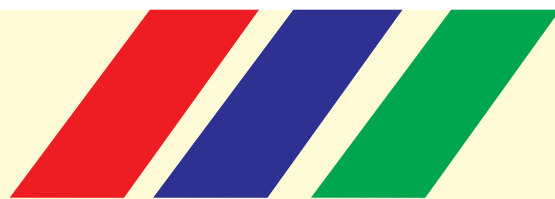
|                        |                    | Table: Credit Portfolio |                    |                 |                    | (Rs in crore) |  |
|------------------------|--------------------|-------------------------|--------------------|-----------------|--------------------|---------------|--|
| Loans & Advances       | 2018-19            |                         | 2019-20            |                 | 2020 - 21          |               |  |
|                        | Yr end outstanding |                         | Yr end outstanding |                 | Yr end outstanding |               |  |
|                        | No. of Acc.        | Amt.                    | No. of Acc.        | Amt             | No. of Acc.        | Amt.          |  |
| KCC                    | 20651              | 110.44                  | 22466              | 124.71          | 25113              | 144.28        |  |
| Other Agri. Loans      | 457                | 4.39                    | 458                | 1.52            | 1976               | 3.49          |  |
| AATL                   | 202                | 63.22                   | 1689               | 13.64           | 1509               | 12.22         |  |
| JLGs                   | 19                 | 0.11                    | 14                 | 0.08            | 12                 | 0.06          |  |
| NRLM                   | 1426               | 8.97                    | 2750               | 20.55           | 4105               | 36.69         |  |
| Other SHGs             | 2065               | 13.97                   | 402                | 2.54            | 299                | 1.65          |  |
| Small Business         | 5940               | 193.60                  | 5345               | 177.32          | 6042               | 173.25        |  |
| Transport Operators    | 863                | 19.49                   | 802                | 20.12           | 631                | 17.80         |  |
| PMEGP                  | 524                | 10.34                   | 584                | 11.95           | 625                | 12.16         |  |
| Other SSI              | 523                | 15.31                   | 407                | 13.45           | 401                | 12.02         |  |
| Housing                | 969                | 7.21                    | 1026               | 78.11           | 1077               | 86.72         |  |
| Education Loan         | 371                | 7.14                    | 400                | 7.25            | 371                | 7.36          |  |
| GCC                    | 2568               | 4.71                    | 2097               | 3.68            | 1640               | 2.95          |  |
| <b>Priority Sector</b> | <b>36278</b>       | <b>458.90</b>           | <b>38440</b>       | <b>474.95</b>   | <b>43801</b>       | <b>510.65</b> |  |
| Non-priority sector    | 8537               | 243.94                  | 9034               | 283.6829        | 9688               | 331.21        |  |
| <b>Total</b>           | <b>44815</b>       | <b>702.84</b>           | <b>47474</b>       | <b>758.6332</b> | <b>53489</b>       | <b>841.86</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 are 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

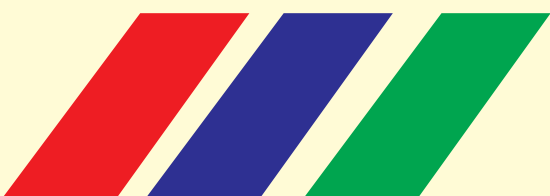
Agriculture continued to be the key focus area for the Bank and credit outstanding under this sector stood at Rs. 163.79 cr. as on 31.03.2021 in comparison to Rs. 143.64 cr. as on 31.03.2020.

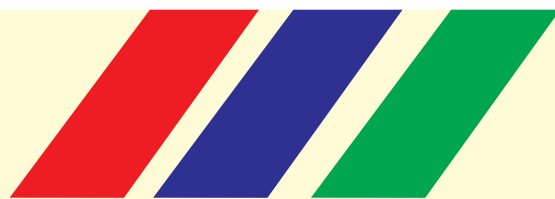
### Priority Sector Lending (PSL)

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 2020  |        |         | March 2021 |        |
|-------------|--------|---------|------------|--------|
| PSL         | Accts. | Amt.    | Accts.     | Amt.   |
| Disbursed   | 11651  | 1940833 | 15633      | 127.65 |
| Outstanding | 38440  | 4749503 | 43801      | 510.65 |





### 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.

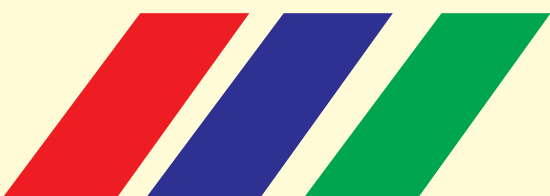
The position of NRLM as on 31.03.2021

|                       | March 2020  |               |             |               | March 2021  |               |             |               |
|-----------------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
|                       | Disb.       |               | Outstng.    |               | Disb.       |               | Outstng.    |               |
|                       | Accts.      | Amt.          | Accts.      | Amt.          | Accts.      | Amt.          | Accts.      | Amt.          |
| <b>Revolving Fund</b> | 1740        | 270500        | 2735        | 204069        | 2299        | 267874        | 4097        | 366032        |
| <b>Activity Loan</b>  | 1           | 500           | 15          | 1467          | 0           | 0             | 8           | 897           |
| <b>Total</b>          | <b>1741</b> | <b>271000</b> | <b>2750</b> | <b>205536</b> | <b>2299</b> | <b>267874</b> | <b>4105</b> | <b>366929</b> |

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

The position of PMEGP as on 31.03.2021.

| 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 |
| 2021  | 106       | 1.79  | 625         | 121674 |





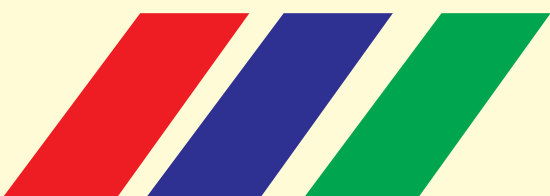
**Government sponsored Scheme: Pradhan Mantri MUDRA Yojana (PMMY)**

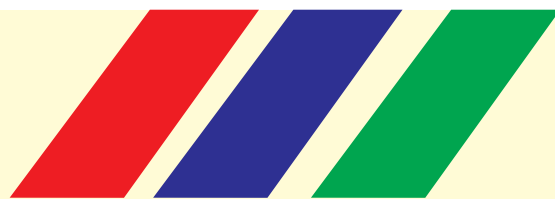
The position of MUDRA as on 31.03.2021.

| Table: Financing under MUDRA (Rs in thousands) |                                      |       |        |  |       |        |   |       |        |       |       |       |
|--|--------------------------------------|-------|--------|--|-------|--------|---|-------|--------|-------|-------|-------|
|  | SHISHU<br>(Loans up to<br>Rs 50,000) |       |        | KISHORE (Loans of<br>(Loans of<br>Rs 50,000 to Rs 5 lac) |       |        | TARUN (Loans of<br>(Loans of<br>Rs 5 lac to 10 lac) |       |        | Total |       |       |
|  | Accs.                                | Disb. | Outstd | Accs.  | Disb. | Outstd | Accs.   | Disb. | Outstd |       |       |       |
| STs  | 1465                                 | 69290 | 45939  | 80   | 15648 | 12000  | 2   | 1568  | 1125   | 1547  | 86506 | 59064 |
| General  | 0                                    | 0     | 0      | 0  | 0     | 0      | 0   | 0     | 0      | 0     | 0     | 0     |
| Total  | 1465                                 | 69290 | 45939  | 80   | 15648 | 12000  | 2   | 1568  | 1125   | 140   | 86506 | 59064 |
| Of the above<br>entrepreneurs:                 |                                      |       |        |  |       |        |   |       |        |       |       |       |
| New  | 213                                  | 9960  | 8062   | 5  | 600   | 552    | 0   | 0     | 0      | 218   | 10560 | 8614  |
| Women  | 894                                  | 41933 | 27690  | 48   | 9015  | 7321   | 1   | 868   | 867    | 943   | 51816 | 35878 |
| 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) |           |             |           |             |
|---|-----------|-------------|-----------|-------------|
|   | 2019-20   |             | 2020-21   |             |
|   | Disbursed | Outstanding | Disbursed | Outstanding |
| Accounts                                      | 0         | 30          | 0         | 28          |
| Amount  | 0         | 15469       | 0         | 14303       |





### Interest subvention

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

### Lending to Scheduled Tribe communities

|               |         | 2019-20             |         | 2020-21             |         |                     |         |                     |  |
|---------------|---------|---------------------|---------|---------------------|---------|---------------------|---------|---------------------|--|
|               |         | 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> | 13095   | 84.94               | 42314   | 89.13               | 16222   | 85.34               | 47510   | 88.82               |  |
| <b>Amt.</b>   | 2958883 | 90.00               | 7239618 | 95.43               | 2335165 | 92.91               | 7873075 | 93.52               |  |

### Credit Information Companies

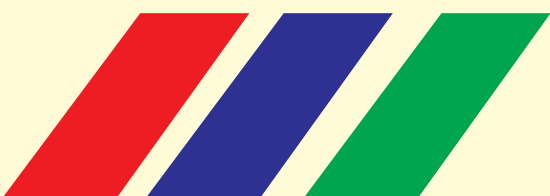
The Bank has acquired affiliation with all four Credit Information Bureaus (CICs) conferred with Certificates of Registration by the RBI. These CICs are Credit Information Bureau (India) Ltd., Equifax Credit Information Services Pvt. Ltd., Experian Credit Information Company of India Pvt. Ltd., and CRIF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

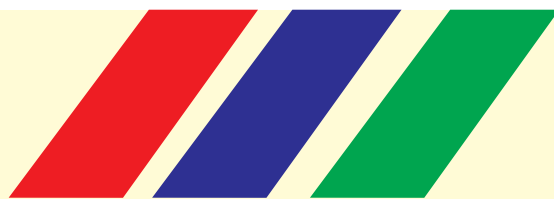
Our Bank has been uploading the data regularly and all our AMHs and Credit Committee are accessing the credit history of the loan applicants in their credit decisions.

### 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 2020-21

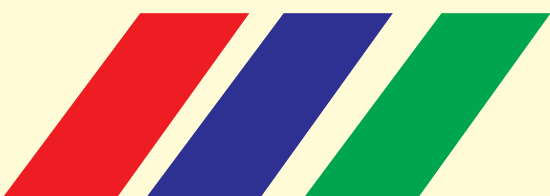
| Sector                                   | Achievement  |               |
|--|--------------|---------------|
|  | Accts.       | Amount        |
| Short Term Credit(Crop Loan)             | 9251         | 57.59         |
| Investment Credit for Agri& Allied Agri. | 2563         | 6.44          |
| <b>Total Agriculture</b>                 | <b>11814</b> | <b>64.03</b>  |
| Non Farm Sector (Msme)                   | 3677         | 55.83         |
| Other Priority Sector                    | 142          | 7.79          |
| <b>Grand total</b>                       | <b>15633</b> | <b>127.65</b> |

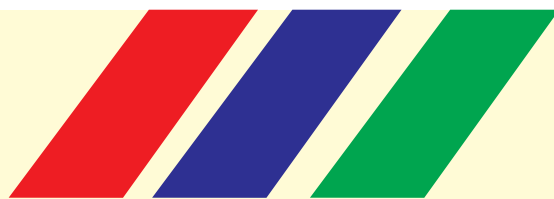
## Recovery& Management of NPAs

|  | March 2019      | March 2020    | March 2021    |
|--|-----------------|---------------|---------------|
| NPAs at beginning of the year          | 67,50,25        | 834126        | 878980        |
| Added during the year                  | 27,79,63        | 157991        | 379644        |
| NPAs upgraded to Standard Assets       | 59,23           | 43463         | 221383        |
| Recovered                              | 4,89,20         | 14488         | 94879         |
| Written-off                            | 6,40,19         | 55186         | 14767         |
| Total reduction during the year        | 11,88,62        | 113137        | 331029        |
| <b>Gross NPAs at the year-end</b>      | <b>83,41,26</b> | <b>878980</b> | <b>927595</b> |
| Gross NPAs as % of total advances      | 11.87%          | 11.59%        | 11.02%        |
| NPAs net of provisions                 | 38,40,81        | 255451        | 241596        |
| <b>Net NPAs as % of total advances</b> | <b>5.46%</b>    | <b>3.37%</b>  | <b>2.87%</b>  |

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

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





### DCB as in June 2020

|                              | Demand       |              | Collection   |              | Overdues     |              | Recovery%     |               |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                              | Jun '19      | Jun'20       | Jun '19      | Jun'20       | Jun '19      | Jun'20       | Jun '19       | Jun'20        |
| Farm/Priority Sector         | 6893         | 10004        | 4761         | 7472         | 2132         | 2532         | 69.07%        | 74.69%        |
| Non-Farm/Non-Priority Sector | 36542        | 39321        | 27491        | 29265        | 9051         | 10056        | 75.23%        | 74.43%        |
| <b>Total</b>                 | <b>43435</b> | <b>49325</b> | <b>32252</b> | <b>36737</b> | <b>11183</b> | <b>12588</b> | <b>72.33%</b> | <b>74.48%</b> |

### Suit-filed under the SARFAESI Act

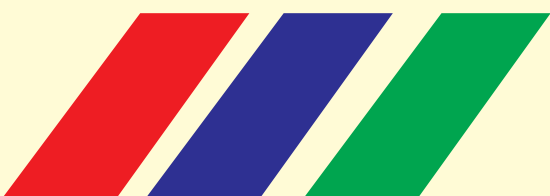
| Pending cases at the beginning of the year | Cases filed during the year | Total no. of cases filed | Amt. involved |
|--|-----------------------------|--------------------------|---------------|
| 35   | 2021-22                     | 4                        | 14840         |

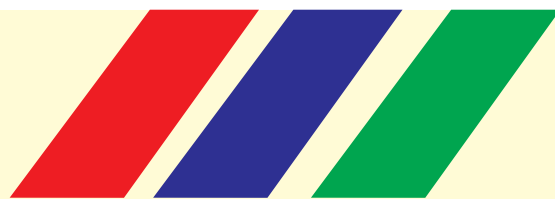
### Bakijai (Certificate) cases

|                              | March 2020 |        | March 2021 |        |
|------------------------------|------------|--------|------------|--------|
|                              | Accts.     | Amt.   | Accts.     | Amt.   |
| Pending at beginning of year | 1958       | 104171 | 1870       | 95220  |
| Settled during year          | 206        | 23371  | 6          | 514    |
| Additional filed during year | 118        | 14420  | 122        | 31560  |
| Pending at the year-end      | 1870       | 95220  | 1986       | 126266 |

### Compromise settlements

|                                | March 2020 |       | March 2021 |       |
|--------------------------------|------------|-------|------------|-------|
|                                | Accts.     | Amt.  | Accts.     | Amt.  |
| Loans written-off              | 607        | 75823 | 109        | 13981 |
| Out of which,                  |            |       |            |       |
| Bad Debts debited              | 308        | 52529 | 109        | 13981 |
| Compromise/One-Time settlement | 299        | 50564 | 160        | 30712 |





## Income Recognition and Asset Classification (IRAC)

| March 2020   |                |                |                |               | March 2021     |                |                |               |
|--------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|
|              | Secured        | Unsecured      | Total          | Provision     | Secured        | Unsecured      | Total          | Provis'n      |
| Standard     | 4740351        | 1967001        | 6707352        | 22088         | 5240943        | 2250078        | 7491021        | 24862         |
| Sub-standard | 162335         | 110597         | 272931         | 51999         | 217051         | 63402          | 280453         | 48408         |
| Doubtful 1   | 33492          | 109083         | 142576         | 120457        | 3361           | 114865         | 118226         | 115705        |
| Doubtful 2   | 20666          | 213837         | 234502         | 222103        | 11715          | 153363         | 165078         | 158049        |
| Doubtful 3   | 0              | 96514          | 96514          | 96514         | 0              | 207116         | 207116         | 207116        |
| Loss         | 0              | 132457         | 132457         | 132457        | 0              | 156721         | 156721         | 156721        |
| <b>Total</b> | <b>4956844</b> | <b>2629488</b> | <b>7586332</b> | <b>645617</b> | <b>5473070</b> | <b>2945545</b> | <b>8418615</b> | <b>710862</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

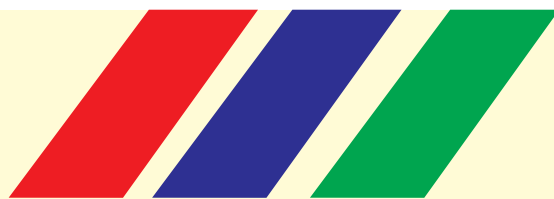
Well Controlled: A+  
Adequately Controlled: A  
Moderately Controlled: B  
Unsatisfactorily Controlled: C

### 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 | 05                 | 59                                 | 64                            | 64                               |
| Snap Audit          | 34                 | 67                                 | 101                           | 97                               |



## Concurrent Audit

Concurrent Audit as a mechanism of Management control and monitoring took concrete shape during the year with the appointment of one Concurrent Auditor from 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 online from 17<sup>th</sup> June to 13<sup>th</sup> July 2020 by Shri Swarup Kr Mukherjee, Auditor commissioned by the sponsor bank. The audit covered Head Office, Regional Office I and Regional Office II and 90 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 XX<sup>th</sup> Statutory Inspection of the Bank under Section 35(6) of the Banking Regulation Act, 1949, with reference to the financial position as on March 2021, was conducted from 28<sup>th</sup> December 2020 to 11<sup>th</sup> January 2021 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.

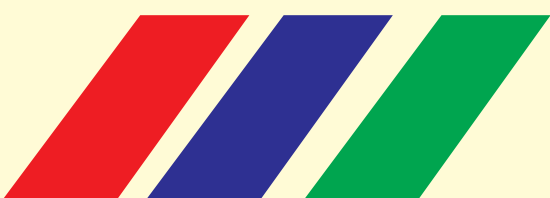
Weighted Average Marks Awarded during the inspection: 64%, Good .

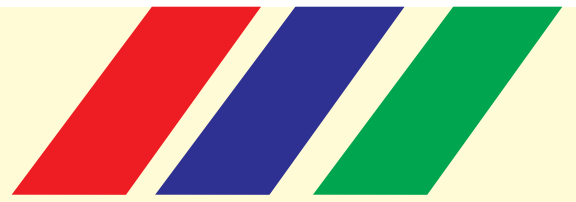
## Statutory Audit

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, 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 2020-21, a total of 292 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 DALU 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.

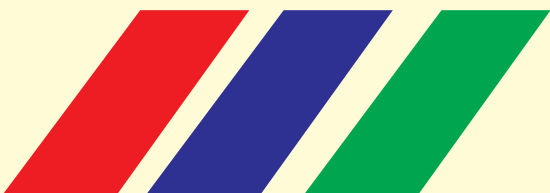
### Pradhan Mantri Jan Dhan Yojana (PMJDY)

| Table: PMJDY accounts   |                 |                             |
|-------------------------|-----------------|-----------------------------|
|                         | No. of accounts |                             |
|                         | 2020-21         | Cumulative as on March 2021 |
| Opened                  | 39889           | 245972                      |
| RuPayDebit Cards issued | 4808            | 94076                       |

Mowkaiawbranch had opened the highest number of PMJDY accounts during 2020-21.

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

| Table: Enrolment under the Prime Minister's Social Security Schemes: 2020-21 |                  |                             |
|--|------------------|-----------------------------|
|  | Nos. of accounts |                             |
|  | 2020-21          | Cumulative as on March 2021 |
| PMJJBY   | 10733            | 35364                       |
| PMSBY  | 9303             | 38689                       |
| APY  | 382              | 2371                        |
| <b>Total</b>   | <b>20418</b>     | <b>76424</b>                |





The branches most active in implementation of the Prime Minister's social security schemes during 2020-21 were Mairang Branch (PMJJBY), Markasa Branch (PMSBY), and Nongstoin Branch (APY).

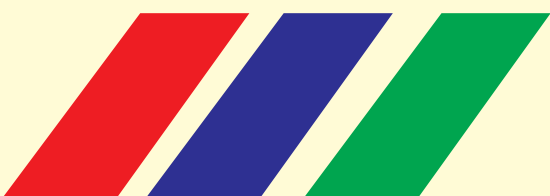
### BCs/CSPs

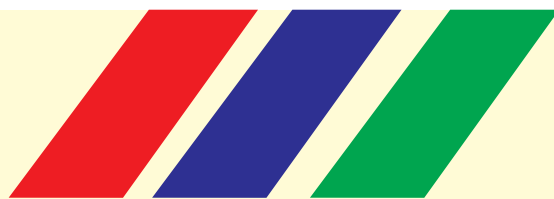
The 114 BCs/CSPs on the Bank's books extended critical support to selected branches in regard of such tasks as account opening, cash deposits and withdrawals, sourcing of loan applications, NPA recovery, enrolment under the government's social security schemes, and extension of micro-insurance coverage

### 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.

| Prog.            | Topic                                  | Duration   | No. of trainees | Of whom, women |
|------------------|--|--|-----------------|----------------|
| 55 <sup>th</sup> | FL CRPs                                | 15 <sup>th</sup> to 21 <sup>st</sup> Sept 2020   | 26              | 26             |
| 56 <sup>th</sup> | Piggery Farming                        | 27 <sup>th</sup> Oct to 6 <sup>th</sup> Nov 2020 | 13              | 09             |
| 57 <sup>th</sup> | Piggery Farming                        | 25 <sup>th</sup> Nov to 5 <sup>th</sup> Dec 2020 | 14              | 08             |
| 58 <sup>th</sup> | Poultry Farming                        | 18 <sup>th</sup> to 28 <sup>th</sup> Jan 2021    | 19              | 13             |
| 59 <sup>th</sup> | Dairy Farming Cum<br>Vermi Compositing | 17 <sup>th</sup> to 27 <sup>th</sup> Feb 2021    | 09              | 04             |
|                  | <b>TOTAL</b>                           |  | <b>81</b>       | <b>60</b>      |
|                  | Prior to 2020-21                       |  | 1312            | 777            |
|                  | <b>Cumulative</b>                      |  | <b>1393</b>     | <b>837</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) |         |         |
|---|---------|---------|
|   | 2019-20 | 2020-21 |
| No. of new insurance policies sold  |         | 836     |
| New business insurance premium collected (Rs)                             | 27500   | 23065   |
| Total Commission Income (Rs.)   | 4487    | 5476    |
| No. of CIFs in place  | 42      | 42      |
| No. of MDRTs  | 3       | 6       |

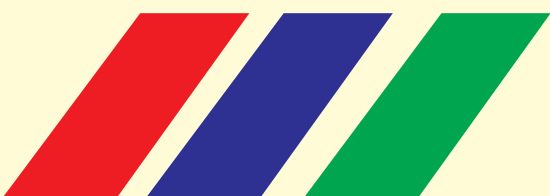
### SBI General Insurance

| Table: Cross-selling of SBI General Insurance Co. products (Rs in thousands) |         |         |
|--|---------|---------|
|  | 2019-20 | 2020-21 |
| No. of new insurance policies sold   | 3200    | 3491    |
| New business insurance premium collected (Rs)                                | 9012    | 9020    |
| Total Commission Income (Rs)   | 990     | 988     |
| No. of Specified Persons (SPs)   | 7       | 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           | SHILLONG              |
| Second                                | IEWDUH             | NONGPOH               |
| Third                                 | MYLLIEM            | IEWDUH                |
| Fourth                                | MAWNGAP            | BARIDUA               |
| Fifth                                 | JAI AW             | MAIRANG               |





## 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 Bancs link 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 a 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 23<sup>th</sup> June 2020, 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

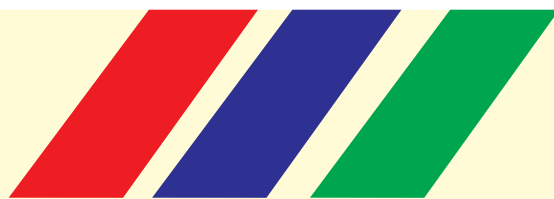
The ongoing thrust towards a cashless economy has necessitated greater reliance on technology. However the use of technology also requires that adequate safeguards and checks be in place. In light of the above, the Bank had commissioned an IS Audit of our Head Office, Regional Office and 90 branches by a qualified IS Auditor during 2020-21.

## 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 2600 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.) |
| 20611               | 16.89           | 30663               | 24.09           | 536210              | 60.49           | 15926               | 16.44           |





### 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 24x7x365. 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 2020-21, transactions involving an amount of Rs. 60.49crore 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.

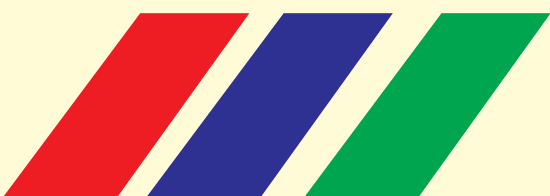
### ATM Cards

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 2020-21 FY ending is as under:

| Table: ATM Cards issued up to March 2021 |                 |                     |
|--|-----------------|---------------------|
|  | No. of Accounts | No. of Cards issued |
| Savings Bank Accounts                    | 773,703         | 176,385             |
| PMJDY Accounts                           | 245,972         | 94,076              |

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

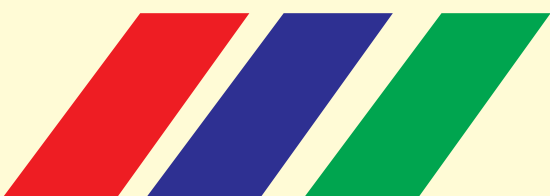
#### Staff strength

*Table: Staff position as on 31<sup>st</sup> March 2021*

| Designation                      | Total      | Out of total, STs | Out of total, women |
|----------------------------------|------------|-------------------|---------------------|
| Chief Managers (Scale IV)        | 5          | 2                 |                     |
| Senior Managers (Scale III)      | 16         | 11                | 3                   |
| Managers (Scale II)              | 40         | 37                | 23                  |
| Assistant Managers (Scale I)     | 106        | 74                | 29                  |
| <b>Officers: total</b>           | <b>167</b> | <b>124</b>        | <b>55</b>           |
| Office Assistants (Multipurpose) | 127        | 114               | 43                  |
| Office Attendants (Multipurpose) | 88         | 83                | 42                  |
| <b>Staff: total</b>              | <b>215</b> | <b>197</b>        | <b>85</b>           |
| As % of total staff strength     | 40.93      | 91.62             | 27.90               |

#### Promotions

Based on a promotion exercise set in motion in the month of November 2020, 1 officer was promoted from Scale III to Scale IV grade, 0 from Scale II to Scale III grade, and 5 from Scale I to Scale II grade. Also, 6 Office Assistants were promoted to Officers Scale I, and 7 Office Attendants to the Office Assistants cadre. The promotions took effect from 27th November 2020.





## Recruitment

Based on the outcome of IBPS's CRP (Common Recruitment Process) RRBs IX, 9 new recruits joined the Bank in course of the year as Officers Scale I and 18 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 month of April 2021 for new recruits and promotees to the Officer Scale I and Office Assistant cadres on October 2020.

The Bank also, on behalf of IBPS, undertook pre-examination training (PET) in Shillong from 21/07/2019 To 01/08/2019 for reserved seat categories of candidates appearing for the CRP VIII for RRBs. 104 candidates for the posts of officers and 104 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

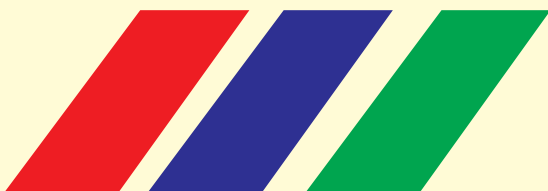
No effort was spared to enable release of terminal benefits to staff who retired during the year within a month of the staff proceeding into retirement.

## 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 27<sup>th</sup> October to 2<sup>nd</sup> November 2020 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 27<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 Dilip Kumar Guha**, Chairman, Meghalaya Rural Bank, up to 08.09.2020.

**Smti. Tshering Diki**, Chairman, Meghalaya Rural Bank, w.e.f. 09.09.2020.

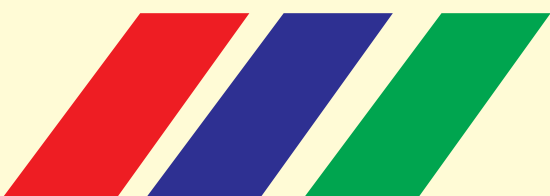
**Shri P. Gangte**, GM, RBI, RO, Shillong retired on 08/10/2020.

Shri L. Huangmuanthang GM, RBI, RO, Shillong w.e.f. 08/10/2020

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 2020-21 were convened on 08<sup>th</sup> May, 26<sup>st</sup> June, 20<sup>th</sup> August, 15<sup>th</sup> October, 21<sup>st</sup> December (2020), and 11<sup>th</sup> February (2021). The record of attendance at the meetings is as under:

| Table: Attendance of Directors at Board Meetings held during 2020-21 |                     |               |                          |
|--|---------------------|---------------|--------------------------|
| Director   | Designation         | Appointed on: | No. of meetings attended |
| Shri Dilip K. Guha   | Chairman            | 07.08.2017    | 3                        |
| Smti. Tshering Diki  | Chairman            | 04.09.2020    | 3                        |
| Smti. Seema Dikshit  | SBI Nominee         | 24.12.2019    | 5                        |
| Shri P. Gangte   | RBI nominee         | 09.09.2017    | 2                        |
| Shri Mukesh Papriwalk  | SBI Nominee         | 05.02.2019    | 5                        |
| Shri L. Hangmunthang   | RBI nominee         | 08.10.2020    | 3                        |
| Shri Shantanu Sharma   | State Govt. nominee | 23.05.2019    | 1                        |
| Shri E. Y. Chen  | State Govt. nominee | 15.07.2016    | 4                        |
| Smt. Lipy Deori  | NABARD Nominee      | 03.12.2019    | 6                        |





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: <b>Policies adopted by the Board during 2020-21</b> |  |
|--|--|
| i  | Policy for closure of Fraud Cases-2020                           |
| ii   | Internal Capital Adequacy Assessment Process (ICAAP) Policy 2020 |

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

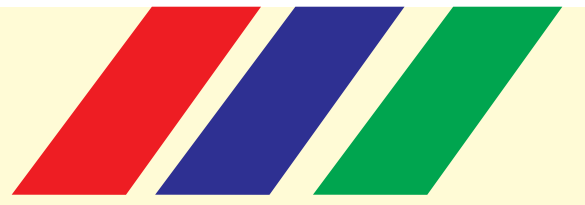
### **Acknowledgements**

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 2020-21. 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.

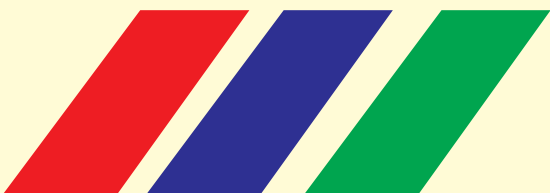


Words are not adequate to recall the excellent performance, sense of involvement, ownership and dedicated services rendered by each and every staff member in achieving the sustained business growth and profit targets set out for the year. Amazing work by the individuals is always valued and kept on record.

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

**(TsheringDiki)**  
**Chairman**

Shillong: 30<sup>th</sup> June 2021





**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

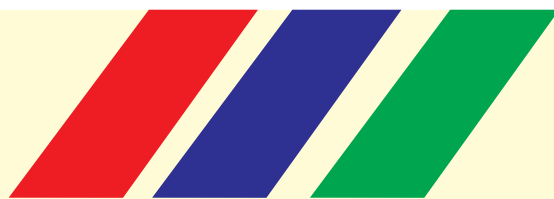
To  
**Members of Meghalaya Rural Bank**  
**Shillong**

### Qualified Opinion

1. We have audited the accompanying financial statements of Meghalaya Rural Bank (Bank") as at March 31, 2021, which comprises the Balance Sheet as at March 31, 2021, Profit and Loss Account and its cash flows 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. 20 Branches audited by Other Auditors.

The branches audited by us 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 50 branches (including administrative offices) which have not been subjected to audit. These unaudited branches account for 25% percent of advances, 39% percent of deposits, 23% percent of interest income and 39% 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 give 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 2021 and its Profit and cash flows 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)

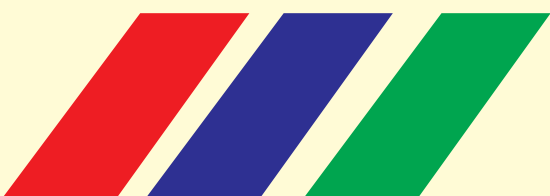
- Accounting Standard 15- Employee Benefits.
- Accounting Standard 19 – Leases. The resultant financial and disclosure impact on the financial statements could not be ascertained.

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 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 have 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 a significant part of the total assets of the bank. Bank is required to comply with the Reserve Bank of India’s (RBI)/NABARD 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/NABARD 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 other 20 branches and management certified returns and statements in respect of unaudited branches.</p> <p>Our audit procedures amongst other matters, included the following :</p> |

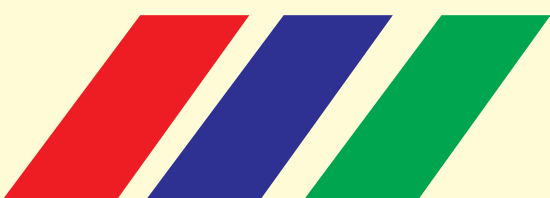


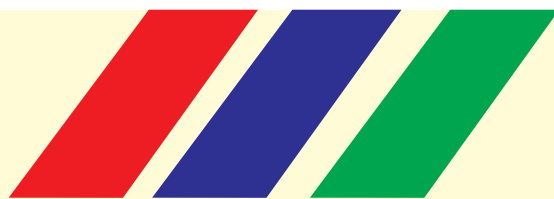


|  |  |
|--|--|
|  | <p>a) Review of design and operating effectiveness of major controls around the process of credit management and monitoring.</p> <p>b) On a sample basis, review of the borrower records and agreements executed by the Bank with its borrowers, especially with reference to credit appraisal, documentation, security creation etc.</p> <p>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.</p> <p>We have also referred various reports of the internal/regulatory inspection, concurrent auditors etc as made available by management.</p> |
|--|--|

### Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investment

|   |  |
|---|--|
| <p>Investments include investments made by the Bank in various Government Securities, units of Mutual Funds and other approved securities.</p> <p>These are governed by the circulars and directives of the RBI. These directions of RBI, inter-alia, cover valuation of investments, classification of investments, identification of non-performing investments, the corresponding non recognition of income and provision there against.</p> <p>The valuation of each category (type) of the aforesaid securities is to be done as per the method prescribed in circulars and directives issued by the RBI/NABARD.</p> | <p>Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non performing investments (NPIs), provisioning/depreciation related to Investments.</p> <p>We evaluated and made an understanding of the Bank's internal control mechanism to comply with relevant RBI directions regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments</p> |
|---|--|

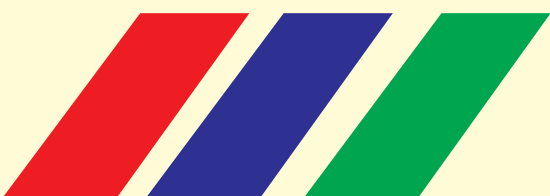


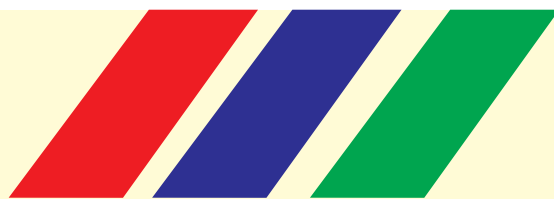


|  |   |
|--|---|
| <p>Considering the extent of complexities, volume of transactions, high value of investments on hand and degree of regulatory focus, this has been determined as a Key Audit Matter.</p> <p>Accordingly, our audit was focused on valuation of investments, classification, identification of non performing investments and provisioning related to investments</p> | <p>For the selected sample of investments in hand, we tested accuracy and compliance with the RBI/NABARD Circulars and directions.</p> <p>In addition to above, we also carried out substantive audit procedures to re-compute independently the provision to be maintained and depreciation to be provided in accordance with the circulars and directives of the RBI/NABARD.</p> <p>We also evaluated the presentations of the various investment portfolio related disclosures in terms of RBI directions.</p> |
|--|---|

#### Modified Audit Procedures carried out in light of COVID-19 Pandemic

|  |   |
|--|---|
| <p>With the continuity of COVID 19 pandemic and mobility constraints associated therewith coinciding with the timing for annual financial closing of the bank entailing the audit of the bank including its various branches/ other offices.</p> <p>Considering the pandemic related situation and advisories to facilitate undertaking of the bank audit on remote basis, wherever, physical access was not feasible. As a consequent of the above, audit was undertaken on remote basis. As we could not gather audit evidence in person /physically or through discussions and personal interactions with the officials at the Branches/Regional/Head Office, we have to adopt modified audit procedures to undertake the audit and the same has been considered as a Key Audit Matter. Accordingly, our audit procedures were modified to carry out the audit remotely</p> | <p>During the period of our audit, due to the COVID 19 Pandemic related mobility restrictions, we could not undertake travel to the allocated Branches/ Regional/Departmental Offices and carry out the audit processes physically at such respective offices.</p> <p>Wherever physical access was not possible, necessary records/ reports/ documents/ certificates were made available to us by the Bank through digital medium/emails.</p> <p>To the said extent, the audit process were carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.</p> <p>Further, we have also considered the various guidance/advisory issued by the Institute of Chartered Accountants of India on the COVID 19 related impact on the audit of financial statements.</p> |
|--|---|



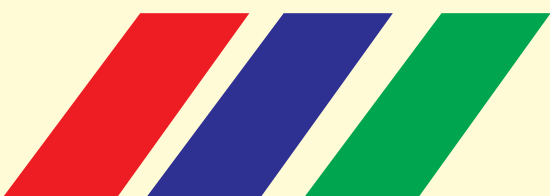


|  |  |
|--|--|
|  | <p>In the backdrop of above, we have suitably modified our audit procedures as follows:</p> <ol style="list-style-type: none"><li>a. In respect of the certain branches/Head offices of the banks, checking of necessary records and documents including review of the CBS generated statements through digital mediums/emails etc, wherever, physical visit/ access was not feasible.</li><li>b. Undertaking verification of scanned copies of the documents, certificates and the related records as made available to us through digital means.</li><li>c. Making enquiries and gathering necessary audit evidence through Video Conferencing, and discussions over phone calls/conference calls, emails and similar communication channels. Resolution of our audit observations telephonically/ through email instead of a face to - face interaction with the concerned officials of the Bank.</li></ol> |
|--|--|

5. Information other than the Financial Statements and Auditors' Report Thereon The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report etc 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 do 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





6. Responsibility of the Management and those charged with Governance 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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 to 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.

7. 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 judgment 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 risks, 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.

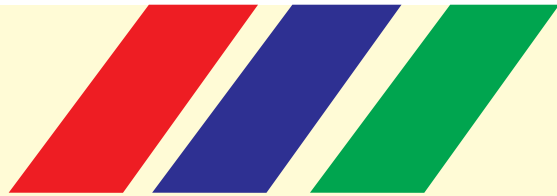


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statement

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.



## 8. Other matter

We did not audit the financial statements / information of 20 branches included in the financial statements of the Bank whose financial statements / financial information reflect advances of Rs. 11776.81 Lakhs, deposit of Rs. 46036.27 lakhs as at 31st March 2021, interest income of Rs. 958.52 lakhs and interest expense of Rs. 1488.13 lakhs for the year ended on that date, as considered in the financial statements.

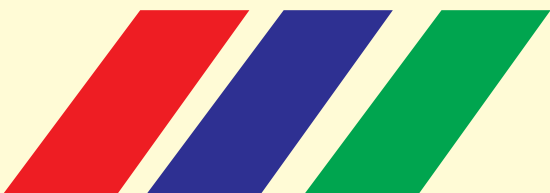
The financial statements / information of these branches have been audited by the branch auditor whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, are based solely on the report of such branch auditor. Our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

## 9. 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 explanations 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.

## 10. 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





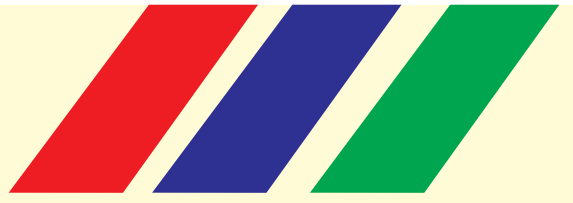
- d) Except for the matters described in our basis of qualified opinion section of the report, the Balance Sheet, and Profit and Loss Account comply with the applicable accounting standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

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

Digitally signed by  
Neeraj Jain  
Date: 2021.05.16  
19:30:57 +05'30'

(Neeraj Jain)  
Partner  
M No – 064393  
UDIN – 21064393AAAAEG1836

Date : 16 05 2021  
Place : Kolkata



**MEGHALAYA RURAL BANK**  
Head Office : Shillong  
Balance Sheet As at 31st March 2021

(Rs. in 000)

| Particulars  | Schedule | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|--|----------|------------------------------------|-------------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                     |          |                                    |                                     |
| Capital  | 1        | 25976                              | 25,976                              |
| Reserve and Surplus                                | 2        | 1617029                            | 1607613                             |
| Deposits   | 3        | 26880916                           | 22658864                            |
| Borrowings   | 4        | 350248                             | 370912                              |
| Other liabilities and provisions                   | 5        | 942375                             | 1050188                             |
| <b>TOTAL</b>                                       |          | <b>29816544</b>                    | <b>25713553</b>                     |
| <b>ASSETS</b>                                      |          |                                    |                                     |
| Cash and Bank Balance with RBI                     | 6        | 1135984                            | 1061941                             |
| Balance with Bank & Money at Call and Short notice | 7        | 13206260                           | 10916507                            |
| Investments  | 8        | 6901403                            | 5394200                             |
| Advances   | 9        | 7732614                            | 6962802                             |
| Fixed Assets                                       | 10       | 76916                              | 79203                               |
| Other Assets                                       | 11       | 763367                             | 1298900                             |
| <b>TOTAL</b>                                       |          | <b>29816544</b>                    | <b>25713553</b>                     |
| Contingent Liabilities                             | 12       | <b>24213</b>                       | <b>178481</b>                       |

Summary of Significant Accounting Policies 17

Notes to Accounts 18

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. 303007E

**Neeraj Jain**

Neeraj Jain  
(Partner)

Membership No. 064393

UDIN: 21064293AAAAAEG1836

Place: Kolkata

Date: 16<sup>th</sup> May 2021

Digitally signed by  
Neeraj Jain  
Date: 2021.05.16  
19:16:45 +05'30'

For Meghalaya Rural Bank  
General Manager / महानिदेशक  
Meghalaya Rural Bank / मेघालय ग्रामीण बैंक  
Head Office: Shillong  
प्रधान कार्यालय : शिलांग

General Manager

Director

(Institutional Finance  
and Ex-officio Secy  
to the Govt. of Meghalaya)

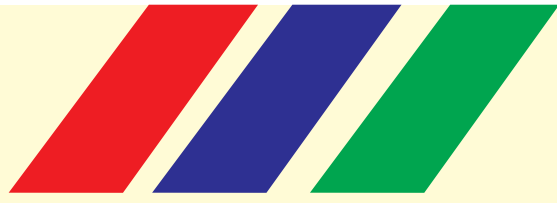
Sd/- obtained  
over email  
(Mukesh Paprewal)  
Director - SBI

For Meghalaya Rural Bank  
Chairman / अध्यक्ष  
Meghalaya Rural Bank  
प्रधान कार्यालय : शिलांग  
Head Office, Shillong.

Chairman

Director

वृजलाल सिंह / Brijlal Singh  
उप महाप्रबंधक / Deputy General Manager  
भारतीय रिजर्व बैंक / Reserve Bank of India  
शिलांग / Shillong



## MEGHALAYA RURAL BANK

Head Office : Shillong

Statement of Profit & Loss for the year ended 31st March 2021 (Rs. in 000)

|     | Particulars  | Schedule | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|-----|--|----------|------------------------------------|-------------------------------------|
| 1.  | <b>Interest Earned</b>   | 13       | <b>1815636</b>                     | <b>1758794.00</b>                   |
|     | a. Interest / Discount on Advances/Bills                                   |          | 726963                             | 670019.00                           |
|     | b. Interest on Investments   |          | 498912                             | 417313.00                           |
|     | c. Interest on Balances with RBI and other Inter Bank Funds                |          | 0.00                               | 0.00                                |
|     | d. Interest on Deposits with Bank  |          | 589761                             | 671462.00                           |
| 2.  | <b>Other Income</b>  | 14       | <b>74129</b>                       | <b>117250.00</b>                    |
|     | i. Commission, Exchange and Brokerage                                      |          | 18885                              | 16804.00                            |
|     | ii. Miscellaneous Income   |          | 55244                              | 100446.00                           |
| 3.  | <b>TOTAL (1+2)</b>   |          | <b>1889765</b>                     | <b>1876044.00</b>                   |
| 4.  | <b>Interest Expended</b>   | 15       | <b>916616</b>                      | <b>975073.00</b>                    |
| 5.  | <b>Operating Expenses</b>  |          | <b>549930</b>                      | <b>430630.00</b>                    |
|     | a. Employees Costs   | 16       | 278123                             | 290311.00                           |
|     | b. Other Operating Expense   |          | 271807                             | 140319.00                           |
| 6.  | <b>Total Expenditure excluding Provisions and Contingencies (4+5)</b>      |          | <b>1466546</b>                     | <b>1405703.00</b>                   |
| 7.  | <b>Operating Profit before Provisions and Contingencies (3-6)</b>          |          | <b>423219</b>                      | <b>470341.00</b>                    |
| 8.  | <b>Provision (other than Tax) and Contingencies</b>                        |          | <b>348725</b>                      | <b>435954.00</b>                    |
| 9.  | <b>Exceptional Items</b>   |          | --                                 | --                                  |
| 10. | <b>Profit / Loss from Ordinary Activities before Tax (7-8 -9)</b>          |          | <b>74494</b>                       | <b>34387.00</b>                     |
| 11. | <b>Tax Expense</b>   |          | <b>65078</b>                       | <b>28944.00</b>                     |
|     | a. Provision for Taxation  |          | 64552                              | 28944.00                            |
|     | b. Deferred Tax Asset  |          | 526                                | 0.00                                |
| 12. | <b>Net Profit for the period for Ordinary Activities after Tax (10-11)</b> |          | <b>9416</b>                        | <b>5443.00</b>                      |
| 13. | <b>APPROPRIATION</b>   |          |                                    |                                     |
|     | a. Net Profit/Loss for the period  |          | 9416                               | 5443.00                             |
|     | b. Brought forward Profit  |          | 1069785                            | 1065703.00                          |
|     | c. Transfer to Statutory Reserves  |          | 2354                               | 1361.00                             |
|     | <b>Profit / Loss carried over to Balance Sheet</b>                         |          | <b>1076847</b>                     | <b>1069785.00</b>                   |
| 14. | <b>Basic and Diluted Earning Per Share</b>                                 |          | <b>3.62</b>                        | <b>2.10</b>                         |

Summary of Significant Accounting Policies 17

Note to Accounts 18

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. 302007F

Digitally signed by  
**Neeraj Jain**  
Date: 2021.05.16  
19:16:45 +05'30'

Neeraj Jain  
(Partner)  
Membership No. 064393  
UDIN: 21064293AAAEEG1836

Place : Kolkata  
Date : 16<sup>th</sup> May 2021

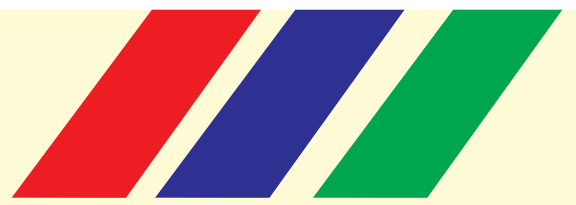
For Meghalaya Rural Bank  
General Manager / महसुब  
Meghalaya Rural Bank / मेघालय ग्रामीण बैंक  
Head Office : Shillong  
प्रधान कार्यालय : शिल्लॉंग

Director  
(Institutional Finance  
and Ex-Officio Secy  
to the Govt. of Meghalaya)

sd/- obtained  
over email  
(Mukesh Paprawal)  
Director - SBI

For Meghalaya Rural Bank  
Chairman  
Meghalaya Rural Bank  
प्रधान कार्यालय : शिल्लॉंग  
Head Office, Shillong.

Director  
Deputy General Manager  
भूजलाल सिंह / Brijal Singh  
जय महसुब / Deputy General Manager  
भूजलाल सिंह / PF Index No. BYCS03  
भारतीय रिजर्व बैंक / Reserve Bank of India  
शिल्लॉंग / Shillong



## MEGHALAYARURAL BANK

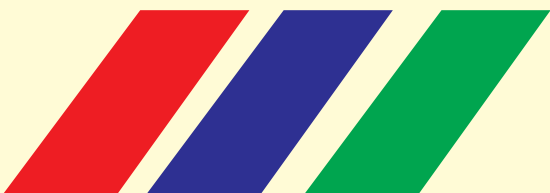
Head Office : Shillong

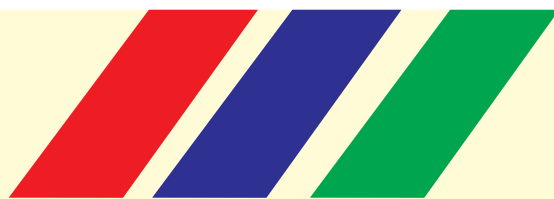
Schedules forming part of Balance Sheet As at 31st March 2021

### SCHEDULE - I: SHARE CAPITAL

(Rs. in 000)

| Particulars   | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|---|------------------------------------|-------------------------------------|
| <b>Authorised Capital</b><br>(200,00,000,00 Equity Shares of Rs. 10/- each) | 20000000                           | 20000000                            |
| <b>Issued Capital</b><br>(25,97,600 Equity Shares of Rs. 10/- each)         | 25976                              | 25976                               |
| <b>Subscribed Capital</b><br>(25,97,600 Equity Shares of Rs. 10/- each)     | 25976                              | 25976                               |
| <b>Called up Capital</b><br>(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>                        |

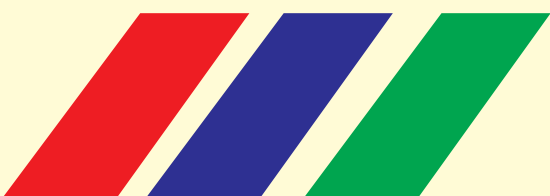


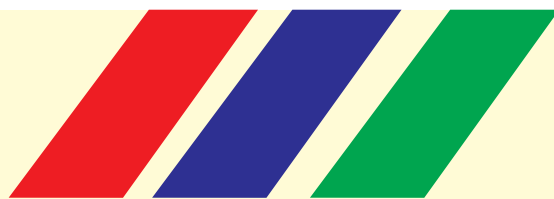


## SCHEDULE - 2 : RESERVES AND SURPLUS

(Rs. in 000)

| Particulars                        |   | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|------------------------------------|---|------------------------------------|-------------------------------------|
| <b>I</b>                           | <b>Statutory Reserve</b>                  |                                    |                                     |
|                                    | i) Opening Balance                        | 537828                             | 536467                              |
|                                    | ii) Addition during the year              | 2354                               | 1361                                |
|                                    | iii) Deduction during the year            | -                                  | -                                   |
| <b>Total</b>                       |   | <b>540182</b>                      | <b>537828</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                        | 1069785                            | 1065703                             |
|                                    | ii) Addition during the year              | 7062                               | 4082                                |
|                                    | iii) Deduction during the year            | -                                  | -                                   |
| <b>Total</b>                       |   | <b>1076847</b>                     | <b>1069785</b>                      |
| <b>GRAND TOTAL (I+II+III+IV+V)</b> |   | <b>1617029</b>                     | <b>1607613</b>                      |





### SCHEDULE - 3 : DEPOSITS

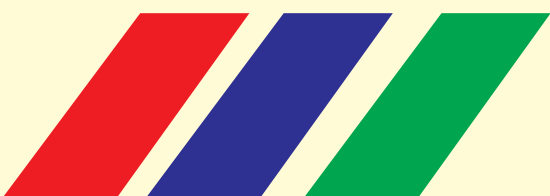
(Rs. in 000)

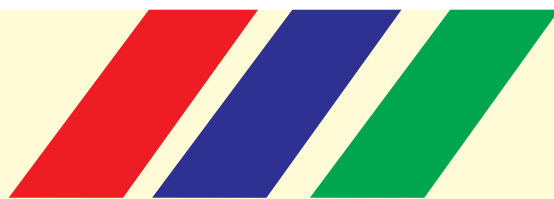
| Particulars  |              |                                     | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|--------------|--------------|-------------------------------------|------------------------------------|-------------------------------------|
| A            | I            | <b>Demand Deposits</b>              |                                    |                                     |
|              |              | i From Bank                         | --                                 | --                                  |
|              |              | ii From Others                      | 1182271                            | 1148461                             |
|              | II           | Savings Bank Deposits               | 18214387                           | 14347249                            |
|              | III          | Term Deposits                       |                                    |                                     |
|              |              | a. From Banks                       | --                                 | --                                  |
|              |              | b. From Others                      | 7484258                            | 7163154                             |
| <b>Total</b> |              |                                     | <b>26880916</b>                    | <b>22658864</b>                     |
| B            | i            | Deposits of Branches in India       | 26880916                           | 22658864                            |
|              | ii           | Deposits of Branches out side India | --                                 | --                                  |
|              | <b>Total</b> |                                     |                                    | <b>26880916</b>                     |

### SCHEDULE - 4 : BORROWINGS

(Rs. in 000)

| Particulars               |                                 |                                   | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |               |
|---------------------------|---------------------------------|-----------------------------------|------------------------------------|-------------------------------------|---------------|
| I                         | <b>Borrowings in India</b>      |                                   |                                    |                                     |               |
|                           | i                               | Reserve Bank of India             | --                                 | --                                  |               |
|                           | ii                              | Other Banks                       | --                                 | --                                  |               |
|                           |                                 | a                                 | State Bank of India                | 22250                               | 22250         |
|                           |                                 | b                                 | Others                             | --                                  | --            |
|                           | <b>Total</b>                    |                                   |                                    | <b>22250</b>                        | <b>22250</b>  |
|                           | iii                             | Other Institutions and Agencies : |                                    |                                     |               |
|                           |                                 | a                                 | NABARD                             | 301890                              | 317531        |
|                           |                                 | b                                 | NSTFDC                             | 26108                               | 31131         |
|                           | <b>Total</b>                    |                                   |                                    | <b>327998</b>                       | <b>348662</b> |
| II                        | <b>Borrowings outside India</b> |                                   | --                                 | --                                  |               |
| <b>Grand Total (I+II)</b> |                                 |                                   | <b>350248</b>                      | <b>370912</b>                       |               |

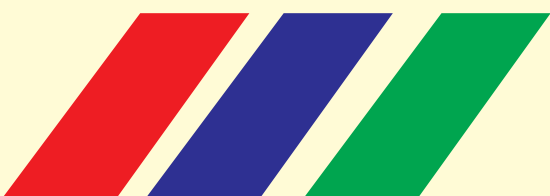


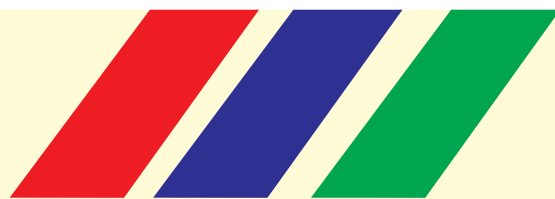


## SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

(Rs. in 000)

| Particulars |  | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|-------------|--|------------------------------------|-------------------------------------|
| I           | Inter Office Adjustments (Net)                         | 896                                | 1186                                |
| II          | Interest Accrued on :                                  |                                    |                                     |
|             | a] Deposits  | 277785                             | 350494                              |
|             | b] Borrowings  | 860                                | 1418                                |
|             | <b>Total Interest Accrued</b>                          | <b>278645</b>                      | <b>351912</b>                       |
| III         | Provisions for   |                                    |                                     |
|             | a] Audit Fees  | 562                                | 563                                 |
|             | b] Gratuity  | 895                                | 2842                                |
|             | c] Leave Encashment                                    | 1251                               | –                                   |
|             | d] Standard Assets                                     | 44621                              | 37944                               |
|             | e] Income Tax  | 249497                             | 386532                              |
|             | f] Wage Revision Arrears                               | 110318                             | 25817                               |
|             | g] Bonus   | 161                                | 338                                 |
|             | h] Investment Fluctuation Reserve                      | 4016                               | 3514                                |
|             | i] Building Fund                                       | 17500                              | –                                   |
|             | j] Pension   | 160000                             | 146630                              |
|             | k] RBI Deaf Claim Receivable                           | 21                                 | 21                                  |
|             | l] System Suspense Account                             | 1047                               | 1046                                |
|             | m] Demand Draft Received Realisation                   | 265                                | 265                                 |
|             | n] Amount receivable from MRB Accounts                 | –                                  | 3145                                |
|             | o] Unreconciled entries with Bank Accounts             | 3326                               | 3326                                |
|             | <b>Total Provisions</b>                                | <b>593480</b>                      | <b>611983</b>                       |
| IV          | Other Liabilities                                      |                                    |                                     |
|             | i] Subsidy Reserve Fund                                | 6580                               | 14614                               |
|             | ii] Deposits received on account of SBI Cheques Issued | 2358                               | 2130                                |
|             | iii] ATM Settlement                                    | 17118                              | –                                   |
|             | iv] NEFT/RTGS/UIPI/IMPS Settlement Account             | –                                  | –                                   |
|             | v] Credit Balance in Advances Accounts                 | 23367                              | 7924                                |
|             | vi] Subsidy received for RSETI                         | 625                                | 625                                 |
|             | vii] RSETI Construction Fund                           | 3900                               | 3900                                |
|             | viii] TDS Payable                                      | 1794                               | 2052                                |
|             | ix] Pradhan Mantri Social Security Scheme              | 1040                               | 217                                 |
|             | x] Goods & Service Tax                                 | 2343                               | 5074                                |
|             | xi] Liability for unreconciled/suspense balances       | 1696                               | 43881                               |
|             | xii] Sundry Expenses Payable                           | 3172                               | 966                                 |
|             | xiii] Branch Clearing Account                          | 1081                               | –                                   |
|             | xiv] Demand Draft Received Realisation                 | 3754                               | 3724                                |
|             | xv] Deferred Tax                                       | 526                                | –                                   |
|             | <b>Total Other Liabilities</b>                         | <b>69354</b>                       | <b>85107</b>                        |
|             | <b>GRABD TOTAL(I+II+III+IV+V)</b>                      | <b>942375</b>                      | <b>1050188</b>                      |





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

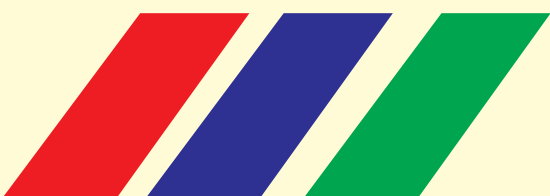
(Rs. in 000)

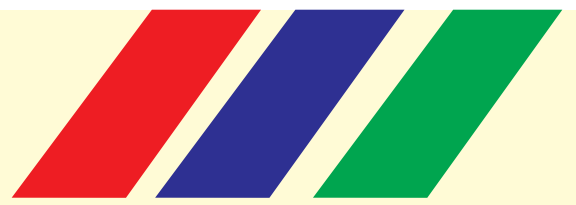
| Particulars               |   | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|---------------------------|---|------------------------------------|-------------------------------------|
| I                         | Cash in hand (including Foreign Currency Notes) | 174300                             | 120257                              |
| II                        | Balance with Reserve Bank of India              |                                    |                                     |
|                           | i. In Current Account                           | 961684                             | 941684                              |
|                           | ii. In Other Accounts                           | --                                 | --                                  |
| <b>Total</b>              |   | <b>961684</b>                      | <b>941684</b>                       |
| <b>GRAND TOTAL (I+II)</b> |   | <b>1135984</b>                     | <b>1061941</b>                      |

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

(Rs. in 000)

| Particulars                |                                    | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|----------------------------|------------------------------------|------------------------------------|-------------------------------------|
| A                          | <b>In India</b>                    |                                    |                                     |
|                            | I Balances with Banks              |                                    |                                     |
|                            | a In Current Account               | 1477873                            | 753297                              |
|                            | b In Other Deposits Accounts       | 11728387                           | 10163210                            |
|                            | <b>Total</b>                       | <b>13206260</b>                    | <b>10916507</b>                     |
|                            | II Money at call and short notice: |                                    |                                     |
|                            | a With Banks                       | --                                 | --                                  |
|                            | b With other Institutions          | --                                 | --                                  |
|                            | <b>Total (I+II)</b>                | <b>13206260</b>                    | <b>10916507</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>13206260</b>                    | <b>10916507</b>                     |



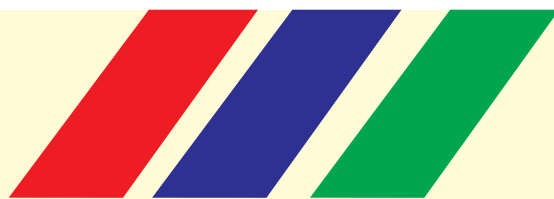


### SCHEDULE - 8 : INVESTMENTS

(Rs. in 000)

| Particulars                 |  | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|-----------------------------|--|------------------------------------|-------------------------------------|
| I                           | Investment in India                                      |                                    |                                     |
|                             | i Government Securities                                  | 6251430                            | 4809200                             |
|                             | ii Other Approved Securities                             | --                                 | --                                  |
|                             | iii Shares   | --                                 | --                                  |
|                             | iv Debentures and Bonds                                  | --                                 | --                                  |
|                             | v Subsidiaries and/or Joint Ventures                     | --                                 | --                                  |
|                             | vi Others - Mutual Fund                                  | 649973                             | 585000                              |
|                             | <b>Total</b>   | <b>6901403</b>                     | <b>5394200</b>                      |
| II                          | Investment outside of India                              |                                    |                                     |
|                             | a Government Securities<br>(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>6901403</b>                     | <b>5394200</b>                      |



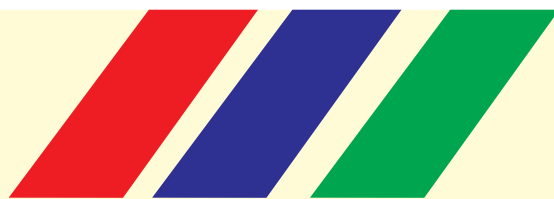


### SCHEDULE - 9 : ADVANCES

(Rs. in 000)

| Particulars        |     |  | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |         |
|--------------------|-----|--|------------------------------------|-------------------------------------|---------|
| A                  | i   | Bills purchased and discounted                           | --                                 | --                                  |         |
|                    | ii  | Cash Credit, Overdraft, and Loans<br>Repayable on Demand | 2982689                            | 2857040                             |         |
|                    | iii | Term Loans   | 4749925                            | 4105762                             |         |
| <b>Total</b>       |     |  | <b>7732614</b>                     | <b>6962802</b>                      |         |
| B                  | a   | Secured by Tangible Assets                               | 5434986                            | 4900456                             |         |
|                    | b   | Covered by Bank/Govt. Guarantee                          | --                                 | --                                  |         |
|                    | c   | Unsecured  | 2297628                            | 2062346                             |         |
| <b>Total</b>       |     |  | <b>7732614</b>                     | <b>6962802</b>                      |         |
| C                  | I   | <b>Advances in India</b>                                 |                                    |                                     |         |
|                    |     | i  | Priority Sector                    | 4495573                             | 4200382 |
|                    |     | ii   | Public Sector                      | --                                  | --      |
|                    |     | iii  | Banks                              | --                                  | --      |
|                    | iv  | Others   | 3237041                            | 2762420                             |         |
| <b>Total</b>       |     |  | <b>7732614</b>                     | <b>6962802</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>7732614</b>                     | <b>6962802</b>                      |         |

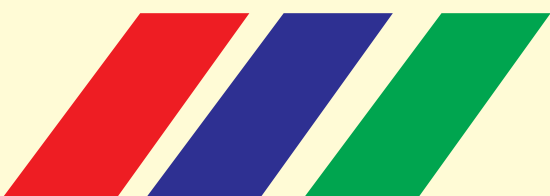


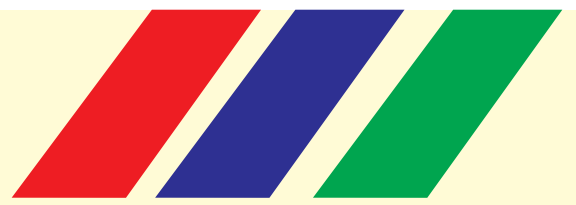


## SCHEDULE - 10 : FIXED ASSETS

(Rs. in 000)

| Particulars                   |  | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|-------------------------------|--|------------------------------------|-------------------------------------|
| <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 | 192207                             | 165692                              |
|                               | ii Addition During the year                      | 12982                              | 27697                               |
|                               | iii Deductions During the year                   | --                                 | 1182                                |
|                               | iv Depreciation to date                          | 144113                             | 128844                              |
|                               | <b>Total</b>                                     | <b>61076</b>                       | <b>63363</b>                        |
| <b>Grand Total (I+II+III)</b> |  | <b>76916</b>                       | <b>79203</b>                        |

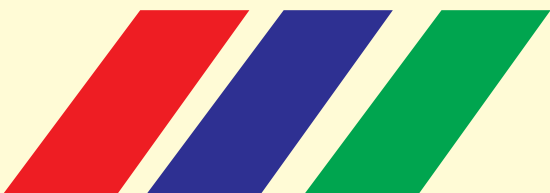


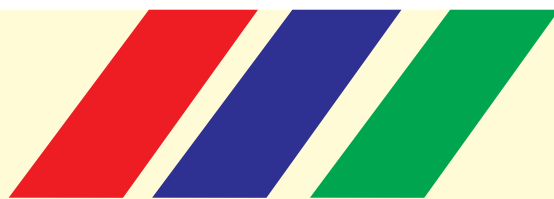


**SCHEDULE - 11 : OTHERASSETS**

(Rs. in 000)

| Particulars |   | Current Year<br>(As on 31.03.2020) | Previous Year<br>(As on 31.03.2019) |
|-------------|---|------------------------------------|-------------------------------------|
| i           | Interest Accrude on                       |                                    |                                     |
|             | a Investments                             | 469066                             | 392939                              |
|             | b Loans & Advances                        | --                                 | 4202                                |
|             | <b>Total</b>                              | <b>469066</b>                      | <b>397141</b>                       |
| ii          | Advance Income Tax                        | 228706                             | 510957                              |
| iii         | Stationery                                | 2174                               | 1397                                |
| iv          | Stamps                                    | 136                                | 76                                  |
| vi          | Branch Clearing Account                   | --                                 | 47763                               |
| vii         | Advance for capital asstes and expenses   | 24                                 | 118                                 |
| viii        | Unamortised Premium on Investment         | 16335                              | 16763                               |
| ix          | Agl. Interest Subvention Account          | 50                                 | --                                  |
| xi          | Others                                    |                                    |                                     |
|             | a Interbank Settlement Account            | 45882                              | 299318                              |
|             | b RBI DEAF Notional Interest              | 21                                 | 21                                  |
|             | c GST Credit Input                        | 973                                | 4671                                |
|             | d Income Tax paid against disputed demand | --                                 | 17530                               |
|             | e Receivable from MRB Pension Trust       | --                                 | 3145                                |
|             | <b>Total</b>                              | <b>46876</b>                       | <b>324685</b>                       |
|             | <b>Grand Total</b>                        | <b>763367</b>                      | <b>1298900</b>                      |





## SCHEDULE - 12 : CONTINGENT LIABILITIES

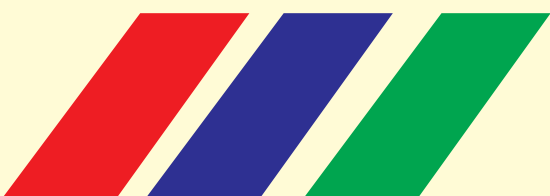
(Rs. in 000)

| Particulars |   | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|-------------|---|------------------------------------|-------------------------------------|
| 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<br>exchange contracts                                 | --                                 | --                                  |
| iv          | Guarantees given on behalf of Constituents - In India   | 21510                              | 88225                               |
| v           | Acceptance, Endorsements and Other Obligations  | --                                 | --                                  |
| vi          | Other items for which the Bank is contingently liable<br>(Depositor Education and Awareness Fund) | 2703                               | 2608                                |
|             | <b>Total</b>  | <b>24213</b>                       | <b>178481</b>                       |

## SCHEDULE - 13 : INTEREST EARNED

(Rs. in 000)

| Particulars                                       | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|---|------------------------------------|-------------------------------------|
| Interest / Discount on Advances / Bills           | 726963                             | 670019                              |
| Interest on Investments                           | 498912                             | 417313                              |
| Interest on Balance with RBI and other Bank Funds | --                                 | --                                  |
| Others  |                                    |                                     |
| - Interest on TDR/STDR with Banks                 | 589761                             | 671462                              |
| <b>Total</b>                                      | <b>1815636</b>                     | <b>1758794</b>                      |





### SCHEDULE - 14 : OTHER INCOME

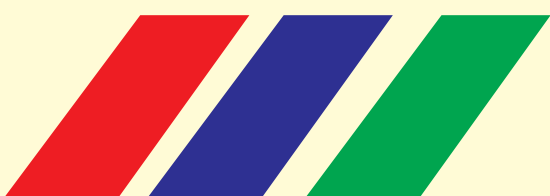
(Rs. in 000)

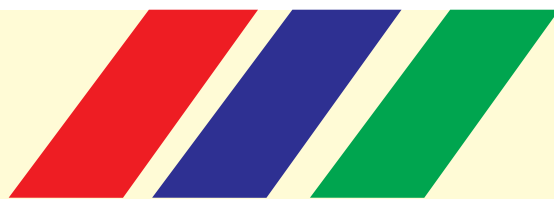
| Particulars |   | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|-------------|---|------------------------------------|-------------------------------------|
| i           | Commission, Exchange and Brokerage and Others | 18885                              | 16804                               |
| ii          | Recovery in written-off loan accounts         | 12663                              | 22557                               |
| iii         | Profit on Sale of Investments                 | --                                 | --                                  |
| iv          | Commission on Bank assurance Business         | 7600                               | 4502                                |
| v           | Miscellaneous Income                          |                                    |                                     |
| a           | Inspection Charge on Loans and Advances       | 18335                              | 25612                               |
| b           | Leave Encashment Reimbursement from SBI Life  | 3636                               | 9997                                |
| c           | ATM Alert Charge                              | 70                                 | 4221                                |
| d           | ATM Charges                                   | 4900                               | 4235                                |
| e           | Subsidy received from NABARD                  | 4500                               | 4500                                |
| f           | Provision no longer required, written-back    | 3540                               | 24822                               |
|             | <b>Total</b>                                  | <b>34981</b>                       | <b>73387</b>                        |
|             | <b>Grand Total</b>                            | <b>74129</b>                       | <b>117250</b>                       |

### SCHEDULE - 15 : INTEREST EXPENDED

(Rs. in 000)

| Particulars                           | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|---------------------------------------|------------------------------------|-------------------------------------|
| Interest on deposits                  | 897443                             | 959465                              |
| Interest on RBI/Inter Bank Borrowings | 19173                              | 15608                               |
| Others                                | --                                 | --                                  |
| <b>Total</b>                          | <b>916616</b>                      | <b>975073</b>                       |

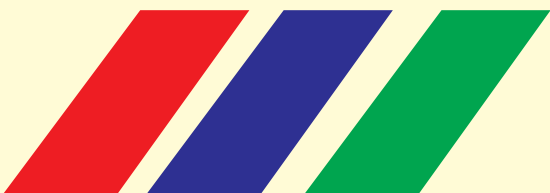




## SCHEDULE - 16 : OPERATING EXPENSES

(Rs. in 000)

| Particulars  |   | Current Year<br>(As on 31.03.2021) | Previous Year<br>(As on 31.03.2020) |
|--------------|---|------------------------------------|-------------------------------------|
| i            | Salary Payments and Provisions to Employees | 278123                             | 290311                              |
| ii           | Rent, Taxes and Lighting                    | 21979                              | 22341                               |
| iii          | Printing and Stationery                     | 3699                               | 3632                                |
| iv           | Advertisement and Publicity                 | 107                                | 626                                 |
| v            | Depreciation on Bank's Property             | 15269                              | 9853                                |
| vi           | Auditor's Fee and Expenses                  | 1339                               | 1309                                |
| vii          | Legal Charges                               | 129                                | 165                                 |
| viii         | Postage & Telephone Charges                 | 2346                               | 1944                                |
| ix           | Repairs and Maintenance                     | 609                                | 725                                 |
| x            | Insurance                                   | 41074                              | 23298                               |
| xi           | Travelling and Conveyance Expenses          | 5543                               | 9252                                |
| xii          | Medical Expenses                            | 2578                               | 6099                                |
| xii          | CBS Expenses                                | 29378                              | 27757                               |
| xiv          | AMC for Hardware                            | 644                                | 1554                                |
| xv           | Newspaper, Books and Periodicals            | 836                                | 840                                 |
| xvi          | Computer Expenses                           | 393                                | 482                                 |
| xvii         | Fuels & Lubricants for Vehicle              | 27                                 | 58                                  |
| xviii        | Business Development                        | 375                                | 391                                 |
| xix          | Hiring Charge of Generator                  | 6143                               | 6118                                |
| xx           | Hiring Charge of Vehicles                   | 3212                               | 2594                                |
| xxi          | Trainings, Seminars and Recruitment         | 344                                | 343                                 |
| xxii         | Administrative Charge on EPF Account        | 2                                  | 397                                 |
| xxiii        | ATM Charges                                 | 4492                               | 3837                                |
| xxiv         | SMS Alert Charge                            | 1045                               | 707                                 |
| xxv          | Tax Consultancy Service                     | 89                                 | 205                                 |
| xxvi         | Board Meetings Expenses                     | 35                                 | 41                                  |
| xxvii        | Exchange/Clearing Charges/Bank Charges      | 1647                               | 897                                 |
| xxvii        | Remittance and Security Services            | 855                                | 643                                 |
| xxix         | Income Tax for earlier year                 | 103126                             |                                     |
| xxx          | Miscellaneous Expenses                      | 24492                              | 14211                               |
| <b>Total</b> |   | <b>549930</b>                      | <b>430630</b>                       |

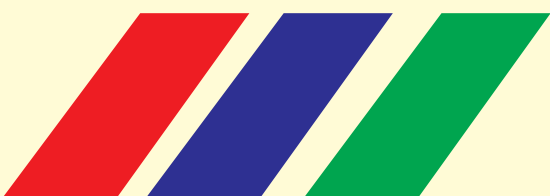


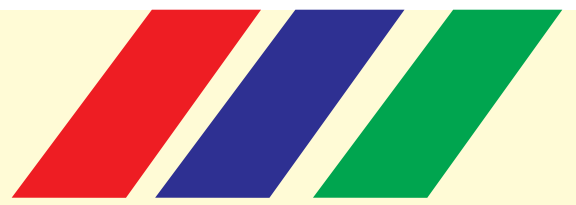


## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2021

(Rs. in thousand)

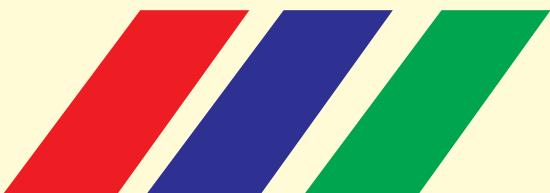
| Sr.       | Particulars   | Current Year<br>(As on 31.03.2021) |                | Previous Year<br>(As on 31.03.2020) |                |
|-----------|---|------------------------------------|----------------|-------------------------------------|----------------|
| <b>A.</b> | <b>Cash Flow from operating activities</b>          |                                    |                |                                     |                |
|           | Net Profit before Taxation and Extraordinary items  |                                    | 74494          |                                     | 34387          |
|           | Adjustment for                                      |                                    |                |                                     |                |
|           | i] Depreciation on Fixed Assets                     | 15269                              |                | 9853                                |                |
|           | ii] Provisions & contingencies                      | 348725                             |                | 435954                              |                |
|           | iii] Amortisation of Premium                        | 3514                               | 367508         | 3929                                | 449736         |
|           | Operating profit before Working Capital Changes     |                                    | 442002         |                                     | 484123         |
|           | Adjustment for Increase/Decrease in :               |                                    |                |                                     |                |
|           | a] Advances   | -769812                            |                | -384417                             |                |
|           | b] Other Assets                                     | 577051                             |                | -273533                             |                |
|           | c] Investments                                      | -1511220                           |                | -247169                             |                |
|           | d] Other Liabilities                                | -339711                            |                | -264102                             |                |
|           | e] Demand Deposits                                  | 3900948                            |                | 678367                              |                |
|           | f] Time Deposits                                    | 321104                             | 2178360        | 617900                              | 127046         |
|           | <b>Cash Generated from Operation</b>                |                                    | <b>2620362</b> |                                     | <b>611169</b>  |
|           | Direct Tax paid                                     |                                    | -41518         |                                     | -25300         |
|           | <b>Cash Flow before extraordinary item</b>          |                                    | <b>2578844</b> |                                     | <b>585869</b>  |
|           | Extra Ordinate items :                              |                                    |                |                                     |                |
|           | i] 5% Additl Provision for Covid-19                 |                                    |                |                                     |                |
|           | Regulatory Package                                  | -3902                              |                | -15857                              |                |
|           | ii] Building Fund                                   | -17500                             | -21402         | 0                                   | -15857         |
|           | Net Cash Flow from operating activities             |                                    | 2557442        |                                     | 570012         |
| <b>B</b>  | <b>Net Flow form investing activities</b>           |                                    |                |                                     |                |
|           | i] Purchase of Fixed Assets                         |                                    | -12982         |                                     | -26515         |
|           | ii] Pension Fund                                    |                                    | -160000        |                                     | -146630        |
|           | <b>Net Cash Flow from investing activities</b>      |                                    | <b>-172982</b> |                                     | <b>-173145</b> |
| <b>C</b>  | <b>Cash Flow from Financing Activities</b>          |                                    |                |                                     |                |
|           | a] Increase in Share Capital and Nominal Membership |                                    | 0              |                                     | 0              |
|           | b] Dividend   |                                    | 0              |                                     | 0              |
|           | c] Borrowings                                       |                                    | -20664         |                                     | 46967          |
|           | <b>Net Cash from Financing Activities</b>           |                                    | <b>-20664</b>  |                                     | <b>46967</b>   |





(Rs. in thousand)

| Sr. | Particulars                               | Current Year<br>(As on 31.03.2021) |          | Previous Year<br>(As on 31.03.2020) |          |
|-----|---|------------------------------------|----------|-------------------------------------|----------|
| D   | Net Increase in Cash and Cash Equivalents |                                    | 2363796  |                                     | 443834   |
| E   | Cash & Cash equivalent as at (Opening)    |                                    | 11978448 |                                     | 11534614 |
| F   | Cash and Cash equivalents as at (Closing) |                                    | 14342244 |                                     | 11978448 |





## 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.

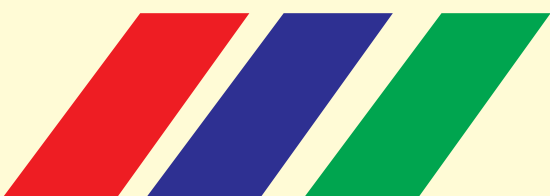
### 3. Revenue recognition :

- 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.

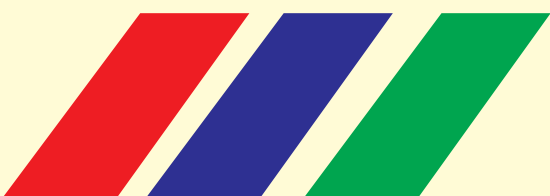


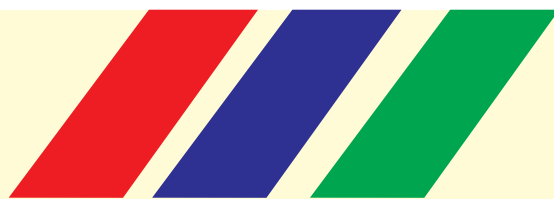
## 5. Loans /Advances and Provisions thereon :

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%      |           |



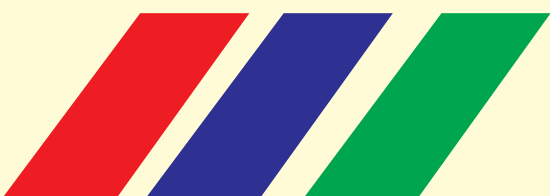


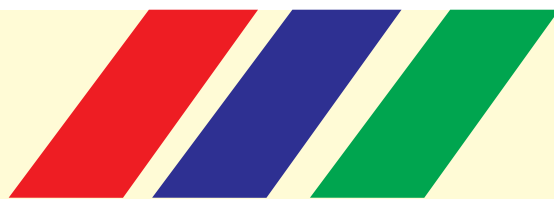
|    |                | outstanding Balance         | Outstanding<br>(unsecured abintio) |
|----|----------------|-----------------------------|------------------------------------|
| 2  | Sub-Standard   | 15.00% of out Standing Bal. | 25.00% out Standing Bal.           |
| 3. | Doubtful -I    | 25.00%                      | 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 basis |        |
|---|-----------------------------------|--------|
|   | 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% |

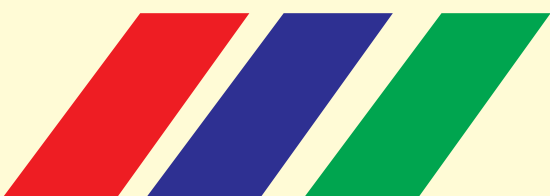
## 7. Employee Benefits

### i] Short Term Employee Benefits :

The undiscounted amounts of short-term employee benefits, such as medical benefits which are expected to be paid in exchange for the services rendered by employees, are recognised during the period when the employee renders the service

### ii] Long Term Employee Benefits :

- a] The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees and remitted to Life Insurance Corporation based on the valuation carried out annually.
- b] The Bank provides for Leave Encashment liability. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment and vesting occurs at different stages as per rules. The Bank makes periodic contributions to SBI Life Insurance Company Limited.
- c] The Bank provides for pension to all eligible employees. The bank has constituted a fund called Meghalaya Rural Bank (Employees') Pension Fund under an irrevocable trust. The





fund has for its sole purpose the provision of the payment of pension or family pension to the employee or his family. Currently, the fund consists of contribution by the bank based on actuarial valuation of pension liability, the contribution by the bank at the rate of 10% per month of the basic pay of the eligible employee and the provident fund contribution on the bank under the Employees' Pension Scheme, 1995 refunded by the eligible retired employees and family of the eligible deceased employee. The Bank has also constituted a fund called Meghalaya Rural Bank (Employees') Provident Fund under an irrevocable trust. The sole object of which is the refund of eligible employees contribution of Provident Fund to the eligible employees on their retirement at or after a specified age or/on their becoming incapacitated prior to such retirement or for their spouses, children or dependents in the event of their death. Each eligible employee subscribes to the Fund a monthly sum of 10% of their Basic pay. These contributions are remitted to Meghalaya Rural Bank (Employees') Pension Fund Trust and Meghalaya Rural Bank (Employees') Provident Fund Trust account established for this purpose and are charged to Profit and Loss Account. The Bank recognized such annual contributions as an expense in the year to which it relates.

- d] The Bank operates a New Pension Scheme (NPS) for all officers/employees joining the Bank on or after 1st August, 2010. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank which is remitted to NPS trust every month.
- iii] Other Long Term Employees benefits :  
All eligible employees of the bank are eligible for leave face concession, home travel concession. The costs of such long term employees benefits are debited to Profit & Loss account of the bank, in the year of expense incurred.

#### **8. 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 recognized 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.

#### **9. 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

#### 10. Taxes on Income :

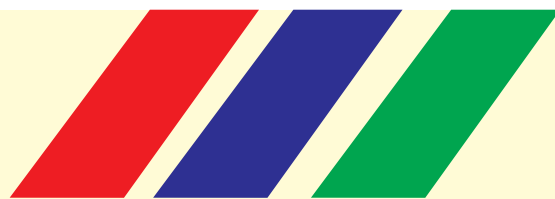
Income tax expense is the aggregate amount of current tax, deferred tax incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - 'Accounting for Taxes on Income' respectively. 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.

#### 11. 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.

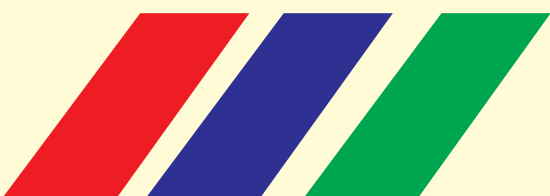
Diluted Earnings per Share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted Earnings per Share are computed using the weighted average number of equity shares and dilutive potential equity shares 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 ₹. 62514.30 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 31-03-2021, an amount of ₹. 35.14 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, 2021, a total provision of ₹. 3487.25 lakh has been made for :

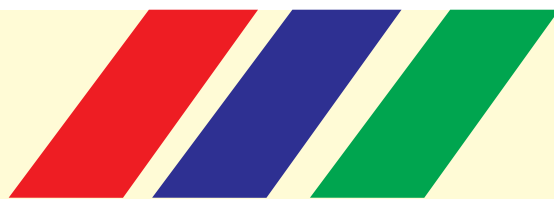
|                             |                       |
|-----------------------------|-----------------------|
| Standard Asset              | ₹. 27.74 lakh         |
| Standard Asset - COVID - 19 | ₹. 39.02 lakh         |
| Bad & Doubtful Asset        | ₹ 772.38 lakh         |
| Wage Revision Arrears       | ₹ 845.00 lakh         |
| Pension                     | ₹ 1600.00 lakh        |
| Gratuity                    | ₹ 8.95 lakh           |
| Leave Encashment            | ₹ 12.51 lakh          |
| Building Fund               | ₹ 175.00 lakh         |
| Bonus                       | ₹ 1.62 lakh           |
| Depreciation on Investment  | ₹ 5.03 lakh           |
| <b>Total Provisions</b>     | <b>₹ 3487.25 lakh</b> |





7. During the year, provision of ₹ 645.52 lakh has been made for income tax liability. Advance tax amounting to ₹ 415.18 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 17, 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 August 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 an aggregate amount of provisions of ₹ 197.58 lakh as at March 31, 2021 against the potential impact of COVID-19, management considered the same to be adequate.
9. Reserve Bank of India, vide their Circular no. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated 07.04.2021 all lending institutions were instructed to disclose the aggregate amount to be refunded/adjusted in respect of their borrowers who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed, in terms of RBI circulars DOR.No.BPBC.47/21.04.048/2019-20 dated March 27, 2020 and DOR. No.BPBC.71/21.04.048/2019-20 dated May 23, 2020 ("Covid-19 Regulatory Package") In conformity of the above instructions, the bank has already been refunded an aggregate interest amount of ₹ 63.85 lakh to 14424 borrowers
10. The spread of COVID-19 has resulted a Partial Lockdown and mobility restrictions in India and across the globe thereby resulted in significant decline in globe and local economic activities. The situation continues to be uncertain and bank is closely monitoring the same. Despite these events and conditions, there would not be any material impact on bank's results in future and going concern assumptions as at presently made. management belief that no adjustments are required in the Financial results as it does not significantly impact in the current financial year. In accordance with RBI guidelines relating to "COVID-19 Regulatory Package" on asset classification and provisioning dated 27.03.2020, 17.04.2020 and 25.05.2020 on COVID - 19 Regulatory package. Asset classification and Provisioning the bank has extended asset classification benefit and made provision as under :

| S. No. | Particulars   | Current Year<br>(Rs. in Crores) | Previous Year<br>(Rs. in Crores) |
|--------|---|---------------------------------|----------------------------------|
| 1.     | Respective amount where assets classification benefits is extended  | 1975.85                         | 3171.40                          |
| 2.     | Provision made during the year  | 39.02                           | 158.57                           |
| 3.     | Provision adjusted during the respective accounting periods against slippages and the residual provisions | 119.56                          | --                               |



11. Income has been recognized in terms of RBI guidelines vide paragraph 3 of the significant accounting policies.
12. Provision has been made for advances in terms of RBI guidelines vide paragraphs 5 (v) of the significant accounting policies.
13. Contingent liabilities of ₹ 242.13 include an amount of ₹ 215.10 lakh for financial Bank Guarantee given to constituents and ₹ 27.03 lakh for Depositors' Education Awareness Funds (DEAF) with RBI.
14. 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. 0.95 lakh (exclusive of notional interest) till 31st March 2021. Details as under :

Rupees in lakh

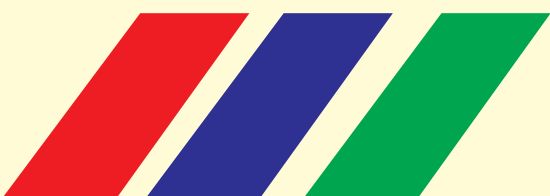
| Particulars   | Current Year | Previous Year |
|---|--------------|---------------|
| Opening Balance of amount transfer to DEAF Account      | 26.08        | 25.87         |
| Add: Amount transferred to DEAF Account during the Year | 0.95         | 0.21          |
| Less : Amount reimburses by DEAF towards claim          | --           | --            |
| Closing Balance transferred to DEAF Account             | 27.03        | 26.08         |

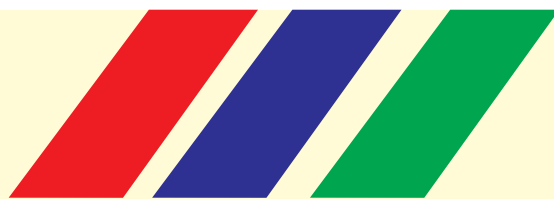
15. The Bank has made an ad-hoc provision Rs. 845.00 lakh towards arrears of wages due for revision with effect from 1st November 2017 and Rs. 175.00 towards the Building Fund.

#### 16. Deferred Tax Assets/Liabilities

Rupees in lakh

| Particulars   | Deferred Tax         |
|---|----------------------|
|   | (-) Liability/Assets |
| Depreciation : Difference between book value and as per | -5.26                |
| Income Tax Act  |                      |
| Deferred Tax Liability                                  | -5.26                |





**17. Fraud Reported and Provision made during the year**

No such fraud has been detected during the year.

**18. 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.

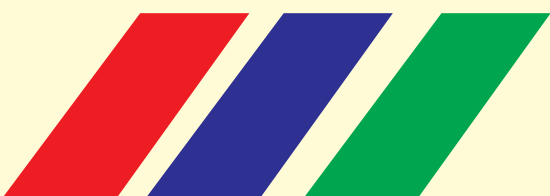
**19. Disclosures :**

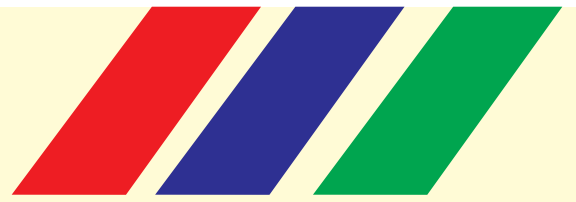
**I. Concentration of Deposits, Advances, Exposures and NPAs**

| <b>Concentration of Deposits</b>  |                   |                   |
|---|-------------------|-------------------|
| <i>(Amount in Rupees Crores)</i>  |                   |                   |
| <b>Particulars</b>  | <b>31-03-2021</b> | <b>31-03-2020</b> |
| Total Deposits of twenty largest depositors                                       | 28631.63          | 2670.66           |
| Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank | 10.65             | 11.78             |

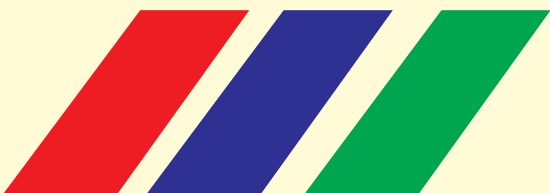
| <b>Concentration of Advances</b>  |                   |                   |
|---|-------------------|-------------------|
| <i>(Amount in Rupees Crores)</i>  |                   |                   |
| <b>Particulars</b>  | <b>31-03-2021</b> | <b>31-03-2020</b> |
| Total Advances of twenty largest borrowers  | 3928.82           | 3594.99           |
| Percentage of Advances of twenty largest borrowers to Total Advances of the Bank. | 4.67              | 4.74              |

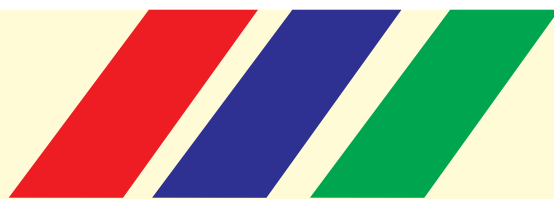
| <b>Concentration of Exposures</b>  |                   |                   |
|--|-------------------|-------------------|
| <i>(Amount in Rupees Crores)</i>   |                   |                   |
| <b>Particulars</b>   | <b>31-03-2021</b> | <b>31-03-2020</b> |
| Total Exposures of twenty largest borrowers/ customers   | 32560.45          | 30301.60          |
| Percentage of Exposures to twenty largest borrowers/customers to Total Exposures of the Bank on borrowers/customers. | 9.22              | 10.02             |





| <b>Concentration of NPA</b>              |                     |                      |
|--|---------------------|----------------------|
| (Amount in Rupees Crores)                |                     |                      |
|  | <b>Current Year</b> | <b>Previous Year</b> |
|  | <b>31-03-2021</b>   | <b>31-03-2020</b>    |
| Total Exposures of top four NPA accounts | 775.43              | 638.12               |



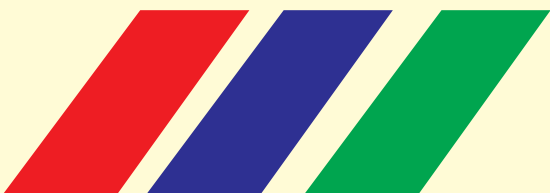


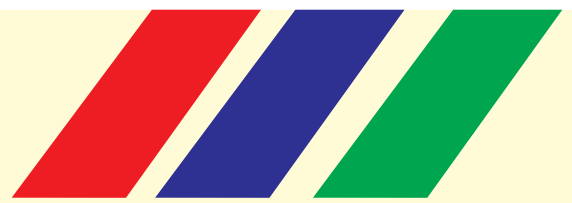
## II. Sector-wise NPSa

| Sl. No.  | Sector  | Current Year 31-03-2021   |                |   | 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                                 | 16379.60                  | 861.31         | 5.26  | 14364.04                  | 1011.65        | 7.04  |
| 2        | Advances to industries sector eligible as priority sector lending | 2377.23                   | 879.76         | 37.01   | 2540.24                   | 866.92         | 34.13   |
| 3        | Services  | 22900.20                  | 5902.89        | 25.78   | 22054.49                  | 5468.68        | 24.80   |
| 4        | Personal Loans  | 9407.91                   | 461.21         | 4.90  | 8536.26                   | 608.35         | 7.13  |
|          | <b>Sub-total</b>  | <b>51064.94</b>           | <b>8105.17</b> | <b>15.87</b>  | <b>47495.03</b>           | <b>7955.60</b> | <b>16.75</b>  |
| <b>B</b> | <b>Non-Priority Sector</b>  |                           |                |   |                           |                |   |
| 1        | Agriculture and allied activities                                 | --                        | --             | --  | --                        | --             | --  |
| 2        | Industry  | --                        | --             | --  | --                        | --             | --  |
| 3        | Services  | 3072.93                   | --             | --  | 2993.90                   | 3.38           | 0.11  |
| 4        | Personal loans  | 30048.28                  | 1170.78        | 3.90  | 25374.39                  | 830.82         | 3.27  |
|          | <b>Sub-total</b>  | <b>33121.21</b>           | <b>1170.78</b> | <b>3.53</b>   | <b>28368.30</b>           | <b>834.20</b>  | <b>2.94</b>   |
|          | <b>Total (A+B)</b>  | <b>84186.15</b>           | <b>9275.95</b> | <b>11.02</b>  | <b>75863.32</b>           | <b>8789.80</b> | <b>11.59</b>  |

## III. Capital

| Particulars |                                | Current Year | Previous Year |
|-------------|--------------------------------|--------------|---------------|
| i           | CRAR (%)                       | 13.90        | 14.57         |
| ii          | CRAR - Tier I Capital (%)      | 13.35        | 14.05         |
| iii         | CRAR - Tier II Capital (%)     | 0.54         | 0.52          |
| iv          | Percentage of sharehold of the |              |               |
| a           | Government of India            | 50           | 50            |
| b           | State Government               | 15           | 15            |
| c           | Sponsored Bank                 | 35           | 35            |





#### IV. Investments

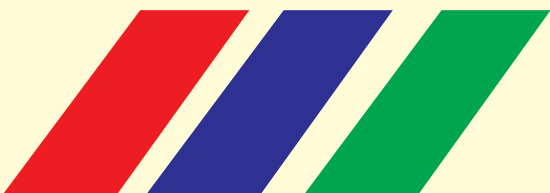
Rs. in lakh

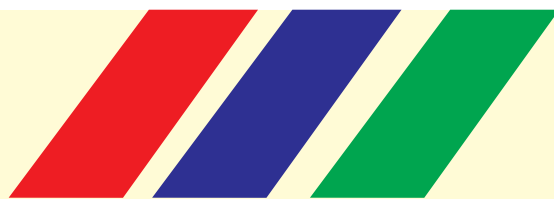
| Particulars |  | Current Year<br>31 - 03 - 2021 | Previous Year<br>31 - 03 - 2020 |
|-------------|--|--------------------------------|---------------------------------|
| 1           | Value of Investments   |                                |                                 |
| i           | Gross value of Investments   | 69014.03                       | 53942.00                        |
| ii          | Prevision of Depreciation  | 5.02                           | --                              |
| iii         | Net value of Investments   | 69009.01                       | 53942.00                        |
| 2.          | Movement of provisions held towards depreciation on investments    |                                |                                 |
| i           | Opening Balance  | 35.14                          | 35.14                           |
| ii          | Add : Provisionss made during the year                             | 5.02                           | 0.00                            |
| iii         | Less : Write off / write back of excess provisions during the year | 0.00                           | 0.00                            |
| iv          | Closing Balance  | 40.16                          | 35.14                           |

#### V. Repo Transaction

Rs. in lakh

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





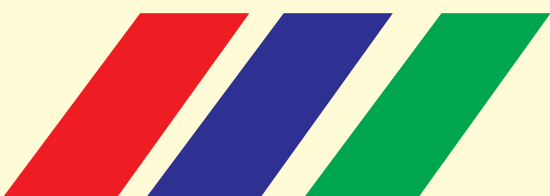
**VI. Non-SLR Investments**

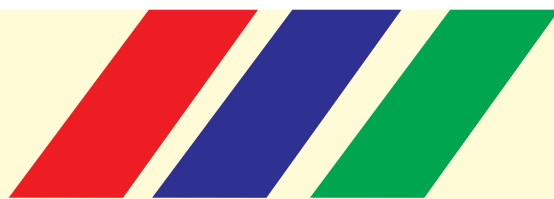
**i. Issuer Non-performing Non-SLR Investments**

| 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 2020 | --                   |
| Reductions during the above period             | --                   |
| Closing Balance                                | --                   |





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

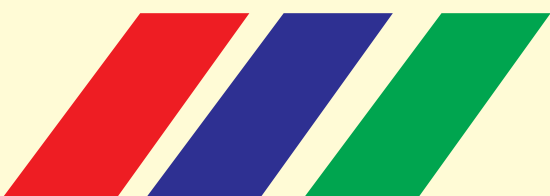
Rs. in lakh

| Particulars |  | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|-------------|--|----------------------------|-----------------------------|
| i           | Net NPAs to Net Advances (s)   | 1.62                       | 3.67                        |
| ii          | Movement of NPAs (Gross)   |                            |                             |
|             | a Opening Balance  | 8789.80                    | 8341.26                     |
|             | b Additions during the year  | 3796.44                    | 1579.91                     |
|             | c Reducations during the year  | 3310.92                    | 1131.37                     |
|             | d Closing Balance  | 9275.32                    | 8789.80                     |
| iii         | Movement of Net NPAs   |                            |                             |
|             | a Opening Balance  | 2554.50                    | 3840.80                     |
|             | b Additions during the year  | 946.09                     | (-) 706.73                  |
|             | c Reducations during the year  | 2370.94                    | 579.57                      |
|             | d Closing Balance  | 1129.65                    | 2554.50                     |
| iv          | Movement of provisions for NPAs<br>(excluding provisions) on standard assets |                            |                             |
|             | a Opening Balance  | 6235.30                    | 4500.52                     |
|             | b Additions during the year  | 772.38                     | 2286.67                     |
|             | c Reducations during the year  | 147.68                     | 551.37                      |
|             | d Closing Balance  | 6860.00                    | 6235.30                     |

**(B) Movement of NPA**

Rs. in lakh

| Particulars              |                             | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|--------------------------|-----------------------------|----------------------------|-----------------------------|
| Movement of NPAs (Gross) |                             |                            |                             |
| a                        | Opening Balance             | 8789.80                    | 8341.26                     |
| b                        | Additions during the year   | 3796.44                    | 1579.91                     |
| c                        | Reducations during the year | 3310.92                    | 1131.37                     |
| d                        | Closing Balance             | 9275.32                    | 8789.80                     |





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

Rs. in lakh

| Particulars |   | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|-------------|---|----------------------------|-----------------------------|
| 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**

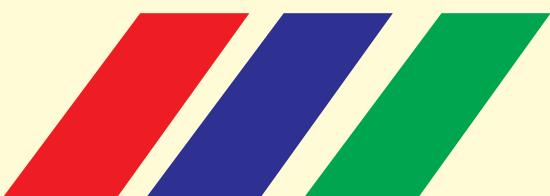
Rs. in lakh

| Particulars |   | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|-------------|---|----------------------------|-----------------------------|
| 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<br>31-03-2020 | Previous Year<br>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<br>31-03-2021 | Previous Year<br>31-03-2020 |
|-------------|---|--|----------------------------|-----------------------------|
| 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

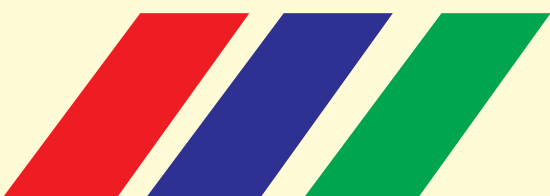
Rs. in lakh

| Particulars                        | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|------------------------------------|----------------------------|-----------------------------|
| Provisions on Standard Assets      | 248.62                     | 220.87                      |
| Provision on account of COVID - 19 | 197.58                     | 158.57                      |
| Total                              | 446.20                     | 379.44                      |

VIII. Business Ratios

Rs. in lakh

| Particulars |  | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|-------------|--|----------------------------|-----------------------------|
| i           | Interest income as a percentage to Working Fnds      | 6.74%                      | 6.81%                       |
| ii          | Non-Interest income as a percentage to Working Funds | 0.28%                      | 0.45%                       |
| iii         | Operating profit as a percentage to Working Funds    | 1.57%                      | 1.82%                       |
| iv          | Returns on Assets                                    | 0.03%                      | 0.02%                       |
| v           | Business (Deposits plus advances) per employee       | 9.26 lakh                  | 7.58 lakh                   |
| vi          | Profit per employee                                  | 0.25 lakh                  | 0.14 lakh                   |





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

Rs. in lakh

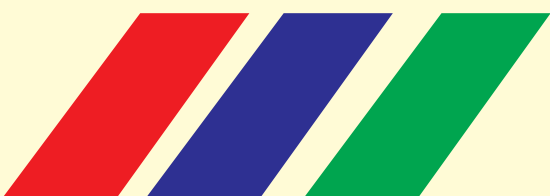
| Tenure                        | Deposit          | Borrower       | Investments     | Advances        |
|-------------------------------|------------------|----------------|-----------------|-----------------|
| 1 day to 14 days              | 22533.92         | --             | 500.00          | 331.67          |
| 15 day to 28 days             | 10599.30         | --             | 600.00          | 9820.01         |
| 28 day to 3 months            | 18819.57         | 29.78          | 2584.96         | 9623.20         |
| Over 3 months and upto 1 year | 30571.71         | 196.26         | 2279.85         | 5610.91         |
| Over 1 years and upto 3 year  | 147982.23        | 1451.24        | 6601.29         | 7726.48         |
| Over 3 years and upto 5 year  | 2771.36          | 407.30         | 3615.60         | 19806.77        |
| Over 5 years                  | 694.03           | 222.50         | 48811.40        | 19264.42        |
| <b>Total</b>                  | <b>268809.15</b> | <b>3502.49</b> | <b>69014.03</b> | <b>77326.14</b> |

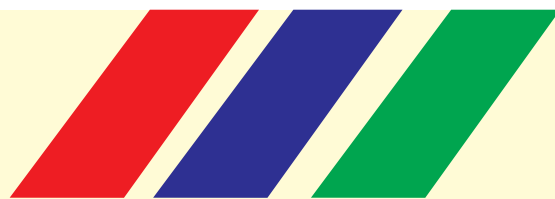
(As compiled and certified by the management)

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

Rs. in lakh

| Particulars |   | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|-------------|---|----------------------------|-----------------------------|
| 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  | 7623.45                    | 6497.71                     |
|             | b) Up to Rs. 20.00 Lakh   | 7043.09                    | 5849.12                     |
|             | 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<br>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)

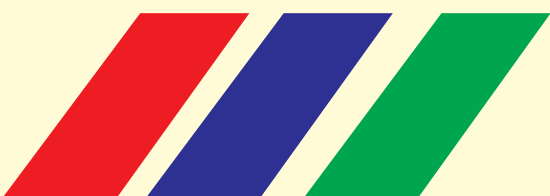
During the year, The Bank had not exceeded the single borrower limit and group borrowe limit fixed by the Board.

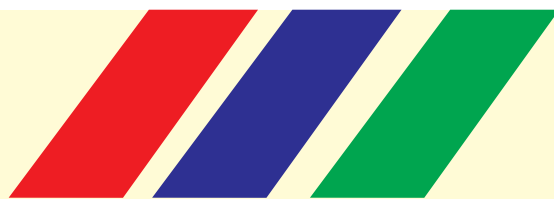
#### XII. Segment Reporting :

##### Part - A : Business Segment Revenue :

Rs. in lakh

| Business Segment |  | Current Year<br>31-03-2020 | Previous Year<br>31-03-2019 |
|------------------|--|----------------------------|-----------------------------|
| 1                | Segment Revenue (Income)   |                            |                             |
|                  | i Treasury   |                            |                             |
|                  | a Govt. Securities   | 4260.91                    | 3763.54                     |
|                  | b Multual Fund - SBI   | 728.21                     | 409.58                      |
|                  | <b>Total Treasury</b>  | <b>4989.12</b>             | <b>4173.12</b>              |
|                  | ii Corporate Banking   |                            |                             |
|                  | Revenue received from loan account with credit limit more than Rs. 5.00 Crore (only one one account with Rs. 6.50 crore limit) | 52.27                      | 49.44                       |
|                  | iii Retail Banking   |                            |                             |
|                  | a Interest received from loans & advances  | 7217.36                    | 6650.75                     |
|                  | b Interest received from FD with banks   | 5897.61                    | 6714.62                     |
|                  | c Other Income Details as per Schedule-14, other than Commission on Bankassurance Business                                     | 665.29                     | 1127.49                     |
|                  | <b>Total revenue received from Retail Banking</b>  | <b>13780.26</b>            | <b>14492.86</b>             |
|                  | iv Other Banking Operation   |                            |                             |
|                  | Commision from SBI Life & General  | 76.00                      | 45.02                       |
|                  | <b>Total from other Banking Operation</b>  | <b>76.00</b>               | <b>45.02</b>                |
|                  | <b>Total</b>   | <b>18897.65</b>            | <b>18760.44</b>             |

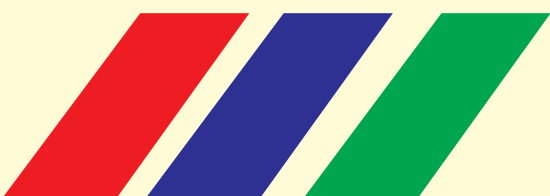


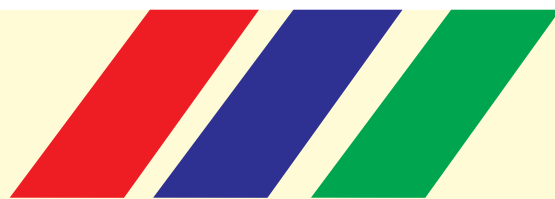


| 2. Segment -wise Expenditure                                    |     |  |                  |                  |
|---|-----|--|------------------|------------------|
|   | i   | Treasury                                   | --               | --               |
|   | ii  | Corporate Banking                          |                  |                  |
|   | a   | Interest paid to NABARD                    | 171.51           | 135.98           |
|   | b.  | Interest paid to NSTCFC                    | 10.31            | 4.77             |
|   | c.  | Interest paid to SBI                       | 9.91             | 15.33            |
|   |     | <b>Total Coporate Banking</b>              | <b>191.73</b>    | <b>156.08</b>    |
|   | iii | Retail Banking                             |                  |                  |
|   | a   | Interest paid to Deposits                  | 8974.43          | 9594.65          |
|   | b   | Operating Expenses                         | 5499.30          | 4306.30          |
|   | c   | Provisions                                 | 3487.25          | 4359.54          |
|   |     | <b>Total Expenditure of Retail Banking</b> | <b>17960.98</b>  | <b>18260.49</b>  |
|   | iv  | Other Banking Operation                    | --               | --               |
|   |     | <b>Total</b>                               | <b>18152.71</b>  | <b>18416.57</b>  |
| <b>3. Segment Results after Provisions and Before Tax (1-2)</b> |     |  |                  |                  |
|   | i   | Treasury                                   | 4989.12          | 4173.12          |
|   | ii  | Corporate Banking                          | -139.46          | -106.64          |
|   | iii | Retail banking                             | -4180.72         | -3767.63         |
|   | iv  | Other Banking Operation                    | 76.00            | 45.02            |
|   |     | <b>Total Profit Before Tax</b>             | <b>744.94</b>    | <b>343.87</b>    |
| <b>4. Segment Assets Before Tax (1-2)</b>                       |     |  |                  |                  |
|   | i   | Treasury                                   | 69014.03         | 53942.00         |
|   | ii  | Corporate Banking                          | 484.49           | 516.12           |
|   | iii | Retail banking                             | 76841.65         | 69111.90         |
|   | iv  | Other Banking Operation                    | 151825.27        | 133565.51        |
|   |     | <b>Total Profit Before Tax</b>             | <b>298165.44</b> | <b>257135.53</b> |

**Part - A : Business Segment Revenue :** Bank recognized 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 comprises of :

1. **Treasury :** The Treasury Segment includes the entrie investment portfolio of the Bank. The rev-





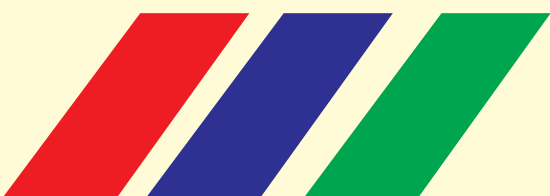
enue of the treasury segment primarily consists of fees and gains or losses from trading operations and dividend/interest income on the investment portfolio.

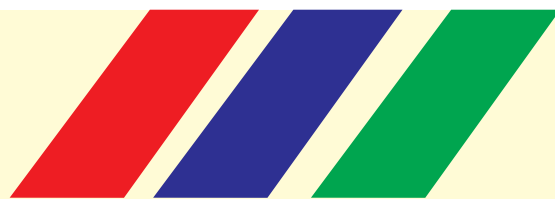
2. **Corporate / Wholesale Banking :** The Corporate / Wholesale banking segment comprise the lending activities of borrowers having exposure of Rs. 5.00 Crores and above.
3. **Retail Banking :** The Retail Banking Segment comprise of borrower accounts having exposure of less than Rs. 5.00 Crores and which primarily caters to Individuals, partnership firms, Self Help Group etc.
4. **Pther Banking Operations :** Any other operations, which could not be classified amongst other heads are grouped under Other Banking Operations.

### Segment-wise Results

Amount in Rs. in lakh

| Business Segment |  | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
|------------------|--|----------------------------|-----------------------------|
| 1.               | Segment Revenue                                  |                            |                             |
| i                | Treasury   | 4989.12                    | 4173.12                     |
| ii               | Corporate / Wholesale Banking                    | 52.27                      | 49.44                       |
| iii              | Retail Banking                                   | 13780.26                   | 14492.86                    |
| iv               | Other Banking Operation                          | 76.00                      | 45.02                       |
|                  | <b>Total Profit Before Tax</b>                   | <b>18897.65</b>            | <b>18760.44</b>             |
|                  | Less: Inter-segment Revenue                      | --                         | --                          |
|                  | Income from Operation                            | 18897.65                   | 18760.44                    |
| 2.               | Segment Results after Provisions &<br>Before Tax |                            |                             |
| i                | Treasury   | 4989.12                    | 4173.12                     |
| ii               | Corporate / Wholesale Banking                    | -139.46                    | -106.64                     |
| iii              | Retail Banking                                   | -4180.72                   | -3767.63                    |
| iv               | Other Banking Operation                          | 76.00                      | 45.02                       |
|                  | <b>Total Profit Before Tax</b>                   | <b>744.94</b>              | <b>343.87</b>               |





## 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<br>31-03-2021 | Previous Year<br>31-03-2020 |
|--------------------------|----------------------------|-----------------------------|
| Provision for Income Tax | 645.52                     | 289.44                      |

## 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<br>31-03-2021 | Previous Year<br>31-03-2020 |
|--|----------------------------|-----------------------------|
| i No. of complaints pending at the beginning of the year | 1                          | 2                           |
| ii No. of complaints received during the year            | --                         | 1                           |
| iii No. of complaints redereesed during the year         | 1                          | 2                           |
| iv No. of complaints pending at the end of the year      | --                         | 1                           |

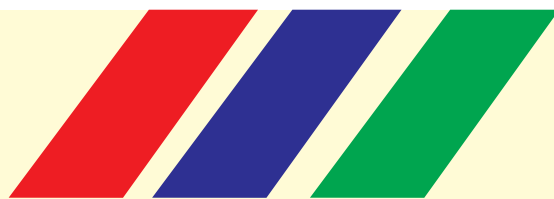
(As compiled & certified by the Management)

### B Awards passed by the Banking Ombudsman

Rs. in lakh

| Particulars  | Current Year<br>31-03-2021 | Previous Year<br>30-03-2020 |
|--|----------------------------|-----------------------------|
| 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**

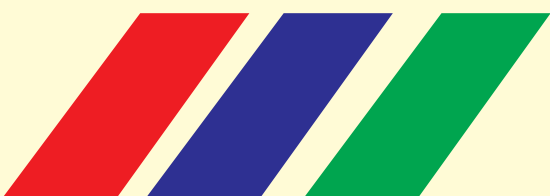
During the period under audit, bank has not received any grants from any Central of State Governments or authorities owned/controlled by them.

**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) Ms. Tshering Diki, Chairman   |
|    | ii) Mr. Shemphang Lyngdoh, General Manager - I   |
|    | iii) Mr. L. Hangmuanthang Director Nominated by Reserve Bank of India                        |
|    | iv) Ms. 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 - Fallow Group Company  |
|    | iv) SBI Mutual Fund - Follow Group Entity  |



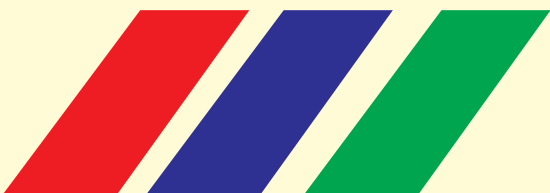


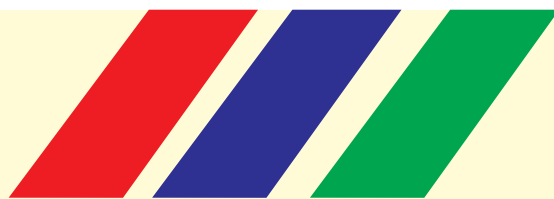
| c) Details of Transactions made during the year and outstanding balances as at year end :<br>Rs. in lakh |   |  |                            |                             |
|--|---|--|----------------------------|-----------------------------|
| d  | Particulars   | Name of Related Party  | Current Year<br>31-03-2021 | Previous Year<br>31-03-2020 |
| i.   | Managerial Remuneration and Perquisites               | Mr. D. K. Guha<br>(up to Sep. 2020)<br>Ms. T. Diki<br>(from Sep. 2020) | 9.89<br><br>10.61          | 20.29<br><br>--             |
| ii.  | Investment in Mutual Fund                             | SBI-Mutual Fund  | 649.73                     | 3300.00                     |
| iii.   | Income from Mutual Fund                               | SBI-Mutual Fund  | 728.21                     | 409.58                      |
| iv.  | Interest received from Bank                           | SBI-Mutual Fund  | 5008.30                    | 5430.94                     |
| v.   | Interest paid to the Bank                             | State Bank of India  | 9.91                       | 15.33                       |
| vi.  | Balance outstanding of Current Accounts               | State Bank of India  | 13490.12                   | 6137.48                     |
| vii.   | Balance outstanding of Other Accounts (Term Deposits) | State Bank of India  | 84754.87                   | 74832.10                    |
| viii.  | Balance of Investment in Mutual Funds                 | State Bank of India  | 6499.73                    | 5850.00                     |
| 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   | 76.00                      | 45.02                       |

## 5. Earning Per Share

(Amount in Rs.)

| Particulars |  | Current Year<br>31-03-2021 | Previous Year<br>30-03-2020 |
|-------------|--|----------------------------|-----------------------------|
| 1.          | Net Profit after Tax Available for Equity Shareholders | ₹ 94.16 Lakh               | ₹ 54.43 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                     | ₹ 3.62                     | ₹ 2.10                      |





**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. The Government of India has pronounced Section 115 BAA of Income Tax Act, 1961 through Taxation Laws (Amendment) Ordinance, 2019 which provides domestic companies a non-reversible option to pay corporate tax at reduced rate effective from 01st April, 2019 subject to compliance of certain condition. Bank is currently in the process of evaluating this option and continues to recognize the taxes on income for the year ended 31st March, 2021 as per the earlier provision of the Income Tax Act, 1961.

**8. 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 Investments 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.

**9. 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<br>31-03-2021 | Previous Year<br>30-03-2020 |
|-------------|--|----------------------------|-----------------------------|
| i.          | Gross Block at the beginning of the year | --                         | --                          |
| ii.         | Less : Amortization during the year      | --                         | --                          |
| ii.         | Net Block at the end of the year         | --                         | --                          |

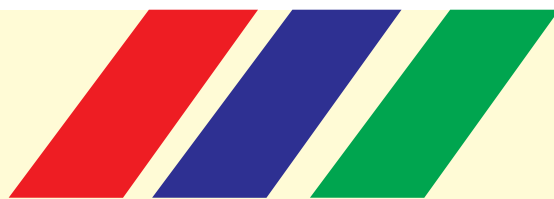
**10. Impairment of Assets**

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 2020-21, Bank is not having any exposure in Derivatives.





XX. Contingent Liabilities, Provisions and Contingent Assets

Rs. in lakh

| Particulars   | Opening Balance<br>01-04- 2020 | Additions<br>during the<br>year | Deductions/<br>Reversals<br>during the<br>year | Closing Balance<br>at 31-3-2021 |
|---|--------------------------------|---------------------------------|--|---------------------------------|
| 1. Provision for Standard Assets  | 220.88                         | 27.74                           | 0.00   | 248.62                          |
| 2. Provision for Standard Assets - COVID - 19                             | 158.56                         | 39.01                           | 0.00   | 197.58                          |
| 3. Provision for Non Performing Assets                                    | 6235.30                        | 772.38                          | 147.68   | 6860.00                         |
| 4. Provision for Taxation   | 3865.32                        | 645.52                          | 2015.87  | 2494.97                         |
| 5. Provision for Gratuity   | 28.42                          | 8.95                            | 28.42  | 8.95                            |
| 6. Provision for Leave Encashment   | 0.00                           | 12.51                           | 0.00   | 12.51                           |
| 7. Provision for Pension  | 1466.30                        | 1600.00                         | 1466.30  | 1600.00                         |
| 8. Provision for Building   | .00                            | 175.00                          | 0.00   | 175.00                          |
| 9. Provision for Bonus  | 3.38                           | 1.61                            | 3.88   | 1.61                            |
| 10. Provision for RBI Deaf Claim Receivable                               | 0.21                           | 0.00                            | 0.00   | 0.21                            |
| 11. Provision for System Suspense Account                                 | 10.47                          | 0.00                            | 0.00   | 10.47                           |
| 12. Provision for Demand Draft Received Realisation                       | 2.65                           | 0.00                            | 0.00   | 2.65                            |
| 13. Provision for amount receivable from MRB Trust Fund                   | 31.45                          | 0.00                            | 31.45  | 0.00                            |
| 14. Provision for Unreconciled Entries with Bank                          | 33.26                          | 0.00                            | 0.00   | 33.26                           |
| 15. Provision for Fraud/Robber/ Embezzlement or Defalcation               | 100.67                         | 0.00                            | 3.95   | 96.72                           |
| 16. Provision for Wage Revision Arrear                                    | 258.17                         | 845.01                          | 0.00   | 1103.19                         |
| 17. Claims against the Bank not acknowledged as Debt- Disputed Income Tax | 876.48                         | 0.00                            | 876.48   | 0.00                            |
| 18. Other items for which the Bank is contingently liable (RBI DEAF)      | 26.08                          | 0.95                            | 0.00   | 27.03                           |





## 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 conform 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 been mentioned.

As per our report of even date  
For M.C. Bhandari & Co.  
Chartered Accountants  
Firm Registration No.: 2020071

Digitally signed by  
Neeraj Jain  
Date: 2021.05.16  
19:16:45 +05'30'

Neeraj Jain  
(Partner)  
Membership No: 064393  
UDIN: 21064293A AAAAEG1836

Place: Kolkata  
Date: 16<sup>th</sup> May 2021

For Meghalaya Rural Bank  
General Manager / महानिदेशक  
Meghalaya Rural Bank / मेघालय ग्रामीण बैंक  
Head Office: Shillong  
प्रधान कार्यालय: शिलांग

Chairman  
Tshering Diki  
(Chairman)  
मेघालय ग्रामीण बैंक  
Meghalaya Rural Bank  
प्रधान कार्यालय: शिलांग  
Head Office, Shillong.

Director (Institutional Finance and Ex-officio Secy to the Govt. of Meghalaya)

Sd/- obtained  
over email  
(Mukesh Paparwal)  
Director - SBI

Deputy General Manager  
वृजलाल सिंह / Brinjal Singh  
Deputy General Manager  
PF Index No. BYCS03  
भारतीय रिज़र्व बैंक / Reserve Bank of India  
शिलांग / Shillong



