



38th
Annual Report
2018-2019



MANIPUR RURAL BANK

(Empowering Manipur Every time, Everywhere)

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BALANCE SHEET AND PROFIT & LOSS ACCOUNT, 2018-2019
(For the year ended 31.03.2019)

SPONSOR BANK :
UNITED BANK OF INDIA



MANIPUR RURAL BANK

HEAD OFFICE : KEISAMPAT, IMPHAL

DIRECTORS' REPORT FOR THE YEAR 2018-19

The Board of Directors of Manipur Rural Bank have great pleasure in presenting the 38th Annual Report of the Bank with the Balance Sheet, Profit & Loss Account for the year ended 31st March, 2019.

1. BANK'S PROFILE:

In accordance with Regional Rural Banks Act, 1976, Manipur Rural Bank was established on 28th May, 1981 as a joint undertaking of Government of India, Government of Manipur and United Bank of India (Sponsor Bank) by contributing share capital at the ratio 50: 15: 35 respectively. The Bank started its operation with an objective of economic development of the rural people of the state, particularly the weaker sections by participating in different poverty alleviation programmes of Central & State Governments.

United Bank of India has sponsored in all 4 RRBs in 4 different states including Manipur Rural Bank. The other three RRBs are Assam Gramin Vikas Bank, Bangiya Gramin Vikas Bank and Tripura Gramin Bank. The Bank is categorized under scheduled banks and is authorized for all types of banking business under section 5(b) of Banking Regulation Act 1949. The Bank is rendering its service to meet all the banking requirements of the rural and urban areas. The Bank is also providing its services to non target group beneficiaries along with the target group beneficiaries.

2. STATE PROFILE:

Manipur is one of the states in the North Eastern India having total geographical area of 22,327 sq.km. The state has two distinct topographical zones namely hills and valley. Ninety per cent of the total geographical area is covered by the hills. The central valley portion accounts only one-tenth of the geographical area and is divided into 5 districts. The state is bounded by Nagaland to the north, Mizoram to the south, and Assam to the west; Burma (Myanmar) lies to its east.

According to Census 2011 the population of the state is 27.22 lakh registering an increase of 4.28 lakh during the decade 2001-2011. Of the total population of the state 13.70 lakh were males and 13.52 lakh were females. Agriculture and allied activities is the single largest source of livelihood of rural folk. Paddy is the main crop grown. Other crops are wheat, pulses, maize etc. There are two modes of cultivation viz, punghul and transplantation of seeds. In the hill area Jhum and terraced cultivation are carried in the agricultural season. In general the land is cleared in the month of January and February. Crops are sown in May-June and harvesting starts in October and ends about in the early part of December. The soil is considered fit for all kinds of grain crops, vegetables and fruits. Fruits cultivated include pine-apple, arum, orange, apricot, oranges, lemons, mangoes etc Every kind of vegetables like cabbage, carrot, radish, beetroot, turnip, ladies finger, pumpkin and pulses are grown and the yield is very good. Vegetables also include chilly, potato, cabbage, pea, brinjal and tomato. In general the land is cleared in the month of January and February. Crops are sown in May-June and harvesting starts in October and ends about in the early part of December.



Handicrafts of Manipur have a unique place among the various crafts of the country due to having its own aesthetic and artistic value. Major Crafts having potential for investments are Cane and Bamboo Crafts, Pottery, Kauna (*Scripus leucostriis*) craft etc.

3. SHARE CAPITAL / SHARE CAPITAL DEPOSIT:

The paid-up Share Capital of the Bank has become 53,88,03,000 at the end of the year, subscribed by Govt. of India, Govt. of Manipur and United Bank of India (Sponsor Bank) in the ratio of 50:15:35 respectively.

The paid up share capital received from share holders are as under:

A) From Govt. of India	:	₹ 269401 thousand
B) From Govt. of Manipur	:	₹ 80821 thousand
C) From Sponsor Bank (UBI)	:	₹ 188581 thousand
Total		₹ 538803 thousand

4. BRANCH NETWORK :

During the year, the Bank open 2 New Branches at Khumbong in Imphal West District and Bishnupur in Bishnupur District. So, as on March, 2019 the Bank's network is 26 (twenty six) branches spread over 10 (ten) districts of the State, which can be viewed at a glance from Table 'A'. As per RBI press release 2016-2017/1081 dated November 01, 2016, out of 26 branches, 1 (one) branch is in urban area, 10 (ten) branches in semi-urban areas and 15 (fifteen) branches in rural areas, of which 1 (one) branch i.e. Sapermaina branches under KANGPOKPI district is not functioning for a long time for various reasons is under process of reopening.

5. DEPOSITS :

The total deposits of the Bank which was ₹2824342 thousand as at the end of March 2018 has increased to ₹2954271 thousand as at the end of March 2019 as against DAP target of ₹ 3210000 thousand. The growth of deposits registered a net increase of ₹ 129929 thousand which is an increase of 4.60%. Deposit per branch stood at ₹118171 thousand and deposit per staff is ₹27354 thousand. Out of total deposits, 60.45% is Savings Bank deposit, 15.10% is Demand deposit, and 24.45% is Time deposits. The average cost of deposits has been worked out to be 3.81%.

6. BORROWINGS :

Borrowings from NABARD and Sponsor Bank are the other sources of fund for the bank besides deposits. During the financial year 2018-19 bank has availed refinance to the tune of ₹40000 thousands from NABARD against priority sector lending.

The position of outstanding borrowing as on 31.03.2019 is shown below :

(Rupees in thousand)

INSTITUTION	As on 31.03.2018	As on 31.03.2019
NABARD	181952	143173
Sponsor Bank	226540	220405
Total	408492	363578

An amount of ₹126.16 lakh has been paid as interest on borrowing. The average cost of the borrowing work out to be 5.29% p.a. during the year under report as against 5.55% p.a. during the previous year. During the year the bank repaid an amount of ₹787.78 lakh to NABARD towards principal.

7. CASH AND BALANCES WITH BANKS :

The bank exercised utmost care to increase efficiency in fund management. Steps were taken to ensure maintenance of minimum cash balance at branches so that interest loss on idle cash is kept to the barest minimum. The following table shows the details of cash position and balance in current accounts for last three years.

(Rupees in thousand)

Sl. No.	Particulars	2016-17	2017-18	2018-19
1.	Cash in hand (at the end of the year)	9645	7689	6725
2.	Average cash balance	80932	23109	19203
3.	Average cash balance as % to average deposits	3.22	0.93	0.70
4.	C/D balances at the end of the year			
	a) with R.B.I	110414	103282	118684
	b) with Sponsor Bank	215770	366066	342538
	c) with SBI	19930	182773	2654
	d) ICICI Bank	25510	29830	14769
5.	FD with sponsor Bank (at the end of the year)	238962	250861	261952
6.	Income earned on Fixed deposits :	15210	11764	11148
7.	Income on CRR Balance	-	-	-

8. INVESTMENT :

The investment of the bank has been classified as HTM and AFS The outstanding balance of investment as on 31.03.2019 stood at ₹12433.45 lakh in various Govt. Securities, approved securities etc. The breakup of the SLR and Non SLR investment along with comparative position of the previous year is furnished here in below :

(Rs. in thousand)

Investment	Outstanding Investment as on 31.03.2018	Outstanding Investment as on 31.03.2019
SLR HTM	483642	474165
SLR AFS	709108	769180
Non SLR	-	
TOTAL	1192750	1243345

During the year under report the Bank earned ₹96006 thousand as interest on SLR investments as against ₹104327 thousand during 2017-18.

9. LOANS AND ADVANCES :

A. OUTSTANDING :

The purpose wise breakup of outstanding loans / advances as on 31.03.2018 and 31.03.2019 is as under :

(Rupees in thousand)

Sl. No.	Purpose	2017-18		2018-19	
		A/c	Amt.	A/c	Amt.
1.	Agriculture and allied Activities				
	a) Short term	8434	259838	8791	286521
	b) Medium term	3932	208408	3885	252583
2.	Industries & Rural artisan	3220	185313	3731	228189
3.	Retail trade & service sectors including SRTOs	4134	454452	4695	492273
4.	House Building Loans	167	93405	122	90366
5.	Education loan	3	494	3	1064
6.	Other (NTG)	469	75671	457	93996
7.	Total	20359	1277581	21690	1444556
	Of which				
7.1	Target group	19890	1201910	21233	1351100
7.2	Non Target groups	469	75671	457	93456
7.3	SC/ST	2268	108028	2424	110231
7.4	Minorities	1654	71379	1843	86673
7.5	SF/MF/AI	12366	468246	12676	539104
7.6	Priority Sector	19890	1201910	21233	1351100
7.7	Non-Priority Sector	469	75671	457	93456
7.8	Priority sector advances as % of 8		94.08		93.53
8.	CD ratio		45.25		48.89

B. DISBURSEMENT :

In fulfilment of the social obligations, the Bank continued to extend financial assistance to the weaker sections of the society, particularly small and marginal farmers, landless labourers, and small entrepreneurs. It has been making sincere endeavour to meet the credit needs of the people both under priority and non-priority sectors. The following table shows the details of loans disbursed during last two financial years:

(Rupees in thousand)

Sl. No.	Purpose	2017-18		2018-19	
		A/c	Amt.	A/c	Amt.
1.	Agriculture & Allied activities				
	(i) Short term	3652	108114	3171	118756
	(ii) Medium term	1016	100910	892	114325
2.	Industries & Rural Artisans	868	60056	995	97033
3.	Retail trade & Service Sectors including SRTOs	1502	164841	1439	174957
4.	House Building Loan	22	20367	10	12150
5.	Education loan	2	378	0	0
6.	Others (NTG)	127	33597	163	45666
7.	Total	7190	488763	6670	562887
	<i>Out of the total disbursement</i>				
	(a) to priority sector	7062	454666	6507	517221
	(b) to non-priority sector	128	34097	163	45666
	(c) to S/C & S/T	538	30145	521	47203
	(d) to minorities	637	26528	1009	69170
	(e) to SF/MF/AL	4668	209024	4063	233081
	(f) to Govt. Sponsored Scheme				
	(g) % of priority sector disbursement to total disbursement		93.03%		91.89%

10. SELF-HELP GROUP :

The Bank has given special thrust for promotion and credit linkage of SHGs and involved all the branches in the process. As a result 595 nos. of SHGs were credit linked by the bank involving an amount of ₹ 60589 thousand during the reporting year. The bank so far could make deposit linkage with 11359 SHGs of which 6774 SHGs had been credit linked involving an amount of ₹295168 thousand. SHG accounts mainly covers women beneficiaries in the state.

11. KISAN CREDIT CARD :

During the year under report the Bank has issued KCCs to 3171 nos. of farmers amounting to ₹118756 thousand involving different Farmers' Clubs. The bank has so far issued 21745 numbers of KCCs to small and marginal farmers involving an amount of ₹599358 thousand.

The Bank has issued RuPay KCC cards to all the KCC account holders.

12. IRAC NORMS :**A) Asset Classification**

In compliance to the RBI guidelines, the bank has classified its loans and advances portfolio as per IRAC norms and necessary provisions have been made. The position as on 31.03.2019 along with the corresponding figure as on 31.03.2017 and 31.03.2018 is furnished below:

(Rupees in thousand)

Asset Classification	2016-17	2017-18	2018-19
Standard	1045264	1102828	1145755
Sub Standard	21759	142662	129345
Doubtful	26895	32092	169456
Loss Assets	0	0	0
Total NPA	48654	17454	298801
Total Advance	1093918	1277582	1444556

(B) Provisioning :*(Rupees in thousand)*

Asset Classification	2016-17	2017-18	2018-19
Standard	2861	3034	3144
Sub Standard	3264	21906	20499
Doubtful	19723	20065	61464
Loss Asset	0	0	0
Total	25848	45005	85107

13. RECOVERY OF LOANS :

The Bank could recover ₹377725 thousand as against last year's recovery of ₹336501 thousand comprising 71.66 % of the total demand against 74.05 % of the last year. Details of Demand, Collection and Balance can be viewed from Table "B". During this financial year, the Bank has given top priority to NPA Recovery and tried to arrest further generation of fresh NPA.

AGE WISE CLASSIFICATION OF OVERDUES :*(Rupees in thousand)*

	Total Advance	Farm Sector	Non-Farm Sector
(a) Less than one year	61672	22107	39565
(b) 1 to 2 year	13405	5197	8208
(c) 2 to 3 years	24773	6305	18468
(d) 3 to 5 years	42938	10177	32761
(e) 5 to 8 years	6596	2659	3937
(f) Over 8 years	0	0	0
Total	149383	46445	102938

14. NPA MANAGEMENT :

The details of asset classification into Standard, Sub-standard, Doubtful and Loss assets can be viewed from Table "B" under the Head "Asset Classification".

The quantum of NPAs and recovery there against for the current year and previous year are given below :

(Rupees in thousand)

	2018-19	2017-18
i) Gross NPA at the beginning of the year	17454	48654
ii) Total reduction during the year	244224	96195
Under which		
a) Cash recovery	71999	31234
b) Up gradation	171708	64734
c) compromise settlement	517	227
iii) Addition of fresh NPA during the year	368271	222295
iv) NPA at the end of the period	298800	174754
v) Provision held against NPAs	81963	41971
vi) % of Gross NPA to total advance	20.68%	13.68%
vii) Total advance outstanding	1444556	1277582
a) Standard	1145755	1102828
b) Sub Standard	129345	142662
c) Doubtful I	115029	10481
d) Doubtful II	42865	7129
e) Doubtful III	11562	14482
f) Loss Assets	0	0
viii) Net NPA	216838	132789
ix) Net advance	1362593	1235611
x) % of Net NPA to net advance	15.91%	10.75%

15. Prime Minister Jan Dhan Yojana :

The bank has been allotted 46 SSAs covering 226 villages having 58439 households and 78 wards having 18180 households in the state under Pradhan Mantri Jan- Dhan Yojana.

The bank is also a leading bank in the enrolment of three social security schemes in Manipur. The performance of the Bank under PMJDY as on 31.03.2019 are as follows

PMJDY-192336

PMSBY-22855

PMJJBY-4135

APY - 1105

16. PROFITABILITY :

Comparative position of Bank's income and expenditure, year wise, is furnished below :

(Rupees in thousand)

	PROFITABILITY ANALYSIS :	2016-17	2017-18	2018-19
1	Interest paid on			
	(a) Deposits	112660	107215	104809
	(b) Borrowings	12572	16585	12616
2	Salary	81359	71891	86172
3	Other operating Expenses	54100	95803	104847
4	Provisions made during the year			
	(a) Against Standard Assets	100	173	111
	(b) Against NPAs	10300	18985	67396
	(c) Other provisions	0	0	0
	(d) Amortisation	2591	3411	4388
5	Interest received on			
	(a) Loans & Advances	102670	120636	130086
	(b) Current A/C with banks SLR Invt./ Money at Call/TDR with Sponsor bank	16774	11822	20027
	(c) Approved Securities			
	SLR Investments :	95160	104327	96006
6	Misc. Income	56160	19615	43697
7	Profit / Loss	10073	-35095	-18627

17. FINANCIAL RATIOS :

(Rupees in thousand)

ITEM	2017-18	2018-19
Average Working Fund	2996733	3210484
i) Financial Return	7.93	7.67
ii) Financial Cost	4.13	3.66
iii) Financial Margin	3.80	4.01
iv) Operating Cost (% to W/F)	3.59	3.85
v) Miscellaneous Margin (% to W/F)	0.66	1.36
vi) Operating Result	0.87	1.52
vii) Risk Cost (% to W/F)	2.04	2.17
viii) Net Margin	-1.17	-0.65

18. TRANSFER PRICE MECHANISM (TPM)

The transfer price mechanism was revised by the bank during the year with the approval of the Board of Directors of the Bank. The subsidy for T.P.M. is enumerated below:

Interest subsidy to be received by branches from head office:

- i) 220% of INTEREST PAID TO SB Accounts
- ii) 130% of INTEREST PAID TO TD Accounts
- iii) 5% per annum on average balance on current accounts and average credit balance in cash credit/ Overdraft accounts
- iv) 20% of the recovery from NPA accounts
- v) 100% of the recovery from shadow accounts

INCENTIVES to be received by Branches from Head Office

- i. 2.50% of disbursement of housing loans
- ii. 3.00 % of disbursement of Mudra (Tarun Category) loans by all types of business units

COMPENSATION for newly opened branches to be received by Branches from Head Office:

- i. 100% During 1st year of Cost incurred on Establishment, Rent on Office Premises, Depreciation on Fix Assets of Newly opened Branch
- ii. 75 % During 2nd year of Cost incurred on Establishment, Rent on Office premises, Depreciation on Fix Assets of Newly opened Branch
- iii. 50 % During 3rd year of Cost incurred on Establishment, Rent on Office premises, Depreciation on Fix Assets of Newly opened Branch

Interest subsidy to be paid by branches to the head office:

- i) 25% of the interest earn on loan & advances
- ii) 5% per annum on the average cash in hand
- iii) 10% per annum on the average balance in Bank accounts

19. ACHIEVEMENT UNDER DAP/MoU :

The Bank had prepared Sustainable Viability Plan in consultation with United Bank of India (Sponsor Bank) during the year 2018-19.

The important targets under DAP 2018-19 based on the business Plan vis-à-vis the actual achievements as at the end of the year are given below:

(Rupees in thousand)

1.	Particulars	Targets	Achievement
1.	CAPITAL		
1.1	Issued Share Capital	—	538803
2.	DEPOSIT	3210000	2954271
	Growth (%)	4.56	4.60
2.1	Demand Deposits	430000	446146
	(%) share	13.40	15.10
2.2	Savings Deposits	1900000	1785871
	(%) share	59.19	60.45

2.3	Term Deposits (%) share	880000 27.41	722254 24.45
3.	BORROWINGS	—	363579
4.	ADVANCES GROWTH (%)	1610000 30.89	1444556 13.07
4.1	Priority Sector	1520000	1351100
4.2	Non-Priority Sector	90000	93456
5.	INVESTMENTS	1192800	1243345
5.1	SLR-Investment % to total deposits	1192800 37.16	1243345 42.08
5.2	Non-SLR Investment % to total deposits	— —	— —
6.	PROFIT (+) / LOSS (—)	14700	(—) 18627
7.	ACCUMULATED LOSSES	418027	486749

20. INTEREST RATES :

The prevailing interest rates of the Bank on deposits and advances are given below (% p.a.):

(a) Interest rates on deposits :

(i) Savings Bank deposits - 3.5 % p.a.

(ii) Term deposits:

Sl. No.	Period of Deposit	Rate	
		Other than Sr. Citizen	Rate for Sr. Citizen
1.	7 Days to 14 Days	4.00	4.00
2.	15 Days to 29 Days	4.00	4.00
3.	30 Days to 45 Days	4.00	4.00
4.	46 Days to 60 days	4.00	4.00
5.	61 Days to 90 Days	4.50	4.50
6.	91 Days to 180 Days	5.00	5.00
7.	181 days to 269 Days.	5.50	5.50
8.	270 Days to less than 1 Year	5.75	5.75
9.	1 year	5.75	6.25
10.	Above 1 Year to less than 2 Year	6.00	6.50
11.	2 years to less than 3 years	6.00	6.50
12.	3 years to less than 5 years	6.00	6.50
13.	5 years and above	6.00	6.50

2. Rate of interest on Loans and Advances

Base Rate (BR) = 9.90%

Sl. No.	Scheme type	Rate of Interest	Scheme code
A	Crop loan upto Rs.300000/- (Fixed)	7%	CC201
B	Loan to NRLM & NULM upto ₹300000/- (Fixed)	7%	LASG7
C	Agri-Allied (Floating)		LA103, LA104, LA121, LA105, LA116, LA124, LA125, OD003, CC106
i.	Loan limit up to ₹50,000	BR + 1.10 i.e 11% p.a.	
ii.	Loan limit above ₹50,000 to ₹200000	BR + 2.10 i.e 12% p.a.	
iii.	Loan limit above ₹200000	BR + 3.10 i.e 13% p.a.	
D	Small business & transport operators (Floating)		LA210, LA215,
i.	Loan limit up to ₹25000	BR + 2.10 i.e 12% p.a.	
ii.	Loan limit above ₹25000 to ₹200000	BR + 3.10 i.e 13% p.a.	
iii.	Loan limit above ₹200000	BR + 3.60 i.e 13.5% p.a.	
E	Term loan(SME, Service Sector & other priority sector) (Floating)		LA206, LA204, LA207, LA218, LA410, LASEC
i.	Loan limit up to ₹25000	BR + 2.10 i.e 12% p.a.	
ii.	Loan limit above ₹25000 to ₹200000	BR + 3.10 i.e 13% p.a.	
iii.	Loan limit above ₹200000	BR + 3.60 i.e 13.5% p.a.	
F	Overdraft/cash credit (Floating)		CC001, CC002, CC101, CC112, SBREG, SB201, SBFIG
i.	Loan limit up to ₹25000	BR + 2.10 i.e 12% p.a.	
ii.	Loan limit above ₹25000 to ₹200000	BR + 3.10 i.e 13% p.a.	
iii.	Loan limit above ₹200000	BR + 3.60 i.e 13.5% p.a.	
G	Term loan/Cash Credit (Floating) (Non schematic and Non priority including Medium Enterprise and retail trade more than ₹20 lac)		
i.	Loan limit up to ₹25000	BR + 3.10 i.e 13% p.a.	
ii.	Loan limit above ₹25000 to ₹200000	BR + 4.10 i.e 14% p.a.	
iii.	Loan limit above ₹200000	BR + 5.10 i.e 15% p.a.	
H	Housing Loan Scheme (Floating)		LA304
i.	Up to 5 years	BR i.e. 9.90 %	

ii	5 years to 15 years	BR + 0.5% i.e. 10.40% p.a.	
iii.	Above 15 years	BR + 1% i.e. 10.90% p.a.	
I	Loan to SHG (Floating)		CC102, CC103, LA222, LA405,
i.	Up to Rs. 50000	BR + 2.10 i.e 12% p.a.	
ii.	Above Rs 50000	BR + 2.60 i.e 12.5% p.a.	
J	Loan to Anganwadi workers & Helpers	BR + 5.10 i.e 15% p.a.	LA519
K	Loan against own Term deposits of the Bank.	2% above interest on concerned deposit	LA602, OD002, LA008
L	Loan against NSC,KVP ,IVP and LIC policy	BR + 4.10 i.e 14% p.a.	LA403
M	Personal Loan /Consumers durable loan	BR + 5.10 i.e 15% p.a.	LA508, LA518
N	MRB car loan		
i.	Staff	BR + 1.60 i.e 11.5% p.a.	LASCL, LA005
ii.	Other than staff	BR + 1.60 i.e 11.5% p.a.	LA506
O	Clean Overdraft		
i.	Staff	BR + 2.35 i.e 12.25% p.a.	OD101
ii.	Other than staff	BR + 6.60 i.e 16.5% p.a.	OD001
P	Loan to Landlord of Branch premises	BR + 4.10 i.e 14% p.a.	LA502
Q	Education loan		LAEDU
i	Upto ₹400000/-	BR + 2.35 i.e. 12.25% p.a.	
ii	Above ₹400000/- to ₹750000/-	BR + 3.10 i.e. 13% p.a.	
iii	Above ₹750000/-	BR + 2.35 i.e. 12.25% p.a.	
iv	Concession for girl student	0.50 p.a from card rate	

21. HUMAN RESOURCE DEVELOPMENT:

A. TRAINING :

During the year under report, Officers and clerks participated in different training programmes. The details of the training programmes are given hereunder:

Sl No	Particular of training programme	Institute	Period		No. of participant
			From	To	
1	Three days Induction Programme	MRB HO	21.03.2018	23.03.2018	16
2	Workshop on PMJDY	IIBM Guwahati	06.08.2018	07.08.2018	1
3	One day workshop on National Livestock Mission (NLM)	NABARD	09.10.2018	09.10.2018	9

Sl No	Particular of training programme	Institute	Period		No. of participant
			From	To	
4	Tier II Training Program on Financial Literacy	STC Guwahati	07.01.2019	08.01.2019	1
5	Three Days Induction Programme for Assistant	MRB HO	06.02.2019	08.02.2019	7
6	Capacity Building of Bankers for Financing MSME Sector	RBI Imphal	13.12.2018	13.12.2018	1
7	BRS 2 and 4 Rationalisation	RBI Pune	18.02.2019	18.02.2019	1
	Total				36

22. MANPOWER :

The man-power of the bank consists of 57 officers, 36 Office Assistants and 15 Office Attendants of which the number of employees belonging to Scheduled castes and Scheduled tribes are given below:

Category	31.03.2018	31.03.2019
Officer Scale - III	7	5
Officer Scale - II	7	5
Officer Scale - I	36	47
Clerk	29	36
Messenger	15	15
Total	94	108

Out of which

Male	77	82
Female	17	26
Scheduled caste	5	07
Scheduled tribe	15	19

23. INDUSTRIAL RELATIONS :

The bank is maintaining a very cordial relationship with the officers and employees and the overall industrial relations in the Bank remained peaceful.



24. COMPUTERISATION :

In keeping with the recommendations of the Group on Technology Up gradation of RRBs constituted by RBI, the bank has achieved the status of 100% migration to CBS platform on 13th August 2011. All the branches of the bank are working on CBS platform.

The bank has implemented NEFT and RTGS facilities through Sponsor Bank i.e. United Bank of India and our bank is allotted one IFS code that is UTBIORRBMRB. This IFS Code is common for all our branches. The bank has also started AEPS and E-KYC through Micro ATMs/HHD of its Bank Mitrs which enables the bank to provide door step banking to all its service areas. Bank has the service of RuPay Debit Cards and Rupay KCC Cards. As on date 220371 RuPay Debit Cards and 8859 RuPay KCC Cards (100% KCC Cards issuance) have been issued. The bank is actively participating in digital Payments Systems through RuPay Debit Cards, E-Commerce, AEPS, IMPS and UPI. The bank has two AEC (Aadhaar Enrolment Centre) one at Wangjing Branch and another at Porompat Branch. The bank has been licensed by UIDAI as AUA/KUA and provides Aadhaar authentication/Payment services for E-kyc both at Branch and Micro ATM's.

25. HOUSE KEEPING :

Balancing of Deposit and Loan Accounts has been completed up to 31.03.2019 in all branches. Reconciliation of Inter Branch Accounts and Bank Accounts maintained with UBI/SBI/RBI/ICICI has been completed up to date.

26. AUDIT AND INSPECTION :

During the period under report, the Inspection cell of the Bank conducted Internal Inspection of 24 branches with the help of Bank's own officers besides the Chairman and Senior Officials of the bank are undertaking surprise visits of the branches at frequent intervals.

27. BOARD OF DIRECTORS' MEETING:

During the Calendar year 2018, altogether 6 (six) meetings of Board of Directors were held. During the year under report Smt Niangkhanvung Guite DGM NABARD Manipur RO, Shri K. Herojit Singh Deputy Director(FC)& Under Secretary (Budget) Govt. of Manipur, Dr. Nivedita Lairenlakpam Director Institutional Finance Govt. of Manipur and Shri S.L. Gangte Nominee of Central Government ceased to be Directors of the Bank.

The Board of Directors records with deep appreciation the valuable services and guidance extended by the outgoing Directors.

At the same time, a warm welcome is extended to Shri Dr. Ravi Babu DGM NABARD Manipur RO, Smt. Anna Arambam, Director Institutional Finance, Govt. of Manipur and Dr. RK Radhesana Devi, Deputy Director Planning and Development Department Govt. of Manipur as new Directors.

**28. ACHIEVEMENTS :**

Bank has received “2nd Best Social Banking Excellence Award 2018” from Assocham on 18th Feb 2018.



ACKNOWLEDGEMENT

The Board of Directors of the Bank expresses its deep and sincere gratitude to the Govt. of India, RBI, NABARD, United Bank of India (Sponsor Bank) and the State Govt. for their valuable guidance, support, help and co-operation.

The Board of Directors acknowledges the trust and support which valuable customers and well-wishers have shown in favour of the Bank and solicit continuous well wishing and patronage in the days to come.

The Board of Directors expresses thanks to D.K. Chhajjer & Co, the Statutory Central auditor of the Bank for undertaking audit for the year 2018-19 ended on 31st March, 2019 and for completing the task of auditing as per schedule.

The Board of Directors records its appreciation for the sincere services rendered by all categories of staff towards the overall development and progress of the bank as well as rural masses of the state.

For and on behalf of the Board of Directors



(Shri Samarendu Samal)
CHAIRMAN



TABLE "A"

AREA OPERATION OF THE BANK: MANIPUR STATE

IMPHAL WEST DISTRICT	
1.	Imphal branch
2.	Kwakeithel branch
3.	Hiyangthang branch
4.	Lamphel branch
5.	Singjamei branch
6.	Naoremthong branch
7.	Khumbong branch
IMPHAL EAST DISTRICT	
8.	Kongba Bazaar branch
9.	Pangei branch
10.	Lamlong branch
11.	porompat branch
THOUBAL DISTRICT	
12.	Lilong branch
13.	Wangjing branch
14.	Yairipok branch
15.	Sangaiyumpham branch
KAKCHING DISTRICT	
16.	Kakching branch
BISHNUPUR DISTRICT	
17.	Nambol branch
18.	Kumbi branch
19.	Moirang branch
20.	Bishnupur Branch
TENGNOUNPAL DISTRICT	
21.	Tengnoupal Centre branch
KANGPOKPI DISTRICT	
22.	Sapermeina branch*
UKHRUL DISTRICT	
23.	Litan branch
NONEY DISTRICT	
24.	Nungba branch
25.	Noney branch
CHURACHANDPUR DISTRICT	
26.	Churachandpur branch

*Non-functional

TABLE "B"

PERFORMANCE OF THE BANK AT A GLANCE

(amt. in thousand)

		2016-17	2017-18	2018-19
A.	KEY PERFORMANCE INDICATORS:			
1	No. of district covered	10	10	10
2	No. of Branches	22	24	26
	(a) Rural	16	17	18
	(b) Semi Urban	3	4	5
	(c) Urban	3	3	3
	(d) Metropolitan	0	0	0
3	Total Staff (Excluding Sponsor Bank)	89	94	108
	Of which Officers	42	50	57
4	Deposits	2771679	2824342	2954271
	Growth %	28.49	1.90	4.60
5	Borrowing Outstanding	379293	408492	363579
6	Gross loans & Adv. outstanding	1093918	1277582	1444556
	Growth %	21.40	16.79	13.07
	Of 6 above, loans to Priority sector	1027918	1204496	1351100
	Of 6 above, loans to Non- Target groups	66000	73086	93456
	Of 6 above, loans to SC/ST	87942	108028	110231
	Of 6 above, loans to SF/MF/AL	387158	468246	539104
	Of 6 above, loans to Minorities	93906	71379	86673
7	C.D. Ratio	39.47	45.25	48.90
8	Investment outstanding	1825751	1443611	1243345
	Growth %	55.24	-20.93	-14.18
	Of 8 above, SLR Invt. O/S	1586789	1192750	1243345
	Of 8 above, Non-SLR Invt. O/S	238962	250861	0
B.	AVERAGES			
9	AVERAGE DEPOSITS	2511122	2488451	2749955
	Growth %	35.35	-0.90	10.44
10	Average Borrowings	261673	298586	238420
	Growth %	122.63	14.11	-20.15
11	Average Gross loans & advances	952128	1161694	1311716
	Growth %	22.08	22.01	12.91
12	Average Investments	1541629	1592628	1225831
	Growth %	51.81	3.31	-23.03
	Average SLR Invt. as % to Av. deposits	51.18	54.32	44.58
	Average Non-SLR Invt. as % to Avg. deposits	10.21	9.68	0
13	Average Working Fund	3050777	2996733	3210484



C.	LOANS ISSUED DURING THE YEAR			
14	Loans issued during the year	404408	488763	562887
	Growth %	-5.46	20.86	15.17
	Of 14 above, loans to Priority Sectors	386354	455166	517221
	Of 14 above, loans to Non- Target groups	18054	33597	45666
	Of 14 above, loans to SC/ST	26339	30145	47203
	Of 14 above, loans to SF/MF/AL	152178	209024	233081
	Of 14 above, loans to Minorities	28230	26528	69170
D.	PRODUCTIVITY:			
15	Per Branch	193280	178293	175935
	Per staff	43434	43625	40730
E.	Recovery Performance			
16	Total Demand	308054	454403	527108
	Recovery	220327	336501	377725
	Overdues	87727	117902	149383
	Recovery % (June position)	71.52	74.05	71.66
17	Farm Sector			
	Demand	118517	137452	159445
	Recovery	92393	100795	113143
	Overdues	26124	36657	46445
	Recovery % (June position)	77.96	73.33%	70.96
18	Non- Farm Sector:			
	Demand	189537	316951	367664
	Recovery	127934	235706	264582
	Overdues	61603	81245	102938
	Recovery % (June position)	67.50	74.37	71.96
F.	ASSET CLASSIFICATION:			
19.				
	(a) Standard	1045264	1102828	1145755
	(b) Sub-standard	21759	142662	129345
	(c) Doubtful	26895	32092	169456
	(d) Loss	0	0	0
	Total	1093918	1277582	1444556
20	Standard Assets as % to Gross loans & Adv.	95.55	86.32	79.32
G.	PROFITABILITY ANALYSIS:			
21.	Interest paid on			
	(a) Deposits	112660	107215	104809
	(b) Borrowings	12572	16585	12616
22.	Salary	81359	71891	86172
23.	Other operating Expenses	54100	95803	104847

24.	Provisions made during the year			
	(a) Against Standard Assets	100	173	111
	(b) Against NPAs	10300	18985	67396
	(c) Other provisions	0	0	0
	(d) Amortisation	2591	3411	4388
25.	Interest received on			
	(a) Loans & Advances	102670	120636	130086
	(b) Current A/C with banks SLR Invt. / Money at Call/ TDR with Sponsor bank	16430	11822	20027
	(c) Approved Securities.			
	SLR Investments:	95504	104327	96006
26.	Misc. Income	56160	19615	43696
27.	Profit / Loss	10073	35094	-18627
H.	OTHER INFORMATION:			
28.	Share Capital	515503	538803	538803
29.	DICGC	0	0	0
30.	Cumulative Provisions			
	(a) Against Standard Assets	2861	3034	3144
	(b) Against NPAs	22987	41971	81963
	(c) Against Frauds	0	0	0
	(d) Against Intangible Assets, etc.	0	0	0
31.	Interest Derecognised			
	(a) During the year	988	737	0
	(b) Cumulative	20723	21460	21460
32.	Loans written off during the year			
	(a) No. of Accounts	74	139	80
	(b) Amounts	191	227	517
33.	Accumulated Loss	433027	468121	486749
34.	Reserves	122	122	122

TABLE- "C"

(amt.in thousands)

ITEMS	2016-17		2017-18		2018-19	
	A/c	Amt	A/c	Amt	A/c	Amt
Current Deposits	6187	286435	7049	386679	5594	446146
Savings Deposits	328920	1763933	376393	1656743	404043	1785871
Term Deposits	5542	721310	7712	780920	4881	722254
Total	340649	2771679	391154	2824342	414518	2954271
% of Growth		28.49		1.90		4.60
Avg. size of Deposits		8				
% of Savings to Total deposits		63.64		58.66		60.45
% of Term Deposits to Total Deposits		26.02		13.69		24.45
% of Current Deposits to Total Deposits		10.34		27.65		15.10

DISTRICT WISE DEPLOYMENT OF DEPOSIT AND CREDIT

(‘ in thousand)

Name of Districts	No. of Branch	Deposits as on 31.03.19	Credit as on 31.03.19
Imphal East	4	990224	339011
Imphal West	7	1168231	471522
Thoubal	4	308219	234104
Kakching	1	81737	83306
Bishnupur	4	220750	246088
Tengnoupal	1	64163	14684
Ukhrul	1	15721	9305
Noney	2	88991	36318
Senapati	1	0	0
Churachandpur	1	16235	10218
Total	26	2954271	1444556



D. K. CHHAJER & CO.

CHARTERED ACCOUNTANTS

NILHAT HOUSE
11, R. N. MUKHERJEE ROAD
GROUND FL., KOLKATA - 700 001
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TELE-FAX : 033 2230-6106
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kolkata@dkcindia.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Manipur Bank

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Manipur Rural Bank** ('the Bank') as at 31st March 2019, which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 10 branches audited by us and 14 branches which are certified by branch Managers. These branches audited by us have been selected by the Bank under the guidelines of Reserve bank of India.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the bank in accordance with the requirements of the Reserve Bank of India, the provisions of the Banking Regulation Act 1949, and recognised accounting policies and practices and accounting standards generally accepted in India. The responsibility of the management includes the design, implementation and maintenance of internal controls and risk management systems relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

OPINION

6. We report that :

The bank does not recognise current obligations of long term employee benefits on the basis of actuarial valuation using the prescribed method in AS 15 "Accounting for Employee Benefits" issued by the Institute of Chartered Accountants Of India (ICAI). Expenses on long term employee benefits namely Gratuity & Leave Encashment are recognized only to the extent of contributions made to the plan asset maintained with Life Insurance Corporation of India (LIC). Hence, employee benefit expenses and liabilities are not correctly recognized in the profit & loss account and balance sheet respectively. The extent by which expenses and liability are not correctly recognized cannot be quantified in the absence of information on actuarial valuation.

7. In our opinion, as shown by books of bank and to the best of our information and according to the explanations given to us, subject to our qualification stated above :
 - (a) the Balance Sheet, read with the significant accounting policies and notes thereon is a full and fair balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March 2019 in conformity with accounting principles generally accepted in India;
 - (b) the Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of profit/loss (as applicable), in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - (c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
9. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Regulation Act, 1949 and The Regional Rural bank Act, 1976 and subject also to the limitations of disclosure required therein, 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 purpose of our audit.



10. We further report that :

- (a) In our opinion, proper books of accounts as required by law have been kept by the bank so far as it appears from our examination of those books.
- (b) the Balance Sheet, Profit and Loss account and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
- (c) the reports on the accounts of the branch offices audited by branch auditors of the bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting standards.

For **D. K. Chhajer & Co.**
Chartered Accountants
FRN : 304138E



Tapan Kumar Mukhopadhyay
Partner
Membership No. 017483

Place : Imphal
Date : 16.05.2019



MANIPUR RURAL BANK

(A Government Enterprise)

HEAD OFFICE : KEISAMPAT IMPHAL

BALANCE SHEET AS AT 31st March 2019

(₹ in '000)

CAPITAL & LIABILITIES	Schedule	31.03.2019	31.03.2018
Capital	1-A	538,803	538,803
Share Capital Deposit	1-B	—	—
Reserve & Surplus	2	122	53,850
Deposits	3	2,954,271	2,824,342
Borrowings	4	363,579	408,492
Other liabilities and Provisions	5	99,382	303,262
TOTAL		3,956,157	4,128,749
ASSETS :			
Cash & Balances with RBI	6	125,410	110,971
Balances with Banks and Money at Call & Short notices	7	693,126	829,530
Investments	8	1,238,957	1,189,339
Advances	9	1,362,593	1,235,610
Fixed Assets	10	10,005	5,683
Other Assets	11	526,066	757,616
TOTAL		3,956,157	4,128,749
Contingent Liabilities	12	9,084	8,446
Bills for Collection		4,393	4,509

(C.M. Samuel)
Director

(Dr. Ravi Babu)
Director

(Vijay Joshi)
Director

(Rakesh Chandra Narayan)
Director

(Dr. RK Radhesana Devi)
Director

(Anna Arambam)
Director

(P Tongthang Zou)
Director

(Samarendu Samal)
Chairman

As per our report on even date annexed
For **D.K. Chhajjer & Co.**
Chartered Accountants
FRN 304138E

Tapan Kumar Mukhopadhyay
Partner
M.N. 017483

Place : Imphal
Dated : 16.05.2019



MANIPUR RURAL BANK

(A Government Enterprise)

HEAD OFFICE : KEISAMPAT IMPHAL

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2019

(₹ in '000)

	Schedule	31.03.2019	31.03.2018
I. INCOME			
Interest earned	13	246,121	236,784
Other income	14	43,697	19,615
TOTAL =		289,817	256,399
II. EXPENDITURE			
Interest expended	15	117,426	123,800
Operating expenses, provisions & contingencies	16	191,019	167,694
TOTAL =		308,444	291,494
III. PROFIT / LOSS BEFORE EXTRA-ORDINARY ITEMS			
Net profit / (loss)		(18,627)	(35,095)
TOTAL		(18,627)	(35,095)
IV. PROFIT / LOSS AFTER EXTRA-ORDINARY ITEMS & BEFORE TAX			
Net profit / (loss) before tax		(18,627)	(35,095)
Less : Provision for Income Tax		—	—
V. Profit / (Loss) after Tax		(18,627)	(35,095)
Profit / (Loss) brought forward		(468,122)	(433,027)
TOTAL =		(486,749)	(468,122)
VI. APPROPRIATIONS			
Transfer to statutory reserves		—	—
Transfer to other reserves		—	—
Transfer to Govt./proposed dividend		—	—
Balance carried over to Balance Sheet		(486,749)	(468,122)
TOTAL =		(486,749)	(468,122)
SIGNIFICANT ACCOUNTING POLICIES	17		
AND NOTES ON ACCOUNTS	18		
As per our separate report of even date annexed			

(C.M. Samuel)
Director

(Dr. Ravi Babu)
Director

(Vijay Joshi)
Director

(Rakesh Chandra Narayan)
Director

(Dr. RK Radhesana Devi)
Director

(Anna Arambam)
Director

(P Tongthang Zou)
Director

(Samarendu Samal)
Chairman

As per our report on even date annexed
For **D.K. Chhajer & Co.**
Chartered Accountants
FRN 304138E

Tapan Kumar Mukhopadhyay
Partner
M.N. 017483

Place : Imphal
Dated : 16.05.2019



MANIPUR RURAL BANK

(A Government Enterprise)

HEAD OFFICE : KEISAMPAT IMPHAL

SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS

SCHEDULE - 1A : CAPITAL

(Amount in ₹)

	31.03.2019	31.03.2018
Authorised Capital		
(2,000,000,000 Shares of ₹10 each)	20,000,000,000.00	20,000,000,000.00
A. Issued and Subscribed Capital		
(5,15,50,300 Shares of ₹10 each)	538,803,000.00	538,803,000.00
Less calls unpaid	—	—
Add Forfeited Shares		
TOTAL of A :	538,803,000.00	538,803,000.00
B. Addl. Share Capital Deposit Account		
I. From Govt. of India	—	—
II. From Govt. of Manipur	—	—
III. From Sponsor Bank (UBI)	—	—
GRAND TOTAL (A+B) =	538,803,000.00	538,803,000.00

Reconciliation of Shares

Share Holders	2018-19			2017-18		
	Ratio	No. of Share	Value	Ratio	No. of Share	Value
Govt. of India	50	26940150	269401500.00	50	26940150	269401500.00
United Bank of India	35	18858090	188580900.00	35	18858090	188580900.00
Govt. of Manipur	15	8082060	80820600.00	15	8082060	80820600.00
Total	100	53880300	538803000.00	100	53880300	538803000.00

SCHEDULE - 2 : RESERVE & SURPLUS

(Amount in ₹)

	31.03.2019	31.03.2018
I. STATUTORY RESERVE		
Opening Balance	122,273.16	122,273.16
Additions during the year	—	—
Deductions during the year	—	—
II. CAPITAL RESERVE		
Opening Balance	—	—
Additions during the year	—	—
Deductions during the year	—	—
III. SHARE PREMIUM		
Opening Balance	—	—
Additions during the year	—	—
Deductions during the year	—	—
IV. Revenue and Other Reserves		
Amortisation on Investment	—	—
Additions during the year	—	—
IFR (Revaluation Reserves)	—	53,727,500.00
Deductions during the year	—	—
V. Balance in Profit and Loss Account	—	—
TOTAL (I+II+III+IV+V) =	122,273.16	53,849,773.16

SCHEDULE - 3 : DEPOSITS

(Amount in ₹)

	31.03.2019	31.03.2018
A. I. DEMAND DEPOSITS		
(i) From Banks	—	—
(ii) From Others	446,146,368.19	386,678,724.63
II. SAVINGS BANK DEPOSITS	1,785,871,322.33	1,656,742,675.98
III. TERM DEPOSITS		
(i) From Banks	—	—
(ii) From Others	722,253,482.12	780,920,264.29
TOTAL (I+II+III) =	2,954,271,172.64	2,824,341,664.90
B. (i) Deposits of branches in India	2,954,271,172.64	2,824,341,664.90
(ii) Deposits of branches outside India	—	—
TOTAL =	2,954,271,172.64	2,824,341,664.90

SCHEDULE - 4 : BORROWINGS

(Amount in ₹)

		31.03.2019	31.03.2018
1. BORROWINGS IN INDIA			
(i) Reserve Bank of India		—	—
(ii) Other Banks	NABARD	143,173,480.00	181,951,760.00
(iii) Other Institutions and Agencies (Lien on Fixed deposit with UBI)	UBI	203,005,195.40	209,139,802.40
(iv) Hybrid Debt Capital Instrument (174 instruments of 100000 each)		17,400,000.00	17,400,000.00
Total		363,578,675.40	408,491,562.40
2. BORROWINGS OUTSIDE INDIA		—	—
Total Borrowings	=	363,578,675.40	408,491,562.40

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

(Amount in ₹)

		31.03.2019	31.03.2018
1. Bills payable		3,596,421.17	4,366,237.17
2. Inter-office adjustments		—	—
3. Interest accrued		21,771,451.69	17,680,800.21
4. Others (including provisions)		74,013,764.93	281,215,195.71
TOTAL =		99,381,637.79	303,262,233.09
<i>Others</i>			
IBPC Payable		—	260,000,000.00
Marginal Deposit		62,771.00	64,271.00
Debt Relief for Weavers Scheme 2013		—	—
Amortization on Investment (AFS Security)		46,972,500.00	—
Subsidy reserve fund		18,644,169.47	14,843,669.47
Outstanding Liability (20% for Hardware Items)		603,929.18	—
Interesol Cheque Collection Ac		1,175.00	109,856.00
Provisions – for Std assets		3,144,283.67	3,033,538.00
– for Audit Fee		200,000.00	200,000.00
– for Fraud		—	—
– for Senrysa (Business Devt.)		—	—
– for Leave/Gratuity		—	—
Outstanding amount of –	TDS	39,893.43	1.43
	GST	1,649,561.77	693.64
	ATM	1,459,424.52	2,861,603.77
Adv Comm received (NPS Trust MRB APY)		197,983.00	80,545.00
CERSAI Registration Fee payable		19,932.00	21,017.40
Deposit Suspense		1,018,141.89	—
TOTAL		74,013,764.93	281,215,195.71

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

(Amount in ₹)

	31.03.2019	31.03.2018
I. Cash in hand (NIL foreign currency notes)	6,725,473.00	7,688,632.00
II. Balances with Reserve Bank of India		
(i) In Current account	118,684,267.52	103,282,089.26
(ii) In other accounts	—	—
TOTAL =	125,409,740.52	110,970,721.26

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

(Amount in ₹)

	31.03.2019	31.03.2018
I. IN INDIA		
(i) <i>Balances with Banks</i>		
(a) In Current Account	359,961,557.54	578,668,931.18
(b) In other deposit accounts (Fixed deposit with UBI, ICICI, NABARD)	333,164,958.81	250,860,728.82
(ii) <i>Money at call and Short notice</i>		
(a) With Banks	—	—
(b) With other institutions	—	—
TOTAL =	693,126,516.35	829,529,660.00
II. OUTSIDE INDIA		
(i) In Current account	—	—
(ii) In other deposit accounts	—	—
(iii) Money at call & short notice	—	—
TOTAL =	—	—
GRAND TOTAL (I + II) =	693,126,516.35	829,529,660.00



SCHEDULE - 8 : INVESTMENTS

(Amount in ₹)

	31.03.2019	31.03.2018
I. INVESTMENTS IN INDIA in		
(i) Govt. Securities	1,238,956,566.92	1,189,339,372.04
(ii) Other approved securities	—	—
(iii) Shares	—	—
(iv) Debentures and Bonds	—	—
(v) Subsidiaries and/or Joint ventures	—	—
(vi) Others (UTI, MIP & US-64)	—	—
TOTAL =	1,238,956,566.92	1,189,339,372.04
2. INVESTMENTS OUTSIDE INDIA in		
(i) Govt. Securities	—	—
(ii) Subsidiaries and / or Joint ventures abroad	—	—
(iii) Other Investments (to be specified)	—	—
TOTAL =	—	—
GRAND TOTAL (1+2) =	1,238,956,566.92	1,189,339,372.04

SCHEDULE - 9 : ADVANCES

(Amount in ₹)

	31.03.2019	31.03.2018
A. (i) Bills purchased & discounted	—	—
(ii) Cash Credit, Overdrafts and loans payable on demand	532,603,203.39	515,445,345.40
(iii) Term loans	829,989,418.46	720,164,850.66
TOTAL =	1,362,592,621.85	1,235,610,196.06
B. (i) Secured by tangible assets	1,345,492,388.67	1,219,379,426.30
(ii) Covered by Bank / Govt. guarantees	—	—
(iii) Unsecured	17,100,233.18	16,230,769.76
TOTAL =	1,362,592,621.85	1,235,610,196.06
C. I. ADVANCES IN INDIA		
(i) Priority Sectors	1,268,644,291.08	1,162,523,983.56
(ii) Public Sectors	—	—
(iii) Banks	—	—
(iv) Others	93,948,330.77	73,086,212.50
TOTAL =	1,362,592,621.85	1,235,610,196.06
C. II. ADVANCES OUTSIDE INDIA		
(i) Due from banks	—	—
(ii) Due from others		
(a) Bills purchased and discounted	—	—
(b) Syndicated loans	—	—
(c) Others	—	—
TOTAL =	—	—
GRAND TOTAL (C.I. & II) =	1,362,592,621.85	1,235,610,196.06

**SCHEDULE - 10 : FIXED ASSETS**

(Amount in ₹)

	31.03.2019	31.03.2018
I. PREMISES		
At cost as on 31st March of the preceding year	—	—
Additions during the year	—	—
Deductions during the year	—	—
Depreciation to date	—	—
II. OTHER FIXED ASSETS		
(Including Furniture & Fixtures)		
At cost as on 31st March of the preceding year	23,643,690.17	22,544,943.17
Additions during the year	5,478,202.36	1,098,747.00
Deductions during the year	—	—
Depreciation to date	19,116,537.75	17,960,694.55
TOTAL (I + II) =	10,005,354.78	5,682,995.62

SCHEDULE - 11 : OTHER ASSETS

(Amount in ₹)

	31.03.2019	31.03.2018
1. Inter office adjustment (net)	—	—
2. Interest accrued	28,978,536.55	22,556,776.11
3. Tax paid in advance / Tax deducted at source	2,000,000.00	1,000,000.00
4. Stationery and Stamp	235,862.20	288,855.00
5. Non-banking assets acquired in satisfaction of claims	—	—
6. Others **	494,851,559.82	733,770,657.46
TOTAL =	526,065,958.57	757,616,288.57

**** OTHERS**

IBPC Receivable	—	260,000,000.00
NEFT in transit	4,447,017.70	2,476,354.00
Temp Adv	—	30,000.00
Security deposits – Telephone/Electric	36,634.00	26,934.00
Festival Advances	1,022,500.00	998,000.00
AEPS Receivable	698,662.23	1,546,428.45
GST Receivable	883,276.65	—
FLC Receivable (NABARD)	68,000.00	95,955.00
UPI/IMPS Receivable	98,676.10	324,593.00
Pension Fund	696,889.85	—
Suspense Account	151,059.00	151,059.00
Cumulative losses upto current yr.	486,748,844.29	468,121,334.01
Total =	494,851,559.82	733,770,657.46
<i>Current year Profit/(Loss)</i>	<i>– 18627510.28</i>	<i>– 35094255.53</i>
<i>Cumulative losses upto last year</i>	<i>(– 468121334.01)</i>	<i>(– 433027078.48)</i>
<i>Cumulative losses upto current year</i>	<i>– 486748844.29</i>	<i>– 468121334.01</i>

SCHEDULE - 12 : CONTINGENT LIABILITIES

(Amount in ₹)

	31.03.2019	31.03.2018
I. Claims against the bank not acknowledged as debts	—	—
II. Liability for partly paid Investments	—	—
III. Liability on account of outstanding forward exchange contracts	—	—
IV. Guarantees given on behalf of constituents :	—	—
(a) In India	9,084,470.00	8,446,470.00
(b) Outside India	—	—
V. Acceptances, endorsement and other obligations	—	—
VI. Other items for which the Bank is contingently liable	—	—
TOTAL =	9,084,470.00	8,446,470.00

SCHEDULE - 13 : INTEREST EARNED

(Amount in ₹)

	31.03.2019	31.03.2018
I. Interest / Discount on Advance / Bills Advance / Bills	130,086,376.69	120,635,974.69
II. Income on Investments	96,006,465.88	104,327,040.00
III. Interest on balance with Reserve Bank of India and other inter-bank funds - on FD with UBI/ICICI	17,439,373.99	11,763,573.32
IV. Others (Bonanza Intt.)	2,588,387.00	57,881.00
TOTAL =	246,120,603.56	236,784,469.01

**SCHEDULE - 14 : OTHER INCOME**

(Amount in ₹)

	31.03.2019	31.03.2018
I. Commission, exchange and brokerage	2,228,102.47	6,278,239.79
II. Profit on sale of Investments	—	—
<i>Less : Loss on sale of Investments</i>		
III. Profit on revaluation of Investments (AFS Reversal for Previous Year)	6,755,000.00	—
IV. Profit on sale of Land, Buildings and other assets	—	—
<i>Less : Loss on sale of Land Buildings and other assets</i>		
V. Profit on Exchange transactions	—	—
<i>Less : Loss on Exchange transactions</i>		
VI. Income by way of dividends etc. from subsidiaries / companies and / or joint ventures abroad / in India	—	—
VII. Miscellaneous Income	21,189,714.78	5,854,613.27
VIII. Processing charges	2,924,591.80	1,799,267.50
IX. Shadow recovery	3,243,459.92	895,622.00
X. Supervision charges	5,531,791.28	4,069,892.75
XI. Others	1,823,913.59	717,363.32
XII. Reversal of BD Provn	—	—
XIII. Interest payable written-off	—	—
TOTAL =	43,696,573.84	19,614,998.63

SCHEDULE - 15 : INTEREST EXPENDED

(Amount in ₹)

	31.03.2019	31.03.2018
1. Interest on Deposits	104,809,342.48	107,215,345.00
2. Interest on Reserve Bank of India / inter - bank borrowings	12,616,205.00	16,584,677.00
3. Others (Penal interest)		
TOTAL =	117,425,547.48	123,800,022.00

SCHEDULE - 16 : OPERATING EXPENSES, PROVISIONS & CONTINGENCIES :

(Amount in ₹)

	31.03.2019	31.03.2018
1. (a) payments to and provisions for employees	86,172,081.53	71,891,374.94
(b) Provision for Leave Encashment	—	—
2. Rent, Taxes and Lighting	3,414,655.00	3,139,417.89
3. Printing and Stationery	2,082,132.93	2,436,571.20
4. Advertisement and Publicity	65,010.00	54,258.00
5. Depreciation on bank's property	1,155,843.20	992,019.85
6. Directors' fees, allowances and	4,500.00	13,500.00
7. Auditor's fees and allowances	211,790.00	205,236.00
8. Law charges	22,492.50	—
9. Postage, Telegram, Telephone, etc.	853,463.84	4,896,006.10
10. Repairs and Maintenance		
Maintenance expenses on CBS	7,061,909.00	3,418,239.80
Others	43,491.00	17,729.00
11. Insurance	3,170,994.00	3,515,017.50
12. Loss on sale of Investments, land and other assets		
Loss on sale of securities	—	6,914,000.00
Loss on revaluation of Investment	—	41,895,000.00
13. Other expenditure	86,760,577.07	28,305,330.89
TOTAL =	191,018,940.07	167,693,701.17
Other expenditure	31.03.2019	31.03.2018
(i) Remittance Expenses & Other Bank charges	6,745,442.21	1,472,018.14
(ii) Recovery Agent's/BF's Commission	1,433,149.00	555,244.00
(iii) Clearing House Charges	10,601.91	27,900.00
(iv) Newspaper and Periodicals	18,552.00	13,410.00
(v) Sanitation	561,084.00	356,419.00
(vi) Entertainment	13,220.00	68,087.00
(vii) Travelling Expenses	450,137.00	293,713.94
(viii) Conveyance Expenses	207,878.00	181,755.54
(ix) Misc. Loss written off	517,460.86	227,192.11
(x) Freight, coolie and other labour charges	130,000.00	108,000.00
(xi) Service Charges	9,522.53	34,864.00
(xii) Meeting Expenses	33,698.00	42,853.00
(xiii) Provision for Standard assets	110,745.67	173,000.82
(xiv) Provisions for Bad Debt	67,395,797.98	18,984,842.10
(xv) Organisation Cost	272,718.00	358,725.00
(xvi) Hiring Charges for vehicles	156,000.00	121,500.00
(xvii) Examination cost (IBPS)	31,238.00	102,415.00
(xviii) Staff Training Expenses	6,725.00	65,683.00
(xix) Misc. Expenses	590,722.48	1,619,504.73
(xx) Business Development Expenditure	5,648,980.00	3,256,768.00
(xxi) Computer Maintenance	2,600.00	2,955.00
(xxii) Administrative Charges	100,797.00	123,737.00
(xxiii) AEPS charges	2,313,507.43	114,743.51
TOTAL =	86,760,577.07	28,305,330.89



MANIPUR RURAL BANK

(A Government Enterprise)

HEAD OFFICE : KEISAMPAT IMPHAL

SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2019

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements are prepared on historical cost basis, except as otherwise stated, following the “Going Concern” concept and conform to the Generally Accepted Accounting Principles (GAAP) in India, applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), applicable mandatory Accounting Standards (AS)/Guidance Notes / Pronouncements issued by the Institute of Chartered Accountants of India (ICAI) and practices prevailing in the banking industry in India.

2. USE OF ESTIMATES

The preparation of financial statements requires the management to make estimates and assumptions for considering the reported assets and liabilities (including contingent liabilities) as on the date of financial statements and the income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable.

3. RECOGNITION OF INCOME AND EXPENDITURE

- 3.1 The Revenues and Expenses are accounted for on accrual basis unless otherwise stated.
- 3.2 Income from Performing Assets is recognized on accrual basis and income from Non-Performing Assets (NPAs) is recognized on realisation basis. The amount realized / recovered during the year is appropriated first to income on Substandard Assets. Amounts realized / recovered in Doubtful and Loss Assets and Suit-Filed and Decreed Accounts are first appropriated against outstanding balance.
- 3.3 Unrealized income on advances, classified as NPA, is reversed.
- 3.4 Income from Commission (except on Government Transactions), exchange, brokerage, claims, locker rent and dividend on shares are accounted for on cash basis.
- 3.5 Interest subvention claim is accounted on actual receipt basis.

4. TRANSACTIONS INVOLVING FOREIGN EXCHANGE

The Bank does not deal in transactions involving foreign exchange and therefore have not formulated a policy on transactions involving foreign exchange.

5. INVESTMENTS

5.1 For the purpose of disclosure in the Financial Statements, the investments are classified into six categories as stipulated in Form A of the third schedule to the banking Regulation Act, 1949 as under :

- (a) Government Securities
- (b) Other approved securities
- (c) Shares
- (d) Debentures and Bonds
- (e) Subsidiaries / Joint Ventures
- (f) Others

5.2 The Investment portfolio of the Bank is categorized, in accordance with the RBI guidelines, into;

- (a) “Held to Maturity” comprising Investments acquired with an intention to hold till maturity;
- (b) “Held for Trading” comprising Investments acquired with an intention to trade;
- (c) “Available for Sale” comprising Investments not covered by (a) and (b) above.

Classification of an investment is done at the time of acquisition.

5.3 In determining acquisition cost of an investment :

- (a) Brokerage, Commission and Incentives received on subscription to securities, are deducted from the cost of securities;
- (b) Brokerage, Commission etc. paid in connection with acquisition of securities are treated as revenue expenses;
- (c) Interest accrued upto the date of acquisition / sale of securities i.e., broken period interest is credited / charged to Profit and Loss Account.

5.4 The bank follows “Settlement Date” for accounting of investment transactions. Investments are valued as per RBI / Fixed Income Money Market & Derivatives Association (FIMMDA) guidelines.

5.5 Shifting of securities from and to “HFT” category is done in accordance with RBI guidelines with the approval of Board of Directors.

5.6 The individual scrip in the “HFT” and “AFS” category are marked to market at monthly or at more frequent intervals, if required. Under each category, net depreciation, if any, is provided for while net appreciation, if any, is ignored.



- 5.7 Income from Zero Coupon Bonds, being the difference between cost and face value, is recognized on a time proportion basis.
- 5.8 For the purpose of calculating holding period in case of “HFT” category, first in First out (FIFO) method is applied.
- 5.10 Investments are subject to appropriate provisioning / de-recognition of income, in line with the prudential norms of RBI for “Non Performing Investment” (NPI) Classification. The depreciation / provision in respect of non-performing securities is not set off against the appreciation in respect of the other performing securities in accordance with RBI guidelines.
- 5.11 The derivatives transactions are undertaken for trading or hedging purposes and valuation has been done in accordance with RBI guidelines.

6. ADVANCES

- 6.1 Advances are classified as Performing / Non-Performing Assets and provisions thereon are made in conformity with the prudential norms prescribed by RBI.
- 6.2 Non-performing assets are stated net of provisions and claims received from credit guarantee institutions.
- 6.3 Provision held for performing assets is shown under the head “Other Liabilities and Provisins.”.
- 6.4 Restructuring of Advances and provisioning thereof have been made as per RBI guidelines.

7. FIXED ASSETS AND DEPRECIATION

- 7.1 Premises (including leasehold), other fixed assets and Capital work in progress are stated at historical cost or amount substituted for historical cost. In case of revaluation, the same are stated at historical cost or amount substituted for historical cost. In case of revaluatin, the same are stated at the revalued amount and the appreciation is credited to “Revaluation Reserve”.
- 7.2 Leasehold assets are amortized over the period of lease.
- 7.3 Depreciation on assets other than computers is provided for under written down value method at the rate applied by the bank consistently using the rates prescribed under the Companies Act, 1956.
- 7.4 Depreciation on computers and amortization of software are accounted for on straight-line method @33.33% on pro rata basis from the date of acquisition as per RBI guidelines.
- 7.5 Impairment Losses, if any, on Fixed Assets (including revalued assets) are recognized in accordance with AS-28 on “Impairment of Assets”.

8. ACCOUNTING FOR GOVERNMENT GRANTS

In accordance with AS-12 Government Grants/subsidies received is presented in the Balance Sheet by showing the Grant/Subsidy as a deduction from the Gross Value of the assets concerned in arriving at the book value. The grant/subsidy is recognized in the Profit & Loss Account over the useful life of

the depreciable assets by way of reduced depreciation charged.

Government Grant subsidies received, of revenue nature, is recognized in the Profit & Loss Account by reducing the related cost if received during the same financial year otherwise, the same is shown under "Other Income" if received after the close of the relevant financial year.

9. EMPLOYEE BENEFITS

- 9.1 Employee Benefit are recognized in accordance with AS-15 on "Employee Benefits" except where stated
- 9.2 Short term employee benefits namely Leave Fare Concession and Medical Aid are measured at cost.
- 9.3 In respect of employees' provident fund, matching contribution is made to scheme administered by the Commissioner, Employees Provident Fund, Guwahati.
- 9.4 Long term employee benefits and post-retirement benefits
 - (a) Long term employee benefits and post-retirement benefits namely gratuity and leave encashment are not measured as per the methods prescribed under AS-15 on "Employee Benefits" issued by the Institute of Chartered Accountants of India.
 - (b) The bank maintains a plan asset managed by Life Insurance Corporation of India (LICI) for meeting gratuity obligations due to employees and makes payment for maintenance of the plan asset as and when due to LICI.
 - (c) Leave encashment payable is accounted for on cash basis.
 - (d) As actuarial valuation of long term employee benefits and post-retirement benefits is not done, unfunded liability due to difference in present value of obligations and fair value of plan .

10. TAXATION

Provision for tax is made for both current and deferred taxes in accordance with AS-22 on "Accounting for Taxes on Income" except as disclosed in Schedule 18 : Notes on Accounts.

11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In accordance with AS-29 on "Provisions Contingent Liabilities and Contingent Assets," the Bank recognizes :

- (a) Provisions only when it has a present obligation as a result of a past event and it is probable that an 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.
- (b) Contingent Liability is recognized/disclosed when a possible obligation from a past event, the existence of which is confirmed by the occurrence/non-occurrence of one or more uncertain



future events not wholly within the control of bank. Contingent Liability is also recognized/disclosed when there is a present obligation from past events but is not recognized because of a remote possibility of outflow of resources embodying the economic benefits to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

- (c) Contingent Assets are not recognized in the Financial Statements.

12. NET PROFIT

The Net Profit is arrived at after accounting for the following :

- (a) Provision for Taxation
- (b) Provision on Standard Assets
- (c) Provision for NPAs and Depreciation on investments as per prudential norms of RBI
- (d) Other usual and necessary provisions.

SCHEDULE – 18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST MARCH 2019

1. Confirmation / reconciliation of balances with other Banks, Drafts Payable, Clearing Difference, Inter office adjustments, etc. are in progress on an on-going basis. Pending final clearance/adjustment of the above, the overall impact, if any, on the Financial Statements, in the opinion of the management, is not likely to be significant.

2. **Capital**

The Bank has not received any share capital during the financial year 2018-19.

3. **Investments**

(a) SLR & Non-SLR Investments

	As at 31.03.2019	(Rs. In thousandes) As at 31.03.2018
(i) Gross value of SLR investment	1243345	1192750
(ii) Gross value of Non-SLR investment	—	—

Bank does not hold any Non-SLR investment.

(b) Details of HTM investments held by the bank as at 31.03.2019

Sl	Details of Security	Date of Purchase	Face Value	Book Value	R.O.I. %	Amortized amount	Book value as on 31.03.2019	Maturity Date
1.	10.25% GS 2021	28.07.2003	3500000	5057500	10.25	1442413.08	3615086.92	30.05.2021
2.	7.94% GS 2021	08.08.2006	20000000	19770000	7.94	0	19770000.00	24.05.2021
3.	8.28% T. Nadu 2019	18.09.2009	50000000	50745000	8.28	713959.10	50031040.90	09.09.2019
4.	8.27% Haryana 2019	14.12.2009	30000000	30162000	8.27	151200.00	30010800.00	09.12.2019
5.	8.42% WBSDL 2019	14.01.2010	30000000	30240000	8.42	223887.00	30016113.00	23.12.2019
6.	8.42% WBSDL2019	25.01.2010	30000000	30330000	8.42	305042.10	30024957.90	23.12.2019
7.	8.08% G.S 2022	29.03.2012	50000000	49135000	8.08	0	49135000.00	02.08.2022
8.	8.68% Gujarat-2023	12.02.2013	50000000	50185000	8.68	114449.40	50070550.60	06.02.2023
9.	8.58% Gujarat-2023	05.03.2013	50000000	49975000	8.58	0	0	23.01.2023
10.	7.59% GS 2029	21.04.2017	150000000	158565000	7.59	1437482.40	157127517.60	20.03.2029
	TOTAL =		463500000	474164500		4388433.08	469776066.92	

During the year an amount of ₹9,77,805.12/- (Rupees Nine lakh seventy seven thousand eight hundred five and twelve paise only) has been amortized. Income from Investment under schedule 13 has been shown net of the amortization and the value of Investment in schedule 8 (Eight) has been reduced accordingly. The accumulated amortization till date is ₹43,88,433.08/- (Rupees Forty three lakh eighty eight thousand four hundred thirty three and eight paise only).

During the financial year the Bank purchased one AFS security of 8.20% GS 2022 for ₹50000000/- at ₹50595000/- on 06.08.2018. The Bank transferred one security of 7.94% G S 2021 from HTM to AFS at the value of ₹9478000/- which was purchased for ₹9478000/-, Amortization of AFS Investment for ₹46972500/- has been shown in schedule 5 (Five) of the balance sheet.

(c) Details of AFS Investments held by the bank as at 31.03.2019

Sl	Details of Security	Date of Purchase	Face Value	Book Value	R.O.I. (% pa)	Market Price	Market Value (31.03.2019)	Maturity Date
1.	7.61% GS 2030	24.11.2016	200000000	220560000	7.61	100.6500	201300000	09.05.2030
2.	7.68% GS 2023	25.11.2016	100000000	108240000	7.68	102.9000	102900000	15.12.2023
3.	7.59% GS 2026	09.12.2016	100000000	107117500	7.59	101.5950	101595000	11.01.2026
4.	7.72% GS 2025	09.12.2016	50000000	53550000	7.72	102.6800	51340000	25.05.2025
5.	7.88% GS 2030	09.12.2016	200000000	219640000	7.88	102.5000	205000000	19.03.2030
6.	7.94% GS 2021	11.07.2006	10000000	9478000	7.94	102.6600	10266000	24.05.2021
7.	8.20% GS 2022	06.08.2018	50000000	50595000	8.20	103.7875	51893750	15.02.2022
	TOTAL =		710000000	769180500			724294750	

(d) The bank make a profit of ₹67,55,000/- (Rupees sixty seven lakh fifty five thousand) only on account of revaluation of investment held under AFS category during the financial year. The profit is shown in Schedule-14 : Other income under the head profit on revaluation of investment.

4. Asset Quality :

(a) Movement of NPA

(₹in thousands)

2018-19 2017-18

(i)	Gross NPA at the beginning of the year	174754	48654
(ii)	Total reduction during the year	244224	96195
	Under which		
	(a) Cash recovery	71999	31234
	(b) Upgradation	171708	64734
	(c) compromise settlement	517	227
(iii)	Addition of fresh NPA during the year	368271	222295
(iv)	NPA at the end of the period	298801	174754
(v)	Provision held against NPAs	81963	41971
(vi)	% of Gross NPA to total advance	20.68%	13.68%
(vii)	Total advance outstanding	1444556	1277582
	(a) Standard	1145755	1102849
	(b) Sub Standard	129345	142662
	(c) Doubtful I	115029	10481
	(d) Doubtful II	42865	7129
	(e) Doubtful III	11562	14482
	(f) Loss Assets	0	0
(viii)	Net NPA	216838	132789
(ix)	Net advance	1362593	1235611
(x)	% of Net NPA to net advance	15.91%	10.75%

(b) Movement in provision for non-performing advances

(₹ in thousands)

	31.03.2019	31.03.2018
(i) Opening balance (excluding provision on standard assets)	41971	22987
(ii) Amount adjusted to write-off of loan	—	—
(iii) Provision made / (Reverse) during the year	39992	18984
(iv) Closing balance	81963	41971

(c) Movement in provision for standard assets

(₹ in thousands)

	31.03.2019	31.03.2018
(i) Opening balance	3034	2861
(ii) Provision made during the year	110	173
(iii) Provision written-back during the year	—	—
(iv) Closing balance	3144	3034

5. Business Ratios

Particulars	2018-19	2017-18
(i) Interest income as % to average working fund	7.67	7.93
(ii) Non-interest income as % of average working fund	1.36	0.66
(iii) Operating profit as % to average working fund	1.59	0.87
(iv) Return on assets	— 0.58	— 1.17
(v) Business per employee	40735 thousands	43625 thousands
(vi) Net profit per employee	— 172 thousands	— 373 thousands

6. Asset Liability Management

Maturity pattern of certain items of Assets and Liabilities

(₹ In thousands)

Assets / Liabilities	Day 1	2-7 days	8-14 days	15-28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 years	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
Deposits	154476	72974	81582	23974	54079	54692	146903	2022808	141342	201441	2954271
Advances	50231	42897	3073	7003	24857	41151	134030	657073	263354	220886	1444555
Investments	0	0	0	0	0	0	50595	867673	0	325078	1243345
Borrowings	203005	0	0	0	0	40000	0	56851	46323	17400	363579

7. Disclosures as per Accounting Standards (AS) in terms of RBI guidelines :

- (a) “AS 5 - Net Profit or Loss for the period, prior period items and changes in the Accounting Policies”. There is no change in accounting policy during the year. The impact of prior period items is immaterial in the opinion of the management.

(b) "AS 9 - Revenue Recognition"

Revenue is recognized as per the Accounting Policies disclosed in Schedule 17.

(c) "AS 10 – Accounting for Fixed Assets."

- (i) Accounting for Fixed Assets is done as per the Accounting Policies disclosed in Schedule 17.
- (ii) None of the Fixed Assets is revalued during the year.

(d) "AS 15 – Employee Benefits"

- (i) Matching contribution to provident fund for employees is limited to a ceiling of pay upto ₹15000/- p.m except for the Chairman of the bank in whose case provident fund contribution esstimated @10% pay is paid to the parent organization.
- (ii) During the year under report the bank has paid adhoc amount of ₹ 9400958/- against gratuity where the outstanding amount is ₹46204102.95/- as on 31.03.2019 and ₹2742246/- against leave encashment where the outstanding amount is ₹2078464/- as on 31.03.2019 as demanded by LIC, towards the current year liability. Also, an amount of ₹20,00,000/- is paid to LIC as pension fund. The amount is included in the Profit & Loss account "payment to & provision for employees".
- (iii) As actuarial valuation of long term employee benefits and post-retirement benefits is not done, unfunded liability due to difference in present value of obligations and fair value of plan of assets is not recognized in the Balance Sheet.
- (iv) Expense recognized in Profit & Loss Account is only to the extent of contribution to plan asset with LIC, Expense on account of actuarial gain/loss, interest cost and surplus on account of expected plan asset is not recognized in Profit & Loss Account.

(e) "AS 17 – Segment Reporting"

All the business of the bank comes under the category of Retail banking segment except the commission earned on Bank assurance which is to be categorized under 'Other Business'. As the amount under 'Other Business' is negligible, this category has not been shown separately. Further, reporting under geographical segment is also not applicable.

(f) "AS 18 – Related Party Disclosures"

(i) Key Management Personnel :

Sl.	Name	Disignation
1.	Samarendu Samal	Chairman
2.	C.M. Samuel	Director
3.	Dr. Rabi Babu	Director
4.	Rakesh Chandra Narayan	Director
5.	Vijay Joshi	Director
6.	Dr. RK Radhesana Devi	Director
7.	Anna Arambam	Director
8.	P Tongthang Zou	Director

(ii) There are no transactions to related party requiring disclosure

(iii) Remuneration Paid to Key Management Personnel :

Sl.	Name	Designation	Remuneration	Remarks
1	Samarendu Samal	Chairman	Nil	
2	C.M. Samuel	Director	Nil	
3	Dr. Rabi Babu	Director	Nil	
4	Rakesh Chandra Narayan	Director	Nil	
5	Vijay Joshi	Director	Nil	
6	Dr. RK Radhesana Devi	Director	Nil	
7	Anna Arambam	Director	Nil	
8	P Tongthang Zou	Director	Nil	
9	S.L. Gangtge	Ex Director	4500.00	Sitting Fee

(g) “AS 19 – Leases”

(i) Lease rent paid for operating leases is recognized as an expense in the Profit & Loss Account in the year to which it relates.

(ii) At the expiry of the initial lease term, generally the bank has an option to extend the lease for a further pre-determined period.

(h) “AS 20 – Earnings per Share”

Particulars	Year ended	
	31.03.2019	31.03.2018
Net Profit / (Loss) after tax available for Equity Share Holders (₹in thousands)	(18627)	(35094)
Weighted Average number of Equity Shares	53867533	53867533
Basic and Diluted Earnings per Share (₹)	(0.35)	(0.65)
Nominal Value per Share (₹)	10.00	10.00

(i) “AS 22 – Accounting for taxes”

(i) Provision for current year Income Tax is not provided as the bank has incurred loss during the year.

(ii) Deferred Tax Assets / Liabilities on account of timing difference are not recognized.

(j) “AS 28 – Impairment of Assets”

In the opinion of the Bank, there is no indication of any material impairment of fixed assets and consequently no provision is required.

(k) "AS 29 – Provision, Contingent Liabilities and Contingent Assets"

(i) Movements in significant provisions have been disclosed at the appropriate places in the Notes & Schedules forming part of accounts.

(ii) Contingent Liabilities

(Amount in ₹ '000)

Nature of Item	Book value	Conversion factor
Bank guarantee	9084	(i) 7824 is 100% backed by FD (ii) 1260 is backed by equitable mortgage.

(iii) Contingent Assets are not recognized as per accounting policies.

8. Additional Disclosures

(a) This Year revaluation of Investment (AFS) loss amounted to ₹46972500/- against last year's loss of ₹53727500/- and the difference of ₹6755000/- is shown in the Profit and Loss Account as profit of Revaluation of Investment (Schedule 14)

(b) Concentration of Deposits

(Amount in ₹'000)

Particulars	Year ended	
	31.03.2019	31.03.2018
Total Deposits of twenty largest depositors	761867	667164
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	25.79%	23.63%

(c) Concentration of Advances

(Amount in ₹'000)

Particulars	Year ended	
	31.03.2019	31.03.2018
Total Exposure to twenty largest borrowers / Customers	86463	94510
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers /	5.99%	7.40%

(d) Concentration of NPAs

(Amount in ₹'000)

Particulars	Year ended	
	31.03.2019	31.03.2018
Total Exposure to top four NPA accounts	19335	12709

(e) Sector-wise NPAs

(Amount in ₹'000)

Sl	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs Advances	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	539104	83203	15.43	468246	36948	7.89
2	Advances to Industries sector eligible as priority sector lending	720462	205531	28.53	639765	122534	19.15
3	Services	91534	5036	5.50	93899	10586	11.27
4	Personal loans	0	0	0	0	0	0
	Sub-total (A)	1351100	293770	21.74	1201910	170068	14.15
B	Non-Priority Sector						
1	Agriculture and allied activities	0	0	0	0	0	0
2	Industry	0	0	0	0	0	0
3	Services	73111	1012	1.38	56789	1350	2.38
4	Personal loans	20886	4019	19.24	18883	3336	17.67
	Sub-total (B)	93456	5031	5.38	75672	4686	6.19
	Total (A+B)	1444556	298801	20.68	1277582	174754	13.68

9. Statement on Prudential norms on Capital Risk Asset ratio is as under :

PART – A – CAPITAL FUNDS AND RISK ASSETS RATIO

1 Capital Funds

(₹ In lakh)

A		31-03-2019
Tier I Capital	paid up capital-Share capital deposits	5388.03
	Statutory Reserves	1.22
	Other disclosed reserves	0
	Surplus in profit and Loss	0
	Total of A	5389.25
B.	Accumulated Loss	4867.49
Deduct	Short provisioning	0
	Total of B	4867.49
	(A-B)	521.76
Tier II Capital		
	Standard Assets provision	31.44
	Perpetual bond	174.00
	Loss Reserves	0
	Revaluation Reserve (45% only)	0
	Excess Provision	0
	Investment Fluctuation reserve	0
Total Tier II Capital		205.44
As Tier II Capital is limited to 100% of tier I capital for CRAR calculation		205.44
Total Tier I & II Capital		727.20
Risk weighted asset		13284.91
CRAR		5.47

A. Funded risk assets

(₹ In lakhs)

Sl. no.	Particulars		Risk weight %	As on 31.03.2019				
				Book Value	Liquid Security	Provision made	net book value	Risk Weighted Value
	Balances							
I	1	cash, balance with RBI	0	1254.10		0	1254.10	0
	2	balance in current a/c with other bank	20	3599		0	3599.62	719.92
	3	claims on banks	0	0	0	0	0.00	0
II	Investments		0				0.00	0
	1	Investments in government securities	2.5	12389.57		0	12389.57	309.74
	2	Investments in other approved securities guranteed by central / state Govt.	2.5	0		0	0.00	0
	3	Investments in other securities where payments of interest & repayment of principal are guaranteed by central Govt. (This will include investment in IVP, KVP and investment in Bonds where payment of interest and principal is guaranteed by central/state govt.)	2.5	0		0	0.00	0.00
	4	Investment in other securities where payment of interest and repayment of principal are guaranteed by central/ state govt.	2.5	0		0	0.00	0.00
	5	Investment in other securities where payment of interest and repayment of principal are not guaranteed by central/state govt.	22.5	0		0	0.00	0.00
	6.	Investment in govt. guaranteed securities of Govt. undertaking which do not form part of approved market borrowing programme.	22.5	0		0	0.00	0.00
	7.	claims on commercial banks (RIP/FD)	22.5	3331.65		0	3331.65	749.62

	8.	Investment in subordinated debt instruments and bond issued by public financial institutions for their Tier II capital	102.5	0.00		0	0.00	0.00
	9.	All other investments including investments in securities issued by public financial institution	102.5	0		0	0.00	0.00
III Loan and advances							0.00	0.00
	1	Loan & Advances including bills purchased & discounted and other credit facilities					0.00	0.00
	(i)	Loan guaranteed by Govt. of India	0				0.00	0.00
	(ii)	Loan guaranteed by state Govt.	0				0.00	0.00
	(iii)	Loans granted to public sector undertaking of Govt. of India	100				0.00	0.00
	(iv)	Loans granted to public sector undertaking of state Govt.	100				0.00	0.00
	(v)	Advances covered by DICGC	50				0.00	0.00
	(vi)	SSI advances guaranteed by credit guaranteed fund trust for small industries (CGTSI) up to the guaranteed portion.	0				0.00	0.00
	(vii)	Housing loans to individual against the mortgage of residential housing properties upto ₹ 20 lakhs.	50	903.66	179.02	82.31	642.33	321.17
	(viii)	Consumer credit including personal loan and credit cards.	125	208.86	11.15	5.12	192.59	240.74
	(ix)	loan upto ₹1 lakh against gold and silver ornaments	50	0	0	0	0.00	0.00
	(x)	Advances against term deposit, life policies, NSC, IVPs and KVPs where adequate margin is available	0	454.66	0.00	0	454.66	0.00
	(xi)	Loan to staff of the bank, which are fully covered by superannuation benefits and mortgage of flat/house.	20	629.41	52.15	0.17	577.09	115.42
	(xii)	Other loans (SSI,SBL,SRT0, SHG,PSEP,ATL)	100	12248.97	1168.40	758.09	10322.48	10322.48
IV Other assets								
	1	premises, furniture & fixture and Motor Vehicle	100	100.05		0	100.05	100.05
	2	Other assets	0	0			0.00	0.00
	(i)	Interest due on Govt. securities	0	0.00			0.00	0.00

(ii)	Accrued interest on CRR balances and claims on RBI on account of Govt. transaction (net claims of Govt./RBI on banks on account of such transaction)	0	0			0.00	0.00
(iii)	Income tax deducted at source (net of provision)	0				0.00	0.00
(iv)	Advances tax paid (net of provision)	0	0.00			0.00	0.00
(v)	All other assets	100	393.17		0	393.17	393.17

V Market risk on open positions

1	Market risk on foreign exchange open position/ Applicable to Authorised Dealers only)	100	0			0.00	
2	Market risk on open gold position Dealers only)	100	0			0.00	

Part C - Weighted Non-fund Exposure/Off-balance sheet items

Nature of item						
Bank Guarantee	100	90.84	78.24	0	12.60	12.60
Total (excluding centra)		35604.56	1488.96	845.69	33269.91	13284.91

* Interest Subvention for Prompt Repayment for 2018-19 ₹26.06 Lakh is included in provision for other loans.

10. Previous Year's figures have been regrouped/rearranged wherever considered necessary to make them comparable with those of the current year.

(C.M. Samuel)
Director

(Dr. Ravi Babu)
Director

(Vijay Joshi)
Director

(Rakesh Chandra Narayan)
Director

(Dr. RK Radhesana Devi)
Director

(Anna Arambam)
Director

(P Tongthang Zou)
Director

(Samarendu Samal)
Chairman

As per our report on even date annexed
For **D.K. Chhajjer & Co.**
Chartered Accountants
FRN 304138E

Place : Imphal
Dated : 16.05.2019

Tapan Kumar Mukhopadhyay
Partner
M.N. 017483



MANIPUR RURAL BANK

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

	Current Year 2018-19	Previous year 2017-18
A CASH FLOW FROM OPERATING ACTIVITIES		
1 Surplus / (deficit) for the year	-18,627,510.28	(3,50,94,255.53)
2 Adjustments for the non-operating income/expenses		
2.1 Depreciation	1,155,843.20	9,92,019.85
2.2 (Profit) or Loss on sale of Fixed Assets (net)	—	—
2.3 (Profit) or Loss on sale of Investments (net)	—	1,77,84,000.00
2.4 Provision for Non-Performing assets	67,395,797.98	1,89,84,842.10
2.5 Provision for standard assets	110,745.67	1,73,000.82
2.6 Transfer to Reserves (net)	-53,727,500.00	3,10,25,000.00
2.7 Dividend/Earnings from Investing Activity	-96,006,465.88	(10,43,27,040.00)
2.8 Interest on capital instruments (Financing activity)		
2.9 Deferred Revenue Expenditure written off		
Sub TOTAL	-99,699,089.31	(7,04,62,432.76)
3 Adjustment for		
3.1 Increase/(Decrease) in Deposits	129,929,507.74	5,26,63,127.89
3.2 Increase / (decrease) in Borrowings	-44,912,887.00	2,91,98,252.00
3.3 (increase)/decrease in Investments	-49,617,194.88	39,74,49,305.12
3.4 (increase)/decrease in Advances	-194,378,223.77	(18,36,63,540.42)
3.5 Increase / (Decrease) in other liabilities & provisions	-203,992,340.97	4,28,18,808.39
3.6 (increase)/decrease in Other Assets	250,177,840.28	(5,64,93,395.89)
SUB TOTAL	-112,793,298.60	28,19,72,557.09
Cash Flow from Operating Activities	-212,492,387.91	21,15,10,124.33
B CASH FLOW FROM INVESTING ACTIVITIES		
1 Interest earned on Investments	96,006,465.88	10,43,27,040.00
Profit on sale of Investment	—	1,7784,000.00
2 (Increase)/decrease in Fixed Assets	-5,478,202.36	(10,98,747.00)
Net Cash from Investing Activities	90,528,263.52	8,54,44,293.00
C CASH FLOW FROM FINANCING ACTIVITIES		
1 Proceeds from issue of share capital	—	2,33,00,000.00
2 Increase in Statutory Reserve		
Increase in Other Reserves	—	—
Net Cash Flow from Financing Activities	—	2,33,00,000.00
D Net Increase/(Decrease) in Cash Equivalents (A+B+C)	-121,964,124.39	32,02,54,417.33
E Cash and Cash Equivalent at the beginning of the year	940,500,381.26	62,02,45,963.93
F Cash and Cash equivalent at the end of the year	818,536,256.87	94,05,00,381.26
Note : Cash & Cash Equivalent includes term deposits	333,164,958.81	25,08,60,728.82

Place : Imphal
Date : 16.05.2019

Shri Samarendu Samal
Chairman