



**39th
Annual Report
2019-2020**



MANIPUR RURAL BANK

(Empowering Manipur Every time, Everywhere)

HO : KEISHAMPAT, IMPHAL

Email : mrbho.imphal@gmail.com

**BALANCE SHEET AND PROFIT & LOSS ACCOUNT, 2019-2020
(For the year ended 31.03.2020)**

SPONSOR BANK :
PUNJAB NATIONAL BANK









MANIPUR RURAL BANK

HEAD OFFICE : KEISHAMPAT, IMPHAL

DIRECTORS' REPORT FOR THE YEAR 2019-20

The Board of Directors of Manipur Rural Bank have great pleasure in presenting the 39th Annual Report of the Bank with the Balance Sheet, Profit & Loss Account for the year ended 31st March, 2020.

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 Punjab National Bank (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.

Punjab National Bank has sponsored 9 RRBs in 9 different states including Manipur Rural Bank. The other Eight RRBs are Dakshin Bihar Gramin Bank, Sarva Haryana Gramin Bank, Himachal Pradesh Gramin Bank, Punjab Gramin Bank, Prathma UP Gramin Bank, 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 percent 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 lecustris*) craft etc.

3. SHARE CAPITAL / SHARE CAPITAL DEPOSIT:

The paid-up Share Capital of the Bank has become 58,56,03,000 at the end of the year, subscribed by Govt. of India, Govt. of Manipur and Punjab National Bank (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	:	₹ 292802 thousand
B) From Govt. of Manipur	:	₹ 87820 thousand
C) From Sponsor Bank (PNB)	:	₹ 204981 thousand
<hr/>		
Total	:	₹ 585603 thousand
<hr/>		

4. BRANCH NETWORK :

During the year, the Bank open 1(one) New Branche at Lamlai in Imphal East District. So, as on March, 2019 the Bank's network is 27 (twenty-seven) branches spread over 10 (ten) districts of the State, which can be viewed at a glance from Table 'A'. Out of 26 branches, 1 (one) branch is in urban area, 10 (ten) branches in semi-urban areas and 16 (Sixteen) branches in rural areas, of which 1 (one) branch i.e. Sapermaina branche 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 ₹2954271 thousand as at the end of March 2019 has increased to ₹3138030 thousand as at the end of March 2020 as against DAP target of ₹3450000 thousand. The growth of deposits registered a net increase of ₹183759 thousand which is an increase of 6.22%. Deposit per branch stood at ₹120693 thousand and deposit per staff is ₹32351 thousand. Out of total deposits, 61.69% is Savings Bank deposit, 13.40% is Demand deposit, and 24.91% is Time deposits. The average cost of deposits has been worked out to be 3.76%.

6. BORROWINGS :

Borrowings from NABARD and Sponsor Bank are the other sources of fund for the bank besides deposits.

The position of outstanding borrowing as on 31.03.2020 is shown below :

(₹ in thousand)

INSTITUTION	As on 31.03.2020	As on 31.03.2019
NABARD	64395	181952
Sponsor Bank	227400	226540
Total	291795	408492

An amount of ₹87.49 lakh has been paid as interest on borrowing. The average cost of the borrowing work out to be 4.76% p.a. during the year under report as against 5.29% p.a. during the previous year.

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.

(₹ in thousand)

Sl. No.	Particulars	2017-18	2018-19	2019-20
1.	Cash in hand (at the end of the year)	7689	6725	9002
2.	Average cash balance	23109	19203	12684
3.	Average cash balance as % to average deposits	0.93	0.70	0.44
4.	C/D balances at the end of the year			
	a) with R.B.I	103282	118684	119184
	b) with Sponsor Bank	366066	342538	251941
	c) with SBI	182773	2654	4128
	d) ICICI Bank	29830	14769	66
5.	a) FD with sponsor Bank	250861	261952	387544
	b) FD with other Bank		71212	77074
6.	Income earned on Fixed deposits :	11764	11148	11962
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 31.03.2020 stood at ₹10236.30 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 :

(₹ in thousand)

Investment	Outstanding Investment as on 31.03.2019	Outstanding Investment as on 31.03.2020
SLR HTM	474165	332687
SLR AFS	769180	690943
Non SLR	-	-
TOTAL	1243345	1023630

During the year under report the Bank earned ₹88519 thousand as interest on SLR investments as against ₹96006 thousand during 2018-19.

9. LOANS AND ADVANCES :

A. OUTSTANDING :

The purpose wise breakup of outstanding loans / advances as on 31.03.2019 and 31.03.2020 is as under :

(₹ in thousand)

Sl. No.	Purpose	2018-19		2019-20	
		A/c	Amt.	A/c	Amt.
1.	Agriculture and allied Activities				
	a) Short term	8791	286521	8951	308623
	b) Medium term	3885	252583	4189	317412
2.	Industries & Rural artisan	3731	228189	2338	152812
3.	Retail trade & service sectors including SRTOs	4695	492273	7281	643621
4.	House Building Loans	122	90366	113	96997
5.	Education loan	3	1064	3	1172
6.	Other (NTG)	457	93996	476	111705
7.	Total	21690	1444556	23353	1632595
	Of which				
7.1	Target group	21233	1351100	22877	1520890
7.2	Non Target groups	457	93456	476	111705
7.3	SC/ST	2424	110231	1804	139922
7.4	Minorities	1843	86673	2019	109287
7.5	SF/MF/AI	12676	539104	13140	626035



7.6	Priority Sector	21233	1351100	22877	1520890
7.7	Non-Priority Sector	457	93456	476	111705
7.8	Priority sector advances as % of 8		93.53		93.16
8.	CD ratio		48.89		52.02

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:

(₹ in thousand)

Sl. No.	Purpose	2018-19		2019-20	
		A/c	Amt.	A/c	Amt.
1.	Agriculture & Allied activities				
	(i) Short term	3171	118756	609	25104
	(ii) Medium term	892	114325	1305	137852
2.	Industries & Rural Artisans	995	97033	761	87641
3.	Retail trade & Service Sectors including SRTOs	1439	174957	1771	176125
4.	House Building Loan	10	12150	14	18650
5.	Education loan	0	0	0	0
6.	Others (NTG)	163	45666	168	42844
7.	Total	6670	562887	4628	488216
	<i>Out of the total disbursement</i>				
	(a) to priority sector	6507	517221	4460	444472
	(b) to non-priority sector	163	45666	168	42844
	(c) to S/C & S/T	521	47203	706	71323
	(d) to minorities	1009	69170	767	91242
	(e) to SF/MF/AL	4063	233081	1914	162956
	(f) to Govt. Sponsored Scheme				
	(g) % of priority sector disbursement to total disbursement		91.89%		91.21%

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 739 nos. of SHGs were credit linked by the bank involving an amount of ₹ 86339 thousand during the reporting year. The bank so far could make deposit linkage with 13364 SHGs of which 7513 SHGs had been credit linked involving an amount of ₹ 381507 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 609 nos. of farmers amounting to ₹ 25104 thousand involving different Farmers' Clubs. The bank has so far issued 22354 numbers of KCCs to small and marginal farmers involving an amount of ₹ 624462 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 31.03.2020 along with the corresponding figure as on 31.03.2018 and 31.03.2019 is furnished below:

(₹ in thousand)

Asset Classification	2017-18	2018-19	2019-20
Standard	1102828	1145755	1310028
Sub Standard	142662	129345	127825
Doubtful	32092	169456	194742
Loss Assets	0	0	0
Total NPA	17454	298801	322567
Total Advance	1277582	1444556	1632595

(B) Provisioning :

(₹ in thousand)

Asset Classification	2017-18	2018-19	2019-20
Standard	3034	3144	3607
Sub Standard	21906	20499	18914
Doubtful	20065	61464	83059
Loss Asset	0	0	0
Total	45005	85107	105570

13. RECOVERY OF LOANS :

The Bank could recover ₹488403 thousand as against last year's recovery of ₹377725 thousand comprising 70.12 % of the total demand against 71.66 % 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 :

(₹ in thousand)

	Total Advance	Farm Sector	Non-Farm Sector
(a) Less than one year	58344	8341	49997
(b) 1 to 2 years	86745	42124	44621



(c) 2 to 3 years	11579	7281	4298
(d) 3 to 5 years	8196	4290	3906
(e) 5 to 8 years	1822	1646	176
(f) Over 8 years	0	0	0
Total	166686	63688	102998

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 :

(₹ in thousand)

	2019-20	2018-19
i) Gross NPA at the beginning of the year	298801	174754
ii) Total reduction during the year	201589	244224
Under which		
a) Cash recovery	71067	71999
b) Up gradation	129516	171708
c) compromise settlement	1006	517
iii) Addition of fresh NPA during the year	225355	368271
iv) NPA at the end of the period	322567	298800
v) Provision held against NPAs	101963	81963
vi) % of Gross NPA to total advance	19.76%	20.68%
vii) Total advance outstanding	1632595	1444556
a) Standard	1310028	1145755
b) Sub Standard	127825	129345
c) Doubtful I	67080	115029
d) Doubtful II	111960	42865
e) Doubtful III	15702	11562
f) Loss Assets	0	0
viii) Net NPA	220604	216838
ix) Net advance	1530632	1362593
x) % of Net NPA to net advance	14.41%	15.91%

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 31.03.2020 are as follows :-



PMJDY-200037

PMSBY-25542

PMJJBY-4402

APY - 1184

16. PROFITABILITY :

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

(₹ in thousand)

	PROFITABILITY ANALYSIS :	2017-18	2018-19	2019-20
1	Interest paid on			
	(a) Deposits	107215	104809	109505
	(b) Borrowings	16585	12616	8749
2	Salary	71891	86172	162289
3	Other operating Expenses	95803	104847	69272
4	Provisions made during the year			
	(a) Against Standard Assets	173	111	463
	(b) Against NPAs	18985	67396	20000
	(c) Other provisions	0	0	3981
	(d) Amortisation	3411	4388	3824
5	Interest received on			
	(a) Loans & Advances	120636	130086	138159
	(b) Current A/C with banks SLR Invt./ Money at Call/TDR with Sponsor bank	11822	20027	17052
	(c) Approved Securities			
	SLR Investments :	104327	96006	88519
6	Misc. Income	19615	43697	78495
7	Profit / Loss	-35095	-18627	-27590

17. FINANCIAL RATIOS :

(₹ in thousand)

ITEM	2018-19	2019-20
Average Working Fund	3210484	3349037
i) Financial Return	7.67	7.28
ii) Financial Cost	3.66	3.53
iii) Financial Margin	4.01	3.75

iv) Operating Cost (% to W/F)	3.85	6.32
v) Miscellaneous Margin (% to W/F)	1.36	2.34
vi) Operating Result	1.52	-0.23
vii) Risk Cost (% to W/F)	2.17	0.73
viii) Net Margin	-0.65	-0.96

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 Punjab National Bank (Sponsor Bank) during the year 2019-20.

The important targets under DAP 2019-20 based on the business Plan vis-à-vis the actual achievements as at the end of the year are given below:



(₹ in thousand)

	Particulars	Targets	Achievement
1.	CAPITAL		
1.1	Issued Share Capital	–	585603
2.	DEPOSIT	3450000	3138030
	Growth (%)	7.48	6.22
2.1	Demand Deposits	540000	420854
	(%) share	15.65	13.40
2.2	Savings Deposits	2160000	1935168
	(%) share	62.61	61.69
2.3	Term Deposits	750000	782008
	(%) share	21.74	24.91
3.	BORROWINGS	–	291795
4.	ADVANCES	1920000	1632595
	GROWTH (%)	30.89	13.02
4.1	Priority Sector	1800000	1520890
4.2	Non-Priority Sector	120000	111705
5.	INVESTMENTS	1300000	1023630
5.1	SLR-Investment	1300000	1023630
	% to total deposits	37.68	32.62
5.2	Non-SLR Investment	–	–
	% to total deposits	–	–
6.	PROFIT (+) / LOSS (–)	22400	(-)27590
7.	ACCUMULATED LOSSES	464349	514339

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 Years	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

Sl.No.	Applicable MCLR Benchmark	Applicable MCLR
1	Overnight MCLR-i.e. MCLR-D	8.60%
2	1 month MCLR-i.e. MCLR-M	8.65%
3	3 months MCLR-i.e. MCLR-Q	8.70%
4	6 months MCLR-i.e. MCLR-H	8.75%
5	1 year MCLR-i.e. MCLR-Y	8.80%

Under MCLR regime, the spread includes (i) business strategy premium and (ii) credit risk premium. The spread specified for one year MCLR benchmark i.e. MCLR-Y will also be applicable to other MCLR benchmark as per the Risk Rating. Any concession in the interest rate under MCLR system can be given by the competent authority as per guidelines in Bank's extant Lending Policy.

Sl. No.	Scheme type	Rate of Interest	Scheme code
A	Agriculture Advance		LA103,
i.	Loan limit up to ₹ 50,000/-	MCLR-Y + 1.2 % i.e. 10%	LA104,
ii.	Loan limit above ₹ 50,000/- to ₹ 2,00,000/-	MCLR-Y + 2.2 % i.e. 11%	LA121,
iii.	Loan limit above ₹ 2,00,000/- to ₹ 10,00,000/-	MCLR-Y + 3.2 % i.e. 12%	LA105,
iv	Loan limit above ₹ 10,00,000/- to ₹ 25,00,000/-	MCLR-Y + 3.7 % i.e. 12.5%	LA116,
v	Limit above 25.00 lacs		LA124,
a	MRBCR0	MCLR-Y + 2.2 % i.e. 11%	LA125,
b	MRBCR1	MCLR-Y + 2.7 % i.e. 11.5%	OD003,
c	MRBCR2	MCLR-Y + 3.2 % i.e. 12%	CC106,
d	MRBCR3	MCLR-Y + 3.7 % i.e. 12.5%	LA123,
e	MRBCR4	MCLR-Y + 4.2 % i.e. 13%	CC201
f	MRBCR5	MCLR-Y + 5.2 % i.e. 14%	

Note :

I. Bank will charge interest on all direct agricultural advances on half-yearly basis. However, interest on current dues, i.e. Crop Loans & Instalments not falling due in respect of Term Loans should not be compounded.

II. When Crop Loan or instalment under Term Loan becomes overdue, outstanding interest to be added to the principal and interest would be compounded. However, total interest debited to an account should not exceed the principal amount in respect of Short Term Agricultural Advances to Small & Marginal Farmers

III. In case of Short Term Production Credit up to ₹ 3.00 Lakh, the applicable rate of Interest shall be 7% payable as per norms on due date. Branches will prepare half-yearly statement of actual disbursement/drawal of crop loan and calculate Interest Subvention @ 2.00% p.a. and submit to H.O. as per extant H.O. Circular. Concession in Rate of Interest by 3.00% for timely repayment of bank dues in terms of Government directives will also continue. However, if the loan is not repaid within the due date (overdue accounts with limit up to ₹ 3.00 Lakh), normal rate of interest (MCLR linked loan quantum wise rate) for agricultural advances after due date till recovery will be applicable.

B	Advance to MSME (TL/CC)		LA210, LA215, LA206, LA204, LA207, LA218, LA410, LASEC, CC001, CC002, CC101, CC112, CC110, SBREG, SB201, SBFIG
i.	Loan limit up to ₹ 50,000/-	MCLR-Y + 2.2 % i.e. 11%	
ii.	Loan limit above ₹ 50,000/- to Rs. 2,00,000/-	MCLR-Y + 3.2 % i.e. 12%	
iii.	Loan limit above ₹ 2,00,000/- to Rs. 10,00,000/-	MCLR-Y + 3.7 % i.e. 12.5%	
iv.	Loan limit above ₹ 10,00,000/- to Rs. 25,00,000/-	MCLR-Y + 4.2 % i.e. 13%	
v.	Limit above 25.00 lacs		
a.	MRBCR0	MCLR-Y + 2.2 % i.e. 11%	
b.	MRBCR1	MCLR-Y + 2.7 % i.e. 11.5%	
c.	MRBCR2	MCLR-Y + 3.2 % i.e. 12%	
d.	MRBCR3	MCLR-Y + 3.7 % i.e. 12.5%	
e.	MRBCR4	MCLR-Y + 4.2 % i.e. 13%	
f.	MRBCR5	MCLR-Y + 5.2 % i.e. 14%	

C	(Non schematic and Non priority)	Term loan/Cash Credit	
i.	Loan limit up to ₹ 50,000/-	MCLR-Y + 3.2 % i.e. 12%	
ii.	Loan limit above ₹ 50,000/- to ₹ 2,00,000/-	MCLR-Y + 4.2 % i.e. 13%	
iii.	Loan limit above ₹ 2,00,000/- to ₹ 10,00,000/-	MCLR-Y + 4.7 % i.e. 13.5%	
iv.	Loan limit above ₹ 10,00,000/- to ₹ 25,00,000/-	MCLR-Y + 5.2 % i.e. 14%	
v.	Limit above 25.00 lacs		
a.	MRBCR0	MCLR-Y + 3.2 % i.e. 12%	
b.	MRBCR1	MCLR-Y + 2.5 % i.e. 12.5%	
c.	MRBCR2	MCLR-Y + 4.2 % i.e. 13%	
d.	MRBCR3	MCLR-Y + 4.7 % i.e. 13.5%	
e.	MRBCR4	MCLR-Y + 4.95 % i.e. 13.75%	
f.	MRBCR5	MCLR-Y + 5.2 % i.e. 14%	



D	Housing Loan Scheme		
i.	MRB HOUSING LOAN SCHEME(FLOATING)	MCLR-Y + 0.2 % i.e. 9%	LA304,
	(Irrespective of amount and repayment period)		LAAHL

Note:

For MRB Staff Housing Loan Scheme applicable rate of interest shall be 8% per annum (fixed) with simple interest	LA007, LA006
--	-----------------

E	Loan to SHG (Floating)		CC102,
i.	Loan limit up to ₹ 50,000/-	MCLR-Y + 2.2 % i.e. 11%	CC103,
ii.	Loan limit above ₹ 50,000/- to ₹ 2,00,000/-	MCLR-Y + 2.7 % i.e. 11.5%	LA222,
iii.	Loan limit above ₹ 2,00,000/- to ₹ 10,00,000/-	MCLR-Y + 3.2 % i.e. 12%	LA405,
iv	Loan limit above ₹ 10,00,000/- to ₹ 25,00,000/-	MCLR-Y + 3.7 % i.e. 12.5%	
v	Limit above 25.00 lacs		
a	MRBCR0	MCLR-Y + 2.2 % i.e. 11%	
b	MRBCR1	MCLR-Y + 2.7 % i.e. 11.5%	
c	MRBCR2	MCLR-Y + 3.2 % i.e. 12%	
d	MRBCR3	MCLR-Y + 3.7 % i.e. 12.5%	
e	MRBCR4	MCLR-Y + 4.2 % i.e. 13%	
f	MRBCR5	MCLR-Y + 5.2 % i.e. 14%	

Note:

In case of loans up to ₹ 3.00 Lakh sanctioned to NULM/NRLM (Imphal East and Chandel District) compliant women SHGs the applicable rate of interest shall be 7.00% (fixed). In case the borrower fails to repay the loan instalments in time and the account becomes overdue, normal rate of interest as mentioned in the above table shall be applicable.

LASG7

F	Loan to Anganwadi workers & Helpers	MCLR-Y + 4.2 % i.e. 13%	LA519
G	Loan against own Term deposits of the Bank.		LA602, OD002, LA008
i	Loan to deposit holder	1% above interest on concerned deposit	
ii	Loan against third party deposit having minimum margin 25%	2% above interest on concerned deposit subject to minimum of MCLR-Y	
H	Loan against NSC,KVP ,IVP and LIC policy	MCLR-Y + 3.2 % i.e. 12%	LA403
I	Personal Loan /Consumer durables loan	MCLR-Y + 4.2 % i.e. 13%	LA508, LA518
J	MRB car loan		
i.	Staff	MCLR-Y + 0.7 % i.e. 9.5%	LASCL, LA005
ii.	Other than staff	MCLR-Y + 1.2 % i.e. 10%	LA506
K	Clean Overdraft		
i.	Staff	MCLR-Y + 0.7 % i.e. 9.5%	OD101



ii.	Other than staff	MCLR-Y + 6.2 % i.e.15%	OD001
L	Loan to Landlord of Branch premises	MCLR-Y + 4.2 % i.e. 13%	LA502
M	Education loan		LAEDU
i	Upto ₹ 7,50,000/-	MCLR-Y + 2.7 % i.e. 11.5%	
ii	Above ₹ 7,50,000/-	MCLR-Y + 2.2 % i.e. 11%	
iii	Concession for girl student	0.50 % 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	Capacity Building of Bank in MSME Financing	RBI Imphal	05.04.2019	05.04.2019	4
2	BL Portal Training	MSRLS Shillong	02.05.2019	03.05.2019	1
3	DEDS NER Zonal Workshop	SBIL Kolkata	22.07.2019	23.07.2019	2
4	National Conference on PMFBY	AICIL Guwahati	29.08.2019	30.08.2019	1
5	Digital Signature	RBI Guwahati	30.08.2019	30.08.2019	1
6	SHG Bank Linkage Programme & JLG Financing	MSCB Imphal	09.10.2019	09.10.2019	6
7	Investment opportunities in Mutual Funds (MFs)	Vedic Village Resort, Kolkata	18.10.2019	18.10.2019	1
8	Bank Financing for Rural Livelihoods	IIBM Guwahati	04.11.2019	06.11.2019	3
9	Financing Renewable Energy	IIBM Guwahati	11.11.2019	12.11.2019	2
10	Workshop for BC Linked RBI Imphal	MRB Branches	18.11.2019	18.11.2019	7
11	Agri Financing for MRB Officers By CAB Pune	RBI Imphal	20.01.2020	24.01.2020	15
12	MSME Training Bu CAB Pune	Classic Hotel Imphal	03.02.2020	04.02.2020	4
13	Residential Workshop on KYC/ALM and C & D rated Bank	IIBM Guwahati	18.02.2020	19.02.2020	2
14	Workshop on BC/CSP Linked Rural Branches RRB	RBI Imphal	26.02.2020	26.02.2020	7
	Total				56

22. MANPOWER :

The man-power of the bank consists of 59 officers, 25 Office Assistants and 13 Office Attendants of which the number of employees belonging to Scheduled castes and Scheduled tribes are given below:

Category	31.03.2019	31.03.2020
Officer Scale - III	5	2
Officer Scale - II	5	7
Officer Scale - I	47	50
Clerk	36	25
Messenger	15	13
Total	108	97

Out of which

Male	82	72
Female	26	25
Scheduled caste	07	08
Scheduled tribe	19	10

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 CBSplatform 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. Punjab National Bank 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 284838RuPay Debit Cards and 8791RuPay KCC Cards (99.89% 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 atWangjing 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 31.03.2020 in all branches. Reconciliation of Inter Branch Accounts and Bank Accounts maintained with PNB/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 2019, altogether 6 (six) meetings of Board of Directors were held. During the year under report Shri Rakesh Chandra Narayan GM (P&D) Punjab National Bank Head Office and Shri Vijay Joshi CRM/AGM Cachar Regional Office, Punjab National Bank 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 Nabin Kumar Dash GM (P&D) Punjab National Bank Head Office and Shri Mukesh Kumar CRM/AGM Cachar Regional Office, Punjab National Bank as new Directors.

ACKNOWLEDGEMENT

The Board of Directors of the Bank expresses its deep and sincere gratitude to the Govt. of India, RBI, NABARD, Punjab National Bank (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 2019-20 ended on 31st March, 2020 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
12.	Lamlai branch
THOUBAL DISTRICT	
13.	Lilong branch
14.	Wangjing branch
15.	Yairipok branch
16.	Sangaiyumpham branch
KAKCHING DISTRICT	
17.	Kakching branch
BISHNUPUR DISTRICT	
18.	Nambol branch
19.	Kumbi branch
20.	Moirang branch
21.	Bishnupur Branch
TENGNOUNPAL DISTRICT	
22.	Tengnoupal Centre branch
KANGPOKPI DISTRICT	
22.	Sapermeina branch*
UKHRUL DISTRICT	
24.	Litan branch
NONEY DISTRICT	
25.	Nungba branch
26.	Noney branch
CHURACHANDPUR DISTRICT	
27.	Churachandpur branch

*Non-functional



TABLE "B"

PERFORMANCE OF THE BANK AT A GLANCE

(amt. in thousand)

		2017-18	2018-19	2019-20
A.	KEY PERFORMANCE INDICATORS:			
1	No. of district covered	10	10	10
2	No. of Branches	24	26	27
	(a) Rural	14	15	16
	(b) Semi Urban	9	10	10
	(c) Urban	1	1	1
	(d) Metropolitan	0	0	0
3	Total Staff (Excluding Sponsor Bank)	94	108	97
	Of which Officers	50	57	59
4	Deposits	2824342	2954271	3138030
	Growth %	1.90	4.60	6.22
5	Borrowing Outstanding	408492	363579	291795
6	Gross loans & Adv. outstanding	1277582	1444556	1632595
	Growth %	16.79	13.07	13.02
	Of 6 above, loans to Priority sector	1204496	1351100	152089
	Of 6 above, loans to Non- Target groups	73086	93456	111705
	Of 6 above, loans to SC/ST	108028	110231	139922
	Of 6 above, loans to SF/MF/AL	468246	539104	626035
	Of 6 above, loans to Minorities	71379	86673	109287
7	C.D. Ratio	45.25	48.90	52.02
8	Investment outstanding	1443611	1243345	1023630
	Growth %	-20.93	-14.18	-17.67
	Of 8 above, SLR Invt. O/S	1192750	1243345	1023630
	Of 8 above, Non-SLR Invt. O/S	250861	0	0
B.	AVERAGES			
9	AVERAGE DEPOSITS	2488451	2749955	2911746
	Growth %	-0.90	10.44	5.88
10	Average Borrowings	298586	238420	183566
	Growth %	14.11	-20.15	-23.00
11	Average Gross loans & advances	1161694	1311716	1532406
	Growth %	22.01	12.91	16.84
12	Average Investments	1592628	1225831	1165495
	Growth %	3.31	-23.03	-4.92
	Average SLR Invt. as % to Av. deposits	54.32	44.58	40.03
	Average Non-SLR Invt. as % to Avg. deposits	9.68	0	0
13	Average Working Fund	2996733	3210484	3349037



C.	LOANS ISSUED DURING THE YEAR			
14	Loans issued during the year	488763	562887	487316
	Growth %	20.86	15.17	-13.43
	Of 14 above, loans to Priority Sectors	455166	517221	444472
	Of 14 above, loans to Non- Target groups	33597	45666	42844
	Of 14 above, loans to SC/ST	30145	47203	71323
	Of 14 above, loans to SF/MF/AL	209024	233081	162956
	Of 14 above, loans to Minorities	26528	691070	91242
D.	PRODUCTIVITY:			
15	Per Branch	178293	175935	175935
	Per staff	43625	40730	40730
E.	Recovery Performance			
16	Total Demand	454403	527108	696525
	Recovery	336501	377725	488403
	Overdues	117902	149383	208122
	Recovery % (June position)	74.05	71.66	70.12
17	Farm Sector			
	Demand	137452	159445	20957
	Recovery	100795	113143	143205
	Overdues	36657	46445	65752
	Recovery % (June position)	73.33	70.96	6853
18	Non- Farm Sector:			
	Demand	316951	367664	487568
	Recovery	235706	264582	345198
	Overdues	81245	102938	142370
	Recovery % (June position)	74.37	71.96	70.80
F.	ASSET CLASSIFICATION:			
19	(a) Standard	1102828	1145755	1310028
	(b) Sub-standard	142662	129345	127825
	(c) Doubtful	32092	169456	194742
	(d) Loss	0	0	0
	Total	1277582	1444556	1632595
20	Standard Assets as % to Gross loans & Adv.	86.32	79.32	80.24
G.	PROFITABILITY ANALYSIS:			
21.	Interest paid on			
	(a) Deposits	107215	104809	109505
	(b) Borrowings	16585	12616	8749
22.	Salary	71891	86172	162289
23.	Other operating Expenses	95803	104847	69272



24.	Provisions made during the year			
	(a) Against Standard Assets	173	111	463
	(b) Against NPAs	18985	67396	20000
	(c) Other provisions	0	0	0
	(d) Amortisation	3411	4388	3824
25.	Interest received on			
	(a) Loans & Advances	120636	130086	138159
	(b) Current A/C with banks SLR Invt. / Money at Call/ TDR with Sponsor bank	11822	20027	17052
	(c) Approved Securities.			
	SLR Investments:	104327	96006	88519
26.	Misc. Income	19615	43696	78495
27.	Profit / Loss	35094	-18627	-27590
H.	OTHER INFORMATION:			
28.	Share Capital	538803	538803	585603
29.	DICGC	0	0	0
30.	Cumulative Provisions			
	(a) Against Standard Assets	3034	3144	3607
	(b) Against NPAs	41971	81963	101963
	(c) Against Frauds	0	0	0
	(d) Against Intangible Assets, etc.	0	0	0
31.	Interest Derecognised			
	(a) During the year	737	0	0
	(b) Cumulative	21460	21460	23626
32.	Loans written off during the year			
	(a) No. of Accounts	139	80	120
	(b) Amounts	1227	517	1006
33.	Accumulated Loss	468121	486749	514339
34.	Reserves	122	122	122

TABLE- "C"
(amt.in thousand)

ITEMS	2017-18		2018-19		2019-20	
	A/c	Amt	A/c	Amt	A/c	Amt
Current Deposits	7049	386679	5594	446146	5860	420854
Savings Deposits	376393	1656743	404043	1785871	436643	1935168
Term Deposits	7712	780920	4881	722254	9559	782008
Total	391154	2824342	414518	2954271	414518	3138030
% of Growth		1.90		4.60		6.22
Avg. size of Deposits						
% of Savings to Total deposits		58.66		60.45		61.69
% of Term Deposits to Total Deposits		13.69		24.45		24.91
% of Current Deposits to Total Deposits		27.65		15.10		13.40

DISTRICT WISE DEPLOYMENT OF DEPOSIT AND CREDIT
(₹ in thousand)

Name of Districts	No. of Branch	Deposits as on 31.03.2020	Credit as on 31.03.2020
Imphal East	5	939830	382362
Imphal West	7	1240928	518181
Thoubal	4	370423	262043
Kakching	1	97416	89116
Bishnupur	4	273729	284155
Tengnoupal	1	68015	19297
Ukhrul	1	22422	12456
Noney	2	100161	47737
Senapati	1	0	0
Churachandpur	1	25105	17248
Total	26	3138030	1632595



D. K. CHHAJER & CO.
CHARTERED ACCOUNTANTS

NILHAT HOUSE
 11, R. N. MUKHERJEE ROAD
 GROUND FL., KOLKATA - 700 001
 PHONES : 033-2262 7280 / 2262 7279
 TELE-FAX : 033 2230-6106
 E-mail : dkchhajer@gmail.com
 kolkata@dkcindia.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of Manipur Rural Bank

Report on Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of **Manipur Rural Bank** ('the Bank') which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are returns of 14 branches audited by us and 12 branches which have not been subjected to audit. This unaudited branches account for 24.52% of advances, 23.22% of deposits, 25.30% of interest income and 21.96% of interest expenses.

The branches audited by us have been selected by the Bank in accordance with the guideline issued to the Bank by the Reserve Bank of India / NABARD.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph of our report, the eforeside Financial Statements give the information required by the Banking Regulation Act, 1949 and Regional Rural Bank Act, 1976 (together referred to as "the Act"), in the manner, so required for the Bank and are in conformity with accounting principles generally accepted in India and give :
 - a) a true and fair view in case of the Balance Sheet, of the State of Affairs of the Bank as at 31st March, 2020;
 - b) a true balance of loss in case of the Statement of Profit and Loss for the year ended on that date; and
 - c) a true and fair view of the cash flows in case of the Cash Flow Statement for the year ended on that date.

Basis for Qualified Opinion

- 3.1 Cash Credit Accounts are not captured by the CBs for reporting of special Mention Accounts (SMAs) and Non-performing Accounts (NPAs).
- 3.2 The movement of NPAs from one category to another is not automatically happening through CBS (Mocs with respect to the same based on our verification have been attached).



- 3.3 The Bank has not charged interest of ₹13.92 lakhs on Hybrid capital for the year ended 31st March, 2020.
- 3.4 Valuation Reports of collaterals for accounts classified under Doubtful - I and Doubtful -II category where the sanction is more than 03 years old are not available. Thus, we are unable to comment on the basis of valuation of the same taken for the secured portion’.
- 3.5 We have found cases where no interest has been serviced for Cash Credit accounts for more than 01 year but the same has been still classified as Standard assets (MOCs with respect to the accounts verified by us have been attached)
- 3.6 We have not been provided with the list of accounts whose renewal are overdue and hence are unable to comment on the same.
- 3.7 We observed on sample checking of Upgraded NPA accounts that the upgradation took place by system inspite of no realisation in the accounts.
- 3.8 We were unable to verify whether the amounts under the following heads of Schedule-11, “other Assets” were settled after 31.03.2020 or not:

S. No.	Account Heads	2019-20	2018-19
1	NEFT/ RTGS in Transit	61919615	4447018
2	AEPS Receivable	27733383	698662
3	APBS Receivable	173179351	-
4	UPI/IMPS Receivable	1639053	98676

- 3.9 We have not been able to check the unreconciled entries of BRS with respect to the balance in Sponsor Bank’s account.
- 3.10 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.
- 3.11 Reference is invited to point 7(i) of Schedule 18 of Notes to Financial Statements, wherein it is stated that deferred tax assets / liabilities on account of timing differences are not recognised, thus, there is non-compliance of AS 22 “Accounting for Taxes”.

We conducted our audit In accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described



in the Auditors' Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained so far is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

4. We draw attention to Note No. 10 of the Financial Statements regarding impact of COVID-19 pandemic. The situation continues to be uncertain and the Bank is evaluating the situation on an ongoing basis with respect to the challenges faced.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report thereon

5. The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Bank's 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 the audit 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management for the Financial Statements

6. The Bank's Board of Directors is responsible with respect to 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 accounting principles generally accepted in India including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949, the Regional Rural Bank Act, 1976 and circulars and guidelines issued by RBI from time to time. 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.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

7. 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 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.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Banks 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 auditors' 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 auditors' 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 Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 Financial Statements.



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 controls 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 auditors' 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.

Other Matters

- 8.1 Due to COVID 19 pandemic and the consequential nationwide lockdown announced by the Central and State Government including the travel restrictions, maintenance of social distancing etc., and the audit team could not visit the Bank/ Branches. We were not provided with remote access of the CBS of the Bank. We have performed the audit from remote location, on the basis of data, scanned copies, documents, management estimates, assumptions, certificates and other information supplied electronically by the management on online communication. We have relied on Management assurance of the authenticity, completeness and accuracy of these records electronically submitted to us. Our opinion is not modified in respect of this matter.
- 8.2 We have not been able to examine the Branch-wise account-wise details of subsidy reserve fund.
- 8.3 The details of calculation of interest income of the Bank from Fixed Deposits and Investments have not been provided to us and hence we are unable to comment on the same.
- 8.4 We wish to highlight that the entire audit team could not visit the branch for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
- Inspection, observation, examination and verification of the original documents/files.
 - Physical verification of cash/gold/stationery items including adequate internal controls thereof.
 - Examination of the various documents with regard to primary and collateral security.
 - Verification of the valuation and legal documents / reports of the immovable properties charged to the Bank.
 - Scrutiny of the Sanction / Renewals/ Review/ appraisal / disbursement/ compliance and detailed

documentation as per laid down procedures including execution of requisite documentation

- Examination of the Inspection/visit reports of the Bank officials
- Examination of the stock statements.
- Observation with regard to dual custody of cash in hand/ATM.
- Examination of the FA register, physical verification process / Stationery movement records.
- Physical verification of various bank records in relation to bank guarantees.
- Adequate audit procedures for various assertions specified in Ghosh & Jilani Committee Reports.
- Observations with regard to access controls and data security.
- Adequate audit procedures and verification of Internal Financial Controls at Branch.

Our opinion is not modified in respect of the aforesaid matters.

Report on Other Legal and Regulatory Requirements

9. The Balance Sheet and the Statement of Profit and Loss have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949; and these give information as required to be given by virtue of the provisions of the Regional Rural Bank Act, 1976 and regulations there under.

Subject to the qualifications as indicated in the “Basis for Qualified Opinion” paragraph and limitations of the audit as indicated in the “Other Matters” paragraphs 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/information 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;



- 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 and with the returns received from the branches not visited by us;
- 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 and the Regional Rural Bank Act, 1976 have been sent to us and have been properly dealt with by us in preparing this report; and
- d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

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

Dilip Kumar Saha
Partner

Membership No. 014464
UDIN : 20014464AAAABH7670



Place : Kolkata
Date : 29.06.2020

**MANIPUR RURAL BANK**

(A Government Enterprise)

HEAD OFFICE : KEISAMPAT IMPHAL

BALANCE SHEET AS AT 31st March 2020

(₹ in '000)

CAPITAL & LIABILITIES	Schedule	31.03.2020	31.03.2019
Capital	1-A	5,85,603	5,38,803
Share Capital Deposit	1-B	-	-
Reserve & Surplus	2	122	122
Deposits	3	31,38,030	29,54,271
Borrowings	4	2,91,795	3,63,579
Other liabilities and Provisions	5	2,59,653	99,382
TOTAL		42,75,203	39,56,157
ASSETS :			
Cash & Balances with RBI	6	1,28,186	125,410
Balances with Banks and Money at Call & Short notices	7	7,20,754	6,93,126
Investments	8	10,19,807	12,38,957
Advances	9	15,30,632	13,62,593
Fixed Assets	10	17,372	10,005
Other Assets	11	8,58,452	5,26,066
TOTAL		42,75,203	39,56,157
Contingent Liabilities	12	5,727	9,084
Bills for Collection		4,190	4,393

(C.M. Samuel)
Director
(Gurupada Pradhan)
Director(P Tongthang Zou)
DirectorPlace : Imphal
Dated : 29.06.2020(Dr. Ravi Babu)
Director
(Dr. R K Radhesana Devi)
Director(Samarendu Samal)
Chairman(Sumanta Mohanty)
Director
(Anna Arambam)
DirectorAs per our report on even date annexed
For **D.K. Chhajjar & Co.**
Chartered Accountants
FRN 304138E
Dilip Kumar Saha
Partner
M.N. 14464



MANIPUR RURAL BANK

(A Government Enterprise)

HEAD OFFICE : KEISAMPAT IMPHAL

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2020

	Schedule	31.03.2020	31.03.2019
(₹ in '000)			
I. INCOME			
Interest earned	13	2,43,729	2,46,121
Other income	14	78,495	43,697
TOTAL =		3,22,225	289,817
II. EXPENDITURE			
Interest expended	15	1,18,254	1,17,426
Operating expenses, provisions & contingencies	16	2,31,561	1,91,019
TOTAL =		3,49,815	3,08,444
III. PROFIT / LOSS BEFORE EXTRA-ORDINARY ITEMS			
Net profit / (loss)		(27,590)	(18,627)
TOTAL =		(27,590)	(18,627)
IV. PROFIT / LOSS AFTER EXTRA-ORDINARY ITEMS & BEFORE TAX			
Net profit / (loss) before tax		(27,590)	(18,627)
Less : Provision for Income Tax		—	—
V. Profit / (Loss) after Tax		(27,590)	(18,627)
Profit / (Loss) brought forward		(4,86,749)	(4,68,122)
TOTAL =		(5,14,339)	(4,86,749)
VI. APPROPRIATIONS			
Transfer to statutory reserves		—	—
Transfer to other reserves		—	—
Transfer to Govt./proposed dividend		—	—
Balance carried over to Balance Sheet		(5,14,339)	(4,86,749)
TOTAL =		(5,14,339)	(4,86,749)
SIGNIFICANT ACCOUNTING POLICIES	17		
AND NOTES ON ACCOUNTS	18		
As per our separate report of even date annexed			

(C.M. Samuel)
Director

(Gurupada Pradhan)
Director

(P Tongthang Zou)
Director



(Dr. Ravi Babu)
Director

(Dr. R K Radhesana Devi)
Director

(Samarendu Samal)
Chairman

(Sumanta Mohanty)
Director

(Anna Arambam)
Director

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



Dilip Kumar Saha
Partner
M.N. 14464

Place : Imphal
Dated : 29.06.2020

**MANIPUR RURAL BANK***(A Government Enterprise)***HEAD OFFICE : KEISAMPAT IMPHAL****SCHEDULES ATTACHED TO AND FORMING PART OF ACCOUNTS****SCHEDULE - 1A : CAPITAL**

(Amount in ₹)

	31.03.2020	31.03.2019
Authorised Capital		
(2,000,000,000 Shares of ₹10 each)	20,00,00,00,000.00	20,00,00,00,000.00
A. Issued and Subscribed Capital		
(5,85,60,300 Shares of ₹10 each)	58,56,03,000.00	53,88,03,000.00
Less calls unpaid	—	—
Add Forfeited Shares	—	—
TOTAL of A =	58,56,03,000.00	53,88,03,000.00
B. Addl. Share Capital Deposit Account		
I. From Govt. of India	—	—
II. From Govt. of Manipur	—	—
III. From Sponsor Bank (PNB)	—	—
GRAND TOTAL (A+B) =	58,56,03,000.00	53,88,03,000.00

Reconciliation of Shares

Share Holders	2019-20			2018-19		
	Ratio	No. of Share	Value	Ratio	No. of Share	Value
Govt. of India	50	29280150	292801500.00	50	26940150	269401500.00
Punjab National Bank	35	20498105	204981050.00	35	18858105	188581050.00
Govt. of Manipur	15	8782045	87820450.00	15	8082045	80820450.00
Total	100	58560300	585603000.00	100	53880300	538803000.00

**SCHEDULE - 2 : RESERVE & SURPLUS**

(Amount in ₹)

	31.03.2020	31.03.2019
I. STATUTORY RESERVE		
Opening Balance	1,22,273.16	1,22,273.16
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)	—	—
Deductions during the year	—	—
V. Balance in Profit and Loss Account	—	—
TOTAL (I+II+III+IV+V) =	1,22,273.16	1,22,273.16

SCHEDULE - 3 : DEPOSITS

(Amount in ₹)

	31.03.2020	31.03.2019
A. I. DEMAND DEPOSITS		
(i) From Banks		
(ii) From Others	42,08,53,950.51	44,61,46,368.19
II. SAVINGS BANK DEPOSITS	1,93,51,67,904.32	1,78,58,71,322.33
III. TERM DEPOSITS		
(i) From Banks	—	—
(ii) From Others	78,20,07,751.87	72,22,53,482.12
TOTAL (I+II+III) =	3,13,80,29,606.70	29,54,271,172.64
B. (i) Deposits of branches in India	3,13,80,29,606.70	2,954,271,172.64
(ii) Deposits of branches outside India	—	—
TOTAL =	3,13,80,29,606.70	2,95,42,71,172.64

**SCHEDULE - 4 : BORROWINGS**

(Amount in ₹)

		31.03.2020	31.03.2019
1. BORROWINGS IN INDIA			
(i) Reserve Bank of India		—	—
(ii) Other Banks	NABARD	6,43,95,200.00	14,31,73,480.00
(iii) Other Institutions and Agencies (Lien on Fixed deposit with PNB)	PNB	21,00,00,000.00	20,30,05,195.40
(iv) Hybrid Debt Capital Instrument (174 instruments of 100000 each)		1,74,00,000.00	1,74,00,000.00
Total =		29,17,95,200.00	36,35,78,675.40
2. BORROWINGS OUTSIDE INDIA		—	—
Total Borrowings	=	29,17,95,200.00	36,35,78,675.40

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS

(Amount in ₹)

		31.03.2020	31.03.2019
1. Bills payable		33,56,176.17	35,96,421.17
2. Inter-office adjustments		—	—
3. Interest accrued		2,28,16,598.40	2,17,71,451.69
4. Others (including provisions)		23,34,79,730.04	7,40,13,764.93
TOTAL =		25,96,52,504.61	9,93,81,637.79
<i>Others</i>			
IBPC Payable		20,00,00,000.00	—
Marginal Deposit		—	62,771.00
Amortization on Investment (AFS Security)		21,05,000.00	4,69,72,500.00
Subsidy reserve fund		2,42,03,569.47	1,86,44,169.47
Provision for purchasing Computers items for 5 sols		—	6,03,929.18
Interesol Cheque Collection Ac		—	1,175.00
Provisions – for Std assets		36,06,990.34	31,44,283.67
– for Audit Fee		—	2,00,000.00
– for Senrysa (Business Devt.)		—	—
– for Leave/Gratuity		—	—
Outstanding amount of –	TDS	—	39,893.43
	GST	9,84,773.46	16,49,561.77
	ATM	12,11,977.27	14,59,424.52
	GSLI	2,57,423.00	—
Pension Fund (Payable to Provident Fund)		2,53,870.00	—
PMSBY/PMJJBY/APY Payable		1,660.00	1,97,983.00
CERSAI Registration Fee payable		26,734.50	19,932.00
Interests outstanding on PNB loan		6,49,566.00	—
Deposit Suspense		1,78,166.00	10,18,141.89
TOTAL =		23,34,79,730.04	7,40,13,764.93

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

(Amount in ₹)

	31.03.2020	31.03.2019
I. Cash in hand (NIL foreign currency notes)	90,01,848.00	67,25,473.00
II. Balances with Reserve Bank of India		
(i) In Current account	11,91,84,267.52	11,86,84,267.52
(ii) In other accounts		—
TOTAL =	12,81,86,115.52	12,54,09,740.52

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

(Amount in ₹)

	31.03.2020	31.03.2019
I. IN INDIA		
(i) <i>Balances with Banks</i>		
(a) In Current Account	25,61,35,837.26	35,99,61,557.54
(b) In other deposit accounts (Fixed deposit with PNB, ICICI, NABARD)	46,46,18,432.83	33,31,64,958.81
(ii) <i>Money at call and Short notice</i>		
(a) With Banks	—	—
(b) With other institutions	—	—
TOTAL =	72,07,54,270.09	69,31,26,516.35
II. OUTSIDE INDIA		
(i) In Current account	—	—
(ii) In other deposit accounts	—	—
(iii) Money at call & short notice	—	—
TOTAL =	—	—
GRAND TOTAL (I + II) =	72,07,54,270.09	69,31,26,516.35

**SCHEDULE - 8 : INVESTMENTS**

(Amount in ₹)

	31.03.2020	31.03.2019
I. INVESTMENTS IN INDIA		
(i) Govt. Securities	1,01,98,06,531.40	1,23,89,56,566.92
(ii) Other approved securities	—	—
(iii) Shares	—	—
(iv) Debentures and Bonds	—	—
(v) Subsidiaries and/or Joint ventures	—	—
(vi) Others (UTI, MIP & US-64)	—	—
TOTAL =	1,01,98,06,531.40	1,23,89,56,566.92
2. INVESTMENTS OUTSIDE INDIA		
(i) Govt. Securities	—	—
(ii) Subsidiaries and / or Joint ventures abroad	—	—
(iii) Other Investments (to be specified)	—	—
TOTAL =	—	—
GRAND TOTAL (1+2) =	1,01,98,06,531.40	1,23,89,56,566.92



SCHEDULE - 9 : ADVANCES

(Amount in ₹)

	31.03.2020	31.03.2019
A. (i) Bills purchased & discounted	—	—
(ii) Cash Credit, Overdrafts and loans payable on demand	55,02,67,092.44	53,26,03,203.39
(iii) Term loans	98,25,31,598.50	82,99,89,418.46
TOTAL =	1,53,06,32,371.44	1,36,25,92,621.85
B. (i) Secured by tangible assets	1,50,98,47,256.88	1,34,54,92,388.67
(ii) Covered by Bank / Govt. guarantees	—	—
(iii) Unsecured	2,07,85,114.56	1,71,00,233.18
TOTAL =	1,53,06,32,371.44	1,36,25,92,621.85
C. I. ADVANCES IN INDIA		
(i) Priority Sectors	1,42,88,19,532.10	1,26,86,44,291.08
(ii) Public Sectors	—	—
(iii) Banks	—	—
(iv) Others	10,18,12,839.34	9,39,48,330.77
TOTAL =	1,53,06,32,371.44	1,36,25,92,621.85
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) =	1,53,06,32,371.44	1,36,25,92,621.85


SCHEDULE - 10 : FIXED ASSETS

(Amount in ₹)

	31.03.2020	31.03.2019
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	2,91,21,892.53	2,36,43,690.17
Additions during the year	1,11,35,008.62	54,78,202.36
Deductions during the year	—	—
Depreciation to date	2,28,85,269.97	1,91,16,537.75
TOTAL (I + II) =	1,73,71,631.18	1,00,05,354.78

SCHEDULE - 11 : OTHER ASSETS

(Amount in ₹)

	31.03.2019	31.03.2018
1. Inter office adjustment (net)	—	—
2. Interest accrued	2,26,13,223.11	2,89,78,536.55
3. Tax paid in advance / Tax deducted at source	21,47,573.58	20,00,000.00
4. Stationery and Stamp	1,64,041.20	2,35,862.20
5. Non-banking assets acquired in satisfaction of claims	—	—
6. Others **	83,35,26,527.25	49,48,51,559.82
TOTAL =	85,84,51,365.14	52,60,65,958.57

**** OTHERS**

IBPC Receivable	20,00,00,000.00	—
NEFT/RTGS in transit	6,19,19,614.75	44,47,017.70
Temp Adv	18,078.00	—
Security deposits – Telephone/Electric	36,634.00	36,634.00
Festival Advances	9,74,000.00	10,22,500.00
AEPS Receivable	2,71,33,383.07	6,98,662.23
GST Receivable	—	8,83,276.65
FLC Receivable (NABARD)	—	68,000.00
UPI/IMPS Receivable	16,39,063.47	98,676.10
Pension Fund	32,09,395.57	6,96,889.85
Ad Hoc Salary	47,74,927.72	—
APBS Receivable	1,73,19,357.04	—
GST Receivable	21,63,279.00	—
Suspense Account	—	1,51,059.00
Cumulative losses upto current yr.	51,43,38,794.63	48,67,48,844.29
Total =	83,35,26,527.25	49,48,51,559.82
<i>Current year Profit/(Loss)</i>	<i>-2,75,89,950.34</i>	<i>— 1,86,27,510.28</i>
<i>Cumulative losses upto last year</i>	<i>(-486748844.29)</i>	<i>(— 46,81,21,334.01)</i>
<i>Cumulative losses upto current year</i>	<i>-51,43,38,794.63</i>	<i>— 48,67,48,844.29</i>

**SCHEDULE - 12 : CONTINGENT LIABILITIES**

(Amount in ₹)

	31.03.2020	31.03.2019
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	57,27,000.00	90,84,470.00
(b) Outside India	—	—
V. Acceptances, endorsement and other obligations	—	—
VI. Other items for which the Bank is contingently liable	—	—
TOTAL =	57,27,000.00	90,84,470.00

SCHEDULE - 13 : INTEREST EARNED

(Amount in ₹)

	31.03.2020	31.03.2019
I. Interest / Discount on Advance / Bills	13,81,58,947.45	13,00,86,376.69
II. Income on Investments	8,85,18,646.72	9,60,06,465.88
III. Interest on balance with Reserve Bank of India and other inter-bank funds - on FD with PNB/ICICI	1,67,73,857.02	1,74,39,373.99
IV. Others (Bonanza Intt.)	2,77,996.00	25,88,387.00
TOTAL =	24,37,29,447.19	24,61,20,603.56

**SCHEDULE - 14 : OTHER INCOME**

(Amount in ₹)

	31.03.2020	31.03.2019
I. Commission, exchange and brokerage	37,26,285.35	22,28,102.47
II. Profit on sale of Investments	1,05,62,500.00	—
<i>Less : Loss on sale of Investments</i>		
III. Profit on revaluation of Investments (AFS Reversal for Previous Year)	2,74,15,000.00	67,55,000.00
<i>Less: Loss on revaluation of Investments</i>		
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	1,83,52,675.18	2,11,89,714.78
VIII. Processing charges	34,95,872.60	29,24,591.80
IX. Shadow recovery	34,99,415.90	32,43,459.92
X. Supervision charges	58,61,850.54	55,31,791.28
XI. Others	12,55,329.07	18,23,913.59
XII. Reversal of GST Liability	43,26,558.00	
XIII. Reversal of BD Provn	—	—
XIV. Interest payable written-off	—	—
TOTAL =	7,84,95,486.64	4,36,96,573.84

SCHEDULE - 15 : INTEREST EXPENDED

(Amount in ₹)

	31.03.2020	31.03.2019
1. Interest on Deposits	10,95,04,987.71	10,48,09,342.48
2. Interest on Reserve Bank of India / inter - bank borrowings	87,48,861.00	1,26,16,205.00
3. Others (Penal interest)		
TOTAL =	11,82,53,848.71	11,74,25,547.48

**SCHEDULE - 16 : OPERATING EXPENSES, PROVISIONS & CONTINGENCIES :**

(Amount in ₹)

	31.03.2020	31.03.2019
1. (a) payments to and provisions for employees	16,22,88,875.02	8,61,72,081.53
(b) Provision for Leave Encashment	—	—
2. Rent, Taxes and Lighting	40,77,933.00	34,14,665.00
3. Printing and Stationery	20,21,087.00	20,82,132.93
4. Advertisement and Publicity	50,395.00	65,010.00
5. Depreciation on bank's property	37,68,732.22	11,55,843.20
6. Directors' fees, allowances and	—	4,500.00
7. Auditor's fees and allowances	2,83,819.00	2,11,790.00
8. Law charges	—	22,492.50
9. Postage, Telegram, Telephone, etc.	10,54,980.50	8,53,463.84
10. Repairs and Maintenance		
Maintenance expenses on CBS	41,59,576.00	70,61,909.00
Others	58,848.00	43,491.00
11. Insurance	32,88,778.00	31,70,994.00
12. Loss on sale of Investments, land and other assets		
Loss on sale of securities	—	—
Loss on revaluation of Investment	—	—
13. Other expenditure	5,05,08,011.72	8,67,60,577.07
TOTAL =	23,15,61,035.46	19,10,18,940.07
Other expenditure	31.03.2020	31.03.2019
(i) Remittance Expenses & Other Bank charges	48,81,312.69	67,45,442.21
(ii) Recovery Agent's/BF's Commission	15,89,773.08	14,33,149.00
(iii) Clearing House Charges	41,261.25	10,601.91
(iv) Newspaper and Periodicals	10,350.00	18,552.00
(v) Sanitation	8,21,034.00	5,61,084.00
(vi) Entertainment	11,399.00	13,220.00
(vii) Travelling Expenses	5,91,129.74	4,50,137.00
(viii) Conveyance Expenses	2,45,790.00	2,07,878.00
(ix) Misc. Loss written off	10,05,766.64	5,17,460.86
(x) Freight, coolie and other labour charges	1,43,170.00	1,30,000.00
(xi) Service Charges	2,618.00	9,522.53
(xii) Meeting Expenses	26,502.00	33,698.00
(xiii) Provision for Standard assets	4,62,706.67	1,10,745.67
(xiv) Provisions for Bad Debt	2,00,00,000.00	6,73,95,797.98
(xv) Income Tax for earlier year	39,80,890.00	—
(xvi) Organisation Cost	4,67,062.36	2,72,718.00
(xvii) Hiring Charges for vehicles	1,56,000.00	1,56,000.00
(xviii) Examination cost (IBPS)	—	31,238.00
(xix) Staff Training Expenses	97,786.00	6,725.00
(xx) Misc. Expenses	31,95,889.57	5,90,722.48
(xxi) Business Development Expenditure	67,40,016.00	56,48,980.00
(xxii) Computer Maintenance	7,850.00	2,600.00
(xxiii) Administrative Charges	86,616.00	1,00,797.00
(xxiv) License Fee (UIDAI AUA/KUA)	21,80,000.00	—
(xxv) AEPS charges	37,63,088.72	23,13,507.43
TOTAL =	5,05,08,011.72	8,67,60,577.07



MANIPUR RURAL BANK

(A Government Enterprise)

HEAD OFFICE : KEISAMPAT IMPHAL

SCHEDULE – 17 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020

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 balances.
- 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.

5.9 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.

5.10 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 Provisions.”.

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 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.

(C.M. Samuel)
Director

(Dr. Ravi Babu)
Director

(Sumanta Mohanty)
Director

(Gurupada Pradhan)
Director

(Dr. R K 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 : 29.06.2020



Dilip Kumar Saha
Partner
M.N. 14464

SCHEDULE – 18

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020

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 Authorized Share Capital is ₹2000,00,00,000/- and Share Capital deposit of ₹58,56,03,000/- inclusive of ₹70,00,000/- which was received from Govt. of Manipur on 30.03.2020, ₹1,64,00,000/- which was received from United Bank of India (Sponsor Bank) on 26.03.2020 and ₹2,34,00,000/- from Govt. of India on 31.03.2020.

3. Investments

(a) SLR & Non-SLR Investments

(₹ In thousands)

	As at 31.03.2020	As at 31.03.2019
(i) Gross value of SLR investment	1023630	1243345
(ii) Book Value of SLR investment	1019806	1238956
(iii) Gross value of Non-SLR investment	—	—

Bank does not hold any Non-SLR investment. The difference between the Gross value and book value of ₹21,05,000 is on account of charges made to book value as per market value of these instruments as on 27th March, 2020.

(b) Details of HTM investments held by the bank as at 31.03.2020

Sl No.	Details of Security	Date of Purchase	Face Value	Book Value	R.O.I. %	Amortized amount	Book value as on 31.03.2020	Maturity Date
1.	10.25% GS 2021	28.07.2003	3500000	5057500	10.25	1534482.00	3523018.00	30.05.2021
2.	7.94% GS 2021	08.08.2006	20000000	19770000	7.94	0.00	19770000.00	24.05.2021
3.	8.08% G.S 2022	29.03.2012	50000000	49135000	8.08	0.00	49135000.00	02.08.2022
4.	8.68% Gujarat-2023	12.02.2013	50000000	50185000	8.68	133263.00	50051737.00	06.02.2023
5.	8.58% Gujarat-2023	05.03.2013	50000000	49975000	8.58	0.00	49975000.00	23.01.2023
6.	7.59% GS 2029	21.04.2017	150000000	158565000	7.59	2156223.60	156408776.40	20.03.2029
	TOTAL =		323500000	332687500		3823968.60	328863531.40	



(c) Details of AFS Investments held by the bank as at 31.03.2020

Sl No.	AFS Investments	Date of Settlement	Face Value	Unit Cost	Book Value	ROI	Market Price	Market Value	Date Of Maturity
1.	7.94% GS 2021	11.07.2006	100000000	94.7800%	9478000	7.94%	98.66	9866000	24.05.2021
2.	8.15% GS 2026	11.02.2020	500000000	108.8200%	54410000	8.15%	108.55	54275000	24.11.2026
3.	8.33% GS 2026	18.02.2020	100000000	109.6000%	109600000	8.33%	110.00	110000000	09.07.2026
4.	7.95% GS 2032	02.03.2020	100000000	109.6500%	109650000	7.95%	109.40	109400000	28.08.2032
5.	6.57% GS 2033	06.03.2020	100000000	99.9100%	99910000	6.57%	100.05	100050000	05.12.2033
6.	6.79% GS 2026	06.03.2020	100000000	101.8000%	101800000	6.79%	101.40	101400000	26.12.2029
7.	6.97% GS 2026	12.03.2020	150000000	103.9300%	155895000	6.97%	103.05	154575000	06.09.2026
8.	6.83% GS 2019	16.03.2020	50000000	100.4000%	50200000	6.83%	101.50	50750000	19.01.2039
	TOTAL =		660000000		690943000			690316000	

S. No.	Particulars	Gross Value	Book Value
1	HTM Investments	69,09,43,000	69,03,16,000
2	AFS Investments	33,26,87,500	32,88,63,531
	Total	1,02,36,30,500	1,01,91,79,531

During the year an amount of ₹21,05,000/- (Rupees Twenty one lakh five thousand) has been amortized. Income from investment under schedule 13 has been shown net of the amortization and the value of investment in schedule 8 has been reduced accordingly. The accumulated amortization as on 31.03.2020 is ₹21,05,000 (Rupees Twenty one lakh Five thousand).

4. Asset Quality :

(a) Movement of NPA

(₹in thousands)

	2019-20	2018-19
(i) Gross NPA at the beginning of the year	298801	174754
(ii) Total reduction during the year	201589	244224
Under which		
(a) Cash recovery	71067	71999
(b) Upgradation	129516	171708
(c) compromise settlement	1006	517
(iii) Addition of fresh NPA during the year	225355	368271
(iv) NPA at the end of the period	322567	298801
(v) Provision held against NPAs	101963	81963
(vi) % of Gross NPA to total advance	19.76%	20.68%
(vii) Total advance outstanding	1632595	1444556
(a) Standard	1310028	1145755
(b) Sub Standard	127825	129345
(c) Doubtful I	67080	115029
(d) Doubtful II	111960	42865
(e) Doubtful III	15702	11562
(f) Loss Assets	0	0
(viii) Net NPA	220604	216838
(ix) Net advance	1530632	1362593
(x) % of Net NPA to net advance	14.41%	15.91%

(b) Movement in provision for non-performing advances

(₹in thousands)

	31.03.2020	31.03.2019
(i) Opening balance (excluding provision on standard assets)	81963	41971
(ii) Amount adjusted to write-off of loan	—	—
(iii) Provision made / (Reverse) during the year	20000	39992
(iv) Closing balance	101963	81963

(c) Movement in provision for standard assets

(₹in thousands)

	31.03.2020	31.03.2019
(i) Opening balance	3144	3034
(ii) Provision made during the year	463	110
(iii) Provision written-back during the year	—	—
(iv) Closing balance	3607	3144

5. Business Ratios

Particulars	2019-20	2018-19
(i) Interest income as % to average working fund	7.28	7.67
(ii) Non-interest income as % of average working fund	2.34	1.36
(iii) Operating profit as % to average working fund	— 0.09	1.59
(iv) Return on assets	— 0.82	— 0.58
(v) Business per employee	49182 thousands	40735 thousands
(vi) Net profit per employee	284.43 thousands	— 172 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	128531	73712	83159	11987	99832	65553	129030	2140450	144117	281659	3138030
Advances	59675	42575	2825	8631	37867	51070	154058	746053	263169	266672	1632595
Investments	0	0	0	407805	273660	0	0	0	158565	183601	1023631
Borrowings	210000	0	0	0	0	0	0	0	64395	17400	291795

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) 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.

(ii) Expense recognized in Profit & Loss Account is only to the extent of contribution to plan asset with LICI, 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.	Sumanta Mohanty	Director
5.	Gurupada Pradhan	Director
6.	Dr. R K 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	Sumanta Mohanty	Director	Nil	
5	Gurupada Pradhan	Director	Nil	
6	Dr. R K Radhesana Devi	Director	Nil	
7	Anna Arambam	Director	Nil	
8	P Tongthang Zou	Director	Nil	

(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	
	31.03.2020	31.03.2019
Net Profit / (Loss) after tax available for Equity Share Holders (₹in thousands)	(27590)	(18627)
Weighted Average number of Equity Shares	58560300	53867533
Basic and Diluted Earnings per Share (₹)	(0.47)	(0.35)
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	5727	(i) 5727 is 100% backed by FD

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

8. Additional Disclosures :

(a) The Bank has kept ₹4,69,72,500/- as revaluation of Investment (AFS) as on 31.03.2019 out of which ₹1,95,57,500/- has been adjusted during the state Govt. Securities for which revaluation was made at loss. And the remaining amount of ₹2,74,15,000/- 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	
	31.03.2020	31.03.2019
Total Deposits of twenty largest depositors	546683	761867
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	17.42%	25.79%

(c) Concentration of Advances

(Amount in ₹'000)

Particulars	Year ended	
	31.03.2020	31.03.2019
Total Exposure to twenty largest borrowers / Customers	91731	86463
Percentage of Exposure to twenty largest borrowers / customers to Total Exposure of the Bank on borrowers / Customers	5.60%	5.99%

(d) Concentration of NPAs

(Amount in ₹'000)

Particulars	Year ended	
	31.03.2020	31.03.2019
Total Exposure to top four NPA accounts	18464	19335

(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	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	626035	73966	11.81	539104	83203	15.43
2	Advances to Industries sector eligible as priority sector lending	796130	234183	29.42	720462	205531	28.53
3	Services	98616	10053	10.19	91534	5036	5.50
4	Personal loans	0	0	0	0	0	0
	Sub-total (A)	1520781	318202	20.92	1351100	293770	21.74
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	88198	827	0.94	73111	1012	1.38
4	Personal loans	23616	3538	14.98	20886	4019	19.24
	Sub-total (B)	111814	4365	3.90	93456	5031	5.38
	Total (A+B)	1632595	322567	19.76	1444556	298801	20.68



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		31-03-2020
Tier I Capital	paid up capital-Share capital deposits	5856.03
	Statutory Reserves	1.22
	Other disclosed reserves	0
	Surplus in profit and Loss	0
	Total of A	5857.25
B.	Accumulated Loss	5143.39
Deduct	Short provisioning	0
	Total of B	5143.39
	(A-B)	713.86
Tier II Capital		
	Standard Assets provision	36.07
	Perpetual bond	174.00
	Loss Reserves	0
	Revaluation Reserve (45% only)	0
	Excess Provision	0
	Investment Fluctuation reserve	0
Total Tier II Capital		210.07
As Tier II Capital is limited to 100% of tier I capital for CRAR calculation		210.07
Total Tier I & II Capital		923.93
Risk weighted asset		15089.06
CRAR		6.12

A. Funded risk assets

(₹ In lakhs)

Sl. no.	Particulars	Risk weight %	As on 31.03.2020				
I	Balances		Book Value	Liquid Security	Provision made	net book value	Risk Weighted Value
1	cash, balance with RBI	0	1191.84		0	1191.84	0
2	balance in current a/c with other bank	20	2561.35	0.00	0	2561.35	512.27
3	claims on banks	0	0	0	0	0.00	0



II		Investments						
	1	Investments in government securities	2.5	10236.31	0.00	0	10236.31	255.91
	2	Investments in other approved securities guranteed by central / state Govt.	2.5	0	0.00	0	0	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	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	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	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	0.00	0.00
	7.	claims on commercial banks (RIP/FD)	22.5	4646.18	0.00	0	4646.18	1045.39
	8.	Investment in subordinated debt instruments and bond issued by public financial institutions for their Tier II capital	102.5	0.00	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						
	1	Loan & Advances including bills purchased & discounted and other credit facilities			0	0		

	(i)	Loan guaranteed by Govt. of India	0	0	0	0	0.00	0.00
	(ii)	Loan guaranteed by state Govt.	0	0	0	0	0.00	0.00
	(iii)	Loans granted to public sector undertaking of Govt. of India	100	0	0	0	0.00	0.00
	(iv)	Loans granted to public sector undertaking of state Govt.	100	0	0	0	0.00	0.00
	(v)	Advances covered by DICGC	50	0	0	0	0.00	0.00
	(vi)	SSI advances guaranteed by credit guaranteed fund trust for small industries (CGTSI) up to the guaranteed portion.	0	0	0	0	0.00	0.00
	(vii)	Housing loans to individual against the mortgage of residential housing properties upto ` 20 lakhs.	50	969.97	215.59	34.98	719.40	359.70
	(viii)	Consumer credit including personal loan and credit cards.	125	236.15	12.19	13.59	210.37	262.96
	(ix)	loan upto ` 1 lakh against gold and silver ornaments	50	0	0.00	0	0.00	0.00
	(x)	Advances against term deposit, life policies, NSC, IVPs and KVPs where adequate margin is available	0	619.73	0.00	0	619.73	0.00
	(xi)	Loan to staff of the bank, which are fully covered by superannuation benefits and mortgage of flat/house.	20	519.39	50.36	0	469.03	93.81
	(xii)	Other loans (SSI,SBL,SRT0, SHG,PSEP,ATL)	100	14002.38	2141.39	916.81	10944.18	10944.18
IV		Other assets						
	1	premises, furniture & fixture and Motor Vehicle	100	173.72			173.72	173.72
	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
	(v)	All other assets	100	1441.12			1441.12	1441.12



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					0.00	

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

Nature of item							
Bank Guarantee	100	57.27	57.27	0	0.00	0.00	
Total (excluding contra)		36655.41	2476.80	965.38	33213.23	15089.06	

10. The spread of COVID-19 across the globe has resulted in decline in economic activity and increase in volatility in financial markets. In this situation, though the challenges continue to unfold, MRB is gearing its self on all fronts to meet the same. The situation continues to be uncertain and MRB is evaluating the situation on a going basis. Major challenges for MRB would arise from extended working capital cycle and waning cash flows. Despite these conditions, there would not be any significant impact on the liquidity and profitability of SBI.

RBI vide Notification No. RBI/2019-20/186 DOR. No. BP. BC. 47/21.04.048/2019-20 dated 27th March 2020, has announced measures to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable business. The measures, interalia, included Rescheduling of Payments-Term Loans and Working Capital Facilities Easing of Working Capital Financing, Classification as Special Mention Account (SMA) and Non-performing Asset (NPA) etc.

11. 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

(Sumanta Mohanty)
Director

(Gurupada Pradhan)
Director

(Dr. R K 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



Place : Imphal
Dated : 29.06.2020



Dilip Kumar Saha
Partner
M.N. 14464



MANIPUR RURAL BANK

(Amount in ₹'000)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

	Current Year 2019-20	Previous year 2018-19
A CASH FLOW FROM OPERATING ACTIVITIES		
1 Surplus / (deficit) for the year	-23,609	-18,628
2 Adjustments for the non-operating income/expenses		
2.1 Depreciation	3,769	1,156
2.2 (Profit) or Loss on sale Investments (net)	-10,563	-
2.3 (Profit) or Loss on revaluation of Investments	-27,415	-
2.4 Provision for Non-Performing assets	20,000	67,396
2.5 Provision for standard assets	463	111
2.6 Transfer to Reserves (net)	-	-53,728
2.7 Dividend/Earnings from Investing Activity	-88,519	-96,006
2.8 Interest on capital instruments (Financing activity)		
2.9 Deferred Revenue Expenditure written off		
Sub TOTAL	-1,25,874	-99,699
3 Adjustment for		
3.1 Increase/(Decrease) in Deposits	1,83,758	1,29,930
3.2 Increase / (decrease) in Borrowings	-71,783	-44,913
3.3 (increase)/decrease in Investments	2,12,260	-49,617
3.4 (increase)/decrease in Advances	-1,88,040	-1,94,378
3.5 Increase / (Decrease) in other liabilities & provisions	2,04,676	-2,03,992
3.6 (increase)/decrease in Other Assets	-3,04,648	2,50,178
SUB TOTAL	36,223	-1,12,793
TAX PAID	-4,128	-
Cash Flow from Operating Activities	-93,779	-21,2492
B CASH FLOW FROM INVESTING ACTIVITIES		
1 Interest earned on Investments	88,519	96,006
2 (Increase)/decrease in Fixed Assets	-11,135	-5,478
Net Cash from Investing Activities	77,384	90,528
C CASH FLOW FROM FINANCING ACTIVITIES		
1 Proceeds from issue of share capital	46,800	
2 Increase in Statutory Reserve		
Increase in Other Reserves	-	
Net Cash Flow from Financing Activities	46,800	
D Net Increase/(Decrease) in Cash Equivalents (A+B+C)	30,404	-1,21,964
E Cash and Cash Equivalent at the beginning of the year	8,18,536	9,40,500
F Cash and Cash equivalent at the end of the year	8,48,941	8,18,536

Note : Cash & Cash Equivalent includes term deposits

4,64,618

3,33,165

Place : Imphal
Date : 29-06-2020



For **D.K. Chhajer & Co.**
Chartered Accountants (FRN 304138E)
Dilip Kumar Saha
Partner
M.N. 14464

Shri Samarendu Samal
Chairman