

33 वीं वार्षिक रिपोर्ट - 2015-16  
33rd ANNUAL REPORT 2015-16

# ANNUAL REPORT-2015-16

अरुणाचल प्रदेश ग्रामीण बैंक  
प्रधान कार्यालय  
शिव मंदिर रोड, 'ई' क्षेत्र  
नाहरलगुन 791110



ARUNACHAL PRADESH RURAL BANK  
HEAD OFFICE  
SHIV MANDIR ROAD, E SECTOR  
NAHARLAGUN 791110

Arunachal Pradesh Rural Bank

## FROM THE CEO/CHAIRMAN'S DESK

*The Arunachal Pradesh Rural Bank catering banking services allied banking activities in the state mostly in rural areas containing difficult terrain covering hilly and mountainous region in a challenging environment. Despite slow momentum of growth in the economy of these areas, our Bank has reported consistent performance - reflected growth in business, widened customer base and extending segmental rural credit delivery system.*

*During the year the bank concentrate on financial awareness camps in rural areas. The bank has adopted various new technologies with multiple channels for remittances of fund, Direct benefite transfer, PM-Jan-Dhan Jojna, PM-Jeevam-suraksha Bima, PM-Jeevan-Jyoty Bima Jpjan, Atal Pension Jojna, Public Finance Monitoring system(PFMS) etc are added in our new technology service during the year. We have continued to build infrastructure, invest in technologies and in human capital to support business growth, extend our reach and deepen existing customer relationship. It was there fore, a matter of great pride for us as our the bank was awarded 2<sup>nd</sup> position of Top performer award 2015-16 among SBI sponsored RRBs and Excellence in performance award 2015-16 for cross selling of SBI life Products*

*Moreover, our bank is a corporate Agent of SBI Life Insurance Co. Ltd and SBI- General Insurance Co. Ltd for cross selling of insurance products and achieve the budget for cross selling and first time in the history of our bank 2 CIF was awarded MDRT during the year.*

*Looking ahead, we are optimistic about the future and believe that our Bank is positioned suitably to adapt the challenges and capitalise on emerging opportunities in the economy. I also place on record the sincere gratitude to the Govt. of India, Govt of Arunachal Pradesh, Reserve Bank of India, National Bank for Agril. & Rural Development, State Bank of India, for their valuable supports for the growth of the bank from time to time.*

*I truly appreciate the staff support and association with the Bank and remain committed for delivering value to all our customers, stakeholders, and well wisher of the bank*

Sd/-  
**( Akshay Kumar )**  
**CHAIRMAN**

**BOARD OF DIRECTORS**

Shri A. Kumar  
Director

Chairman  
(Appointed under sub-section 1 of section 11 of RRB Act, 1976)

Shri Aatish Anant,  
Director

Asstt. General Manager,RPCD,  
Reserve Bank of India,  
Regional Office, Guwahati  
(Nominee of Central Govt. under Sub-Section 1(b) of Section 9 of RRB Act,1976)

Shri B. Kumar  
Director

Deputy General Manager,  
National Bank for Agril & Rural Development,  
Regional Office, Itanagar  
( Nominee of Central Govt. under Sub-Section 1© of section 9 of RRB Act,1976)

Shri R.K. Senapati,  
Director

Asstt. General Manager(ABU,NW-II),  
State Bank of India,  
Local Head Office, Guwahati  
( Nominees of SBI under Sub-Section 1(d) of section 9 of RRB Act,1976)

Shri P.K. Brahma,  
Director

Asstt. General Manager,  
State Bank of India,  
Regional Office, Itanagar  
( Nominees of SBI under Sub-Section 1(d) of section 9 of RRB Act,1976)

Shri P. Aich, Director  
Director

Deputy Secretary(Budget),  
Government of Arunachal Pradesh, Itanagar  
( Nominees of Govt. of Arunachal Pradesh under Sub-Section 1 (e) of Section 9 of RRB Act,1976)

**Head Office****Arunachal Pradesh Rural Bank**

E sector, Shiv Mandir Road.  
P.O. Naharlagun, Dist Papum Pare  
Arunachal Pradesh PIN-791110  
Email : [aprbitanagar@yahoo.co.in](mailto:aprbitanagar@yahoo.co.in)  
Website : [apruralbank.com](http://apruralbank.com)

**STATUTORY AUDITORS****Ramesh Chandra Roy & Asso.**

Chartered Accountants  
Kogey Commercial Complex  
'O' Point, Tinali, Itanagr-791111

**33rd ANNUAL REPORT OF BOARD OF DIRECTORS – 2015-16**

The Board of Directors of Arunachal Pradesh Rural Bank have the pleasure in presenting the 33rd Annual Report of the Bank together with audited Balance Sheet, Profit & Loss account and the Auditors Report for the accounting year ended 31<sup>st</sup> March,2016.

**BRIEF INTRODUCTION**

Arunachal Pradesh Rural Bank, sponsored by State Bank of India in collaboration with Government of India and Government of Arunachal Pradesh was established on the 30<sup>th</sup> November 1983 under the Regional Rural Bank Act, 1976 with its Head Office at Naharlagun, Papum Pare District of Arunachal Pradesh.

**AREA OF OPERATION**

The area of operation of the Bank included all districts of Arunachal Pradesh vide Govt. of India notification No.F.No.1/1/2008-RRB, dated 7<sup>th</sup> April, 2008. The area covered by these districts is around 84000 sq. km. and the total population of the area of operation of the bank is 13.82 lakhs as per 2011 census. It is situated in the Trans Himalayan Region. It offers wide variations in scenic beauty from the plains of Brahmaputra valley to the snow clad mountains in the north. It is full of mountains and forests, with numerous small and big rivers flowing round the year. On the southern side is a small stretch of plain land. Human habitation is mainly in plain areas and in the valleys. The economy is predominantly agricultural, but a substantial portion of the people's livelihood is also derived from the forests. The major crops grown in the area are paddy, maize, mustard, potato, chilly, ginger etc. Industry and service sectors are yet to be developed in this area. Road communication and other infrastructure facilities are still in developing stage.

**BRANCH NETWORK:**

The Banking is spreading to remote and far flung areas of the state. A new branch namely JN College Branch was open during the current financial year. Presently 28 number branches of Arunachal Pradesh Rural Bank are functioning in Arunachal Pradesh. The List of Branches as under:

<b>Sl.No.</b>	<b>BRANCH</b>	<b>CD BLOCK</b>	<b>DISTRICT</b>
1	Pasighat	Pasighat	East Siang
2	Lumpo	Ramle-Bango	East Siang
3	Sille	Pasighat	East Siang
4	Itanagar	Itanagar	Papum Pare
5	Ruksin	Ruksin	East Siang
6	Mebo	Mebo	East Siang
7	Daporijo	Daporijo	Upper Subansiri
8	Dumporijo	Dumporijo	Upper Subansiri
9	Sagalee	Sagalee	Papum Pare
10	Kimin	Kimin-Doimukh	Papum Pare
11	Boleng	Pangin	East Siang
12	Yazali	Ziro-II	Lower Subansiri
13	Geku	Geku	Upper Siang
14	Kamba	Kamba	West Siang
15	Likabali	Likabali	West Siang
16	Aalo	Aalo	West Siang
17	Basar	Basar	West Siang
18	Ziro	Ziro	Lower Subansiri
19	Roing	Roing	Lower Dibang Valley
20	Tezu	Tezu	Lohit
21	Rumgong	Rumgong	West Siang
22	Gensi	Gensi	West Siang
23	Taliha	Taliha	Upper Subansiri
24	Riga	Riga	East Siang
25	Mariyang	Mariyang	Upper Siang
26	Naharlagun	Itanagar	Papum Pare
27	Yachuli	Ziro-II	Lower Subansiri
28	JN College Branch	Pasighat	East Siang

**SHARE CAPITAL:**

The authorized share capital of the bank is Rs.2000.00 crore as amendment of RRB Act 1976 during current financial year and paid up capital of the bank is also Rs.52.69 crore contributed by the Government of India, State Bank of India and Government of Arunachal Pradesh in the ratio of 50: 35: 15 respectively. The details of paid up capital are given as under:-

Name of share holders	(Rupees in lakhs)			
	<u>Authorised share capital</u>		<u>Paid up share capital</u>	
	<u>No. of shares</u>	<u>Amount</u>	<u>No. of share</u>	<u>Amount</u>
Government of India	1000000000	100000.00	26345200	2634.52
Government of Arunachal Pradesh	300000000	30000.00	7906560	790.66
State Bank of India	700000000	70000.00	18438640	1843.86
<b>TOTAL</b>	<b>2000000000</b>	<b>200000.00</b>	<b>52690400</b>	<b>5269.04</b>

**DEPOSITS :**

The total deposits of the bank stood at Rs. 45417.50 lacs against Rs.36517.72 lacs in the previous year, thus registering 24.37% growth against previous year's growth of (-) 0.79%. The category-wise break up of deposits is as under:-

Category	31-03-2014		31-03-2015		31-03-2016	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
Current account	2510	7158.44	3351	6659.99	2906	5819.47
Saving Bank account	75420	14655.50	92427	14012.81	88306	22860.74
Saving Bank-No frill	10292	444.17	13617	477.76	12664	470.62
SB-Daily Deposit	2675	679.32	3461	770.64	3379	930.13
SB-SHG	0	0	1496	111.33	1496	101.14
SB-PMJDY	0	0	14824	260.42	15815	349.23
Recurring Deposits	6329	1819.07	6871	2046.56	6116	2278.12
Term Deposits (TDR)	72	1211.33	92	815.85	65	759.87
Special Term Deposit (STDR)	6097	10583.32	8375	11161.37	6330	11661.57
Others	227	261.28	325	200.99	174	186.61
<b>TOTAL</b>	<b>103622</b>	<b>36812.43</b>	<b>144839</b>	<b>36517.72</b>	<b>137251</b>	<b>45417.50</b>
Out of total Institutional	295	1835.09	1438	1337.43	1355	9943.75
% of low cost deposits	87.72	60.46	89.19	61.05	90.88	67.63
Average cost of deposit mobilization	-	6.06	-	6.26	-	6.27
Per branch Deposits	3838	1363.42	5364	1352.51	4902	1622.05
Per employee Deposit	968	344.04	1478	372.63	1372.51	454.18

**BORROWINGS:**

The bank has availed refinance from NABARD and perpentual Bonds amounting to Rs.86.07 lakhs. There is no default in repayment of installment and interest. The details of refinance as on 31-03-2016 are as under:

Particulars	(Rupees in lakhs)			
	<u>Previous year's outstanding</u>	<u>Refinance availed during the year</u>	<u>Amount of Installment paid during the year</u>	<u>Amount outstanding at the end of the year</u>
SBI-Short term	0.00	0.00	0.00	0.00
SBI-Perpentual Bonds	0.00	86.07	0.00	86.07
NABARD short term	198.39	122.27	198.39	122.27
NABARD-ARF	268.81	0.00	138.41	130.40
NABARD-Normal	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>467.20</b>	<b>208.34</b>	<b>336.80</b>	<b>338.74</b>

**OTHER LIABILITIES: DICGC**

The bank had opted out of the small loan guarantee scheme with effect from 1<sup>st</sup> April 1995. However, the bank has been continuing the deposit insurance scheme and half yearly premium on deposit insurance is regularly paid to Deposit Insurance and Credit Guarantee Corporation

**CASH AND BALANCE WITH BANKS:**

Cash held by the bank as on 31-03-2016 is Rs. 614.75 Lakhs as against Rs. 893.55 lakhs of the previous year. The average cash balance during the current year and the previous two years are furnished as under:

<b>Particulars</b>	(Rupees in lakhs)		
	<b>2013-15</b>	<b>2014-15</b>	<b>2015-16</b>
Average cash balance	731.22	733.70	776.47
Average cash as % of average deposits	2.30	2.22	2.17
Average balance with RBI	1488.12	1612.38	1746.96
Average balance with sponsor bank	2362.66	1173.91	2888.60

**INVESTMENT:**

The total investment of the bank stood Rs.29788.41 Lakhs as at the end of the year as against Rs.24243.05 lakhs of the previous year. All the SLR investment is classified under "Held to Maturity" category. However, the book value is higher than face value/redemption value; the excess amount is amortized equally over the remaining period of maturity of the security. The amount amortized during the year was Rs.209158.07 which was deducted from interest income on Govt. securities. The details of the investments are given below:

<b>Particulars of investment</b>	(Rupees in lakhs)		<b>Remarks</b>
	<b>Amount invested</b>		
	<b>As on 31-03-2015</b>	<b>As on 31-03-2016</b>	
Government securities	5956.99	9882.26	SLR
TDR with sponsor bank	14137.26	15162.45	Non-SLR
Mutual funds	4148.80	4743.70	Non-SLR
<b>TOTAL</b>	<b>24243.05</b>	<b>29788.41</b>	

**LOANS AND ADVANCES OUTSTANDING**

The gross loan and advances outstanding as on 31<sup>st</sup> March, 2016 was Rs. 12123.33 lakhs against Rs.9999.33 lakhs of the previous year. The growth of outstanding advances during 2015-16 was 21.24%. The interest earned during 2015-16 on advances was Rs. 1117.59 lakhs as against Rs 903.77 lakhs in the previous year. The details of outstanding loans and advances are as under:-

<b>Particulars</b>	(Rupees in lakhs)			
	<b>Previous year 31-03-2015</b>		<b>Current year 31-03-2016</b>	
	<b>No. of a/c</b>	<b>Amount</b>	<b>No. of a/c</b>	<b>Amount</b>
Cash credit	414	2217.23	463	3073.18
CASH CREDIT-SHG	23	40.51	24	39.81
General credit cards	512	159.19	477	119.74
Kisan credit cards	2711	1254.92	3132	1347.74
SGSY-CC	2	0.50	3	0.36
Weaver credit cards	252	52.71	253	52.52
PB-Recalled(CC)	24	15.85	17	15.85
Medium term loan	19	148.63	16	115.29
Agril. Term loans	150	488.43	146	511.02
Housing loan to public	9	269.99	19	421.83
RTO	273	963.16	288	1091.99
Small business finance	75	238.22	78	283.51
TL-SGSY	32	11.99	25	9.04
TL-SHG	56	62.30	26	45.31
Small Scale industries	18	93.43	18	81.25
<b>(A) TOTAL PRIORITY SECTOR</b>	<b>4570</b>	<b>6017.06</b>	<b>4983</b>	<b>7183.06</b>
Overdraft	96	1828.87	109	2775.60

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Demand loan	521	880.87	538	833.29
Personal loan to public	376	593.49	383	651.59
Car/Two wheeler	26	99.03	23	73.63
Staff loans	304	539.76	269	512.28
PB-Recalled - loans	7	40.25	10	45.03
<b>(B) TOTAL NON-PRIORITY SECTOR</b>	<b>1230</b>	<b>3982.27</b>	<b>1349</b>	<b>4891.42</b>
<b>GRAND TOTAL (A+B)</b>	<b>5900</b>	<b>9999.33</b>	<b>6332</b>	<b>12074.48</b>
Out of total under target group	4570	6017.06	5007	7267.90
Out of total under non-target group	1330	3982.27	1325	4855.43
Out of total under SC/ST	4570	6017.06	5007	4902.11
Out of total under SF/MF/AL	2861	1743.35	3278	1858.76
Out of total under SME	706	3329.02	1359	5239.31
Out of total under Govt. sponsored scheme	32	11.99	28	9.04
Credit Deposit ratio	-	27.38	-	26.69
Average return on advances		9.74	-	10.08

**IRAC NORM**

The Bank has classified loans and advances as per latest provisioning and IRAC norms. The Asset-wise classification of current year as well as previous year and provision held there against are furnished as under:

<u>Classification of loans and advances</u>	<u>As on 31-03-2015</u>		<u>As on 31-03-2016</u>	
	<u>Amount</u>	<u>% to Total</u>	<u>Amount</u>	<u>% to Total</u>
1. Standard Assets	8459.01	84.59	10653.73	87.88
2. Sub-standard Asset	250.79	2.51	208.42	1.72
3. Doubtful: Secured upto 1 year	483.86	4.84	310.63	2.56
4. Doubtful:Secured 1 Year to 3 years	613.27	6.13	745.29	6.15
5. Doubtful: Secured above 3 Years	124.57	1.25	132.73	1.09
6. Loss Asset	67.83	0.68	72.53	0.60
TOTAL ASSET	9999.33	100.00	12123.33	100.00
7. Additional Provision made during the year	128.44	-	121.22	-
8. Total provision held against NPAs	472.63	-	483.87	-

**INTEREST DERECOGNISED**

The details of interest de-recognized during the current year and the previous year are furnished as under:

<u>Particular</u>	<u>(Rupees in lakhs)</u>	
	<u>31/03/2015</u>	<u>31/03/2016</u>
1. De-recognized income at the beginning of the year	81.63	85.86
2. Addition in de-recognized income during the year	73.98	21.55
3. Recovery made against derecognized income	69.75	21.39
4. De-recognized income at the end of the year	85.86	86.02

**NPA MANAGEMENT**

The total NPAs as at the end of the year 2015-16 is Rs.1469.60 lakhs against Rs.1540.32 lakhs of the previous year. The details of NPAs for last three years are furnished as under:-

<u>Sl. No.</u>	<u>Particulars</u>	<u>(Rupees in lakhs)</u>		
		<u>31/03/2014</u>	<u>31/03/2015</u>	<u>31/03/2016</u>
1.	NPAs at the beginning of the year	987.00	1481.79	1540.79
2.	Addition to NPA during the year	1817.00	2695.43	491.67
3.	NPAs written off during the year	0.00	0.00	102.69
4.	Recovery against NPA during the year	1322.21	2636.90	460.17
5.	NPA at the end of the year	1481.79	1540.32	1469.60

**LOANS DISBURSED DURING THE YEAR**

The aggregate loans disbursed during the current year and the previous year is furnished below:

<b>Particulars</b>	<b>Previous year 31-03-2015</b>		<b>Current year 31-03-2016</b>	
	<b>No. of a/c</b>	<b>Amount</b>	<b>No. of a/c</b>	<b>Amount</b>
Cash credit	169	744.53	74	881.00
CASH CREDIT-SHG	0	0	9	11.60
General credit cards	120	180.53	59	37.26
Kisan credit cards	595	414.87	183	286.31
SGSY-CC	0	0	0	0
Weaver credit cards	0	0	10	5.00
Medium term loan	0	0	0	0
Agril. Term loans	45	155.21	31	129.04
Housing loan to public	13	192.14	30	191.61
RTO	90	586.67	70	490.92
Small business finance	12	33.62	16	130.00
TL-SGSY	1	0.20	1	1.00
TL-SHG	8	16.50	4	6.00
Small Scale industries	3	19.45	1	0.50
<b>(A) TOTAL PRIORITY SECTOR</b>	<b>1056</b>	<b>2343.72</b>	<b>488</b>	<b>2170.24</b>
Overdraft	25	138.85	34	239.50
Demand loan	572	1069.97	605	748.02
Personal loan to public	103	255.15	88	301.65
Car/Two wheeler	0	0	2	11.05
Staff loans	147	188.68	143	149.78
<b>(B) TOTAL NON-PRIORITY SECTOR</b>	<b>847</b>	<b>1652.65</b>	<b>872</b>	<b>1450.00</b>
<b>GRAND TOTAL (A+B)</b>	<b>1903</b>	<b>3996.37</b>	<b>1360</b>	<b>3620.24</b>
Out of total under target group	887	1599.19	1286	1289.24
Out of total under target NON-group	1016	2397.18	74	881.00
Out of total under SC/ST	887	1599.19	1286	1289.24
Out of total under SF/MF/AL	640	570.08	214	415.35
Out of total under SME	259	1331.20	219	1539.18
Out of total under Govt. sponsored scheme	1	0.20	1	1.00

**RECOVERY POSITION OF LOANS & ADVANCES**

The recovery positions of the bank along with age-wise, sector-wise position of overdues are furnished as under:-

<b>Particulars</b>	<b>(Rupees in lakhs)</b>	
	<b>As on 30/06/2014</b>	<b>As on 30/06/2015</b>
<b>TOTAL DEMAND</b>	<b>2354.69</b>	<b>2313.78</b>
Farm sector	322.02	336.52
Non-farm sector	2032.67	1977.26
<b>TOTAL RECOVERY:</b>	<b>1667.83</b>	<b>1667.83</b>
Farm sector	215.01	215.01
Non-sector	1452.82	1452.82
Recovery %	70.83	72.08
<b>TOTAL OVERDUES:</b>	<b>686.86</b>	<b>645.95</b>
Farm sector	107.01	121.51
Non-farm sector	579.85	524.44
<b>AGE-WISE POSITION OF OVERDUES:</b>	<b>As on 30/06/2014</b>	<b>As on 30/06/2015</b>
<b>UPTO 1 YEAR:</b>	<b>235.47</b>	<b>249.97</b>
Farm sector	45.13	59.63
Non-farm sector	190.34	190.34
<b>ABOVE 1 YEAR AND UPTO 3 YRS</b>	<b>365.83</b>	<b>310.42</b>
Farm sector	54.68	54.68
Non-farm sector	311.15	255.74
<b>ABOVE 3 YEARS AND UPTO 5 YRS</b>	<b>17.54</b>	<b>17.54</b>
Farm sector	1.12	1.12

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Non-farm sector	16.42	16.42
<b>ABOVE 5 YEARS</b>	<b>68.02</b>	<b>68.02</b>
Farm sector	6.08	6.08
Non-farm sector	61.94	61.94

**COMPREHENSIVE CROP INSURANCE**

The scheme for crop insurance has not been implemented in the state of Arunachal Pradesh and the bank has not participated in such scheme till 31<sup>st</sup> March,2016

**WRITE- OFF LOANS**

The Bank has not written off any bad and doubtful loans during the year. The details are as under:-

<u>Upto last year ( 31/03/2015)</u>		<u>Current year ( 2015-16)</u>		<u>Total loan written off upto (31/03/2016)</u>	
<u>No.of a/c</u>	<u>Amount</u>	<u>No.of A/c</u>	<u>Amount</u>	<u>No.of a/c</u>	<u>Amount</u>
9388	1848.95	3	102.69	9391	1951.64

(Rupees in lakhs)

**INCOME EARNED**

The incomes earned by this bank on various heads during the current year as well the previous year are furnished below:

<u>Particulars</u>	<u>2014-15</u>	<u>2015-16</u>
1. Interest earned on loans and advances	903.77	1117.59
2. Interest earned on investments	1576.41	1485.09
3. Interest earned on Balance with Banks in current a/c	Nil	Nil
4. Other income	522.45	589.36
<b>TOTAL</b>	<b>3002.63</b>	<b>3192.04</b>

(Rupees in lakhs)

**EXPENDITURE INCURRED**

The interest expenses and operating expenses for the current year and the previous year are as under:

<u>Particulars</u>	<u>2014-145</u>	<u>2015-16</u>
1. Interest paid on deposits	2064.50	2147.89
2. Interest paid on borrowing	55.90	29.59
3. Payment to and provisions for employees	542.71	671.40
4. Other operating expenses	193.06	200.88
5. Provision for bad debts during the year	128.45	121.22
<b>TOTAL</b>	<b>2984.62</b>	<b>3170.98</b>

(Rupees in lakhs)

**FINANCIAL RATIOS**

The various financial ratios for the current year and the previous year are as under:-

<u>Sl.No.</u>	<u>Particulars</u>	<u>2014-15</u>	<u>2015-16</u>
I	Average working fund	35472.15	40307.23
II	Financial returns	6.99	6.46
III	Financial cost	5.98	5.40
IV	Financial margin (II – III)	1.01	1.06
V	Operating expenses as % to working fund	2.07	2.16
VI	Misc. income as % to working fund	1.47	1.46
VII	Operating profit (IV+VI)-V	0.41	0.36
VIII	Risk cost as % to working fund	0.36	0.30
IX	Net margin (VII – VIII )	0.05	0.06

(Rupees in lakhs)

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**TRANSFER PRICE MECHANISM**

The bank has adopted the following transfer price mechanism for the year 2014-15.

- |                                       |  |
|---------------------------------------|--|
| 1. INTEREST RECEIVED FROM HEAD OFFICE | 130% On interest paid on deposits during the year  |
| 2. INTEREST PAID TO HEADOFFICE        | 40% of interest earned on advances during the year |

**PERFORMANCE ON KEY PARAMETERS**

The performance during current year and previous year have been furnished in Annexure-I attached to this report and branch-wise business furnished in Annexure-II at the end of the report

**KISAN CREDIT CARDS**

The detailed performances of Kisan Credit Cards are furnished below:

<u>Particular</u>	<u>Sanctioned During the year-2015-16</u>		<u>Outstanding as on 31/03/2016</u>	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
Kisan Credit Cards	183	286.31	3132	1347.74

(Rupees in lakhs)

**GENERAL CREDIT CARDS**

The detailed performance of General Credit Cards are furnished below:

<u>Particular</u>	<u>Sanctioned During the year 2015-16</u>		<u>Outstanding as on 31/03/2016</u>	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
General Credit Cards	59	37.26	477	119.74

(Rupees in lakhs)

**SELF-HELP GROUPS**

The detailed performances of Self-help group financing are furnished below:

<u>Particular</u>	<u>Sanctioned During the year 2015-16</u>		<u>Outstanding as on 31/03/2016</u>	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
SHG credit linkage	13	17.60	50	85.12

(Rupees in lakhs)

**INTEREST RATES ON DEPOSITS**

The interest rates on deposits were last revised on 6<sup>th</sup> November 2015 and the same rate is continuing till 31<sup>st</sup> March 2016. The detail is as under:

<u>Account Type</u>	<u>Sub-type</u>	<u>Product type (Description)</u>	<u>Rate of interest per annum</u>
5011	1101	Current account general-public-individual	0.00%
5011	2101	Current account general-public-Others	0.00%
5011	5101	Current account general-Society/Bank	0.00%
5011	8101	Current account general-institution	0.00%
1011	1101	Saving Bank-General-public-Individual	4.00%
1011	2101	Saving Bank-General-public-others	4.00%
1011	3101	Saving Bank-General-public-Staff	5.00%
1011	5101	Saving Bank-General-public- Society	4.00%
1011	7101	Saving Bank-General-public-SHG	4.00%
1011	8101	Saving Bank-General-public-Institutions	4.00%
1111	1101	Saving Bank-without-cheque-Gen-Public	4.00%
1145	1101	Saving Bank-Without-Cheque-Daily Deposit	4.00%
1163	1101	Saving Bank-without-Cheque-No frill a/c	4.00%

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1151	1101	Saving Bank-without-Cheque-PMJDY	4.00%
		<b>TIME DEPOSITS:</b>	
		15 days to 45 days	5.50%
		46 days to 90 days	5.50%
		91 days to 179 days	6.75%
		180 days to 240 days	7.00%
		241 days to 364 days	7.25%
		1 year to less than 2 years	7.75%
		1 1/2 years to less than 2 years	7.75%
		2 years to less than 3 years	7.75%
		3 years to less than 5 years	7.25%
		5 years to less than 8 years	7.25%
		8 year and upto 10 years	7.25%

Note: The interest rates payable on deposits of Senior Citizen, Charitable institution & Bulk Deposit (Rs. 1.00 crore or above) will get 0.25 % additional rate on above.

### INTEREST RATES ON LOANS AND ADVANCES

The interest rates on loan and advances were not revised during the year. The previous year's rates are continued which are as under:-

Account Type	Sub-type	Product type (Description)	Limit	Rate of interest per annum
6050	1001	Overdraft	Upto 25000/-	12.00%
6050	1001	Overdraft	Above 25000/ & upto Rs.2.00 lakhs	13.00%
6050	1001	Overdraft	Above Rs.2.00 lakhs	14.00%
6110	1001	Cash credit	Upto 25000/-	12.00%
6110	1001	Cash credit	Above 25000/ & upto Rs.2.00 lakhs	13.00%
6110	1001	Cash credit	Above Rs.2.00 lakhs	14.00%
6130	1001	KCC/ACC	Max. Limit Rs. 3.00 lakhs with intt. Suvention	7.00%
6150	1001	GCC	Max. Limit Rs.3.00 lakhs	13.00%
6110	1101	WCC	Max. limit Rs.0.50 lakhs	9.00%
6210	1001	TL-SSI-Public	Upto 25000/-	12.00%
6210	1001	TL-SSI-Public	Above 25000/ & upto Rs.2.00 lakhs	13.00%
6210	1001	TL-SSI-Public	Above Rs.2.00 lakhs	14.00%
6220	1001	TL-SBF-Public	Upto 25000/-	12.00%
6220	1001	TL-SBF-Public	Above 25000/ & upto Rs.2.00 lakhs	13.00%
6220	1001	TL-SBF-Public	Above Rs.2.00 lakhs	14.00%
6230	1001	TL-ATL	Upto 25000/-	12.00%
6230	1001	TL-ATL	Above 25000/ & upto Rs.2.00 lakhs	13.00%
6230	1001	TL-ATL	Above Rs.2.00 lakhs	14.00%
6220	1001	TL-SME	Upto 25000/-	12.00%
6220	1001	TL-SME	Above 25000/ & upto Rs.2.00 lakhs	13.00%
6220	1001	TL-SME	Above Rs.2.00 lakhs	14.00%
6250	1001	TL_Personal-public		13.00%
6259	1001	TL-personal-staff	Limit upto 7.00 lakh	9.00%
6259	2001	TL-Housing-Staff	Upto Rs.110000/-	5.00%
6259	2001	TL-Housing-Staff	Above Rs.110000/-	11.00%
6259	3001	TL-Convey-staff	Upto Rs.80000/-	8.5%
6259	3001	TL-Convey-staff	Above Rs.80000/-	11.00%
6250	2001	TL-Housing loan-pub	Upto 1.00 crore	13.00%
6259	3002	TL-Convey-2wheeler-staff	Limit upto 1.25 lakh	7.50%
6250	1101	TL-RTO-Public	Upto 25000/-	12.00%
6250	1101	TL-RTO-Public	Above 25000/ & upto Rs.2.00 lakhs	13.00%
6250	1101	TL-RTO-Public	Above Rs.2.00 lakhs	14.00%
6250	1201	Consumer-public		13.00%
6250	3001	TL-CAR/Two wheeler		13.00%
6250	8001	TL-SHG		12.00%
6250	8101	TL-SGSY-public		12.00%
6259	1001	TL-PER-Staff		10.00%
6259	1201	TL-Consumer-Staff		11.00%

6259	1301	TL-Computer-staff	6.00%
6220	1101	MTL	14.00%

NOTE: The rate of interest on Demand Loan against time deposits of the bank will be above 2.00% of the rate of the respective time deposits pledged.

### **NON-FUND BUSINESS**

The Bank has started non-fund base business by cross selling of SBI Life Insurance products, SBI General Insurance products as a corporate agents. Moreover, the bank has implemented NEFT remittances, issuance of draft, collection of cheques etc. to increase non-fund base income.

### **FINANCIAL INCLUSION:**

The bank has implementing financial inclusion as per GOI/RBI instruction. Due to geographical difficulties villages are scattered in far flung areas and non availability of Business correspondene(BCs) in the area of our operation, we could not utilized BC channels and USB channel. Thus, we are utilizing only through Branches. The details of financial inclusion of our bank is given as under

Particulars	Name of district	Name of branch	No.of village allotted	No.of village covered upto		
				2014-15	2015-16	
Through Branches	Papume pare	Itanagar	4	4	4	
		Naharlagun	3	3	3	
		Kimin	20	20	20	
		Sagalee	55	35	55	
	East Siang	Pasighat	2	2	2	
		Mebo	15	14	15	
		Sille	12	12	12	
		Ruksin	5	5	5	
		Boleng	11	11	11	
		Lumpo	31	23	31	
		Riga	7	5	7	
		West siang	Aalo	16	16	16
			Kamba	50	25	50
	Basar		34	16	34	
	Likabali		28	23	28	
	Gensi		26	9	26	
	Upper Siang	Rumgong	8	4	8	
		Geku	13	13	13	
		Marryang	22	17	22	
	Upper Subansiri	Daporijo	12	12	12	
Dumporijo		87	35	87		
Taliha		186	10	186		
Lower Subansiri	Ziro	79	26	79		
	Yazali	0	0	0		

		Yachuli	32	18	32
	Lohit	Tezu	19	10	19
	Lower Dibang Valley	Roing	51	18	51
Through USB	Nil	Nil	Nil	Nil	Nil
Through BC	Nil	NIL	Nil	Nil	Nil
	TOTAL		828	386	828

**PRADHAN MANTRY-JAN-DHAN YOJNA:**

Under Pradhan Mantri Jan-Dhan Yojna, Bank organized Financial Literacy camps, open saving bank PMJDY accounts and also issue ATM Debit cards. The detail is as under:

<u>Particulars</u>	( Rs.in lakh)	
	<u>2014-15</u>	<u>2015-16</u>
Financial Literacy camps	53	31
Saving bank-PMJDY account	14828	15815
Deposit mobilised	260.42	349.23
ATM Debit cards issued	12613	13509

**PRADHAN MANTRY-JEEVAN BIMA AND ATAL PENSION YOJNA:**

Bank has been implemented PM- suraksha Bima, PM-Jeevan Jyoti Bima and Atal Pension Yojna during 2015-16. The details is as under:

<u>Particulars</u>	<u>2014-15</u>		<u>2015-16</u>	
	<u>No.of lives covered</u>	<u>Premium collected</u>	<u>No.of lives covered</u>	<u>Premium collected</u>
PM-JEEVAN SURAKSHA YOJANA	Renewal	Nil	Nil	Nil
	New	Nil	4357	0.52
	Commission	.....Nil	.....	0.09
PM-JEEVAN JYOTI BIMA YOJANA	Renewal	Nil	Nil	Nil
	New	Nil	3304	10.90
	Commission	.....Nil	.....	1.35
ATAL PENSION YOJANA	Renewal	Nil	Nil	Nil
	New	Nil	134	2.99
	Commission	.....Nil	.....	0.11

**CROSS SELLING OF SBI-LIFE INSURANCE:**

The Bank had a tie up with SBI-Life Insurances co. Ltd for cross selling of Insurance products through Corporate Insurance Agency. Two CIF was awarded MDRT during 2015-16. The details of cross selling of SBI-Life Insurance for last two years as under:

<u>PLAN/PRODUCTS</u>	<u>PARTICULARS</u>	( Rs.in lakh)	
		<u>Previous year 2014-15</u>	<u>Current Year 2015-16</u>
Saral Swadhan Plus	Renewal----→	No. of policy/lives renewed.....	34
		Renewal premium collected.....	0.88
	New -----→	No. of New Policy/Live .....	47
		New premium collected.....	1.29
Shubh Nivesh	Renewal----→	No. of policy/lives renewed.....	59
		Renewal premium collected.....	12.00
	New -----→	No. of New Policy/Live .....	34
		New premium collected.....	9.01
Flexi Smart Plus	Renewal----→	No. of policy/lives renewed.....	8
		Renewal premium collected.....	5.00

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Personal Accident	New -----→	Renewal premium collected.....	0	362
		No. of New Policy .....	0	3.33
Private Motor 3 & 4 wheeler	Renewal----→	New premium collected.....	0	37
		No. of policy renewed .....	0	8.00
SME Fire - Business Package	New -----→	Renewal premium collected.....	0	55
		No. of New Policy .....	0	5.30
Group Health Insurance(Simple Health)	Renewal----→	New premium collected.....	0	20
		No. of policy renewed .....	0	0.76
TOTAL	New -----→--→	Renewal premium collected.....	0	507
		No. of New Policy .....	0	24.50
		Total Policy renewed.....	0.00	1.52
		Total Renewal Premium collected.....		
		Total No. of new policy.....		
		Total New premium collected.....		
Total commission earned during thg the year				

### TECHNOLOGIES

All branches are migrated to CBS platform and also National Electronic Fund tranfer (NEFT), Rupay-ATM Debit cards, Rupay-Kisan-credit cards, Direct benefit transfer , SMS alert facility etc are in operation. Moreover, RTGS is also in enable except State Bank of India.

### BOARD OF DIRECTORS MEETING

The following Meeting of Board of Directors were held during 2015-16

#### Date of Board Meetings

17-06-2015  
21-08-2015  
14-09-2015  
05-10-2015  
26-11-2015  
15-12-2015  
09-02-2016  
17-02-2016  
29-03-2016

#### Name of Directors present in the meeting

Mr. A. Kumar, Mr. B.M. Kori, Mr. D. Raina, Mr. P.Aich  
Meeting adjourned due to quorum  
Mr. A. Kumar, Mr. B. Kumar, Mr. B.M. Kori, Mr. P. K. Brahma, Mr. P.Aich  
Mr. A. Kumar, Mr. B. Kumar, Mr. P. K. Brahma, Mr. R.K. Senapati Mr. P.Aich  
Mr. A. Kumar, Mr.P.K. Brahma, Mr. A Anant, Mr. R.K. Senapati, Mr. P.Aich  
Mr. A. Kumar, Mr. B. Kumar, Mr.P.K. Brahma, Mr. A Anant, Mr. P.Aich  
Rescheduled  
Mr. A. Kumar, Mr.P.K. Brahma, Mr. A Anant, Mr. R.K. Senapati, Mr. P.Aich  
Mr. A. Kumar, Mr. B. Kumar, Mr. R.K. Senapati, Mr. P.K. Brahma

### DIRECTORS RETIRED DURING 2015-16

The following Directors were retired from the Board during the year is as under:

<u>Name</u>	<u>Designation</u>	<u>Parent organisation</u>	<u>Date of retirement from the Board</u>
Mr. B.M. Kori	AGM	RBI	29-10-2015
Mr. D. Raina	DGM	NABARD	28-08-2015
Mr. A. K. Panda	AGM	SBI	20-08-2015
Mr. A. Guha	AGM	SBI	20-08-2015

### NEW DIRECTORS APPOINTED TO THE BOARD DURING 2014-15

The following Directors were retired from the Board during the year is as under:

<u>Name</u>	<u>Designation</u>	<u>Parent organisation</u>	<u>Date of appontment the Board</u>
Mr. A. Aanant	AGM	RBI	29-10-2015
Mr. B. Kumar	DGM	NABARD	28-08-2015

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Mr. R. K. Senapati	AGM	SBI	20-08-2015
Mr. P. K. Brahma	AGM	SBI	20-08-2015

**REWARDS AND RECOGNITION**

The bank has received following awards for achievement in different key parameters

<b><u>Sl. No.</u></b>	<b><u>Particulars</u></b>	<b><u>Key performance</u></b>	<b><u>Awarded by</u></b>
1	Super performer 2011-12 among SBI sponsored RRBs	Achievement in key parameters during 2011-12	State Bank of India
2	Excellent Performance 2013-14	Achievement in cross selling of SBI life products	SBI Life Insurance Co.Ltd
3	Top Performer award 2015-16 ( 2 <sup>nd</sup> position) among SBI sponsored RRBs	Achievement in key parameters during 2015-16	State Bank of India
4	Excellent Performance award 2015-16	Achievement in cross selling of SBI life products	SBI Life Insurance Co.Ltd

**STATUTORY AUDITORS**

M/s Ramesh Chandra Roy & Asso. Chartered Accountant, Kogay Commercial complex, 'O' point Tinali, Itanagar was appointed as statutory Auditors for the year 2015-16 after due approval from the Central Government.

**ACKNOWLEDGEMENT**

The Board places on record its sincere gratitude to the Government of India, Government of Arunachal Pradesh, Reserve Bank of India, State Bank of India, National Bank for Agriculture and Rural Development(NABARD), Indian Institute of Bank Management, Bankers Institute of Rural Development, SBI Learning Centre, NABARD Regional Training Centre etc. for their valuable support. The Board is indebted to the customers of the Bank, various Development agencies and well wishers of the Bank for their whole hearted supports and patronage. Last but not the least, the Board once again applauds the efforts of the bank employees who have discharged their duties and responsibilities towards the growth and progress of the Bank.

**Dated: 28-05-2016**

**Place: Naharlagun**

**For and on behalf of Board of Directors**

Sd/-  
**( A. KUMAR )**  
**C H A I R M A N**





**Ramesh Chandra Roy & Asso.**  
Chartered Accountants

Kogey Commercial Complex  
'O' Point Tinali, Itanagar-791111  
Tel-0360-2217235  
[email-rameshsw7@hotmail.com](mailto:email-rameshsw7@hotmail.com)

To  
**The Members,**  
**Arunachal Pradesh Rural Bank**  
Naharlagun, Arunachal Pradesh

1. We have audited the accompanying Financial Statements of **Arunachal Pradesh Rural Bank, Naharlagun** which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, Profit and Loss Account for the year ended on that date and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. Management of the bank is responsible for the preparation of these financial statements that give true and fair view of the financial position and financial performance of the Branch in accordance with the Banking Regulation Act, **1949** complying with Reserve Bank of India guidelines, **the provisions of the other Statute (if any) and recognized accounting policies and practices, including the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI)**. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Branch's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances **but not for the purpose of expressing an opinion on the effectiveness of the branch internal control**. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**Opinion:**

5. In our opinion, **read with observation mentioned in LFAR of HO and Branch**, and to the best of the information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act 1949 and give true and fair view in conformity with the accounting principles generally accepted in India

(a) In the case of Balance Sheet, of the state of affairs of the bank as at 31<sup>st</sup> march 2016.

(b) In the case of the Statements of Profit and Loss, of the profit of the bank for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

6. The Balance Sheet and the Profit and Loss Account contains the data required to draw up the Balance Sheet and the Profit and Loss Account in Form A and B respectively of the Third Schedule of the Banking Regulation Act, 1949;

7. we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory.

(b) The transactions of the branch which have come to our notice have been within the powers of the Bank.

8. We further report that:

Arunachal Pradesh Rural Bank

- a. the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the Books of account and returns; and
- b. in our opinion, proper books of account as required by law have been kept by the bank so far as appears from our examination of those books unless **otherwise stated**;

**For RAMESH CHANDRA ROY & ASSO**  
*Chartered Accountants*  
**(FRN-016170N)**

Sd/-  
Bhupendra Bahadur Singh  
(Partner)  
M.No. 525395/ FRN 016170N

Date-10<sup>th</sup> May , 2016  
Place-Naharlagun

THE THIRD SCHEDULE (See Section 29)  
(Banking Regulation Act, 1949)

## FORM-‘A’

**ARUNACHAL PRADESH RURAL BANK**  
**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2016**

<b><u>CAPITAL AND LIABILITIES</u></b>	<b><u>Schedule</u></b>	<b><u>Current year</u></b> <b><u>31/03/2016</u></b>	<b><u>Previous year</u></b> <b><u>31/03/2015</u></b>
Capital	1	526904000.00	526904000.00
Reserve & Surplus	2	0.00	0.00
Deposits	3	4541749944.37	3651771602.38
Borrowings	4	33874300.00	46720300.00
Other Liabilities & Provisions	5	278292340.79	217040741.39
<b>TOTAL</b>		<b>5380820585.16</b>	<b>4442436643.77</b>
<b><u>ASSETS</u></b>	<b><u>Schedule</u></b>	<b><u>Current year</u></b> <b><u>31/03/2016</u></b>	<b><u>Previous year</u></b> <b><u>31/03/2015</u></b>
Cash & Balance with RBI	6	247637958.00	259650463.00
Balance with Bank, Money at Call and short notice	7	389811971.00	173740951.01
Investment	8	2978841251.72	2424304703.39
Advances	9	1155343567.98	944083259.21
Fixed Asset	10	8948822.35	10686697.54
Other Asset	11	600237014.11	629970569.62
<b>TOTAL</b>		<b>5380820585.16</b>	<b>4442436643.77</b>
Contingent liabilities and Bills for collection	12	0.00	0.00

As per our report of even date attached.

**For RAMESH CHANDRA ROY & ASSO**  
*Chartered Accountants*  
**(FRN-016170N)**

Sd/-  
Bhupendra Bahadur Singh  
(Partner)  
M.No. 525395/ FRN 016170N  
Place: Naharlagun

Date: 10<sup>th</sup> May 2016

Sd/-  
( A. KUMAR )  
**CHAIRMAN**

Sd/-  
( P. Aich )  
Director

Sd/-  
( A. Anant )  
Director

Sd/-  
( R.K. Senapati )  
Director

Sd/-  
(P.K. Brahma)  
Director

## FORM-'B'

**ARUNACHAL PRADESH RURAL BANK**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2016**

<u>PARTICULARS</u>	<u>Schedule</u>	<u>Current year</u> <u>2014-16</u>	<u>Previous year</u> <u>2013-15</u>
<b>I.INCOME:</b>			
Interest earned	13	260268042.86	248017052.56
Other income	14	58935643.89	52246286.61
<b>TOTAL</b>		<b>319203686.75</b>	<b>300263339.17</b>
<b>II.EXPENDITURE:</b>			
Interest expenses	15	217748076.30	212040166.24
Operating expenses	16	87228245.52	73577300.78
Provisions & contingencies		12121851.29	12844413.16
<b>TOTAL</b>		<b>317098173.11</b>	<b>298461880.18</b>
<b>III.PROFIT AND LOSS:</b>			
Net profit(+) Loss(-) for the year		2105513.64	1801458.99
Loss brought forward		-419068163.13	-420869622.12
<b>TOTAL</b>		<b>-416962649.49</b>	<b>-419068163.13</b>
<b>IV.APPROPRIATIONS:</b>			
Transfer to statutory reserve		Nil	Nil
Transfer to other reserve		Nil	Nil
Transfer to Govt. Proposed dividend		Nil	Nil
Balance carried over to balance sheet		-416962649.49	-419068163.13
<b>TOTAL</b>		<b>-416962649.49</b>	<b>-419068163.13</b>
Significant Accounting Policies and Notes to Accounts	17, 18	<b>0.00</b>	<b>0.00</b>

As per our report of even date attached.

**For RAMESH CHANDRA ROY & ASSO**

Chartered Accountants

**(FRN-016170N)**

Sd/-

Bhupendra Bahadur Singh  
(Partner)

M.No. 525395/ FRN 016170N

Place: Naharlagun

Date: 10<sup>th</sup> May 2016

Sd/-

( A. KUMAR)  
**CHAIRMAN**

Sd/-  
( P. Aich)  
Director

Sd/-  
( A. Anant)  
Director

Sd/-  
( R.K. Senapati)  
Director

Sd/-  
(P.K. Brahma)  
Director

<u>SCHEDULE-1</u>	<u>CAPITAL</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
A. Authorised capital (2000000000 shares of Rs.10/- each)		200000000000.00	100000000.00
Issued,subscribed and paid up capital (5269040 shares of Rs.10/- each)		526904000.00	10000000.00
I. From Govt. of India (26345200 shares of Rs.10/- each )		263452000.00	5000000.00
II. From Govt. of A.P. (7906560 Shares of Rs.10/- each)		79065600.00	1500000.00
III. From sponsor bank, SBI (18438640 shares of Rs.10/- each)		184386400.00	3500000.00
TOTAL OF A		<b>526904000.00</b>	<b>10000000.00</b>
B. SHARE CAPITAL DEPOSIT ACCOUNT:			
I. From Govt. of India		0.00	258452000.00
II. From Govt. of A.P.		0.00	77565000.00
III. From sponsor bank (SBI)		0.00	180887000.00
TOTAL OF B		<b>0.00</b>	<b>516904000.00</b>
<b>TOTAL ( A + B )</b>		<b>526904000.00</b>	<b>526904000.00</b>
<u>SCHEDULE-2</u>	<u>RESERVE &amp; SURPLUS</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
I. STATUTORY RESERVE:			
Opening balance		Nil	Nil
Addition during the year		Nil	Nil
Deduction during the year		Nil	Nil
II. CAPITAL PREMIUM:			
Opening balance		Nil	Nil
Addition during the year		Nil	Nil
Deduction during the year.		Nil	Nil
III. SHARE PREMIUM:			
Opening balance		Nil	Nil
Addition during the year		Nil	Nil
Deduction during the year		Nil	Nil
IV. REVENUE AND OTHERS RESERVE:			
Opening balance		Nil	Nil
Addition during the year		Nil	Nil
Deduction during the year		Nil	Nil
<b>TOTAL ( I + II + III + IV )</b>		<b>Nil</b>	<b>Nil</b>
<u>SCHEDULE-3</u>	<u>Deposits</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
A. I. DEMAND DEPOSIT			
i. From banks		NIL	NIL
ii. From others		600606415.43	686091597.71
II. SAVINGS BANK DEPOSIT		2471186731.47	1563302147.42
III. TERM DEPOSIT:			
i. From banks		NIL	NIL
ii. From others		1469956797.47	1402377857.25
<b>TOTAL of (I+II+III)</b>		<b>4541749944.37</b>	<b>3651771602.38</b>
B. I. Deposits of branches in India		4541749944.37	3651771602.38
II. Deposits of branches outside India		NIL	NIL
<b>TOTAL</b>		<b>4541749944.37</b>	<b>3651771602.38</b>
<u>SCHEDULE-4</u>	<u>BORROWINGS</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>

I. BORROWING IN INDIA:		
i.From Reserve Bank of India	NIL	Nil
ii.From other banks (Perpetual Bonds of SBI)	8607000.00	NIL
iii.From other Institutions (NABARD)	25267300.00	46720300.00
<b>TOTAL OF ( i+ii+iii)</b>	<b>33874300.00</b>	<b>46720300.00</b>
II. BORROWING FROM OUTSIDE INDIA	NIL	Nil
<b>TOTAL OF (I+II)</b>	<b>33874300.00</b>	<b>46720300.00</b>
SECURED BORROWING (including I & II above)	<b>33874300.00</b>	<b>46720300.00</b>

<u>SCHEDULE-5</u>	<u>OTHER LIABILITIES AND PROVISIONS</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
I.BILLS PAYABLE		NIL	NIL
II.INTER-OFFICE ADJUSTMENT (NET)		NIL	NIL
III.INTEREST ACCRUED:			
i.On deposit		250221415.42	212743721.46
ii.On borrowings		NIL	NIL
IV.OTHERS (Including provisions) ( Detail in schedule-18 item-6a )		28070925.37	4297019.93
<b>TOTAL (I, II, III, IV)</b>		<b>278292340.79</b>	<b>217040741.39</b>

<u>SCHEDULE-6</u>	<u>CASH AND BALANCE</u> <u>WITH RBI</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
I.CASH IN HAND		61474822.00	89355039.00
II.BALANCE WITH Reserve Bank of India	i.In current account		
	ii.In other account	186163136.00	170295424.00
		NIL	NIL
<b>TOTAL (I, II)</b>		<b>247637958.00</b>	<b>259650463.00</b>

<u>SCHEDULE-7</u>	<u>BALANCE WITH BANKS &amp;</u> <u>Money at call &amp; shortnotice</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
I.IN INDIA:			
i.Balance with Banks:			
a.In current account		389811971.00	173740951.01
b.In other account		NIL	NIL
ii. Money at call & short Notice:			
a.With Banks		NIL	NIL
b.With other institutions		NIL	NIL
TOTAL (i, ii)		<b>389811971.00</b>	<b>173740951.01</b>
II.OUTSIDE INDIA:			
i.Current account		NIL	NIL
ii.In other deposit account		NIL	NIL
iii.Money at call and short notice		NIL	NIL
<b>GRAND TOTAL ( I AND II )</b>		<b>389811971.00</b>	<b>173740951.01</b>

<u>SCHEDULE-8</u>	<u>INVESTMENTS</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
I.INVESTMENT IN INDIA:			
i.Government securities		988226163.99	595698523.32
ii.Other approved securities		NIL	NIL
iii.Shares		NIL	NIL
iv.Debenture and bonds		NIL	NIL
v.Subsidiaries and/joint venture		NIL	NIL
vi.Others (Specify) (a) Mutual fund		474370397.73	414879825.07
(b) Others (STDR with SBI)		1516244690.00	1413726355.00
<b>TOTAL (i, ii, iii, iv, v, vi)</b>		<b>2978841251.72</b>	<b>2424304703.39</b>

**II. INVESTMENT OUTSIDE INDIA:**

i. Govt. Securities including local authorities	NIL	Nil
ii. Subsidiaries/joint venture	NIL	Nil
iii. Other investment (specify)	NIL	Nil
<b>TOTAL (I, II)</b>	<b>2978841251.72</b>	<b>2424304703.39</b>

**SCHEDULE-9****ADVANCES****Current year**  
**31-03-2016****Previous year**  
**31-03-2015**

A.I. Bills purchased & discounted	NIL	NIL
II. Cash credit, overdraft & loan repayable on demand		
a. Cash credit/KCC/ACC/GCC	435092282.09	348628384.80
b. Overdraft	274248831.47	171455261.48
c. Demand loan	84202385.94	87639949.95
III. Term loans	361800068.48	336359662.98
<b>TOTAL ( I, II, III)</b>	<b>1155343567.98</b>	<b>944083259.21</b>
B.I. Secured by tangible assets	959461551.83	782890228.71
II. Covered by bank / Govt. Guarantee	NIL	NIL
III. Unsecured	195882016.15	161193030.51
<b>TOTAL ( I + II + III)</b>	<b>1155343567.98</b>	<b>944083259.22</b>
C. ADVANCES IN INDIA:		
a) Priority sectors	677969217.96	566022743.75
b) Public sectors	NIL	NIL
c) Other	477374350.02	378060515.46
<b>TOTAL ( a+ b + c )</b>	<b>1155343567.98</b>	<b>944083259.21</b>
II. ADVANCES OUTSIDE INDIA:		
i) Due from banks	NIL	Nil
ii) Due from others	NIL	Nil
iii) Bills purchased & discounted	NIL	Nil
iv) Syndicate loans	NIL	Nil
v) Others	NIL	Nil
<b>TOTAL ( I + ii + iii + iv + v)</b>	<b>NIL</b>	<b>Nil</b>
<b>GRAND TOTAL ( C.I &amp; C.II.)</b>	<b>1155343567.98</b>	<b>944083259.21</b>

**SCHEDULE-10****Current year**  
**31-03-2016****Previous year**  
**31-03-2015**

I. PREMISES:		
I. At cost as on 31 <sup>st</sup> March of the preceeding year	NIL	Nil
ii. Addition during the year	NIL	Nil
iii. Deduction during the year	NIL	Nil
iv. Depreciation to date	NIL	Nil
II. OTHER ASSETS (including furniture & fixtures)		
i. At cost on 31 <sup>st</sup> March of the preceeding year	22217743.60	16882678.77
ii. Addition during the year	3602721.00	5836591.00
iii. Deduction during the year	3200765.00	501526.17
iv. Depreciation to the date.	13670877.25	11531046.06
<b>NET VALUE</b>	<b>8948822.35</b>	<b>10686697.54</b>

**SCHEDULE-11****OTHER ASSET****Current year**  
**31-03-2016****Previous year**  
**31-03-2015**

I. INTER-OFFICE ADJUSTMENT (NET)	32591323.96	55329718.97
II. INTEREST ACCRUED	90556581.64	111864119.25
III. TAX PAID IN ADVANCE/Tax deducted at source	Nil	NIL
IV. STATIONERY AND STAMPS	1049922.60	1054993.60
V. Non-banking asset acquired in satisfaction of claim	Nil	NIL
VI. OTHERS (Detail in schedule-18 item 6b )	476039185.91	461721737.80
<b>TOTAL (I, II, III, IV, V &amp; VI)</b>	<b>600237014.11</b>	<b>629970569.62</b>

**SCHEDULE-12****CONTINGENT LIABILITIES****Current year**  
**31-03-2016****Previous year**  
**31-03-2015**

I.Claims against the bank not acknowledged as debt	Nil	Nil
II.Liabilities on account of outstandings forward exchange contract	Nil	Nil
III.Liabilities for partly paid investment	Nil	Nil
IV.Guarantee given on behalf of constituents	Nil	Nil
V.Acceptance, endorsement and other obligation	Nil	Nil
VI.Others items for which the bank is contingently liable	Nil	Nil
<b>TOTAL ( I, II, III, IV, V)</b>	<b>Nil</b>	<b>Nil</b>

<b><u>SCHEDULE-13</u></b>	<b><u>INTEREST EARNED</u></b>	<b><u>Current year</u></b> <b><u>31-03-2016</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2015</u></b>
I.INTEREST ON ADVANCES		111759103.54	90376519.12
II.INTEREST ON INVESTMENT (Detail in chedule-18, item 6c)		148508939.32	157640533.44
III.INTEREST on Balance with RBI & other Banks		Nil	NIL
IV.OTHERS		Nil	NIL
<b>TOTAL ( I + II + III + IV)</b>		<b>260268042.86</b>	<b>248017052.56</b>

<b><u>SCHEDULE-14</u></b>	<b><u>OTHER INCOME</u></b>	<b><u>Current year</u></b> <b><u>31-03-2016</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2015</u></b>
I.COMMISSION, EXCHANGE & BROKERAGE		7901931.54	7167342.22
II.PROFIT ON SALE OF INVESTMENT LESS: LOSS ON REVALUATION OF investment		46704196.35	42661752.79
III.PROFIT ON REVALUATION OF INVESTMENT LESS: Loss on over-valuation of investment		NIL	NIL
IV.PROFIT on sale of land, building & other asset LESS: Loss on sale of land, building & other asset		NIL	NIL
V.PROFIT on exchange transaction LESS: Loss on exchange transaction		NIL	NIL
VI.INCOME earned by way of dividend etc. From subsidiaries companies/joint venture set up abroad/in India		4329516.00	2417191.60
VII.MISCELLEANEOUS INCOME			
VIII.Subsidy from sponsor bank on account of salary & allowances to Deputed staff		Nil	NIL
<b>TOTAL (I TO VIII)</b>		<b>58935643.89</b>	<b>52246286.61</b>

<b><u>SCHEDULE-15</u></b>	<b><u>INTEREST EXPENDED</u></b>	<b><u>Current year</u></b> <b><u>31-03-2016</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2015</u></b>
I. Interest on deposit		214789098.30	206450071.24
II.Interest on RBI/Inter-bank borrowing		2958978.00	5590095.00
III.Others		Nil	NIL
<b>TOTAL (I, II, III)</b>		<b>217748076.30</b>	<b>212040166.24</b>

<b><u>SCHEDULE-16</u></b>	<b><u>OPERATING EXPENSES</u></b>	<b><u>Current year</u></b> <b><u>31-03-2016</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2015</u></b>
I.Payment to and provision for employees (Detail in schedule-18 item 6d)		67140308.58	54271032.69
II.Rent, taxes and lighting		5318059.01	4714339.95
III.Printing and stationery		2078044.00	1781559.30
IV.Advertisement and publicity		71625.00	59049.00
V.Depreciation on Bank's property		2139831.19	2694971.41
VI.Directors' fees, allowances & expenses		Nil	NIL
VII.Auditors' fees, allow. & exp.(including Br.audit)		170145.00	208992.00
VIII.Law charges		273276.00	127482.00
IX.Entertainment expenses		524421.00	672769.00
X.Repairing and maintenance		240271.50	510693.00
XI.Insurance		4786931.00	4310091.00
XII.Postage, telegrams, telephone		602319.00	468409.00
XIII.Other expenditure ( Detail in schedule-18 item 6e)		3883014.24	3757912.43
<b>TOTAL (I to XIII)</b>		<b>87228245.52</b>	<b>73577300.78</b>



## **ARUNACHAL PRADESH RURAL BANK**

### **SCHEDULE 17-SIGNIFICANT ACCOUNTING POLICIES FOR FY 2015-16:**

#### **A. Basis of Preparation:**

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

#### **B. Use of Estimates:**

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

#### **C. Significant Accounting Policies:**

##### **1. Revenue recognition:**

1.1 Income and expenditure are accounted on accrual basis, except otherwise stated. As regards Bank's foreign offices, income and expenditure are recognised as per the local laws of the country in which the respective foreign office is located.

1.2 Interest income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.

1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve), to 'Capital Reserve Account'.

1.4 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows :

- a. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
- b. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

1.5 Dividend is accounted on an accrual basis where the right to receive the dividend is established.

1.6 All other commission and fee incomes are recognised on their realisation except for: (i) Guarantee commission on deferred payment guarantees, which is spread over the period of the guarantee; (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; and (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period.

1.7 Brokerage, Commission etc. Paid/ incurred in connection with issue of Bonds / Deposits are amortized over the tenure of the related Bonds / Deposits and the expenses incurred in connection with the issue are charged upfront.

1.8 The sale of NPA is accounted as per guidelines prescribed by RBI :-

- i. When the bank sells its financial assets to Securitisation Company (SC)/Reconstruction Company (RC), the same is removed from the books.
- ii. If the sale is at a price below the net book value (NBV) (i.e., book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

##### **2. Investments:**

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

#### **2.1 Classification**

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

#### **2.2 Basis of classification:**

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in the above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM, HFT or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with

Arunachal Pradesh Rural Bank

regulatory guidelines.

- v. Investments in subsidiaries, joint ventures and associates are classified as HTM.

## 2.3 Valuation:

- i. In determining the acquisition cost of an investment:
- a. Brokerage/commission received on subscriptions is reduced from the cost.
  - b. Brokerage, Commission, Securities Transaction Tax (STT) etc., paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - c. Broken period interest paid / received on debt instruments is treated as interest expense/income and is excluded from cost/sale consideration.
  - ✘ Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.
- ii. Transfer of securities from HFT/AFS category to HTM category is carried out at the lower of acquisition cost/book value/market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. Treasury Bills and Commercial Papers are valued at carrying cost.
- iv. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).
- v. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at the market price or fair value determined as per Regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities (iii) Shares (iv) Bonds and Debentures (v) Subsidiaries and Joint Ventures; and (vi) others) is provided for and net appreciation, is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- vi. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e., book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- vii. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in the case of domestic offices and respective regulators in the case of foreign offices. Investments of domestic offices become non-performing where:
- a. Interest/installment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - b. In the case of equity shares, in the event the investment in the shares of any company is valued at Rs. 1 per company on account of the non availability of the latest balance sheet, those equity shares would be reckoned as NPI.
  - c. If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
  - d. The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
  - e. The investments in debentures/bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
  - f. In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- viii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with the RBI):
- a. The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified under schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at Call & Short Notice).
  - b. Securities purchased/sold under LAF with RBI are debited/credited to Investment Account and reversed on maturity of the transaction. Interest expended/earned thereon is accounted for as expenditure/revenue.

### 3. Loans /Advances and Provisions thereon:

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

- i. In respect of term loans, interest and/or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest due during the same period;
- iii. In respect of bills purchased/discounted, the bill remains overdue for a period of more than 90 days;
- iv. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. Sub-standard: A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. Doubtful: A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. Loss: A loan asset where loss has been identified but the amount has not been fully written off.

3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:

- Substandard Assets:
- i. A general provision of 10% on the total outstanding;
  - ii. Additional provision of 10% for exposures which are unsecured ab-initio (i.e. where realisable value of security is not more than 10 percent ab-initio);
  - iii. Unsecured Exposure in respect of infrastructure advances where certain safeguards such as escrow accounts are available - 20%.

Doubtful Assets:

- Secured portion:
- i. Upto one year – 20%
  - ii. One to three years – 30%
  - iii. More than three years – 100%

-Unsecured portion 100%

Loss Assets: 100%

3.4 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.

3.5 For restructured/rescheduled assets, provisions are made in accordance with the guidelines issued by the RBI, which require that the difference between the fair value of the loans / advances before and after restructuring is provided for, in addition to provision for the respective loans/advances. The Provision for Diminution in Fair Value (DFV) and interest sacrifice, if any, arising out of the above, is reduced from advances.

3.6 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.

3.7 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.

3.8 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Other Liabilities & Provisions – Others" and are not considered for arriving at the Net NPAs.

### 4. Fixed Assets Depreciation and Amortisation:

4.1 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.

4.2 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure/s incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.

4.3 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

Sl. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers	Straight Line Method	33.33% every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33% every year
3	Computer Software which does not form an integral part of Computer hardware and cost of Software Development	Straight Line Method	33.33% every year
4	Automated Teller Machine / Cash Deposit Machine / Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00% every year
5	Servers	Straight Line Method	25.00% every year
6	Network Equipment	Straight Line Method	20.00% every year
7	Other fixed assets	Straight Line Method	On the basis of estimated useful life of the assets.

Estimated useful life of major group of Fixed Assets are as under:

Premises	60 Years
Vehicles	5 Years
Safe Deposit	20 Years
Lockers	
Furniture & Fixtures	10 Years

4.4 In respect of assets acquired during the year (for domestic operations), depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

4.5 Assets costing less than Rs. 1,000 each are charged off in the year of purchase.

4.6 In respect of leasehold premises, the lease premium, if any, is amortised over the period of lease and the lease rent is charged in the respective year(s).

4.7 In respect of assets given on lease by the Bank on or before 31<sup>st</sup> March 2001, the value of the assets given on lease is disclosed as Leased Assets under Fixed Assets, and the difference between the annual lease charge (capital recovery) and the depreciation is taken to Lease Equalisation Account.

4.8 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations /norms of the respective countries.

## 5. Leases:

The asset classification and provisioning norms applicable to advances, as laid down in Para 3 above, are applied to financial leases also.

## 6. Impairment of Assets:

Fixed Assets are reviewed for impairment whenever events or changes in circumstances warrant that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future Net Discounted Cash Flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognised is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

## 7. Employee Benefits:

### 7.1 Short Term Employee Benefits:

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

### 7.2 Long Term Employee Benefits:

#### i. Defined Benefit Plan

a. Employees of the Bank are covered by Employees Provident Fund and Pension Schemes of Employees Provident Fund Organisation of Government of India. All eligible employees are entitled to receive benefits under the Employees Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 3.67% of wages i.e. Basic plus Dearness allowances maximum of Rs.15000/-). These contributions are remitted to Employees Provident Fund Organisation, for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided for on the basis of actuarial valuation.

b. The Bank operates Gratuity and Pension schemes which are defined benefit plans.

i) The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum amount of Rs. 10 lacs. Vesting occurs upon completion of five years of service, for this Bank has taken a policy with SBI Life Insurance Co. Ltd. and makes periodic contributions to the fund as per actuarial valuation carried out annually.

ii) The Bank provides for pension to all eligible employees as per Employees Pension Fund Scheme. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the Pension Fund at 8.33% of Basic plus Dearness Allowances maximum of Rs.15000/-.

#### ii. Other Long Term Employee benefits:

a. All eligible employees of the Bank are eligible for compensated absences, leave travel concession, Leave encashment as per Sponsor Bank Guidelines. The costs of such long term employee benefits are internally funded by the Bank.

## 8. Taxes on income:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - Accounting for Taxes on Income respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions. Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account. Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably/virtually certain.

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

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

### 9.2 No provision is recognised for:

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

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

- 9.3 Provision for reward points in relation to the debit card holders of the Bank is being provided for on actuarial estimates.  
9.4 Contingent Assets are not recognised in the financial statements.

As per our report of even date attached.

FOR Ramesh Chandra Roy & Associates.

Chartered Accountants

Sd/-  
(Bhupendra Bahadur Singh)  
Partner  
M.No.525395 FRN:( 016170N)  
Place: Naharlagun ( Camp)  
Date: 10<sup>th</sup> MAY 2016

Sd/-  
(Akshay Kumar)  
**CHAIRMAN**

**SCHEDULE 18: NOTES TO ACCOUNTS 2015-16****APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.****1. Share Capital deposit Account**

Share capital deposit account representing amount received from stakeholders has been shown as Paid up Capital as per RRB Amendment Act, 2015 No. 14 of 2015 dated 12<sup>th</sup> May 2015 in schedule -1 of Capital.

**2. Reconciliation/ Matching**

a) Reconciliation /matching/adjustment of inter branch transactions, branch suspense and sundry deposits are in progress on an on going basis. The impact, in the opinion of the management of the bank, of un-recognised entries on the financial statements would not be material.

b) In certain branches, the balancing books and reconciliation of control accounts with subsidiary ledger/registers are in progress.

c) Balance with the other banks as mentioned in the schedule-7 are taken as appearing in the books of accounts of the Bank and its branches. Reconciliation and adjustment entries thereof are passed as and when the statements are received from other banks.

d) The consequent effect of adjustment / matching / reconciliation as mentioned in (a) to (c) above, if any, on the account, is not ascertainable.

**3. Fixed Assets and Depreciation**

Accounting of fixed assets of the bank and depreciation thereon are done centrally at the Head Office of the Bank.

**4. Stationary**

The stationary supplied to the branches has been charged to Profit & Loss account at Head Office without taking in to account the stock of stationary at branches. This effect the amount of stationary consumed which is debited to Profit & Loss Account. Thus, the impact of above on net result shown by Profit & Loss account and stock of stationary shown in Balance Sheet is not ascertainable.

**5. Provisions and Contingencies**

The provisions and contingencies amount shown in "Profit and Loss Account" includes provisions against advances (net) and provisions for fraud committed in the earlier year.

**6. Break up of some items shown in the schedule forming part of the financial statement**

a) Schedule-5 item-iv : OTHER :details as below:

<u>Particulars</u>	<u>Current year</u> <u>2015-16</u>	<u>Previous year</u> <u>2014-15</u>
Provisions against standard asset	3373665.96	2675771.88
Provisions for audit fees	120000.00	120000.00
Provisions for Deputed Staff Salary	186000.00	0.00
Sundry Deposit (TDS)	18890845.39	0.00
Banker's cheque to be issued account	1076282.02	1248.05
Un-Identified Suspense (Cr.)	250000.00	0.00
PMJJBY/PMSBY	132.00	0.00
Provisions for arrear salary Payment	2500000.00	1500000.00
<b>TOTAL</b>	<b>28070925.37</b>	<b>4297019.93</b>

b) Schedule-11 item-IV OTHER : Details as below

<u>Particulars</u>	<u>Current year</u> <u>2015-16</u>	<u>Previous year</u> <u>2014-15</u>
Accumulated losses	416962649.49	419068163.13
Balance of system suspense account	594604.85	284904.85

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Balance in Suspense A/c	11141164.50	7503510.50
Balance in ATM Settlement A/c	7026400.00	3270900.00
Balance in ATM clearing suspense	-48000.00	-87900.00
Balance in RTGS Settlement	1501092.47	1501064.47
Balance in DBTL- ACH Cr. A/c	1259337.02	578631.90
Balance in Step- Rapid Remittance( NEFT)	255490.02	9347555.74
Provision for Leave Liability	1811098.00	
Capital cost for CBS receivable from SBI	8607000.00	8607000.00
Recurring cost of subvention branch receivable from RBI 2012-13	1394285.20	1394285.20
Recurring cost of subvention branch receivable from RBI 2013-14	914424.00	2164136.01
Recurring cost of subvention branch receivable from RBI 2014-15	7082537.00	7082537.00
Recurring cost of subvention branch receivable from RBI 2015-16	9406411.36	0.00
Reimbursement receivable from RBI for V-sat rent-2014-15	4032000.00	4032000.00
Reimbursement receivable from RBI for V-sat rent-2015-16	4044000.00	0.00
Reimbursement of Biometric implementation	54692.00	0.00
Others	0.00	-3095771.00
<b>TOTAL</b>	<b>476039185.91</b>	<b>461721737.80</b>

## c) Schedule-13 item II i.e. interest on investment ( Details as below)

<u>Particulars</u>	<u>Current year</u> <u>2015-16</u>	<u>Previous year</u> <u>2014-15</u>
Interest earned on Govt. securities	45905777.61	31313807.52
Interest earned on FD with SBI	102812319.78	126326725.92
<b>TOTAL</b>	<b>148718097.39</b>	<b>157640533.44</b>

## d) Schedule-16 item-I: Payment to and provision for employees :Details as below:

<u>Particulars</u>	<u>Current year</u> <u>2015-16</u>	<u>Previous year</u> <u>2014-15</u>
Salary & allowances	56496698.31	46191605.75
Travelling expenses	1771114.50	1915206.42
Halting expenses	413363.00	434605.52
Medical reimbursement	716708.57	1031996.00
Uniform expenses	0.00	3550.00
LTC expenses	585626.50	5700.00
Leave encashment	938459.00	1638290.00
Lodging charges	13017.00	31470.00
Gratuity paid	516318.00	610000.00
Wages to temporary staff	3250464.00	2362154.00
Allowances paid to deputed Officers from SBI	2438539.70	46455.00
<b>TOTAL</b>	<b>67140308.58</b>	<b>54271032.69</b>

## e) Schedule-16 : Item-XIII : other expenses: Details as below:

<u>Particulars</u>	<u>Current year</u> <u>2015-16</u>	<u>Previous year</u> <u>2014-15</u>
Amount amortized on Govt. Securities	0.00	208586.60
AMC for Invertor	123242.00	0.00
Fuel charges	233933.00	197311.00
Annual maintenance charge for hardware & software	1015811.00	1315447.60
PF and Inspection Charges	0.00	14314.00
Labour charges	37900.00	7475.00
Training expenses	133395.00	316471.00
Bank charges	49092.05	10190.10
Expenses for batteries	0.00	7400.00



Books and periodicals	13447.00	11119.00
Computer Peripherals	7055.00	1299.00
Cleansing	107811.00	74855.00
Data entry charge	0.00	25925.00
Charges Round off	59.33	85.19
Misc. expenses	2161268.86	1567433.94
<b>TOTAL</b>	<b>3883014.24</b>	<b>3757912.43</b>

7. **Advances**

i). Net advances outstanding shown in the balance sheet have been worked out as follows:

<u>Particulars</u>	<u>Current year</u> <u>31-03-2016</u>	<u>Previous year</u> <u>31-03-2015</u>
Gross advance outstanding	1212333064.19	999932960.27
LESS: Interest not collected account(INCA)	8602468.28	8586938.53
LESS: Provisions for NPAs & Frauds	48387027.93	47262762.53
<b>Net advances</b>	<b>1155343567.98</b>	<b>944083259.21</b>

8. **Capital**

<u>Particulars</u>	<u>Current year</u> <u>2015-16</u>	<u>Previous year</u> <u>2014-15</u>
CRAR (%)	6.30%	9.29%
CRAR- Tier I Capital (%)	6.30%	9.29%
CRAR- Tier II Capital (%)	0.00	0.00
Percentage of Shareholding of the Government of India	51.00%	51.00%
State Government	15.00%	15.00%
Sponsor Bank	35.00%	35.00%

## b) SLR Investment:

<u>Particulars</u>	<u>Current year</u> <u>2015-16</u>	<u>Previous year</u> <u>2014-15</u>
Value of Investments	9882.26	5956.98
Gross Value of Investments	9882.26	5956.98
Provisions for Depreciation	0.00	0.00
Net Value of Investments	9882.26	5956.98
Movement of provisions held towards depreciation on investment	0.00	0.00
Opening Balance	0.00	0.00
Add: Provisions made during the year	0.00	0.00
Less: Write off/ write back of excess provision during the year	0.00	0.00
Closing Balance	9882.26	5956.98

## c) Repo Transactions

Particulars	Minimun Balance	Maximum Balance	Daily average	(Rs.in lakh)
	<u>outstanding during</u> <u>the year</u>	<u>outstanding during the</u> <u>year</u>	<u>outstanding during</u> <u>the year</u>	<u>As on 31<sup>st</sup> March 2016</u>
Securities sold under REPOs	0.00	0.00	0.00	0.00
Securities purchased under reversed REPOs	0.00	0.00	0.00	0.00

**d. Non-SLR Investment portfolio****(i) Issuer composition of Non SLR Investments**

Issuer	Amount	Extent of private placement	Extent below investment grade securities	Extent unrated securities	(Rs.in lakh)
					Extent of unlisted securities
PSUs	0.00	0.00	0.00	0.00	0.00
FLs	0.00	0.00	0.00	0.00	0.00
Banks	15162.45	0.00	0.00	0.00	0.00
Private corporates	0.00	0.00	0.00	0.00	0.00
Others ( Mutual Fund )	4743.70	0.00	0.00	0.00	0.00
Provisions held towards depreciation	0.00	0.00	0.00	0.00	0.00
<b>TOTAL *</b>	19906.15	0.00	0.00	0.00	0.00

**Note:** (1) \* Total under column 3 should tally with the total of investments included under the following categories in Schedule 8 to the Balance Sheet:

- Shares;
  - Debentures and Bonds; and
  - Others,
- (2) Amounts reported under columns 4,5,6 and 7 above may not be mutually exclusive .

**(ii) Non-performing Non-SLR investments**

Particulars	(Rs.in lakh)
	Amount
Opening balance	0.00
Additions during the year since 1st April	0.00
Reductions during the above period	0.00
Closing balance	0.00
Total provisions held	0.00

**9. Asset Quality****9.1 Non-Performing Asset**

Particulars	(Rs.in lakh)	
	Current year	Previous year
i) Net NPAs to Net Advances (%)	7.81%	11.31%
ii) Movement of NPAs (Gross)		
Opening balance	1540.32	1481.79
Additions during the year	491.67	2695.43
Reductions during the year	562.39	2636.90
Closing balance	1469.60	1540.32
iii) Movement of Net NPAs		
Opening balance	981.82	1050.29
Additions during the year	585.26	452.19
Reductions during the year	667.37	520.66
Closing balance	899.71	981.82
iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
Opening balance	472.62	350.25
Provisions made during the year	114.25	122.37
Write-off/ write-back of excess provisions	103.00	0.00
Closing balance	483.87	472.62

**Note:-**

- Gross NPAs = Total of sub-standard assets + doubtful assets + loss assets under loans and advances)

- ii. Net NPAs = Gross NPAs minus (Balance in interest suspense account + DICGC claims received and kept in suspense account + Total provisions held against NPA accounts).
- iii. Total NPAs = NPAs under loans and advances + NPAs under investments + NPAs under other assets + NPAs under Guarantees, if any ( Off Balance Sheet exposure).

## 9.2 Details of Loan Assets subject to Restructuring

Particulars	(Rs.in lakh)	
	<u>Current year</u>	<u>Previous year</u>
i) Total amount of loan assets subject to restructuring, rescheduling, renegotiation	0.00	0.00
ii) The amount of Standard assets subjected to restructuring, rescheduling, renegotiation	0.00	0.00
iii) The amount of Sub-Standard assets subjected to restructuring, rescheduling, renegotiation	0.00	0.00
iv) The amount of Doubtful assets subjected to restructuring, rescheduling, renegotiation	0.00	0.00
<b>Note [(i) = (ii) + (iii) + (iv)]</b>	0.00	0.00

## 9.3 Details of financial assets sold to Securitisation (SC)/ Reconstruction Company (RC) for Assets Reconstruction

Sr	Particulars	<u>Current year</u>	<u>Previous year</u>
i	No. of accounts		
ii	Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
iii	Aggregate consideration	Nil	Nil
iv	Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil
v	Aggregate gain/ loss over net book value	Nil	Nil

## 9.4. Details of non-performing financial assets purchased/ sold

Banks which purchase non-performing financial assets from other banks shall be required to make the following disclosure in the Notes on Accounts to their Balance Sheets :

### A. Details of non-performing financial assets purchased :

Particulars	(Rs.in lakh)	
	<u>Current year</u>	<u>Previous year</u>
1.(a) No. of accounts purchased during the year	0.00	0.00
(b) Aggregate outstanding	0.00	0.00
2. (a) Of these, number of account restructured during the year	0.00	0.00
(b) Aggregate outstanding	0.00	0.00

### B. Details of non-performing financial assets sold

Particulars	(Rs.in lakh)	
	<u>Current year</u>	<u>Previous year</u>
1. No. of accounts sold	0.00	0.00
2. Aggregate outstanding	0.00	0.00
3. Aggregate consideration received	0.00	0.00

## 9.5 Provisions on Standard Asset

Particulars	Current year	Previous year
Provisions towards Standard Assets	3373665.96	2675771.88

Note : Provisions towards Standard Assets need not be netted from gross advances but shown separately as " Provisions against Standard Assets", under " Liabilities and Provisions - Others' in Schedule No. 5. of the Balance Sheet.

## 10. Business Ratio

Particulars	Current year	Previous year
i) Interest Income as a percentage to Working Funds \$	6.46%	6.99%
ii) Non-interest income as a percentage to Working Funds	1.46%	1.47%
iii) Operating Profit as a percentage to Working Funds \$	0.05%	6.75%
iv) Returns on Assets @	0.40%	0.40%
v) Business (Deposits plus advances) per employee #	587.15	459.58
vi) Profit per employee	0.21	0.18

\$ - Average working funds ( as defined in Annexure IV) has been worked out on the basis of quarterly outstanding figure of total assets as appearing in the consolidated Gen Ledger of the RRB/ quarterly balance sheet as on end of every quarter ended.

@ - "Return on Assets" would be with reference to average working funds.

# - For the purpose of computation of business per employee (deposits plus advances) inter-bank deposits may be excluded.

## 11. Asset Liability Management-Maturity pattern of certain items of assets and liabilities

Particulars	( Rs.in crores)								
	1 to 14 days	15 to 28 days	29days to 3 month	Over 3 months upto 6 months	Over 6 monbth upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Deposits	20.06	37.07	61.78	91.20	118.27	63.50	51.45	10.84	454.17
Advances	4.67	7.78	14.01	20.31	34.55	13.30	13.30	13.31	121.23
Investments	2.69	6.65	3.00	0.00	35.00	151.62	0.10	98.82	297.88
Borrowings	0.00	0.00	0.00	1.26	1.27	0.00	0.00	0.00	2.53
Foreign Currency Asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign currency liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## Exposures - Exposure to Real Estate Sector

Sr	Category	Current year	Previous year
a	Direct exposure		
(i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (individual housing loan upto Rs.20 lakh may be shown separately)	0.00	0.00
(ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits ;	0.00	0.00
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a.	Residential	0.00	0.00
b.	Commercial Real Estate	0.00	0.00
b)	Indirect Exposure		
	Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	0.00	0.00

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## 12. Details of Single Borrower (SGL), Group Borrower Limit (GBL) exceeded by the bank

The bank should make appropriate disclosures in the “ Notes on account” to the annual financial statements in respect of the exposure where the bank had exceeded the prudential exposure limits during the year. The sanctioned limit or entire outstanding, whichever is high, shall be reckoned for arriving at exposure limit and for disclosure purpose.

## 13. Miscellaneous - Amount of provisions made for Income-tax during the year

(Rs. lakh)

Particulars	<u>Current year</u>	<u>Previous Year</u>
Provision for Income Tax	Nil	Nil

## 14. Disclosure of Penalties imposed by RBI

During the year Reserve Bank of India has not levied any penalties on the Bank under the provision of Section 46 (4) of the Banking Regulation Act, 1949, for contraventions of any of the provisions of the Act, 1949; order, rule or condition specified by Reserve Bank under the Act.

## 15. Disclosure Requirements as per Accounting Standards where the RBI has issued guidelines in respect of disclosure items for ` Notes to Accounts`

**15.1. Accounting Standard 5 - Net Profit or Loss for the period, prior period items and changes in accounting policies.** Bank has no such disclosures to be made in the Notes on Accounts to the Balance Sheet of banks.

### 15.2 Accounting Standard 9 - Revenue Recognition

This Standard requires that in addition to the disclosures required by Accounting Standard 1 on ‘Disclosure of Accounting Policies (AS 1), an enterprise should also disclose the circumstances in which revenue recognition has been postponed pending the resolution of significant uncertainties. Bank has no such disclosures.

### 15.3. Accounting Standard 15 - Employee Benefits

Banks may disclose the change in accounting policy in the appropriate schedule relating to ‘ Significant changes in Accounting Policies’ ‘ Accounting Policies’ The Board of Directors of a bank must disclose the accounting policies followed in respect of VRS expenditure. If VRS applications were accepted subsequent to the closure of the accounting year, the Board of Directors would be required to make a disclosure in the Board Report of that fact and the likely impact of the VRS. Bank has not yet implemented VRS Schemes till date.

### 15.4. Accounting Standard 17 - Segment Reporting

While complying with the Accounting Standard, banks are required to adopt the following :

- i. The business segment should ordinarily be considered as the primary reporting format and geographical segment would be the secondary reporting format.
- ii. The business segments will be “” “ Wholesale Banking” “ Banking” and “ banking operations”
- iii. “Domestic” and “International” segments will be the geographic segments for disclosure.
- iv. Banks may adopt their own methods, on a reasonable and consistent basis, for allocation of expenditure among the segments. Not applicable in RRBs.

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**15.5 Accounting Standard 18 - Related party disclosure**

AS - 18 deals with 'Related party Disclosures'. The following are the examples of the related party transactions in respect of which disclosures may be made by a reporting enterprise.

- a. Agency arrangements
- b. Finance (including loans and equity contribution in cash or in kind)
- c. Management contracts including deputation of employees, etc.

Name of the related party	<u>Deposit/Investment</u>	<u>Borrowings</u>	<u>Balance with Bank</u>	<u>Interest Income</u>	<u>Interest expenses</u>	<u>Other Expenses</u>	(Amt. in Lacs)
							<u>No. of employees on deputation</u>
State Bank of India (Sponsor Bank)	15162.45	Nil	3898.12	1028.12	Nil	27.45	2
SBI Mutual Fund	3778.80	Nil	Nil	317.04	Nil	Nil	Nil

**15.6. Accounting Standard 22 - Accounting for Taxes on Income**

This Standard is applied in accounting for taxes on income. This includes the determination of the amount of the expenses or saving related to taxes on income in determination of the amount period and the disclosure of such an amount in the financial statement. Adoption of AS 22 may give rise to creation of either a 'Deferred Tax Asset' (DTA) or a 'Deferred Tax Liability' (DTL) in the books of accounts of banks and creation of DTA or DTL would give rise to creation issues which have a bearing on the computation of capital adequacy ratio and bank's ability to declare dividends. In this regard, it is clarified as under :

DTL created by debit to opening balance of Revenue Reserves on the first day of application of the Accounting Standards 22 or to Profit and Loss Account for the current year should be included under item (vi) " (including provisions)' of Schedule 5 - 'Liabilities and Provisions' in the Balance Sheet. The balance in DTL account will not be eligible for including in Tier I or Tier II capital for capital adequacy purpose as it is not an eligible item of capital.

DTA created by credit to opening balance of Revenue Reserves on the first day of application of Accounting Standards 22 or to Profit and Loss Account for the current year should be included under item (vi) "" Other of Schedule 11 'Other Assets' in the Balance Sheet.

Creation of DTA results in an increase in Tier I capital of a bank without any tangible asset being added to the banks' Balance Sheet. Therefore, in terms of the extant instructions on capital adequacy, DTA, which is an intangible asset, should be deducted from Tier I capital. The Bank has made operating profit in current year, but no provision has been made for tax as bank has carried over loss of previous years.

**16. Additional Disclosures****16.1. Provisions and Contingencies**

To facilitate easy reading of the financial statements and to make the information on all Provisions and contingencies available at one place, banks are required to disclose in the 'Notes to Accounts' the following information :

Sr no.	Particulars	(Rs.in lakh)	
		<u>Current year</u>	<u>Previous Year</u>
A	Opening balance in the floating provisions account	Nil	Nil
B	The quantum of floating provisions made in the accounting	Nil	Nil
C	Amount of draw down made during the accounting year	Nil	Nil
D	Closing balance in the floating provisions account	Nil	Nil

Note : The purpose of draw down made during the accounting year may be mentioned

**16.2. Disclosure of complaints**

Banks are also advised to disclose the following brief details along with their financial results :

Arunachal Pradesh Rural Bank

## A. Customer Complaints

Sr No.	Particulars	Details
A	No. of complaints pending at the beginning of the year	0
B	No. of complaints received during the year	247
C	No. of complaints redressed during the year	247
D	No. of complaints pending at the end of the year	0

## B. Award passed by the Banking Ombudsman

Sr No.	Particulars	Details
A	No. of unimplemented Awards at the beginning of the year	NIL
B	No. of Awards passed by the Banking Ombudsmen during the year	NIL
C	No. of Awards implemented during the year	NIL
D	No. of unimplemented Awards at the end of the year.	NIL

Sd/-  
(Bhupendra Bahadur Singh)  
Partner

MEM.No.525395 FRN:( 016170N  
Place: Naharlagun ( Camp)  
Date: 9<sup>th</sup> MAY 2015

Sd/-  
(Akshay Kumar)

**CHAIRMAN**

## ANNEXURE-I

## Performance during current year and previous year:

Sl.No	Particulars	(Rupees in lakhs)	
		Current year 31-03-2016	Previous year 31-03-2015
1	<b>NO.OF BRANCHES</b>	28	27
	a) Urban Branch	2	2
	b) Semi urban Branch	5	5
	c) Rural Branch	21	20
	d) Ultra small branch	0	0
2	<b>Total staff:</b>	<b>100</b>	<b>99</b>
	a) On deputation from SBI ( including Chairman)	2	2
	b) Officers	51	50
	c) Office Assistants (Multipurpose)	41	40
	d) Office attendant	6	7
3	<b>OWN FUND:</b>	<b>5269.04</b>	<b>5269.04</b>
	a) Share capital	5269.04	100.00
	b) Reserve	NIL	NIL
	c) Share Capital Deposit account	0.00	5169.04
4	<b>DEPOSITS:</b>	<b>45417.50</b>	<b>36517.72</b>
	Absolute growth	8899.78	(-) 294.71
	% of growth	24.37	(-) 0.80
	a) Demand deposits	30717.93	22493.94
	Absolute growth	8223.99	(-) 704.77
	% of growth	36.56	(-) 3.04
	i) Current account	6006.06	6659.99
	ii) Saving Bank account	24711.87	15633.02
	b) Term deposits	14699.57	14023.78
	Absolute growth	675.79	410.06
	% of growth	4.82	3.01
5	<b>BORROWING:</b>	<b>338.74</b>	<b>467.20</b>
	% of growth	0.00	0.00
	a) From sponsor Bank (SBI)		
	a) Limit sanctioned	86.07	0.00
	ii) Outstanding	86.07	0.00
	b) From NABARD		
	i) Limit Sanctioned	1264.82	1463.21
	ii) Outstanding	252.67	467.20
	c) From Others ( OD from SBI against Fixed deposits)	0.00	0.00
	i) Limit sanctioned	0.00	0.00
	ii) Outstanding	0.00	0.00
6	<b>ADVANCES ( OUTSTANDING)</b>	<b>12123.33</b>	<b>9999.33</b>
	Absolute growth	2124.00	2310.85
	% of growth	21.24	30.06
	a) Target groups	7267.90	6017.06
	Ratio to total advances	59.95	60.17
	b) Non-target groups	4855.43	3982.27
	Ratio to total advances	40.05	39.83
	<b>Out of total under:</b>		
	a) Agriculture	1858.76	1743.35
	b) Allied activities	511.02	488.43
	c) Rural artisan	81.25	93.43
	d) Priority sectors	7267.90	6017.06
	e) Weaker section	4902.11	6017.06
	f) Kishan credit cards	1347.74	1254.92
	g) SHG Finance	99.91	62.30
	h) SGSY finance	9.04	12.49
	i) General Credit Cards	119.74	159.19
	j) SME	5239.31	3329.02
7	<b>LOAN ISSUED DURING THE YEAR</b>	<b>3620.24</b>	<b>2343.72</b>

Arunachal Pradesh Rural Bank



	a) Target groups	2170.24	1599.19
	b) Non-target groups	1450.00	2397.18
	Out of total under:		
	k) Agriculture	415.35	570.08
	l) Allied activities	129.04	155.21
	m) Rural artisan	0.50	19.45
	n) Priority sectors	2170.24	2343.72
	o) Weaker section	1097.63	1955.19
	p) Kishan credit cards	286.31	414.87
	q) SHG Finance	17.60	16.50
	r) SGSY finance	1.00	0.20
	s) General credit cards	37.26	180.53
	t) SME	1539.18	1331.20
8	<b>Credit Deposit Ratio</b>	<b>26.69</b>	<b>27.38</b>
9	<b>Recovery rate ( July – June)</b>	<b>72.08</b>	<b>70.83</b>
10	<b>INVESTMENT</b>	<b>29788.41</b>	<b>24243.05</b>
	a) SLR Investment	9882.26	5956.99
	b) Non-SLR investment	19906.15	18286.06
11	<b>Investment to Deposit ratio</b>	<b>65.59</b>	<b>66.39</b>
12	<b>Balance with SBI (Total)</b>	<b>19060.57</b>	<b>15874.67</b>
	a) In current account	3898.12	1737.41
	b) In TDR account	15162.45	14137.26
13	<b>Balance with RBI in current account</b>	<b>1861.63</b>	<b>1702.95</b>
14	<b>Cash in hands</b>	<b>614.75</b>	<b>893.55</b>
15	<b>Average working capital</b>	<b>40307.23</b>	<b>35472.15</b>
16	Average deposit	35804.07	32998.21
17	Average borrowing	378.97	391.71
18	Average cash in hand	776.47	733.70
19	Average balance with RBI	1746.96	1612.38
20	Average balance with bank	2888.60	1173.91
21	Average SLR investment	6413.73	5907.04
22	Average Non-SLR investment	18249.95	16715.75
23	Average loan and advances	11090.68	9279.05
24	Working fund	40307.23	35472.15
25	Risk weighted assets	17626.46	11607.71
26	CRAR	6.30	9.29
27	<b>PROFIT AND LOSS ACCOUNT:</b>		
	<b>a) Total Income</b>	<b>3192.04</b>	<b>3002.63</b>
	i) Interest earned on advances	1117.59	903.77
	ii) Interest earned on investment	1485.09	1576.41
	iii) Other income	589.36	522.45
	<b>b) Total expenditure</b>	<b>3170.98</b>	<b>2984.62</b>
	i) Interest paid on deposits	2147.89	2064.50
	ii) Interest paid on borrowing	29.59	55.90
	iii) Operating expenses	872.28	735.77
	iv) Provisions	121.22	128.45
	c) Net result ( a – b )	21.06	18.01
28	<b>Accumulated Losses</b>	<b>4169.63</b>	<b>4190.68</b>
29	<b>Average cost of fund (%)</b>	<b>4.27</b>	<b>5.98</b>
	a) Average cost of deposit (%)	6.00	6.27
	b) Average cost of borrowing (%)	7.81	14.27
30	<b>Average return on fund (%)</b>	<b>6.09</b>	<b>6.99</b>
	a) Average return on advances (%)	9.22	9.74
	b) Average return on investment (%)	7.91	13.94
31	<b>Transaction cost as % of working capital</b>	<b>1.67</b>	<b>2.07</b>
32	<b>Total business</b>	<b>57540.83</b>	<b>46517.05</b>
33	<b>PRODUCTIVITY</b>		
	a) Per branch business	2055.03	1722.85
	b) Per employee business	587.15	469.87
	c) Per branch profit	0.75	0.67

	d) Per employee profit	0.21	0.18
34	<b>NON PERFORMING ASSETS:</b>		
	a) At the beginning of the year	1540.32	1481.79
	b) Addition during the year	491.67	2695.43
	c) Recovery during the year	562.39	2636.90
	d) NPA at the end of the year	1469.60	1540.32
	e) Gross NPA %	12.12	15.40
35	<b>ASSET CLASSIFICATION</b>	<b>12123.33</b>	<b>9999.33</b>
	a) Standard assets	10653.73	8459.01
	b) Sub-standard assets	208.42	250.79
	c) Doubtful assets	1188.65	1221.70
	d) Loss assets	72.53	67.83
36	<b>PROVISIONING</b>	<b>517.61</b>	<b>499.39</b>
	a) Provision against standard asset	33.74	26.76
	b) Provision against sub-standard asset	19.05	23.89
	c) Provision against doubtful assets	393.05	381.79
	d) Provision against loss assets	71.76	66.95
37	<b>BALANCE OF PROVISION A/C</b>		
	a) Against Standard asset	33.74	26.76
	b) Against NPAs	483.87	472.63
38	<b>TECHNOLOGIES</b>		
	a) CBS implementation	Yes	Yes
	b) NEFT implementation	Yes	Yes
	c) RTGS implementation ( Except from & to SBI)	Yes	Yes
	d) ATMs ( Debit cards and Credit cards)	Yes	Yes
	e) Direct benefit transfer (DBTL)	Yes	Yes
	f) Net banking	No	No
39	<b>INTERNAL CONTROL</b>		
	a) Snap Audit (No. of Branch covered)		6
	b) Internal audit: (No. of branch covered)		10
	c) Inter branch adjustment	Nil	NIL
	d) New/Relocation/merger of branches		
	i)No. of New branch opened during the year	11	NIL
	ii)No. of branch relocated during the year	Nil	NIL
	iii) No. Of branch merged during the year	Nil	NIL

## Annexure-II

## STATEMENT SHOWING DISTRICT WISE BRANCHES WITH BUSINESS AS ON 31-03-2016

(Rupees in lakhs)

<u>NAME OF DISTRICT / BRANCH</u>	<u>NAME OF BLOCK</u>	<u>TOTAL DEPOSITS</u>	<u>TOTAL ADVANCES</u>	<u>C D RATIO</u>	<u>DATE OF OPENING</u>
<b>East Siang District</b>					
1. Pasighat branch	Pasighat	5813.58	1011.19	17.39	31-12-1983
2. Lumpo Branch	Ramle-Bango	530.58	130.32	24.56	31-03-1984
3. Sille Branch	Pasighat	919.39	326.86	35.55	04-07-1984
4. Ruksin Branch	Pasighat	1293.21	344.70	26.65	31-12-1984
5. Mebo Branch	Mebo	1276.59	343.58	26.91	02-02-1985
6. Boleng Branch	Pangin	765.23	47.04	6.15	12-02-1986
7. Riga branch	Riga	85.44	0.00	0.00	29-06-2012
8. J.N.College Br.	Pasighat	426.64	10.06	2.36	07-03-2016
<b>West Siang District</b>					
9. Kamba Branch	Liromoba	499.40	85.23	17.07	10-01-1989
10. Likabali Branch	Basar	1201.21	265.38	22.09	27-12-1985
11. Aalo Branch	Aalo	3001.64	803.56	26.77	30-12-1994
12. Basar Branch	Basar	894.06	309.83	34.65	24-07-1993
13. Rungong Br.	Rungong	108.58	15.09	13.90	12-08-2011
14. Gensi Branch	Gensi	172.04	2.60	1.51	30-01-2012
<b>Papum Pare District</b>					
15. Itanagar Branch	Itanagar	1258.47	577.13	45.86	17-12-2003
16. Sagalee Branch	Sagalee	2480.81	924.20	37.25	26-03-1985
17. Kimin Branch	Kimin	485.74	205.79	42.37	03-07-1985
18. Naharlagun Br.	Naharlagun	4277.33	2793.40	65.31	31-07-2007
<b>Upper Subansiri District</b>					
19. Daporijo Branch	Daporijo	11226.23	312.82	2.79	08-06-1994
20. Dumporijo Br.	Dumporijo	900.47	142.40	15.81	24-03-1985
21. Taliha Branch	Taliha	80.57	9.84	12.21	29-06-2012
<b>Lower Subansiri District</b>					
22. Yazali Branch	Ziro-II	1098.17	362.73	33.03	03-04-1986
23. Ziro Branch	Ziro	1384.65	500.22	36.13	22-09-2008
24. Yachuli Branch	Ziro-II	445.97	204.10	45.77	13-08-2007
<b>Upper Siang District</b>					
25. Geku Branch	Mariyang	622.01	16.82	2.70	26-11-1986
26. Mariyang Br.	Mariyang	607.80	72.74	11.97	31-12-2011
<b>Lohit District</b>					
27. Tezu Branch	Tezu	3123.14	2243.70	71.84	18-11-2008
<b>Lower Dibang Valley District</b>					
28. Roing Branch	Roing	419.26	28.69	6.84	02-09-2008

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