

31 वीं वार्षिक रिपोर्ट - 2013-14  
31<sup>ST</sup> ANNUAL REPORT 2013-14



अरुणाचल प्रदेश ग्रामीण बैंक  
प्रधान कार्यालय  
शिव मंदिर रो, 'ई' क्षेत्र  
नांहरलगन 791110

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

**FROM THE CEO/CHAIRMAN'S DESK**


The Arunachal Pradesh Rural Bank catering banking services 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. New technologies with multiple channels like electronic fund transfer, Rupay ATM debit cards, Rupay Kisan credit cards etc have been put in place. The adoption of other new technologies like APBS (Aadhar payment Bridge system and CPSMS (Central plan schemes monitoring system) are in progress. Moreover, I am very pleased to inform that our bank has achieved "Excellent Performance" awards from SBI Life Insurance company Ltd. for cross selling of SBI Life Insurance Products.

Moreover, our bank have shown in a challenging environment, healthy growth in business, profitability, staff productivity, revenues and stable asset quality. It is also an affirmation of the Bank's focus on a balanced growth strategy. But the Bank's retail businesses did not grow steadily during the year as we planned both in retail deposits and loans.

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.

**Place : Naharlagun**  
**Date: 28-04-2014**

  
**( S.R. Banerjee )**  
**C H A I R M A N**

**BOARD OF DIRECTORS**

Shri S.R. Banerjee, Director	Chairman (Appointed under sub-section 1 of section 11 of RRB Act, 1976)
Shri M.P. Das, 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 Anoop Mohan, 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 A.K. Panda, 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 Ashutosh Guha, 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	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 : [aprruralbank.com](http://aprruralbank.com)**

**STATUTORY AUDITORS**

M/s P. MUKERJEE & Co.  
Chartered Accountants  
Kolkata, West Bengal.

### 31st ANNUAL REPORT OF BOARD OF DIRECTORS – 2013-14

The Board of Directors of Arunachal Pradesh Rural Bank have the pleasure in presenting the 31<sup>st</sup> 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, 2014.

#### 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. Presently 27 number branches of Arunachal Pradesh Rural Bank are functioning in Arunachal Pradesh. The List of Branches as under:

<u>Sl.No.</u>	<u>BRANCH</u>	<u>CD BLOCK</u>	<u>DISTRICT</u>
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

**SHARE CAPITAL:**

The authorized share capital of the bank is Rs. 1.00 crore and paid up capital of the bank is also Rs.1.00 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:-

(Rupees in lakhs)

Name of share holders	Share Capital			
	Authorized Share Capital		Paid up Share Capital	
	<u>No. of share</u>	<u>Amount</u>	<u>No. of share</u>	<u>Amount</u>
Government of India	50000	50.00	50000	50.00
Government of Arunachal Pradesh	15000	15.00	15000	15.00
State Bank of India	35000	35.00	35000	35.00
<b>TOTAL</b>	<b>100000</b>	<b>100.00</b>	<b>100000</b>	<b>100.00</b>

**SHARE CAPITAL DEPOSIT ACCOUNT :**

Under the restructuring programme of selected RRBs, the bank received during 1995-96, an amount of Rs.210.76 lakhs towards cleansing of Balance Sheet and liquidity support. Another additional share capital amounting to Rs.3720.28 lakhs was received during 2008-2009 and further another additional share capital amounting to Rs. 1238.00 lakhs was received during 2011-12. The position of share capital deposit amount as on 31.03.2014 is as under

(Rupees in lakhs)

Name of contributors	Amount received			<u>TOTAL</u>
	<u>1995-96</u>	<u>2008-09</u>	<u>2011-12</u>	
	Government of India	105.38	1860.14	
Government of Arunachal Pradesh	31.61	558.04	186.00	775.65
State Bank of India	73.77	1302.10	433.00	1808.87
<b>TOTAL</b>	<b>210.76</b>	<b>3720.28</b>	<b>1238.00</b>	<b>5169.04</b>

**DEPOSITS :**

The total deposits of the bank stood at Rs.36812.43 lacs against Rs.34243.26 lacs in the previous year, thus registering 7.50% growth against previous year's growth of 11.96%. The category-wise break up of deposits is as under:-

(Rupees in lakhs )

Category	31-03-2012		31-03-2013		31-03-2014	
	<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	2193	6375.44	2355	6382.39	2510	7158.44
Saving Bank account	65416	11955.11	67327	14201.69	75420	14655.50
Saving Bank-No frill	5828	81.50	8736	371.81	10292	444.17
SB-Daily Deposit	2138	429.46	2221	455.23	2675	679.32
Recurring Deposits	6091	1460.17	5486	1435.36	6329	1819.07
Term Deposits (TDR)			60	1110.08	72	1211.33
Special Term Deposit (STDTR)	5550	10103.41	5721	10054.74	6097	10583.32
Others	144	262.61	210	231.96	227	261.28
<b>TOTAL</b>	<b>81532</b>	<b>30586.20</b>	<b>92116</b>	<b>34243.26</b>	<b>103622</b>	<b>36812.43</b>
Out of total Institutional	201	2640.78	269	1487.54	295	1835.09
% of low cost deposits	92.69	61.33	87.54	62.52	87.72	60.46
Average cost of deposit mobilization		3.88	-	6.02	-	6.06
Per branch Deposits	3261	1223.45	3411	1268.27	3838	1363.42
Per employee Deposit	858	321.96	960	356.70	968	344.04

**BORROWINGS:**

The bank has availed refinance from NABARD only. There is no default in repayment of installment and interest. The details of refinance as on 31-03-2014 are as under:

<u>Particulars</u>	<u>Previous year's outstanding</u>	<u>Refinance availed during the year</u>	<u>Amount of Installment paid during the year</u>	(Rupees in lakhs)
				<u>Amount outstanding at the end of the year</u>
SBI-Short term	0.00	0.00	0.00	0.00
SBI-OD-against security	0.00	0.00	0.00	0.00
NABARD short term	115.00	200.00	115.00	200.00
NABARD-ARF	682.39	0.00	212.73	469.66
NABARD-Normal	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>797.39</b>	<b>200.00</b>	<b>327.73</b>	<b>669.66</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 31-03-2014 is Rs.1005.24 Lakhs as against Rs.751.93 lakhs of the previous year. The average cash balance during the current year and the previous two years are furnished as under:

<u>Particulars</u>	(Rupees in lakhs)		
	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>
Average cash balance	480.70	526.07	731.22
Average cash as % of average deposits	1.98	1.84	2.30
Average balance with RBI	1500.31	1410.26	1488.12
Average balance with sponsor bank	1542.02	1652.60	2362.66

**INVESTMENT:**

The total investment of the bank stood Rs.23462.75 Lakhs as at the end of the year as against Rs.23049.16 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.198995.23. The details of the investments are given below:

<u>Particulars of investment</u>	<u>Amount invested</u>		<u>Remarks</u>
	<u>As on 31-03-2013</u>	<u>As on 31-03-2014</u>	
	Government securities	5947.29	
TDR with sponsor bank	14747.33	14437.47	Non-SLR
Mutual funds	2354.54	3170.27	Non-SLR
<b>TOTAL</b>	<b>23049.16</b>	<b>23462.75</b>	

**LOANS AND ADVANCES OUTSTANDING**

The gross loan and advances outstanding as on 31<sup>st</sup> March, 2014 was Rs.7688.48 lakhs against Rs.6105.29 lakhs of the previous year. The growth of outstanding advances during 2013-14 was 25.93%. The interest earned during 2013-14 on advances was Rs.681.15 lakhs as against Rs 566.31 lakhs in the previous year. The details of outstanding loans and advances are as under:-

<u>Particulars</u>	(Rupees in lakhs)			
	<u>Previous year 31-03-2013</u>		<u>Current year 31-03-2014</u>	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
Cash credit	366	1541.86	408	1977.44
General credit cards	399	192.91	493	244.11
Kisan credit cards	3036	690.47	3216	920.31
Overdraft	78	424.42	95	799.49
Weaver credit cards	99	25.21	205	45.44

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PB-Recalled(CC)	17	15.85	18	15.85
Demand loan	581	648.91	524	526.89
Medium term loan	26	138.60	23	206.66
Agril. Term loans	111	298.41	131	366.83
Car/Two wheeler	37	163.85	31	111.61
Personal loan to public	378	533.16	340	534.45
Housing loan to public	0	0	5	94.08
RTO	215	876.87	250	907.05
Small business finance	55	209.91	70	268.25
TL-SGSY	69	16.68	62	18.44
TL-SHG	68	64.75	64	63.28
Small Scale industries	17	68.55	19	83.37
Staff loans	248	154.15	290	464.46
PB-Recalled - loans	7	40.73	7	40.47
<b>TOTAL LOAN AND ADVANCES</b>	<b>5807</b>	<b>6105.29</b>	<b>6251</b>	<b>7688.48</b>
Out of total under priority sector	4411	4239.76	4964	5211.11
Out of total under non-priority sector	1296	1865.53	1287	2477.37
Out of total under target group	4411	4239.76	4964	5211.11
Out of total under non-target group	1750	2777.58	1765	4723.06
Out of total under SC/ST	4411	4239.76	4964	5211.11
Out of total under SF/MF/AL	3347	1085.33	3347	1287.14
Out of total under SME	772	2667.27	681	3091.15
Out of total under Govt. sponsored scheme	69	16.68	62	18.44
Credit Deposit ratio	-	17.83	-	20.89
Average return on advances	-	10.17	-	10.21

**IRAC NORMS**

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:-

(Rupees in lakhs)

**Classification of loans & advances**

	<b>31/03/2013</b>		<b>31/03/2014</b>	
	<b>Amount</b>	<b>% to total</b>	<b>Amount</b>	<b>% to total</b>
1. Standard Assets	5118.30	83.83	6206.69	80.73
2. Sub-standard Assets	491.76	8.05	352.33	4.58
3. Doubtful Asset: secured up to 1 year	268.91	4.41	823.61	10.71
4. Doubtful Asset: secured 1 year to 3 years	54.20	0.89	194.46	2.53
5. Doubtful Asset: secured above 3 years	42.94	0.70	43.32	0.56
7. Loss Assets	129.18	2.12	68.07	0.89
<b>T O T A L</b>	<b>6105.29</b>	<b>100.00</b>	<b>7688.48</b>	<b>100.00</b>
8. Additional provision made during the year	-17.84	-	58.91	-
9. Total provision held against NPAs	291.34	-	350.25	-

**INTEREST DERECOGNISED**

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

(Rupees in lakhs)

<b>Particular</b>	<b>31/03/2013</b>	<b>31/03/2014</b>
1. De-recognized income at the beginning of the year	13.52	26.63
2. Addition in de-recognized income during the year	18.73	70.81
3. Recovery made against derecognized income	5.62	16.19
4. De-recognized income at the end of the year	26.63	81.25

**NPA MANAGEMENT**

The total NPAs as at the end of the year 2013-14 is Rs.1481.79 lakhs against Rs.987.00 lakhs of the previous year. The details of NPAs for last three years are furnished as under:-

(Rupees in lakhs)

<b>Sl. No.</b>	<b>Particulars</b>	<b>31/03/2012</b>	<b>31/03/2013</b>	<b>31/03/2014</b>
1.	NPAs at the beginning of the year	630.78	677.73	987.00
2.	Addition to NPA during the year	67.05	796.66	1817.00

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3	NPAs written off during the year	0.00	0.00	0.00
4	Recovery against NPA during the year	20.10	487.39	1322.21
5	NPA at the end of the year	677.73	987.00	1481.79

**LOANS DISBURSED DURING THE YEAR**

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

(Rs.in lakh)

<b>Particulars</b>	<b>Previous years 31-03-2013</b>		<b>Current year 31-03-2014</b>	
	<b>No. of a/c</b>	<b>Amount</b>	<b>No. of a/c</b>	<b>Amount</b>
Cash credit	164	884.50	70	467.22
General credit cards	98	147.20	151	301.15
Kisan credit cards	1056	381.67	624	345.01
Overdraft	24	252.86	35	311.70
Weaver credit cards	96	26.92	87	21.60
Demand loan	286	459.85	624	699.48
Medium term loan	2	9.50	3	147.56
Housing loan to public	0	0.00	6	151.00
Agl. Term loans	29	118.60	45	156.97
Car/Two wheeler	7	25.46	1	7.45
Personal loan to public	116	250.89	101	241.71
RTO	77	403.80	88	421.02
Small business finance	8	69.17	21	151.63
TL-SGSY	30	11.75	17	7.90
TL-SHG	10	10.70	11	19.70
Small scale industries	3	27.50	3	44.25
Staff loans	145	113.98	157	388.63
<b>TOTAL LOAN AND ADVANCES</b>	<b>2151</b>	<b>3194.35</b>	<b>2044</b>	<b>3883.98</b>
Out of total under priority sector	1580	2116.77	1126	2235.00
Out of total under non-priority sector	571	1077.58	918	1648.98
Out of total under target group	1416	1232.27	1056	1767.78
Out of total under non-target group	735	1962.08	988	2116.20
Out of total under SC/ST	1416	1232.27	1056	1767.78
Out of total under SF/MF/AL	1183	647.47	672	501.98
Out of total under SME	243	1297.80	150	888.93
Out of total under Govt. sponsored scheme	30	11.75	17	7.90

**RECOVERY POSITION OF LOANS & ADVANCES**

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

(Rupees in lakhs)

<b>Particulars</b>	<b>As on 30/06/2012</b>	<b>As on 30/06/2013</b>
<b>TOTAL DEMAND</b>	<b>1976.05</b>	<b>2199.25</b>
Farm sector	325.43	281.18
Non-farm sector	1650.62	1918.07
<b>TOTAL RECOVERY:</b>	<b>1231.73</b>	<b>1471.48</b>
Farm sector	226.99	188.67
Non-sector	1004.74	1282.81
Recovery %	62.33	66.91
<b>TOTAL OVERDUES:</b>	<b>744.32</b>	<b>727.77</b>
Farm sector	98.44	92.51
Non-farm sector	645.88	635.26
<b>AGE-WISE POSITION OF OVERDUES:</b>	<b>As on 30/06/2012</b>	<b>As on 30/06/2013</b>
<b>UPTO 1 YEAR:</b>	<b>333.49</b>	<b>35.53</b>
Farm sector	49.55	15.55
Non-farm sector	283.94	19.98
<b>ABOVE 1 YEAR AND UPTO 3YRS</b>	<b>262.49</b>	<b>492.15</b>
Farm sector	23.70	51.97
Non-farm sector	238.79	440.18
<b>ABOVE 3 YEARS AND UPTO 5 YRS</b>	<b>77.93</b>	<b>69.88</b>
Farm sector	17.90	17.83
Non-farm sector	60.03	52.05

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<b>ABOVE 5 YEARS</b>	<b>70.41</b>	<b>130.21</b>
Farm sector	7.29	7.16
Non-farm sector	63.12	123.05

**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,2014.

**WRITE- OFF LOANS**

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

<b>Upto last year ( 31/03/2013)</b>		<b>Current year ( 2013-14)</b>		<b>Total loan written off upto (31/03/2014)</b>	
<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	0	0.00	9388	1848.95

(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:

<b>Particulars</b>	<b>2012-13</b>	<b>2013-14</b>
1. Interest earned on loans and advances	566.31	681.15
2. Interest earned on investments	1618.83	1729.08
3. Interest earned on Balance with Banks in current a/c	Nil	Nil
4. Other income	214.30	337.70
<b>TOTAL</b>	<b>2399.44</b>	<b>2747.93</b>

(Rupees in lakhs)

**EXPENDITURE INCURRED**

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

<b>Particulars</b>	<b>2012-13</b>	<b>2013-14</b>
1. Interest paid on deposits	1725.33	1929.47
2. Interest paid on borrowing	92.86	64.67
3. Payment to and provisions for employees	432.85	492.43
4. Other operating expenses	138.44	153.97
5. Provision for bad debts during the year	-17.84	58.91
<b>TOTAL</b>	<b>2371.64</b>	<b>2699.45</b>

(Rupees in lakhs)

**FINANCIAL RATIOS**

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

<b>Sl.No.</b>	<b>Particulars</b>	<b>2012-13</b>	<b>2013-14</b>
I	Average working fund	32274.37	33366.47
II	Financial returns	6.77	7.22
III	Financial cost	5.63	5.98
IV	Financial margin (II – III)	1.14	1.24
V	Operating expenses as % to working fund	1.77	1.94
VI	Misc. income as % to working fund	0.66	1.01
VII	Operating profit (IV+VI)-V	0.03	0.31
VIII	Risk cost as % to working fund	-0.06	0.18
IX	Net margin (VII – VIII )	0.09	0.13

(Rupees in lakhs)

**TRANSFER PRICE MECHANISM**

The bank has adopted the following transfer price mechanism for the year 2013-14.

1. INTEREST RECEIVED FROM HEAD OFFICE 130% On interest paid on deposits during the year
2. INTEREST PAID TO HEAD OFFICE 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-2013-14</u>		<u>Outstanding as on 31/03/2014</u>	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
Kisan Credit Cards	624	345.01	3083	920.31

(Rupees in lakhs)

### GENERAL CREDIT CARDS

The detailed performance of General Credit Cards are furnished below:

<u>Particular</u>	<u>Sanctioned During the year 2013-14</u>		<u>Outstanding as on 31/03/2014</u>	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
General Credit Cards	151	301.15	434	244.11

(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 2013-14</u>		<u>Outstanding as on 31/03/2014</u>	
	<u>No. of a/c</u>	<u>Amount</u>	<u>No. of a/c</u>	<u>Amount</u>
SHG credit linkage	11	19.70	64	63.28

(Rupees in lakhs)

### INTEREST RATES ON DEPOSITS

The interest rates structure on deposit are as under.

Account Type	Sub-type	Product type (Description)	Rate of interest per annum
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%
<b>TIME DEPOSITS:</b>			
		15 days to 45 days	6.00%
		46 days to 90 days	6.50%
		91 days to 179 days	6.75%
		188 days to 240 days	7.00%
		241 days to 364 days	7.50%

Arunachal Pradesh Rural Bank

1 year to less than 2 years	7.75%
1 1/2 years to less than 2 years	8.00%
2 years to less than 3 years	8.25%
3 years to less than 5 years	8.50%
5 years to less than 8 years	8.75%
8 year and upto 10 years	9.00%

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 (Description)	type	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. Suvsension	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

Sponsor bank demand drafts are purchased on behalf of the customers on 50% exchange sharing basis. Collection of Cheque / drafts business is also done on 50% commission sharing basis. Deposits at call receipts are issued by our branches. In lieu of Demand Draft, Grameen Pay Orders are being issued in our selected branches on 100% commission basis as per arrangement with sponsor Bank (SBI).

### 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	
				2012-13	2013-14
Through Branches	Papume pare	Itanagar	4	4	4
		Naharlagun	3	3	3
		Kimin	20	20	20
		Sagalee	55	30	33
	East Siang	Pasighat	2	2	2
		Mebo	15	12	14
		Sille	12	12	12
		Ruksin	5	5	5
		Boleng	11	11	11
		Lumpo	31	21	22
		Riga	7	3	4
		West siang	Aalo	16	16
	Upper Siang	Kamba	50	22	22
		Basar	34	15	16
		Likabali	28	18	21
		Gensi	26	7	7
		Rumgong	8	3	4
		Geku	13	13	13
		Marryang	22	15	15
	Upper Subansiri	Daporijo	12	10	10
		Dumporijo	87	30	30
		Taliha	186	5	5
	Lower Subansiri	Ziro	79	25	26
		Yazali	0	0	0
		Yachuli	32	15	16
	Lohit	Tezu	19	6	10
	Lower Dibang Valley	Roing	51	15	18
Through USB	Nil	Nil	Nil	Nil	Nil
Through BC	Nil	NIL	Nil	Nil	Nil
	TOTAL		828	338	359

### 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. The bank has awarded "Excellent Budget Achiever" for 2013-14 by SBI Life Insurance co.Ltd. The details of cross selling of SBI-Life Insurance for last two years as under:

(Rs.in lakh)

Particulars	2012-13				2013-14			
	Renewal		New		Renewal		New	
	No. of lives	Premium	No. of lives	Premium	No. of lives	Premium	No. of lives	Premium
Group plan (Micro)	0	0	555	1.51	81	1.26	912	2.02

Arunachal Pradesh Rural Bank

Individual plan	0	0	8	2.07	12	4.93	66	22.40
Commission earned	-	-	-	0.59	-	-	-	3.64

## TECHNOLOGIES

All branches are migrated to CBS platform and also National Electronic Fund Transfer (NEFT), Rupay-ATM Debit cards, Rupay-Kisan-credit cards are in operation. Moreover, RTGS is also in enable except State Bank of India. The implementation of Aadhar Payment Bridge system (APBS) and Central Plan Schemes Monitoring System (CPSMS) are in progress.

## BOARD OF DIRECTORS MEETING( During the calendar year 2013 and upto 31-03-2014)

### Date of Board Meeting Name of Directors present in the meeting

#### Meetings

21-03-2013	Mr. S.R. Banerjee, Mr. Ashutosh Guha, Mr. Anoop Mohan, Mr. K.K. Pandey
22-05-2013	Mr. S.R. Banerjee, Mr. Ashutosh Guha, Mr. M.P. Das, Mr. Anoop Mohan, Mr. P. Aich
03-07-2013	Mr. S.R. Banerjee, Mr. Ashutosh Guha, Mr. A.K. Malviya, Mr. M.P. Das, Mr. Anoop Mohan,
13-09-2013	Mr. S.R. Banerjee, Mr. Ashutosh Guha, Mr. A.K. Malviya, Mr. M.P. Das, Mr. Anoop Mohan, Mr. P. Aich
27-11-2013	Mr. S.R. Banerjee, Mr. Ashutosh Guha, Mr. A.K. Malviya, Mr. M.P. Das, Mr. Anoop Mohan, Mr. P. Aich
28-12-2013	Mr. S.R. Banerjee, Mr. A.K. Panda, Mr. M.P. Das, Mr. Anoop Mohan,
18-02-2014	Mr. S.R. Banerjee, Mr. Ashutosh Guha, Mr. M.P. Das, Mr. Anoop Mohan, Mr. P. Aich,
21-03-2014	Mr. S.R. Banerjee, Mr. Ashutosh Guha, Mr. M.P. Das, Mr. P. Aich,

## DIRECTORS RETIRED DURING 2013-14

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. A.K. Malviya	AGM	SBI	10-12-2013

## NEW DIRECTORS APPOINTED TO THE BOARD DURING 2013-14

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 appointment the Board</u>
Mr. A.K. Panda	AGM	SBI	10-12-2013

## REWARDS AND RECOGNITION

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

<u>Sl. No.</u>	<u>Particulars</u>	<u>Key performance</u>	<u>Awarded by</u>
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

## STATUTORY AUDITORS

M/s P. Mukherjee & Co., Chartered Accountant, Kolkata, West Bengal was appointed as statutory Auditors for the year 2013-14 after due approval from the Central Government. They have audited the Head Office and 16 branches of the bank.

**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: 28-04-2014**  
**Place: Naharlagun**

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



**( S. R. Banerjee)**  
**CHAIRMAN**

**P. MUKHERJEE & CO.**  
**Chartered Accountants**

8/2, KIRAN SANKAR ROY ROAD  
Room No. 5 & 6, First Floor  
Kolkata- 700 001  
West Bengal.  
Tel : (033) 2440-5530,2248-1495,  
Fax : (033) 2248-1495  
E-mail:pmcocal@gmail.com

**AUDITORS' REPORT**

To  
The Members  
Arunachal Pradesh Rural Bank  
Naharlagun, Arunachal Pradesh

1. We have audited the attached Balance Sheet of Arunachal Pradesh Rural Bank, Naharlagun as at 31<sup>st</sup> March,2014 and also the Profit & Loss account of the Bank for the year ended 31<sup>st</sup> March,2014.

Incorporated in the said financial statements are the accounts of-

- a) The Head Office and 16 branches audited by us.
  - b) Other 11 branches, the un-audited returns of which certified by the Branch Managers. These 11 branches constitutes 5.67% of total advances.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
  - 3.The Balance Sheet and Profit & Loss account have been drawn up in Form 'A' and Form 'B' respectively of the third schedule to the Banking Regulation Act,1949 (as amended) as applicable to Regional Rural Bank. Accordingly, the Balance Sheet and Profit & Loss account disclose such matter as are required to be disclosed in the case of Regional Rural Banks.
  - 4.We further 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 our audit and have found them to be satisfactory.
    - (b) In our opinion the transactions of the bank, which have come to our notice, have been within the power of the bank.
    - (c) The return received from the branches of the bank have been found adequate for the purpose of the audit.
  5. We further report, Read with paragraph 1 and 4 above, that:
    - a) The Balance Sheet and Profit and Loss Account details with this report are in the agreement with the books of the accounts and the returns.
    - b) In our opinion, proper books of accounts as required by law have been kept by the banks so far as appears from our examination of those books.
  6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the significant accounting policies and notes to accounts thereon

Arunachal Pradesh Rural Bank

give the information required by the Banking Regulation Act, 1949 and true and fair view in conformity with the accounting principles generally accepted in India:

- i). In case of the Balance Sheet, of the state of affairs of the Bank as at March 31,2014 and
- ii). In case of the Profit and Loss Account, the profit of the Bank for the year ended 31<sup>st</sup> March 2014.

For P. MUKHERJEE & CO.,  
Chartered Accountants

*A. M. Banerjee*

( A.M Banerjee)  
Partner

Membership .No.301813

Place: Naharlagun ( Camp)  
Date: 14-04-2014



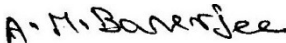
THE THIRD SCHEDULE (See Section 29)  
(Banking Regulation Act, 1949)

## FORM-'A'

**ARUNACHAL PRADESH RURAL BANK**  
**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH, 2014**


<b><u>CAPITAL AND LIABILITIES</u></b>	<b><u>Schedule</u></b>	<b><u>Current year</u></b> <b><u>31/03/2014</u></b>	<b><u>Previous year</u></b> <b><u>31/03/2013</u></b>
Capital	1	526904000.00	526904000.00
Reserve & Surplus	2	0.00	0.00
Deposits	3	3681243068.08	3424326115.87
Borrowings	4	66966125.00	79739125.00
Other Liabilities & Provisions	5	172199778.95	120369130.05
<b>TOTAL</b>		<b>4447312972.03</b>	<b>4151338370.92</b>
<b><u>ASSETS</u></b>	<b><u>Schedule</u></b>	<b><u>Current year</u></b> <b><u>31/03/2014</u></b>	<b><u>Previous year</u></b> <b><u>31/03/2013</u></b>
Cash & Balance with RBI	6	253020295.50	203374347.50
Balance with Bank, Money at	7	488816427.01	467171264.00
Call and short notice			
Investment	8	2346275217.73	2304916588.00
Advances	9	725698077.76	578732227.96
Fixed Asset	10	7545077.95	6599691.80
Other Asset	11	625957876.08	590544251.66
<b>TOTAL</b>		<b>4447312972.03</b>	<b>4151338370.92</b>
Contingent liabilities and	12	0.00	0.00
Bills for collection			

As per our report of even date attached.  
FOR P.MUKHERJEE & CO.  
Chartered Accountants

  
(A.M. Banerjee)  
Partner  
Membership No.301813


  
(S.R.BANERJEE)  
**CHAIRMAN**

Place: Naharlagun ( Camp)  
Date: 14-04-2014

  
( P. Aich)  
Director

  
( M P.Das)  
Director

  
( A. K Panda)  
Director

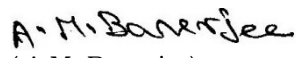
  
( A. Guha)  
Director

## FORM-'B'

**ARUNACHAL PRADESH RURAL BANK**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2014**


<u>PARTICULARS</u>	<u>Schedule</u>	<u>Current year</u> <u>2013-14</u>	<u>Previous year</u> <u>2012-13</u>
<b>I. INCOME:</b>			
Interest earned	13	241023182.79	218513727.64
Other income	14	33769476.85	21430222.89
<b>TOTAL</b>		<b>274792659.64</b>	<b>239943950.53</b>
<b>II. EXPENDITURE:</b>			
Interest expenses	15	199414041.62	181819042.26
Operating expenses	16	64639901.44	57129154.76
Provisions & contingencies		5891137.57	-1783806.79
<b>TOTAL</b>		<b>269945080.63</b>	<b>237164390.23</b>
<b>III. PROFIT AND LOSS:</b>			
Net profit(+) Loss(-) for the year		4847579.01	2779560.30
Loss brought forward		-425717201.13	-428496761.43
<b>TOTAL</b>		<b>-420869622.12</b>	<b>-425717201.13</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		-420869622.12	-425717201.13
<b>TOTAL</b>		<b>-420869622.12</b>	<b>-425717201.13</b>
Significant Accounting Policies and Notes to Accounts		<b>0.00</b>	<b>0.00</b>


FOR P.MUKHERJEE & CO.  
Chartered Accountants

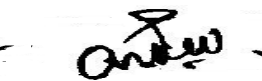
  
( A.M. Banerjee)  
Partner  
Membership No.301813


  
(S.R.BANERJEE)  
**CHAIRMAN**

Place: Naharlagun ( Camp)  
Date:14-04-2014

 ( P. Aich)  
Director

 ( M.P. Das)  
Directos

 (A. K Panda)  
Director

 ( A. Guha)  
Director

<u>SCHEDULE-1</u>	<u>CAPITAL</u>	<u>Current year</u> <u>31-03-2014</u>	<u>Previous year</u> <u>31-03-2013</u>
A. Authorized capital (100000 shares of Rs 100/- each)		10000000.00	10000000.00
Issued, subscribed and paid up capital (100000 shares of Rs.100 each)		10000000.00	10000000.00
TOTAL OF A		<b>10000000.00</b>	<b>10000000.00</b>
B. SHARE CAPITAL DEPOSIT ACCOUNT:			
I. From Govt. of India		258452000.00	258452000.00
II. From Govt. of A.P.		77565000.00	77565000.00
III. From sponsor bank (SBI)		180887000.00	180887000.00
TOTAL OF B		<b>516904000.00</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>31-03-2014</u>	<u>Previous year</u> <u>31-03-2013</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>T O T A L ( I + II + III + IV )</b>		Nil	Nil

<u>SCHEDULE-3</u>	<u>Deposits</u>	<u>Current year</u> <u>31-03-2014</u>	<u>Previous year</u> <u>31-03-2013</u>
A. I. DEMAND DEPOSIT			
i. From banks			NIL
ii. From others		741972971.49	661434225.19
II. SAVINGS BANK DEPOSIT		1577898395.59	1502873437.18
III. TERM DEPOSIT:			
i. From banks		NIL	NIL
ii. From others		1361371701.00	1260018453.50
<b>TOTAL of (I+II+III)</b>		<b>3681243068.08</b>	<b>3424326115.87</b>
B. I. Deposits of branches in India		3681243068.08	3424326115.87
II. Deposits of branches outside India		NIL	NIL
<b>T O T A L</b>		<b>3681243068.08</b>	<b>3424326115.87</b>

<u>SCHEDULE-4</u>	<u>BORROWINGS</u>	<u>Current year</u> <u>31-03-2014</u>	<u>Previous year</u> <u>31-03-2013</u>
I. BORROWING IN INDIA:			
i. From Reserve Bank of India		NIL	Nil
ii. From other banks (SBI)		NIL	NIL
iii. From other Institutions (NABARD)		66966125.00	79739125.00
<b>TOTAL OF ( i+ii+iii )</b>		<b>66966125.00</b>	<b>79739125.00</b>

II. BORROWING FROM OUTSIDE INDIA	NIL	Nil
<b>TOTAL OF (I+II)</b>	<b>66966125.00</b>	<b>79739125.00</b>
SECURED BORROWING (including I & II above)	<b>66966125.00</b>	<b>79739125.00</b>

<b><u>SCHEDULE-5</u></b>	<b><u>OTHER LIABILITIES AND PROVISIONS</u></b>	<b><u>Current year 31-03-2014</u></b>	<b><u>Previous year 31-03-2013</u></b>
I. BILLS PAYABLE		NIL	NIL
II. INTER-OFFICE ADJUSTMENT (NET)		NIL	NIL
III. INTEREST ACCRUED:			
i. On deposit		167187486.18	118180366.28
ii. On borrowings		NIL	NIL
IV. OTHERS (Including provisions) (Detail in schedule-18 item-6a)		5012292.77	2188763.77
<b>TOTAL (I, II, III, IV)</b>		<b>17219978.95</b>	<b>120369130.05</b>

<b><u>SCHEDULE-6</u></b>	<b><u>CASH AND BALANCE WITH RBI</u></b>	<b><u>Current year 31-03-2014</u></b>	<b><u>Previous year 31-03-2013</u></b>
I. CASH IN HAND		100523806.50	75192597.50
II. BALANCE WITH Reserve Bank of India	i. In current account	152496489.00	128181750.00
	ii. In other account	NIL	NIL
<b>TOTAL (I, II)</b>		<b>253020295.50</b>	<b>203374347.50</b>

<b><u>SCHEDULE-7</u></b>	<b><u>BALANCE WITH BANKS &amp; Money at call &amp; shortnotice</u></b>	<b><u>Current year 31-03-2014</u></b>	<b><u>Previous year 31-03-2013</u></b>
I. IN INDIA:			
i. Balance with Banks:			
a. In current account		488816427.01	467171264.00
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>488816427.01</b>	<b>467171264.00</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>488816427.01</b>	<b>467171264.00</b>
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<b><u>SCHEDULE-8</u></b>	<b><u>INVESTMENTS</u></b>	<b><u>Current year 31-03-2014</u></b>	<b><u>Previous year 31-03-2013</u></b>
I. INVESTMENT IN INDIA:			
i. Government securities		585500589.92	594729246.42
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	317027134.81	235453930.58
	(b) Others (STDR with SBI)	1443747493.00	1474733411.00
<b>TOTAL (i, ii, iii, iv, v, vi)</b>		<b>2346275217.73</b>	<b>2304916588.00</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>2346275217.73</b>	<b>2304916588.00</b>

**SCHEDULE-9****ADVANCES**

	<b><u>Current year</u></b> <b><u>31-03-2014</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2013</u></b>
A.I. Bills purchased & discounted	NIL	NIL
II. Cash credit, overdraft & loan repayable on demand		
a. Cash credit/KCC/ACC/GCC		
b. Overdraft	298096130.53	234086340.53
c. Demand loan	77118982.57	35360215.50
III. Term loans	52261206.95	64420019.02
	298221757.71	244865652.91
<b>TOTAL (I, II, III)</b>	<b>725698077.76</b>	<b>578732227.96</b>
B.I. Secured by tangible assets	679148857.95	429534271.98
II. Covered by bank / Govt. Guarantee	NIL	NIL
III. Unsecured	46549219.81	149197955.98
<b>TOTAL (I + II + III)</b>	<b>725698077.76</b>	<b>578732227.96</b>
C. ADVANCES IN INDIA:		
a) Priority sectors	488796907.32	403823973.58
b) Public sectors	NIL	NIL
c) Other	236901170.44	174908254.38
<b>TOTAL (a + b + c)</b>	<b>725698077.76</b>	<b>578732227.96</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>	NIL	Nil
<b>GRAND TOTAL (C.I &amp; C.II.)</b>	<b>725698077.76</b>	<b>578732227.96</b>

**SCHEDULE-10**

	<b><u>Current year</u></b> <b><u>31-03-2014</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2013</u></b>
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	14809072.77	14110695.10
ii. Addition during the year	2073606.00	762758.50
iii. Deduction during the year	0.00	64380.83
iv. Depreciation to the date.	9337600.82	8209380.97
<b>NET VALUE</b>	<b>7545077.95</b>	<b>6599691.80</b>

**SCHEDULE-11****OTHER ASSET**

	<b><u>Current year</u></b> <b><u>31-03-2014</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2013</u></b>
I. INTER-OFFICE ADJUSTMENT (NET)	43001938.95	42902246.65
II. INTEREST ACCRUED	121689275.56	93062156.63
III. TAX PAID IN ADVANCE/Tax deducted at source	6676604.00	101034.00
IV. STATIONERY AND STAMPS	612451.90	854476.90
V. Non-banking asset acquired in satisfaction of claim	NIL	NIL
VI. OTHERS (Detail in schedule-18 item 6b )	453977605.67	453624337.48
<b>TOTAL (I, II, III, IV, V &amp; VI)</b>	<b>625957876.08</b>	<b>590544251.66</b>

**SCHEDULE-12****CONTINGENT LIABILITIES**

	<b><u>Current year</u></b> <b><u>31-03-2014</u></b>	<b><u>Previous year</u></b> <b><u>31-03-2013</u></b>
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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>Previous year</u></b>
		<b><u>31-03-2014</u></b>	<b><u>31-03-2013</u></b>
I.INTEREST ON ADVANCES		68114731.86	56630962.22
II.INTEREST ON INVESTMENT (Detail in chedule-18, item 6c)		172908450.93	161882765.42
III.INTEREST on Balance with RBI & other Banks		NIL	Nil
IV.OTHERS		NIL	NIL
<b>TOTAL ( I + II + III + IV)</b>		<b>241023182.79</b>	<b>218513727.64</b>

<b><u>SCHEDULE-14</u></b>	<b><u>OTHER INCOME</u></b>	<b><u>Current year</u></b>	<b><u>Previous year</u></b>
		<b><u>31-03-2014</u></b>	<b><u>31-03-2013</u></b>
I.COMMISSION, EXCHANGE & BROKERAGE		6948181.73	5597312.54
II.PROFIT ON SALE OF INVESTMENT		23631357.62	14081057.35
LESS: LOSS ON REVALUATION OF investment			
III.PROFIT ON REVALUATION OF INVESTMENT		NIL	NIL
LESS: Loss on over-valuation of investment			
IV.PROFIT on sale of land, building & other asset		NIL	NIL
LESS: Loss on sale of land, building & other asset			
V.PROFIT on exchange transaction		NIL	NIL
LESS: Loss on exchange transaction			
VI.INCOME earned by way of dividend etc. From subsidiaries companies/joint venture set up abroad/in India		NIL	NIL
VII.MISCELLEANEOUS INCOME		3189937.50	1751853.00
VIII.Subsidy from sponsor bank on account of salary & allowances to Deputed staff		NIL	NIL
<b>TOTAL (I TO VIII)</b>		<b>33769476.85</b>	<b>21430222.89</b>

<b><u>SCHEDULE-15</u></b>	<b><u>INTEREST EXPENDED</u></b>	<b><u>Current year</u></b>	<b><u>Previous year</u></b>
		<b><u>31-03-2014</u></b>	<b><u>31-03-2013</u></b>
I. Interest on deposit		192947369.90	172532524.45
II.Interest on RBI/Inter-bank borrowing		6466671.72	9286517.81
III.Others		NIL	NIL
<b>TOTAL (I, II, III)</b>		<b>199414041.62</b>	<b>181819042.26</b>

<b><u>SCHEDULE-16</u></b>	<b><u>OPERATING EXPENSES</u></b>	<b><u>Current year</u></b>	<b><u>Previous year</u></b>
		<b><u>31-03-2014</u></b>	<b><u>31-03-2013</u></b>
I.Payment to and provision for employees (Detail in schedule-18 item 6d)		49242976.55	43285027.53
II.Rent, taxes and lighting		3955010.00	3603276.00
III.Printing and stationery		1971201.50	970096.00
IV.Advertisement and publicity		336266.00	90912.00
V.Depreciation on Bank's property		1128219.85	1029460.00
VI.Directors' fees, allowances & expenses		NIL	NIL

VII.Auditors' fees, allow. & exp.(including Br.audit)	128830.00	165554.00
VIII.Law charges	197420.00	348341.00
IX.Entertainment expenses	340751.00	246691.00
X.Repairing and maintenance	525848.00	356381.00
XI.Insurance	4051183.00	3278989.00
XII.Postage, telegrams, telephone	450250.00	427204.00
XIII.Other expenditure ( Detail in schedule-18 item 6e)	2311945.54	3327223.23
<b>TOTAL (I to XIII)</b>	<b>64639901.44</b>	<b>57129154.76</b>

## SCHEDULE-17: SIGNIFICANT ACCOUNTING POLICIES

APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.

### A) BASIS OF PREPARATION

The Financial Statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and comply with generally accepted accounting principles, statutory requirements prescribed under the Banking Regulation Act, 1949 as applicable to Regional Rural Bank and guidelines issued by the Reserve Bank of India(RBI) and sponsor bank SBI from time to time and Accounting Standard (AS) issued by Institute of Chartered Accountants of India ('ICAI') to the extent applicable and current practices prevailing within the Regional Rural Bank's in India.

The preparation of Financial Statement requires the management to make estimates and assumptions considered in the reported amount of Assets and Liabilities (including contingent Liabilities) as of the date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the Financial Statements are prudent and reasonable. Future results could differ from these estimates. Any revision in the accounting estimates is recognized prospectively in the current and future period.

### B) PRINCIPAL ACCOUNTING POLICIES

#### 1. Revenue and expense Recognition

- a) Interest Income recognised in the profit and loss account as it accrues except in case of non- performing assets ('NPAs') where it is recognised upon realization, as per the income recognition and asset classification norms of RBI.
- b) Loan processing fee is accounted for upfront when it becomes due
- c) Dividend on mutual fund units is recognized as income when it is received.
- d) Interest on Income Tax refund and Insurance claims are recognized on realization basis
- e) All other fees are accounted for as and when they become due.
- f) Expenditure in case of electricity bill, telephone bill, newspaper etc. are accounted for on cash basis.
- g) Stationery issued to the branches from head office is considered as consumed in the year of issue.
- h) Commission paid to recovery agents for originating recovery of written off accounts is expensed in the year in which it is paid.
- i) The bank has not availed any CENVAT credit on bills received from service providers/suppliers and charged entire bill amount to expenses including CENVAT. Total amount of CENVAT during the year is not ascertainable.

#### 2. INVESTMENTS:

Investments are accounted for in accordance with the RBI guidelines on investment classification and valuation as given below:

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a)SLR investments are classified into 'Held to Maturity' and Non-SLR investments into 'Available for Sale' category. Reclassifications, if any, in any category are accounted for as RBI guidelines.

b)Held to Maturity securities are carried at their acquisition cost or at amortized cost, if acquired at a premium over the face value. Any premium over the face value of fixed rates and floating rate securities acquired is amortized over the remaining period to maturity.

c)'Available for Sale' i.e., Non-SLR investment are valued as marked to market as per the RBI guidelines. The gain or loss on revaluation on a reporting date is taken to the Investment Fluctuation Reserve Account without routing through the income account. In the event that balance in the reserve account is insufficient, provisions for depreciation are made in the income account.

d)In determining acquisition cost of an investment

:

- Brokerage, Commission, etc. paid at the time of acquisition are charged to revenue.
- Broken period interest on debt instruments is treated as a revenue item.

e)On sale of Investments or redemption or on switch over to other scheme in case of mutual fund investment, Profit/Loss arising/realized is recognised in the income account.

### 3. **ADVANCE:**

a)All advances are classified as RBI guidelines, into performing (Standard Assets) and non-performing assets ("NPAs"). Further, NPAs are classified into sub-standard, doubtful and loss assets based on the criteria stipulated by RBI.

b)Provisions against are made at rates prescribed by RBI from time to time as per classification.

c)Advances except Standard asset are shown in the Balance Sheet net of provisions and unrealized interest (INCA), Standard Assets are shown in gross value and corresponding provision is included under the head Other Liabilities and Provisions.

### 4. **Fixed Assets & Depreciation:**

Fixed Assets are carried at historical cost less accumulated depreciation.

a)Depreciation on Fixed Assets other than computer and computer software is charged on written down value ('WDV') basis. The rates of depreciation for these Fixed Assets are the rates prescribed in the Income Tax Act/ Rules from time to time.

b)Depreciation on computers and software (forming as integral part of the computer systems) are charged on "Straight Line Method"(SLM) as prescribed by the RBI from time to time, presently @ 33.33% p.a. from the year of purchase /installation. In respect of the computer software, not forming an integral part of computers has been charged off fully in the year of purchase/installation.

c)Fixed asset items up to Rs. 1000/- each are charged to expenses as per SBI (sponsor bank) circulars.

d)The Bank has incurred Rs. 178.11 towards capital cost for migration to CBS platform and present outstanding Rs.85.16 lacs ( Receivable from SBI) shown in the Bills receivable account vide schedule No.11. 10% of such cost borne by RRB transferred to Fixed Asset Account and depreciation is applied as per prescribed rate.

e)The bank has not availed any CENVAT credit on any of the Fixed Assets purchased during the year and therefore charged full depreciation on the entire amount of purchase cost including CENVAT.

### 5. **Employee Benefit:**

a)Employees of the bank are covered by Employees Provident Fund and Pension Schemes of Employees Provident Fund Organization of Government of India. The bank pays its share of contribution to Provident Fund Organization regularly.

b)The bank has taken a policy of SBI Life Insurance Co, to cover the Gratuity Liability of the employees. Annual premium paid for the same policy is accounted for as expenses.

### 6. **Stationary:**

Inventory of stationary at Head Office is valued at cost at the close of the year. The entire amount of stationary supplied by Head Office to branches is treated as stationary consumed during the year, hence no inventory of stationary at branches is taken and valued. This is the normal practice followed since previous years consistently.

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**7. Segment Reporting:**

The bank has treated the entire operation as single reportable segment as of banking operation.

**8. Impairment of Assets:**

The Bank assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Profit and Loss Account to the extent the carrying amount of assets exceeds their estimated recoverable amount.

**9. Accounting for Provisions, Contingent Liabilities and Contingent Assets**

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

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statements.

Contingent Assets, if any, are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

**SCHEDULE 18: NOTES TO ACCOUNTS****APPENDED TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.****1. Share Capital deposit Account**

Share capital deposit account representing amount received from stakeholders has been shown in schedule -1 of capital as per NABARD instructions.

**2. Reconciliation/ Matching**

Reconciliation transactions in branch clearing general account and inter-branch transaction including with H.O. are being done on and ongoing basis. There are significant improvement in respect of outstanding entries.

**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. The bank provided additional provision against Doubtful-2 category assets to the tune of Rs.5891137.57 to take care of higher NPAs.

**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:

<b>particulars</b>	<b>2012-13</b>	<b>2013-14</b>
Provisions against standard asset	2068763.77	2068768.77

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Provisions for audit fees	120000.00	120000.00
Provisions for gratuity	0.0	2802774.00
Banker's cheque to be issued account	0.00	20750.00
<b>TOTAL</b>	<b>2188763.77</b>	<b>5012292.77</b>

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

<b>particulars</b>	<b>2012-13</b>	<b>2013-14</b>
Accumulated losses	425717201.13	420869622.12
Balance of suspenses account	3380872.85	6971203.85
Capital cost for CBS receivable from SBI	8516216.50	8516216.50
Capital cost of subvention branch receivable from RBI 2012-13	12099682.20	6729854.20
Capital cost of subvention branch receivable from RBI 2013-14	0.00	6503963.02
Reimbursement receivable from APRB-R-SETI	0.00	23158.00
Reimbursement receivable from NABARD for Farmers resource centre	0.00	240000.00
Reimbursement receivable from NABARD for Financial Literacy camp	0.00	28175.00
Reimbursement receivable from RBI for Vsate rent	3910364.80	4041576.00
Balance of step remittance account for NEFT	0.00	53836.98
<b>TOTAL</b>	<b>453624337.48</b>	<b>453977605.67</b>

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

<b>particulars</b>	<b>2012-13</b>	<b>2013-14</b>
Interest earned on Govt. securities	45610216.69	46186642.98
Interest earned on FD with SBI	116272548.73	126721807.95
<b>TOTAL</b>	<b>161882765.42</b>	<b>172908450.93</b>

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

<b>particulars</b>	<b>2012-13</b>	<b>2013-14</b>
Salary & allowances	35220227.93	40239410.80
Travelling expenses	1618064.60	1577658.00
Halting expenses	332802.00	347267.75
Medical reimbursement	784765.00	605855.00
Uniform expenses	6474.00	5640.00
LTC expenses	151072.00	139304.00
Leave incashment	1192110.00	36412.00
Lodging charges	7895.00	12555.00
Gratuity paid	3786620.00	4498018.00
Wages to temporary staff	0.00	1760666.00
Allowances paid to deputed Officers from SBI	184997.00	20190.00
<b>TOTAL</b>	<b>43285027.53</b>	<b>49242976.55</b>

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

<b>particulars</b>	<b>2012-13</b>	<b>2013-14</b>
Amount amortized on Govt. Securities	198995.23	208586.50
Fuel charges	145630.00	128891.59
Annual maintainace charge for hardware & software	807038.20	796771.80
Labour charges	3750.00	92063.00
Training expenses	116413.00	144296.00
Bank charges	37229.30	15783.00
Expenses for batteries	7910.00	109458.00
Books and periodicals	14934.00	19656.00
Seminar expenses	66230.00	0.00
Cleannsing	67433.00	0.00
Data entry charge	5216.00	0.00
Wages	1337564.00	0.00
Misc. expenses	518880.50	796439.65
<b>TOTAL</b>	<b>3327223.23</b>	<b>2311945.54</b>

## 7. Advances

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

<b>Particulars</b>	<b>Previous year 31-03-2013</b>	<b>Current year 31-03-2014</b>
Gross advance outstanding	610529425.11	768847955.96
LESS: Interest not collected account(INCA)	2662977.24	8124523.72
LESS: Provisions for NPAs & Frauds	29134219.91	35025354.48
<b>Net advances</b>	<b>578732227.96</b>	<b>725698077.76</b>

ii). The gross advances and net advances shown in above details/ Balance Sheet are net of credit balances portfolio/ overdraft account in some of the branches.

iii). The ratio calculated with respect to advances /deposit in this report or elsewhere have been calculated based on the amount reported in the Balance Sheet.

### 8.Change in Accounting Policies and Prior Period Items

During the year, the bank has not changed any of its accounting policies.

### 9.Segment Reporting

Since all the activities of the bank fall within single nature of business i.e., banking operation, hence segmental reporting requirement is not applicable.

### 10.Related Party Disclosure

Details pertaining to Related Parties disclosures are as under:

<b>Name of the related party</b>	<b>Deposit/ Investment</b>	<b>Borrowings</b>	<b>Balance with Bank</b>	<b>Interest Income</b>	<b>Interest Expenses</b>
State Bank of India (Sponsor Bank)	14437.47	0.00	4888.16	1267.22	4.70
SBI Mutual Fund	2625.57	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>17063.04</b>	<b>0.00</b>	<b>4888.16</b>	<b>1267.22</b>	<b>4.70</b>

(Rs. in Lakhs)

### 11.Provisions for Income Tax Deferred Tax Assets

The Bank has made operating profit in current year, but no provision has been made for tax as bank has carried over losses of previous years

### 12.Recovery of Written off Debts

Recovery against debt written off earlier Rs.31.90 lakh has been credited to other income under miscellaneous income head(Schedule 14-item VI

### 13.SLR-Investment

<b>Sl.No.</b>	<b>Particulars</b>	<b>Previous years 31-03-2013</b>	<b>Current years 31-03-2014</b>
1	Value of investment		
i.	Gross Value Investment	594729246.42	585500589.92
ii.	Provisions for depreciation	Nil	Nil
iii.	Net Value of Investments	594729246.42	585500589.92
2	Movement of provisions held towards depreciation on investment		
i.	Opening Balance	Nil	Nil
ii.	ADD: Provisions made during the year	Nil	Nil
iii.	Less:Write off/write back to excess provision during the year	Nil	Nil
iv.	Closing Balance	Nil	Nil

### 14.NON-SLR Investment

(Rupees in lakhs)

Arunachal Pradesh Rural Bank

<u>Sl.no.</u>	<u>Issuers</u>	<u>Amount</u>	<u>Extent of private placement</u>	<u>Extent of below invest.grade securities</u>	<u>Extent of unrated securities</u>	<u>Extent of unrealized securities</u>
1	PSU	NIL	NIL	NIL	NIL	NIL
2	FIs	NIL	NIL	NIL	NIL	NIL
3	Banks	NIL	NIL	NIL	NIL	NIL
4	Private corporate	NIL	NIL	NIL	NIL	NIL
5	Others:		NIL	NIL	NIL	NIL
	UTI Mutual Fund	2625.57	NIL	NIL	NIL	NIL
	SBI-Mutual Fund	544.70	NIL	NIL	NIL	NIL
6	Provisions held towards depreciation	NIL	NIL	NIL	NIL	NIL
7	TOTAL	3170.25	NIL	NIL	NIL	NIL
8	Out of total under share/bonds/debentures	NIL	NIL	NIL	NIL	NIL
9	Out of total non-performing Non-SLR Investment	NIL	NIL	NIL	NIL	NIL

**15.Ratio and Misc. Disclosures**

<u>Sl.no.</u>	<u>Particular</u>	<u>Previous years</u> <u>31-03-2013</u>	<u>Current years</u> <u>31-03-2014</u>
1.	CRAR(%)	9.86%	10.35%
2.	CRAR Tier-I Capital(%)	9.86%	10.35%
3.	CRAR TIER-II Capital(%)	0.00	0.00
4.	Percentage of share holding of the		
a).	Government of India	50.00%	50.00%
b).	Government of Arunachal Pradesh	15.00%	15.00%
c).	Sponsor Bank(State Bank of India)	35.00%	35.00%
5.	Repo Transactions	NIL	NIL
6.	Reverse Repo Transactions	NIL	NIL
7.	Financial Assets Sold	NIL	NIL
8.	Fianancial Asset Purchased	NIL	NIL
9.	Non-performing Financial Assets Sold	NIL	NIL
10.	Non-Performing Financial Assets Purchased	NIL	NIL
11.	Provisions towards standard assets	20.69	20.69
12.	Real estate sector financing	NIL	NIL
13.	Working Fund(based on quarterly average)	29807.11	33366.47

**16.Business Ratios:**

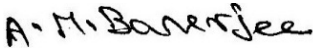
<u>Sl.no.</u>	<u>Particulars</u>	<u>Previous year</u> <u>31-03-2013</u>	<u>Current year</u> <u>31-03-2014</u>
a)	Interest income as percentage to working fund	7.33%	7.222%
b)	Non-interest income as percentage to working fund	0.72%	1.01%
c)	Operating profit as percentage of working fund	0.03	0.15%
d)	Return on assets	0.07%	0.13%
e)	Business(Dposit+Advances) per employee	429.24	423.82
f)	Profit per employee	0.30	0.46

**17.NON-PERFORMING ASSETS**

<u>Sl.no.</u>	<u>Particulars</u>	<u>Previous years</u> <u>31-03-2013</u>	<u>Current years</u> <u>31-03-2014</u>
I	Net NPAs to Net Advances (%)	11.60%	13.66%
II	Movement of NPAs (Gross)		
	(a). Opening Balance	677.73	987.00
	(b). Addition during the year	796.66	1817.00
	(c). Reduction during the year	487.39	1322.21
	(d). Closing Balance	987.00	1481.79

18. Previous years figures have been taken from last year audited accounts and are reclassified/regrouped wherever considered necessary.

As per our report of even date attached.  
For P. MUKHERJEE & CO.  
Chartered Accountants

  
( A.M. Banerjee)  
Partner  
Membership No.301813  
Place: Naharlagun ( Camp)  
Date: 14-04-2014

  
(S.R. BANERJEE)  
**CHAIRMAN**

**ANNEXURE-I****Performance during current year and previous year:**

Sl.No	Particulars	(Rupees in lakhs)	
		<u>Previous year</u> <u>31-03-2013</u>	<u>Current year</u> <u>31-03-2014</u>
1	<b>NO.OF BRANCHES</b>	27	27
	a) <b>Urban Branch</b>	2	2
	b) <b>Semi urban Branch</b>	5	5
	c) <b>Rural Branch</b>	20	20
	d) <b>Ultra small branch</b>	0	0
2	<b>Total staff:</b>	<b>96</b>	<b>107</b>
	a) On deputation from SBI ( including Chairman)	2	2
	b) Officers	49	51
	c) Office Assistants (Multipurpose)	33	42
	d) Office attendant	12	12
3	<b>OWN FUND:</b>	<b>5269.04</b>	<b>5269.04</b>
	a) Share capital	100.00	100.00
	b) Reserve	NIL	NIL
	c) Share capital Deposit	5169.04	5169.04
4	<b>DEPOSITS:</b>	<b>34243.26</b>	<b>36812.43</b>
	Absolute growth	3657.06	2569.17
	% of growth	12.00	7.50
	a) Demand deposits	21643.08	23198.71
	Absolute growth	2620.46	1555.63
	% of growth	13.77	7.19
	i) Current account	6614.34	7158.44
	ii) Saving Bank account	15028.73	15778.99
	b) Term deposits	12600.18	13613.72
	Absolute growth	1036.60	1013.54
	% of growth	8.96	8.04
5	<b>BORROWING:</b>	<b>797.39</b>	<b>669.66</b>
	% of growth	34.76	0.00
	a) From sponsor Bank (SBI)		
	a) Limit sanctioned	720.00	0.00
	ii) Outstanding	0.00	0.00
	b) From NABARD		
	i) Limit Sanctioned	1064.82	1264.82
	ii) Outstanding	797.39	669.66
	c) From Others ( OD from SBI against Fixed deposits)		0.00
	i) Limit sanctioned	0.00	0.00
	ii) Outstanding	0.00	0.00
6	<b>ADVANCES ( OUTSTANDING)</b>	<b>6105.29</b>	<b>7688.48</b>
	Absolute growth	-28.98	1583.19
	% of growth	-0.47	25.93
	a) Target groups	4239.75	5251.59

Arunachal Pradesh Rural Bank

	Ratio to total advances	69.44	68.30
	b) Non-target groups	1865.54	2436.89
	Ratio to total advances	30.56	31.70
	<b>Out of total under:</b>		
	a) Agriculture	1085.33	1287.14
	b) Allied activities	289.30	366.83
	c) Rural artisan	261.46	327.48
	d) Priority sectors	4239.75	5211.11
	e) Weaker section	4239.76	5211.11
	f) Kishan credit cards	690.47	920.31
	g) SHG Finance	64.75	63.28
	h) SGSY finance	16.68	18.44
	i) General Credit Cards	192.91	244.11
	j) SME	2667.27	3091.15
7	<b>LOAN ISSUED DURING THE YEAR</b>	<b>3142.11</b>	<b>3883.98</b>
	a) Target groups	1232.27	1767.78
	b) Non-target groups	1962.08	2116.20
	Out of total under:		
	k) Agriculture	647.47	501.98
	l) Allied activities	289.30	366.83
	m) Rural artisan	54.42	65.85
	n) Priority sectors	2116.77	2235.00
	o) Weaker section	1232.27	1767.78
	p) Kishan credit cards	361.67	345.01
	q) SHG Finance	10.70	19.70
	r) SGSY finance	11.75	7.90
	s) General credit cards	147.20	301.15
	t) SME	1297.80	888.93
8	<b>Credit Deposit Ratio</b>	<b>17.83</b>	<b>20.89</b>
9	<b>Recovery rate ( July – June)</b>	<b>62.00</b>	<b>67.00</b>
10	<b>INVESTMENT</b>	<b>23049.17</b>	<b>23462.75</b>
	a) SLR Investment	5947.29	5855.01
	b) Non-SLR investment	17101.88	17607.74
11	<b>Investment to Deposit ratio</b>	<b>67.31</b>	<b>63.74</b>
12	<b>Balance with SBI (Total)</b>	<b>19419.05</b>	<b>19325.63</b>
	a) In current account	4671.71	4888.16
	b) In TDR account	19419.05	14437.47
13	<b>Balance with RBI in current account</b>	<b>1281.82</b>	<b>1524.96</b>
14	<b>Cash in hands</b>	<b>751.93</b>	<b>1005.24</b>
15	<b>Average working capital</b>	<b>32274.37</b>	<b>33366.47</b>
16	Average deposit	28654.59	31841.02
17	Average borrowing	1150.93	733.53
18	Average cash in hand	526.07	731.22
19	Average balance with RBI	1410.26	1488.12
20	Average balance with bank	1652.60	2362.66
21	Average SLR investment	5948.07	5901.15
22	Average Non-SLR investment	15077.48	16498.55
23	Average loan and advances	5566.97	6671.42
24	Working fund (Quarterly average)	29807.11	33366.47
25	Risk weighted assets	10259.24	10240.25
26	CRAR	9.86	10.35
27	<b>PROFIT AND LOSS ACCOUNT:</b>		
	<b>a) Total Income</b>	<b>2399.44</b>	<b>2747.93</b>
	i) Interest earned on advances	566.31	681.15
	ii) Interest earned on investment	1618.83	1729.08
	iii) Other income	214.30	337.70
	<b>b) Total expenditure</b>	<b>2371.64</b>	<b>2699.45</b>
	i) Interest paid on deposits	1725.33	1929.47
	ii) Interest paid on borrowing	92.86	64.67
	iii) Operating expenses	571.29	646.40
	iv) Provisions	-17.84	58.91
	c) Net result ( a – b )	27.80	48.48
28	<b>Accumulated Losses</b>	<b>4257.17</b>	<b>4208.70</b>

29	<b>Average cost of fund (%)</b>	<b>5.63</b>	<b>6.12</b>
	a) Average cost of deposit (%)	6.02	6.06
	b) Average cost of borrowing (%)	8.07	8.82
30	<b>Average return on fund (%)</b>	<b>6.77</b>	<b>9.10</b>
	a) Average return on advances (%)	10.17	10.21
	b) Average return on investment (%)	8.37	8.77
31	<b>Transaction cost as % of working capital</b>	<b>1.77</b>	<b>1.94</b>
32	<b>Total business</b>	<b>40348.55</b>	<b>44500.91</b>
33	<b>PRODUCTIVITY</b>		
	a) Per branch business	1494.39	1648.18
	b) per employee business	420.30	415.90
	c) Per branch profit	1.03	1.80
	d) Per employee profit	0.29	0.45
34	<b>NON PERFORMING ASSETS:</b>		
	a) At the beginning of the year	677.73	987.00
	b) Addition during the year	796.66	1817.00
	c) Recovery during the year	487.39	1322.21
	d) NPA at the end of the year	987.00	1481.79
	e) Gross NPA %	16.17	19.27
35	<b>ASSET CLASSIFICATION</b>	<b>6105.29</b>	<b>7688.48</b>
	a) Standard assets	5118.30	6206.69
	b) Sub-standard assets	491.76	352.33
	c) Doubtful assets	366.06	1061.39
	d) Loss assets	129.18	68.07
36	<b>PROVISIONING</b>	<b>312.03</b>	<b>370.94</b>
	a) Provision against standard asset	20.69	20.69
	b) Provision against sub-standard asset	49.18	33.81
	c) Provision against doubtful assets	115.66	249.25
	d) Provision against loss assets	126.50	67.19
37	<b>BALANCE OF PROVISION A/C</b>		
	a) Against Standard asset	20.69	20.69
	b) Against NPAs	291.34	350.25
38	<b>TECHNOLOGIES</b>		
	a) CBS implementation	Yes	Yes
	b) NEFT implementation	Yes	Yes
	c) RTGS implementation ( Except from & to SBI)	In Progress	Yes
	d) ATMs ( Debit cards and Credit cards)	In Progress	Yes
	e) Direct benefit transfer	In progress	In progress
	f) CPSMS		In progress
	g) Net banking	No	No
39	<b>INTERNAL CONTROL</b>		
	a) Snap Audit (No. of Branch covered)	15	16
	b) Internal audit: (No. of branch covered)	18	12
	c) Inter branch adjustment	Nil	Nil
	d) New/Relocation/merger of branches		
	i)No. of New branch opened during the year	2	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 31-03-2014

(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	5363.25	717.77	13.38	31-12-1983
2. Lumpo Branch	Ramle-Bango	452.27	70.27	15.54	31-03-1984
3. Sille Branch	Pasighat	640.08	230.57	36.02	04-07-1984
4. Ruksin Branch	Pasighat	753.76	86.79	11.51	31-12-1984
5. Mebo Branch	Mebo	1273.30	347.02	27.25	02-02-1985
6. Boleng Branch	Pangin	861.79	53.58	6.22	12-02-1986
7. Riga branch	Riga	5.48	0.00	0.00	29-06-2012
<b>West Siang District</b>					
8. Kamba Branch	Liromoba	439.67	64.45	14.66	10-01-1989
9. Likabali Branch	Basar	1050.41	239.28	22.78	27-12-1985
10. Aalo Branch	Aalo	3008.60	810.59	26.94	30-12-1994
11. Basar Branch	Basar	637.50	186.29	29.22	24-07-1993
12. Rungong Br.	Rungong	219.11	6.86	3.13	12-08-2011
13. Gensi Branch	Gensi	138.95	0.00	0.00	30-01-2012
<b>Papum Pare District</b>					
14. Itanagar Branch	Itanagar	1943.54	564.70	29.06	17-12-2003
15. Sagalee Branch	Sagalee	3089.62	602.93	19.51	26-03-1985
16. Kimin Branch	Kimin	342.39	253.37	74.00	03-07-1985
17. Naharlagun Br.	Naharlagun	4818.41	1937.35	40.21	31-07-2007
<b>Upper Subansiri District</b>					
18. Daporijo Branch	Daporijo	2876.38	148.11	5.15	08-06-1994
19. Dumporijo Br.	Dumporijo	915.61	74.90	8.18	24-03-1985
20. Taliha Branch	Taliha	0.97	0.00	0.00	29-06-2012
<b>Lower Subansiri District</b>					
21. Yazali Branch	Ziro-II	671.82	221.30	32.94	03-04-1986
22. Ziro Branch	Ziro	1784.81	295.35	16.55	22-09-2008
23. Yachuli Branch	Ziro-II	383.45	144.82	37.77	13-08-2007
<b>Upper Siang District</b>					
24. Geku Branch	Mariyang	530.25	27.48	5.18	26-11-1986
25. Mariyang Br.	Mariyang	555.79	82.49	14.84	31-12-2011
<b>Lohit District</b>					
26. Tezu Branch	Tezu	3655.03	466.71	12.77	18-11-2008
<b>Lower Dibang Valley District</b>					
27. Roing Branch	Roing	395.14	21.72	5.50	02-09-2008

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