

**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

		In thousand	
Particulars	Schedule	31.03.2021	31.03.2020
		Current Year	Previous Year
<b>Capital &amp; Liabilities</b>			
Capital / Share Capital Deposit	1	3083660	2893860
Reserves & Surplus	2	415008	415008
Deposits	3	90598781	81719245
Borrowings	4	3095165	24262
Other Liabilities & Provisions	5	8333817	6404053
<b>TOTAL</b>		<b>105526431</b>	<b>91456428</b>
<b>Assets</b>			
Cash & Balances with R.B.I.	6	3811088	3875014
Balances with Banks Money at call & Short Notice	7	6228737	6781288
Investments	8	62318296	50974082
Advances	9	23909384	21222722
Fixed Assets	10	100593	117460
Other Assets	11	10158335	8484862
<b>TOTAL</b>		<b>105526431</b>	<b>91456428</b>
Contingent Liabilities	12	62581	80048

17

18

**Approved:-**

**For BRISK & Associates**

### Chartered Accountants

F.R. No. 000780C

Guano

CA Sanjeev Chanodia (Partne

M No 078896

UDIN 210788961 AAAA Z9208

**For Madhyanchal Gramin Bank**

Ambika Prasanna Nayak

**General Manager (Admin) / (Operation)**

Shyam Singh

**General Manager (IT)**

Abdresh Chandra Saxena

**Chairman**

**Form 'B'**  
**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

Profit & Loss Account For the year ended, 31st March 2021

Particulars	Schedule	In thousand	
		31.03.2021	31.03.2020
		Current Year	Previous Year
<b>1 Interest Earned</b>	<b>13</b>	<b>7028319</b>	<b>6049589</b>
a. Interest / Discount on Advances / Bills		2140634	1695478
b. Interest on Investments		4409267	3753388
c. Interest on Balances with RBI and Other Inter Bank Funds		360593	265735
d. Others		117825	334988
<b>2 Other Income</b>	<b>14</b>	<b>568426</b>	<b>381060</b>
a. Commission, Exchange & Brokerage		535358	345168
b. Miscellaneous Income		33068	35892
<b>3 TOTAL</b>		<b>7596745</b>	<b>6430649</b>
<b>4 Interest Expended</b>	<b>15</b>	<b>3582668</b>	<b>3756394</b>
<b>5 Operating Expenses (a+b)</b>	<b>16</b>	<b>4372931</b>	<b>5866803</b>
a. Employees Cost		3729321	5346948
b. Other Operating Expenses		643610	519855
<b>6 Total Expenditure (Excluding Provision &amp; Contingencies) (4+5)</b>		<b>7955599</b>	<b>9623197</b>
<b>7 Operating Profit / Loss before Provision and Contingencies (3-6)</b>		<b>-358854</b>	<b>-3192548</b>
<b>8 Provision (Other than tax) and Contingencies</b>		<b>429441</b>	<b>589634</b>
<b>9 Prior period Expenses</b>		<b>141818</b>	<b>0</b>
<b>10 Profit from Ordinary Activities before Tax (7-8)</b>		<b>-930113</b>	<b>-3782182</b>
<b>11 Tax Expenses</b>			
a. Provision for taxation-Current Year		0	0
b. Deferred Tax Assets		0	0
c. Earlier year adjustments (Excess / IT Refund)		-61567	0
<b>12 Net Profit / Loss for the period from Ordinary activities after tax</b>		<b>-868546</b>	<b>-3782182</b>

**APPROPRIATIONS**

Net Profit / Loss for the period	-868546	-3782182
Brought forward Profit / Loss	-5479825	-1697643
Transfer to Statutory Reserves	0	0
Special Reserve u/s 36 (1) (viii) of IT act, 1961	0	0
Carried over to balance sheet	-6348371	-5479825
Summary of Significant accounting policies	17	
Disclosure and Notes to Accounts	18	

Approved:-

Date:- 15.05.2021

Directors:-

For BRISKA & Associates  
Chartered Accountants

F.R. No. 000780C

*S. Chauhan*

CA Sanjeev Chanodia (Partner)

M No 078896

UIN 210788964AAAA 51208



For Madhyanchal Gramin Bank

*Ambika Prasanna Nayak*

Ambika Prasanna Nayak

General Manager (Admin) / (Operation)

*Shyam Singh*

Shyam Singh

General Manager (IT)

*Abdesh Chandra Saxena*

Abdesh Chandra Saxena

Chairman

**MADHYANCHAL GRAMIN BANK, HEAD OFFICE, SAGAR**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021**


(Rs. in thousands)

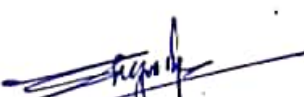
Particular		2020-21	2019-20
<b>A. Cash flow from Operating Activities</b>			
(i) Net operating profit		-868,546	-3,782,182
Add: Provision for taxation / Investment Fluctuation Reserve			6,235
Profit before taxes	(i)	-868,546	-3,775,947
(ii) Adjustment for:			
Depreciation on fixed assets		35,421	35,699
Amortisation on securities		28,162	23,058
Provision on Standard assets & NPA		282,449	226,818
Other Liability / provisions		1,947,577	1,361,808
Interest on NABARD & Other banks (Financing Activity)		35,808	1,158
Interest on bonds & TDR's (Investing Activity)		-360,593	-265,735
Total	(ii)	1,968,824	3,382,806
Operating Profit before Changes in Operating Assets and Liabilities	(i)+(ii)	1,100,278	-393,141
(iii) Adjustment for net change in Operating Assets and Liabilities			
Decrease / (Increase) in Investments		-10,253,265	-6,897,651
Decrease / (Increase) in Advances		-2,986,924	-331,440
Decrease / (Increase) in Other Assets		-804,927	-274,913
Increase / (Decrease) in Deposits		8,879,536	6,306,889
Increase / (Decrease) in Borrowings		3,070,903	-20,791
Increase / (Decrease) in Share Capital / deposit		189,800	572,379
Total	(iii)	-1,904,877	-645,527
Cash generated from/(used in) Operations	(i)+(ii)+(iii)	-804,599	-1,038,668
Less: Tax Paid		-	-
<b>Net Cash generated from/(used in) Operating Activities</b>		<b>-804,599</b>	<b>-1,038,668</b>
<b>B. Cash Flow from/(used in) Investing Activities</b>			
Purchase of Fixed Assets (net of Sales)		-18,554	-69,092
Interest received on non statutory funds		360,593	265,735
Investments in bonds & other funds		-1,119,111	-47,791
Investment in TDR		1,621,866	1,258,391
<b>Net Cash generated from/(used in) Investing Activities</b>		<b>844,794</b>	<b>1,407,243</b>
<b>C. Cash Flow from / (used in) Financing Activities</b>			
Interest on NABARD & Other banks		-35,808	-1,158
<b>Net Cash generated from/(used in) Financing Activities</b>		<b>-35,808</b>	<b>-1,158</b>
<b>D. Net Change in Cash and Cash Equivalents</b>			
(i) Net increase / (Decrease) in Cash and Cash Equivalents		4,387	367,417
(ii) Cash and Cash Equivalents at the beginning of the year			
Cash and Balances with Reserve Bank of India		3,876,014	3,583,510
Balances with Banks & Money at Call & Short Notice		172,123	97,210
		4,048,137	3,680,720
(iii) Cash and Cash Equivalents at the end of the year			
Cash and Balances with Reserve Bank of India		3,811,086	3,876,014
Balances with Banks & Money at Call & Short Notice		241,438	172,123
		4,052,524	4,048,137

Place : - Sagar  
Date :- 15.05.2021

Approved:-


Directors:-

  
Ambika Prashanta Nayak  
General Manager (Admin / Operation)

  
Shyam Singh  
General Manager (IT)

For BRISKA & Associates  
Chartered Accountants  
F.R. No. 000780C  
CA Sanjeev Chanodia (Partner)  
M No 078896  
UDIN 21078896AAAAAZ





  
Abhesh Chandra Saxena  
Chairman

**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**  
Schedules forming Part of Balance Sheet As on 31st March 2021

**Schedule 1 (Capital)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
<b>Authorised Capital</b>		
2000000000 share of Rs.10/- each	200000000	200000000
<b>Issued Capital</b>		
308366025 share of Rs.10/- each	3083660	2677450
<b>Subscribed Capital</b>		
308366025 share of Rs.10/- each	3083660	2677450
<b>Called-up Capital</b>		
308366025 share of Rs.10/- each	3083660	2677450
Less : Call unpaid		
Add : Forfeited Share		
<b>TOTAL</b>	<b>3083660</b>	<b>2677450</b>
<b>Share Capital Deposit</b>		
Amt. received from GOI	0	127300
Amt. received from M.P. Govt	0	0
Amt. received from Spon. Bank	0	89110
<b>TOTAL</b>	<b>0</b>	<b>216410</b>
<b>TOTAL</b>	<b>3083660</b>	<b>2893860</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

   
Shyam Singh Abdhesh Chandra Saxena  
General Manager (IT) Chairman

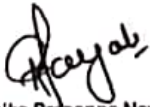





**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

**Schedule 2 (Reserves & Surplus)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
<b>I. Statutory Reserve</b>		
Opening Balance	363663	363663
Addition during the Year	0	0
Deduction during the Year	0	0
<b>TOTAL</b>	<b>363663</b>	<b>363663</b>
<b>II. Capital Reserve</b>		
Opening Balance	0	0
Addition during the Year	0	0
Deduction during the Year	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>III. Share Premium</b>		
Opening Balance	0	0
Addition during the Year	0	0
Deduction during the Year	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>IV. Special Reserve u/s 36 (1) (viii) of IT act, 1961</b>		
Opening Balance	0	0
Addition during the Year	0	0
Deduction during the Year	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>V. Revenue and Other Reserve</b>		
Opening Balance	51345	45110
Addition during the Year	0	6235
Deduction during the Year	0	0
<b>TOTAL</b>	<b>51345</b>	<b>51345</b>
<b>Balance in Profit and Loss Account</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>415008</b>	<b>415008</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

  
Shyam Singh  
General Manager (IT)

  
Abdhesh Chandra Saxena  
Chairman



**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

**Schedule 3 (Deposits)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
<b>A. I. Demand Deposits</b>		
i) From Banks	0	0
ii) From Others	1547331	1634971
<b>II. Saving Bank Deposits</b>	54650216	47846469
<b>III. Term Deposits</b>		
i) From Banks		
ii) From Others	34401234	32237805
<b>TOTAL</b>	<b>90598781</b>	<b>81719245</b>
<b>B. i) Deposits of Branches in India</b>	<b>90598781</b>	<b>81719245</b>
ii) Deposits of Branches Out Side India	0	0
<b>TOTAL</b>	<b>90598781</b>	<b>81719245</b>

**Schedule 4 (Borrowings)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
<b>I. Borrowing in India</b>		
i) Reserve Bank of India	0	0
ii) Other Banks	1895	14216
iii) Other Institutions and agencies		
a) NABARD	3090707	5702
b) NHB	0	0
c) Other Agency	2563	4344
<b>II. Borrowing outside India</b>	0	0
<b>TOTAL</b>	<b>3095165</b>	<b>24262</b>
<b>Secured borrowings included in I and II</b>	<b>1895</b>	<b>14216</b>

  
**Ambika Prasanna Nayak**  
General Manager (Admin) / (Operation)

  
**Shyam Bhatnagar**  
General Manager (IT)

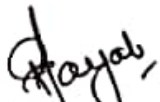
  
**Abdhesh Chandra Saxena**  
Chairman




**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

**Schedule 5 (Other Liabilities & Provisions)**

Particulars	In thousand	
	31.03.2021 Current Year	31.03.2020 Previous Year
I. Bills Payable / Bankers Cheque	65171	65174
II. Inter Office Adjustment (net)	8216	7600
III. Interest Accrued on Deposit	2071970	2103827
IV. General Provision		
a) Provisions for Standard Assets	57229	75042
b) Provisions on Rural Advance	0	0
c) Provisions of Frauds / Other	24549	23352
d) Income Tax Provision	0	22456
e) Bonus Provision	0	11
f) Provision for Pension	5128593	3460000
g) Depreciation on SLR securities under AFS Category	0	0
h) Provision for Leave Encashment	373665	460318
i) Provision for arrear of salary revision	404700	0
j) Provision for Gratuity	35500	0
k) Provision for NPI	2500	2500
V. Adjusting Account	20051	34720
VI. TDS On Bank Term Deposits	27187	34379
VII. Other Liabilities	116486	114674
<b>TOTAL</b>	<b>8333817</b>	<b>6404053</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

  
Shyam Singh  
General Manager (IT)

  
Abdhesh Chandra Saxena  
Chairman



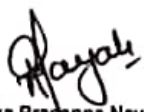
**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

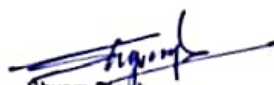
**Schedule 6 (Cash & Balances with Reserve Bank of India)**


Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
I. Cash In Hand	483792	521832
Including Foreign Currency Notes		
II. Balances with Reserve Bank of India		
i) In Current Account	3327294	3354182
ii) In Other Accounts	0	0
<b>TOTAL</b>	<b>3811086</b>	<b>3876014</b>

**Schedule 7 (Balances with Banks & Money at Call and Short Notice)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
I. In India		
I. Balance with Banks		
a) In Current Accounts	241438	172123
b) In Other Deposit Accounts	4987299	6609165
ii. Money at Call & Short Notice		
a) With Banks	0	0
b) With Other Institutions	0	0
<b>TOTAL</b>	<b>5228737</b>	<b>6781288</b>
II. Out Side India		
a) In Current Accounts	0	0
b) In Other Deposit Accounts	0	0
c) Money at Call & Short Notice	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>	<b>5228737</b>	<b>6781288</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

  
Shyam Singh  
General Manager (IT)

  
Abdhesh Chandra Saxena  
Chairman







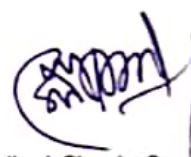
**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

**Schedule 8 (Investments)**

Particulars	In thousand	
	31.03.2021 Current Year	31.03.2020 Previous Year
<b>I. Investments in India</b>		
i) Government Securities	60867449	50614124
ii) Other Approved Securities	0	0
iii) Shares	0	0
iv) Debenture & Bonds	2500	2500
v) Subsidiary and / or Joint Venture	0	0
vi) Investment in Equity shares of National Payment Corporation of India (Long Term)	0	0
vii) Others	1448347	357398
<b>TOTAL</b>	<b>62318296</b>	<b>50974082</b>
<b>II. Investments outside India</b>		
i) Government Securities (Including Local Authorities)	0	0
ii) Subsidiary and / or Joint Venture	0	0
iii) Other Investments (To Be Specified)	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>Grand Total</b>	<b>62318296</b>	<b>50974082</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

 Shyam Singh  
General Manager (IT)

 Abdhesh Chandra Saxena  
Chairman



**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

**Schedule 9 (Loans & Advances)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
A) 1. Bills purchased & discounted	0	0
2. Cash Credit, Overdrafts & Loan repayable on demand	16945780	15763155
3. Term Loans	6963604	5459567
<b>TOTAL (A)</b>	<b>23909384</b>	<b>21222722</b>
B. 1. Secured by tangible assets	22745151	20657184
2. Covered by Bank / Govt. Guarantees		
3. Unsecured	1164233	665538
<b>TOTAL (B)</b>	<b>23909384</b>	<b>21222722</b>
C.I. Advances in India		
1. Priority Sector	21871774	19796975
2. Public Sector		
3. Banks		
4. Others	2037610	1425747
<b>TOTAL (C.I)</b>	<b>23909384</b>	<b>21222722</b>
C. II. Advances Outside India		
1. Due from Banks		
2. Due from Others		
<b>TOTAL (C.II)</b>		
<b>Grand Total (C.I+C.II)</b>	<b>23909384</b>	<b>21222722</b>

Loans & Advances arrived after reducing NPA Provision of Rs 3097551 Thousands

  
Ambika Prasanna Nayak

General Manager (Admin) / (Operation)

  
Shyam Singh  
General Manager (IT)

  
Abdhesh Chandra Saxena  
Chairman



**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

**Schedule 10 (Fixed Assets)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
<b>I. Land</b>		
At cost as on the 31st March of the Preceding Year	0	0
Addition during the Year	0	0
Deduction during the Year	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>II. Building</b>		
At cost as on the 31st March of the Preceding Year	0	0
Additions during the Year	0	0
Deductions during the Year	0	0
Depreciation to Date	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>III. Other Fixed Assets</b>		
<b>(Including Furniture Fixture)</b>		
At cost as on the 31st March of the Preceding Year	509180	440088
Additions during the Year	18554	69092
Deductions during the Year	0	0
Depreciation to Date	427141	391720
<b>TOTAL</b>	<b>100593</b>	<b>117460</b>
<b>IV. Capital Work In Progress</b>		
At cost as on the 31st March of the Preceding Year	0	0
Additions during the Year	0	0
Deletions during the Year	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>
<b>Grand Total (I+II+III+IV)</b>	<b>100593</b>	<b>117460</b>



Ambika Prasanna Nayak

General Manager (Admin) / (Operation)



Shyam Singh

General Manager (IT)



Abdhesh Chandra Saxena

Chairman



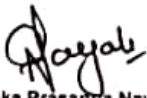
**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**


**Schedule 11 (Other Assets)**

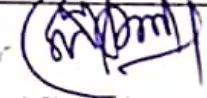
Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
1. Inter Office Adjustment (net)	0	0
2. Interest Accrued		
i) Advances	1200997	1238119
ii) Interest Accrued on G-sec's	1023384	917100
iii) Interest Accrued on STDRs	179705	238892
3. Advance Tax Paid	39111	10150
4. Tax Deducted at Source	2283	10390
5. Stationery & Stamps	5309	4772
6. Suspense	0	136
7. PB / RD Miscellaneous	18074	18073
8. Subvention / Int. Incentive receivable from NABARD	491356	304556
9. Prepaid Expenses - Insurance	0	0
10. Income Tax paid against Disputed Demand	0	0
11. Others / Adjusting account	849745	262849
Accumulated Losses as per the Last Balance Sheet	5479825	1697643
Losses during the current period	868546	3782182
<b>TOTAL</b>	<b>10158335</b>	<b>8484862</b>

**Schedule 12 (Contingent Liabilities)**

Particulars		
	31.03.2021	31.03.2020
	Current Year	Previous Year
1. Claims against the bank not acknowledged as debts.	0	0
2. Liability for partly paid investments	0	0
3. Liability on account of outstanding forward exchange contracts	0	0
4. Guarantees given on behalf of constituents		
a) In India	32916	50470
b) Outside India	0	0
5. Acceptances, Endorsements & other Obligations	0	0
6. Other items for which the Bank is contingently liable / DEA Fund	29665	29578
<b>TOTAL</b>	<b>62581</b>	<b>80048</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

  
Shyam Singh  
General Manager (IT)

  
Abdhesh Chandra Saxena  
Chairman





**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**  
Schedules forming Part of Profit and Loss year ended, 31st March 2021  
**Schedule 13 (Interest Earned)**

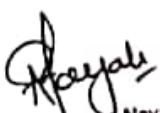
Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
Interest / Discount on Advances / Bills	2140634	1695478
Interest on Investments	4409267	3753388
Interest on Balances with RBI and Other Inter Bank Funds	360593	265735
Others	117825	334988
<b>TOTAL</b>	<b>7028319</b>	<b>6049589</b>


**Schedule 14 (Other Income)**

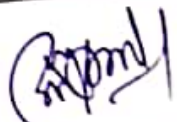
Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
Commission, Exchange & Brokerage	535358	345168
Profit on Sale of Investment	0	0
Profit on Revaluation of Investment	0	0
Profit on Sale of Land, Building & other Assets	164	0
Profit on Exchange Transactions	0	0
Income Earned by way of Dividends etc. from Subsidiary Companies and / or Joint Ventures Abroad / in India	0	0
Miscellaneous Income	32904	35892
<b>TOTAL</b>	<b>568426</b>	<b>381060</b>

**Schedule 15 (Interest Expended)**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
Interest on Deposits	3546574	3753937
Interest on RBI / Inter Bank Borrowings / Others	286	1299
NABARD	35808	1158
<b>TOTAL</b>	<b>3582668</b>	<b>3756394</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

  
Shyam Singh  
General Manager (IT)

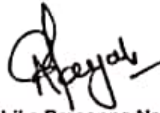
  
Abdhesh Chandra Saxena  
Chairman

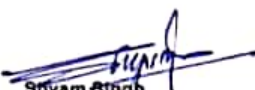


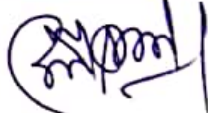
**MADHYANCHAL GRAMIN BANK**  
**HEAD OFFICE, SAGAR**

**Schedule 16 Operating Expenses**

Particulars	In thousand	
	31.03.2021	31.03.2020
	Current Year	Previous Year
Salary Payments and Provision to Employees	1492084	1241581
Pension payment and Provision	2101814	3512200
Gratuity Contribution	35500	126734
Leave Encashment	26951	387151
Medical Expenses	31805	24548
Leave Fare Concession	5725	17190
Travelling and Halting Expenses	35442	37544
Rent, Taxes, Lighting & Fuel	87056	89941
Printing & Stationery	7817	8731
Advertisement & Publicity	7	23
Director's Fee, Allowance & Expenses	0	0
Depreciation on Bank's Property	35421	35699
Auditor's Fee & Expenses	3694	4034
Legal Charges	3114	3153
Postage, Telegrams, Telephone etc.	2990	3933
Repairs & Maintenance	2895	3301
Insurance / D.I.C.G.C. Premium	107689	78943
AMC for Software and Hardware	113954	93260
Books and Periodicals	3160	3444
Computerization	1138	1012
Vehicle and Fuel Expenses	9111	9156
Entertainment	1234	1331
GST	46267	26905
Amortization	28162	23058
Sundries Expenses	54406	48587
AEPS Charges	45380	16344
Payment to Outsourced Agencies	77582	53488
Other Expenses	12533	15512
<b>TOTAL</b>	<b>4372931</b>	<b>5866803</b>

  
Ambika Prasanna Nayak  
General Manager (Admin) / (Operation)

  
Snyam Singh  
General Manager (IT)

  
Abdhesh Chandra Saxena  
Chairman



## **SCHEDULE 17- SIGNIFICANT ACCOUNTING POLICIES FOR FY 2020-21:**

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

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

### **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:**

Income and expenditure are accounted on accrual basis, except otherwise the below income which are accounted on Cash basis:

- 1.1 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 and other regulatory authorities.
- 1.2 Overdue interest on investments and bills discounted. Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised only at the time of sale/redemption.
- 1.3 Dividend income is recognised when the right to receive the dividend is established.
- 1.4 Commission on BG, Deferred Payment Guarantee, Government Business, ATM interchange fee & 'Upfront fee on restructured account' are recognised on accrual basis proportionately for the period. All other commission and fee income are recognised on their realisation.
- 1.5 Insurance Claims
- 1.6 Locker rent.
- 1.7 Commission on Cross Selling business, DBT Commission, PSLC Commission etc





## 2. Investments:

The transactions in all securities are recorded on Settlement Date 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 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.
  - (d) 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 debited to charges account.
- 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. Investments are classified as performing and non-performing, based on the guidelines issued by the RBI.**

- (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 Re. 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 investments in debentures / bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.



### 3. Advances and Provisions:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines / directives 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 debited 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:

i. **Standard Assets:**

General Provision for Standard Assets at the following rates:

- Direct Advances to Agriculture and SME sectors at 0.25%
- Commercial real Estate sector at 1%
- All other advances not included in (1) & (2) above at 0.40%



**ii. Sub-Standard Assets:**

A loan asset that has remained non- performing for a period less than or equal to 12 months is a Sub Standard Asset General Provision of 10% on the total outstanding

**iii. Doubtful Assets:**

A loan asset that has remained in the substandard category for 12 months is Doubtful Asset

Secured Portion	Up to One Year 20%
	One to three years 30%
	More than three years 100%
Unsecured Portion	100%

- 3.4 Advances are net of specific loan less 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.
- 3.9 Appropriation of recoveries in NPAs (not out of fresh / additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority.
- Charges
  - Unrealized Interest/ Interest
  - Principal





#### 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	Depreciation / amortisation rate
1	Premises including building used for the Bank's business, guest house and residential purpose.	SLM	1.6667 % every year
2	Vehicle (Motor Cars)	SLM	20.00 % every year
3	Safe Deposit Lockers, Fire proof Data Safe, Strong Room and Strong room Doors	SLM	5.00 % every year
4	Furniture and fixtures other than electrical fitting and fixtures	SLM	10.00 % every year
5	electrical fitting and fixtures	SLM	20.00 % every year
6	Items provided at residence of officials	SLM	
	a. Electrical equipment		20.00 % every year
	b. Wooden and Steel Furniture		10.00 % every year
	c. Carpets and Curtains		33.33 % every year
7.	Computer and ATM	SLM	33.33 % every year
8	Computer software forming an integral part of hardware	SLM	33.33 % every year
9	Computer software which does not forming an integral part of hardware	SLM	100.00 % every year

- 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 ₹ 1,000 each are charged off in the year of purchase.





## **5. Impairment of Assets:**

As per Accounting Standard 28, 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.

## **6. Employee Benefits and Retirement benefits to Employee:**

### **6.1 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.

### **6.2 Long Term Employee Benefits:**

#### **i. Defined Benefit Plan**

- a. The Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per rules to vested employees on retirement or on death while in employment. Vesting occurs at different stages as per rules. The pension liability is reckoned based on an independent actuarial valuation carried out annually and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.
- b. New Pension Scheme which is applicable to employees who joined Bank on or after 01.04.2010 is a defined contribution scheme, Bank pays fixed contribution at pre-determined rate and the obligation of the Bank is limited to such fixed contribution. The contribution is charged to Profit and Loss Account.
- c. The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic



contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.

- d. Liability of Leave encashment provision to employees is provided as per actuarial valuation as per AS 15, Accounting for Retirement Benefit issued by ICAI.

## **7. 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. 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 certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

## **8. Provisions, Contingent Liabilities and Contingent Assets:**

- 8.1 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.
- 8.2 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.

8.3 Contingent Assets are not recognised in the financial statements.

#### **9. Stationery and Stamps:**

Stock of Stationery items and Stamps has been valued at Cost.





# Madhyanchal Gramin Bank

## Head Office Sagar (M.P.)

### SCHEDULE – 18

#### DISCLOSURES & NOTES TO ACCOUNTS AS ON 31 MARCH, 2021

#### I. DISCLOSURES AS PER NORMS FOR RRB

##### 1. Capital

Sl. No	Particulars	Current year (%)	Previous year (%)
i)	CRAR (%)	(-) 11.17	(-) 9.66
ii)	CRAR – Tier I Capital (%)	(-) 11.17	(-) 9.66
iii)	CRAR – Tier II Capital (%)		
iv)	Percentage of Shareholding of the :-		
A	Government of India	10	50
B	Government of Madhya Pradesh	15	15
C	State Bank of India (Sponsor Bank)	35	35

##### 2. Investment

(Rs in '000s)

S. No	Particulars	Current year	Previous year
1	Value of Investment		
i)	Gross value of Investment	62318296	50974082
ii)	Provision for Depreciation	2500	2500
iii)	Net Value of Investments	62315796	50971582
2	Movement of Provision held towards Depreciation on Investment (NPI)		
i)	Opening Balance	2500	2500
ii)	Add : Provision made during the year	Nil	Nil
iii)	Less : Write off / Write back of excess provision during the year	Nil	Nil
iv)	Closing Balance	2500	2500

##### 3. Repo Transactions

(Rs in '000s)

Item	Minimum Outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31 <sup>st</sup> March, 2021
Securities Sold under Repos	Nil	Nil	Nil	Nil
Securities Purchased under Reverse Repos	Nil	Nil	Nil	Nil

1/17| Page





#### 4. Non-SLR Investment Portfolio

##### i) Issuer composition of Non SLR Investments

(Rs in '000s)

S.N	Issuer	Amount	Extent of Private Placement	Extent of below investment grade securities	Extent of unrated securities	Extent of unlisted securities
1	2	3	4	5	6	7
i)	PSUs	Nil	Nil	Nil	Nil	Nil
ii)	FIs / Other institution	1448347	Nil	Nil	Nil	Nil
iii)	Banks	Nil	Nil	Nil	Nil	Nil
iv)	Private Corporates	2500	Nil	100%	Nil	Nil
v)	Other (MF) & Equity Shares of NPCI	Nil	Nil	Nil	Nil	Nil
vi)	Provisions held towards depreciation	(-2500)	Nil	Nil	Nil	Nil
	Total	1448347	Nil	Nil	Nil	Nil

##### (ii) Non-Performing Non-SLR Investments

(Rs in '000s)

Particulars	Amount
Opening Balance	2500
Additions during the year since 1 <sup>st</sup> April	Nil
Reductions during the above period	Nil
Closing Balance	2500
Total Provisions held	2500

#### 5. Asset Quality

##### 5.1 Non-Performing Assets

(Rs in '000s)

No	Particulars	Current year	Previous year
I o	Net NPAs to Net Advances (%)	17.06%	23.35%
II	Movement of NPAs (Gross)		
(a)	Opening balance	7759917	6549701
(b)	Additions during the year	855314	2932964
(c)	Reductions during the year	1468785	1722749
(d)	Closing balance	7146446	7759917
III	Movement of Net NPAs		
(a)	Opening balance	4955126	3954421
(b)	Additions during the year	641219	2561951
(c)	Reductions during the year	1615632	1551246
(d)	Closing balance	3980713	4955126
IV	Movement of provisions for NPAs (Excluding provisions on standard assets)		
(a)	Opening balance	2797289	2595280
(b)	Provisions made during the year	446046	564419
(c)	Write-off / Write-back of excess provisions	145784	362410
(d)	Closing balance	3097551	2797289

2/17 | Page



## 5.2 Details of Loan Assets subject to Restructuring

(Rs in '000s)

S. No	Particulars	Current year	Previous year
I	Total amount of loan assets subject to restructuring, rescheduling, renegotiation	Nil	Nil
II	The amount of Standard assets subjected to restructuring, rescheduling, renegotiation	Nil	Nil
III	The amount of Sub-Standard assets subjected to restructuring, rescheduling, renegotiation	Nil	Nil
IV	The amount of Doubtful assets subjected to restructuring, rescheduling, renegotiation	Nil	Nil
	(I) = (II) + (III) + (IV)	Nil	Nil

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

(Rs in '000s)

S. No	Particulars	Current year	Previous year
I	No. of accounts	Nil	Nil
II	Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
III	Aggregate consideration	Nil	Nil
IV	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
V	Aggregate gain / loss over net book value	Nil	Nil

## 5.4 Details on non-performing assets purchased / sold

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

(Rs in '000s)

S. No	Particulars	Current year	Previous year
1 (a)	No. of accounts / purchased during the year	Nil	Nil
(b)	Aggregate outstanding	Nil	Nil
2 (a)	Of these, number of account restructured during the year	Nil	Nil
(b)	Aggregate outstanding	Nil	Nil

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

(Rs in '000s)

S. No	Particulars	Current year	Previous year
1	No. of accounts sold	Nil	Nil
2	Aggregate outstanding	Nil	Nil
3	Aggregate consideration received	Nil	Nil

3/17 | Page



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### 5.5 Provision on Standard Assets

(Rs in '000s)

S. No	Particulars	Current year	Previous year
1	Provision towards Standard Assets	57229	75042

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

### 6. Business Ratios

S. No	Particulars	Current year	Previous year
i	Interest income as a percentage to Working Funds	7.37%	7.19%
ii	Non-Interest income as a percentage to Working Funds	0.60%	0.45%
iii	Operating profit as a percentage to Working Funds (Before Provisions)	-0.38%	-3.79%
iv	Returns on Assets (%)	-0.91%	-4.49%
v	Business per Employee (Dep +Adv) (Rs'000)	85283	73024
vi	Net profit per Employee (Rs'000)	-630	-2612

### 7. Asset Liability Management – Maturity pattern of certain terms of Assets and Liabilities

(Rs in '000s)

Particulars	1 - 14 Days	15 - 28 Days	29 days-1 Month	> 34 Month	> 6 Month-1 Year	> 1-3 year	> 3-5 Year	> 5 Year	Total
Deposits	65,646.95	8,400.21	47,318.93	70,180.47	110,330.01	581,125.10	14,548.17	6,137.97	905,987.81
Advances	28,241.95	1,957.95	966.21	35,693.36	100,444.79	5,132.97	30,421.36	66910.76	270,069.35
Investments in G Sec	1,912.00	2,000.00	1,251.05	2,980.00	14,829.85	31,117.50	19,779.25	534,482.85	608,674.50
Investments in STDR	7,132.00	0.00	280.00	40,156.00	2,079.99	0.00	0.00	25.00	49,872.99
Borrowings	18.95	0.00	2.94	97.72	2,610.35	10,612.99	10,360.40	7,500.00	30,951.65
Foreign Currency Assets	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

4/17/ Page





**8. Exposures – Exposure to Real Estate Sector**

(Rs in '000s)

S. No	Particulars	Current year	Previous year
a	Direct exposure		
i	Residential Mortgages above Rs. 20.00 lakhs 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)	Nil	Nil
	Up to Rs.20.00 lakhs	4500722	4651567
ii	Commercial Real Estate Lending secured by mortgages on commercial real estate (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premise, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.	Nil	Nil
iii	Investments in Mortgage Backed Securities (MBS) and other Securitized exposures	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
b.	Indirect Exposures	Nil	Nil
	Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

**9. Details of Single Borrower (SGL), Group Borrower Limit (GBL) exceeded by the Bank:**

The bank had not exceeded the single borrower limit, group borrower limit fixed by the Board

**10. Miscellaneous – Amount of provisions made for income tax during the year**

(Rs in '000s)

Particulars	Current year	Previous year
Provision of Income Tax	Nil	Nil

**11. Disclosure of Penalties Imposed by RBI**

The Bank has maintained CRR and SLR as per RBI Act 1934 and Banking Regulation Act 1949 and not defaulted during the financial year under report.

5/17 | Page





## 12. Additional Disclosures as per Accounting Standards applicable to the Bank

### 12.1 Accounting Standard 5:- Net profit or Loss for the period, prior period items and changes in accounting policy.

Prior period expenses has been charged to Profit & Loss Account as prescribed in point No 9 of Profit & Loss Account. To reflect the correct position of books Current year profits has been adjusted to the extent needed to rectify errors committed during previous years related to interest income anomaly.

### 12.2 Accounting Standard 18:- Related party disclosure

a) Related parties where control / significant influence exists or with whom transaction have taken place during the year.

Sponsor Bank their Subsidiaries and Associates: State Bank of India

#### 12.2.1 Key Management Personnel

Name of Personnel	Designation
Abdresh Chandra Saxena	Chairman
Ambika Prasanna Nayak	General Manager Admin
K. Shridhar Rao	General Manager Operation
Shyam Singh	General Manager IT
K L Rajakumar	Chief Vigilance Officer
Satish Fulwani	General Manager

#### 12.2.2 Particulars of related party accounts transactions

The following is the summary of significant related party transactions:

(Rs in '000s)

Particulars	Current year	Previous year
Equity received from State Bank of India	53060	89110
Refinance received from State Bank of India	Nil	Nil
Interest paid to SBI	Nil	Nil
Investments made with:		
SBI - in the form of STDRs	1887298	4510165
SBI Fund Management Private Limited	Nil	Nil

6/17 | Page



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SBI Mutual Fund	900000	Nil
Interest received from SBI	145492	245338
Profit on sale of Investments on SBI	Nil	Nil
Contributions to Gratuity Fund with SBI Life Insurance Company Limited	0	98103
Contributions to Group Leave Encashment Policy with SBI Life Insurance Company Limited	252384	0
Current Account Balance with SBI	187927	172113

### 12.2.3 Particulars of Managerial Remuneration:

(Rs in '000s)

Particulars	Current year	Previous year
George Mathew, Chairman (Ex)	957	2573
Sanjeev Manohar Godbole, General Manager, Admin (Ex)	97	1509
K Shridhar Rao, General Manager, Operation	2014	1805
K L Rajakumar, Chief Vigilance Officer	2442	2117
P Azad Raju, Chief Vigilance Officer (Ex)	1095	1995
Abdresh Chandra Saxena, Chairman	1547	-
Ambika Prasanna Nayak, General Manager, Admin	1616	-
Shyam Singh, (General Manager, IT)	1653	-
Satish Fulwani, (General Manager)	1816	-

### 13. Provisions on Rural Advances

(Rs in '000s)

S. No	Particulars	Current year	Previous year
a	Opening balance in the Rural Advances Provision Account	Nil	Nil
b	The quantum of Rural Advances Provision made in the accounting year	Nil	Nil
c	i. Amount of Draw down made during the accounting year	Nil	Nil
	ii. Provision written back to profit and Loss account	Nil	Nil
	Total of Draw down		
d	Closing balance in the Rural Advances Provision Account	Nil	Nil

7/17/2024



**14. Disposal of Complaints:****14.1 Customer Complaints:**

S.No	Particulars	Nos.
A	No. of complaints pending at the beginning of the year	37
B	No. of complaints received during the year	606
D	No. of complaints redressed during the year	640
E	No. of complaints pending at the end of the year	03

**14.2 Award Passed by the Banking Ombudsman:**

S.No	Particulars	Nos
A	No. of unimplemented awards at the beginning of the year	0
B	No. of awards passed by Banking Ombudsman during the year	2
C	No of awards implemented during the year	0
D	No. of unimplemented awards at the end of the year	2

**15. Concentration of Deposits, Advances, Exposures and NPAs****15.1 Concentration of Deposits**

	(Rs. in Cr)
Total Deposits of Twenty largest depositors	89.74
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	0.99 %

**15.2 Concentration of Advances**

	(Rs. in Cr)
Total Advances of Twenty largest Borrowers	14.21
Percentage of Advances of twenty largest borrowers to Total Advances other Bank	0.53%

8/17 | Page



### 15.3 Concentration of Exposure

	(Rs. in Cr)
Total Exposures of Twenty Borrowers / Customers	14.21
Percentage of Exposures to twenty largest Borrowers/Customers to Total Exposure of the	0.53%

### 15.4 Concentration of NPAs

	(Rs. in Cr)
Total Exposure to top four NPA accounts	1.12

### 16. Sector wise NPAs

(Rs. In crore)

Sl. No.	Sector *	Current Year			Previous Year		
		Outstand ing Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
<b>A</b>	<b>Priority Sector</b>						
1	Agriculture and allied activities	1689.80	382.73	22.65	1535.62	412.81	26.88
2	Advances to industries sector eligible as priority sector lending	250.46	66.67	26.62	182.31	75.05	41.17
3	Services	552.77	260.14	47.06	536.88	281.20	52.38
4	Personal Loans						
	<b>Sub-Total (A)</b>	<b>2493.03</b>	<b>709.54</b>	<b>28.46</b>	<b>2254.81</b>	<b>769.06</b>	<b>34.11</b>
<b>B</b>	<b>Non-Priority Sector</b>	Nil	Nil	Nil	Nil	Nil	Nil
1	Agriculture and allied activities	Nil	Nil	Nil	Nil	Nil	Nil
2	Industry	Nil	Nil	Nil	Nil	Nil	Nil
3	Services	Nil	Nil	Nil	Nil	Nil	Nil
4	Personal loans	207.66	5.10	2.46	147.19	6.93	4.71
	<b>Sub-Total (B)</b>	<b>207.66</b>	<b>5.10</b>	<b>2.46</b>	<b>147.19</b>	<b>6.93</b>	<b>4.71</b>
	<b>Total (A+B)</b>	<b>2700.69</b>	<b>714.64</b>	<b>26.46</b>	<b>2402.00</b>	<b>775.99</b>	<b>32.33</b>

9/17/ Page





**17. Movement of NPAs**

Particulars	Rs. In Cr
Gross NPAs as on 1 <sup>st</sup> April 2020 (Opening Balance)	775.99
Additions (Fresh NPAs) during the year	85.53
Sub-Total (A)	861.52
Less :	
(i) Up gradations	124.07
(ii) Recoveries (excluding recoveries made from upgraded accounts)	8.23
(iii) Write-Offs	14.58
Sub-Total(B)	146.88
Gross NPAs as on 31 <sup>st</sup> March 2021 (Closing Balance) (A-B)	714.64



## II. NOTES TO ACCOUNTS

### 1. Area of Operations of the Bank:

This Bank covers 13 districts of M.P. i.e. Damoh, Sagar, Shivpuri, Guna, Tikamgarh, AshokNagar, Niwari, Chhatarpur, Panna, Satna, Rewa, Sidhi and Singrauli.

### 2. Going Concern Disclosure:

On account of provisions for Pension, Leave Encashment and Gratuity liability made, Bank has incurred a Net Loss of Rs. 86.85 crore for the financial year ended 31.03.2021 which has led to Negative Net worth of Rs. 284.97 Cr and fall in CRAR to (-) 11.17 %. The status of the bank has put a big question mark about the "Going Concern" status.

To maintain the regulatory requirement of CRAR 9%, Bank has made capital infusion plan for next five years. Bank has approached the GOI and SBI (Sponsor Bank) for recapitalization for Rs. 911.02 crore up to 2024. The following are the details of yearly requirement to maintain CRAR at 9%

	(Rs. In Crore)				
	March 2020	March 2021	March 2022	March 2023	March 2024
Amount required for CRR 9%	405.15	639.64	835.68	957.21	911.02

The Ministry of Finance, GOI has written a letter dated 25<sup>th</sup> Nov 2019 to the Chief Secretary of MP Govt. regarding Recapitalization of RRB to make necessary provision of fund in this regard. As per the letter it is mentioned that NABARD has carried out an exercise to assess the financial position of RRB as on 31<sup>st</sup> March 2019 and also assessed the required recapitalization assistance to the RRB over a period of 5 years. Based on anticipated financial position in future years, the assessment has been made by taking into account the amortization of pension liability over 5 years, NABARD will analyse the requirement of Capital to RRB every year and take the matter with GOI.

So the pension provision made now will be kept in banks books and the financial of the bank will not be get affected due to this provision. Although due the pension provision our Capital / CRAR / ROA / ROE are in negative position still the current financial position of the bank prior to making pension provision will remain unchanged.

As per our plan, if we exclude pension liability we will be able to make profit in the coming years and meet out our accumulated loss.

### 3. Classification of Assets (Advances) as on 31<sup>st</sup> March, 2021

(Rs in '000s)

Clarification	Gross Advances	Net Advances
Standard Assets	19860489	19793739
Sub Standard Assets	1120972	1007587
Bad & Doubtful Assets	6025474	3039877
Total	27006935	23841203
Add : Provision on Sub-Standard and Doubtful Assets	0	3097551
Subsidy	0	68181
Total	27006935	27006935

11/17 Page



#### 4. Deposit of Education and Awareness Fund (DEA Fund) Scheme:

Disclosure as required under Depositor Education and Awareness Fund Scheme – 2014 notified by the Reserve Bank of India under DBOD No. DEAF Cell BC.114/30.01.002/ 2013-14 dated 27th May 2014:-  
(Rs in '000s)

S. No	Particulars	Current year	Previous year
1	Opening Balance of Amount transferred to DEA Fund	29578	27199
2	Add: Amount transferred to DEAF during the Year	93	2512
3	Less: Amounts reimbursed by DEAF towards Claim	06	133
4	Closing balance of amounts transferred to DEA Fund	29665	29578

#### 5. Fraud Cases:

Details of Fraud Cases are as under:

(Rs in '000s)

Particulars	Current year	Previous year
Provision at the beginning of the year	114899	114205
Less: Written off during the year	0.00	0.00
Add: Additional provision created during the year	2562	694
Less: Provision reversed during the year	19297	-
Provision as at the year end	98164	114899
Number of fraud cases at the year end	21	27

#### 6. Capital Infusion:-

As per the approval of The Govt. of India in their letter dated 03.06.2020 has approved recapitalization of RRB. As per the NABARD assessment the recapitalization of Madhyanchal Gramin Bank works out to Rs. 15.16 Crore which was approved. The amount of Rs. 15.16 Crore consists of Rs. 7.58 Crore from GOI, Rs. 5.31 Crore from Sponsor Bank (SBI) and Rs. 2.27 Crores from Government of MP. This capital has been received by bank in FY 2020-21.

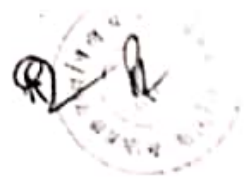
In FY 2019-20 to maintain the minimum CRAR capital as per the directives of Govt. of India the Madhyanchal Gramin Bank has to raise CRAR % from 5.07 % to 9%. Bank had requested the Govt. of India for recapitalization of the Bank. On the same account this FY the Govt. of India in their letter dated 30.03.2020 has approved recapitalization of RRB and recapitalization support of Rs. 25.46 Crore was given to Madhyanchal Gramin Bank. The amount of Rs. 25.46 Crore consists of Rs. 12.73 Crore from GOI, Rs. 8.91 Crore from Sponsor Bank (SBI) and Rs. 3.82 Crores from Government of MP. Out of Rs. 25.46 Crore, Rs. 12.73 Crore share of GOI & Rs. 8.91 Crore share of Sponser bank (SBI) was received in FY 2019-20 & remaining Rs. 3.82 share of Government of MP was received in FY 2020-21.

#### 7. Jai Kisan Fasal Rin Mafi Yojna:-

Madhya Pradesh government had issued a letter "D-17/16/218 / 14-3 dated 07.01.2019, to provide loan relief to the farmers of M.P. by Jai Kisan Fasal Rin Mafi scheme, under which crop loans upto Rs. 2 lakhs of farmers of the state to be waived off.

On Dt 09 feb. 2019 in the special meeting of State Level Bankers Committee, NPA / OVERDUE loan accounts were settled as per the Asset classification –

12/17 | Page





ASSETS	BANK SHARE	GOVT. SHARE
SUB STANDARD ACCOUNTS	25%	75%
DOUBTFUL ASSETS/ LOSS ASSETS / WRITTEN OFF ASSETS	50%	50%

We accepted this OTS scheme recommended by Govt. of M.P.

We has submitted data of total 208219 accounts for debt waiver havin; total outstanding of Rs. 1857 90 crore for loan Waiver.

In the first phase of JKFRMY govt. has decided to waive loans upto 50 thousand in regular accounts & upto 2 lakh in Npa accounts.

Bank has received an amount of Rs. 324.52 Cr. till yet from GoMP Under this scheme. Summary of JKFRMY is as follows:-

amt. in crore

CMLWS UPDATED POSITION AS ON 31-03-21														
AMT. CATEGORY	TOTAL CLAIM BYBANK		FIRST LOT						SECOND LOT				GRAND TOTAL	
			2018-19		2019-20		TOTAL		2019-20		TOTAL			
	A/C.	AMT.	A/C.	AMT.	A/C.	AMT.	A/C.	AMT.	A/C.	AMT.	A/C.	AMT.	A/C.	AMT.
1 TO 25000	29140	35.54	16444	24.79	304	0.43	16748	25.22	113	0.14	113	0.14	16861	25.36
25000 TO 50000	42590	161.29	30031	104.48	1415	4.85	31446	109.33	207	0.62	207	0.62	31653	109.95
50000 TO 100000	69601	502.29	10742	46.28	1748	7.73	12490	54.02	9835	69.67	9835	69.67	22325	123.68
100000 TO 150000	33902	408.66	4839	33.73	1155	7.84	5994	41.57	152	1.03	152	1.03	6146	42.60
150000 TO 200000	15384	264.52	1695	16.60	582	5.78	2277	22.38	52	0.54	52	0.54	2329	22.92
ABOVE 200000	17602	485.60	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
TOTAL	208219	1857.90	63751	225.88	5204	26.63	68955	252.51	10359	72.01	10359	72.01	79314	324.52

- Bank has Claimed Rs. 1857.90 Cr. in 208219 accounts under JKFRMY.
- Bank has received an amount of Rs. 324.52 Cr. in 79314 accounts Under JKFRMY till yet.
- Still Bank has 1434.08 Cr. pending amount for receiving Claim by GoMP.

8. The crop season for each crop, which means the period up to harvesting of the crops raised, is determined by the State Level Bankers' Committee. The credit limit offered on a Kisan Credit Card for the initial year is based on the cultivation of crops according to the scale of finance as decided by the District Level Technical Committee (DLTC) and cropping pattern as proposed by the farmer. Depending upon the duration of crops raised by an agriculturist, the NPA norms is applicable to agricultural term loans availed of by him. In terms of SLBC letter No 3188 dated 27-06-2014 read with Para No 7 of Letter dated 1962 dated 04-06-2014, the Bank has considered the Agriculture Loans under Mono crop Pattern. That is, irrespective of Double Crop, if any is cultivated and produced by the farmers, the Bank has determined the repayment based on the Mono cropping Pattern and accordingly, the bank has applied NPA norms. Further, the bank has determined the limit on the basis of dual crop which is a consistent practice followed over the period.

#### 9. Disclosure due to Impact of COVID-19:

- (1). Ex-gratia payment of difference between compound interest and simple interest for six months.  
As per letter no F.NO.2/12/2020-BOA.I Dated 23-10-2020 of Department of Financial Services, Ministry of





Finance Government of India, The Central Government has approved "Scheme for grant Ex-gratia payment of Difference between compound interest and simple interest for six months to borrower in specified loan accounts (01.03.20 to 31.08.20)". Benefits under the scheme would be routed through lending institutions. Eligibility Criteria for Ex-gratia payment are:-

1. Loan accounts having sanctioned limits and outstanding amount not exceeding Rs. 2 crore (aggregate of All facilities with lending institutions) as on 29.02.2020, shall be eligible under the scheme out of the following:-

- (i) MSME loans
- (ii) Education loans
- (iii) Housing loans
- (iv) Consumer durable loans
- (v) Credit card dues
- (vi) Automobile loans
- (vii) Personal loans to professionals
- (viii) Consumption loans

2. The aforesaid eligibility shall be subject to the following further conditions and stipulations:

(i) Account should be standard as on 29.02.2020, i.e., loan should not be a Non-Performing Asset (NPA) as on 29.02.2020.

(ii) Lending institution must be either a Banking company or a Public Sector bank or a Co-operative Bank (i.e., an Urban Co-operative Bank or a State Co-operative Bank or a District Central Co-operative bank or a Regional Rural Bank, or an All India Financial Institution, or a Non-Banking Financial Company or a Housing Finance company registered with RBI or National Housing Bank as the case may be) A Non-banking Financial Company\_Micro Finance Institution should be a member of a Self-Regulatory Organisation (SRO) recognised by RBI.

(iii) The Ex-gratia payment under this scheme shall be admissible irrespective of whether the borrower in sub-clause (1) had fully availed or partially availed or not availed of the moratorium on repayment announced by RBI vide its circular DOR.NO.BP.BC.47/21.04.048/2019-20, dated 27.03.2020 and extended on 23.05.2020.

In this scheme Bank credited Rs.5817046.53 in eligible 68148 loan accounts. We have also recovered claim by Govt.

#### (2). Facility of FITL loans (Funded Interest Term Loan)

Due to COVID-19 situations, the Bank has provided facility of FITL loan: for Standard CCOD accounts. In this Facility interest amount between 01.03.20 to 31.08.20 is provided as new loan which is repayable in installment. Bank has provided this facility to 79253 borrowers with an amount of Rs 79.54 Cr.

#### (3). Rescheduling of Term Loan Accounts

Due to COVID-19 situations, the Bank has provided facility of Rescheduling of Term loan accounts with Moratorium of 24 month. 27964 Borrowers have availed the facility & an amount of Rs. 217.32 Cr. has been rescheduled.

10. In view of circumstances due to Covid-19, Vide Letter No. Advance/SKA/219 dated 05-12-2020 of GM (Operation), the bank has allowed the disbursement of KCC Loan of 5<sup>th</sup> year Credit Limit in the year 2020-2021 in place of Credit Limit of 3<sup>rd</sup> year or 4<sup>th</sup> year as the case may be.

11. For the purpose of application of NPA Norms, FITL (Funded Interest Term Loan) Account which has been converted from KCC Loan Accounts (Agriculture) to FITL A/c has been considered as Agriculture Loan. Accordingly, NPA Provisions applicable to Short Term Crop Loan as applicable to KCC has been applied in respect of such FITL Loans.

14/17 | Page



## 12. Retirement Benefits to Employees:

### i) Leave Encashment

Liability for Leave Encashment to employees has been fully provided on the basis of actuarial valuation Done as on 31.03.2021. Actuarial valuation given by Actuary is Rs. 37.37 Cr as on 31.03.2021 against Actuarial valuation Rs. 37.37 Cr is provided in Books.

### ii) Gratuity

Liability of Gratuity Balance in the Fund Account is Rs. 71.46 Cr against the Actuarial Valuation Rs. 73.71 Cr. Total Contribution under the Fund made by Bank is Rs. 130157.00 during the FY 2020-21

Bank has also created provision for 3.55 Cr in books for gratuity.

### iii) Pension

As per instruction of RBI letter VV.KK.RRB.No 4405 / 31.01.001 / 2019-21 dated 05 December, 2019 and Nabard letter no. 322 / DOS-34 / 2019 dated 12 December, 2019, Provision for the pension Liability has to be created in total five financial years starting from financial year 2018-19 on the basis of actuarial. Actuarial has given total liability of Rs. 854.43 crore. Bank has provided Rs. 512.66 crore for Pension Liability for the financial year 2018-19, 2019-20 and 2020-21.

## 13. Contingent Liabilities not provided:

- a. Details of pending cases where bank is contingently liable and which would impact its financial position are as under:-

Sr. No.	Year	Case	Decision of Court	Appeal Filed by Bank	Amount of Liability
1.	1995	Employee terminated in the year 1995	Labour court decision in favour of Employee	Appeal filed by the Bank in High Court	Amount is unascertainable.
2.	1984	Daily Wages Employee removed in the year 1984	High court decision in favour of Employee	Appeal filed by the Bank in Supreme Court	Amount is unascertainable.
3.	2011	Employee Shri V. K Jain died while going to Damoh (died on duty)	New India Assurance Co denied the claim on the basis that the employee was not covered under the insurance policy taken by the bank from 28/12/2010 to 27/12/2011	50% amount deposited in court for Rs.27,71,150/-for getting stay. Amount disclosed in Schedule 16 attached to Financial Statements.	As per MACT Claim total amount of Claim accepted was for Rs. 46,93,550/- plus 7% interest till the time of payment of claim. Bank has filed the appeal before the hon'ble High Court, Jabalpur and the matter is pending.





b. Bank is contingently liable against following demand raised by Income Tax Department / Service Tax Department:

INCOME TAX		
Period	Demand Raised	Present Status
FY 2013-14	Rs 352230.00	Assessment order passed by AO as on 26.12.2016 and demand of Rs 352230/- has been raised by AO instead of refund amount of Rs 39111260/- .Matter is under process with Income tax department

Period	Total TDS Default against Bank (A)		Out of Total Default (A) Opted In Vivas se Vishwas Scheme (B)		Out of Total Default (A) Appeal filed		Out of Total Default (A) Appeal Yet to File	
Year of Demand	Total Default Cases	Value of Total Default	Defaults resolved in VSVS	Value of defaults resolved in VSVS	Default cases in Appeal	Value of Default cases in Appeal	Default cases remaining for appeal	Value of Default cases remaining for appeal
2007-08	1	11949					1	11949
2008-09	2	125					2	125
2009-10	1	2635					1	2635
2010-11	3	1608					3	1608
2011-12	4	15664.5					4	15664.5
2012-13	202	6083402.51	52	1112611	106	4743054.65	44	227736.86
2013-14	485	5666299.19	140	1444500	220	3638499.09	125	583300.1
2014-15	345	2767058.29	100	809822	132	1666336.7	113	290899.59
2015-16	321	2171973.42					321	2171973.42
2016-17	282	2296489.28					282	2296489.28
2017-18	161	617547.8					161	617547.8
2018-19	142	545851.96					142	545851.96
2019-20	29	77676.98					29	77676.98
<b>Grand Total</b>	<b>1978</b>	<b>20258280.9</b>	<b>292</b>	<b>3366933</b>	<b>458</b>	<b>10047890.4</b>	<b>1228</b>	<b>6843457.49</b>

Bank has already won cases with the same nature of TDS Default in past.

12. In view of materiality, Income earned in respect of Bank Guarantee Commission is accounted for in the year in which Bank Guarantee is opened/created

14. The figures mentioned in Balance Sheet, Profit & Loss Account and Schedules 1 to 16 have been rounded off to the nearest thousands rupees.

15. Previous Year's figures have been regrouped/reclassified/recast wherever necessary to confirm the current year classification.

16/17 | Page



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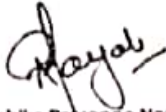
## 16. CASH & CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, balances with SBI, and balances with other banks (Subject to reconciliation in few cases).

## 17. NET LOSS AND CONTINGENCY FUND

Net Loss is arrived at after accounting for the following "Provisions and Contingencies"

- i) Provision for NPAs.
- ii) Provision for Standard Assets and
- iii) Other usual and necessary provisions and transfer to contingencies



Ambika Prasanna Nayak

General Manager (Admin) / (Operation)

Shyam Singh

General Manager (IT)



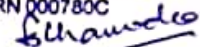
Abdhesh Chandra Saxena

Chairman

Place - Sagar

Date - 15.05.21

For BRISKA & ASSOCIATES  
Chartered Accountants  
FRN 000780C



(Sanjeev Chanodia)  
Partner  
MRN 078896

