

NAGALAND RURAL BANK
BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2025

(Amount in Rupees)

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
CAPITAL & LIABILITIES			
Capital	1	25,99,06,960.00	25,99,06,960.00
Perpetual Bond	1(a)	34,48,000.00	34,48,000.00
Reserves & Surplus	2	-18,60,41,431.64	-18,14,79,998.52
Deposits	3	1,45,32,24,374.99	1,70,06,40,637.34
Borrowings	4	15,15,17,779.00	18,63,04,388.00
Other liabilities & Provisions	5	7,02,00,331.15	6,00,19,952.01
TOTAL		1,75,22,56,013.50	2,02,88,39,938.83
ASSETS			
Cash & Balances with RBI	6	8,21,07,756.03	7,57,05,849.03
Balances with Banks and Money at Call and Short notice	7	68,49,99,052.72	81,17,45,429.58
Investments	8	27,90,43,775.25	29,35,03,010.52
Advances	9	63,87,03,415.06	78,16,95,050.15
Fixed Assets	10	66,80,328.88	93,10,986.88
Other assets	11	6,07,21,685.56	5,68,79,612.67
TOTAL		1,75,22,56,013.50	2,02,88,39,938.83
Contingent Liabilities	12	44,98,959.44	74,62,257.44

Schedules 1 to 18 form an integral part of this Financial Statements.

Place: Kohima

Date : 26TH April, 2025

For and on behalf of Nagaland Rural Bank



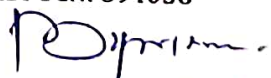
SIGNED BY:

Smt. Imsunaro Imchen
 Shri Khonthungo Lotha
 Shri Mangta Shoute
 Shri O.P MOUNGLANG
 Shri Sujit Kumar
 Shri David N Lhouvum
 Shri Velayutham Sadhasivam

- Director
 - Director
 - Director
 - Director
 - Director
 - Director
 - Chairman

In terms of our Report of even date.

For PARIK & CO.
 Chartered Accountants
 FRN: 302147E
 RBI UCN: 894058

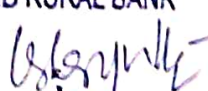

 CA BIPIN KUMAR (FCA)
 (Partner)
 ICAI Membership No. 059805
 UDIN: 25059805BMLIHN2844

For NAGALAND RURAL BANK


 General Manager
 Head Office : Kohima

FOR PARIK & CO.
 CHARTERED ACCOUNTANTS
 FRN-302147E (1961)
 PARTNER
 CA BIPIN KUMAR (FCA)
 Membership No 059805

For NAGALAND RURAL BANK


 Chairman

NAGALAND RURAL BANK
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2025

(Amount in Rupees)

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. Interest Earned:	13	12,73,71,476.10	15,85,67,563.70
a. Interest/discount on advances/bills		6,79,87,383.83	7,78,46,854.71
b. Income on Investments		1,94,28,815.00	2,18,70,739.00
c. Interest on balances with RBI and other inter-bank funds (FDRs)		3,99,55,277.27	5,88,49,969.99
d. Others		-	-
2. Other Income	14	82,31,280.50	96,88,094.82
a. Commission, exchange and brokerage		73,01,586.52	88,45,401.82
b. Profit on sale of investments		-	-
Less : Loss on sale of investments		-	-
c. Profit on revaluation of Investments		-	-
Less : Loss on revaluation of Investments		-	-
d. Profit on sale of land, buildings and other assets		0.00	0.00
Less : Loss on sale of land, buildings and other assets		-	-
e. Profit on exchange transactions		-	-
Less : Loss on exchange transactions		-	-
f. Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad / in India		-	-
g. Miscellaneous income		9,29,693.98	8,42,693.00
3. TOTAL		13,56,02,756.60	16,82,55,658.52
4. Interest expended	15	5,48,33,158.60	7,00,89,640.22
5. Operating expenses (a+b)	16	7,28,54,065.79	9,08,04,546.18
a. Employees Costs		4,93,64,865.00	6,29,62,685.94
b. Other Operating Expenses		2,34,89,200.79	2,78,41,860.24
6. "Total Expenditure (excluding provisions and Contingencies) (4+5)		12,76,87,224.39	16,08,94,186.40
7. Operating Profit/Loss before provisions and Contingencies (3-6)		79,15,532.21	73,61,472.12
8. Provisions (other than tax) and Contingencies		46,45,000.00	28,00,039.00
9. Profit/Loss from Ordinary Activities before Tax (7-8)		32,70,532.21	45,61,433.12
10. Tax Expenses			
a. Provision for Taxation - Current Year		0.00	0.00
b. Deferred Tax		0.00	0.00
c. Earlier Years Adjustments		0.00	0.00
11. Net Profit/Loss for the period from Ordinary Activities after Tax		32,70,532.21	45,61,433.12
12. Extraordinary Items		Nil	Nil
13. Net Profit/Loss for the period		32,70,532.21	45,61,433.12

For NAGALAND RURAL BANK


General Manager
Head Office : Kohima

FOR PARIK & CO.
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARIK & CO.
CA BIPIN KUMAR (FCA)
Membership No-059805

For NAGALAND RURAL BANK


Chairman

(Amount in Rupees)

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
APPROPRIATIONS			
Net Profit/Loss for the period		32,70,532.21	45,61,433.12
Profit/Loss brought forward		-18,93,11,963.85	-18,60,41,431.64
Transfer to the Statutory Reserves		0.00	0.00
Special Reserve U/s 36(1)(viii) of IT Act, 1961		0.00	0.00
Profit(+)/Loss(-) Carried Over to Balance Sheet		-18,60,41,431.64	-18,14,79,998.52
Summary of Significant Accounting Policies	17		
Disclosures and Notes to Accounts	18		

Schedules 1 to 18 form an integral part of this Financial Statements.

Place: Kohima

Date : 26TH April, 2025

For and on behalf of Nagaland Rural Bank



In terms of our Report of even date.

For PARIK & CO.

Chartered Accountants

FRN: 302147E

RBI UCN: 894058

Bipin Kumar

CA BIPIN KUMAR (FCA)
(Partner)

ICAI Membership No. 059805

UDIN: 25059805BMLIHN2844

SIGNED BY:

Smt. Imsunaro Imchen

- Director

Shri Khonthungo Lotha

- Director

Shri Mangta Shoute

- Director

Shri O.P Mounglang

- Director

Shri Sujit Kumar

- Director

Shri David N Lhouvum

- Director

Shri Velayutham Sadhasivam

- Chairman

For NAGALAND RURAL BANK

[Signature]
General Manager
Head Office : Kohima

FOR PARIK & CO.
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No-059805

For NAGALAND RURAL BANK

[Signature]
Chairman

SCHEDULE - 1 CAPITAL

(Amount in Rupees)


Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
I. For Nationalized Banks Capital fully owned by Central Government.		-	-
II. For Banks incorporated Outside India.			
i) Capital (The amount brought in by Banks by the way of startup Capital as prescribed by RBI should be shown under this head)			
ii) Amount of deposits kept with the RBI under section 11(2) of the Banking Regulation Act, 1949		-	-
TOTAL		-	-
III. For other Banks			
i) Authorized Capital(2,00,00,00,000 shares of Rs 10/- each)		20,00,00,00,000.00	20,00,00,00,000.00
ii) Issued Capital (2,59,90,696 shares of Rs.10/- each)		25,99,06,960.00	25,99,06,960.00
iii) Subscribed Capital (2,59,90,696 shares of Rs.10/- each)		25,99,06,960.00	25,99,06,960.00
iv) Called up Capital (2,59,90,696 shares of Rs.10/- each)		25,99,06,960.00	25,99,06,960.00
v) LESS: Calls Unpaid		-	-
vi) ADD: Forfeited Shares		-	-
vii) Share Capital Deposit			
Amount received from GoI		-	0.00
Amount received from GoN		-	0.00
Amount received from SBI		-	0.00
TOTAL		25,99,06,960.00	25,99,06,960.00

SCHEDULE - 1 (a) PERPETUAL BOND

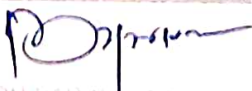
(Amount in Rupees)

Agencies from whom received	As on 31.03.2024	As on 31.03.2025
State Bank of India	34,48,000.00	34,48,000.00
TOTAL	34,48,000.00	34,48,000.00

For NAGALAND RURAL BANK


General Manager
Head Office : Kohima




FOR PARIK & CO.
CHARTERED ACCOUNTANTS
FRN 302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No 059805

For NAGALAND RURAL BANK


Chairman

SCHEDULE – 2: RESERVES & SURPLUS

(Amount in Rupees)


Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. Statutory Reserves			
Opening balance		-	-
Additions during the year		-	-
Deductions during the year		-	-
2. Capital Reserves			
Opening balance		-	-
Additions during the year		-	-
Deductions during the year		-	-
3. Share Premium			
Opening balance		-	-
Additions during the year		-	-
Deductions during the year		-	-
4. Revenue & other Reserves			
Opening balance		-	-
Additions during the year		-	-
Deductions during the year		-	-
5. Balance of Profit & Loss Account		-18,60,41,431.64	-18,14,79,998.52
TOTAL		18,60,41,431.64	18,14,79,998.52

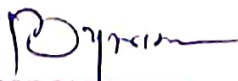
SCHEDULE: 3: DEPOSITS

(Amount in Rupees)

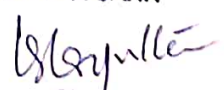
Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
A. 1. Demand Deposits			
a) From Banks		-	-
b) From Others		9,13,92,689.91	9,41,76,916.56
2. Savings Bank Deposits		75,47,98,139.08	98,62,68,356.78
3. Term Deposits			
a) From Banks			
b) From others		60,70,33,546.00	62,01,95,364.00
TOTAL		1,45,32,24,374.99	1,70,06,40,637.34
B. 1. Deposits of Branches in India		1,45,32,24,374.99	1,70,06,40,637.34
2. Deposits of Branches outside India		0.00	0.00
TOTAL		1,45,32,24,374.99	1,70,06,40,637.34

For NAGALAND RURAL BANK


General Manager
Head Office : Kohima


FOR PARK & CO
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No-059805

For NAGALAND RURAL BANK


Chairman

SCHEDULE – 4: BORROWINGS

(Amount in Rupees)

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. Borrowings in India			
a) Reserve Bank of India		-	-
b) Other Banks / CA OD facility/ NABARD		7,29,38,400.00	9,70,80,600.00
c) Other Institutions and Agencies		7,85,79,379.00	8,92,23,788.00
TOTAL		15,15,17,779.00	18,63,04,388.00
2. Borrowings outside India		-	-
TOTAL (1 & 2)		15,15,17,779.00	18,63,04,388.00
Secured Borrowing included in 1 and 2 above		15,15,17,779.00	18,63,04,388.00

SCHEDULE 5: OTHER LIABILITIES AND PROVISIONS

(Amount in Rupees)

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. Bills Payable			
2. Inter office adjustments (Net)		0.00	0.00
3. Interest accrued		3,21,38,848.52	4,35,04,965.74
4. Others (Including provisions)		3,80,61,482.63	1,65,14,986.27
TOTAL		7,02,00,331.15	6,00,19,952.01

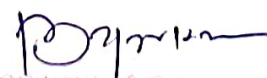
SCHEDULE: 6: CASH AND BALANCES WITH R.B.I

(Amount in Rupees)

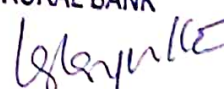
Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. Cash in hand (including foreign currency notes)		1,03,85,893.00	1,04,83,986.00
2. Balances with RBI			
a. In current Account		7,17,21,863.03	6,52,21,863.03
b. In other Accounts			
TOTAL		8,21,07,756.03	7,57,05,849.03

For NAGALAND RURAL BANK


General Manager
Head Office : Kohima


FOR PANK & CO.
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No 059005

For NAGALAND RURAL BANK


Chairman

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

(Amount in Rupees)

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. In India			
a). Balances with banks			
i. In Current Accounts		4,10,33,902.72	4,72,81,458.58
ii. In other Deposit Accounts		64,39,65,150.00	76,44,63,971.00
b). Money at call and short notice			
i. With banks		-	-
ii. With other institutions		-	-
TOTAL		68,49,99,052.72	81,17,45,429.58
2. Outside India			
a). In Current Account		-	-
b). In other Deposit Accounts		-	-
c). Money at call and short notice		-	-
GRAND TOTAL		68,49,99,052.72	81,17,45,429.58

SCHEDULE: 8: INVESTMENTS

(Amount in Rupees)

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. Investments in India in			
a). Government securities		27,90,43,775.25	29,35,03,010.52
b) Other approved securities		0.00	0.00
c) Shares			
d) Debentures and Bonds			
e) Subsidiaries and/or Joint Ventures			
f) Others		0.00	0.00
TOTAL		27,90,43,775.25	29,35,03,010.52
2. Investments outside India in			
a) Government Securities		-	-
b) Subsidiaries and/ or Joint ventures abroad		-	-
c) Other Investments		-	-
GRAND TOTAL (1 & 2)		27,90,43,775.25	29,35,03,010.52



For NAGALAND RURAL BANK

General Manager
Head Office : Kohima

FOR PARIK & CO.
CHARTERED ACCOUNTANTS
FRN-302147E (1961)
PARTNER
CA BIDIN KUMAR (FCA)
Membership No-050885

For NAGALAND RURAL BANK

Chairman

SCHEDULE: 9: ADVANCES

(Amount in Rupees)

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
A.	i) Bills purchased and discounted		-	-
	ii) Cash credits, overdrafts and loans repayable on demand		9,17,62,557.09	8,54,95,654.01
	iii) Term loans		54,69,40,857.97	69,61,99,396.14
	TOTAL		63,87,03,415.06	78,16,95,050.15
B.	i) Secured by tangible assets		33,75,38,166.04	42,05,55,760.55
	ii) Covered by Bank/Government Guarantees			
	iii) Unsecured		30,11,65,249.02	36,11,39,289.60
	TOTAL		63,87,03,415.06	78,16,95,050.15
C. I.	Advances in India			
	i) Priority Sector		42,24,34,676.40	53,54,03,761.15
	ii) Public Sector			
	iii) Others		21,62,68,738.66	24,62,91,289.00
	TOTAL		63,87,03,415.06	78,16,95,050.15
II.	Advances outside India			
	i) Due from banks		-	-
	ii) Due from others		-	-
	a) Bills purchased and discounted		-	-
	b) Syndicated loans		-	-
	c) Others		-	-
	GRAND TOTAL (C.I & C.II)		63,87,03,415.06	78,16,95,050.15

SCHEDULE: 10: FIXED ASSETS

(Amount in Rupees)

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
I.	Premises			
	At cost as on 31 st March of the preceding year		0.00	0.00
	Additions during the year		0.00	0.00
	Deductions during the year		0.00	0.00
	Depreciation to date		0.00	0.00
II.	Other Fixed Assets (including furniture and fixtures)			
	At cost as on 31 st March of the preceding year		1,94,65,056.57	2,19,29,981.57
	Additions during the year		24,64,925.00	49,27,557.00
	Deductions during the year		0.00	0.00
	Depreciation to date		1,52,49,652.69	1,75,46,551.69
	TOTAL (I & II)		66,80,328.88	93,10,986.88

For NAGALAND RURAL BANK

General Manager
Head Office : Kohima

CA BIPIN KUMAR (FCA)
Membership No-059805

For NAGALAND RURAL BANK

Chairman

SCHEDULE – 11: OTHER ASSETS

(Amount in Rupees)

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1.	Inter-office adjustment (net)		0.00	0.00
2.	Interest accrued		53,49,313.81	54,27,624.96
3.	Tax paid in advance/Tax deducted at source			
4.	Stationery and stamps		15,41,514.10	14,13,938.10
5.	Non-banking assets acquired in satisfaction of claims			
6.	Others		5,38,30,857.65	5,00,38,049.61
	TOTAL		6,07,21,685.56	5,68,79,612.67

SCHEDULE: 12: CONTINGENT LIABILITIES

(Amount in Rupees)

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1.	Claims against the bank not acknowledged as debts		-	-
2.	Liability for partly paid investments		-	-
3.	Liability on account of outstanding forward exchange		-	-
4.	contracts			
5.	Guarantee given on behalf of constituents		-	-
	a) In India		1,00,000.00	1,00,000.00
	b) Outside India		-	-
6.	Acceptances, endorsements and other obligations		-	-
7.	Other items for which the bank is contingently liable		-	-
8.	Others - DEAF		43,98,959.44	73,62,257.44
	TOTAL		44,98,959.44	74,62,257.44

For NAGALAND RURAL BANK

General Manager
Head Office : Kohima

FOR NAGALAND RURAL BANK
CHARTERED ACCOUNTANTS
FIRM NO. 1474 (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No. C-3385

For NAGALAND RURAL BANK

Chairman

SCHEDULE 5: OTHER LIABILITIES AND PROVISIONS

Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1. Bills Payable			
2. Inter office adjustments (Net)		0.00	0.00
3. Interest accrued		3,21,38,848.52	4,35,04,965.74
4. Others (Including provisions)		3,80,61,482.63	1,65,14,986.27
i. Provision on standard asset		24,34,899.41	29,06,277.70
ii. Gramin Pay order		0.00	0.00
iii. Sundry creditor		80,34,992.42	39,65,649.42
iv. Sundry deposit		97,299.00	11,288.00
vi. NEFT mirror		0.00	0.00
vii. Service tax		0.00	0.00
viii. Advance under collection account		1,04,35,903.66	92,41,149.78
ix. NEFT outward message		1,67,89,729.42	0.00
x. PMJJBY		2,365.00	0.00
xi. PMSBY		1,152.00	0.00
xii. Others/CC/Loan Credit balance		0.00	0.00
xiii. Suspense		0.00	0.00
xiv. SGST		1,32,574.52	1,95,310.62
xv. CGST		1,32,567.20	1,95,310.75
xvi. IGST		0.00	0.00
TOTAL		7,02,00,331.15	6,00,19,952.01

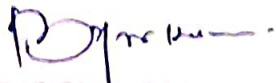
SCHEDULE: 11: OTHER ASSETS

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1.	Inter-office adjustment		0.00	0.00
2.	Interest accrued		53,49,313.81	54,27,624.96
3.	Tax paid in advance/tax deducted at source		0.00	0.00
4.	Stationary and stamps		15,41,514.10	14,13,938.10
5.	Non-banking assets acquired in satisfaction of claims		0.00	0.00
OTHERS			5,38,30,857.65	5,00,38,049.61
i.	Advance under collection account		1,04,35,903.66	92,41,149.78
ii.	NEFT Outward message account		0.00	1,61,366.34
iii.	Adjusting account		3,31,99,372.16	3,65,11,066.00
iv.	Security Deposit		1,86,000.00	1,86,000.00
v.	Expense prepaid account		7,16,661.00	12,86,476.00
vi.	NACH/ACH/UID/LPG		24,18,535.46	0.00
vii.	Charges Others		0.00	0.00
viii.	Charges AMFI registration fee		0.00	0.00
ix.	IMPS settlement account		0.00	0.00

For NAGALAND RURAL BANK


General Manager
Head Office : Kohima




FOR PARTNER & CO.
CHARTERED ACCOUNTANTS
FRN 302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No-059805

For NAGALAND RURAL BANK


Chairman

x. RTGS inward message a/c	45,056.64	0.00
xi. ATM settlement a/c	34,21,093.95	0.00
xii. Suspense A/c	0.00	0.00
xiii. Branch Adjustment/HO	0.00	0.00
xiv. IGST ITC	23,06,357.90	7,05,277.49
xv. CGST ITC	1,94,588.44	4,70,271.00
xvi. SGST ITC	1,94,588.44	4,70,271.00
xvii. CGST EXPENSE	0.00	0.00
xviii. Staff FA	7,12,700.00	10,06,172.00
TOTAL OTHER ASSETS	6,07,21,685.56	5,68,79,612.67

SCHEDULE: 13: INTEREST EARNED

(Amount in Rupees)

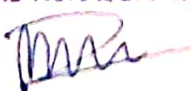
SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1.	Interest/discount on advances/bills		6,79,87,383.83	7,78,46,854.71
2.	Income on Investments		1,94,28,815.00	2,18,70,739.00
3.	Interest on balances with RBI and other inter-bank funds (FDRs)		3,99,55,277.27	5,88,49,969.99
4.	Others			
	TOTAL		12,73,71,476.10	15,85,67,563.70

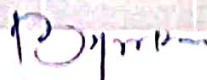
SCHEDULE: 14: OTHER INCOME

(Amount in Rupees)

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1.	Commission, exchange and brokerage		73,01,586.52	88,45,401.82
2.	Profit on sale of investments		-	-
	Less : Loss on sale of investments		-	-
3.	Profit on revaluation of Investments		-	-
	Less : Loss on revaluation of Investments		-	-
4.	Profit on sale of land, buildings and other assets		0.00	0.00
	Less : Loss on sale of land, buildings and other assets		-	-
5.	Profit on exchange transactions		-	-
	Less : Loss on exchange transactions		-	-
6.	Income earned by way of dividends, etc. from subsidiaries/companies and/or joint ventures abroad / in India		-	-
7.	Miscellaneous income		9,29,693.98	8,42,693.00
	TOTAL		82,31,280.50	96,88,094.82

For NAGALAND RURAL BANK


General Manager
Head Office : Kohima


CHAIRMAN
NAGALAND RURAL BANK
Kohima
Membership No. 035105

For NAGALAND RURAL BANK


Chairman



SCHEDULE 15: INTEREST EXPENDED

(Amount in Rupees)

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
1.	Interest on deposits		5,35,94,530.60	6,38,76,513.22
2.	Interest on RBI/Inter-bank borrowings/NABARD		12,38,628.00	62,13,127.00
3.	Others		0.00	0.00
	TOTAL		5,48,33,158.60	7,00,89,640.22

SCHEDULE: 16: OPERATING EXPENSES

SL. No.	Particulars	Schedule No.	As on 31.03.2024	As on 31.03.2025
a.	Employees cost		4,93,64,865.00	6,29,62,685.94
i.	Salary & allowance of Sponsor Bank staff		90,78,151.00	89,60,478.00
ii.	Salary & allowance of NRB staff		3,64,62,411.00	4,89,91,223.74
iv.	Other benefits paid to NRB staff		1,96,545.00	2,17,045.00
v.	Gratuity		5,88,105.00	8,66,621.00
vi.	Other allowance to deputed staff		11,42,045.00	15,81,196.00
vii.	Travelling expenses including LTC		8,73,307.00	7,56,174.00
viii.	Training fees		2,24,942.00	50,300.00
ix.	Medical expenses		2,21,529.00	5,26,993.00
x.	Leave encashment		5,77,830.00	10,12,655.20
b.	Other Operating expenses		2,34,89,200.79	2,78,41,860.24
i.	Amortization		6,65,189.71	6,00,264.73
ii.	Expenses on services (AMC)		1,03,09,317.60	1,07,32,577.00
iii.	POL		2,59,264.00	1,83,828.00
iv.	Sundries/Misc Exp.		34,93,695.56	13,74,966.11
v.	Director's Fees & Allowances & Board meeting expenses		12,705.00	13,158.00
vi.	Rent, Taxes, Insurance, Lighting Etc. including DICGC premium paid during the year		47,06,351.81	51,90,037.00
vii.	Postage, telegram, stamps & telephone		1,73,345.60	1,83,868.78
viii.	Auditor's fee & expenses		1,25,828.00	5,51,688.00
ix.	Depreciation to bank's property		18,29,705.00	22,96,899.00
x.	Repair to Bank's property		38,646.00	59,250.00
xi.	Stationery, printing, advertisement etc books & N/papers		6,14,621.22	8,31,418.26
xii.	Law Charges		0.00	29,514.00
xiii.	CGST Expenses		4,97,277.58	16,78,802.25
xiv.	SGST Expenses		4,97,277.58	16,78,805.91
xv.	ATM charges		2,65,976.13	2,71,345.20
xvi.	Bank Security Guard		0.00	21,65,438.00
	TOTAL OPERATING EXPENSES (a+b)		7,28,54,065.79	9,08,04,546.18

For NAGALAND RURAL BANK

[Signature]
General Manager
Head Office : Kohima

[Stamp: BANK & CO. FPN 302147E (1961) CHARTERED ACCOUNTANTS]
FOR 12 YEARS
CHARTERED ACCOUNTANTS
FPN 302147E (1961)
PARTNER
CA BIPIN KUMAR (FCA)
Membership No-059805

For NAGALAND RURAL BANK

[Signature]
Chairman

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES

1. General:

The company financial statements have been prepared on the historical cost basis and confirm to the statutory provisions and prevailing practices. Where required estimates and assumptions have been made in preparation of financial statements in a prudent and reasonable manner. Future result could differ from these estimates.

2. Loans /Advances and Provisions thereon:

a) Loans and Advances are classified as performing and non-performing, based on the underlines issued by RBI.

b) NPAs are classified into sub-standard, doubtful and loss assets, based on the criteria stipulated by RBI

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

Sub- Standard Assets : (i) A general provisions of 15 %
(ii) Additional Provision of 10 % for exposures which are unsecured.

Doubtful Assets

-Secured portion : (i) Upto one year – 25 %
(ii) One to three years – 40 %
(iii) More than three years – 100 %

Unsecured portion : 100 %

Loss Assets : 100 %

In addition, general provisions are also made for Standard Assets.

d) Advances are net of specific loan loss provisions and unrealized interest.

3. Fixed Assets:

a) Fixed Assets are carried at cost less accumulated depreciation/amortization.

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

c) The rate of depreciation and method of charging depreciation in respect of domestic operation are as under:

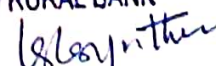
Sl. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/amortization rate
1	Computers	Straight Line Method	33.33 % every year
2	Computer Software forming an integral part of the Computer hardware	Straight Line Method	33.33 % every year
3	Computer Software which does not form an integral part of the Computer hardware and cost of Software development	Straight Line Method	33.33 % every year
4	Automated Teller Machine / cash Deposit Machine / Coin Dispenser / Coin Vending Machine	Straight Line Method	20.00 % every year

For NAGALAND RURAL BANK


General Manager
Head Office : Kohima



For NAGALAND RURAL BANK


Chairman

SCHEDULE 18 – DISCLOSURES AND NOTES TO ACCOUNTS

1. CAPITAL

SL. No	Particulars	As on 31-03-2024	As on 31-03-2025
I	CRAR %	10.04%	9.15%
II	CRAR – Tier I Capital (%)	9.30%	8.46%
iii	CRAR – Tier II Capital (%)	0.74%	0.69%
iv	Percentage of Shareholding of :		
	a) Government of India	50.00 %	50.00 %
	b) State Government	15.00 %	15.00 %
	c) Sponsor Bank	35.00 %	35.00 %

2. INVESTMENTS

(Amount in ₹.)

SL. No	Particulars	A on 31-03-2024	As on 31-03-2025
a)	Value of Investments		
	i) Gross value of Investments	279,043,775.25	293,503,010.52
	ii) Provision for Depreciation	-	-
	iii) Net Value of Investments	279,043,775.25	293,503,010.52
b)	Movement of Provisions held towards depreciation on Investment.		
	i) Opening Balance	-	-
	ii) Add: Provisions made during the year	-	-
	iii) Less: Write off/write back of excess provision during the year	-	-
	iv) Closing Balance	-	-



For NAGALAND RURAL BANK

[Signature]
General Manager
Head Office : Kohima

[Signature]

For NAGALAND RURAL BANK

[Signature]
Chairman

3. REPO TRANSACTION

(Amount in ₹.)

Items	Minimum Outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	As on 31-03-2025
a) Securities Sold under Repos	NIL	NIL	NIL	NIL
a) Securities Purchased under reverse Repos	NIL	NIL	NIL	NIL

4. NON-SLR INVESTMENT PORTFOLIO

i) Issuer Composition of Non-SLR Investments

(Amount in ₹.)

Sl. No.	Issuer	Amount	Extent of Private Placement	Extent of "Below Placement grade" Securities	Extent of "unrated securities"	Extent of "unlisted securities"
a	PSU	-	-	-	-	-
b	FIs	-	-	-	-	-
c	Banks	-	-	-	-	-
d	Private Corporate	-	-	-	-	-
e	Others (MF)	-	-	-	-	-
f	Provisions held towards depreciation	-	-	-	-	-
TOTAL		-	-	-	-	-

ii. Non Performing Non- SLR Investment

Sl. No.	Particulars	As on 31-03-2024	As on 31-03-2025
i)	Opening Balance	-	-
ii)	Addition during the year since 1 April	-	-
iii)	Reduction during the above period	-	-
iv)	Closing Balance	-	-
v)	Total Provisions held	-	-



For NAGALAND RURAL BANK

[Signature]
General Manager
Head Office : Kohima

[Signature]

For NAGALAND RURAL BANK

[Signature]
Chairman

5. ASSET QUALITY

a) Non-Performing Assets

(Amount in ₹.)

Sl. No.	Particulars	As on 31-03-2024	As on 31-03-2025
a)	Net NPAs to Net Advances	0.19 %	0.09 %
b)	Movement of NPAs (Gross)		
	i) Opening Balance	6,360,415.17	4,940,318.06
	ii) Addition during the year	1,464,688.51	8,031,632.04
	iii) Reduction during the year	2,884,785.62	8,904,809.58
	iv) Closing Balance	4,940,318.06	4,067,140.52
c)	Movement of Net NPAs		
	i) Opening Balance	835,642.77	1,204,345.57
	ii) Addition during the year	1,449,781.14	6,826,887.23
	iii) Reduction during the year	1,081,078.34	7,318,054.48
	iv) Closing Balance	1,204,345.57	713,178.32
d)	Movement of Provisions of NPAs (excluding provisions on standard asset)		
	i) Opening Balance	5,524,772.40	3,735,972.49
	ii) Provision made during the year	0.00	0.00
	iii) Write off/ Write back of excess provisions	1,788,799.91	382,010.29
	iv) Closing Balance	3,735,972.49	3,353,962.20

b. Provisions on Standard Assets

(Amount in ₹.)

Sl. No.	Particulars	As on 31-03-2024	As on 31-03-2025
a)	General Provisions for Standard Assets	2,434,899.41	2,906,277.70



For NAGALAND RURAL BANK

 General Manager
 Head Office : Kohima

For NAGALAND RURAL BANK

 Chairman

6. OTHER DISCLOSURES

a. BUSINESS RATIOS

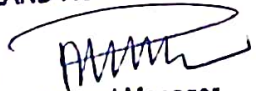
(Amount in ₹.)

Sl. No.	Particulars	As on 31-03-2024	As on 31-03-2025
I	Interest Income as a percentage to working funds	8.23 %	8.32%
II	Non-Interest Income as a percentage to working fund	0.53 %	0.51 %
III	Cost of Deposits	3.95%	4.08%
IV	Net Interest Margin	5.39%	5.18%
V	Operating Profit as a percentage to working funds	0.51 %	0.39 %
VI	Return on Assets	0.21 %	0.24 %
VII	Business per Employee	48,737,529.36	56,513,296.36
VIII	Profit per Employee	76,058.89	1,03,668.93

b. PAYMENT OF DICGC INSURANCE PREMIUM

Sr. No.	Particulars	Previous Year	Current Year
i)	Payment of DICGC Insurance Premium	1,809,954.00	1,983,322.00
ii)	Arrears in payment of DICGC premium	0	0

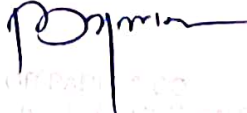
For NAGALAND RURAL BANK


General Manager
Head Office : Kohima



For NAGALAND RURAL BANK


Chairman


Parik & Co.
Chartered Accountants
FRN 302147E (1961)
Membership No. 050805

7. ASSET LIABILITY MANAGEMENT – Maturity Pattern of certain items of assets and liabilities

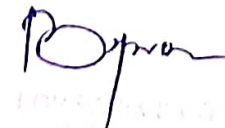
(Amount in ₹.)

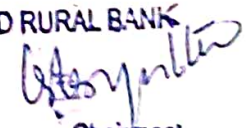
Sl. No.	Particulars	1 to 15 Days	15 to 28 Days	29 to 3 months	Over 3 month and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 years and upto 5 years	Over 5 years	Total
i	Deposits	7,88,79,585.93	1,03,90,099.04	11,77,56,317.12	10,50,95,504.52	18,20,70,491.67	1,16,61,47,367.60	3,00,02,525.78	1,02,98,745.68	1,70,06,40,637.34
iii	Advances (Gross)	14,29,864.75	0.00	25,962.00	2,88,630.00	1,11,12,536.02	12,03,12,062.55	35,46,99,891.69	29,80,75,455.34	78,59,44,402.35
iii	Investment	0.00	0.00	0.00	0.00	0.00	6,00,78,927.52	5,08,26,640.00	18,25,97,443.00	29,35,03,010.52
iv	Borrowings	-	-	-	1,38,21,418.00	2,27,06,436.00	7,92,44,962.00	6,80,31,572.00	25,00,000.00	18,63,04,388.00
v	Foreign currency chest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
vi	Foreign currency liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

For NAGALAND RURAL BANK

 General Manager
 Head Office : Kohima




 PARIK & CO.
 CHARTERED ACCOUNTANTS
 FRN 302147E (1961)
 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

For NAGALAND RURAL BANK

 Chairman

8. Concentration of Deposits, Advances, Exposures and NPAs

Concentration of Deposits	
(Amount in ₹.)	
Total Deposits of twenty largest depositors	497,250,315.19
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	29.24 %

Concentration of Advances *	
(Amount in ₹.)	
Total Advances of twenty largest borrowers	87,757,334.00
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	11.17%
* Advances should be computed as prescribed in our Circular on Strengthening of Prudential Norms – Provisioning Asset classification and Exposure Limit RPCD.RRB.BC.97/03.05.34/2000-01 dated June 11, 2001 as per circular RPCD.RRB.BC.97/03.05.34/2000-01 dated June 11, 2001	

Concentration of Exposures **	
(Amount in ₹.)	
Total Exposures of twenty largest borrowers/customers	Nil
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	Nil
** Exposures should be computed based on credit and investment exposure as prescribed in our Circular on Strengthening of Prudential Norms – Provisioning Asset classification and Exposure Limit RPCD.RRB.BC.97/03.05.34/2000-01 dated June 11, 2001	

Concentration of NPAs	
(Amount in ₹.)	
Total Exposure to top four NPA accounts	1,503,081.25



For NAGALAND RURAL BANK

 General Manager
 Head Office : Kohima

For NAGALAND RURAL BANK

 Chairman

9. Sector-wise NPAs

(Amount in ₹.)

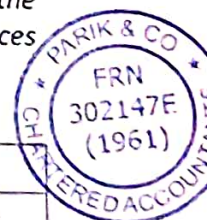
Sl No	Sector *	As on 31.03.2024			As on 31-03-2025		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
A	Priority Sector						
1	Agriculture and allied activities	144,197,810.25	2,174,805.17	1.51 %	162,303,821.37	1,453,428.03	0.90%
2	Advances to industries sector eligible as priority sector lending	-	-	-	-	-	-
3	Services	246,161,081.54	2,669,293.51	1.08 %	321,646,521.88	2,517,493.11	0.78%
4	Personal	3,5765,537.72	0	0.00 %	55,606,550.72	0	0.00%
	Sub-total (A)	426,124,429.51	4,844,098.68	1.14 %	539,556,893.97	3,970,921.14	0.74%
B	Non-Priority Sector						
1	Agriculture and allied activities	-	-	-	-	-	-
2	Industry	-	-	-	-	-	-
3	Services	726,369.09	0	0.00%	0	0	0.00%
4	Personal loans	215,638,588.95	96,219.38	0.04 %	246,387,508.38	96,219.38	0.04%
	Sub-total (B)	216,364,958.04	96,219.38	0.04 %	246,387,508.38	96,219.38	0.04%
	Total (A+B)	642,489,387.55	4,940,318.06	0.77 %	785,944,402.35	4,067,140.52	0.52%

*Regional Rural Banks may also disclose in the format above, sub sectors where the outstanding advances exceeds 10 percent of the outstanding total advances to that sector. For instance, if a bank's outstanding advances to the Khadi and Village industry (KVI) exceed 10 percent of the outstanding total advances to 'Industry' sector it should disclose details of its outstanding advances to KVI separately in the format above under the 'Industry' sector.

III. Movement of NPAs

Particulars (Amount in ₹.)

Gross NPAs as on 1 st April of particular year (Opening balance)	4,940,318.06
Additions (Fresh NPAs) during the year	8,031,632.04
Sub-total (A)	12,971,950.10
Less:	
(i) Upgradations	4,566,939.60
(ii) Recoveries (excluding recoveries made from upgraded accounts)	4,073,871.98
(iii) Write-offs	263,998.00
Sub-total (B)	8,904,809.58
Gross NPAs as on 31 st March, 2025 (closing balance) (A-B)	4,067,140.52



For NAGALAND RURAL BANK

General Manager
Head Office : Kohima

For NAGALAND RURAL BANK

Chairman

10. Miscellaneous – Amount of provisions made for Income Tax during year

Particulars	(Amount in ₹.)	
	31.03.2024	31-03-2025
Provision for Income Tax	0.00	0.00

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 has not defaulted during the financial year under report.

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

(i) 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

Key Management Personnel:

Shri Velayutham Sadhasivam, Chairman (From: 28.02.2024)
 Shri Brojenkuli, General Manager(Vigilance) (From:17.10.2022)
 Ms. Pemmichon Nakhedei, General Manager (Ops.) (From: 08.09.2021)
 Shri Kekhriezo Pienyü, Manager (HO) (From: 01.03.2023)

(ii) Particulars of related party accounts transactions:

Particulars	(Amount in ₹)	
	31.03.2024	31-03-2025
Letter of Comfort	71,00,000.00	71,00,000.00
Refinance received from State Bank of India	Nil	Nil
Interest paid to SBI	Nil	Nil
Investments made with:		
SBI – in the form of STDRs	41,470,432.00	1,74,03,169.00
SBI Fund Management Private Limited	Nil	Nil
Interest received from SBI	1,490,110.27	2,511,898.00
Profit on sale of Investments on SBI	Nil	Nil
Current Account Balance with SBI	33,386,467.94	37,723,630.30

13. Bank Guarantee particulars:

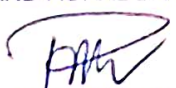
Particulars	Previous Year	Current Year
Bank guarantee	100,000.00	100,000.00

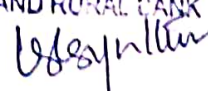
14. DEAF transfer particulars:

Particulars	Previous Year	Current Year
Opening balance of amounts transferred to DEAF	294,886.00	4,398,959.44
Add: Amounts transferred to DEAF during the year	4,104,073.44	2,963,298.00
Less: Amounts reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amounts transferred to DEAF	4,398,959.44	7,362,257.44



For NAGALAND RURAL BANK


 General Manager
 Head Office : Kohima

For NAGALAND RURAL BANK

 Chairman

NAGALAND RURAL BANK
INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR 2024-2025

INDEPENDENT AUDITOR'S REPORT

To,
The Members of NAGALAND RURAL BANK.

Report on Financial Statements:

1. We have audited the accompanying Financial Statements of **NAGALAND RURAL BANK**, as at 31st March 2025, which comprises the Balance Sheet as at 31st March 2025 and Profit and Loss Account for the year then ended and notes on financial statements including a summary of significant accounting policies and other explanatory information. Incorporated in these Financial Statements are 8 Branches audited by us and 5 Branches not subjected to audit.. The Branches audited by us and those not subjected to audit have been selected by the Bank in accordance with the guidelines issued to the Bank by Reserve Bank of India and/ or NABARD. These unaudited branches account for 23.32% of advances, 9.86% of deposits, 23.39% of interest income and 9.49% of interest expenses.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the informations required by the Regional Rural Banks Act, 1976 (the Act) in the manner so required for Bank and are in conformity with accounting principles generally accepted in India and give:
 - a) true and fair view in case of Balance Sheet, of the state of affairs of the Bank as at 31st March 2025; and
 - b) true balance of profit in case of Profit & Loss Account for the year ended on that date; and

Basis of Opinion:

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Bank in accordance with the code of ethics issued by ICAI together with ethical requirements that are relevant to our audit of financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for opinion.



Key Audit Matters:

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Balance with Bank and Money at Call and Short Notice, Advances and Investments constitute 40.01%, 38.52% and 14.46% respectively of total assets of the bank. As these assets form part of a major portion of the business of the bank and there is substantial regulatory compliance involved therein therefore, we have considered this aspect as Key Audit Matter.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.No.	Key Audit Matters	Auditors Response
I	Balance with Bank and Money at Call and Short Notice	
1.	Existence and Accuracy:	
a)	Physical verification of cash on hand at the balance sheet date, or at a date close to it.	We have relied upon Physical Verification Certificate close to the year, produced by the bank, which were signed by at least two Banks Officials and formed the opinion that Cash on hand reflected in Financial Statement is true and fair.
b)	A thorough bank reconciliation is crucial to ensure that the bank balance as per the company's books matches the balance reported by the bank.	We have reviewed and relied upon bank transactions, latest bank Reconciliation Statement and Bank Confirmation Letter produced for our verification and formed the that Bank Balances reflected in Financial Statement is true and fair.
c)	Review of supporting documentation, such as bank statements, transaction details, and confirmations, to verify the accuracy of the reported balances.	
2.	Value and Classification:	
a)	To confirm that money at call and short notice are classified appropriately as current assets, reflecting their expected short-term liquidity, according to ICAI Guidelines or as per relevant accounting standards.	On the basis of verification of records we are of the opinion that 'money at call and short notice' are classified appropriately as current assets, reflecting their expected short-term liquidity, according to ICAI guidelines or as per relevant accounting standards.



A handwritten signature in blue ink, consisting of a stylized 'F' followed by a horizontal line.

b)	To inquire about any restrictions or limitations on the use of these cash balances, as these may impact their classification or disclosure.	As per verification of records and Bank Management Representation, we are of the opinion that there are no any restrictions or limitations on the use of cash balances reflected in Financial Statement, as these may impact their classification or disclosure.
3.	Internal Controls:	
	To assess the effectiveness of internal controls over cash management, including procedures for recording transactions, reconciling bank accounts, and safeguarding cash.	As per verification of records and Bank Management Representation, there exist effective internal controls over cash management, including procedures for recording transactions, reconciling bank accounts, and safeguarding cash.
	To ensure that there is a proper segregation of duties related to cash handling and accounting to prevent fraud and errors.	As per verification of records and Bank Management Representation, there exist a system of proper segregation of duties related to cash handling and accounting to prevent fraud and errors.
	To verify that cash disbursements and other transactions are properly authorized and documented.	As per our sample base test check and also based upon Bank Management Representation, we are of the opinion that cash disbursements and other transactions are properly authorized and documented.
II	Assets Classification and Provisioning in respect of Advances	
a)	Advances comprises, a substantial portion of the Bank's assets and since the management exercises significant judgment in the asset classification and provision, this has been considered by us as the key audit matter.	In order to ensure the effectiveness of the operation of the key controls and the compliance to the direction of RBI in this regards, we have verified whether both CBS system and the management have:
b)	Banks are governed by the prudential norms issued by the Reserve Bank of India on Income recognition, Asset Classification and provisioning pertaining to Advances.	(a) timely recognised the depletion in the value of both primary and collateral security. (b) made adequate provisioning based on such time to time monitoring and identification of asset classification.
c)	Identification of such non-performing advances is carried out in the Bank based on system identification, by the Core Banking Solution (CBS) software in operation i.e. Finacle based on the various controls and logic embedded therein. The management also exercises significant judgment in adherence to the IRAC norms and adequate provisioning in required cases.	We have also placed reliance on and performed the following procedures: (a) we have relied upon SBI Management Audit Report & Expenditure audit Report 04.03.2025, NABARD Statutory inspection Report dated 30 th March 2025, RFIA Audit Reports of seven branches conducted during the year, & Concurrent Audit Reports of 5 Branches during the year.



		<p>(b) we have communicated to the branch managers to verify the compliance of IRAC Norms and procedures and the policies adopted by the bank.</p> <p>(c) understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of advances.</p> <p>(d) on sample basis tested whether the classification of advances under performing and non performing and provisioning is carried out as per the guidelines of Reserve Bank of India.</p> <p>(e) during audit of branches allotted to us we have carried out substantive test on major advances including Specially Mentioned Accounts (SMA) and also verified the security aspect by checking the valuation reports.</p>
III	<p>Investments:</p> <p>Bank has to classify the investments under performing and non performing based on the guidelines/circulars and directives issued by the Reserve Bank of India.</p> <p>Identification of performing and non performing investments is generally system driven.</p> <p>The valuation is done as per the guidelines issued by the Reserve Bank of India and the valuations are done based on the price quoted on BSE/NSE, FIMDA/FBIL rates etc. The income recognition, asset, classification and provisioning if not done properly as per the IRAC norms issued by the Reserve Bank of India may materially impact the financial statement of the bank.</p>	<p>Understanding the IT system and control put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of investments.</p> <p>-On sample basis tested whether the classification and valuation of investments is carried out as per the guidelines of Reserve Bank of India.</p> <p>-On sample basis also verified whether proper provision for depreciation in the value of investments and ensured that provision for depreciation is done as per RBI guidelines.</p> <p>-Reliance is also placed on the internal audit reports, concurrent audit reports and system audit conducted by the bank.</p>



[Signature]

IV	<p>Evaluation of uncertain tax litigations and contingent liabilities</p> <p>Claims against the bank not acknowledged as debt including tax litigations as on March 31'2025 is disclosed in schedule 12 of Financial Statements.</p> <p>This is a key audit matter due to uncertainty of the outcome which involves significant judgment to determine the possible outcome of these disputes.</p>	<p>We went through the current status of the tax litigations and contingent liabilities. We obtained the details of latest orders and tax assessments and searched the demand status on income tax portal of Rural Bank.</p> <p>We gathered recent information received on the tax and other litigations for assessing the liabilities.</p> <p>Wherever required reliance is placed on the opinion of legal and tax consultants of the Bank.</p> <p>As per Bank management explanations there do not exist any dispute / demand under direct or indirect tax.</p>
V	<p>Assessment of Information Technology (IT):</p> <p>IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines including IRAC, preparing financial statements and reporting of compliance to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems</p> <p>We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.</p>	<p>We evaluated and understood, on test check basis, the CBS System adopted by the Bank.</p> <p>We assessed the operative effectiveness of Key automated controls within various business processes. This includes testing the integrity of system interfaces, the completeness and accuracy of data, system reconciliation controls and automated calculations.</p> <p>We assessed the feeding of the data in the system and going through the extraction of the financial informations and statement from the IT system existing in the Bank.</p> <p>Reviewed the output and the reports generated by the system on sample basis.</p>



[Handwritten signature]

Information Other than the Financial Statement and Auditor's Report Thereon

5. The Bank Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and report it to Reserve Bank of India and / or to NABARD.

Responsibilities of the Management and Those charged with Governance for the Financial Statements:

6. The Bank's Board of Directors is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Section 19 of the Regional Rural Banks Act, 1976 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operation, or has no realistic alternative but to do so.



A handwritten signature in blue ink, appearing to be 'P. K. YADAV'.

Auditor's Responsibilities for the Audit of Financial Statements:

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements



A handwritten signature in blue ink, consisting of a stylized 'P' followed by a horizontal line.

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless the law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

Other Matter

8. We did not audit the financial statements/ information of 5 branches included in the financial statements of the Bank whose financial statements/ financial information reflect total assets (gross) of Rs.20.65 Crores (10.18 % of Gross Total Assets) as at 31st March 2025 total revenue of Rs. 31.67 Crores (18.83% of Gross Earnings) for the year ended on that date, as considered in the financial statements.
9. The Balance Sheet and the Profit and Loss account have been drawn up in accordance with section 19 of the Regional Rural Banks Act, 1976;
10. Subject to the limitations of the audit indicated in paragraphs 4 to 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970/1980, and also subject to the limitations of disclosure required therein. we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice. have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purpose of our audit.Our observations in the Long Form Audit Report (LFAR) dated 25/04/2025 may be considered part and parcel of this report.
11. As required by the RBI's letter no. DOS.ARG.No. 6270/08.91.001/2019-20 dated March 17, 2020 (as amended), we report that:
 - a) Our audit report on the adequacy and operating effectiveness of the Rural Bank's Internal Financial Control over Financial Reporting is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Rural Bank's Internal Financial Control over Financial Reporting as at 31st March 2025.
 - b) As the Rural Bank is not registered under the Companies Act, 2013, the disqualification from being a director of the Rural Bank under sub- section (2) of Section 164 of the Companies Act, 2013 do not apply to the Rural Bank.
 - c) There are no major observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the Bank.

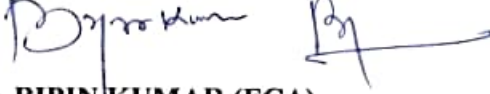


- d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith, except for reconciliation of GST Receivables Balances & Payables Balances with GST Portal.

12. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bunk, so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- b) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us; and
- c) in our opinion, the Balance Sheet and Profit and Loss Account comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

For, PARIK & CO
(Chartered Accountants)
FRN: 302147E
RBI UCN: 894058


CA BIPIN KUMAR (FCA)
(Partner)
ICAI Membership No. 059805
UDIN: 25059805BMLIHN2844

Place: Camp at Kohima.
Dated: 26/04/2025



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 11(a) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

We have audited the internal financial controls over financial reporting of Nagaland Rural Bank ("the Rural Bank") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting of the Bank's branches.

Management's Responsibility for Internal Financial Controls

The Rural Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

Our responsibility is to express an opinion on the Rural Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of



internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Rural Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Rural Bank's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Rural Bank's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorizations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

The Rural Bank has yet to draft and adopt necessary Operative Manual and Control Matrix, in compliance of Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI") and the Standards on Auditing (SAs) issued by the ICAI. Further to that Statutory Inspection Report of NABARD , wrt Financial position as on 31st march 2024 has also pointed out that " The Bank did not have adequate MIS for compliance incident management and reporting framework." Thus there is inherent limitation of Internal Control over Financial Reporting.

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the **Internal Financial Controls over Financial Reporting may become inadequate** because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Rural Bank has, in all material respects, do not have adequate internal financial controls over financial reporting and such internal financial controls over financial reporting may not operating effectively as at March 31, 2025.

Other Matters

We are unable to comment on operating effectiveness of internal financial controls over financial reporting of 5 branches not subjected to audit.

Our opinion is not modified in respect of this matter.

For, PARIK & CO
(Chartered Accountants)
FRN: 302147E
RBI UCN: 894058



CA BIPIN KUMAR (FCA)
(Partner)
ICAI Membership No. 059805
UDIN: 25059805BMLIHN2844

Place: Camp at Kohima.
Dated: 26/04/2025

