



MIZORAM RURAL BANK

HEAD OFFICE : AIZAWL



ANNUAL REPORT

2020-21

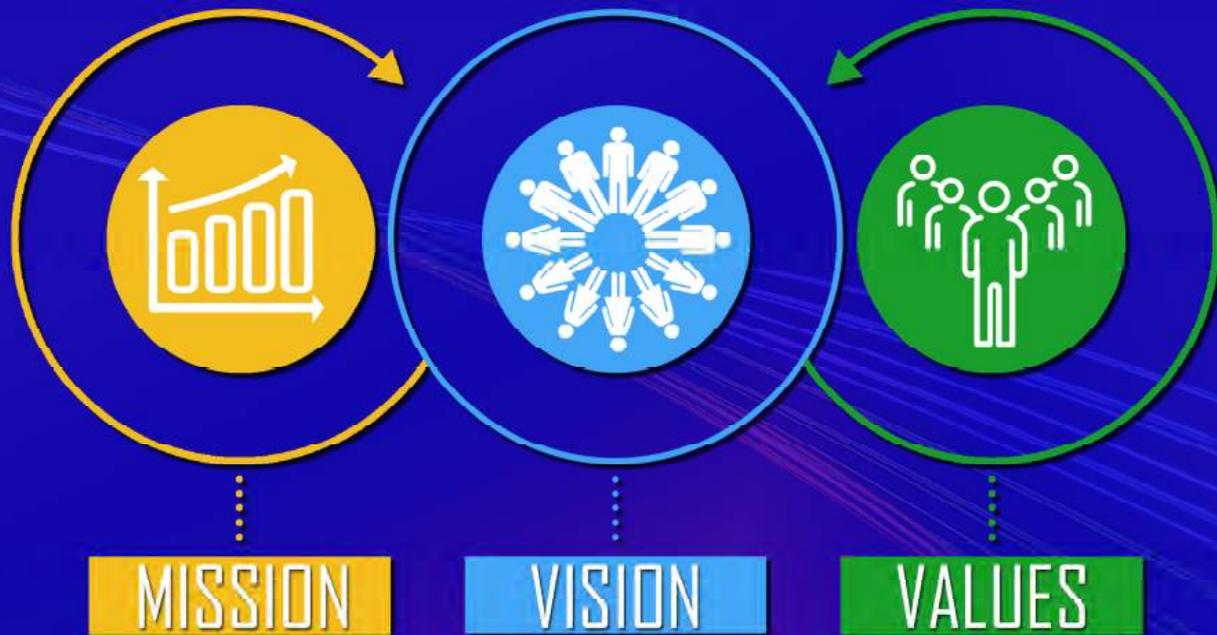
38th



- ▲ 40.45% of Total Branches Largest Branch Network in Mizoram
- ▲ 33.86% Market Share Largest Lender of the state
- ▲ 23.80% YOY Growth Total Business

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Financially include all households of
the State with Innovation and Technology



Be
the best Bank
of Mizoram



Hope
Assurance
Integrity
Love
Service

Letter of Transmittal

Mizoram Rural Bank
Head Office : Aizawl

Date: 30/06/2021

The Secretary,
Ministry of Finance, Dept. of Financial Services
Banking Division, Government of India
Jeevan Deep Buildings, Parliament Street,
New Delhi-110001

Dear Sir,

In accordance with the provisions of Section 20 of the Regional Rural Banks Act 1976, I forward herewith the following documents.

A Report of Board of Directors as to the Bank's working and its activities during the period 1st April 2020 to 31st March 2021.

A copy of the audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2021.

A copy of the Auditor's report in relation to the Bank's accounts for the period 1st April 2020 to 31st March 2021.

Yours faithfully,



(V. Jaya Chandra)
Chairman



Geographical Area & Offices

HEAD OFFICE

B-5, BabuTilla,
Zarkawt,
Aizawl - 796 007
Tel : 0389-2346380/84/88/2346457/
2346384/87
E-mail : mrb@mizobank.com
Website : www.mizoramruralbank.in

MAP OF MIZORAM INDICATING 89 BRANCHES OF MIZORAM RURAL BANK



REGIONAL OFFICES

AIZAWL

Regional Office

DawrpuiVengthar,
Aizawl- 796 001,
Tel : 0389-2323334, Fax 0389-2323334
E-mail : ro.azawl@mizobank.com

LUNGLEI

Regional Office

Bazar Veng, Near Saikuti Hall,
Lunglei- 796 701,
Tel :0372-2323772
E-mail : ro.lunglei@mizobank.com



LIST OF BRANCHES

BRANCH NAME		Scale	BRANCH NAME		Scale
AIZAWL DISTRICT			KOLASIB DISTRICT		
1	AIZAWL	IV	1	KOLASIB	IV
2	CHALTHANG	IV	2	KAWNUI	III
3	CHANMARI	IV	3	VAIRENGTE	III
4	DINTHAR	IV	4	BILKHAWTHLIR	II
5	DURTLANG	IV	5	HMAR VENG	II
6	KHATLA	IV	6	LUNGDAI	II
7	KULIKAWN	IV	7	THINGDAWL	I
8	NEW MARKET	IV	MAMIT DISTRICT		
9	TREASURY SQUARE	IV	1	MAMIT	III
10	VAIVAKAWN	IV	2	WEST PHAILENG	III
11	BAWNGKAWN	III	3	KANHMUN	II
12	BUNGKAWN	III	4	KAWRTHAH	II
13	PUC CAMPUS	III	5	RAWPUICHHIP	II
14	RAMHLUN	III	6	REIEK	II
15	SAIRANG	III	7	MARPARA	I
16	THINGSULTHLIAH	III	CHAMPHAI DISTRICT		
17	THUAMPUI	III	1	CHAMPHAI	IV
18	ZEMABAWK	III	2	HNAHLAN	II
19	AIBAWK	II	3	KHAWBUNG	II
20	BETHLEHEM VENGTHLANG	II	4	RUANTLANG	II
21	FALKAWN	II	5	BUNGZUNG	I
22	KHAWRUHLIAN	II	6	FARKAWN	I
23	MISSION VENGTHLANG	II	KHAWZAWL DISTRICT		
24	RAMRIKAWN	II	1	KHAWZAWL	III
25	SELING	II	2	KAWLKULH	II
26	SIALSUK	II	3	KHAWHAI	II
27	SIHPHIR	II	4	SIALHAWK	I
28	TLUNGVEL	II	LUNGLEI DISTRICT		
29	RATU	I	1	LUNGLAWN	IV
30	SAKAWRDAI	I	2	LUNGLEI	IV
31	SESAWNG	I	3	SERKAWN	IV
SERCHHIP DISTRICT			4	HAULAWNG	II
1	SERCHHIP	IV	5	LUNGEN	II
2	CHHINGCHHIP	III	6	BUARPUI	I
3	NORTH VANLAIPHAI	III	7	BUNGHMUN	I
4	THENZAWL	III	LAWNGTLAI DISTRICT		
5	CHHIAHTLANG	II	1	LAWNGTLAI	IV
6	EAST BUNGLANG	II	2	LAWNGTLAI CHANMARI	III
7	EAST LUNGDAI	II	3	BUALPUI NG	II
8	NEW SERCHHIP	II	4	CHAWNGTE	II
9	BAKTAWNG	I	5	SANGAU	II
10	KHAWLAILUNG	I	6	SOUTH BUNGLANG	I
SIAHA DISTRICT			SAITUAL DISTRICT		
1	SIAHA	III	1	KEIFANG	III
2	TIPA	III	2	NGOPA	II
3	VAIHPI	III	3	PHULLEN	II
HNAHTHIAL DISTRICT			4	HLIAPPUI	I
1	HNAHTHIAL	III	5	SAITUAL	I
2	PANGZAWL	III	6	SUANGPUIAWN	I



Board of Directors

Shri V. Jaya Chandra
Chairman
(Deputation from SBI)



*Nominees of Central Government under
Section 9 (1) (a) of the Regional Rural Bank's
Act, 1976*

Shri C Sangpu Vaiphei
AGM, RBI
Regional Office, Aizawl



*Nominees of Reserve Bank of India under
Section 9 (1) (b) of the Regional Rural Bank's
Act, 1976*

Shri T Sudheer
DGM, NABARD
Regional Office, Aizawl



*Nominees of NABARD under
Section 9 (1) (c) of the Regional Rural Bank's
Act, 1976*

Shri Mohammad Umar
AGM, SBI
Corporate Centre, Mumbai



*Nominees of State Bank of India under
Section 9 (1) (d) of the Regional Rural Bank's Act, 1976*

Smt. Seema Dikshit
DGM, SBI
LHO, Guwahati



Shri Lalhmingmawia Sailo
Addl. Secretary
Finance Department
Govt. of Mizoram



*Nominees of State Government under
Section 9 (1) (e) of the Regional Rural Bank's Act, 1976*

Shri Rohmingthanga Colney
Director
Department of Agriculture
Govt. of Mizoram



Executive Team



Shri V Jaya Chandra
Chairman



Shri Amal Chandra Sarkar
General Manager - I



Shri Samuel Laiwat Warbah
General Manager - II



Shri Mrigen Chandra Deka
General Manager
(Vigilance)



Heads of Departments



Pi Lalchhanhimi
Chief Manager
(Personnel)



Pu V Lalsawmliana
Chief Manager
(Accounts)



Pu Lalduhawma
Chief Manager
(Advances)



Pi Vanlalhumi
Chief Manager
(Vigilance)



Pu Lallawmzuala Renthlei
Chief Manager
(NPA)



Pu Lalfakzuala Colney
Chief Inspector
(I & A Cell)



Pu Arjun Jaishi
Senior Manager
(Pension Cell)



Pi Zothansangi Pachuau
Manager
(Compliance)



Pu Lalfakzuala
Manager
(MIS & Planning)



Pu F Kaprumvunga
Manager
(IT Cell)



Pi Esther Lalnunpui
Manager
(Financial Inclusion)



Pu V Lalrinmawia
Manager
(Cross Selling)

Regional Managers



Pu VL Zahawma
Regional Manager
(Aizawl Region)



Pu R Lalzarzova
Regional Manager
(Lunglei Region)

Our Mentors

Shri Dinesh Kumar Khara
Chairman
State Bank of India



Shri Ashwini Kumar Tewari
Managing Director
State Bank of India



Shri Devendra kumar
Chief General Manager
State Bank of India





Our Regulator & Supervisor



Smt. Mary Deng
General Manager
RBI, Regional Office
Aizawl



Shri. SM Mallick
General Manager
NABARD Regional Office
Aizawl

Highlights: 2020-21

- ❖ Total Business of the Bank has reached a level of ₹ 6207.01 crore with a growth of ₹ 1193.45 crore @ 23.80% (₹ 5013.56 crore @ 31.04%)
- ❖ Deposits at ₹ 4154.87 crore increased by ₹ 676.75 crore at 19.46% from ₹ 3478.13 crore
- ❖ CASA at ₹ 2537.52 crore increased by ₹ 460.80 crore at 22.19% from ₹ 2076.72 crore
- ❖ Advances at ₹ 2052.14 crore increased by ₹ 516.71 crore at 33.65% from ₹ 1535.43 crore
- ❖ Net profit increased to ₹ 38.55 crore as on 31.03.21 from ₹ 13.32 crore. Net Profit increased by ₹25.23 crore @189.43%
- ❖ Gross NPA increased to ₹ 124.52 crore (6.07%) from ₹ 79.64 crore (5.19%)
- ❖ Net NPAs increased to ₹ 50.32 crore (2.45%) from ₹ 21.72 crore (1.41%)
- ❖ Provision Coverage Ratio (PCR) declined from 72.73% as on 31/03/2020 to 59.59% as on 31/03/2021
- ❖ Cost of deposits decreased to 3.85% as on 31.3.21 from 4.64%
- ❖ Business per Branch increased to ₹ 69.74 crore as on 31.03.2021 from ₹ 58.98 crore
- ❖ Business per Employee ₹ 14.11 crore as on 31.03.2021 from ₹ 10.99 crore
- ❖ Net Profit per Employee increased to ₹ 8.76 lakh as on 31.03.2021 from ₹ 2.92 lakh
- ❖ Net worth increased to ₹ 205.92 crore as on 31.03.2021 from ₹ 167.37 crore as on 31.03.2020 @ 23.03% (8.64%)
- ❖ Reserves increased to ₹ 174.88 crore as on 31.3.21 from ₹ 136.33 crore as on 31.03.2020 @ 28.28% (10.81%)
- ❖ Return on Assets increased to 0.83% as on 31.03.2021 from 0.37%
- ❖ Return on Equity increased to 18.72% as on 31.03.2021 from 7.96%
- ❖ Yield on Advances declined from 11.26% as on 31/03/2020 to 10.27% as on 31/03/2021
- ❖ Cost to Income Ratio (Expenses Ratio) has increased to 42.54% from 41.62%
- ❖ NII was up by 26.72% (51.52%). It increased to ₹ 169.31 crore in 2020-21 from ₹ 142.59 crore
- ❖ Net Interest Margin (NIM) declined from 4.54% as on 31/03/2020 to 4.08% as on 31/03/2021
- ❖ Capital Adequacy Ratio at 9.48% as on 31.03.2021 vis-à-vis 9.80% as on 31.03.2020
- ❖ Credit to Agriculture and Allied Agriculture at ₹ 389.19 crore (₹ 254.48 crore) at a growth rate of 52.93% (6.15%)
- ❖ Disbursed ₹ 245.02 crore to agriculture (₹114.81 crore)
- ❖ No. of Agriculture borrowers increased to 30595 from previous FY's level of 25973
- ❖ No. of credit linkage to SHGs increased to 3320 from previous FY's number of 2475
- ❖ SHG Loan o/s rose by 45.95% to reach ₹ 43.49 crore (₹ 29.80 crore @ 33.33 %)
- ❖ Total transactions through Bank Mitra increased from ₹ 81.04 crore to ₹ 317 crore with a growth rate of 291%
- ❖ Total Amount of Cash deposit through Bank Mitra increased from ₹ 27.17 crore to ₹ 140.57 crore with a growth rate of 417%
- ❖ Total Amount of Cash withdrawal through Bank Mitra increased from ₹ 74.06 crore to ₹ 147.68 crore with a growth rate of 99%
- ❖ 78 branches out of 89 branches migrated to 2 Mbps RF connectivity from 32 Kbps VSAT connectivity
- ❖ Achieved 29,040 (12,354) Mobile Banking registrations during the year, taking the total to 58,953
- ❖ 4 new Branches have been opened in rural centers during the financial year

Note: Figures in brackets pertain to previous FY2019-20

Chairman's Message



It gives me immense pleasure to present the Annual Report, along with the Financial Statements of the Bank, highlights of the Bank's performance and important milestones reached during the Financial Year 2020-21. The trust of our customers and the dedication of our Employees helped us achieve phenomenal results.

The Financial Year 2020-21 was a tremendous year for our Bank. We have crossed a milestone of ₹ 6000 crore in total business. The bank's business has registered a notable level of ₹ 6207.01 crore with a growth of ₹ 1193.45 at 23.80 % from ₹ 5013.56 crore. Total business of the Bank has crossed ₹ 4000, ₹ 5000 and ₹ 6000 crore mark during the last two financial years. Our Bank has achieved the MoU Budgeted target set by our Sponsor Bank, both in Deposit (103.88%) and Advances (117.24%). Deposits increased by ₹ 676.75 crore at 19.46% and Advances increased by ₹ 516.71 crore at 33.65%. Our CASA % stood at 61.07%, there was a growth of ₹ 460.80 crore at 22.19 %. Despite putting over ₹ 47 crore in provisions for NPAs, Wage arrears and pension liabilities etc, the Bank registered a Net profit of ₹ 38.55 core as on 31.03.2021 against MoU target of ₹ 35 crore, an increase of ₹25.23 % at 189.43% from previous FY. We managed to increase our business per employee by ₹ 3.12 crore. Business per employee increased to ₹ 14.11 crore from previous FY figure of ₹ 10.99 crore. The Bank has opened 4 new branches during the current year and even with a total of 89 branches spread across the state, business per branch increased to ₹ 69.74 crore from ₹ 58.98 crore of previous FY.

The impact of Covid-19 and resulting restriction on business and individual activities has led to significant decrease in economic activities. Loan repayment moratorium period granted to borrowers had been lifted just before the end of the FY and this has resulted in the Bank's NPA to drastically rise from 5.19% to 6.07% during the year. However, the Bank remain focused on the needs of our customers and ready to extend our support to our customers. We are extending special loan schemes and adopted RBI initiated Resolution Framework 2.0 to provide some degree of relief to customers whose operations and livelihood are impacted and affected by Covid-19. Tremendous amount of time and energy have been spent in reduction of NPAs. Several workshops were conducted on NPA management, Recovery mechanism and Compromise Settlement. Branch wise and account wise follow up and monitoring is continuously conducted with monthly Performance Review Meetings. A system of monitoring NPA online (MRB-NAIS) was also developed in-house. I am hopeful that with diligence and hard work, our NPA will be reduced to the required level before the end of the current FY.

The Bank has continued to give utmost importance to continuous training of all staff members. As social gathering has been prohibited because of the pandemic, the Bank have designed Online Training Courses for its staff and have also nominated our staff in Online Training Courses conducted by training institutions like BIRD (Lucknow), BIRD (Mangalore), State Bank Learning Centres, etc. During the year, the Bank has organised and conducted 25 training programmes and provided training to 217 staff members.



MoU was signed with Mizoram University to sponsor 30 applicants for an online Executive MBA e-Banking course. I am sure this will enable the Organisation to attain its full potential in the years to come.

The Bank introduced a number of digital transformation initiatives during the year. The Bank launched multiple in-house developed application systems for easy & effective monitoring of data like MRB-NaiS (NPA Information System), HRIS (Human Resource Information System), MFAMS (MRB Fixed Assets Management System), Mimsys (MRB Investment Monitoring System), RF2 Report (Reporting system for accounts restructured under RF2.0), Reporting Systems for STR, CERSAI, CGTMSE and DEAF. The Bank's motto is to increase the usage of Alternate Delivery Channels to become more digital, as it not only saves huge cost to bank but also ensure our alignment with Government's mission of Digital India. Moreover, in light of the Pandemic, it became more obvious the need for digitisation for its convenience and transparency and to reduce footfalls in our branches. Mobile Banking and other Alternative Delivery Channels have been popularized widely among our customers, as a result Mobile banking Registration have increased to 29051 during the year, taking the total to 49736. With over 2.5 lakhs Active RuPay cards and more than 115 Bank Mitras operating in 210 villages, the Bank is slowly but steadily extending its scope to cater to the needs of the people even in remote villages.

The Bank is among the leading Bank in Mizoram in extending social security initiatives like APY, PMJJBY, PMSBY to its valued customers as envisaged by Government. A cumulative total of 6412 customers under APY, 55043 under PMJJBY and 75862 under PMSBY have been enrolled till 31.03.2021. Financial Awareness is continued to be spread even to the remotest part of the state through social media and FLCs. More than 295 Financial Literacy awareness camps were conducted during FY 2020-21 despite the pandemic. The Bank has made its responsibility to society one of its most important agendas. This year we have expended more than ₹ 11 lakhs under CSR scheme, which are aimed at providing financial services, rural area development, poverty eradication, promotion of gender equality, health and medical care etc.

I place on record our sincere gratitude to the Government of India, Government of Mizoram, State Bank of India, Reserve Bank of India and National Bank for Agriculture & Rural Development for their valuable support for the growth of the bank. My sincere thanks to our Board of Directors for their valuable guidance and supports throughout the year.

I personally thank each and every member of the bank's work force for their remarkable and stellar performances, for their dedication and for demonstrating incredible ability to execute throughout the year amidst such a difficult time of pandemic. Our achievements are possible only because of the hard work of the front-line soldiers working in our Branches and the continued trust and patronage received from our valued customers who have stood with the bank all through.

Yours sincerely,

(V. Jaya Chandra)
Chairman

KEY PERFORMANCE OF THE BANK AT A GLANCE

INDICATORS	(₹ in '000s)		
	2018-19	2019-20	2020-21
A. KEY PERFORMANCE INDICATORS			
1. No. of Districts covered	8	11	11
2. No. of Branches	85	85	89
a) Rural	49	49	52
b) Semi-Urban	17	17	18
c) Urban	19	19	19
d) Metropolitan	-	-	-
3. Total Staff (excluding sponsor bank staff)	418	456	440
Of which, Officers	216	233	241
4. Deposits	25950492	34781251	41548704
Growth %	20.81%	34.03%	19.46%
5. Borrowings Outstanding	1790638	2876968	2972737
Growth %	18.45%	60.67%	3.33%
6. Gross Loans & Advances Outstanding	12310150	15354315	20521355
Growth %	13.01%	24.73%	33.65%
Of 6 above loans to Priority Sector	9909231	11497669	15024510
Of 6 above Non Target Groups	2400919	3856646	5496845
Of 6 above loans to SC/ST	12310150	15354315	20521355
Of 6 above loans to SF/MF/AL	2397441	2544785	3891753
Of 6 above loans to Minorities	32375	32137	38663
7. CD Ratio	47.44	44.15	49.39
8. Investments Outstanding	7145339	7919883	11509235
SLR Investments Outstanding	6524339	7659883	11089255
Non-SLR Investments Outstanding	610107	621000	419980



INDICATORS		2018-19	2019-20	2020-21
B. <u>AVERAGES</u>				
9.	Average Deposits	23437453	30623933	39021489
	Growth %	19.03%	30.66%	27.42%
10.	Average Borrowings	1475606	2083525	2923021
	Growth %	54.15%	41.20%	40.29%
11.	Average Gross Loans and Advances	11428923	13500922	17245084
	Growth %	15.34%	18.13%	27.73%
12.	Average Investments	6741394	6964742	10030908
	Growth %	1.74%	3.31%	44.02%
	Average SLR Investments as % to Average Deposits	6071227 25.90%	6608908 21.58%	9613418 31.39%
	Average Non-SLR Investments as % to Avg. Deposits	670167 2.86%	355833 1.16%	417490 1.36%
13.	Average Working Funds	24913059	35973730	46449446
C. <u>LOANS ISSUED DURING THE YEAR</u>				
14.	Loans Issued during the year	4440492	7103574	9867587
	Amount growth	521550	2663082	2764013
	Growth %	13.31%	59.97%	38.91%
	Of 14 above loans to Priority Sector	3201995	4502744	6959162
	Of 14 above loans to SC/ST	4440492	7103574	9867587
	Of 14 above loans to SF/MF/AL	1009289	1148060	2450190
	Of 14 above loans to Minorities	9769	17512	15930
D. <u>PRODUCTIVITY(based on total Business)</u>				
15.	Per Branch	450125	589830	697416
	Per Staff	91533	109946	141068



INDICATORS		2018-19	2019-20	2020-21
E.	<u>RECOVERY PERFORMANCE</u>			
16.	Total			
	Demand	2647023	3070876	4059830
	Recovery	2200139	2667069	3314770
	Overdue	446884	403807	745060
	Recovery % (June Position)	83.12%	86.85%	81.65%
17.	Farm Sector			
	Demand	222879	484558	737148
	Recovery	181067	377730	497145
	Overdue	41812	106828	140003
	Recovery % (June Position)	81.24%	77.95%	81.01%
18.	Non-Farm Sector			
	Demand	2424144	2586318	3322682
	Recovery	2060522	2289339	2726125
	Overdue	363622	296979	596557
	Recovery % (June Position)	85.00%	88.52%	82.05%
F.	<u>ASSET CLASSIFICATION</u>			
19.	a) Standard	11667297	14557923	19276190
	b) Sub-Standard	203523	392213	736841
	c) Doubtful	375473	304322	430908
	d) Loss	63857	99857	77416
	Total	12310150	15354315	20521355
	Standard Assets as % to Gross Loans & Advances out standings	94.78%	94.81%	93.93%
G.	<u>PROFITABILITY ANALYSIS</u>			
20.	Interest paid on			
	a) Deposits	1171034	1422433	1502109
	b) Borrowings	78968	96143	160794
21.	Salary (including leave encashment)	282391	324413	404779
22.	Other Operating Expenses	212594	334722	384135



INDICATORS		2018-19	2019-20	2020-21
23.	Provisions made during the year			
	a) Against NPAs	190000	220000	210000
	b) Other Provisions	413218	571268	470043
	c) Amortization	-	-	-
24.	Interest received on			
	a) Loans & Advances	1239773	1519562	1771144
	b) Investments	539170	607617	734946
	c) Others (TDR)	412133	817337	849869
25.	Other Income	241349	157616	161416
26.	a) Gross Profit	129458	204668	592586
	b) Net Profit	84220	133152	385516
H.	<u>OTHER INFORMATION</u>			
27.	Share Capital Deposit Received	Nil	Nil	Nil
28.	DI & CGC	Nil	Nil	Nil
	(a) Claims settled cumulative	Nil	Nil	Nil
	(b) Claims received but pending adjustment	Nil	Nil	Nil
	(c) Claims pending with Corporation	Nil	Nil	Nil
29.	Cumulative Provision	390358	579241	741962
	(a) Against NPAs			
	(b) Against Standard Assets	41315	60213	70213
	(c) Against Intangible Assets Frauds, Wage, Pension, NPS, Covid-19 Moratoriumetc	398776	376428	398015
30.	Interest Derecognized			
	a) During the year	Nil	Nil	Nil
	b) Cumulative	Nil	Nil	Nil
31.	Loans Written off during the year			
	a) No. of Accounts	193	179	1150
	b) Amount	14507	30567	77404
32.	Accumulated Loss	Nil	Nil	Nil
33.	Reserves	1230166	1363319	1748835

INDICATORS		2018-19	2019-20	2020-21
34.	Net Worth	1540548	1673701	2059217
35.	Net NPAs	252495	217151	503202
	% Provisions to gross NPAs	60.72%	72.73%	59.59%
	% Gross NPAs to advances	5.22%	5.19%	6.07%
	% Net NPAs advances	2.05%	1.41%	2.45%
36.	CRAR	10.95%	9.80%	9.48%
37.	Market Share			
	a) Deposits	24.64%	27.68%	29.88%
	b) Advances	27.42%	31.03%	33.86%



Mizoram Rural Bank

Mizoram Rural Bank was established on 27th September 1983 under the Regional Rural Bank Act 1976 with an authorised capital of ₹ 1 crore and paid-up capital of ₹ 25 lakh. The share capital of RRB is subscribed in the following manner:

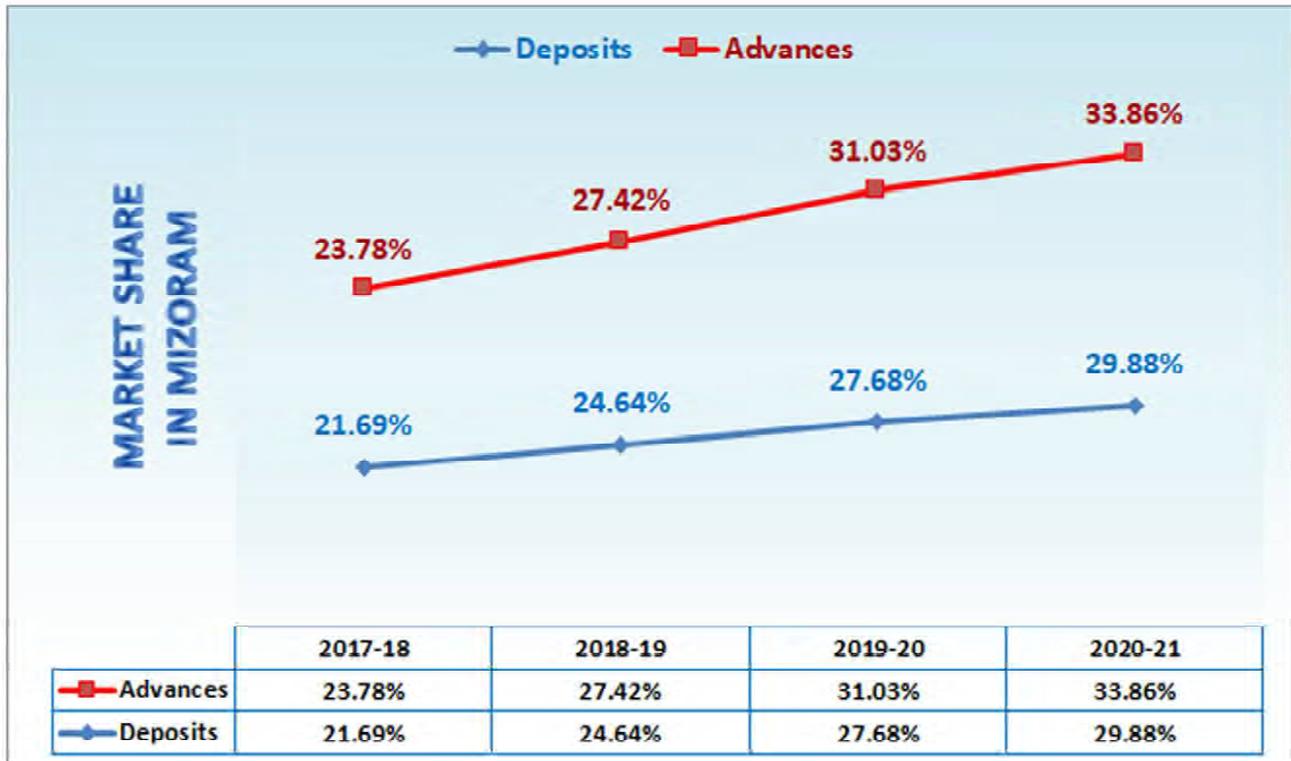
- Central Government - 50 per cent,
- Government of Mizoram -15 per cent,
- State Bank of India - 35 per cent.

Mizoram Rural Bank with Head Office at Aizawl, Sponsored by State Bank of India is perhaps the only RRB in the state having a spread in all the districts and blocks of a state, operating in 11 districts and 26 RD blocks with a branch network of 89 comprising of 19 urban, 18 semi urban and 52 rural centers. Of the total Branches 58.43% are in rural areas, which signify the commitment of the Bank towards rural areas.

Mizoram Rural Bank has become the ‘**Largest Lender of the State**’ by overtaking State Bank of India in total Advances as on 31.03.2021. With 89 branches, it has the **largest branch network** in Mizoram. The Bank is also the **second-largest bank** in terms of Deposits in the State next to its sponsor bank, the State Bank of India.

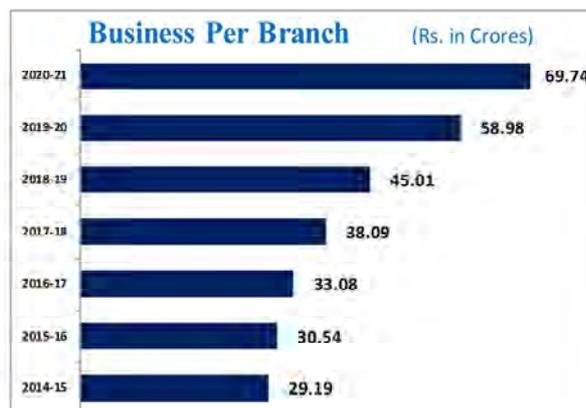
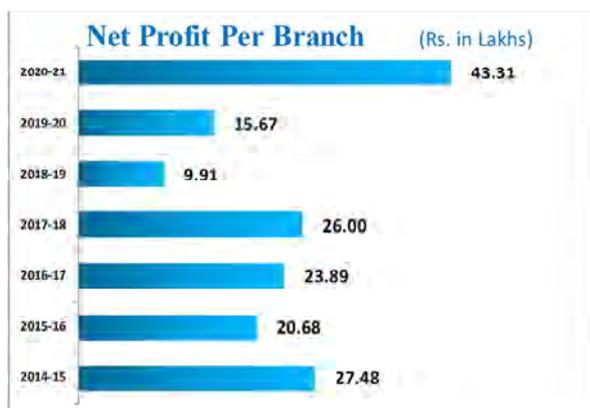
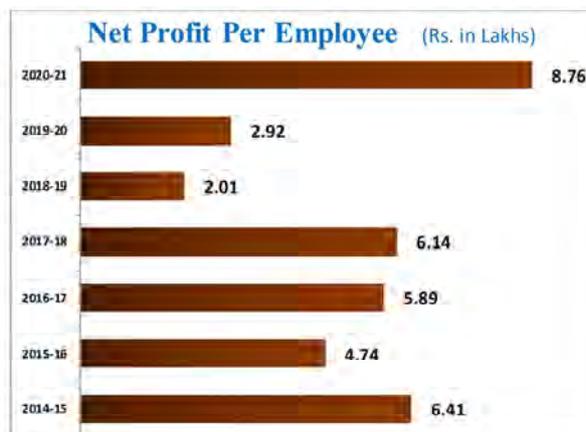
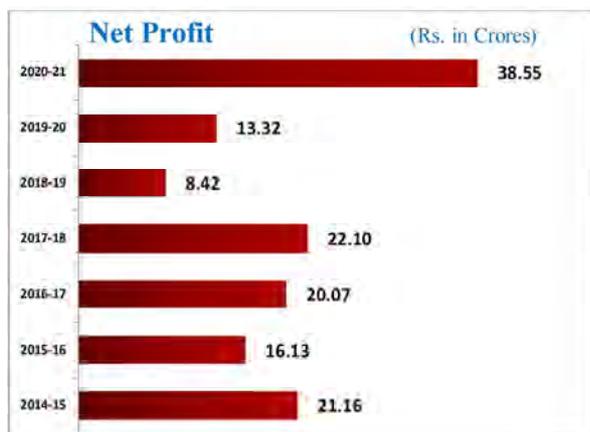
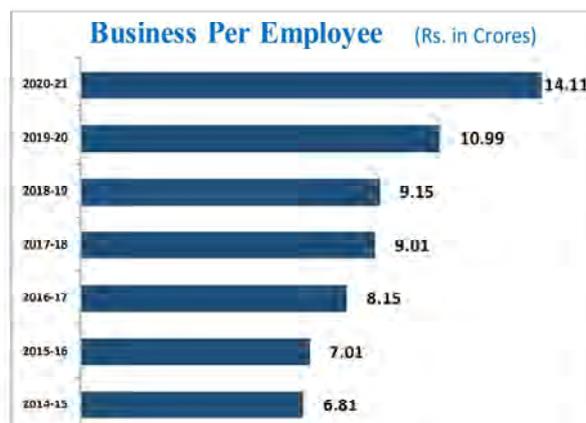
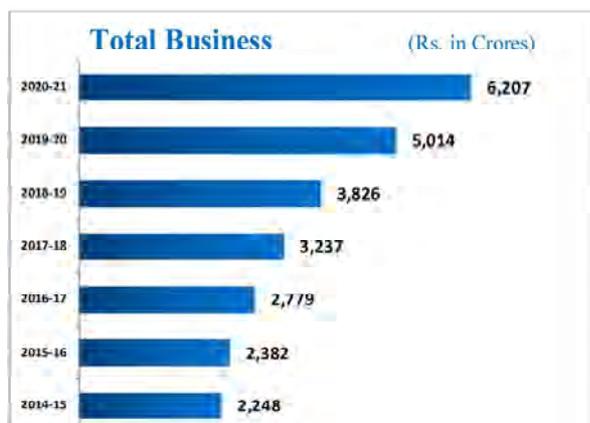
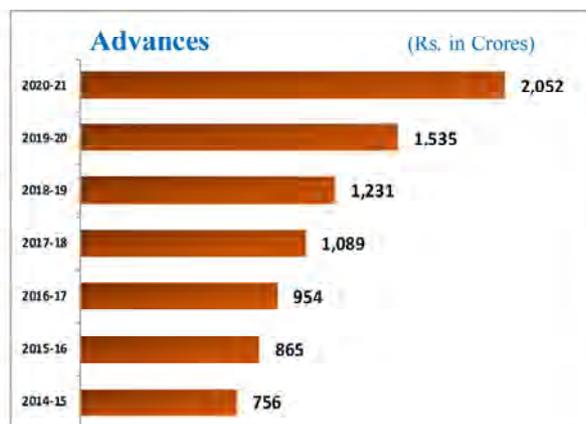
In Mizoram, Mizoram Rural Bank has the largest market share in Advances (33.86%) and second-largest market share in Deposits (29.88%). The Bank has increased its Market share in Deposits by 5.24% and in Advances by 6.44% during the last 2 Financial Years.

With ₹ 69.74 crore per Branch productivity and ₹ 14.11 crore per employee business we are at the top among RRBs pan India.



↑ Productivity Per Branch ₹ 69.74 crore.

↑ Productivity Per Staff ₹ 14.11 crore.





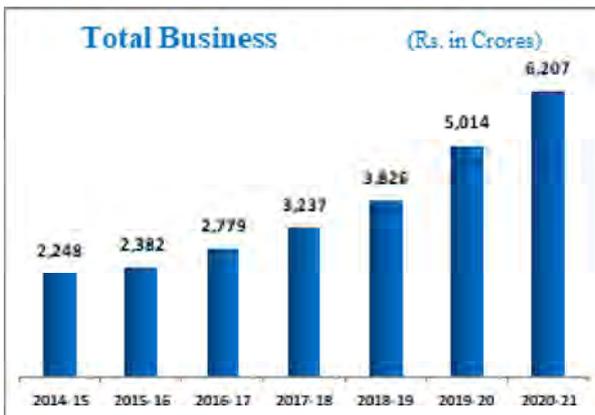
BOARD OF DIRECTOR'S REPORT 2020-21

We have pleasure in presenting the 38th Annual Report of Mizoram Rural Bank (MRB) together with the Audited Statement of Accounts, Auditors' Report and the report on business and operations of the Bank for the financial year ended on 31st March 2021.

Business Review

The Bank's business has registered a growth of ₹ 1193.45 crore at 23.80% to reach ₹ 6207.01 crore as on 31st March 2021 as against ₹ 5013.56 crore as on 31.03.2020.

56.70% of the business growth of ₹ 1193.45 crore was contributed by Deposits and the remaining 43.30% by Loans and Advances with an absolute growth of ₹ 676.75 crore and ₹ 516.71 crore respectively. The distribution of growth between deposits and advances in FY 2019-20 was in the ratio of 74.36% and 25.64%.



Profit Analysis

The Bank registered a Net Profit of ₹ 38.55 crore for the year 2020-21 as against ₹ 13.32 crore for the previous FY 2019-20. Increase in Net Profit is quite significant compared to the previous year as most of the huge provisions required had been paid off in the previous year.

Increase in interest income by ₹ 41.14 Cr. The Bank's total income during the year as on 31.03.2021 stood at ₹ 351.73 crore of which ₹ 177.11 crore was income earned from advances, which is 50.35% of total income.

The Operating profit (before provisions and contingencies) of the Bank stood at ₹ 106.55 crore as on 31.3.21 vis-à-vis previous FY's figure of ₹ 92.44 crore. The increase of ₹ 14.11 crore (15.26%) in operating profit during this year is still quite impressive considering the economic depression caused by the Covid-19 Pandemic.

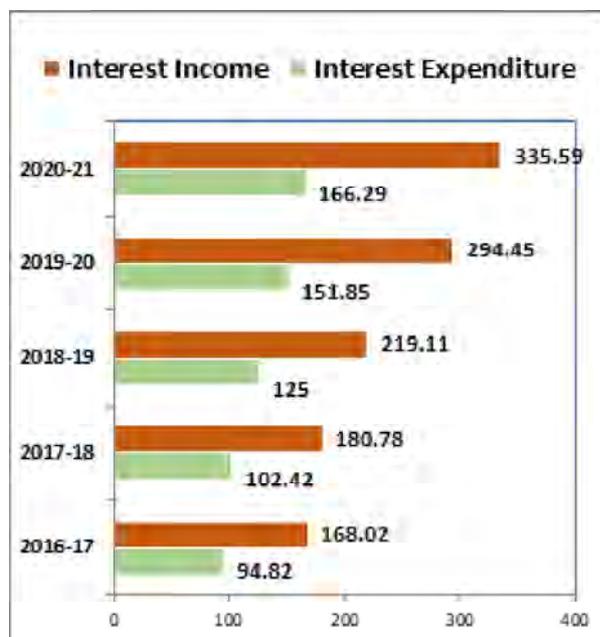


Income and Expenditure

Particulars	2019-20	2020-21	Growth %
Interest Income	294.45	335.59	13.97
Interest Expenditure	151.85	166.29	9.50
Non-Interest Income	15.76	16.14	2.41
Gross Profit/Operating Profit	20.47	59.25	189.44
Tax Expenses	7.15	20.7	189.51
Deferred Tax Assets & Earlier Year adjustments (excess)	0.00	0.00	0.00
Provision & Contingencies	71.98	47.29	-34.30
Prior period depreciation & rent	0.00	0.00	0.00
Net Profit	13.32	38.55	189.41

Net Interest Income

Total interest income earned during the year is ₹ 335.59 crore whereas total interest expenditure is at ₹ 166.29 crore. The net interest income has increased by ₹ 26.7 crore to ₹ 169.3 crore during the year vis-à-vis ₹ 142.6 crore in 2019-20 with a growth rate of 18.72%.



Interest Expenditure

- Interest paid on deposits has increased to ₹ 150.21 crore from the last FY's figure of ₹ 142.24 crore by ₹ 25.14 crore (5.60 %).
- The Bank has paid ₹ 16.07 crore towards interest on borrowings (refinance from NABARD, NHB and MUDRA) during the year as against ₹ 9.61 crore of FY 2019-20 with an increase of ₹ 6.46 crore.

Operating expenditure

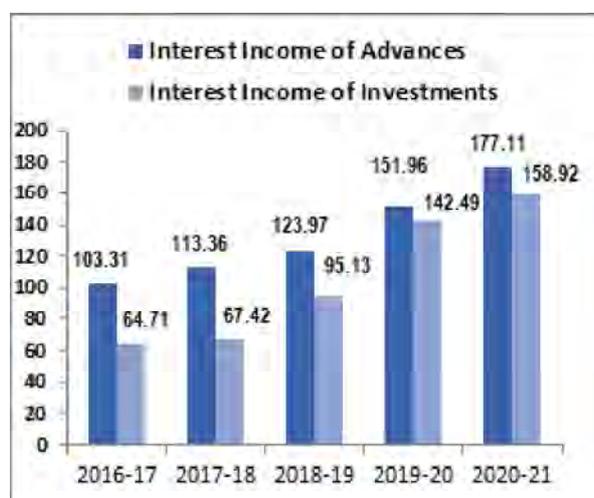
Operating expenditure has increased by ₹ 13 crore (19.72%) to ₹ 78.9 crore in 2020-21 from ₹ 65.91 crore in previous FY 2019-20.

Interest Income

- Interest income increased from ₹ 294.45 crore to ₹ 335.59 crore during the FY with an absolute growth of ₹ 41.14 crore (at 13.97%)

- The Bank has earned an interest income of ₹ 177.11 crore from loans and advances in current fiscal as against ₹ 151.95 crore in 2019-20 with an increase of ₹ 25.16 crore (@ 16.56%).

The interest income received from investments has increased by ₹ 16.43 crore at 11.53% to reach ₹ 158.92 crore as against ₹ 142.49 crore in the previous FY. This including Interest received from TDR with SBI and NABARD TMB.



Provision for NPAs

The Bank has made a provision of ₹ 21.00 crore on NPAs during the year, taking the total Provisions available on Advances to ₹ 81.22 crore (including cumulative provision of ₹ 7.02 crore on Standard Assets.

(₹ in Crore)

Assets	2019-20		2020-21	
	O/s	Provision	O/s	Provision
Standard	1455.79	8.05*	1927.62	7.02
Sub Standard	39.22	17.51	73.68	23.36
Bad & Doubtful	30.43	30.43	43.09	43.09
Loss	9.99	9.99	7.74	7.74
Total	1535.43	65.98	2052.14	81.22

* including provision of Covid-19 moratorium



Ratio Analysis

Ratio Analysis				
S.N	Ratios	2019-20	2020-21	
		Amt / Ratio	Amt / Ratio	Change
1	Cost of Deposits	4.64	3.85	-0.79
2	Cost of Funds	4.64	3.96	-0.68
3	Yield on Advances	11.26	10.27	-0.99
4	Yield on Investments	8.26	6.54	-1.72
5	CASA	59.71	61.07	1.36
6	ID Ratio	61.98	57.02	-4.96
7	CD Ratio	44.15	49.39	5.24
8	Business Per Employee (Rs in crore)	10.99	14.11	3.12
9	Business Per Branch (Rs in crore)	58.98	69.74	10.76
10	Return on Assets	0.37	0.83	0.46
11	Return on Equity	7.96	18.72	10.76
12	Provision Coverage Ratio	72.73	59.59	-13.14
13	% Gross NPAs to advances	5.19	6.07	0.88
14	% Net NPAs to advances	1.41	2.45	1.04
15	Interest income as a percentage to Working Funds	8.19	7.22	-0.97
16	Non-Interest income as a percentage to Working Funds	0.44	0.35	-0.09
17	Operating profit as a percentage to Working Funds (Before provisions)	2.57	2.29	-0.28
18	Non-earning assets to Total Assets	10.49	10.68	0.19
19	Operating Margin	1.23	1.85	0.62
20	Financial Return	8.19	7.57	-0.62
21	Financial Costs	4.22	3.59	-0.63
22	Financial Margin	3.96	3.98	0.02
23	Cost of management	3.17	2.14	-1.03
24	Risk Cost	0.66	0.57	-0.09
25	Credit Cost	1.79	1.37	-0.42
26	Expenses ratio (Cost to income ratio)	41.62	42.54	0.92
27	Net Interest Margin	4.54	4.08	-0.46
28	Leverage Ratio	4.13	4.24	0.11
29	CRAR	9.80	9.48	-0.32

Balance Sheet Size

The balance sheet size amounted to ₹ 4949.86 crore with an increase of ₹ 825.97 crore over March 2020 level of ₹ 4123.90 crore.

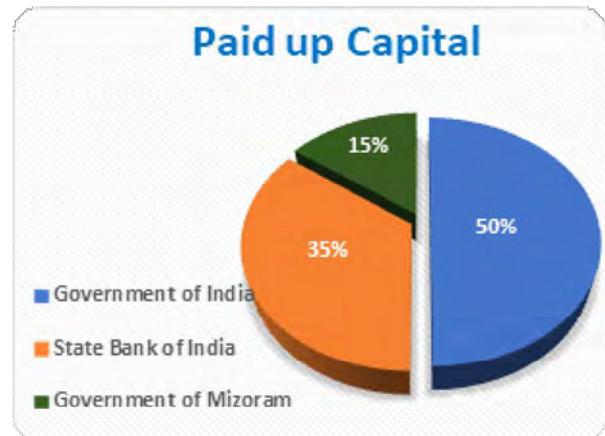
Capital & Reserves

Authorized Capital:

The Bank's Authorised capital stood at ₹ 31,03,82,000 (3,10,38,200 shares of ₹ 10 each).

Paid up Capital:

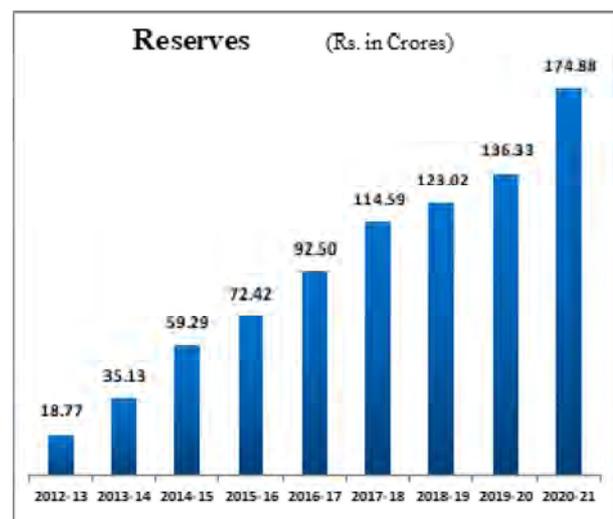
The Bank's paid up capital stood at ₹ 31,03,82,000 (3,10,38,200 shares of ₹ 10 each), subscribed by Government of India, State Government and State Bank of India in the ratio of 50:15:35. The Reserves increased by ₹ 38.55 crore at 28.28% from ₹ 136.33 Cr as on 31.03.20 to ₹ 174.88 Cr as on 31.03.21.



Net worth

Net worth of the Bank stood at ₹ 205.92 crore with a growth of ₹ 38.55 crore (23.03%) over previous FY's figure of ₹ 167.37 crore.

The Capital Adequacy Ratio stood at 9.48% above the level of minimum 9% stipulated by Dr. K.C Chakravarthi Committee.



The following table gives the position of Tier-I, Tier-II Capital, Reserves and computation of CRAR.

Capital	2019-20	2020-21
1 Tier-I		
a. Paid up Capital	31.04	31.04
b. Share Capital Deposit	-	-
c. Statutory Reserves & Surplus	27.27	34.98
d. Capital Reserves	-	-
e. Other Reserves	-	-
f. Spl. Reserve u/s 36(1)(viii) of Income Tax Act 1961	-	-
g. Surplus in P&L	109.06	139.90
Total reserves (b+c+d+e+f+g)	136.33	174.88
Total Tier-I Capital	167.37	205.92
2 Tier-II		
a. Revaluation Reserves		
b. General Provisions & Reserves		
c. Investment fluctuations Reserves/Funds		
d. Tier II Perpetual Bonds	1.73	1.73
Total Tier-II Capital	1.73	1.73
Grand Total (Tier I + Tier II)	169.10	207.65
3 a. Adjusted value of funded risk assets i.e., balance sheet items	1,725.16	2,191.23
b. Adjusted value of non-funded risk assets i.e., balance sheet items	-	-
c. a+b	1,725.16	2,191.23
d. Percentage of Capital (Tier-I + Tier II) to Risk Weighted Assets	9.80%	9.48%

Deposits

Deposits registered a growth of ₹ 676.75 crore over March 2020 level at a growth rate of 19.46%. Total deposits as on 31.03.2021 stood at ₹ 4154.87 crore as against ₹ 3478.13 crore as on 31.03.2020.



Deposit Mix

CASA deposits grew by ₹ 460.80 crore at 22.19% to reach ₹ 2537.52 crore as against ₹ 2076.72 Cr as on 31.3.2020. Term Deposits grew by ₹ 215.94 crore to reach a level of ₹ 1617.35 crore at 15.41% as against ₹ 1401.41 crore as on 31.3.2020.

The share of CASA has increased from 59.71% (31.03.2020) to 61.07% as on 31.03.2021.

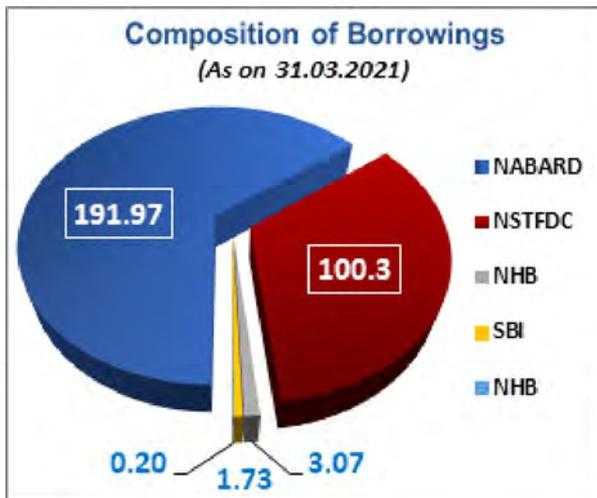
(₹ in Crore)

Deposit mix	2018-19	2019-20	2020-21
Current A/c	100.80	102.84	139.57
Growth	-15.77	2.04	36.73
Growth %age	-13.53	2.03	35.71
Savings Bank A/c	1556.71	1973.87	2397.95
Growth	345.19	417.16	424.07
Growth %age	28.49	26.80	21.48
Total CASA	1657.50	2076.72	2537.52
Growth	329.42	419.22	460.80
Growth %age	24.80	25.29	22.19
Term Deposits	937.55	1401.41	1617.35
Growth	117.69	463.86	215.94
Growth %age	14.35	49.48	15.41
Total deposits	2595.05	3478.13	4154.87
Growth	447.10	883.08	676.75
Growth %age	20.82	34.03	19.46



Borrowings

(₹ in Crore)



The aggregate borrowings of the Bank as on 31st March 2021 stood at ₹ 297.27 crore whereas it was ₹ 287.70 crore as on 31st March 2020.

(₹ in Crore)

Institution	2019-20	2020-21	Variance
NABARD	180.92	191.97	11.05
NSTFDC	100.94	100.3	-0.64
NHB	4.10	3.07	-1.03
SBI	1.73	1.73	0.00
NHB	0.00	0.20	0.20
TOTAL	287.70	297.27	9.57

Assets

Investments

(₹ in Crore)

INVESTMENT	2019-20	2020-21
SLR	765.98	1108.93
Growth	113.56	342.94
Growth %	17.41	44.77
Non- SLR (including TDR with other Banks)	1389.75	1260.14
Growth	560.40	-129.61
Growth %	67.57	-9.32
TOTAL INVESTMENT	2,155.74	2,369.07
Growth	674	213.33
Growth %	45.42	9.89

Investments

Total investments portfolio - both SLR and Non-SLR of the Bank has increased to ₹ 2369.07 crore as on 31.3.21 from previous year's level of ₹ 2155.74 crore with an increase of ₹ 213.33 crore @ 9.89%.

Investment Policy

The Investment Policy (revised) of the Bank was adopted in 2018 and the same was reviewed/ revised and approved by the Board from time to time, conforming to the RBI guidelines.

SLR Investments

In terms of Section 24 of the BR Act 1949, the Bank has maintained investments in the avenues laid down in the Policy, to fulfill the SLR requirements.

All SLR investments are made in GOI/State Govt. Securities only. The purchase and sale of Govt. Securities are undertaken by the Portfolio Management Services Department of State Bank of India.

Non SLR Investments

Non-SLR investments are invested in TDRs of Banks (SBI, NABARD etc). The Bank has been monitoring and following up for prompt receipt of interest due from Govt. Securities /Bonds.

There was no instance of income leakage from Non-SLR investments portfolio.

CRR and SLR:

The Bank has complied with the regulatory requirement of maintenance of adequate balances towards CRR and SLR.

There is a well laid down system of assessing the CRR and SLR requirements taking into account the NDTL.

There was no default in maintenance of adequate balances during the year. The Bank has kept ₹ 149.46 crore in CRR and ₹ 1109.48 crore in SLR as on 31.03.2021.

Credit Portfolio

The credit portfolio of the Bank rose by 33.65% to ₹ 2052.14 crore during the financial year ended 31.03.2021 from the previous year level of ₹ 1535.43 crore, thus showing an absolute growth of ₹ 516.71 crore as against the target of ₹ 214.96 crore.

Credit to Agriculture

Total credit to agriculture and allied activities including agriculture-portion of SHG lending, stood at ₹ 389.18 crore as on 31.03.2021 as against ₹ 254.48 crore with a growth of ₹ 134.70 @ 52.93% (Previous year growth ₹ 14.74 crore @ 6.15%). Total number of Bank's borrowers in Agriculture sector has increased to 30595 vis-a-vis 25973 in FY 2019-20. The Bank has disbursed ₹ 245.02 crore to agriculture during the year as against the previous year's disbursement of ₹ 114.81 crore registering a growth rate of 113.41%.

Total credit to agriculture and allied activities constitutes 18.96 % of the total credit portfolio as on 31.03.2021 vis-à-vis 16.57 % as at the end of previous FY.



Joint Liability Groups (JLGs)

JLGs are expected to overcome the problem of tenant farmers getting deprived of institutional credit. The Bank has financed an amount of ₹ 5.31 crore to the JLGs as on 31.03.2021, taking the total JLGs financed to 402. During the year 29 groups were financed amounting ₹ 1.31 crore.

Kisan Credit Card System

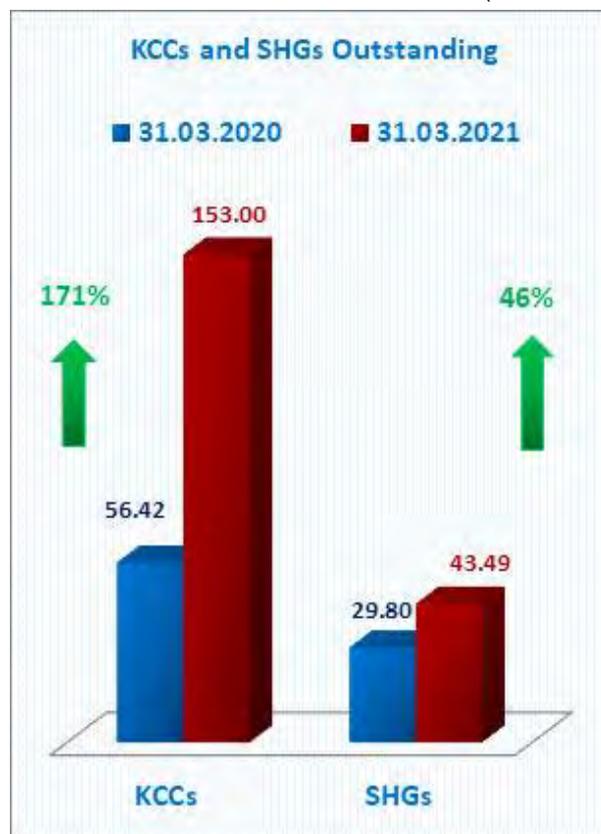
We have issued 14340 KCCs as on 31.3.2021 with an outstanding credit of ₹ 153.00 crore as against previous FY level of 9646 KCCs for ₹ 56.42 crore with a record-breaking Year-on-Year (YoY) growth rate of 171%.

During the year 2020-21, we have disbursed an amount of ₹ 122.95 crore to 8837 KCC card holders as against ₹ 19.90 crore to 2140 KCC card holders during the year 2019-20.

Interest Subvention for Crop Loans

As per Government of India guidelines, Bank is implementing 7% interest rate to all the crop loan borrowers up to ₹ 3.00 lakh and accordingly claimed an amount of ₹ 1,41,69,931.07 towards 2% interest subvention and ₹ 1,91,75,287.06 towards additional interest subvention at 3% for prompt repaying loanees from the GOI during the year 2020-21.

(₹ in crore)





Self Help Groups

To make Rural Women financially empowered, with the help of MzSRLM we have undertaken SHG Credit linkage in a big way.

Our Bank has financed 3320 Self Help Groups with an outstanding portfolio of ₹ 43.49 crore as on 31.03.2021 as against previous year's level outstanding credit of ₹ 29.80 crore to 2475 SHGs. The total loans outstanding under SHG segment has increased by ₹ 13.69 crore at a growth rate of 45.95% during the year 2020-21 against previous year growth of ₹ 5.53 crore (@22.80%).

The Bank has disbursed ₹ 32.77 crore to 1969 Groups during the year as against ₹ 19.13 crore disbursed to 1183 SHGs during the previous year.

The Bank has highest number of Self Help Groups linked to Bank and loan amount outstanding among Banks operating in Mizoram.



**SHGs Bank-Linkage Programme:
Credit camp at Tipa - Tipa Branch disbursed
₹ 2.05 crore to 120 SHGs in the camp.**



Financial Awareness Programme for our SHG members and SHGs Credit camp in Reiek village jointly conducted by Reserve Bank of India Aizawl and Reiek Branch, attended by Shri. V. Jaya Chandra Chairman, Mizoram Rural Bank.



National Rural Livelihood Mission (NRLM) - Aajeevika – Interest Subvention Scheme

Our Bank has implemented NRLM Scheme as per the guidelines issued by NABARD vide their letter No 249/MCID-LS/2013-14 dated 26.11.2013.

Under the Scheme, all Women SHGs promoted by NRLM or other Central or State Government Line Departments or NABARD or any NGOs, which are linked with our Bank, are eligible to avail the benefits of the Scheme. As per the Scheme, GOI identified 250 backward districts all over the country under Category-I, of which we have three districts in our notified area namely Aizawl, Lunglei and Serchhip Districts.

All such Women SHGs in the three districts have been extended credit at 7% rate of interest upto ₹ 3 lakh and Government would subvent to the extent of difference between 7% and actual rate of interest (12.5%) subject to a maximum of 5.5%. Apart from this, prompt repaying SHGs will be extended an additional 3% subvention. SERP (Society for Elimination of Rural Poverty) would credit the remaining 4% interest for prompt repayers reducing “ZERO” interest burden to the groups.

We have received interest subvention claim for an amount of ₹ 14,45,953.18 and ₹ 28,22,433.00 towards 5.5% interest subvention for 2018-2019 and 2019-2020 respectively. An amount of ₹ 11,59,463.00 towards additional interest subvention at 3% for prompt repaying SHGs during the year 2019-2020 was also received.

As per Government of India guidelines, Bank is implementing 7% interest rate to all the Women SHG loan borrowers up to ₹ 3.00 lakh in Category-I Districts and accordingly claimed an amount of ₹ 55,89,353.51 towards 5.5 % interest subvention and ₹ 20,09,132.42 towards additional interest subvention at 3% for prompt repaying loanees from the GOI during the year 2020-21.

We have eight districts among the Category-II districts (other than the above 250 districts) under NRLM namely Kolasib, Champhai, Lawngtlai, Saiha, Mamit, Hnahthial, Khawzawl and Saitual Districts. Funding for this subvention will be provided by the

MzSRLM (State Rural Livelihood Mission). MzSRLM will provide each 5.5% interest as subvention for prompt repayers through e-transfer to the SHGs accounts under the Scheme for Category-II districts.

National Urban Livelihood Mission (NULM)

Government of India restructured Swarna Jayanti Shahari Rozgar Yojana (SJSRY) as National Urban Livelihood Mission (NULM). The SEP (Self Employment Programme) component of NULM focus on providing financial assistance through a provision of interest subsidy on loans to support establishment of Individual and Group Enterprises and SHGs of urban poor.

Under the Scheme, (a) Interest subsidy, over and above 7% of ROI is available on a Bank loan of ₹ 2 lakh to individual enterprises and ₹ 10 lakh for Group Enterprises. The difference between 7% p.a. and the prevailing ROI will be provided to Banks under NULM; (b) SHGs in urban areas can avail Bank loan at 7% ROI. The difference between 7% p.a. and the prevailing ROI will be provided to Banks under NULM. Further, an additional 3% interest subvention will be provided to all women SHGs for prompt repayment as per repayment schedule by GOI. Interest Subvention amounting to ₹ 33,12,379.00 was claimed during the year.





Margin Money under PMEGP

During the year 2020-2021, we have received ₹ 6,72,24,368.00 under PMEGP Margin Money Scheme.

Priority Sector Lending

In terms of RBI Circular No: FIDD.CO.Plan.BC. No.14/04.09.01/2015-16 dated December 3, 2015, w.e.f 01.01.2016, 75 per cent of outstanding advances should be towards Priority Sector, which constitutes loans extended to (a) Agriculture (Farm credit, Agriculture infrastructure, Ancillary activities) (b) Micro, Small and Medium Enterprises (Manufacturing and Service Sector, KVI and OD to PMJDY) (c) Education (d) Housing (e) Social Infrastructure (f) Renewable Energy (g) Weaker Sections and (h) Others (SHG/JLG, distressed persons, Loans to State Sponsored Organizations for Scheduled Castes/ Scheduled Tribes).

RRBs will have a target of 75 per cent of their outstanding advances for priority sector lending and sub-sector targets as indicated in table below.

Categories	Targets
Total Priority Sector	75% of total outstanding
Agriculture	18% of total outstanding
Small and Marginal Farmers	8% of total outstanding
Micro Enterprises	7.5% of total outstanding
Weaker Sections	15% of total outstanding

The Bank's priority sector lending constitutes 73.21% of total advances as on 31.03.2021. In absolute terms, total priority sector lending stood at ₹ 1502.45 crore as on 31.03.2021 as against ₹ 1149.77 crore as on 31.03.2020. There is a growth of ₹ 352.68 crore @ 30.67% (FY 2019-20 @ 16.03%).

Government Sponsored Schemes

The Bank has participated in Government Sponsored Schemes actively during the year. The Scheme-wise position of loans and advances issued and outstanding under Govt. Schemes/Special Scheme as on 31.03.2021 is as under.

Scheme	(₹ in lakhs)			
	Outstanding as on 31.3.21		Disbursement during FY 2020-21	
	No. of A/cs	Amount	No. of A/cs	Amount
PMEGP	1483	2,775.05	750	3,026.38
NRLM	2418	3,237.21	1498	3,989.25
NULM	846	1,204.18	259	557.86
PMAY	1432	8,690.76	495	4,337.90
NHFDC	11	3.85	5	11.00
JNNSM	4	0.04	0	-
SGSY	45	34.37	0	-
PMSVANIDHI	345	22.01	356	35.35
ECL	465	413.77	485	750.14

Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI)

Our Bank had registered with CERSAI in terms of RBI guidelines and complied with the instructions. Registration of Equitable / Registered mortgages and Hypothecation in respect of our loans under CERSAI, which are covered under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) is being done.

Credit Information Companies

Our Bank has been a member of CIBIL (Credit Information Bureau (India) Limited), CRIF High Mark Credit Information Services Private Limited, Equifax Credit Information Services Private Limited and Experian Credit Information Company of India Private Limited.

These Companies collect and maintain records of individuals' and non-individuals' (commercial entities) payments pertaining to loans and credit cards from Banks and other lenders on a monthly basis.

Using this information, a Credit Information Report (CIR) and Credit Score is developed, enabling lenders to evaluate and approve loan applications.

Our Bank has been uploading the data regularly and all our Regional Offices and Branches are accessing the credit history of the loan applicants from CIBIL and CRIF High Mark in their credit decisions.

Reserve Bank of India vide its letter No. DBR No. CID.BC.60/20.16.056/2014-15 dated 15.01.2015 has advised us that all Credit Institutions have a mandate to become members of all CICs. Accordingly we have become members of the above four CICs.

New Loan Schemes & Agreements etc

During the FY 2020-2021, our Bank had:-

- i) Introduced 4 new loan products such as PM-Svanidhi, SHG-CCECL, SME-ECL and AGL-ECL to help various people from different backgrounds to sustain their respective activities and to meet the emergency needs during COVID-19 pandemic.
- ii) Signed an Agreement with Automobile Dealers Association of Mizoram (ADAM) on 9th December, 2020 to enhance the prospect for eligible applicants and to increase our Loan Portfolio in SME and Personal Sectors.
- iii) Signed an Agreement with MULCO Ltd, a milk production and processing company in the state on 10th July, 2020.
- iv) Restructured eligible Loans by extending loan terms, moratorium period and repayment period, in pursuant to the Guidelines/Instruction issued by Reserve Bank of India (RBI) on Covid-19 regulatory package.
- v) Organized Sensitization Programme on Doubling of Agricultural Credit to improve our Agriculture Segment.

Participation in State Credit Plans

The Bank's participation in State Credit Plans is as under:

<i>Rupees in Crore</i>				
PRIORITY SECTOR				
Particulars	Achievement as on 31.03.2020	Target for FY 2020-21	Achievement up to 31.03.2021	% of target achievement
Agriculture Segment				
Crop Loan	3.95	116.66	5.31	4.55%
Agl. & Allied	110.86	141.94	239.71	168.88%
Total - Agri	114.81	258.59	245.02	94.75%
MSME Segment				
Micro Enterprises	120.36	159.95	257.31	160.87%
Small Enterprises	38.45	76.77	45.42	59.16%
Medium Enterprises	-	-	-	0.00%
KVI	9.43	18.16	16.10	88.65%
Total - MSME	158.81	236.71	302.73	127.89%
Other Priority Sector				
Export Credit	-	0.92	-	0.00%
Education	0.42	3.64	0.75	20.58%
Housing	173.88	86.25	147.32	170.81%
Social Infrastructure	0	3.96	0.00	0.00%
Renewable energy	0.00	0.25	0.00	0.00%
Others	2.37	26.10	0.10	0.39%
Total - Other Prio	176.66	121.11	148.17	122.34%
Priority Sector Total	450.27	616.42	695.92	112.90%
NON-PRIORITY SECTOR				
Particulars	Achievement as on 31.03.2020	Target for FY 2020-21	Achievement up to 31.03.2021	% of target achievement
Education (NPS)	-	8.62	0	0.00%
Housing (NPS)	38.41	105.77	100.14	94.67%
Personal Loans	165.27	79.26	159.13	200.77%
Others (NPS)	56.41	21.41	31.58	147.54%
Non-Priority Sector Total	260.08	215.05	290.84	135.24%
TOTAL ADVANCES	710.36	831.47	986.76	118.68%



MoU signed between MRB & ADAM (Automobile Dealers Association of Mizoram) on 9th December, 2020

This MoU will benefit the public in general with trouble-free financing of vehicles of their choice from the Bank

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July 10, 2020 MoU signed between MRB & MULCO

With this MoU Farmer Societies under MULCO will be benefitted with collateral-free financing from the Bank

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Sector-wise Advances

(₹ in Crores)

Sr. No	Sector	Current Year 31.03.2021			Previous Year 31.03.2020		
		Outstanding	Gross NPAs	% of Gross NPA to Total Advances	Outstanding	Gross NPAs	% of Gross NPA to Total Advances
A	Priority Sector						
1	Agriculture & allied activities	389.18	36.64	1.79%	254.48	25.24	1.64%
2	Industries	119.39	7.99	0.39%	78.15	6.09	0.40%
3	Services	403.24	45.27	2.21%	275.66	27.52	1.79%
4	Personal	590.64	23.01	1.12%	541.48	14.62	0.95%
	Sub-total (A)	1502.45	112.91	5.50%	1149.77	73.47	4.78%
B	Non Priority Sector						
1	Agriculture & allied activities	0.00	0.00	0.00%	0.00	0.00	0.00%
2	Industries	0.00	0.00	0.00%	0.00	0.00	0.00%
3	Services	0.00	0.00	0.00%	0.00	0.00	0.00%
4	Personal	549.68	11.60	0.57%	385.66	6.17	0.40%
	Sub-total (A)	549.68	11.60	0.57%	385.66	6.17	0.40%
C	Total (A+B)	2052.14	124.52	6.07%	1535.43	79.64	5.19%

Asset Quality – Management of Non-Performing Assets

The Non-Performing Assets have increased by ₹ 44.88 Crores from ₹ 79.64 Crores as on 31st March 2020 to ₹ 124.52 Crores as on 31st March 2021. Gross NPAs as a percentage to total advances has increased from 5.19% as on 31.03.2020 to 6.07% as on 31.03.2021. Net NPAs (as a percentage to Net advances) has increased from 1.41% to 2.45%. In absolute terms, Net NPAs increased from ₹ 21.72 Crores to ₹ 50.32 Crores.

SARFAESI Act and Suit filing

Notices under SARFAESI Act were issued after all possible actions, legal and non-legal failed to recover the due amount after the account become NPA. This was monitored by Head Office at regular interval and as and when necessary. Resolution agent of the Bank is bound to submit Quarterly Report on progress of action taken under SARFAESI Act to NPA Cell, Head Office. Our actions in this regard have yielded good results. We have taken demonstrative actions particularly under SARFAESI.

Performance under SARFAESI is as under:

(₹ lakh)

Action	A/cs	Amt
Demand Notice 13(2) issued	101	831.49
Demand Notice 13(4) issued	43	326.47
Possession taken	17	142.39
Auctioned	0	0
Regularized	43	351.02

Performance under Suit-filed cases during the year is as under:

(₹ lakh)

Action	Cases	Amt
Suit filed	0	0
Decreed	0	0
EP Filed	0	0
Recovery after filing suits	0	0.00

Lok Adalat

Lok Adalat is conducted without the intervention of court and member from Legal services authority and all parties of the dispute are present during the Adalat sitting. It is a negotiated settlement and this strategy is successful in settlement of NPA accounts in the Bank.

Every award of Lok Adalat shall be final and deemed to be a decree of Civil Court binding on all the parties to the dispute. Such civil court having jurisdiction shall execute the order as if it were a decree made by that court. No appeal shall lie to any court against the award of the Lok Adalat not even under Article 226 of the Constitution because it is a judgement by consent.

During the last financial year i.e. 2020-21, Lok Adalat was conducted a number of times in the State and District level and our branches have participated and successfully settled a number of cases through these Adalat. During the year, 140 cases for an amount of ₹ 1.89 Crores were referred to Lok Adalat of which 95 cases were settled for an amount of ₹ 0.95 Crores.

Compromise settlement

Our Bank has recovered a good sum of amount from NPA accounts during the year 2020-21 under compromise settlement.

Summary of settlement through Compromise settlement:

(₹ lakh)

Compromise	2019-20	2020-21
No of A/Cs	349	149
Amount in lakh	510.16	1.67

The following strategies were adopted to reduce/ contain NPA:

1. NPA Cell at Head Office is continuously and actively monitoring NPA accounts of all Branches. Many technical NPA accounts were rectified and upgraded thanks to active monitoring by Branches and NPA Cell at Head Office.

2. Top 50 NPA accounts and branch-wise status of NPA are discussed in every Board meeting held during the year and actions were taken as per advice of the Board.
3. Performance Review meeting was held regularly during the year wherein inter-alia performance of Branches in recovery of NPA and top 10 NPA accounts of each of these Branches were discussed and advised branches for further action to be taken.
4. Detail NPA report such as overall NPA status of the Bank, branches which reduced their NPA amount and those for which NPA amount increased are prepared and shared with all branches and controlling office on daily basis.
5. Recovery Agent and Resolution agent are engaged for pursuing chronic NPA borrower and SARFAESI compliance NPA respectively.
6. One Time Settlement Scheme was implemented for NPA borrowers resulting in settlement of 143 NPA accounts during the financial year.
7. NPA Information System (NaiS), developed in-house, was introduced for effective and efficient monitoring of NPA from both Controlling office and branch level.
8. For effective implementation of One-Time Settlement scheme, online training was conducted to sensitize branch head and official dealing with NPA.
9. NPA Management Policy (Revised) 2020 was published successfully.

Assets	2019-20		2020-21	
	O/s	%	O/s	%
Standard	1455.79	94.81	1927.62	93.93
Sub Standard	39.22	2.55	73.68	3.59
Bad & Doubtful	30.43	1.98	43.09	2.10
Loss	9.99	0.65	7.74	0.38
Total NPAs	79.64	5.19	124.52	6.07
Total Advances	1535.43	100	2052.14	100

Internal Control System – Inspection & Audit

All activities of the Bank are subjected to internal audit function, which comprises of four different types of audits namely (a) Risk Focused Internal Audit (RFIA) (b) Snap Audit and (c) Concurrent Audit.

Risk Focused Internal Audit (RFIA)

The Risk Focused Internal Audit Report System has been implemented in the Bank as suggested by our Sponsored Bank i.e. State Bank of India. To tighten the criteria to qualify for better ratings, the Bank has raised the benchmark for the Inspection ratings.

For further strengthening of the audit system the new format of RFIA has been introduced in the Bank as advised by our Sponsored Bank, with the following rating system parameter-wise marks.

Revised Rating	Range of Marks
Well Controlled – A+	>=850
Adequately Controlled - A	>700 and <=849
Moderately Controlled - B	>600 and <=699
Unsatisfactorily Controlled - C	<600

The marks allotted under each parameter have also been revised as under:

S.N	Parameter	Revised Format - Marks
1	Business Development	100
2	Credit Risk Management	450
3	Operational Risk Management	410
4	External Compliance	30
5	Self-Audit	10

Revised reporting format of Risk Focused Internal Audit (RFIA) has been implemented during the year, incorporating IS Audit in it.

Based on the previous year score, the periodicity of RFIA is as below:

Rating	Periodicity
Well Controlled - A+	Once in 21 months
Adequately Controlled - A	Once in 18 months
Moderately Controlled - B	Once in 12 months
Unsatisfactorily Controlled - C	Once in 9 months
Branches having reported Frauds	within 3 months from the date of reporting of fraud

During the year 55 branches have fallen due for Audit and 43 branches have been audited. Ratings acquired by 43 branches are as under:

Rating	Out of 43 Branches audited during 2020-21
Well Controlled – A+	2
Adequately Controlled - A	41
Moderately Controlled - B	-
Unsatisfactorily Controlled - C	-
Total	43

The reports submitted by the Auditors have been dealt with by taking corrective measures, wherever necessary. The Department has carried out its operations with fair and without prejudice which helped in strengthening the systems and procedures. Out of 43 Audit Reports which have fallen due for closure during the year, 33 have been dealt with and remaining Reports are pending for closure. These reports are overdue for closure for less than 3 months.

Concurrent Audit

As a part of internal control system in our Bank, Concurrent Audit is introduced from the financial year 2018-19 as per the policy guidelines issued by NABARD. Keeping in view the staff availability, the Concurrent Audit is being conducted at 19 branches along with our Head Office with the help of three Concurrent Auditors. We empanelled retired Bank Officials to cover the Credit and other exposures of

the Bank under Concurrent Audit System in compliance with the guidelines issued by NABARD. The Scope of Concurrent Audit is designed to cover (a) handling of cash (b) safe custody of securities (c) exercise of discretionary powers (d) sundry and suspense accounts (e) clearing differences (f) off balance sheet items, security aspects, verification of Assets Quality etc.

Bank Mitras Audit

Bank has introduced audit of Bank Mitras during the year 2018-2019 and audited 25 Bank Mitras' transactions during the current Financial Year.

Compliance Audit

Compliance Audit was conducted at 90% of Audited branches during this year as per instruction.

SNAP Audit

Inter-branch cash verification and Snap Audit has been carried out at all branches during March 2021 Quarter.

IS Audit

IS Audit has not been conducted during the year.

Audit Committee of the Board

The Audit Committee, with one SBI-nominee-director as Chairman and nominee directors of RBI, SBI and One Chartered Accountant as members has been constituted.

Management Audit

The Management Audit of our Bank has been conducted by our Sponsor Bank, SBI. It was last conducted during 22.11.2019 to 02.12.2019. The final compliance was sent on 07.04.2020.

NABARD Inspection under Section 35(6) of the Banking Regulation Act 1949

NABARD Inspection has been conducted during 15.03.2021 to 25.03.2021.

Policy Framework of the Bank

We have tried to identify all areas of Banking and put in place a policy framework for consistency in our approach. While framing the Policies, all extant instructions of Reserve Bank of India, NABARD, Sponsor Bank and general principles of banking as envisaged in various Acts governing the Banking, have been taken into account. Our Bank has the following policies now on record, duly deliberated in the Board Meetings and approved by the Board.

1. ALM Policy
2. Complaint Redressal Policy
3. Compliance Policy
4. Concurrent Audit Policy
5. CSR Policy
6. Cyber Security Policy
7. DEAF Policy
8. HR Policy
9. Information Technology (IT) Policy
10. ICAAP Policy
11. Internal Audit Policy
12. Investment Policy
13. Information Security (IS) policy
14. KYC, AML, CFT Policy
15. Loan Manual
16. Internet Banking Policy
17. Policy on Fraud Risk Management
18. NPA Policy
19. Policy on Account Portability
20. Policy on BC Model
21. Policy on Outsourcing of House Keeping and Service Security
22. Prevention of Sexual Harassment Policy
23. Promotion Rules
24. RRB_IS Audit Policy
25. Transfer and Posting Policy
26. Whistle Blower Policy
27. Write Off Policy

These policies are meant to help ensure that the Bank has an effective and proven systems and procedures on every key area of the Bank's functioning. They also guide the operating staff to comply with the regulatory requirements.

Risk Management

To enhance the monitoring mechanism and initiating corrective measures, Risk Indicators on some of the

key areas of Banking are identified and a tool is developed and put in place as part of Risk Management.

Depending on the periodicity and tolerance levels, each Key Area is assigned the undernoted colours which indicate the level of risk and alert for taking for corrective action.

Green Colour - Acceptable: No immediate concern;

Amber colour - Increased concern: A potential problem that requires further review and analysis, needs close monitoring and appropriate action to manage and bring back to Green

	Key Risk Indicator	Threshold
1	BCGA Debit entries	Pending : 1. Up to 3 days- Green 2. 3 to 7 days- Amber 3. Above 7 days- Red
2	e-VVR checking	Pending: 1. Up to one day- Green 2. One to 3 days- Amber 3. Above 3 days-Red
3	Loan mix: a) SHG to total Adv	1. Up to 30%- Green 2. Above 30% & up to 40%- Amber 3. Above 40%- Red
4	Loan mix: b) Personal loans to salaried class to total Adv	1. Up to 5%- Green 2. Above 5% & up to 10%- Amber 3. Above 10%- Red
5	Time barred debts: % to total Advances	1. Up to 0.50%- Green 2. Above 0.50% to 1.0%- Amber 3. Above 1.0%- Red
6	Missing documents: % to total Advances	1. Ideal – Zero Green 2. Up to 0.50%- Amber 3. Above 0.50% -Red
7	Gross NPAs	1. Up to 1.75%- Green 2. Above 1.75% to 3.00%- Amber 3. Above 3.00%- Red
8	Inspection Rating	1. Rated Efficiently Run/Upgraded - Green 2. Downgraded by one step - Amber 3. Downgraded by two steps - Red
9	KYC Compliance	1. 100% - Green 2. 90% to below 100% - Amber 3. Less than 90% - Red

Red colour - Unacceptable: Needs immediate escalation for resolution and requires appropriate initiatives to bring it back to Green.

Key Risk Areas, Threshold limits - level of risk wise and mitigation measures initiated are as under:

The Bank has put in place the above monitoring mechanism available to all levels of management and operating staff to initiate appropriate risk mitigating measures.

Financial Inclusion

Financial Inclusion has been the concern of Indian economy and banking industry since the independence. Leveraging technology is the basic idea behind our initiative in providing Banking Services at the doorsteps of the unbanked and underprivileged people of the society.

As a Bank (established jointly by Government of India, State Bank of India and State Government) we have been making difference in their lives. Using technology has greatly galvanised our efforts to bring in unprecedented transformation in providing banking facilities to these people at their door steps.

As part of financial inclusion, the bank has engaged 1 Corporate BC(CAISIAS Research & Consultant), under which there are 115 Bank Mitras, equipped with micro ATMs, operating in 210 villages which do not have a formal banking outlet of any Bank.

Out of 272 villages, 268 villages are having less than 2000 population and the remaining 4 villages have more than 2000 population. Banks sets a target of doubling Bank Mitras to cover remaining unbanked villages.

The Bank Mitras use the hand held Micro ATM devices to carry out the banking transactions in real time on our CBS platform.

The following banking transactions are enabled at Bank Mitra Points:

- a. Account opening
- b. Cash withdrawal and deposit through Kiosk
- c. Receipt of loan instalments
- d. Rupay Debit card transactions

- e. Transfer / Remittance
- f. Balance Enquiry

The entire Financial Inclusion (FI) operations at BCAs work on the principle of Biometric verification of the beneficiaries through micro ATMs and are online, hitting our CBS server instantly through Third Party Integration, which facilitates updating of transactions carried out by BCAs on real time basis, in CBS Server, via TSPs' Servers. As at the end of the FY 2020-21, no. of SB Accounts opened by Bank Mitras is 3903 and the number of transaction summed to 580581.

Financial Inclusion Accounts – Aadhaar Seeding

To speed up the process of Aadhaar Seeding, we have instructed all our Branches to hold Aadhaar Seeding Campaign periodically.

Financial Inclusion – Social Security Schemes (PMJJBY, PMSBY & APY)

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

PMJJBY is a one-year life insurance scheme, backed by Government of India, renewable from year to year, offering coverage for death. People in the age group of 18 to 50 years having a bank account who give their consent to join/enable auto-debit, are eligible. Aadhaar would be the primary KYC for the bank account. The life covers of ₹ 2 lakh shall be for the one year period stretching from 1st June to 31st May and will be renewable. Risk coverage under this scheme is for ₹ 2 lakh in case of death of the insured, due to any reason. The premium is ₹ 330/- per annum which is to be auto-debited in one instalment from the subscriber's bank account as per the option given by the customer on or before 31st May of each annual coverage period under the scheme.

We have enrolled 55043 customers under Pradhan Mantri Jeevan Jyothi Bima Yojana till FY 2020-21.

Pradhan Mantri Suraksha Bima Yojana (PMSBY)

PMSBY is an accident insurance scheme and offers a one-year accidental death and disability cover, which can be renewed annually.



The Scheme is available to people in the age group 18 to 70 years with a bank account who give their consent to join/enable auto-debit on or before 31st May for the coverage period 1st June to 31st May on an annual renewal basis. Aadhaar would be the primary KYC for the bank account. The risk coverage under the scheme is ₹ 2.00 lakh for accidental death and full disability and ₹ 1.00 lakh for partial disability. The premium of ₹ 12/- per annum is to be deducted from the account holder's bank account through 'auto-debit' facility in one instalment.

We have enrolled 75862 customers under Pradhan Mantri Suraksha Bima Yojana till FY 2020-21.

Atal Pension Yojana (APY)

APY is a pension scheme for unorganised sector workers such as personal maids, drivers, gardeners etc., launched in June 2015 by the Govt of India. APY aims to help these workers save money for their old age while they are working and guarantees returns post retirement. Under the APY, there is guaranteed minimum monthly pension for the subscribers ranging between ₹ 1000 and ₹ 5000 per month, depending on the entry age and monthly contribution.

Aadhaar is be the primary KYC and all Bank Account holders aged between 18-40 years are eligible for enrolment. Total of 6412 enrolments were mobilised under Atal Pension Yojana (APY) for FY 2020-21 with the active participation of the 89 branches.

Financial Literacy Awareness Camps

Following the need of the hour and taking cues from RBI's policies and initiatives, our Bank launched Financial Literacy Awareness Camps to create awareness among rural people and encourage them to use Card technology, ATMs, micro ATMs, PoS transactions, use Mobile Banking, Mobile Wallets and to highlight the role of Bank Mitras engaged by the Bank. Street shows have been deployed in the villages with the above contents so as to attract the rural customers to upgrade their financial and technical skills.

The publicity material in the form of pamphlets, brochures and banners were distributed during the

camps to spread the message of financial awareness among the rural people.

In spite of the covid-19 pandemic, FLC was conducted 295 times throughout the FY 2020-2021. NABARD sanctioned grant assistance for all the programmes.

MRB THLAWHHMA (MRB Model Village Scheme)

The Board of the Bank in its meeting No 211 Dated 14th May 2019 approved "MRB Thlawhhma (MRB Model Village Scheme)" and was launched on 13th October 2020 with the aim of ensuring one village in each district of Mizoram under the scheme in the background of Covid-19 to assist the people of the identified village through all possible financial products.

Duration of the **phase – I** project is from October 2020 to December 2021. MRB Model Village Scheme **phase - II** will cover another 11 villages from April 2022 onwards.

The following villages are selected as "Model Village" and 11 Branches are selected to implement the scheme.

- 1) Hmawngkawn - (Baktawng Branch)
- 2) Darzo - (Hnahthial Branch)
- 3) Hortoki - (Kawnpui Branch)
- 4) Dunglelang - (Khawbung Branch)
- 5) New Chalrang - (Khawhai Branch)
- 6) Paithar - (Lawngtlai Chanmari Branch)
- 7) Zawlpuoi - (Lungsen Branch)
- 8) Lamzawl - (Ngopa Branch)
- 9) Sailutar - (Ratu Branch)
- 10) Chungtlang - (Reiek Branch)
- 11) Tiba - B (Tiba Branch)

CROSS SELLING

Life Insurance

The Bank is a corporate agent of SBI Life Insurance Company Limited, to meet the life insurance needs of the Bank's customers, as part of Financial Inclusion apart from earning non-interest income. The Bank mobilized a New Business Premium (NBP) of ₹ 728.29 lakh and earned a commission of ₹ 38.16 lakh during the FY 2020-21.

General Insurance

In order to serve the customer better in terms of general insurance, the bank is a corporate agent of SBI General Insurance Company Ltd and Reliance General Insurance Company Ltd.

SBI General Insurance Company Ltd

The Bank mobilized a business premium of ₹ 190.24 lakh and earned a commission of ₹ 25.30 lakh during the FY 2020-21.

Reliance General Insurance Company Ltd

The Bank mobilized a business premium of ₹ 64.05 lakh and earned a commission of ₹ 9.91 lakh during the FY 2020-21.

Information Technology

Mizoram Rural Bank has introduced and adopted latest IT technologies and latest digital initiatives for fast and easy access to Banking products. Bank continued to effectively leverage technology to deliver enhanced customer experience & Business efficiency.

Mobile Banking was introduced and other Alternative Delivery Channels has been popularized widely among the rural customers. We have conducted campaigns, awareness programmes, instilled competition among operating staff in Branches and Regions, to take the IT Products and services to the rural customers.

Alternate Delivery Channels (ADCs):

Banking transactions through Alternate Delivery Channels has been on the rise vis-à-vis transactions through brick and mortar branches, reducing the footfalls considerably in the Branches, thereby resulting in more focus on marketing and business development. Various alternative delivery channels introduced by the Bank has enabled the customers to avail banking services 24x7 at their convenience.

During FY 2020-21 Bank has achieved significant momentum in adoption of Alternate Delivery channels:

i) Mobile Banking registrations:

During the year 29040 new customers registered in our Mobile Banking platform.

ii) ATM Cards issued:

During the year 57251 new ATM cards were issued.

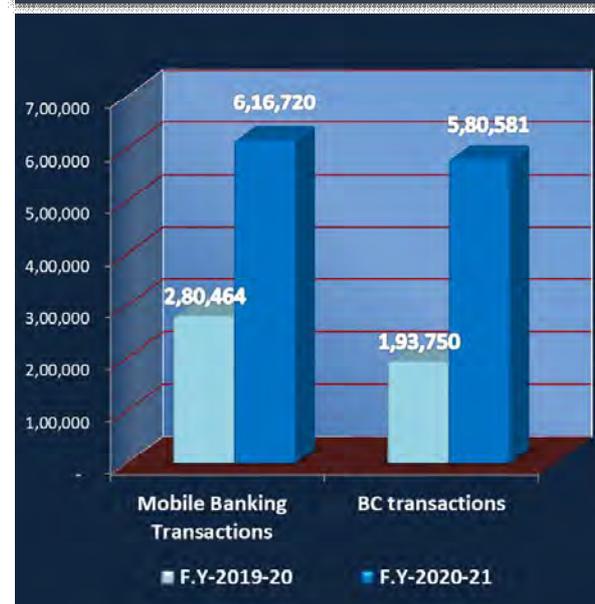
iii) ADC transactions:

Banking transactions through Alternate Delivery Channels has been on the rise whereby reducing the footfalls considerably in the branches, thereby resulting in more focus on marketing and business development. Alternate Delivery Channels also facilitate 24 x 7 banking services at their convenience.

The following ADCs are live in our Bank:

1. RTGS
2. NEFT
3. CTS
4. IMPS & UPI
5. POS
6. ATM
7. AEPS
8. Mobile Banking Services
9. NACH (APBS & ACH)
10. PFMS
11. MMS (Mandate Management System)

Increase in Number of Transactions through Alternate Channel



Unified Payment Interface (UPI) Services

UPI is the most sophisticated public payments infrastructure which our Bank has extended to our customers in January 2018. UPI simplifies online



payments and it is way ahead of NEFT/IMPS/digital wallet with regard to convenience. UPI is a layer over existing IMPS facility.

Our onboarding the UPI platform enables our customer to use a single mobile application made available by NPCI, Bharat Interface for Money (BHIM) for accessing different bank account and carrying out their transactions.

Missed Call Banking:

Many of our rural customers, particularly the beneficiaries of DBT and Government Sponsored Schemes, come to branch to know their account balance, thereby losing their daily wage and incurring travel expenditure. To mitigate the hardship of hand-to-mouth customers, the Bank introduced Missed Call Banking to know their account balance.

The customer through the mobile registered with the account has to give a missed call to a predefined number to get an SMS showing the account balance. This facility is available 24x7 and has considerably reduced footfalls at the branch counters and enhanced the customer service at the counters by cutting down the waiting time.

This is an initiative which has instant impact on the customer service in the most inevitable area of banking i.e., need to know the balance.

In order to popularize and maximize the usage of missed call banking, we have displayed Banners prominently in the branches and important location of the villages, depicting the facility.

In all Financial Literacy Camps and in Gram Sabhas, the demonstrations were given to the villagers to provide a feel of the facility to the rural folk.

POS Machine Installation

Our Bank has installed PoS machines (as sub member of SBI) at merchant establishments, who are our Bank's customers. Necessary agreements have been entered into with the respective SBI circles and 3 PoS machines have been installed successfully.

NPA Module:

1. The health of loans and advances are system tracked. The NPA tracking is carried out on a daily basis. The IRAC status of the loan accounts identified by the system was studied and the following steps initiated to improve the accuracy of the system identification.
 - a. Data Gap in the loan/advances accounts as per the system was shortlisted.
 - b. The data gaps were shared with the branches and updated as per the loan documents.
 - c. The errors in classifying the loan accounts by the system were studied to eliminate the error in system tracked NPAs.
 - d. A new NPA module was developed and promoted to address and fix all the bugs in the old NPA module and promoted.

Information Security:

The bank pays utmost importance towards safeguarding the information technology assets of the bank. The Bank has formulated Information Security Policy, Information Technology Policy, and Information Security Audit Policy and implemented after obtaining Board's approval.

As a policy, the Information technology assets of the bank at our Application Service Provider M/s C-Edge Technologies Ltd, are subjected to information security review on yearly basis by an external IS audit agency. Bank's controlling offices are subject to Information Security Audit by external agency at periodical intervals.

Information systems audit is part of Risk Focused Internal Audit systems (RFIA) of the bank which plays an important role in the assessment of the IS assets and practices in use at the branches during branch audits carried out by Internal auditors of the bank.

Anti-virus is installed and monitored in the bank centrally. The patches of antivirus in branch servers are updated regularly. In client systems the up-dation of antivirus is taken up by the AMC providers.

Security Measures – Installation of CCTVs and Burglar Alarm Systems

Physical security systems that effectively protect the Bank assets, customers and employees assume paramount importance in view of increasing incidence of robberies, mischief. The Bank has provided Close Circuit Cameras & Burglar Alarms to all 89 branches of the Bank.

Domain Email Systems:

Bank introduced specific domain for email where each department and branches are allocated separate email id for official conversation in and outside the Bank in a more secured environment.

Term Deposits Advice

Gone are the days where hand written Term Deposits Receipt were given to customers.

With the growing technology available with the Bank, Term Deposits Advice has been introduced in a more presentable format to customer. The Bank now easily provides print data direct from CBS system for all customer who open Term Deposit with the Bank.

Mandate Management System

Mandate Management System (Auto Debit Mandate) can be used to debit accounts maintained in different Banks and credit to accounts maintained in our Bank.

Transactions such as loan recovery, timely transfer of funds to MRB accounts, transfer of funds for Fixed Deposits, etc. can be availed through this Mandate without insisting any instrument/cash from the borrower.



Let's Go Digital
Digital Apnayen

Use your Mizobank Mobile Banking app for

- Fund transfer
- Own account transfer/Loan repayment
- Enquire/View/Download Account Statement

OFFER Cash back of ₹ 30 on first transaction for customers who register on Mizobank Mobile Banking app. Available for first 25k customers till 31st October, 2020.

YOU CAN ALSO USE **BHIM UPI** WITH YOUR MRB SAVINGS ACCOUNT

MIZORAM RURAL BANK

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Customer will authorize our Bank to debit his/her deposit account maintained at other Bank branch and to pay his/her instalments of loan availed from our bank as per the frequency agreed by him i.e. monthly/quarterly/half yearly/yearly in the form of mandate.

AEPS-Aadhaar Pay:

To enable our customers to perform cash less transactions using their Aadhaar linked account of our bank, The Bank is live on AePS 2.5 platform.

IT initiatives taken during the year:

During FY 2020-21, the Bank has made a number of improvements to the customer experience in the Mizobank app, making it more user-friendly & secure. We have added new sections like:

- Debit cards hot listing,
- Green PIN solution,
- ATM Channel & Limit control etc., to our Mobile Banking app.

Serverless Migration (Bancedge)



ATM PIN Reset

Awlsam takin Mizobank Mobile Banking App hmangin ATM PIN thlak theih a ni

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MIZORAM RURAL BANK

The Bank has migrated to a Serverless environment named "Banc-edge", which is a move from the Bancslink CBS. It is a cloud-based system which has numerous advantages over the previous CBS application.



It frees financial institutions from managing server and system software, and allows for scalability and elasticity. It reduces IT complexity and costs through automated infrastructure provisioning and thereby lowering capital expenditure. It also assures security and business continuity.

A Serverless system also integrates workflow-based user actions and is adaptable to changing business needs.

ADS (Active Directory Services) Migration

As mandated, the Bank has migrated to ADS (Active Directory Services). Active Directory was used only for centralized domain management. However, Active Directory eventually became an umbrella title for a broad range of directory-based identity-related services.

A server running the Active Directory Domain Service (AD DS) role is called a domain controller. It authenticates and authorizes all users and computers in a Windows domain type network, assigning and enforcing security policies for all computers, and installing or updating software.

For example, when a user logs into a computer that is part of a Windows domain, Active Directory checks the submitted password and determines whether the user is a system administrator or normal user. Also, it allows management and storage of information, provides authentication and authorization mechanisms, and establishes a framework to deploy other related services.

Secondary Connection JIO RF

As the business volumes have increased over the years, to enable branches to perform uninterrupted, a Secondary Connection (Backup) has been proposed. JIO RF has been chosen as the connection provider. This would be beneficial in almost all the Branches, specifically in the rural regions since there are often Signal disruptions/network line cuts.

A secondary/backup connection would ensure smooth functioning of the Bank and its services without interruption.



Inauguration of Passbook Printing Kiosk machine at Aizawl Branch by Shri. Amal Chandra Sarkar, General Manager.

Passbook Printing Kiosk

To bring about automation in the passbook update process and to reduce workload, ultimately resulting in minimising manpower, the Bank has incorporated the setting up of Passbook Update Kiosk machines in all the Branches.

Passbook Printing Kiosk – is an advanced, automated kiosk which enable customer to print passbooks of savings account. The Kiosk fetches the account transaction details and prints it on the passbook.

Advantages of Kiosk machine includes Easy to use interface, Self-service gives high satisfaction to account holders, Cost effective, Bank updates their reputation by offering these services, avoidance of long queues etc.

Initially, a total of 29 branches have been equipped with Passbook Printing Kiosk and are functional while 21 more branches are currently in the process of installation.

Branches connectivity migration to 2 Mbps

As the volume of transactions have increased over the years, to enable branches to perform transactions at a faster rate up gradation of the branch connectivity to 2 Mbps RF has been taken up, 78 branches out of 89 branches have been migrated to 2 Mbps RF connectivity from 32 Kbps VSAT connectivity.



Transfer Price Mechanism (TPM)

As per instructions of SBI Corporate Centre, the criteria and rates for Transfer Price Mechanism have been changed. With a view to arrive at correct profit and loss incurring branches as per the above criteria the bank adopted the revised criteria and rates for Transfer Price Mechanism and implemented in the system with effect from 31.03.2021.

In-house software development

Bank has also developed in-house numerous IT tools during the course of year like eRIM (electronic Returns In MRB) to have better monitoring over the affairs in the Bank, thereby focusing more on business development parameters.

Brief overview of eRIM application:

- Ø It is an intranet-based application i.e. it can be accessed by all offices and branches of the Bank connected to the MRB network.
- Ø Daily backup of all report submitted.
- Ø Submission of the following returns are available:

- i) Daily BCB Report
 - ii) Daily LBB Report
 - iii) Monthly Charges return
 - iv) Monthly BMMC
 - v) Monthly Performance Report
 - vi) NPA Action taken Record
 - vii) Control Return Submission
 - viii) Miscellaneous (Ad-hoc) Return
- Ø Intranet-based e-Circular.
 - Ø Centralized Document Storage System

Some of the key in-house IT initiatives taken up during the year are listed below:

1. MRB Fixed Asset Management System (MFAMS)

To efficiently manage allocation of fixed asset in administrative offices and branches, a new application system was developed in-house which address the following issues:

- i) Keeping proper record of fixed asset available in branches and offices which helps the official concern in efficiently retrieving information allocating fixed asset.
- ii) Branch can submit fixed asset demand through this system
- iii) Not only fixed asset, even miscellaneous property supplied to branch can be recorded in this system
- iv) Inventory system for stationary item in stock and supplied to branches and regional offices is incorporated in this system
- v) Fixed Asset numbering system allows auto-generation of fixed asset number for all fixed asset supplied to branches and offices
- vi) Depreciation of fixed asset is no longer calculated manually thanks to MFAMS.

ID No	FA No	FA Type	FA Model	Original Installation Date	Latest Expiry Date	Working Status	Task
1	MRBAG-1	Automobiles	Glory (SF-2002-1)	20-01-2013	N/A	Working	View Download Delete
2	MRBAG-2	GPS		N/A	N/A	Working	View Download Delete
3	MRBAG-3	CCTV	HiK Vision-PC(Protect Network)	18-02-2009	N/A	Working	View Download Delete
4	MRBAG-4	Table	BM Table	21-03-2020	N/A	Working	View Download Delete
5	MRBAG-5	Chair/Bench	BM Chair (Other)	21-03-2020	N/A	Working	View Download Delete
6	MRBAG-6	Safe	61 Desktop Safe Galvco	21-03-2020	28-01-2025	Working	View Download Delete
7	MRBAG-7	Safe		N/A	N/A	Working	View Download Delete
8	MRBAG-8	Water	Laier Printer (Other)	21-03-2020	20-03-2022	Working	View Download Delete
9	MRBAG-9	Scanner	Scanner	21-03-2020	N/A	Working	View Download Delete

2. MRB Budget Monitoring System (MBOS)

Keeping track of achievement of business entity on regular basis is of paramount important for the overall growth of the business. This can greatly help the management in making informed decision and devising strategy for next course of action.

Manual preparation of data on achievement of budget is a tedious and time-consuming task since it involves a huge amount of data in various formats for all branches and offices. With the introduction of MBOS, various types of reports on achievement of budget can be generated easily and efficiently within a few seconds which would otherwise require a minute or two to complete the same task.



3. NPA Information System (NaiS)

NPA Information System (NaiS) was developed to make all information pertaining to NPA accounts readily available for users at offices and branches without the need to manually perform report extraction and analysis.

Some important features of NaiS:

- i. List of NPA accounts with reason for becoming npa/stressed can be generated for/by all branch.
- ii. List of accounts which slipped to NPA can be easily generated.
- iii. List of accounts which are upgraded can be easily generated.
- iv. NPA movement report can be easily generated.
- v. Segment-wise, Controlling office-wise, network-wise report can be generated easily
- vi. Stock expired and limit expired accounts can be displayed easily.
- vii. Asset Classification report for all branches can be generated

viii. Action taken by branch can be recorded and retrieved efficiently.

ix. Recovery agent/Resolution agent bill management system is also incorporated in this system.



4. MRB Investment Monitoring System (Mimsys)

Investments made by our bank have to be monitored properly because similar transactions have to be made in our system to reflect transaction occurred in investment account. Any delay in posting similar transaction will result in un-reconciled entry in accounting system. Investment monitoring system is developed in order to ensure timely posting of transaction for investment which has matured and avoid un-reconciled entry. Once investment record is entered in the system, official dealing with investment can easily monitor all active investment.



Customer Service & Complaints handling

While complaints cannot be avoided, some of the complaints provide useful feedback to review our performance and systems and procedures. A genuine complaint from a customer means an opportunity to the Bank to upgrade our skills and efficiency. The Bank has put in place complaint-handling-policy to redress the grievances of the customers and improve the quality of customer service. The Bank has placed enormous emphasis on timely disposal of complaints and follow up system has been strengthened to dispose-off the complaints within timelines set.

Regional Manager and Officials from Head Office are attending the customer meetings whenever feasible. The status of complaints both received directly and through Banking Ombudsman, if any, is being put up the Board of Directors in every meeting for their review and information.

Customer Complaints: Status as on 31.03.2021

For complaints received through Banking Ombudsman, General Manager is designated as “Principal Nodal Officer” of our Bank at Head Office. The position of complaints received through/from Banking Ombudsman during the year.

Whistle Blower Policy with an objective of providing an avenue for raising concerns related to frauds, corruption or any other misconduct is also in place.

S.No.	Particulars	No.
1	No. of Complaints pending at the Beginning of the year	1
2	No. of Complaints received during the year 2020-21.	NIL
3	Total Complaints	1
4	No. of Complaints Redressed / Disposed-off during the year	1
5	No. of Complaints pending at the end of the year	NIL

Right to Information Act

The Bank implemented the Right to Information Act, 2005 in letter & spirit setting out the practical regime of right to information for citizens to secure access to information under the control of bank in order to promote transparency and accountability in the working of bank’s various functionaries.

General Manager of the Bank has been designated as Central Assistant Public Information Officer while the Chairman of the Bank is designated as the Central Public Information Officer.

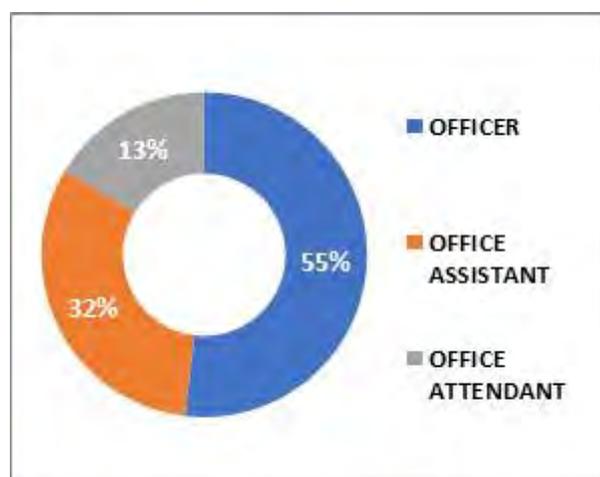
During the year 2020-21, the Bank has received Fourteen (14) applications under RTI Act.

Human Resource Management

As at the end of FY 2020-21, the staff strength (excluding those who exited the Bank service in the month of March 2021 on account of retirements / resignations) and its composition is as under:

Officers S-IV	12
Officers S-III	13
Officers S-II	63
Officers S-I	153
Office Assistants	143
Office Attendants	56
Total	440

During the year, 7 staff members have retired from the Bank’s Service. 16 staff members have resigned/ terminated.



Recruitments

Since 2009-10, the Bank has been recruiting staff through IBPS, as per manpower assessment and requirement undertaken as on 31st March of every year in terms of *Thorat Committee* recommendations, presently as per *SK Mitra Committee* recommendations approved by Govt of India.

Accordingly, based on the business volumes as on 31.03.2020, the Bank has taken up recruitment exercise for augmentation of staff in various grades, including lateral recruitment of Officer Scale I and Office Assistant (Multipurpose).



Recruitment process is done through the Common Written Test including interviews conducted by IBPS (IBPS RRB CRP IX). The recruitment process for the financial year 2020-21 cannot be completed by IBPS due to the effects of global covid-19 pandemic.

However, there are 2 Officer Scale I and 5 Office Assistants (Multipurpose) joining the Bank through IBPS RRB CRP VIII reserved list.

	Grade	No. of Candidates recruited during the year
1	Office Assistants	5
2	Officer Scale-I	2

Promotions

Keeping in view the Bank's policy of giving promotions promptly to staff, we have taken up promotion exercise in terms of manpower assessment as on 31.03.2020 and promoted as many as 37 people in various cadres to next higher grade as under. Written Test for promotion was arranged through IBPS online examination.

	Promoted to	No. of Posts
1	Officers Scale-I	14
2	Officers Scale-II	9
3	Officers Scale-III	2
4	Officers Scale-IV	3
5	Office Asst.	9
	Total	37

Industrial Relations

The Management and Officers Association and Employees Association have worked in tandem for the welfare of the staff members and business development, sorting out amicable solutions for routine issues that cropped up during the year. Cordial and amiable working atmosphere has prevailed during the year.

Training - Staff Learning Centre

The Bank had laid down a Training Policy which envisages training to all staff members, at least once in three years. Training was conducted online during the year, as physical training cannot be held due to global covid-19 pandemic, through our partnered training institutions like BIRD (Lucknow), BIRD (Lucknow), BIRD (Mangalore), IIBM, IIBF and State Bank Learning Centres on important subjects like AML, ALM, KYC, RTI Act, Business Development etc.

25 (twenty five) training programmes was conducted and 217 staff members have participated. The participants include all cadres of staff (Officers – 214 and Office Assistants - 03).

MBA (e-Banking) for Employees of Mizoram Rural Bank

A Memorandum of Understanding was signed between Mizoram Rural Bank and Mizoram University for offering Executive MBA (e-Banking) course for Employees of Mizoram Rural Bank.

The MoU was signed by the Registrar on behalf of Mizoram University and Pi Lalchhanhimi, Chief Manager (P & OA) on behalf of Mizoram Rural Bank.

MBA (e-Banking) is a 2-year online postgraduate banking course and this course will provide a strong foundation in Banking.



Staff welfare Measures

Medical insurance scheme

In terms of Government of India letter No: F.8/1/2015-RB dated 20.10.2016, our Bank has implemented Medical Insurance Scheme as per Xth Bipartite Settlement to employees and officers along with their dependent family members as detailed in Schedule IV.

The Scheme covers Employee + Spouse + Dependent Children + 2 dependent Parents / parents-in-law (1 + 5) with a Sum Insured of ₹ 4,00,000 and ₹ 3,00,000 for Officers and employees respectively. We have also taken a Corporate Buffer to cover additional expenditure up to ₹ 4.00 Lakhs and ₹ 3.00 Lakhs for officers and employees respectively, if the hospitalization expenditure exceeds the sum insured. The Scheme, apart from facilitating hassle free admission into the hospital immediately and payment of cash, makes the settlement of hospitalization expenses become much easier, saving administrative time considerably. The scheme also covers domiciliary treatment expenses up to 10% sum insured. 2141 members, including family members of Staff, have been covered under the Scheme.

Medical insurance scheme for pensioners

This Medical Insurance Scheme is now extended to pensioners which commenced on 22nd February, 2021. The scheme covers the pensioner (retiree) along with spouse with a sum insured for ₹ 4.00 Lakhs and ₹ 3.00 Lakhs for retired officers and retired employees respectively.

Group Life Insurance Policy:

The Board of the Bank on its 204th Meeting, held on the 14th October, 2019 approved providing one-year renewable Group Life Insurance to all regular employees. The staff group Life insurance provided for all regular employees of Mizoram Rural Bank is SBI Life – Sampoon Suraksha (UIN:111N040V04) with a sum assured of ₹ 20,00,000.00 (Rupees twenty lakhs only) per employee which commenced on 18th December, 2019 renewed yearly.



Gratuity and Leave Encashment Fund

The Bank has taken care of provisional requirements in respect of Gratuity. The total corpus as on 31.3.2021 is to the tune of ₹ 18,61,86,977/- (Rupees eighteen crore sixty one lakhs eighty six thousand nine hundred and seventy seven only) towards Gratuity and ₹ 10,72,20,277/- (Rupees ten crore seventy two lakhs twenty thousand two hundred and seventy seven only) towards Leave Encashment.

Settlement of Terminal Benefits

The Bank has made a policy that all terminal benefits are settled on the date of retirement of staff members. The process begins two months in advance of retirement to ensure that all formalities are completed to make payment on the date of retirement.

Payment of Ex-gratia

The Bank has implemented the GOI instructions, contained in their notification No: F.20/5/2003-RRB dated 9.6.2006, on payment of ex-gratia in lieu of appointment on compassionate grounds for the legal heirs of the bereaved staff members and also to the staff who are chronically sick and immobile on sick grounds.

Pension Scheme:

The Bank provides for pension to all eligible employees. The Bank has constituted a fund called Mizoram Rural Bank (Employees') Pension Fund under an irrevocable trust. The fund has for its sole purpose the provision of the payment of pension or family pension to the employee or his family.

Currently, the fund consists of contribution by the bank based on actuarial valuation of pension liability, the contribution by the bank at the rate of 10% per month of the basic pay of the eligible employee and the provident fund contribution of the Bank under the Employees' Pension Scheme, 1995 refunded by the eligible retired employees and family of the eligible deceased employee.

The Bank has also constituted a fund called Mizoram Rural Bank (Employees') Provident Fund under an irrevocable trust. The sole object of which is the refund of eligible employees contribution of Provident



Fund to the eligible employees on their retirement at or after a specified age or/on their becoming incapacitated prior to such retirement or for their spouses, children or dependents in the event of their death.

Each eligible employee subscribes to the Fund a monthly sum of 10 % of their Basic Pay. These contributions are remitted to Mizoram Rural Bank (Employees') Pension Fund Trust and Mizoram Rural Bank (Employees') Provident Fund Trust account established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided by the Bank.

National Pension Scheme:

The Bank operates a National Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st April, 2010. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank which is remitted to NPS trust every month.

VIGILANCE ADMINISTRATION:

As the Bank is growing in size and with the infusion of young and inexperienced workforce, who now constitute 70% of the total staff members, vigilance together with sensitization to be vigilant / watchful has been a thrust area for the Bank.

Vigilance administration has been introduced in the Bank with the involvement of Sponsor Bank vide their letter No. A&S /RRB/SKJ/415 dated 12th September 2017 after obtaining the Board's approval.

A) Vigilance administration for officers, who have been deputed from State Bank of India, will be governed under SBIOSR and all CVC guidelines will be applicable.

B) Vigilance Administration for Officers of Mizoram Rural Bank:

i) For Officers of Mizoram Rural Bank in the Grade Scale of SMGS-V, if any, Disciplinary matters will be referred to CVO of State Bank of India through GM (Vigilance) of State Bank of India, LHO, Guwahati, these officers be considered as equal to SMGS-V of SBI and brought under CVC jurisdictions.

ii) For Officers / Employees of Mizoram Rural Bank in the Grade Scale up to SMGS-IV: State Bank of India has identified an Officer from State Bank of India in the Grade Scale of SMGS-IV/SMGS-V, who will act as the CVO of the Mizoram Rural Bank, CVO will report to the Chairman of the Bank. CVO of the Bank, in case of Scale-IV Officers and below including Award staff, will be tendering all advices relating to the Vigilance cases.

For any assistance, DGM (Vigilance) of State Bank of India, LHO, Guwahati has provided help / necessary guidance to the Vigilance set up of the Bank. Chief Vigilance Officer of State Bank of India is overseeing the Vigilance Administration of the Bank through DGM (Vigilance) of State Bank of India, LHO, Guwahati.

DGM (Vigilance) on monthly periodicity reviews pendency of Vigilance cases, implementation of complaint handling policy an whistle blower policy, pending complaint, PVC meeting, regular preventive visits of Branches by Vigilance cell officials, job rotation, submission of Assets and Liabilities statements by all officials and will communicate his / her observations, if any. He will also send a quarterly report to State Bank of India, Corporate Centre, Mumbai on the Vigilance Administration of the Bank.

Subsequent upon posting of Additional CVO (appointed by DFS, GOI) at A&S Department of SBI Corporate Centre, Mumbai, vigilance set up of the Bank realigned with effect from 16.02.2021. Accordingly, existing CVO designated as GM (Vigilance) of the Bank.

GM (Vigilance) will be the Head of Vigilance Administration of the Bank and he will continue to report to Chairman of the Bank. He will put up the Vigilance Cases of the Bank to the Additional CVO of A&S Department, SBI CC, Mumbai, for necessary advices. Additional CVO will monitor and provide help / necessary guidance to the Vigilance set up / activities of the Bank, in place of DGM (Vigilance) of State Bank of India, LHO, Guwahati.

Vigilance Activity:

All the Branches conducted Preventive Vigilance Committee Meeting once in every quarter (Total 340 during the year, 281 during last year) and submitted their minutes for scrutiny at Vigilance Cell.

Regular Preventive Visits of Branches done by CVO/ Vigilance Cell official(s). Ensured jobs rotation, scrutinized Annual Assets and Liability statement of all Officials.

Vigilance Awareness Week

Bank has observed the “**Vigilance Awareness Week**” from 27th October 2020 to 2nd November 2020 as per guidelines issued by CVC with the theme “**Satark Bharat, Samriddh Bharat (Vigilant India, Prosperous India)**” in Head Office, Regional Offices and by all Branches.

All the staffs along with the Customers have taken the Integrity Pledge at 11.00 am on 27th October 2020 and also promoting e-pledge.

As a part of observation branches have conducted 88 Gram Sabha throughout the geography of the state of Mizoram. Bank has also done massive postering and distributing leaflets among public to create awareness in the society.

Training

Customized Online Program conducted for Newly Posted Branch Manager through BIRD Kolkata. CVO delivered a session on KYC-AML guidelines, Discretionary Power, Reporting of Returns and Inspection Report on 23rd July'2020.

Four officers from the Bank attended training conducted by BIRD, Mangaluru on Frauds and Internal Control during 3rd Nov to 6th Nov“2020.

Vigilance Case

At the beginning of the year, there were 5 vigilance cases pending in the Bank, during the year 38 fresh cases added, of which 23 cases closed up to the end of the year and 20 cases are remain pending for disposal.

Board of Directors

The Board of Directors of the Bank is constituted of:-

- a) Chairman of the Bank.
- b) Two non-official directors appointed by Government of India.
- c) One nominee director each from Reserve Bank of India and NABARD.
- d) Two nominee directors from Sponsor Bank.
- e) Two nominee directors from state Government of Mizoram.

Board Meeting Rules stipulate that the Board meets minimum six times a year, at least once in a quarter.

Minimum quorum for the Board Meeting to transact business is four directors and no meeting was adjourned for want of quorum.

The Board has undergone the following changes in the composition on account of transfer of officials during the year.

Shri VR Nag, Deputy General Manager, NABARD, Aizawl had been replaced by Shri T Sudheer, Deputy General Manager, NABARD, Aizawl.

Shri C.Sangpu Vaiphei, Assistant General Manager, RBI was replaced by Shri Pranab Pegu, Assistant General Manager, RBI for a very short span of time and then Shri Pranab Pegu was again replaced by, Shri C.Sangpu Vaiphei, Assistant General Manager, RBI.

Shri Mukesh Papriwal, Assistant General Manager, State Bank of India (A&S), Corporate Centre, Mumbai has been replaced by Shri Mohammad Umar, Assiatant General Manager, State Bank of India (A&S), Corporate Centre, Mumbai.



Attendance of Directors at Board Meetings during the year 2020-21:

Sl. No	Name of the Director	W.E.F	No. of Meetings held	No. of Meetings attended
1	Shri V. Jaya Chandra Chairman Mizoram Rural Bank	02.02.2019	6	6
2	Shri C. Sangpu Vaiphei AGM, RBI Aizawl	27.06.2020	5	5
3	Shri Pranab Pegu, Asst General Manager, RBI, Aizawl	25.02.2020	1	1
4	Shri V.R. Nag DGM, NABARD Aizawl	13.06.2018	2	2
5	Shri T Sudheer, Dy. General Manager, NABARD, Aizawl	23.09.2020	3	3
6	Smt Seema Dikshit Dy. General Manager State Bank of India LHO, Guwahati	24.12.2019	6	4
7	Shri Mukesh Papriwal AGM (RRB), SBI (A&S) Corporate Centre, Mumbai	05.02.2019	3	2
8	Shri Mohammad Umar Asst. General Manager State Bank of India Corporate Centre, Mumbai	24.08.2020	3	3
9	Shri Rohmingthanga Colney Director (Agriculture) Govt of Mizoram	25.02.2019	6	6
10	Shri Lalhmingmawia Sailo Addl. Secretary (Fin) Govt of Mizoram	25.05.2018	6	4

Covid-19 Pandemic

The outbreak of COVID-19 has been deeply challenging and unprecedented. It has led to a sudden shift in the way businesses operate. 2020-21 financial year witnessed the COVID-19 outbreak & subsequent lockdown, during which our team worked with incredible dedication towards the service of the customers.

Our focus has been and remains the safety of our employees, the delivery of service to our customers and the financial well-being of the Bank. Bank has taken all measures ensuring essential services at the Branch level, Regional level and Head Office level are not hampered.

Bank has issued frequent communications on DO's and DONT'S, adopting the SOPs under Covid-19 situation and strictly complying with the government regulatory guidelines issued and created awareness among the Staff & Business Continuity Plan was effectively implemented.

The Bank took a number of proactive mitigating measures/initiatives for staff benefit, such as reimbursement of expenses incurred on COVID Tests and Treatment, special support of to all the employees found positive due to COVID-19, and sanction of Special Leave to employees on quarantine, to contain and reduce the spread of the virus among the staff members.

In the initial phase, the Bank also provided monetary compensation to employees who were in the forefront of the operations. These measures ensured that the employees remained motivated and equipped to handle the crisis well.

Fight against COVID-19

Some of the initiatives towards the Banks' support in fight against the COVID-19 pandemic include:

1. One day salary of Bank's staff amounting ₹ 7.22 lakhs has been donated to Chief Minister's Relief Fund to assist them in handling the Health Emergency.
2. The Bank has donated ₹1 0 lakhs to Chief Minister's Relief Fund as support towards fighting covid-19.

COVID 19 Relief Fund



Mizoram Rural Bank donated ₹ 10 lakh only to CM's Relief Fund for Covid-19 under our CSR scheme.

MRB Chairman, Shri V. Jaya Chandra handed over one day salary of Bank's staff towards CM's Relief Fund to Dr. R. Lalthangliana Health Minister, Mizoram.



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- To fight the COVID-19 outbreak the Bank has distributed face masks to our customers and donated face masks to Hospitals and Local Level Task Force.
- Joint Council of MRBOA-MRBSA has made 10 lakhs donation to Village/Local Level Task Forces on Covid-19 through MRB branches in different centers for fighting against the CoVID-19 pandemic.

Acknowledgements

The Board of Directors of the Bank would like to express their sincere gratitude for the continued trust and patronage received from the customers who have stood with the Bank all through. The feedback received from customers by way of suggestions/complaints/interactions during the meetings on the service element have helped the Bank to take corrective measures and new initiatives to improve our efficiency levels.

The Board takes immense pleasure in expressing their gratitude for the guidance and cooperation received from the Sponsor Bank, Government of India, Government of Mizoram, Reserve Bank of India, NABARD, other Financial Institutions and Banks for their unflinching and valuable support to the Bank from time to time. Apart from our customers, the support received from the Government Departments/Institutions of Mizoram was immense and augmented our resources.

The Board also gives appreciation to all Mizoram Rural Bank officers and members of staff of the bank for their sincere efforts and dedication towards discharging their duties.

Further, the Board expresses its sincere thanks, gratitude and appreciation to our Statutory Central Auditor M/s Span & Associates, Charter Accountants, Kolkata for the accounting year 2020-21 for the service rendered by them in finalization of our accounts. They shared their knowledge, their ideas, and numerous tips all of which were extremely useful in taking this Bank forward. The Bank is



indebted to these executives for their constant hand holding.

The Board would like to gratefully acknowledge the support rendered by our Technology Service Provider M/s C-Edge Technologies, Mumbai.

The Board also thanks the MRB Officers Association and MRB Staff Association for their constructive role played in overall development of the Bank.

The Board records its appreciation for all the staff members for their dedicated involvement in the growth and functioning of the Bank. It is due to their unstinted efforts that the Bank could post good performance during the year and could surpass the targets in many parameters under MoU with our Sponsor Bank. The Board looks forward for their motivated involvement and sustained efforts for the overall development of the Bank in future also.

For and on behalf of Board of Directors of
Mizoram Rural Bank

(V. Jaya Chandra)
Chairman

INDEPENDENT AUDITOR'S REPORT

To,

The Members of Mizoram Rural Bank

Report on Audit of Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **MIZORAM RURAL BANK**, (the "Bank") Aizawl, Mizoram as at 31st March, 2021, which comprises the Balance Sheet as at March 31, 2021 and Profit and Loss Account for the year then ended, and a summary of significant Accounting Policies and other explanatory information. Incorporated in these financial statements are the returns of 14 branches audited by us and 54 branches audited by Statutory Branch Auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India/ NABARD. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 21 branches which have not been subjected to audit. This unaudited branch account for 24.62 per cent of advances, 25.66 per cent of deposits, 28.67 per cent of income and 24.19 per cent of expenses.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Banking Regulation Act, 1949 in the manner so required for bank and are in conformity with accounting principles generally accepted in India subject to Para 7 and 8:
 - a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2021; and
 - b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit;

Basis for 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 the Financial Statements section of our report. We are independent of the Bank in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

4. Without qualifying our opinion, we draw attention to:
 - a) Schedule 17 where Provision for Bad and Doubtful Debt amounting to Rs 2100 lacs has been made on adhoc basis to comply with the RBI Circular ref. RBI/2013-14/62 dated 01.07.2013 to achieve a Provision Coverage Ratio (PCR) of 70% of Gross NPA. However, the Provision Coverage Ratio (PCR) as per Schedule 18 now stands at 64.65% which is less than the desired limit of 70%.
 - b) Towards Clause No 6.2 of Accounting Policies in Schedule 18 where Deferred Tax Liability/ Deferred Tax Asset is not recognized in the books of accounts in accordance with the Accounting Standard 22 of the ICAI.



Key Audit Matters

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 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 operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our Audit opinion. However, under the compulsion imposed due to the outbreak of COVID-19, the audit has been conducted from remote location without getting any access to the banking system. We have collected information/document through electronic mode. An offsite audit may have its inherent risks and limitations which should be considered while forming any opinion based on this report.

Other Matters

9. The following observations require attention -

- (i) We did not audit the financial statements / information of 54 number of branches included in the standalone financial statements of the Banks. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and in our opinion in so far as it relates to the amounts and disclosures included in respect of branches, is based solely on the report of such branch auditors.
- (ii) Amount lying in Banker's Cheque A/C, Outstanding in Sundry A/C, Credit Balance in AUCA A/C, Adjusting A/C, System Suspense A/C, CA Inter Branch A/C, Balance in INC A/C, UPA A/C. should be reconciled and adjusted accordingly.
- (iii) We are unable to express an opinion on the impact that may arise out of reconciliation of Inter Branch Transactions which is underway and elimination of outstanding entries is in process.
- (iv) Difference of Rs 5,26,791.76 exists between the amount appearing in balance sheet under Advance Head and the facility wise total amount of Advances as appearing in the control accounts which needs to be reconciled.
- (v) Closing Cash in hand, as on 31st March, 2021 was certified by the Management.



- (vi) Balance confirmation certificate from some branches of SBI were not obtained. In absence of any reconciliation, adjustments required, if any, could not be determined.
- (vii) Depreciation has not been calculated in line with Accounting Standard - 6. Depreciation was also charged on assets having zero WDV resulting in negative WDV in some of the assets. The consequential impact of the same in the financial statements could not be ascertained.
- (viii) Interest on various Investments (SLR, TDR and Mutual Fund) as certified by the Management have been relied upon.
- (ix) NPA management and provision should be properly monitored. Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. The Balance Sheet and the Profit and Loss Account have been drawn up in Form "A" and "B" respectively of the third schedule to the Banking Regulation Act, 1949.
2. Subject to the limitations of the audit indicated in paragraph 7 and 8 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also 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 purposes of our audit and have found them to be satisfactory.
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

12. We further report that:

- a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books
- b) the Balance Sheet, and the Profit and Loss account dealt with by this report are in agreement with the books of account and returns;
- c) the reports on the accounts of the branch offices audited by the Branch Auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- d) In our opinion, the Balance Sheet and the Profit and Loss Account comply with the applicable Accounting Standards, to the extent they are not inconsistent with the accounting policies prescribed by RBI.

Place : Aizawl
Date : 3rd May, 2021

For, S P A N & ASSOCIATES
Chartered Accountants
FRN: 30219E



(S. PALIT)
Partner

Membership No. 057072
UDIN: 21057072AAAAAU9006

The Third Schedule to the Banking Regulation Act, 1949

(See Section 29)

FORM - 'A'

Balance Sheet of Mizoram Rural Bank

Balance Sheet as on 31st March 2021

	Sche dule	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
Capital and Liabilities :			
Capital	1	31,03,82,000.00	31,03,82,000.00
Reserve and Surplus	2	1,74,88,35,099.08	1,36,33,18,803.47
Deposits	3	41,54,87,03,527.77	34,78,12,51,379.73
Borrowings	4	2,97,27,36,530.00	2,87,69,67,810.00
Other Liabilities and Provisions	5	2,91,79,86,555.79	1,90,70,42,912.80
TOTAL	:	49,49,86,43,712.64	41,23,89,62,906.00
Assets :			
Cash and Balance with Reserve Bank of India	6	2,10,57,84,538.58	1,70,69,10,642.02
Balances with Banks and Money at Call & Short Notice	7	12,92,47,56,957.26	14,05,67,59,337.04
Investments	8	11,50,92,35,209.91	7,91,98,83,063.00
Advances	9	20,52,13,55,184.62	15,35,43,14,824.47
Fixed Assets	10	30,69,84,533.63	27,83,49,092.98
Other Assets	11	2,13,05,27,288.64	1,92,27,45,946.49
TOTAL	:	49,49,86,43,712.64	41,23,89,62,906.00
Contingent Liabilities	12	-	-
Notes Forming Parts of Accounts	19		

For and on behalf of Mizoram Rural Bank

Chairman


(V. JAYA CHANDRA)

Place : Aizawl
Dated : 6th May 2020

For SPAN & Associates
Chartered Accountants
FRN : 302192E


(S. PALIT)

Partner

Membership No. - 057072
UDIN: 20057072AAAAAO7509



**Form - 'B' Profit & Loss Account of Mizoram Rural Bank
For the Year ended 31st March 2021**

	Schedule	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
Income			
Interest Earned	13	3,35,59,59,159.64	2,94,45,15,773.92
Other Income	14	16,14,16,214.29	15,76,16,470.82
TOTAL	:	3,51,73,75,373.93	3,10,21,32,244.74
Expenditure			
Interest Expended	15	1,66,29,03,255.99	1,51,85,75,621.50
Operating Expenses	16	78,89,13,153.65	65,91,35,857.75
Provisions & Contingencies	17	47,29,72,668.68	71,97,52,399.93
TOTAL	:	2,92,47,89,078.32	2,89,74,63,879.18
Profit/Loss			
Profit/loss for the year		59,25,86,295.61	20,46,68,365.56
Provision for Tax	17A	20,70,70,000.00	7,15,16,000.00
Profit after Tax		38,55,16,295.61	13,31,52,365.56
Profit/loss brought forward		1,36,33,18,803.47	1,23,01,66,437.91
TOTAL	:	1,74,88,35,099.08	1,36,33,18,803.47
Appropriations			
Transferred to statutory reserves		7,71,03,259.12	2,66,30,473.11
Transferred to other reserves			
Transfer to Govt./Proposed dividend		-	-
Balance carried over to balance sheet		1,67,17,31,839.96	1,33,66,88,330.36
TOTAL	:	1,74,88,35,099.08	1,36,33,18,803.47
Significant Accounting Policies	18		

For and on behalf of Mizoram Rural Bank

For SPAN & Associates
Chartered Accountants
FRN : 302192E

Chairman


(V. JAYA CHANDRA)

Place : Aizawl
Dated : 6th May 2020


(S. PALIT)

Partner
Membership No. - 057072
UDIN: 20057072AAAAA07509



Schedule - 1

Capital

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. For Nationalised Banks		
Capital (fully owned by Central Government)	-	-
II. For Banks Incorporated outside India		
Capital		
i) (The amount brought in banks by way of start-up Capital as prescribed by RBI should be shown under this head)	-	-
ii) Amount of deposit kept with the RBI under section II (2) of the Banking Regulation Act, 1949	-	-
TOTAL	-	-
III. For Other Banks		
Authorised Capital (2,00,00,00,000 shares of Rs. 10/- each)	2,00,00,00,000.00	2,00,00,00,000.00
Issued Capital (31,03,82,000 shares of Rs. 10/- each)	31,03,82,000.00	31,03,82,000.00
Subscribed Capital (31,03,82,000 shares of Rs. 10/- each)	31,03,82,000.00	31,03,82,000.00
Called-up Capital (31,03,82,000 shares of Rs. 10/- each)	31,03,82,000.00	31,03,82,000.00
Less: Calls unpaid	-	-
Add : Forfeited Shares	-	-
Paid up Capital	31,03,82,000.00	31,03,82,000.00
TOTAL	31,03,82,000.00	31,03,82,000.00

Schedule - 2
Reserve & Surplus

Reserve and Surplus

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Statutory Reserves		
Opening Balance	1,36,33,18,803.47	1,23,01,66,437.91
Additions during the year	7,71,03,259.12	2,66,30,473.11
Deductions during the year	-	-
II. Capital Reserves		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
III. Share Premium		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
IV. Revenue and other Reserves		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
V. Balance in Profit & Loss Account		
Opening Balance	-	-
Additions during the year	30,84,13,036.49	10,65,21,892.45
Deductions during the year	-	-
TOTAL		
Opening Balance	1,36,33,18,803.47	1,23,01,66,437.91
Additions during the year	38,55,16,295.61	13,31,52,365.56
Deductions during the year	-	-
TOTAL (I, II, III, IV & V)	1,74,88,35,099.08	1,36,33,18,803.47

Schedule - 3
Deposits

		As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
A.	I. Demand Deposits		
	i) From Banks	-	-
	ii) From Others	1,39,57,07,048.36	1,03,66,17,942.78
	II. Savings Bank Deposits		
	i) From Banks	-	-
	ii) From Others	23,97,94,91,942.51	19,73,05,66,757.90
	III. Term Deposits		
	i) From Banks	-	-
	ii) From Others	16,17,35,04,536.90	14,01,40,66,679.05
	TOTAL	41,54,87,03,527.77	34,78,12,51,379.73
B.	i) Deposits of Branches in India	41,54,87,03,527.77	34,78,12,51,379.73
	ii) Deposit of Branches outside India	-	-
	TOTAL	41,54,87,03,527.77	34,78,12,51,379.73

Schedule - 4
Borrowings

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Borrowings in India		
i) Reserve Bank of India	-	-
ii) Other Banks	1,73,04,000.00	1,73,04,000.00
iii) Other Institutions and Agencies* (Annexure - I)	2,95,54,32,530.00	2,85,96,63,810.00
II. Borrowings Outside India	-	-
TOTAL	2,97,27,36,530.00	2,87,69,67,810.00
Secured borrowings included in I & II above	NIL	NIL

Annexure - I

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
* Other Institutions and Agencies		
1 NABARD		
i) Non Farm Sector(ARF)	87,50,000.00	2,77,34,400.00
ii) SHGs	2,19,56,500.00	4,53,19,500.00
iii) LTRCF	1,80,08,16,120.00	1,61,99,37,540.00
iv) Solar(ARF)	-	-
v) SAO	3,00,00,000.00	2,00,00,000.00
vi) NFS -RH	5,81,49,400.00	9,62,36,200.00
Sub-Total	1,91,96,72,020.00	1,80,92,27,640.00
2 NSTFDC	1,00,30,15,510.00	1,00,94,31,170.00
Sub-Total	1,00,30,15,510.00	1,00,94,31,170.00
3 NHB	3,07,45,000.00	4,10,05,000.00
Sub-Total	3,07,45,000.00	4,10,05,000.00
4 NHFDC	20,00,000.00	-
Sub-Total	20,00,000.00	-
TOTAL	2,95,54,32,530.00	2,85,96,63,810.00

Schedule - 5
Other Liabilities and Provisions

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Bills Payable	-	-
II. Inter-Office Adjustment (Net)	-	24,99,299.99
III. Interest Accrued	51,66,22,474.44	45,68,13,122.38
IV. Others (including provisions)# (Annexure - II)	2,40,13,64,081.35	1,44,77,30,490.43
TOTAL	2,91,79,86,555.79	1,90,70,42,912.80

Annexure - II**# Others includes :**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i) Provision for Audit Fee	8,00,000.00	9,00,900.00
ii) Outstanding in Banker's Cheque A/c	33,25,173.67	12,75,947.67
iii) Outstanding in Sundry A/c	11,04,571.00	62,77,127.69
iv) Provision for NPA	74,19,62,489.44	57,92,41,144.43
v) Balance in INC A/c	-	-
vi) Credit Balance in AUCA	22,43,04,101.23	16,14,45,457.06
vii) Adjusting Account (Office A/c)	52,68,664.00	47,63,343.00
viii) NEFT Commission	-	-
ix) PMJBY SBI Life	14,29,015.00	1,12,682.00
x) NACH (DR)	26,62,456.03	26,62,456.03
xi) PMSBY-NIC	276.00	(60.00)
xii) System Suspense	46,15,29,071.29	2,40,21,297.30
xiii) Provision for Income Tax	20,70,70,000.00	7,15,16,000.00
xiv) Provision for Covid 19 Moratorium	-	2,02,96,696.33
xv) CGST/SGST/IGST Payable	67,25,174.21	67,41,147.11
xvi) Provision for Standard Assets	7,02,12,625.35	6,02,12,625.33
xvii) APBS Settlement Account	(2,34,27,182.40)	(2,34,45,282.40)
xviii) DEAFS RBI	(5,33,343.00)	(5,33,343.00)
xix) Gramin Pay Order	(24,26,183.84)	35,95,502.16
xx) Provision for Fraud	20,91,07,082.68	16,24,57,404.00
xxi) CA Inter-Branch	8,72,19,083.79	16,75,35,805.92
xxii) Other Provisions	1,99,27,826.34	55,00,000.00
xxiii) Subsidy Reserve Fund	6,86,06,386.13	(4,58,80,774.00)
xxiv) UPI Outward	12,67,69,037.43	4,53,54,505.80
xxv) Provision for Wage Arrear	18,89,06,248.00	10,89,06,248.00
xxvi) Provision for Pension	-	8,47,60,126.00
xxvii) SD Unidentified	-	6,000.00
xxviii) Provision NPS	1,404.00	7,534.00
xxix) Cash withdrawal tax TDS	8,20,105.00	-
TOTAL	2,40,13,64,081.35	1,44,77,30,490.43



Schedule - 6

Cash and Balances with Reserve Bank of India

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Cash on Hand (including foreign currency notes)	61,10,86,351.56	63,72,12,455.00
II. Balance with Reserve Bank of India		
i) in Current Account	1,49,46,98,187.02	1,06,96,98,187.02
ii) in Other Accounts	-	-
TOTAL	2,10,57,84,538.58	1,70,69,10,642.02

Schedule - 7

Balances with Banks and Money at Call & Short Notice

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I In India		
i) Balance with Banks		
a) in Current Account	74,32,56,957.26	41,92,59,337.04
b) in other deposit account	12,18,15,00,000.00	13,63,75,00,000.00
ii) Money at Call & short notice		
a) With banks	-	-
b) With other Institutions	-	-
TOTAL	12,92,47,56,957.26	14,05,67,59,337.04
II. Outside India		
i) In Current Accounts	-	-
ii) In other deposit Accounts	-	-
iii) Money at call & short notice	-	-
TOTAL	-	-
GRAND TOTAL (I+II)	12,92,47,56,957.26	14,05,67,59,337.04

Schedule - 8

Investments

Investments

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I Investments in India in		
i) Government Securities	11,08,92,55,209.17	7,65,98,83,063.00
ii) Other approved Securities	-	-
iii) Shares	-	-
iv) Debenture and Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (to be specified) @ (Annexure - III)	41,99,80,000.74	26,00,00,000.00
TOTAL	11,50,92,35,209.91	7,91,98,83,063.00
II. Investments outside India in		
i) Government securities (including local authorities)	-	-
ii) Subsidiaries and/or joint ventures	-	-
iii) Other Investments (to be specified)	-	-
TOTAL	-	-
GRAND TOTAL (I + II)	11,50,92,35,209.91	7,91,98,83,063.00

Annexure - III

@ Others Includes:

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i. SBI Mutual Fund	41,99,80,000.74	26,00,00,000.00
ii. UTI Mutual Fund	-	-
iii. TDRs with SBI	-	-
iv. NABARD TMB	-	-
TOTAL	41,99,80,000.74	26,00,00,000.00



Schedule - 9

Advances

		As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
A.	i) Bills purchased and discounted	-	-
	ii) Cash Credits, Overdrafts and loans repayable on demand	3,77,68,39,357.69	2,47,12,99,902.53
	iii) Term Loans	16,74,45,15,826.93	12,88,30,14,921.94
	TOTAL	20,52,13,55,184.62	15,35,43,14,824.47
B.	i) Secured by tangible Assets	20,36,99,36,618.00	15,20,42,94,846.41
	ii) Covered by Bank/ Government Guarantee	-	-
	iii) Unsecured	15,14,18,566.62	15,00,19,978.06
	TOTAL	20,52,13,55,184.62	15,35,43,14,824.47
C.	I. Advances in India		
	i) Priority Sector	15,02,45,09,899.41	11,49,76,68,729.40
	ii) Public Sector	-	-
	iii) Banks	-	-
	iv) Others	5,49,68,45,285.21	3,85,66,46,095.07
	TOTAL	20,52,13,55,184.62	15,35,43,14,824.47
	II. Advances outside India		
	i) Due from Banks	-	-
	ii) Due from others	-	-
	iii) a) Bills purchased & discounted	-	-
	b) Syndicate loans	-	-
	c) Others	-	-
	TOTAL	-	-
	Grand Total (C I + C II)	20,52,13,55,184.62	15,35,43,14,824.47

Schedule - 10
Fixed Assets

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Premises		
At cost as on 31st. March of the preceeding year	-	-
Addition during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
Written Down Value		
II. Other Fixed Assets \$ (Annexure - IV) (including furnitures and fixtures)		
At cost as on 31st. March of the preceding year	9,33,49,092.98	6,07,41,768.25
Additions during the year	5,50,66,599.93	6,50,20,419.00
Deductions during the year		
Depreciation for the year	4,65,53,644.28	3,24,13,094.27
Adjustment	-	-
Written Down Value	10,18,62,048.63	9,33,49,092.98
III. Assets Under Construction	20,51,22,485.00	18,50,00,000.00
TOTAL	30,69,84,533.63	27,83,49,092.98



**MIZORAM RURAL BANK
HEAD OFFICE : AIZAWL
SUMMARY OF FIXED ASSETS ACCOUNT AND DEPRECIATION
AS ON 31.03.2021**

ANNEXURE -IV											
Sl. No.	Particulars	Value at cost 31/03/2020	Addition during the year 31/03/2021	Dispose off/ adjustment	Total as on 31/03/2021	Useful Life/Rate of Depreciation	Depreciation upto 31/03/2020	Depreciation during 31/03/2021	Total Depreciation as on 31/03/2021	SLM as on 31/03/2021	SLM as on 31/03/2020
1	2	3	4	5	6	7	8	9	10	11	12
1	Computer & Accessories	2,90,55,136.67	1,07,77,195.37	-	3,98,32,332.04	3yrs (33.33%)	2,04,27,478.43	1,35,82,987.49	3,40,10,465.92	51,52,910.93	79,58,703.05
2	Electric Appliances	6,78,30,575.82	1,95,18,515.38	-	8,73,49,091.20	5yrs (20%)	1,89,47,706.71	1,77,76,689.46	3,67,24,396.17	4,17,35,005.12	3,99,93,179.20
3	Furnitures & Fixtures	6,49,71,359.74	2,47,70,889.18	-	8,97,42,248.92	10yrs (10%)	3,29,09,652.43	89,74,224.89	4,18,83,877.32	4,77,02,447.77	3,19,05,783.48
4	Motor Vehicles	52,95,025.40	-	-	52,95,025.40	5yrs (20%)	10,32,142.64	13,65,876.30	23,98,018.94	3,47,351.91	17,13,228.21
5	Office equipments	3,27,63,204.59	-	-	3,27,63,204.59	10yrs (10%)	2,57,72,575.65	32,76,320.46	2,90,48,896.11	(14,67,241.52)	18,09,078.94
6	Plant & Machineries	2,54,13,489.49	-	-	2,54,13,489.49	20yrs (5%)	1,06,54,812.42	15,77,545.69	1,22,32,358.11	83,91,574.41	99,69,120.10
7	Premises	-	-	-	-	60yrs (1.67%)	-	-	-	-	-
TOTAL		22,53,28,791.71	5,50,66,603.93	-	28,03,95,391.64		10,97,44,368.28	4,65,53,644.28	15,62,98,012.56	10,18,62,048.63	9,33,49,092.98

Schedule - 11**Other Assets**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I Inter-Office adjustments (Net)	-	-
II Interest accrued	60,42,95,706.04	63,15,66,903.12
III Stationery and Stamps	-	5,85,728.63
IV Non-banking Assets acquired in satisfaction of claims	-	-
V Others @ \$ (Annexure - V)	1,52,62,31,582.60	1,29,05,93,314.74
TOTAL	2,13,05,27,288.64	1,92,27,45,946.49

In case there is any unadjusted balance of loss
@ the same may be shown under this item.

Annexure - V**\$ Other Assests**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i) Outstanding in suspense a/c	(4,15,270.91)	(15,86,852.73)
ii) Balance in H.O. PB A/c	14,81,61,171.31	1,89,65,469.00
iii) Bills receivables a/c	1,73,04,000.00	1,73,04,000.00
iv) ATM Settlement	82,94,84,585.18	30,62,18,882.05
v) Core Interbranch A/c	-	-
vi) Other Assets	1,71,62,434.00	20,000.00
vii) Balance in AUCA	22,42,95,599.23	16,14,36,955.06
viii) NACH	18,52,50,276.54	18,52,50,276.54
ix) DBTL Settlement A/c	(12,99,34,138.70)	(14,51,73,511.11)
x) RTGS Settlement A/c	9,50,232.16	85,42,768.28
xi) Branch Clearing	18,40,51,962.96	30,01,35,068.34
xii) ECS Dr	(1,19,230.00)	(1,19,230.00)
xiii) Advance Income Tax	12,50,00,000.00	12,59,82,000.00
xiv) ACH/NPCI/LPG/UID/UPI	5,49,14,567.84	(64,79,556.35)
xv) IMPS Settlement A/C	(2,33,37,869.25)	1,06,04,042.24
xvi) Step Rapid Remittance RR	4,76,54,133.90	44,12,67,844.34
xvii) ATM Cash	(23,55,23,382.89)	(15,50,06,694.89)
xviii) CGST/SGST/IGST ITC	2,44,19,330.02	1,53,27,712.16
xix) IMPS- Inward/Outward	4,64,92,105.83	11,88,148.96
xx) YES Bank CTS Settlement	-	-
xxi) MAB/AEPS/UPI Settlement A/c	1,04,21,075.38	67,15,992.85
xxii) Office Com/Furniture/Com.Hardware	-	-
TOTAL	1,52,62,31,582.60	1,29,05,93,314.74



**Schedule - 12
Contingent Liabilities**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Claims against the bank not acknowledged as debts	-	-
II. Liability for partly paid investments	-	-
III. Liability on account of outstanding forward exchange contracts	-	-
IV. Guarantees given on behalf of constituents		
a) In India	-	-
b) Outside India	-	-
V. Acceptances, endorsements and other obligations	-	-
VI. Other items for which the bank is contingently liable. Income Tax liability if any, arising for non-compliance with income Tax Laws	-	-
TOTAL	-	-

**Schedule - 13
Interest Earned**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Interest/discount on advances/ bills	1,77,11,44,112.68	1,51,95,62,022.52
II. Income on Investments	73,49,46,057.14	60,76,16,999.62
III. Interest on balances with Reserve Bank of India & other Inter-Bank funds.	84,98,68,989.82	81,73,36,751.78
IV. Others	-	-
TOTAL	3,35,59,59,159.64	2,94,45,15,773.92

Schedule - 14
Other Income

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Commission, exchange and brokerage	12,18,96,149.00	9,84,49,293.15
II. Profit on sale of investments less- loss on sale investments	-	5,40,50,808.67
III. Profit on revaluation of investments less- loss on revaluation of investments		
IV Profit on sale of land, buildings and other assets(Vehicles)	-	1,23,000.00
V Profit on exchange transaction less- Loss on exchange transaction.		
VI Income earned by way of dividends etc, from subsidiaries/companies/and/or joint ventures abroad in India.		
VII Prior Period Income		
VIII Miscellaneous Income		
a) Other Income	3,95,20,065.29	49,93,369.00
TOTAL	16,14,16,214.29	15,76,16,470.82

Schedule - 15
Interest Expended

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Interest on Deposits	1,50,21,09,091.46	1,42,24,33,074.03
II. Interest on Reserve Bank of India/ Inter-Bank borrowings	16,07,94,164.53	9,61,42,547.47
III. Others	-	-
TOTAL	1,66,29,03,255.99	1,51,85,75,621.50



Schedule - 16
Operating Expenses

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i) Payments to and provisions for employees	40,47,78,637.82	32,44,13,481.96
ii) Rent, Taxes and Lighting	3,64,66,209.08	7,35,92,592.87
iii) Printing and Stationery	43,46,715.00	1,08,76,182.37
iv) Advertisement and Publicity	6,76,325.00	-
v) Depreciation on bank's property.	4,65,53,644.28	3,24,13,094.27
vi) Directors' fees and expenses	-	-
vii) Auditors' fees and expenses (including branch Auditors)	-	16,91,600.00
viii) Law Charges	4,92,710.00	6,68,297.00
ix) Postage, Telegrams, Telephones	29,99,215.34	21,45,311.18
x) Repairs and Maintenances	2,54,18,560.36	2,37,41,890.96
xi) Insurance	8,79,14,944.90	3,39,14,487.43
xii) Service Tax	-	-
xiii) Depreciation on Investments	-	-
xiv) Other Expenditures	17,92,66,191.87	15,56,78,919.71
TOTAL	78,89,13,153.65	65,91,35,857.75

Schedule - 17
Provisions & Contingencies

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i) Provision for Bad & Doubtful Debts (including Risk fund)	21,00,00,000.00	22,00,00,000.00
ii) Provision for Standard Assets	1,00,00,000.00	1,88,97,140.42
iii) Provision for Security Guard Wages	-	55,00,000.00
iv) Provision for Covid 19 Moratorium	-	2,02,96,696.33
v) Provision for Frauds	4,66,91,568.68	-
vi) Provision for Wage Arrears	8,00,00,000.00	7,00,00,000.00
vii) Provision for Pension	12,00,00,000.00	38,47,60,126.00
viii) Auditors' Fee/NPS/Others	62,81,100.00	2,98,437.18
TOTAL	47,29,72,668.68	71,97,52,399.93

Schedule - 17A
Provisions & Contingencies

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i) Provision for Income Tax	20,70,70,000.00	7,15,16,000.00
TOTAL	20,70,70,000.00	7,15,16,000.00

SCHEDULE – 18**SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING
FINANCIAL STATEMENTS****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:**

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/Discount income is recognised in the Profit and Loss Account as it accrues except:
 - (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve), to 'Capital Reserve Account'.
- 1.4 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows:
 - a. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
 - b. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.
- 1.5 All other commission and fee incomes are recognised on their realisation except for: (i) Guarantee commission on deferred payment guarantees, (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period; and (iv) Commission on LCs/ BGs, which is booked on accrual basis proportionately at monthly interval.
- 1.6 Brokerage, Commission etc. paid/ incurred in connection with issue of Bonds/ Deposits are amortized over the tenure of the related Bonds/Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.7 NEFT and RTGS commissions are normally recognized on accrual basis.
- 1.8 The sale of NPA is accounted as per guidelines prescribed by RBI:
 - i. When the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is removed from the books.



- ii. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
- iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

2. Investments:

The transactions in all securities are recorded on "Settlement 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 above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- iv. a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments".
- b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).

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. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments". b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other

than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e., book value).

- iv. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at market price or fair value-determined as per the 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.
- v. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.
- vi. Investments are classified as performing and non-performing, based on the guidelines issued by RBI in case of domestic offices and respective regulators in case of foreign offices. Investments of domestic offices become non-performing where:
 - (a) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.
 - (b) In the case of equity shares, in the event the investment in shares of any company is valued at '1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
 - (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
 - (d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
 - (e) The investments in debentures/ bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
 - (f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- vii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with RBI):
 - (a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
 - (b) Interest expended/ earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.



- viii. Market repurchases and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.

3. Loans/ Advances and Provisions thereon:

- 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:
- In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
 - 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;
 - 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:
- Sub-standard:** A loan asset that has remained non-performing for a period less than or equal to 12 months.
 - Doubtful:** A loan asset that has remained in the sub-standard category for a period of 12 months.
 - 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:
- All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and Loss Assets.
 - Provisions on Advances are made as under:
 - 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%
 - Substandard Assets:** i. A general provision of 10% on the total outstanding;
 - Doubtful Assets:**
 - Secured portion:
 - Up to one year doubtful – 20%
 - One to three years doubtful– 30%
 - More than three years – 50%
 - Unsecured portion 100%
 - Loss Assets:** 100%
- 3.4 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.5 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.
- 3.6 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.7 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 “Standard Provisions” and are not considered for arriving at the Net NPAs.

- 3.8 Appropriation of recoveries in NPAs towards principal or interest due as per the Bank’s extant instructions is done in accordance with the following priority.
 - a. Charges
 - b. Unrealized Interest/Interest
 - c. Principal

4. Fixed Assets, Depreciation:

- 4.1 Fixed assets are accounted for on historical cost basis.
- 4.2 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.
- 4.3 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.
- 4.4 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:
- 4.5 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

Sl. No.	Description of Fixed Assets	Method of charging depreciation	Depreciation/ amortisation rate
1	Computers and Accessories	Straight Line Method	33.33% every year
2	Electrical Appliances	Straight Line Method	20.00% every year
3	Motor Vehicles	Straight Line Method	20.00% every year
4	Plant & Machinery	Straight Line Method	5.00% every year
5	Office Equipment	Straight Line Method	10.00% every year
6	Furniture & Fixtures	Straight Line Method	10.00% every year

5. Employee Benefits:

5.1 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.

5.2 Long Term Employee Benefits:

5.2.1 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.

5.2.2 The Bank provides for pension to all eligible employees. The Bank has constituted a fund called Mizoram Rural Bank (Employees’) Pension Fund under an irrevocable trust. The fund has for its sole purpose the provision of the payment of pension or family pension to the employee or his family. Currently, the fund consists of contribution by the bank based on actuarial valuation of pension liability, the contribution by the bank at the rate of 10% per month of the basic pay of the eligible employee and the provident fund contribution of the Bank under the Employees’ Pension Scheme, 1995 refunded by the eligible retired employees and family of the eligible deceased employee. The Bank has also constituted a fund called Mizoram Rural Bank (Employees’) Provident Fund under an irrevocable trust. The sole object of which is the refund of eligible employees’ contribution of Provident Fund to the eligible employees on their retirement at or after a specified age or/on their becoming incapacitated prior to such



retirement or for their spouses, children or dependents in the event of their death. Each eligible employee subscribes to the Fund a monthly sum of 10% of their Basic Pay. These contributions are remitted to Mizoram Rural Bank (Employees') Pension Fund Trust and Mizoram Rural Bank (Employees') Provident Fund Trust account established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided by the Bank.

5.2.3 The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1st August, 2010. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank which is remitted to NPS trust every month.

5.2.4 All eligible employees of the Bank are eligible for silver jubilee award, leave travel concession and retirement award. The costs of such long-term employee benefits are internally funded by the Bank.

5.2.5 Provision for Leave Encashment is calculated on actuarial basis. Payment has been made on 'Pay-as-You-Go' method.

6. Taxation:

6.1 Income tax expenses are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income"

6.2 Deferred Tax asset/liability is not recognized in the books of accounts in accordance with the Accounting Standard 22 of the ICAI.

7. Provisions, Contingent Liabilities and Contingent Assets:

7.1 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.

7.2 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.

7.3 Contingent Assets are not recognised in the financial statements.

8. Net Profit:

Net Profit has been arrived at after accounting of the followings:

- i. Provision for possible loan losses
- ii. Provision on standard advances
- iii. Provision for income tax
- iv. Provision for Interest tax
- v. Provision for staff benefits
- vi. Provision for construction
- vii. Other usual and necessary provisions.

SCHEDULE – 19
DISCLOSURES & NOTES TO ACCOUNTS

I. Disclosures as per norms for RRBs
1. Capital

Sl.No	Particulars	Current year (%) Mar 2021	Previous year (%) Mar 2020
i)	CRAR(%)	9.48	9.80
ii)	CRAR – Tier I Capital (%)	9.48	9.80
iii)	CRAR – Tier II Capital (%)	0	0
iv)	Percentage of Shareholding of the :		
A	Government of India	50	50
B	Government of Mizoram	15	15
C	State Bank of India (Sponsor Bank)	35	35

2. Investments

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
1.	Value of Investments		
i)	Gross value of Investments	11509235	7919883
ii)	Provisions for Diminution	NIL	NIL
iii)	Net value of Investments	11509235	7919883
2.	Movement of provisions held towards depreciation on investments		
i)	Opening Balance	NIL	NIL
ii)	Add: Provisions made during the year	NIL	NIL
iii)	Less: Write off / Write back of excess provisions during the year	NIL	NIL
iv)	Closing Balance	NIL	NIL

3. Repo Transactions

(₹ in '000s)

Sl.No	Item	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily Average Outstanding during the year	As on 31 st March 2021
1.	Securities Sold under Repos	NIL	NIL	NIL	NIL
2.	Securities purchased under Reverse Repos	NIL	NIL	NIL	NIL



4. Non-SLR Investment Portfolio

(i) Issuer composition of Non SLR Investments

(₹ in '000s)

Sl. No	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	NIL	NIL	NIL	NIL	NIL
iii)	Banks	NIL	NIL	NIL	NIL	NIL
iv)	Private Corporates	NIL	NIL	NIL	NIL	NIL
v)	Others (MF)	419980	NIL	NIL	NIL	NIL
vi)	Provision held towards depreciation	NIL	NIL	NIL	NIL	NIL
vii)	Total	419980	NIL	NIL	NIL	NIL

(ii) Non-Performing Non-SLR Investments

(₹ in '000s)

Sl.No	Particulars	Amount
i)	Opening balance	NIL
ii)	Additions during the year since 1st April	NIL
iii)	Reductions during the above period	NIL
iv)	Closing Balance	NIL
v)	Total provisions held	NIL

5. Asset Quality

I. Non-Performing Assets

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
i)	Net NPAs to Advances (%)	2.45%	1.41%
ii)	Movement of NPAs (Gross)		
(a)	Opening balance	796392	642853
(b)	Additions during the year	735923	449484
(c)	Reductions during the year	287150	295945
(d)	Closing balance	1245165	796392
iii)	Movement of NPAs (Net)		
(a)	Opening balance	217151	252495
(b)	Additions during the year	286052	0
(c)	Reductions during the year	0	35344
(d)	Closing balance	503202	217151
iv)	Movement of provisions for NPAs (Excluding provisions on standard assets)		
(a)	Opening balance	579241	390358
(b)	Provisions made during the year	210000	220000
(c)	Write-off / Write-back of excess provisions	47279	31117
(d)	Closing balance	741962	579241

II. Details of Loan Assets subject to Restructuring

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
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

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

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
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

IV. Details on non-performing financial assets purchased / sold

A. Details of non-performing financial assets purchased:

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
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 :

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
1	No. of accounts sold	Nil	Nil
2	Aggregate outstanding	Nil	Nil
3	Aggregate consideration received	Nil	Nil

V. Provisions on Standard Assets

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
1	Provisions towards Standard Assets	70213	60213
2	Addl. Provision for Covid-19 Moratorium	NIL	20297

6. Business Ratios

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
i)	Interest income as a percentage to Working Funds	7.22	8.19
ii)	Non-Interest income as a percentage to Working Funds	0.35	0.44
iii)	Operating profit as a percentage to Working Funds (Before provisions)	2.29	2.57
iv)	Returns on Assets (%)	0.83	0.37
v)	Business per Employee (Dep + Adv)(Rs'000)	141068	109946
vi)	Net profit per Employee (Rs'000)	876	292

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

(₹ in '000s)

Particulars	1 to 14 days	15 to 28 days	29 days to 3 months	Over 3 months and upto 6 months	Over 6 months and upto 1 year	Over 1 year and upto 3 years	Over 3 year and upto 5 years	Over 5 years	Total
Deposits	3908167	1409159	4102463	3796517	4216084	23834106	183972	98236	41548704
Advances	1353394	3484	22502	49309	241610	2949041	3888176	12013839	20521355
Investments	419980	0	0	0	412667	195618	902520	9578450	11509235
STDRs	119000	220000	2287000	3705000	5629000	219000	0	2500	12181500
Borrowings	0	0	38750	0	67482	826738	2022462	17304	2972737

8. Exposures – Exposure to Real Estate Sector

(₹ in '000s)

Sl. No	Particulars	Current year Mar 2021	Previous year Mar 2020
a.	Direct exposure		
i)	Residential Mortgages above Rs. 25.00 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. 25 lakh may be shown separately)	1466289	536977
	Up to Rs. 25.00 lakhs	5892018	5368909
ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial 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 Exposure	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.

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
i)	Provision for Income Tax	207070	71516

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.

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 Vadde Jaya Chandra, *Chairman*
 Shri Amal Chandra Sarkar, *General Manager-I*
 Shri Samuel Laiwat Warbah, *General Manager-II*
 Shri Mrigen Chandra Deka, *General Manager (Vigilance)*

(ii) Particulars of related party account transactions:

The following is the summary of significant related party transactions:

(₹ in '000s)

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
Refinance received from State Bank of India		
Interest paid to SBI (Perpetual Bond)	816	1119
Investments made with:		
SBI - in the form of STDRs	1332500	1857500
SBI Fund Management Private Limited (SBI Mutual Fund)	419980	260000
Interest received from SBI (STDRs)	59429	268379
Profit on sale of Investments on SBI (SBI Mutual Fund)	36023	80438
Contributions to Gratuity Fund with SBI Life Insurance Company Ltd.	NIL	NIL
Contributions to Group Leave Encashment Policy with SBI Life Insurance Company Limited	NIL	NIL
Current Account Balance with SBI	494075	209471

(iii) Particulars of Managerial Remuneration:

(Amount in ₹)

	For the year ended 31 st March 2021	For the year ended 31 st March 2020
ShriVadde Jaya Chandra, Chairman	2503674.06	2038257.49
ShriAmal Chandra Sarkar, General Manager-I	2089538.04	1590042.57
ShriSamuel LalwatWarbah, General Manager-II	2147463.57	1665795.52
ShriMrigen Chandra Deka, General Manager (Vig)	2024553.85	841806.98

13. Provisions on Rural Advances

(Amount in ₹)

Sl.No	Particulars	2020-21	2019-20
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	Nil	Nil
d	Closing balance in the Rural Advances Provision Account	Nil	Nil

14. Disposal of Complaints:

A) Customer Complaints:

Sl. No	Particulars	2020-21	2019-20
a	No. of complaints pending at the beginning of the year	25	Nil
b	No. of complaints received during the year	2955	1831
c	Total Complaints	2980	1831
d	No. of complaints redressed during the year	2980	1806
e	No. of complaints pending at the end of the year	0	25

B) Award passed by the Banking Ombudsman:

Sl. No	Particulars	2020-21	2019-20
A	No. of complaints pending at the beginning of the year	1	0
B	No. of complaints received during the year	3	01
C	Total Complaints	4	01
D	No. of complaints redressed during the year	4	0
E	No. of complaints pending at the end of the year	0	01
F	No. of awards passed by Banking Ombudsman	0	0
G	No of awards implemented	Nil	Nil
H	No. of awards pending implementation	Nil	Nil

15. Concentration of Deposits, Advances, Exposures and NPAs

1. Concentration of Deposits

Total Deposits of Twenty largest depositors	380.24crores
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	9.15%

2. Concentration of Advances

Total Advances of Twenty largest Borrowers	54.56crores
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	2.66%

3. Concentration of Exposures

Total Exposure of Twenty largest Borrowers/Customers	434.80crores
Percentage of Exposures to twenty largest Borrowers/Customers to Total Exposure of theBank on borrowers / customers	7.00%

4. Concentration of NPAs

Total Exposure to top four NPA accounts	2.04Cr, 1.78%
--	----------------------

16. Sector Wise NPAs

(₹ in crore)

		Current year Mar 2021			Previous year Mar 2020		
Sl. No.	Sector	Total Advances	Gross NPAs	% to total	Total Advances	Gross NPAs	% to total
	Priority						
1	Agl& allied	389.18	36.64	1.79%	254.48	25.24	1.64%
2	Industries	119.39	7.99	0.39%	78.15	6.09	0.40%
3	Services	403.24	45.27	2.21%	275.66	27.52	1.79%
4	Personal Loans	590.64	23.01	1.12%	541.48	14.62	0.95%
	Sub-total(A)	1502.45	112.91	5.50%	1,149.77	73.47	4.78%
	Non-Priority						
1	Agl& allied	0	0	0.00%	0	0	0.00%
2	Industries	0	0	0.00%	0	0	0.00%
3	Services	0	0	0.00%	0	0	0.00%
4	Personal Loans	549.69	11.60	0.57%	385.66	6.17	0.40%
	Sub-total (B)	549.69	11.60	0.57%	385.66	6.17	0.40%
	Total (A+B)	2052.14	124.52	6.07%	1,535.43	79.64	5.19%

17. Movement of NPAs

(₹ in crore)

Gross NPAs as on 1st April 2020(Opening balance)	79.64
Additions (Fresh NPAs) during the year	73.59
Sub-total (A)	153.23
Less:	
(i) Upgradations	15.89
(ii) Recoveries (excluding recoveries from updated accounts)	5.08
(iii) Write-offs	7.74
Sub-total (B)	28.71
Gross NPAs as on 31st March 2021 (Closing Balance) (A-B)	124.52

18. Disclosure of Provisioning Coverage Ratio (PCR)

As per [RBI Master Circular No. DBOD.No.BP.BC.9/21.04.048/2012-13 dated July 2, 2012](#) the Bank made additional provision of Rs. 2100.00 lakh during the year. The bank now has Provisioning Coverage Ratio (PCR) of 59.59%.

19. Pension Liability Disclosures:

The pension liability is reckoned based on an independent actuarial valuation carried out and Bank makes such initial contributions periodically to the fund as may be required to secure payment of the benefits under the pension regulation.

Disclosures as required vide NABARD circular No. NB. DoS. Pol. HO/ 2533/J-1/2019-20 dated December 12, 2019:

Pension Liability	(Rupees in thousand)	
	Total amount of the liability	Minimum pension liability assessed as on 31.03.2021(60%)
Actuarial Valuation as on 31.03.2021	706612	423967
Amount debited to P&L in the books upto 31st March, 2021		677428
Excess Provision or Amount yet to be provided as at 31 st March,2021.		253461

20. Ex-Gratia Payment Disclosures:

In view of the unprecedented and extreme COVID-19 situation, Government of India (GOI) - Ministry of Finance on October 23, 2020 has approved "Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)" ('Scheme'). As per the Scheme benefits would be routed to customers through lending institutions.

The claim related to the Scheme of grant of ex-gratia payment has been made as per the DFS guidelines. The claim amount has been calculated in conformity with the notification issued by GOI circular no F.No.2/12/2020-BOA.I dated October 23, 2020 and the subsequent FAQ issued by GOI on October 29, 2020 and the amount has been credited to the respective accounts of the eligible borrowers:

(Amount in ₹)

Segments / Classes of Loan	Number of accounts	Claimed Amount – i.e. credited to the borrowers as per the requirements of the scheme.		
		Live	Closed	Total
MSME Loans - TL	5426	2140575	79693	2220268
MSME Loans - CC / OD	7046	2407558	34354	2441912
Education Loan	29	15493	7	15500
Housing Loans	8067	7638360	262642	7901002
Consumer Durable Loans	8602	4007058	99063	4106121
Credit card dues	0			0
Automobile loans	174	131835	876	132711
Personal loans to professionals	2	27265		27265
Consumption Loans	445	190779	1365	192144
Total	29791	16558923	478000	17036923

NOTES TO ACCOUNTS
1. Area of Operations of the Bank:

The area of the operation of the Bank is in eleven districts of the State of Mizoram (Aizawl, Lunglei, Saiha, Lawngtlai, Serchhip, Champhai, Mamit, Kolasib, Saitual, Hnahthial and Khawzawl districts). Financial statements as at the end of the reporting date include assets and liabilities, income and expenses relating to the Bank in all the eleven districts.

2. Details of Gross Advances and Net Advances as on 31st March, 2021:

(₹ in '000s)

Classification	Gross Advances	Net Advances
Standard Assets	19276190	19205977
Sub Standard Assets	736841	503203
Doubtful Assets	430908	0
Loss Assets	77416	0
Total	20521355	19709180

During the year the Bank has fully provided provision on all Doubtful and Loss Assets.

3. Inter Bank Participation Certificate (IBPC):

The Bank has not participated in Inter Bank Participation Certificate during Financial Year 2020-2021.

4. Priority Sector Lending Certificate (PSLC):

The Bank has not sold Priority Sector Advances during Financial Year 2020-21.

5. Depositor Education and Awareness Fund (DEAF) 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:

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
1	Opening Balance of Amount transferred to DEAF	533	533
2	Add: Amount transferred to DEAF during the Year	0	0
3	Less: Amounts reimbursed by DEAF towards Claim	0	0
4	Closing balance of amounts transferred to DEAF	533	533

6. Fixed Assets:

The Bank is in possession of land in the form of a 99 year lease from the Government of Mizoram, located at the new Secretariat Complex, Khatla in Aizawl. The plot of land leased to the bank Plot No. B-21 has an area of 876.31 square meters. Construction of Head Office at the plot is already underway with a total budget of ₹ 20.51crores, duly approved by the Board of Directors. Provision for construction has been made steadily. The contract for construction has been awarded to the PWD Department, Mizoram State Government, also under approval of the Board of Directors.

7. Data Purification and Asset Classification

The Bank is having a seamless system in its Core Banking Solution (CBS) for recognizing and identifying the non-performing assets in accordance with the extant guidelines. Further, the Bank has a system of manual verification for ensuring the correctness of base data fed. Management intends to continue such manual verification to ensure compliance of the Income Recognition and Asset Classification norms and other statutory compliances.

8. Covid 19 Regulatory Package – Asset Classification and Provisioning

(₹ in '000s)

Particulars	31.03.2021
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended	583877
(ii) Respective amount where asset classification benefits is extended	73085
(iii) Provisions made during the Q4FY2020 and FY2021	120297
(iv) (a) Provisions adjusted during the respective accounting periods against slippages.	13681
(b) Provisions adjusted or written back during the respective accounting periods against the residual provisions.	106616

9. Fraud Cases:

Details of Fraud cases are as under:

(₹ in '000s)

Particulars	31.03.2021	31.03.2020
Provision at the beginning of the year	162457	162457
Less: Written off during the year	0	0
Add: Additional provision created during the year	46691	0
Less: Provision reversed during the year	41	0
Provision as at the year end	209107	162457
Number of fraud cases at the year end of the year	26	16

10. Reconciliation:

- Balancing, reconciliation of accounts relating to inter branch deposits and adjustment of transaction between Head Office and Branches has all been reconciled as on 31.03.2021.
- Interest & Income on inter-bank borrowing of funds and/or lent to the Bank has also been reconciled up to 31.03.2021.



- c) Intra-branch deposits and deposits with sponsor bank and balances of borrowings has been reconciled up to 31.03.2021.

11. Profit and Loss Account:

- a) New Transfer Price Mechanism (TPM) model has been followed in order to facilitate centralization of funds.
- b) Interest earned on funds borrowed from Head Office by branches and interest on funds lent to Head Office by branches has been netted off to arrive at the actual interest earned during the year.
- c) Incentives and penalties were levied between Head Office and branches for the funds flow which is netted off to arrive at the actual profit and loss.

12. Consolidation:

- a) In case of un-audited branches returns / data including classification of advances have been adopted on the basis of information available at Head Office.
- b) LFAR in respect of audited branches has been prepared and, consolidation with Head Office has also been prepared.

13. Unexpired Bank Guarantee of '1,96,07,061.48 is fully secured by Bank's on TDR and is not recognized as Contingent Liability

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

As per our report of even date

For **S P A N & ASSOCIATES**
Chartered Accountants
Firm Registration No: 302192E

For Mizoram Rural Bank

Sd/-
(S. PALIT)
Partner
Membership No: 057072

Sd/-
(V. JAYA CHANDRA)
Chairman

Sd/-
(LALHMINGMAWIA SAILO)
Director

Sd/-
(ROHMINGTHANGA COLNEY)
Director

Sd/-
(SEEMA DIKSHIT)
Director

Sd/-
(T. SUDHEER)
Director

Sd/-
(MOHAMMAD UMAR)
Director

Sd/-
(TH HAOKHOLAL)
Director

Place : Aizawl
Dated : 17th May, 2021





LUNCLEI HOME TNT RECORD			
35th MRB Day - November 2021			
MIMINGI BILAU AN CHUAN CHUATUM & SHAN BANKS			
	MRB	SHAN	TT
WORKERS	12	2	14
DAC - I	120	25	125
DAC - II	85	-	85
PANCPAR HUAN	75	38	113
NAUPANC	2	3	5
CHUKA & RECP	21	-	21
TOTAL			383

Formal Banks' Day celebration could not be organised due to Covid pandemic, however donations were given in cash and in kind to the following units:

1. Thutak Nunpuitu Team (TNT) Centres : Aizawl, Lunglei, Kolasib, Champhai
2. Zoram Medical College (ZMC)
3. Association for Voluntary Blood Donation (AVBD)
4. Vanpalai
5. Horeb Retreat Centre
6. Operation Kingdom



1. Basketball court lighting system
2. Water cooler, Projector, Steel Almirah, Computer set to Ephatha Society of Mizoram
3. Water cooler to Chhuanthar P/S
4. Protective mask to customers



Donations under Corporate Social Responsibility (CSR)



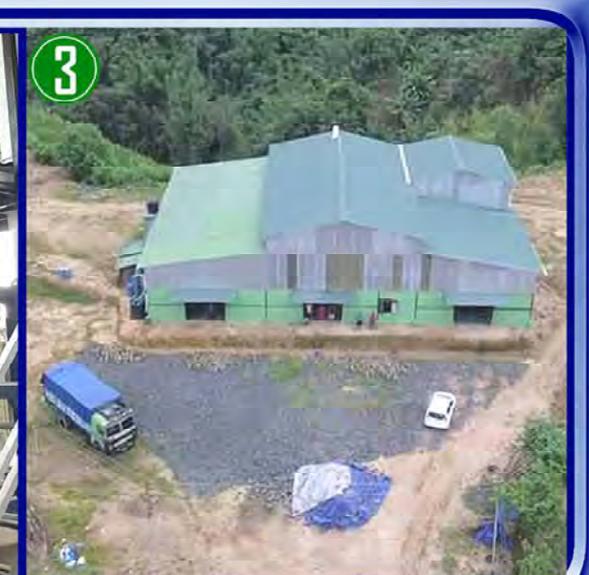
**Customer Service Point - BC Sakhi
Kiosk Banking**

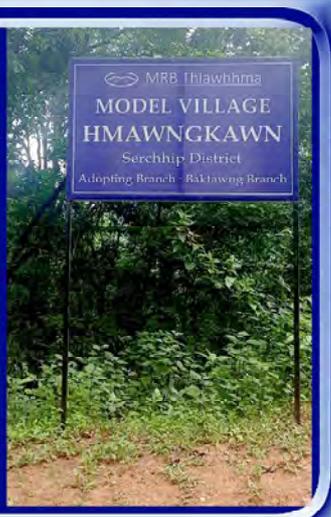




Branch Renovation

1. Trinity Hospital
2. Aqua Plus
(Zikpuii Farm, Lengte)
3. Om Om Modern
Rice Mill







Financial Literacy Campaigns 2020-21
Theme - "Credit Discipline and Credit from formal Institutions"



1. Department Heads Meeting at Board Room.
2. Business Heads Meeting at Head Office
3. Morning Devotion at Head Office
4. Observing the festival Chapchar Kût Head Office Staff Wearing Mizo traditional costume.



Special Commemorative Award
on the occasion of 40th
NABARD Foundation Day

1. Marpara Branch
Date of Opening:
22-07-2020

2. Farkawn Branch
Date of Opening:
21-08-2020



3. Saitual Branch
Date of Opening:
23-10-2020

4. Thingdawl Branch
Date of Opening:
29-01-2021

Four New Branches were inaugurated during FY 2020-21 ensuring largest Bank in the State in terms of branch network.



Sensitization Programme on Doubling Agricultural Credit



**LET'S PLEDGE TO
STAY VIGILANT
FOR A PROSPEROUS INDIA.**

**KAN NGELNGHEH NAN
RINAWMNA
I VAWNG TLAT ANG U.**



**Vigilance Awareness Week is
observed every year pledging
to stay vigilant against corruption.**



**Vigilance Awareness Week
Theme - "Vigilant India, Prosperous India"**



1. Meeting with Recovery & Resolution Agent.
2. Online P Review meeting
3. NPA Recovery drive at Aibawk Branch
4. NPA Manual Released



NPA Management Activities

MIZORAM RURAL BANK : HEAD OFFICE
ZARKAWT, AIZAWL - 796 007, MIZORAM
Phone : 0389 - 2346380 / 2346384 / 2346388 / 2346457
Fax : 0389 - 2346384 / 2346387

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