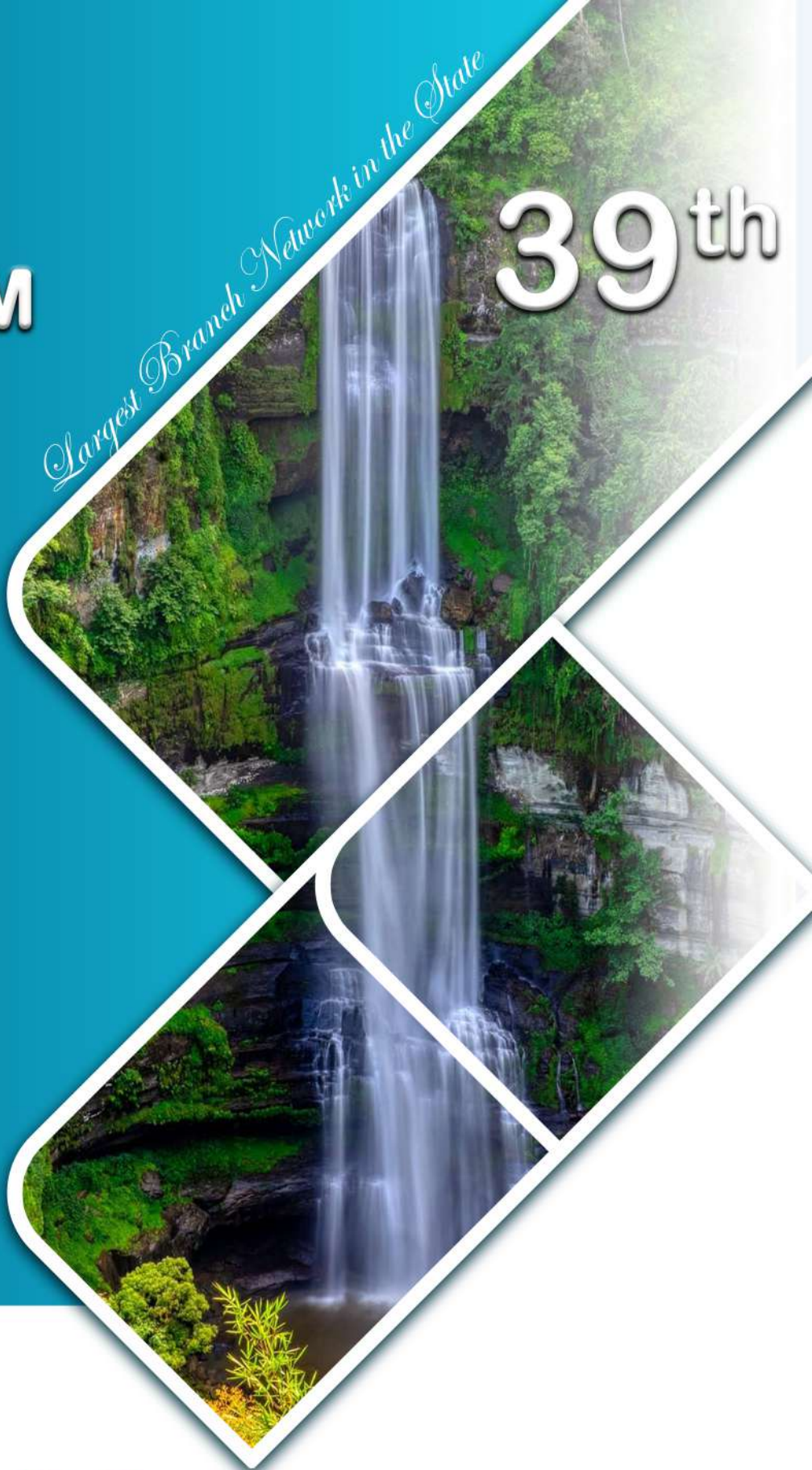




**MIZORAM
RURAL
BANK**

Largest Branch Network in the State

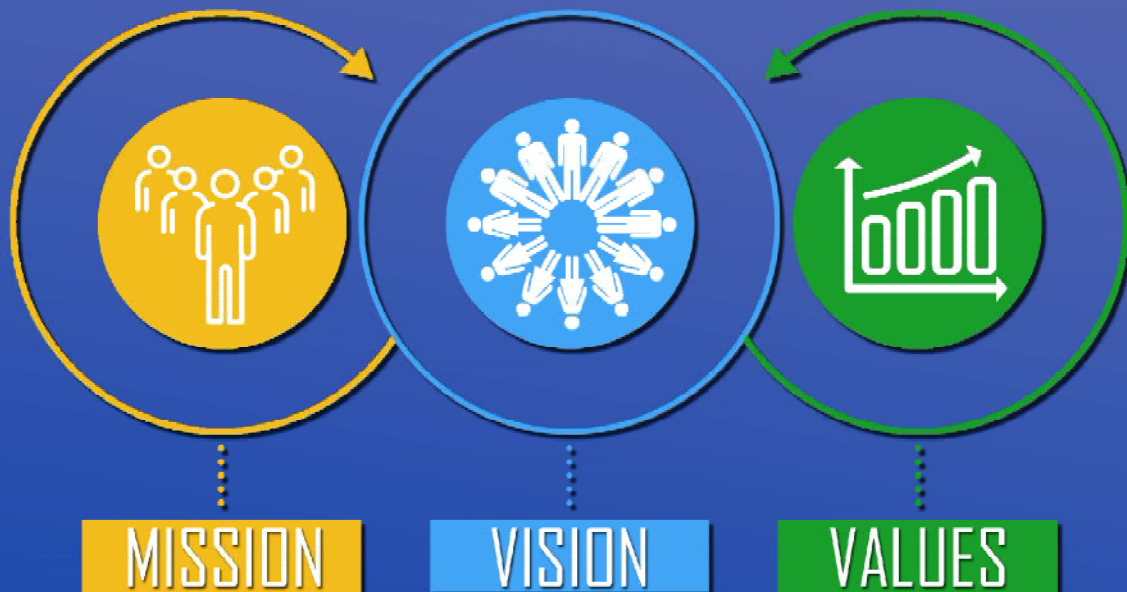
39th



2021-22
ANNUAL REPORT

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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: 31/05/2022

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 2021 to 31st March 2022.

A copy of the audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2022.

A copy of the Auditor's report in relation to the Bank's accounts for the period 1st April 2021 to 31st March 2022.

Yours faithfully,



(V. Jaya Chandra)
Chairman

Geographical Area & Offices

MAP OF MIZORAM
INDICATING BRANCHES OF MIZORAM RURAL BANK

HEAD OFFICE

B-21, MINECO
Khatla,
Aizawl - 796 001
Tel : 0389-2333006/047//045/049/024
E-mail : mrb@mizobank.com
Website : www.mizoramruralbank.in

REGIONAL OFFICES

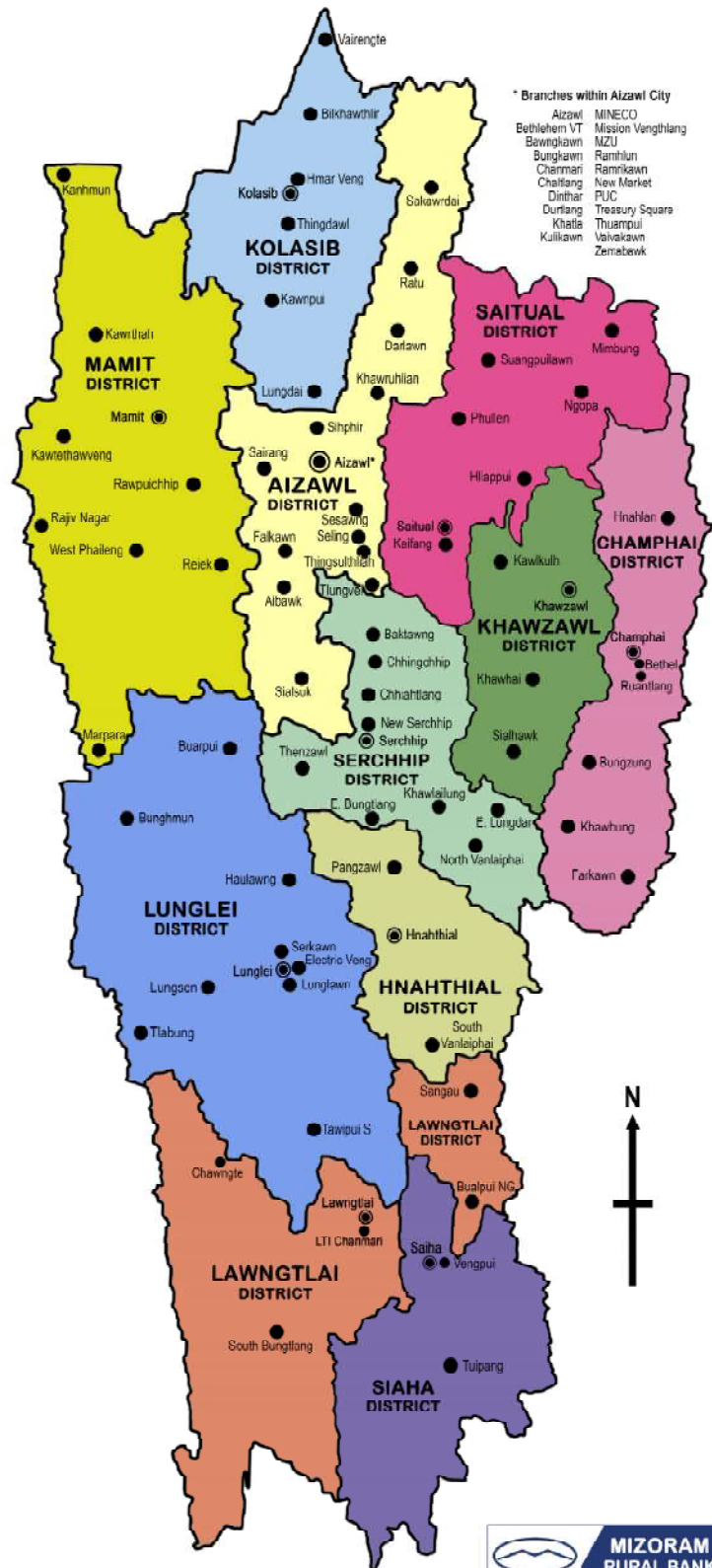
AIZAWL

Regional Office
B-5, BabuTilla,
Zarkawt,
Aizawl - 796 007
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



MIZORAM RURAL BANK									
LIST OF BRANCHES (DISTRICT-WISE) AS ON March 2022									
	BRANCH NAME	CODE	MICR	BSR		BRANCH NAME	CODE	MICR	BSR
AIZAWL DISTRICT					KOLASIB DISTRICT				
1	HEAD OFFICE	1	796805003	1720001	1	KOLASIB	22	796805517	1720022
2	REGIONAL OFFICE	86		1720069	2	KAWNPUJ	4	796805502	1720004
3	AIZAWL	2	796805002	1720002	3	VAIRENGTE	6	796805538	1720006
4	CHALTLANG	49	796805009	1720049	4	BILKHAWTHLIR	5	796805503	1720005
5	CHANMARI	53	796805006	1720053	5	HMAR VENG	43	796805543	1720043
6	DINTHAR	55	796805011	1720055	6	LUNGDAI	27	796805521	1720027
7	DURTLANG	26	796805004	1720026	7	THINGDAWL	92	796805574	172000F
8	KHATLA	47	796805008	1720047	MAMIT DISTRICT				
9	KULIKAWN	56	796805012	1720056	1	MAMIT	41	796805548	1720041
10	NEW MARKET	50	796805010	1720050	2	WEST PHALENG	10	796805507	1720010
11	TREASURY SQUARE	60	796805014	1720060	3	KANHMUN	45	796805534	1720045
12	VAIVAKAWN	52	796805005	1720052	4	KAWRTHAH	40	796805532	1720040
13	RAMHLUN	58	796805013	1720058	5	RAWPUICHHIP	9	796805504	1720009
14	ZEMABAWK	61	796805007	1720067	6	REIEK	21	796805516	1720021
15	BAWNGKAWN	73	796805558	1720074	7	MARPARA	89	796805571	172000C
16	BUNGKAWN	76	796805562	1720078	8	RAJIV NAGAR	96	796805576	172000H
17	SAIRANG	3	796805501	1720003	9	KAWTETHAWVENG	93	796805577	172000I
18	THINGSULTHLIAH	7	796805505	1720007	SERCHHIP DISTRICT				
19	THUAMPUJ	77	796805563	1720079	1	SERCHHIP	23	796805518	1720023
20	PUC	66	796805015	1720072	2	CHHINGCHHIP	8	796805506	1720008
21	BETHLEHEM VENGTHLANG	85	796805017	1720088	3	NORTH VANLAIPHAI	36	796805530	1720036
22	MISSION VENGTHLANG	82	796805016	1720083	4	THENZAWL	28	796805522	1720028
23	RAMRIKAWN	42	796805559	1720075	5	CHHIAHTLANG	64	796805550	1720071
24	SELING	71	796805555	1720062	6	EAST BUNGLANG	79	796805565	1720081
25	FALKAWN	72	796805557	1720084	7	EAST LUNGDAI	14	796805510	1720014
26	KHAWRUHLIAN	35	796805529	1720035	8	NEW SERCHHIP	39	796805544	1720039
27	AIBAWK	11	796805508	1720011	9	BAKTAWNG	83	796805567	1720087
28	SIALSUK	12	796805509	1720012	10	KHAWLAILUNG	81	796805569	1720085
29	SIHPHIR	29	796805523	1720029	LUNGLEI DISTRICT				
30	TLUNGVEL	20	796805515	1720020	1	REGIONAL OFFICE	88		172000B
31	RATU	62	796805536	1720068	2	LUNGLAWN	54	796805545	1720054
32	MINECO	101	796805018	172000L	3	LUNGLEI	24	796805519	1720024
33	MZU	102	796805020	172000P	4	SERKAWN	19	796805537	1720019
34	SAKAWRDAI	87	796805570	172000A	5	HAULAWNG	37	796805531	1720037
35	SESAWNG	84	796805566	1720086	6	LUNGEN	18	796805514	1720018
36	DARLAWN	103	796805580	172000O	7	BUARPUJ	59	796805547	1720059
CHAMPHAI DISTRICT					8	BUNGHMUN	69	796805554	1720066
1	CHAMPHAI	57	796805546	1720057	9	TLABUNG	98	796805578	172000J
2	HNAHLAN	67	796805552	1720064	10	ELECTRIC VENG	99	796805102	172000N
3	KHAWBUNG	44	796805533	1720044	LAWNGTLAI DISTRICT				
4	RUANTLANG	75	796805561	1720077	1	LAWNGTLAI	48	796805541	1720048
5	BUNGZUNG	17	796805513	1720017	2	LAWNGTLAI CHANMARI	74	796805560	1720076
6	FARKAWN	90	796805572	172000D	3	BUALPUJ NG	51	796805535	1720051
7	BETHEL	100	796805019	172000M	4	CHAWNGTE	78	796805564	1720080
SIAHA DISTRICT					5	SANGAU	32	796805524	1720032
1	SIAHA	31	796805542	1720031	6	SOUTH BUNGLANG	65	796805551	1720063
2	TIPA	63	796805549	1720070	KHAWZAWL DISTRICT				
3	VAIHPJ	70	796805556	1720073	1	KHAWZAWL	16	796805512	1720016
SAITUAL DISTRICT					2	KAWLKULH	34	796805526	1720034
1	KEIFANG	46	796805539	1720046	3	KHAWHAI	15	796805511	1720015
2	NGOPA	33	796805525	1720033	4	SIALHAWK	30	796805527	1720030
3	PHULLEN	80	796805568	1720082	HNAHTHIAL DISTRICT				
4	HLIAPPUJ	68	796805553	1720065	1	HNAHTHIAL	38	796805540	1720038
5	SUANGPULAWN	25	796805520	1720025	2	PANGZAWL	13	796805528	1720013
6	SAITUAL	91	796805573	172000E	3	SOUTH VANLAIPHAI	95	796805579	172000K
7	MIMBUNG	94	796805575	172000G					

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 TH Haokholal
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 Durga Dutt
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 Dixit
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 James Lalsiamliana
Director
Department of Agriculture
Govt. of Mizoram



Executive Team



**Shri V Jaya Chandra
Chairman**



**Shri C Ramdinsanga
General Manager
Network - I**



**Shri Samuel Laiwat Warbah
General Manager
Network - II**



**Shri Mrigen Chandra Deka
General Manager
(Vigilance)**

Heads of Departments



Pi Lalchhanhimi
Chief Manager
(Personnel)



Pu Lallawmzuala Renthlei
Chief Manager
(NPA)



Pi Vanlalthumi
Chief Manager
(Vigilance)



Pu P Lalzuiliana
Chief Manager
(Advances)



Pu Clement Lalduhzuala
Chief Inspector
(I & A Cell)



Pu T Hmingthantluanga Tonson
Chief Manager
(Accounts)



Pi Mamta Rai
Manager
(Pension Cell)



Pi Zothansangi Pachuau
Senior Manager
(Compliance)



Pu Lalfakzuala
Manager
(MIS & Planning)



Pu C Vanlaldika
Manager
(IT Cell)



Pi Esther Lalnunpuii
Manager
(Financial Inclusion)



Pi Zorinpuii
Manager
(Cross Selling)

Regional Managers



Pu VL Zahawma
Regional Manager
(Aizawl Region)



Pu R Lalzarzova
Regional Manager
(Lunglei Region)

Our Mentors

Dinesh Kumar Khara
Chairman
State Bank of India
Corporate Centre, Mumbai



Shri Ashwini Kumar Tewari
Managing Director
(IB, T & S)
Corporate Centre, Mumbai

Shri Mihir Mishra
Chief General Manager
(Associates and Subsidiaries)
Corporate Centre, Mumbai





Our Regulator & Supervisor



Shri P Shimrah
General Manager
RBI, Regional Office
Aizawl



Smt. L Leivang
General Manager
NABARD Regional Office
Aizawl

Highlights: 2021-22

- ❖ Total Business of the Bank has reached a level of ₹ 6730.53 crore with a growth of ₹ 523.52 crore @ 8.43% (₹ 6207.01 crore @ 23.80%).
- ❖ Deposits at ₹ 4220.23 crore increased by ₹ 65.36 crore at 1.57% from ₹ 4154.87 crore.
- ❖ CASA at ₹ 2533.66 crore. CASA % stood at 60.04%.
- ❖ Advances at ₹ 2510.30 crore increased by ₹ 458.17 crore at 22.33% from ₹ 2052.14 crore.
- ❖ Net profit increased to ₹ 49.44 crore as on 31.03.22 from ₹ 38.55 crore. Net Profit increased by ₹ 10.89 crore @28.24%.
- ❖ Gross NPA increased to ₹ 132.78 crore (5.29%) from ₹ 124.52 crore (6.07%).
- ❖ Gross NPA % reduced from 6.07% to 5.29%.
- ❖ Net NPAs decreased to ₹ 12.55 crore from ₹ 50.32 crore. Net NPA stood at 0.50% only.
- ❖ Provision Coverage Ratio (PCR) increased from 59.59% as on 31/03/2021 to 90.55% as on 31/03/2022.
- ❖ Cost of deposits decreased to 3.58% as on 31.03.22 from 3.85%.
- ❖ Business per Branch ₹ 67.99 crore, Business per Employee ₹ 14.05 crore.
- ❖ Net Profit per Employee increased to ₹ 10.32 lakh as on 31.03.2022 from ₹ 8.76 lakh.
- ❖ Net worth increased to ₹ 280.55 crore as on 31.03.2022 from ₹ 205.92 crore as on 31.03.2021 @ 36.24%. (23.03%)
- ❖ Reserves increased to ₹ 225.88 crore as on 31.03.2022 from ₹ 174.88 crore as on 31.03.2021 @ 29.16% (28.28%)
- ❖ Return on Assets increased to 0.97% as on 31.03.2022 from 0.83%.
- ❖ Return on Equity decreased to 17.62% as on 31.03.2022 from 18.72%. ROE decreased after receiving Share Capital Deposits of ₹ 23.64 crore.
- ❖ Yield on Advances declined from 10.27% as on 31/03/2021 to 10.21% as on 31/03/2022.
- ❖ Cost to Income Ratio (Expenses Ratio) has decreased to 37.55% from 42.54%.
- ❖ NII was up by 28.95% (26.72%). It increased to ₹ 218.32 crore in 2021-22 from ₹ 169.31 crore.
- ❖ Net Interest Margin (NIM) improved to 4.30% as on 31/03/2022 from 4.08% as on 31/03/2021.
- ❖ Capital Adequacy Ratio at 11.53% as on 31.03.2022 vis-à-vis 9.48% as on 31.03.2021. CRAR up 205 bps YOY. Share capital deposits received amounting ₹ 23.64 crore during the FY has been accounted for CRAR calculation.
- ❖ Credit to Agriculture and Allied Agriculture at ₹ 476.65 crore (₹ 389.19 crore) at a growth rate of 22.48%.
- ❖ Disbursed ₹ 212.49 crore to agriculture.
- ❖ No. of Agriculture borrowers increased to 34293 from previous FY's level of 30595.
- ❖ No. of credit linkage to SHGs increased to 3341. SHG Loan o/s rose by 16.51% to reach ₹ 50.67 crore (₹ 43.49 crore).
- ❖ Total transactions through Bank Mitra increased from ₹ 317 crore to ₹ 431 crore with a growth rate of 35.96%.
- ❖ Total Amount of Cash deposit through Bank Mitra increased from ₹ 141 crore to ₹ 171 crore with a growth rate of 21.28%.
- ❖ Total Amount of Cash withdrawal through Bank Mitra increased from ₹ 148 crore to ₹ 200 crore with a growth rate of 35.14%.
- ❖ During the year 68986 (57251) new ATM cards were issued.
- ❖ Achieved 54157 (29040) new Mobile Banking registrations during the year.
- ❖ 10 new Branches have been opened during the financial year. (2 urban branches, 2 semi urban branches and 6 rural branches).

Note: Figures in brackets pertain to previous FY



Chairman's Message

I feel privileged to present the Annual Report for the fourth consecutive year, along with the Financial Statements of the Bank for the Year 2021-22. The last two years have been most difficult years with the outbreak of Covid-19. Besides having its devastating effects on the healthcare systems of the world and the psyche of the people, the pandemic has left almost all the economies of the world in a bad shape. The continuous lockdowns have massively impacted the economy of the state. In a year when economic conditions were tough, I am proud of the progress we have made as a Bank leading with our values, taking a "people first" approach - prioritising wellbeing and health of workforce while continuing to foster business for advancement.

Despite facing multiple headwinds Mizoram Rural Bank delivered a robust performance in 2021-22 with a growth of ₹ 523.52 Crore at 8.43% in Bank's business, touching ₹ 6730.53 Crore. Deposits have touched an all time high of ₹ 4220.23 Crore and Bank achieved the MoU Budgeted target set by our Sponsor Bank on Advances touching ₹ 2510.30 Cr with a growth of ₹ 458.17 Crore at 22.33%. The Bank had launched a Festival Campaign from 11.10.2021 to 31.12.2021 as a result of which the YOY Housing loan increased by ₹ 156.95 crore @ 21.33% and thereby achieved its Housing Loan target. The share of low-cost Current Account and Savings Account (CASA-Domestic) deposits in total deposits stood at healthy 60.04%. Despite putting ₹ 54 crore in provisions for NPAs, the Bank registered a Net profit of ₹ 49.44 crore vis-a-vis previous FY's figure of ₹ 38.55 Crore. Bank received recapitalisation assistance of ₹ 11.82 crore from GOI and ₹ 11.82 crore from Sponsor Bank respectively during the financial year 2021-22 that resulted in improvement of Bank's CRAR to 11.53%. Bank managed to decrease Cost of Deposits at 3.58% and increase its Net Interest Margin at 4.30%.

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 which have resulted in decreasing our Gross NPA to 5.29% and Net NPA to 0.50%. The Bank settled 456 cases and has settled 6.02 crore under Compromise settlement scheme/OTS/Lok Adalat. With a Provision Coverage Ratio of 90.55% against 59.59% of the previous FY, Bank has achieved the benchmark 75% coverage.

During the year, major reshuffling of portfolios at the administrative and branch level was put in place. This exercise had been undertaken to ensure continuity of the high standards already in place, as well as to present new challenges to personnel in key areas which are done in a manner that allow appropriate time for an effective transition of responsibilities.

While digital is the way forward it is the employees who make the difference. We are making efforts to empower staff with the requisite skill building and enhancement in line with the evolving business requirements. Special focus is being given on imparting skills in different practical aspects of Banking. The Bank has continued to give utmost importance to continuous training of all staff members. During the year, the Bank has organized and conducted several training programmes and provided training to staff members.

Bank is fully committed to taking banking to the remotest parts of the state, with 10 new branches opened during the Financial Year 2021-22, today, over 78 per cent of the Bank's branch are located in rural and semi-urban areas. The Bank also offers last mile access through mobile applications such as BHIM, UPI, Scan and Pay.

The Bank has introduced new digital transformation initiatives during the year. The Bank has launched in-house developed application systems for easy & effective monitoring of data like CSS Monitoring System and Loan Leads Management System. The service of Loan Leads Management System will help the branch to generate leads related to loans and advances online. Bank is now live in CKYC. Specific staff has been assigned the task of uploading CKYC related documents. 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. Mobile Banking and other Alternative Delivery Channels have been popularized widely among our customers, as a result Mobile banking Registration have increased to 4431 during the year, taking the total to 54157. With over 209868 lakhs Active RuPay cards and more than 234 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 8538 customers under APY, 69991 under PMJJBY and 97539 under PMSBY have been enrolled till 31.03.2022. To bring more under-banked sections of the population into formal financial channels, Bank has opened over ₹ 3.70 lakh accounts under the Pradhan Mantri Jan Dhan Yojana (PMJDY) since its inception. Financial Awareness is continued to be spread even to the remotest part of the state through social media and FLCs. 44 Financial Literacy awareness camps were conducted during FY 2021-22 despite the pandemic. The Bank has made its responsibility to society one of its most important agendas. Bank's belief is that businesses should support the communities in which they operate. This year we have expended more than ₹ 134 lakhs under CSR scheme, which are aimed at providing financial services for rural area development, poverty eradication, 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 progress and development of the bank. My sincere thanks to our Board of Directors for their valuable guidance and supports all through the Board meetings.

I thank each and every member of the bank's work force for taking their dedication to new heights this past year as they worked towards meeting and overcoming the challenges and ensured uninterrupted banking services to our consumers when they needed them the most. I take pride in all of you for weathering the storm with your unwavering commitment and support throughout the year, thereby reinforcing my belief in the resilience of our institution. I also thank the customers of our Bank for reposing confidence in our Bank and giving us the opportunity of serving them.

Yours sincerely,



(V. Jaya Chandra)
Chairman

KEY PERFORMANCE OF THE BANK AT A GLANCE

		(₹ in Thousands)		
INDICATORS	2019-20	2020-21	2021-22	
A. KEY PERFORMANCE INDICATORS				
1	No. of District covered	8	11	11
2	No. of Branches	85	89	99
	a) Rural	49	52	58
	b) Semi-Urban	17	18	20
	c) Urban	19	19	21
	d) Metropolitan	-	-	-
3	Total Staff (excluding sponsor bank staff)	456	440	479
	Of which, Officers	232	241	264
4	Deposits	34781251	41548704	42202260
	Growth %	34.03%	19.46%	1.57%
5	Borrowings Outstanding	2876968	2972737	3462067
	Growth %	60.67%	3.33%	16.46%
6	Gross Loans & Advances Outstanding	15354315	20521355	25103019
	Growth %	24.73%	33.65%	22.33%
	Of 6 above loans to Priority Sector	11497669	15024510	17728604
	Of 6 above Non Target Groups	3856646	5496845	7374414
	Of 6 above loans to SC/ST	15354315	20521355	25103019
	Of 6 above loans to SF/MF/AL	2544785	3891753	4766511
	Of 6 above loans to Minorities	32137	38663	53585
7	CD Ratio	44.15	49.39	59.48
8	Investments Outstanding	7919883	11509235	11873714
	SLR Investments Outstanding	7659883	11089255	11482482
	Non-SLR Investments Outstanding	260000	419980	391232

INDICATORS		2019-20	2020-21	2021-22
B. <u>AVERAGES</u>				
9	Average Deposits	30623933	39021489	41376781
	Growth %	30.66%	27.42%	6.04%
10	Average Borrowings	2083525	2923021	3207603
	Growth %	41.20%	40.29%	9.74%
11	Average Gross Loans and Advances	13500922	17245084	22410399
	Growth %	18.13%	27.73%	29.95%
12	Average Investments	6964742	10030908	11884280
	Growth %	3.31%	44.02%	18.48%
	Average SLR Investments as % to Average Deposits	6608908 21.58%	9613418 31.39%	11484846 19.47%
	Average Non-SLR Investments as % to Avg. Deposits	355833 1.16%	417490 1.36%	399434 -4.32%
13	Average Working Funds	35973730	46449446	50719011
C. <u>LOANS ISSUED DURING THE YEAR</u>				
14	Loans Issued during the year	7103574	9867587	9354835
	Amount growth	2663082	2764013	-512752
	Growth %	59.97%	38.91%	-5.20%
	Of 14 above loans to Priority Sector	4502744	6959162	5920029
	Of 14 above loans to SC/ST	7103574	9867587	9354835
	Of 14 above loans to SF/MF/AL	1148060	2450190	2124950
	Of 14 above loans to Minorities	17512	15930	27767
D. <u>PRODUCTIVITY (based on total Business)</u>				
15	Per Branch	589830	697416	679851
	Per Staff	109946	141068	140512

INDICATORS		2019-20	2020-21	2021-22
E.	<u>RECOVERY PERFORMANCE</u>			
16	Total			
	Demand	3070876	4059830	4952993
	Recovery	2667069	3314770	4254610
	Overdue	403807	745060	698383
	Recovery % (June Position)	86.85%	81.65%	85.90%
17	Farm Sector			
	Demand	484558	737148	899321
	Recovery	377730	597145	716574
	Overdue	106828	140003	182747
	Recovery % (June Position)	77.95%	81.01%	79.68%
18	Non-Farm Sector			
	Demand	2586318	3322682	4053672
	Recovery	2289339	2726125	3538036
	Overdue	296979	596557	515636
	Recovery % (June Position)	88.52%	82.05%	87.28%
F.	<u>ASSET CLASSIFICATION</u>			
19	a) Standard	14557923	19276190	23775181
	b) Sub-Standard	392213	736841	714931
	c) Doubtful	304322	430908	493738
	d) Loss	99857	77416	119169
	Total	15354315	20521355	25103019
	Standard Assets as % to Gross Loans & Advances out standings	94.81%	93.93%	94.71%
G.	<u>PROFITABILITY ANALYSIS</u>			
20	Interest paid on			
	a) Deposits	1422433	1502109	1482265
	b) Borrowings	96143	160794	91932
21	Salary (including leave encashment)	324413	404779	447620
22	Other Operating Expenses	334722	384135	413887



INDICATORS		2019-20	2020-21	2021-22
23	Provisions made during the year			
	a) Against NPAs	220000	210000	540000
	b) Other Provisions	571268	470043	398433
	c) Amortization	-	-	-
24	Interest received on			
	a) Loans & Advances	1519562	1771144	2287304
	b) Investments	607617	734946	939768
	c) Others (TDR)	817337	849869	530363
25	Other Income	157616	161416	111079
26	a) Gross Profit	204668	592586	730874
	b) Net Profit	133152	385516	494378
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			
29	Cumulative Provision	579241	741962	1202298
	(a) Against NPAs	60213	70213	80213
	(b) Against Standard Assets			
	(c) Against Intangible Assets Frauds, Wage, Pension, NPS, Covid-19 Moratorium.	376428	398015	292825
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	179	1150	906
	b) Amount	30567	77404	70841
32	Accumulated Loss	Nil	Nil	Nil
33	Reserves	1363319	1748835	2258766

INDICATORS		2019-20	2020-21	2021-22
34	Net Worth	1673701	2059217	2805543
35	Net NPAs	217151	503202	125540
	% Provisions to gross NPAs (PCR)	72.73%	59.59%	90.55%
	% Gross NPAs to advances	5.19%	6.07%	5.29%
	% Net NPAs advances	1.41%	2.45%	0.50%
36	CRAR	9.80%	9.48%	11.53%
37	Market Share			
	a) Deposits	27.68%	29.88%	28.28%
	b) Advances	31.03%	33.86%	35.66%

Mizoram Rural Bank

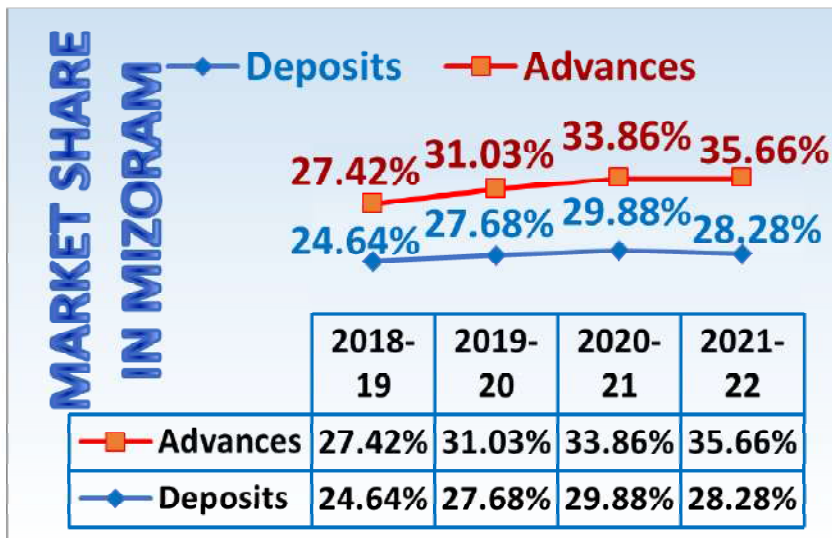
Mizoram Rural Bank was established on 27th September 1983 under the Regional Rural Bank Act 1976 with an authorised capital of ₹ 1 crore and paid-up capital of ₹ 25 lakh. The share capital of RRB is subscribed in the following manner:





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

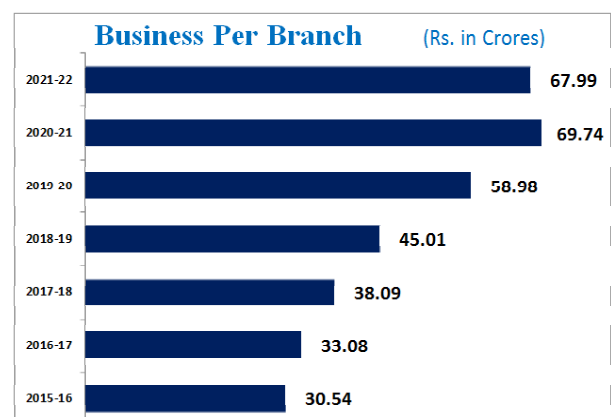
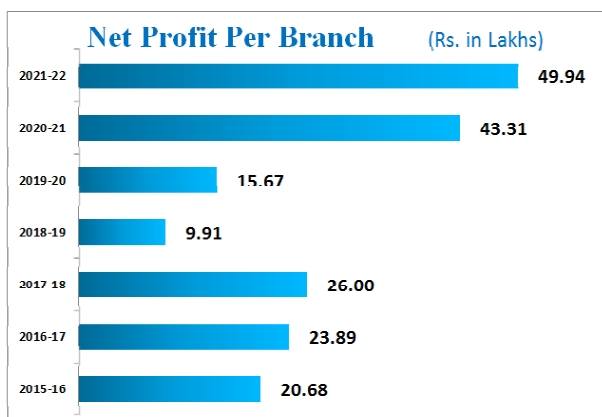
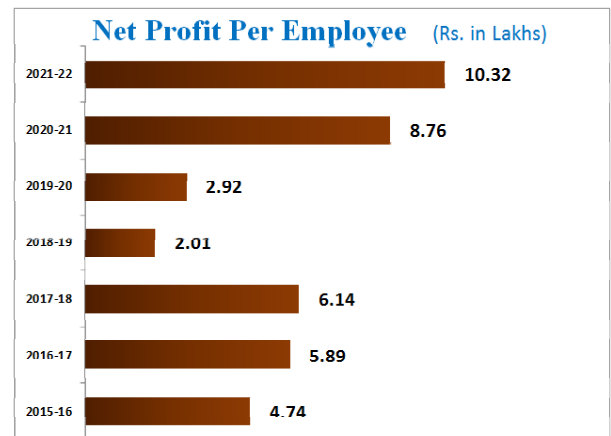
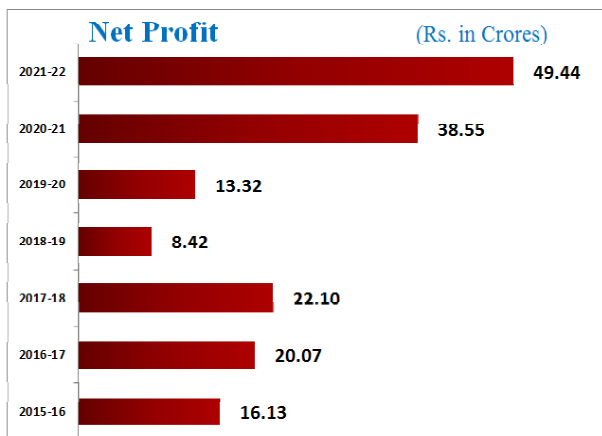
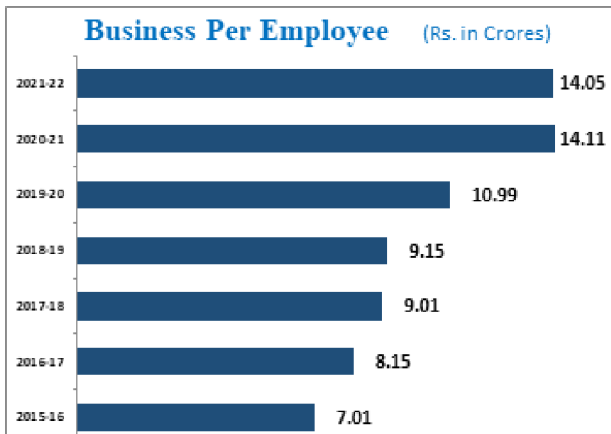
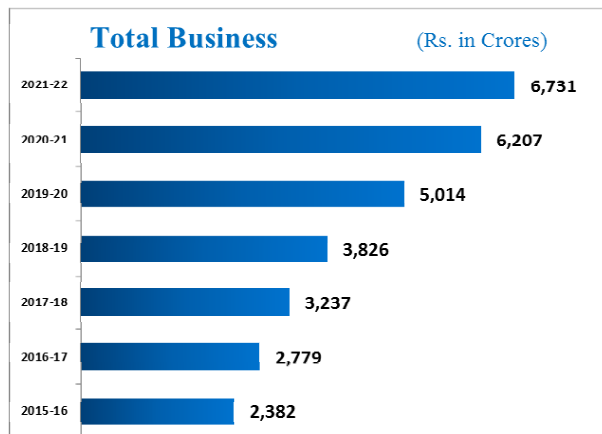
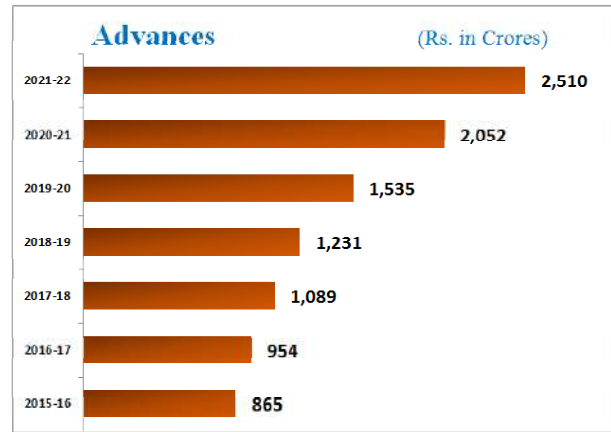
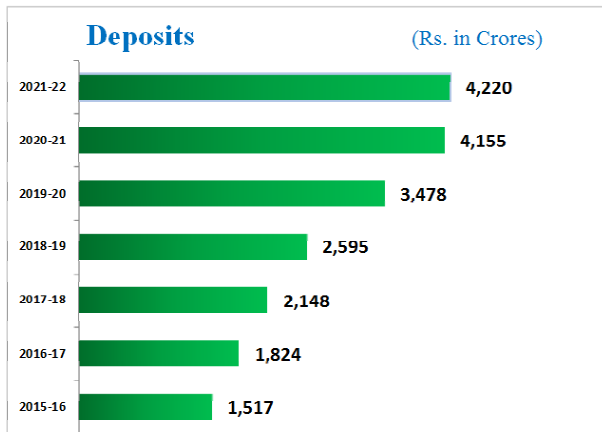
Mizoram Rural Bank with Head Office at Aizawl, Sponsored by State Bank of India is perhaps the only RRB in the state having a spread in all the

districts and blocks of a state, operating in 11 districts and 26 RD blocks with a branch network of 99 comprising of 21 urban, 20 semi urban and 58 rural centers. Of the total Branches 58.58% are in rural areas, which signify the commitment of the Bank towards rural areas.

With 99 branches, it has the largest branch network in Mizoram. The Bank is the Largest Lender of the State and is also the second-largest bank in terms of Deposits in the State next to its sponsor bank, the State Bank of India.



Net Profit	Deposits	Advances	Total Business
 10.89 crore Y-o-Y Growth ₹ 49.44 crore (as on 31.03.2022)	 ₹ 65.36 crore Y-o-Y Growth ₹ 4,220.23 crore (as on 31.03.2022)	 ₹ 458.17 crore Y-o-Y Growth ₹ 2,510.30 crore (as on 31.03.2022)	 ₹ 523.52 crore Y-o-Y Growth ₹ 6,730.53 crore (as on 31.03.2022)



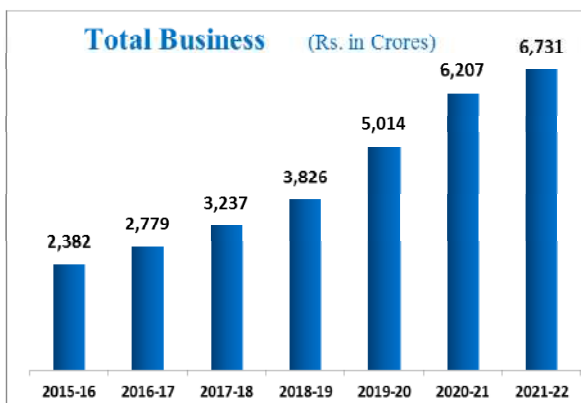
BOARD OF DIRECTOR'S REPORT 2021-22

We have pleasure in presenting the 39th 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 2022.

Business Review

The Bank's business has registered a growth of ₹ 523.52 crore at 8.43% to reach ₹ 6730.53 crore as on 31st March 2022 as against ₹ 6207.01 crore as on 31.03.2021.

12.48% of the business growth of ₹ 523.52 crore was contributed by Deposits and the remaining 87.52% by Loans and Advances with an absolute growth of ₹ 65.35 crore and ₹ 458.17 crore respectively. The distribution of growth between deposits and advances in FY 2020-21 was in the ratio of 56.70% and 43.30%.



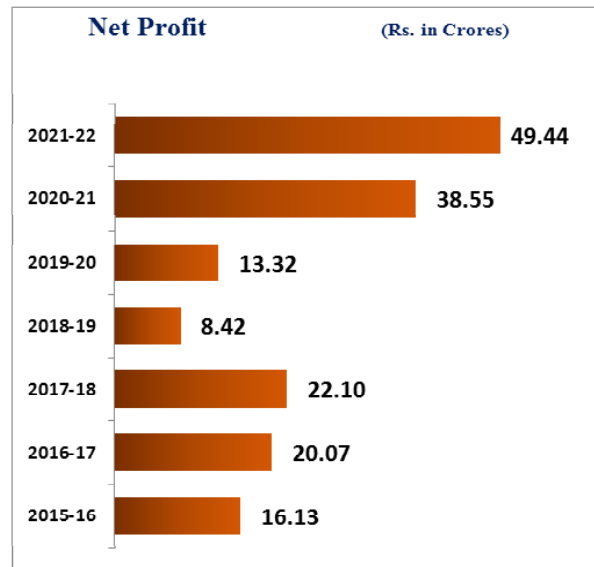
Profit Analysis

The Bank registered a Net Profit of ₹ 49.44 crore for the year 2021-22 as against ₹ 38.55 crore for the previous FY 2020-21. 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.

Interest income increased by ₹ 40.15 Cr. The Bank's total income during the year as on 31.03.2022 stood at ₹ 386.85 crore of which ₹ 228.73 crore was income earned from advances, which is 59.13% of total income.

The Operating profit (before provisions and contingencies) of the Bank stood at ₹ 143.28 crore

as on 31.3.22 vis-à-vis previous FY's figure of ₹ 106.55 crore. The increase of ₹ 36.73 crore (34.47%) in operating profit during this year is quite impressive considering the economic depression caused by the Covid-19 Pandemic.

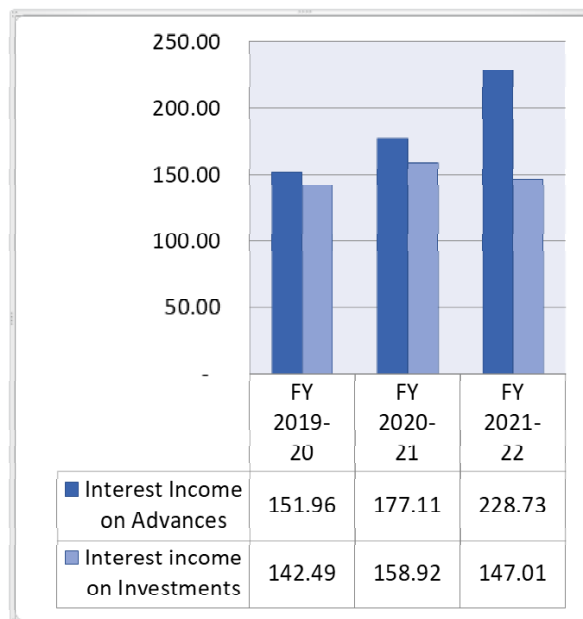
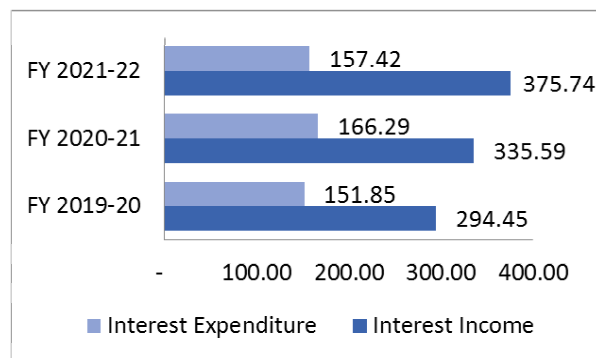


Income and Expenditure

Particulars	2020-21	2021-22	Growth %
Interest Income	335.59	375.74	11.96
Interest Expenditure	166.29	157.42	-5.34
Non-Interest Income	16.14	11.11	-31.16
Gross Profit/Operating Profit	59.25	73.09	23.36
Tax Expenses	20.70	23.65	14.25
Deferred Tax Assets & Earlier Year adjustments (excess)	-	-	-
Provision & Contingencies	47.29	70.19	48.42
Prior period depreciation & amortisation	-	-	-
Net Profit	38.55	49.44	28.25

Net Interest Income

Total interest income earned during the year is ₹ 375.74 crore whereas total interest expenditure is at ₹ 157.42 crore. The net interest income has increased by ₹ 49.01 crore to ₹ 218.32 crore during the year vis-à-vis ₹ 169.31 crore in 2020-21 with a growth rate of 28.95%.



Interest Expenditure

- Interest paid on deposits has decreased to ₹ 148.23 crore from the last FY's figure of ₹ 150.21 crore by 1.98 crore (-1.32 %).
- The Bank has paid ₹ 9.19 crore towards interest on borrowings (refinance from NABARD, NHB and MUDRA) during the year as against ₹ 16.07 crore of FY 2020-21 with a decrease of ₹ 6.88 crore.

Operating expenditure

Operating expenditure has increased by ₹ 7.26 crore (9.20%) to ₹ 86.15 crore in 2021-22 from ₹ 78.89 crore in previous FY 2020-21.

Interest Income

- Interest income increased from ₹ 335.59 crore to ₹ 375.74 crore during the FY with an absolute growth of ₹ 40.15 crore (at 11.96%)
- The Bank has earned an interest income of ₹ 228.73 crore from loans and advances in current fiscal as against ₹ 177.11 crore in 2020-21 with an increase of ₹ 51.62 crore (@ 29.15%).
- The interest income received from investments decreased from ₹ 158.48 crore to ₹ 147.01 crore during the FY with a negative growth of ₹ 11.47 crore (at -7.23%) The interest income received include Interest received from TDR with SBI and NABARD TMB.

Provision for NPAs

The Bank has made a provision of ₹ 54.00 crore on NPAs during the year, taking the total Provisions available on Advances to ₹ 128.25 crore (including cumulative provision of ₹ 8.02 crore on Standard Assets.

(₹ in Crore)

Assets	2020-2021		2021-22	
	O/s	Provision	O/s	Provision
Standard	1927.62	7.02	2377.52	8.02
Sub Standard	73.68	23.36	71.49	58.94
Bad & Doubtful	43.09	43.09	49.37	49.37
Loss	7.74	7.74	11.92	11.92
Total	2052.14	81.22	2510.3	128.25



Ratio Analysis

Ratio Analysis				
S.N	Ratios	2020-21		2021-22
		Amt / Ratio	Amt / Ratio	Change
1	Cost of Deposits	3.85	3.58	-0.27
2	Cost of Funds	3.96	3.53	-0.43
3	Yield on Advances	10.27	10.21	-0.06
4	Yield on Investments	6.54	6.59	0.05
5	CASA	61.07	60.04	-1.03
6	ID Ratio	57.02	50.28	-6.74
7	CD Ratio	49.39	59.48	10.09
8	Business Per Employee (Rs in crore)	14.11	14.05	-0.06
9	Business Per Branch (Rs in crore)	69.74	67.99	-1.75
10	Return on Assets	0.83	0.97	0.14
11	Return on Equity	18.72	17.62	-1.10
12	Provision Coverage Ratio	59.59	90.55	30.96
13	% Gross NPAs to advances	6.07	5.29	-0.78
14	% Net NPAs to advances	2.45	0.50	-1.95
15	Interest income as a percentage to Working Funds	7.22	7.41	0.19
16	Non-Interest income as a percentage to Working Funds	0.35	0.22	-0.13
17	Operating profit as a percentage to Working Funds (Before provisions)	2.29	2.82	0.53
18	Non-earning assets to Total Assets	10.68	9.88	-0.80
19	Operating Margin	1.85	2.78	0.93
20	Financial Return	7.57	7.41	-0.16
21	Financial Costs	3.59	3.10	-0.49
22	Financial Margin	3.98	4.30	0.32
23	Cost of management	2.14	1.70	-0.44
24	Risk Cost	0.57	1.33	0.76
25	Credit Cost	1.37	2.63	1.26
26	Expenses ratio (Cost to income ratio)	42.54	37.55	-4.99
27	Net Interest Margin	4.08	4.30	0.22
28	Leverage Ratio	4.24	5.63	1.39
29	CRAR	9.48	11.53	2.05

Balance Sheet Size

The balance sheet size amounted to ₹ 5140.04 crore with an increase of ₹ 190.18 crore over March 2021 level of ₹ 4949.86 crore.

Capital & Reserves

Authorized Capital:

Pursuant to The Regional Rural Banks (Amendment Act) 2015, the Authorized Capital of the Bank has been raised from 5,00,000 Equity Shares of ₹ 100/- each aggregating to ₹ 5 Crores to 200,00,00,000 Equity Shares of ₹ 10/- each aggregating to ₹ 2000 Crores. The Bank's share capital deposits also stood at ₹ 23,63,95,000.

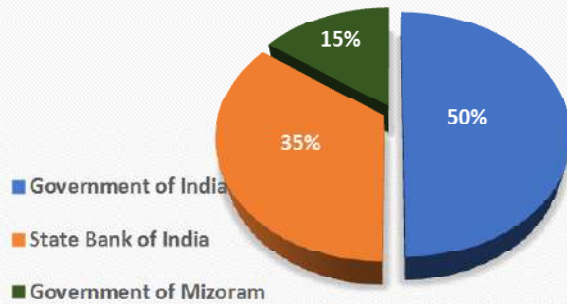
Paid up Capital:

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.

During FY 2021-22, Government of India decided to infuse ₹ 33.77 crore into Mizoram Rural Bank as recapitalization support. Government of India released ₹ 11,82,00,000.00 (₹ 11.82 crore) and Sponsor Bank SBI released ₹ 11,81,95,000.00 (₹ 11.82 crore) recapitalization assistance during the FY 2021-22. The amount received has been kept under "Share Capital Deposits" (Schedule 1 - Capital) head on the liability side till actual allocation of shares, and accordingly Share Capital Deposits has been included in Capital Funds and Investment in Capital by Parent Bank. The same has also been accounted for CRAR calculation. Releasing of Gol and Sponsor Bank's share did not alter the existing sharing pattern of Gol, Sponsor Bank and State Govt. in the ratio of 50:35:15 as stipulated under Section 6(2) of RRB Act. The Bank is yet to receive ₹ 5.07 crore recapitalization assistance from Government of Mizoram and the proportionate share amount from Government of India.

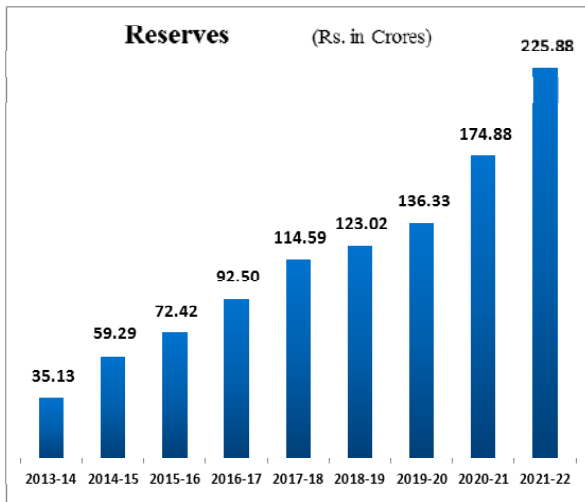
The Reserves increased by ₹ 50.99 crore at 29.16% from ₹ 174.88 Cr as on 31.03.21 to ₹ 225.88 Cr as on 31.03.22. increased by ₹ 38.55 crore at 28.28% from ₹ 136.33 Cr as on 31.03.20 to ₹ 174.88 Cr as on 31.03.21.

Paid up Capital



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

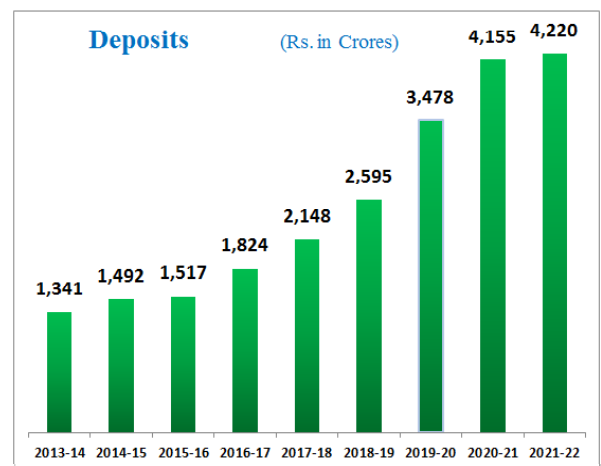
Capital		2020-21	2021-22
1	Tier-I		
	a. Paid up Capital	31.04	31.04
	b. Share Capital Deposit	-	23.64
	c. Statutory Reserves & Surplus	34.98	45.17
	d. Capital Reserves	-	-
	e. Other Reserves	-	-
	f. Spl. Reserve u/s 36(1)(viii) of Income Tax Act 1961	-	-
	g. Surplus in P&L	139.9	180.7
	Total reserves (b+c+d+e+f+g)	174.88	225.87
	Total Tier-I Capital	205.92	280.55
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)	207.65	282.28
3	a. Adjusted value of funded risk assets i.e., balance sheet items	2,191.23	2,447.44
	b. Adjusted value of non-funded risk assets i.e., balance sheet items	-	-
	c. a+b	2,191.23	2,447.44
	d. Percentage of Capital (Tier-I + Tier II) to Risk Weighted Assets	9.48%	11.53%



Net worth

Net worth of the Bank stood at ₹ 280.55 crore with a growth of ₹ 74.63 crore (36.24%) over previous FY's figure of ₹ 205.92 crore.

The Capital Adequacy Ratio stood at 11.53% above the level of minimum 9% stipulated by Dr. K.C Chakravarthi Committee.





Deposits

Deposits registered a growth of ₹ 65.36 crore over March 2021 level. Total deposits as on 31.03.2022 stood at ₹ 4220.23 crore as against ₹ 4154.87 crore as on 31.03.2021.

Deposit Mix

CASA deposits shrank by ₹ 3.86 crore at 0.15% to reach ₹ 2533.66 crore as against ₹ 2537.52 Cr as on 31.3.2022. Term Deposits grew by ₹ 69.21 crore to reach a level of ₹ 1686.56 crore at 4.28% as against ₹ 1617.35 crore as on 31.3.2021.

The share of CASA has slightly decreased from 61.07% (31.03.2021) to 60.04% as on 31.03.2022.

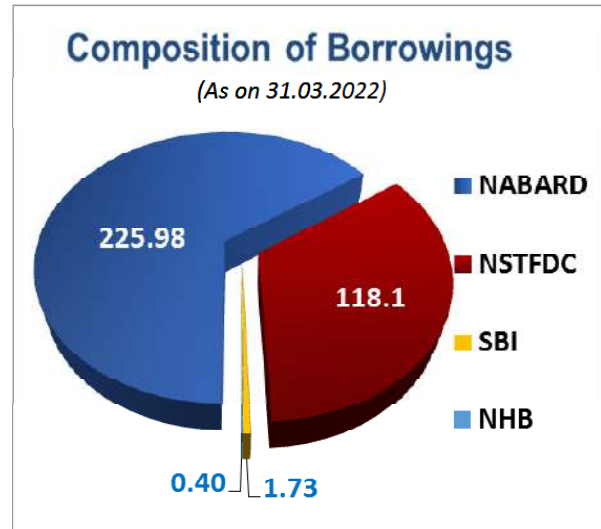
(₹ in Crore)

Deposit mix	2019-20	2020-21	2021-22
Current A/c	102.84	139.57	100.66
Growth	2.04	36.73	-38.91
Growth %age	2.03	35.71	-27.88
Savings Bank A/c	1973.87	2397.95	2433
Growth	417.16	424.07	35.05
Growth %age	26.8	21.48	1.46
Total CASA	2076.72	2537.52	2533.66
Growth	419.22	460.8	-3.86
Growth %age	25.29	22.19	-0.15
Term Deposits	1401.41	1617.35	1686.56
Growth	463.86	215.94	69.21
Growth %age	49.48	15.41	4.28
Total deposits	3478.13	4154.87	4220.23
Growth	883.08	676.75	65.36
Growth %age	34.03	19.46	1.57



Borrowings

(₹ in Crore)



The aggregate borrowings of the Bank as on 31st March 2022 stood at ₹ 346.21 crore whereas it was ₹ 297.27 crore as on 31st March 2021.

(₹ in Crore)

Institution	2020-21	2021-22	Variance
NABARD	191.97	225.98	34.01
NSTFDC	100.3	118.1	17.8
NHB	3.07	-	-3.07
SBI	1.73	1.73	0
NHB	0.2	0.4	0.2
TOTAL	297.27	346.21	48.94

Assets

Investments

(₹ in Crore)

INVESTMENT	2020-21	2021-22
SLR	1108.93	1148.25
Growth	342.94	39.32
Growth %	44.77	3.55
Non-SLR (including TDR with other Banks)	1260.14	973.62
Growth	-129.61	-286.52
Growth %	-9.32	-22.74
TOTAL INVESTMENT	2,369.07	2,121.87
Growth	213.33	-247.2
Growth %	9.89	-10.43

Investments

Total investments portfolio – both SLR and Non-SLR of the Bank stands at ₹ 2121.87 crore.

INVESTMENT	2020-21	2020-22
SLR	1108.92	1148.24
Non- SLR	1260.14	973.62
TOTAL INVESTMENT	2,369.07	2121.87

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 ₹ 176.43 crore in CRR and ₹ 1148.24 crore in SLR as on 31.03.2022.

Credit Portfolio

The credit portfolio of the Bank rose by 22.33% to ₹ 2510.30 crore during the financial year ended 31.03.2022 from the previous year level of ₹ 2052.14 crore, thus showing an absolute growth of ₹ 458.16 crore as against the target of ₹ 369.38 crore.

Credit to Agriculture

Total credit to agriculture and allied activities including agriculture-portion of SHG lending, stood at ₹ 476.65 crore as on 31.03.2022 as against ₹ 389.18 crore as on 31.03.2021 with a growth of ₹ 87.48 @ 22.48%. Total number of Bank's borrowers in Agriculture sector has increased to 34293 vis-a-vis 30595 in FY 2020-21. The Bank has disbursed ₹ 212.50 crore to agriculture sector during the year.

Total credit to agriculture and allied activities constitutes 18.99 % of the total credit portfolio as on 31.03.2022 vis-à-vis 18.96 % 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 ₹ 8.13 crore to the JLGs as on 31.03.2022, taking the total JLGs financed to 507. During the financial year 2021-22, 231 JLG groups were financed amounting ₹ 4.97 crore as compared to 29 groups financed amounting ₹ 1.31 crore during the previous FY 2020-21.

Kisan Credit Card System

We have issued 18642 KCCs as on 31.3.2022 with an outstanding credit of ₹ 220.83 crore as against previous FY level of 14340 KCCs for ₹ 153 crore with a Year-on-Year (YoY) growth rate of 44.33%.

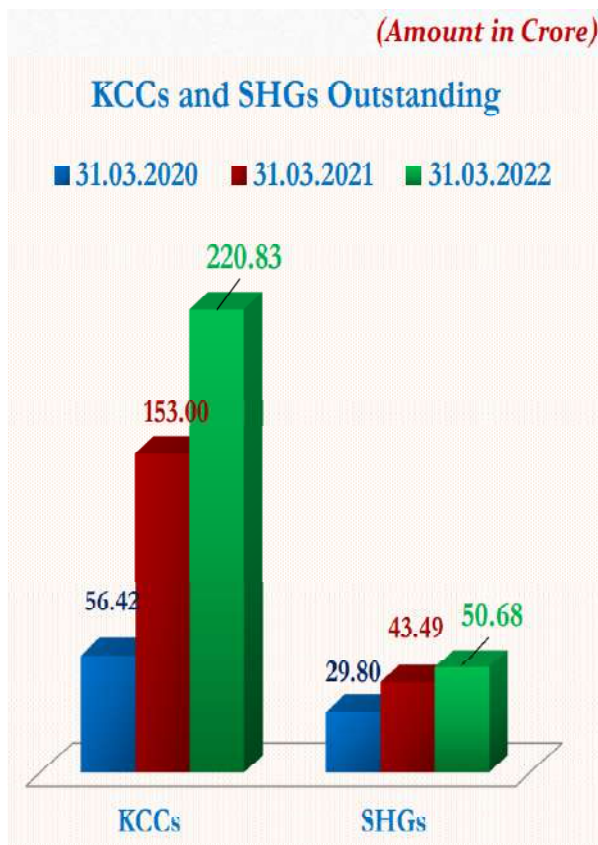
During the year 2021-22, we have disbursed an amount of ₹ 106.50 crore to 6668 KCC card holders.

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 & to all AH&Fisheries up to ₹ 2.00 lakh and accordingly claimed & received 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 2021-22.

Interest Subvention for Other Gov't Sponsorship Schemes

- PMAY-CLSS:** ₹ 6.18 crores has been claimed and received by the borrowers during the FY 2021-22.
- PM-SVANIDHI:** Our Bank has claimed & received ₹ 0.8 lakh and has been received by the borrowers.
- MUDRA - SHISHU:** One time 2 % interest subvention for a duration of 12 months (1.06.2020 to 31.05.2021) for all Standard PMMY Shishu Accounts as on 31st March 2020 has been introduced by the Gov't due to the spread of Pandemic Covid-19. ₹ 8.06 Lakh has been claimed and received by the borrowers.



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 3341 Self Help Groups with an outstanding portfolio of ₹ 50.68 crore as on 31.03.2022 as against previous year's level outstanding credit of ₹ 43.49 crore to 3320 SHGs.

The total loans outstanding under SHG segment has increased by ₹ 7.19 crore at a growth rate of 16.53% during the year 2020-21 against previous year growth of ₹ 13.69 crore (@45.95%).

The Bank has disbursed ₹ 30.19 crore to 1094 Groups during the year as against ₹ 32.77 crore disbursed to 1969 SHGs during the previous year.

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.

We have received interest subvention claim for an amount of ₹ 31.41 Lakh towards 5.5% interest subvention for 2020-2021. An amount of ₹ 10.93 towards additional interest subvention at 3% for prompt repaying SHGs during the year 2020-2021 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 ₹ 33.71 Lakh towards 5.5% interest subvention and ₹ 16.23 Lakh towards additional interest subvention at 3% for prompt repaying loanees from the GOI during the year 2021-22.

PM Social Security Schemes	FY 2020-21	FY 2021-22
Total PMJJBY and PMSBY Premium paid/collected	1.56 Cr.	1.89 Cr.
PMJJBY & PMSBY Claimed	2.90 Cr.	3.01 Cr.
No of Beneficiaries	145	151

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 ₹ 69.44 Lakh was claimed & received during the year.

Margin Money under PMEGP

During the year 2021-2022, we have received ₹ 7.64 Crore 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 86.39% of total advances as on 31.03.2022. In absolute terms, total priority sector lending stood at ₹ 1772.86 crore as on 31.03.2022 as against ₹ 1502.45 crore as on 31.03.2021. There is a growth of ₹ 270.41 crore @ 18%.

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

Scheme	Outstanding		Disbursement	
	as on 31.3.22		during FY 2021-22	
	No. of A/cs	Amount	No. of A/cs	Amount
PMEGP	1498	3145.45	560	1851.57
NRLM	2575	4198.93	1034	2809.06
NULM	876	1144.78	130	282.44
PMAY	1492	8935.12	334	1626.47
NHFDC	20	19.2	15	29.5
SGSY	35	28.31	0	-
PMSVANIDHI	161	19.08	108	19.32
ECL	328	138.86	8	57

outstanding under Govt. Schemes/Special Scheme as on 31.03.2022 is as under.

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 Guarantee Schemes (CGTMSE & CGFMU)

Our bank has become a member of CGTMSE (Credit Guarantee Trust Fund For Micro & Small Enterprise) and CGFMU (Credit Guarantee Fund for Micro Units). These two institutions provide credit Guarantee for Loans Upto a Maximum limit of ₹ 50 Lakh (for RRBs).

Our Bank has been taking Credit Guarantee from them by paying applicable fees.

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, Agreement and Campaigns.

During the FY 2021-2022, our Bank had:

- i) Introduced 3 new loan products such as PM-Svanidhi Second Tranche, ABL, and COVID-19 Personal Loan to help various people from different backgrounds to sustain their respective activities and to meet the emergency needs during COVID-19 pandemic.
- ii) Signed a tripartite Agreement with NABARD and Angel Business Promoters on 8th February 2022 to enhance the prospect for eligible applicants and to increase our Loan Portfolio in JLG Financing.

iii) 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 vide Restructuring Framework 2.0.

iv) SHG Campaign has been organized in collaboration with MzSRLM during the period 1st July 2021 to 30th September 2021 to sanction maximum loans to eligible SHG in the State. Incentive award had been received by target achieved Branches during the campaign.

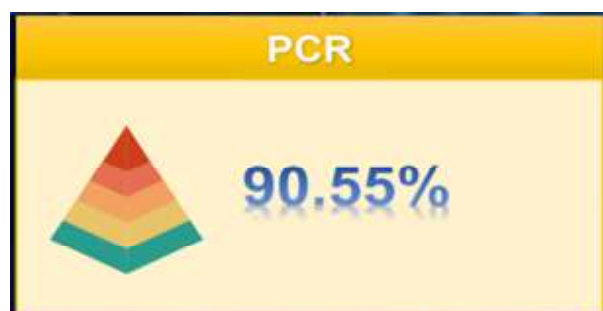
v) Organized Festival Campaign on Personal advances portfolio from 11.10.2021 to 31.12.2021 to increase Personal segment advances. During the Campaign period 33 Branch and 1 Office has achieved their target and are awarded with big Prizes.

vi) NABARD Regional Office Aizawl has organized Award function for best SHGs/JLGs and Financing Branches for FY 2020-2021 in November 2021. In this award function 3 SHGs and 1 Branch from our Bank has received the award.

Participation in State Credit Plans

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

ANNUAL CREDIT PLAN 2021-22				
Particulars	Achieve- ment as on 31.03.2021	Target for FY 2021-22	Achieve- ment up to 31.03.2022	% of target achieve- ment
	PRIORITY SECTOR			
Agriculture	245.02	291.51	212.49	72.89%
MSME	302.73	291.84	225.48	77.26%
Other Priority Sector	148.17	114.8	147.13	128.17%
Total Priority Sector	695.92	698.15	585.1	83.81%
NON-PRIORITY SECTOR				
Non-Priority Sector	290.84	305.46	350.38	114.71%
TOTAL ADVANCES	986.76	1,003.61	935.48	93.21%



Sector-wise Advances							
(Rs. in Crores)							
Sr. No	Sector	Current Year 31.03.2022			Previous Year 31.03.2021		
		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	476.65	36.56	1.46%	389.18	36.64	1.79%
2	Industries	132.67	9.89	0.39%	119.39	7.99	0.39%
3	Services	590.71	45.73	1.82%	403.24	45.27	2.21%
4	Personal	632.83	22.90	0.91%	590.64	23.01	1.12%
	Sub-total (A)	1772.86	115.09	4.58%	1502.45	112.91	5.50%
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	737.44	17.70	0.71%	549.68	11.60	0.57%
	Sub-total (A)	737.44	17.70	0.71%	549.68	11.60	0.57%
C	Total (A+B)	2510.30	132.78	5.29%	2052.14	124.52	6.07%

Asset Quality – Management of Non-Performing Assets

Though the Non-Performing Assets increased by ₹ 8.26 Crores from ₹ 124.52 Crores as on 31st March 2021 to ₹ 132.78 Crores as on 31st March 2022, Gross NPAs as a percentage to total advances has decreased from 6.07% as on 31.03.2021 to 5.29% as on 31.03.2022. Net NPAs (as a percentage to Net advances) has decreased from 2.45% to 0.50%. In absolute terms, Net NPAs decreased from ₹ 50.32 Crores to ₹ 12.55 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:

(₹ in lakh)

Action	A/cs	Amt
Demand Notice 13(2) issued	329	4394.11
Demand Notice 13(4) issued	57	652.25
Possession taken	11	273.29
Auctioned	0	0
Regularized	92	1743.82

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

(₹ in lakh)

Action	Cases	Amt
Suit filed	21	25.17
Decreed	0	0
EP Filed	8	10.25
Recovery after filing suits	5	3.03

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. 2021-22, 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, 335 cases for an amount of ₹ 4.24 Crores were settled in Lok Adalat

Compromise settlement

Our Bank has recovered a good sum of amount from NPA accounts during the year 2021-22 under compromise settlement.

Summary of settlement through Compromise settlement:

(₹ In lakh)

Compromise	2020-21	2021-22
No of A/Cs	149	121
Amount in lakh	167.69	152.07

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. High Value Advances Accounts (SMA and NPA) with a limit of ₹ 25 lakh and above are closely monitored by NPA Cell at Head Office and action taken/proposed to be taken on these accounts are submitted by branch on a monthly basis.

4. 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.

5. 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.

6. Recovery Agent and Resolution agent are engaged for pursuing chronic NPA borrower and SARFAESI compliance NPA respectively.

7. One Time Settlement Scheme was implemented for NPA borrowers resulting in settlement of 143 NPA accounts during the financial year.

8. NPA Information System (NaiS), developed in-house, was introduced for effective and efficient

monitoring of NPA from both Controlling office and branch level.

9. NPA Management Policy (Revised) 2021 and included Removal of Accounts in AUCA.

(₹ in crore)

Assets	2020-21		2021-22	
	O/s	%	O/s	%
Standard	1927.62	93.93	2377.52	94.71
Sub Standard	73.68	3.59	71.49	2.85
Bad & Doubtful	43.09	2.10	49.37	1.97
Loss	7.74	0.38	11.92	0.47
Total NPAs	124.52	6.07	132.78	5.29
Total Advances	2052.14	100	2510.30	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.

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

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

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

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

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 61 branches have fallen due for Audit and 60 branches have been audited. Ratings acquired by 60 branches are as under:

Rating	Out of 60 Branches audited during 2021-22
Well Controlled – A+	14
Adequately Controlled - A	46
Moderately Controlled - B	-
Unsatisfactorily Controlled - C	-
Total	60

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 49 Audit Reports which have fallen due for closure during the year, 43 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 26 branches along with our Head Office with the help of three Concurrent Auditors. We empanelled five (5) retired Bank Officials and engaged a Chartered Accountant Firm 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 27 Bank Mitras' transactions during the current Financial Year.

Compliance Audit

Compliance Audit was conducted at 15 branches which is 25% of Audited branches during this year and more than the stipulated instruction of 15%.

SNAP Audit

Inter-branch cash verification and Snap Audit has been carried out at quarterly intervals at all branches during the CFY

IS Audit

IS Audit has been conducted on 29th July, 2021 with the help of DISA qualified personnel.

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 during the CFY. It was conducted during 14.12.2021 to 16.12.2021. The Bank has been awarded 'A-' rating and acquired 66.71% out of total marks.

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

NABARD Inspection has been conducted during 21.09.2021 to 04.10.2021. The Bank has been awarded 'B+' rating and acquired 66.29% out of total marks.

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
28. Vacation Policy

29. Risk Management Policy
30. Policy on General Management of Branches
31. Record Retention Policy
32. Policy on Empanelment of Advocates
33. Depreciation 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

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:

**During the FY
2021-22 we
received Share
Capital Deposit
of: ₹ 11.82 crore
from GOI and ₹
11.82 crore
from Sponsor
Bank SBI**

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

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 engages the services of Corporate BC (CAISIAS Research & Consultant, Evergreen Outreach Private Ltd and CSC-E Governance) who in turn engage the Kiosk operators for running the customer service points (CSPs). The Bank also signed an agreement with MzSRLM for engagement of SHG-BC. Under the Corporate BC, there are 234 Customer Service Points, equipped with micro ATMs, operating in 210 villages which do not have a formal banking outlet of any Bank.

Out of 272 RBI allotted 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:

- Account opening
- Cash withdrawal and deposit through Kiosk
- Receipt of loan instalments
- Rupay Debit card transactions
- Transfer / Remittance
- Balance Enquiry
- Sourcing of PM Social Security Schemes.

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 2021-2022, no. of SB Accounts opened by Bank Mitras is 1297 and the number of transaction summed to 692781.

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.

The Bank mobilised 1650 new APY enrolments during the FY 2021-22 which is 23.95% increased from the previous FY.

Financial Inclusion – Social Security Schemes (PMJJBY, SBY & 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 69991 customers under Pradhan Mantri Jeevan Jyothi Bima Yojana till FY 2021-2022.

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 97539 customers under Pradhan Mantri Suraksha Bima Yojana till FY 2021-2022.

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 will be the primary KYC and all Bank Account holders aged between 18-40 years are eligible for enrolment. Total of 8538 enrolments were mobilised under Atal Pension Yojana (APY) till FY 2021-2022 with the active participation of the 99 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. .

Financial Literacy Week was observed during 14-18th February using the theme- "Go Digital, Go Secure". 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 which is extended to March 2022 due to Pandemic. MRB Model Village Scheme phase - II will cover another 11 villages from June 2022 onwards. The following villages are selected as "Model Village" and 11 Branches are selected to implement the scheme. The model villages selected are:

- 1) Hmawngkawn - (Baktawng Branch)
- 2) Darzo - (Hnahthial Branch)
- 3) Hortoki - (Kawnpui Branch)
- 4) Dungtlang - (Khawbung Branch)

- 5) New Chalrang - (Khawhai Branch)
- 6) Paithar - (Lawngtlai Chanmari Branch)
- 7) Zawlpui - (Lungsen Branch)
- 8) Lamzawl - (Ngopa Branch)
- 9) Sailutar - (Ratu Branch)
- 10) Chungtlang - (Reiek Branch)
- 11) Tipa - B (Tipa Branch)

Bank had expended ₹ 40.75 Lakh for CSR Activities in the model villages, during the FY 2021-2022.

Performance Highlights of Model Villages upto 31.03.2022 are as under:

Sl. No.	Branch Name	Village Name	No. of Household	No. of New Savings A/c Opened	No. of New PMUDY A/c Opened	No. of Social Security Schemes	No. of SHK Formed	No. of JLG Formed	No. of FLC Conducted	Total Amt. of Loan Sanctioned (in Lakh)
1	Ratu	Sailutar	111	22	37	99	1		2	30
2	Reiek	Chungtlang	100	13	10	100	0		4	10
3	Kawmpui	Hortoki	522	30	257	209	5		2	52
4	Ngopa	Lamzawl	77	48	4	85	0		4	13.03
5	Khawhai	New Chalrang	120	29	19	123	4	0	1	133
6	Khawbung	Dungtlang	210	53	10	157	5		2	208
7	Baklawng	Hmawngkawn	33	16	0	2			2	30
8	Lungsen	Zawlpui	268	50	0	22	0	0	1	34.5
9	Hnahthial	Diarzo	322	50	220	30	7	11	2	34.5
10	Lawngtlai Chanmari	Paithar	122	23	12	311	5	0	3	133
11	Tipa	Tipa B	140	33	41	109	2		6	220

Corporate Social Responsibility Initiatives/ Activities

Corporate Social Responsibility in Indian Banking sector aimed towards addressing the financial inclusion, providing financial services to the unbanked and untapped areas, the socio – economic development of the country by focussing on the activities like poverty eradication, promotion of gender equality, health and medical care, promotion of training to rural sports, rural area development etc.

Being committed to the well-being of the society, our bank through its CSR activities impacted a large number of beneficiaries and expended ₹ 1.34 Cr during the FY 2021-2022.

Bank Mitra

- Total transactions through Bank Mitra increased from ₹ 317 cr in 2020-21 to ₹ 431 cr in 2021-22 with an increased percentage of 35.96%
- Total Amount of Cash deposit through Bank Mitra increased from ₹ 141 cr in 2020-21 to ₹ 171 cr in 2021-22 with a increased percentage of 21.28%
- Total Amount of Cash withdrawal through Bank Mitra increased from ₹ 148 cr in 2020-21 to ₹ 200 cr in 2021-22 with a increased percentage of 35.14%.

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 ₹ 799.35 lakh and earned a commission of ₹ 43.46 lakh during the FY 2021-22.

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 ₹ 175.49 lakh and earned a commission of ₹ 21.72 lakh during the FY 2021-22.

Reliance General Insurance Company Ltd

The Bank mobilized a business premium of ₹ 60.01 lakh and earned a commission of ₹ 8.21 lakh during the FY 2021-22.

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 2021-22 Bank has achieved significant momentum in adoption of Alternate Delivery channels:

i) Mobile Banking registrations:

During the year 54157 new customers registered in our Mobile Banking platform.

ii) ATM Cards issued:

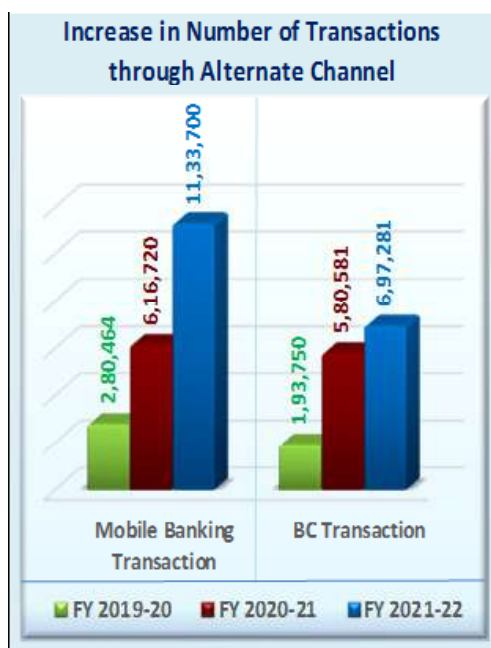
During the year 68986 new ATM cards were issued.

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)



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.

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.

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 are studied and the steps are initiated to improve the accuracy of the system identification.

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.

Serverless Migration (Bancedge)

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.

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

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.

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.

In-house software development

Bank has also developed in-house numerous IT tools in the past 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:

- ❖ 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.
- ❖ Daily backup of all report submitted.
- ❖ 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
- ❖ Intranet-based e-Circular.
- ❖ Centralized Document Storage System

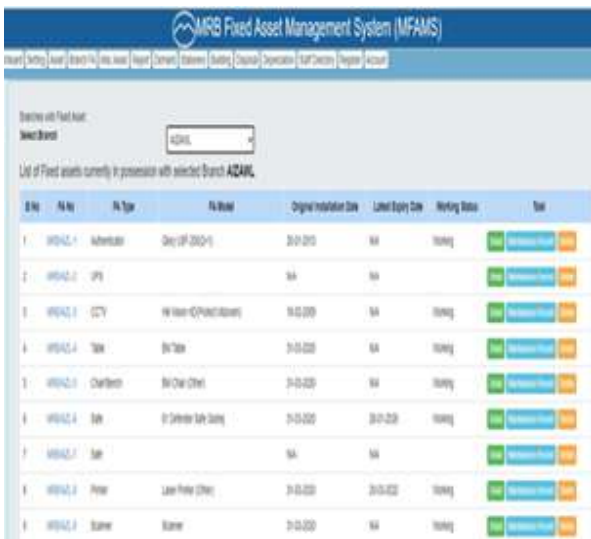
Some of the key in-house IT initiatives taken up during the year are listed below:

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



S No	As No	As Type	As Name	Original Installation Date	Latest Expiry Date	Working Status	Fee
1	MFAS2.1	Advertisement	One (1P) 2021/1	31-01-2021	NA	Working	10000000
2	MFAS2.2	IPB		NA	NA	Working	10000000
3	MFAS2.3	CTV	18 Year (1P) 2021/1	31-03-2021	NA	Working	10000000
4	MFAS2.4	Table	30 Table	31-03-2021	NA	Working	10000000
5	MFAS2.5	Chair/Bench	30 Chair (200)	31-03-2021	NA	Working	10000000
6	MFAS2.6	Van	01 Canter Van Daily	31-03-2021	31-03-2021	Working	10000000
7	MFAS2.7	Van		NA	NA	Working	10000000
8	MFAS2.8	Motor	100 Motor (200)	31-03-2021	31-03-2021	Working	10000000
9	MFAS2.9	Staircase		31-03-2021	NA	Working	10000000

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.



Card Title	Actual	Target	Variance
Jan Daily	10000	10000	0
Feb Daily	10000	10000	0
Mar Daily	10000	10000	0
Apr Daily	10000	10000	0
May Daily	10000	10000	0
Jun Daily	10000	10000	0
Jul Daily	10000	10000	0
Aug Daily	10000	10000	0
Sep Daily	10000	10000	0
Oct Daily	10000	10000	0
Nov Daily	10000	10000	0
Dec Daily	10000	10000	0

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:

- List of NPA accounts with reason for becoming npa/stressed can be generated for/by all branch.
- List of accounts which slipped to NPA can be easily generated.
- List of accounts which are upgraded can be easily generated.
- NPA movement report can be easily generated.
- Segment-wise, Controlling office-wise, network-wise report can be generated easily
- Stock expired and limit expired accounts can be displayed easily.
- Asset Classification report for all branches can be generated
- Action taken by branch can be recorded and retrieved efficiently.
- Recovery agent/Resolution agent bill management system is also incorporated in this system.



S No	Branch Code	Branch Name	Top NP (24-03)	Top NP (24-02)	Month (%)
1	2	601A	99490	93290	2492.8
2	2	6006	93490	73000	489.70
3	3	6011	88450	84000	489.8
4	4	601	79400	38000	409.8
5	5	6016A	80100	88000	409.8
6	5	6016	48700	48000	23.8

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.



Lead Management System

The service of the system will help the branch to generate leads related to loans and advances online. Loan leads management application was developed by IT cell of Mizoram Rural bank.



The main objectives of developing the application are to generate new potential bank business clientele, expand business in terms of Loan and Advances and create Awareness on different types of Loan, reduce Cold Calling and emailing.

IT initiatives taken during the year:

Launching of Mobile App new version:

As part of the initiative to promote digital payment as envisaged by the Government of India, mobile app was launched in the year 2017. To make our mobile app more user-friendly and more reliable, a new version of it was launched during the current financial year.



Positive Pay System

To comply with RBI circular regarding Positive Pay system for Cheque truncation system, our ASP have been advised to go ahead with development of software for implementation of Positive Pay system in our Bank. The concept of Positive Pay involves a process of reconfirming key details of large value cheques. This application is expected to be launched during the next financial year.

Serverless Migration (Bancedge)

Even though most of the branches have been migrated to serverless environment during last financial year, a total of four more branches have now been migrated to serverless environment during this financial year.

Secondary Connection JIO RF

As the business volumes have increased over the years, in addition to Airtel RF as primary link, secondary link (Backup) using Jio RF has been provided to twenty nine more branches during the current financial year.

e-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 and vice-versa. Even while this system is currently used by our customer, the present system requires physical mandate for processing. To create mandate using debit card which will remove the need to produce physical paper-based mandate form, e-Mandate management system is introduced and purchase order had been placed for implementation of the system in our bank and the project is expected to be completed during the next financial year.

Platinum Card

To provide numerous benefits to our customers with enhanced withdrawal limit among other benefits, our bank is planning to introduce Platinum Debit Card and order had been placed for testing of the Card.



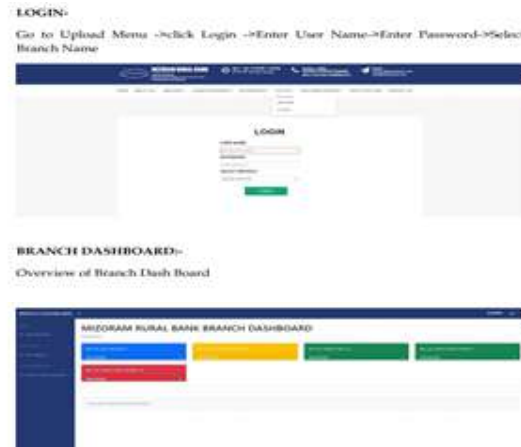
Some of the proposed features/benefits of Platinum Card are:

- ☞ Enhanced transaction limit
- ☞ Personal accident insurance cover
- ☞ Permanent disability cover
- ☞ Easy access to over 700+ lounges
- ☞ Exclusive Swiggy offer
- ☞ And many more



Dashboard for uploading Government employee salary

Our bank has the privilege of being used by some of the state government's department maintaining salary accounts for their employee.



To make the process of crediting salary to employee's accounts hassle-free without the need to visit branches, the dealing official of the department are provided the dashboard for uploading the list of salary details which will be received by the concern branch for posting necessary transaction in CBS.

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 31.03.2022

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:

S.No.	Particulars	No.
1	No. of Complaints pending at the Beginning of the year	NIL
2	No. of Complaints received during the year 2021-22.	1
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

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.

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.

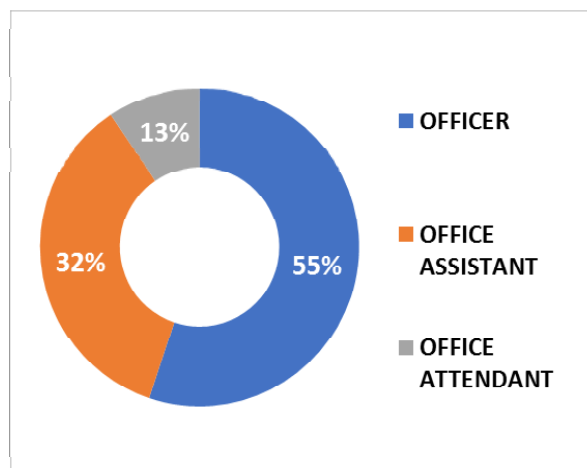
General Manager of the Bank has been designated as Central Assistant Public Information Officer while the Chairman of the Bank is designated as the Central Public Information Officer.

During the year 2021-22, the Bank has received Sixteen (16) applications under RTI Act.

Human Resource Management

As at the end of FY 2021-22, the staff strength (excluding those who exited the Bank service in the month of March 2022 on account of retirements / resignations) and its composition is as under:

Officers S-IV	12
Officers S-III	21
Officers S-II	59
Officers S-I	172
Office Assistants	170
Office Attendants	45
Total	479



During the year, 7 staff members have retired from the Bank's Service. 21 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 31.03.2021, 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 Recruitment Process (online exam and interview) conducted by Institute of Banking Personnel Selection (IBPS)..

During the year, there are 38 Office Assistants (Multipurpose), 22 Officer Scale I, 1 Officer Scale II

	Grade	No. of Candidates recruited during the year
1	Office Assistants	38
2	Officer Scale-I	22
3	Officer Scale-II	1

joined the Bank through IBPS RRB CRP IX (FY 2020-21) and IBPS RRB CRP X (FY 2021-22).

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 31.03.2021 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	13
2	Officers Scale-II	7
3	Officers Scale-III	9
4	Officers Scale-IV	1
5	Office Asst.	8
	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. On location training as well as online training was conducted during the year through our partnered training institutions like BIRD (Lucknow), BIRD (Lucknow), BIRD (Mangalore), IIBM, IIBF, State Bank Learning Centres and in house faculty on important subjects like AML, ALM, KYC, RTI Act, Business Development etc.

13 (thirteen) training programmes was conducted and 322 staff members have participated. The participants include all cadres of staff (Officers – 261 and Office Assistants - 61).

Staff welfare Measures

Medical insurance scheme

In terms of Government of India letter No: F.8/1/2015-R 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 ₹ 10 Lakh, to be allocated to officers and employees whose 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.

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 31.3.2022 is to the tune of ₹ 22,00,34,660/- (Rupees twenty crore thirty four thousand six hundred and sixty only) towards Gratuity and ₹ 11,31,71,814/- (Rupees eleven crore thirty one lakh seventy one thousand eight hundred and fourteen 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:

With the implementation of Mizoram Rural Bank (Employees') Pension Regulation 2018, the Bank provides pension to all its eligible employees. The Bank has constituted Mizoram Rural Bank (Employees') Pension Fund under irrevocable Trust which for its sole purpose have the provision of payment of pension to all its eligible employees or his/her family. And it constituted Mizoram Rural Bank (Employees') Provident Fund under irrevocable Trust to provide for payment of the fund on refund to all eligible employees or his/her family on retirement under any classes of pension.

The Pension Fund consist of the contribution made by the bank based on the pension liability worked out on actuarial valuation by the Actuary and employers contribution share towards Employees' Pension Scheme, 1995 refunded by the employees on retirement. The total pension liability worked out by the Actuary for the financial year 2021-2022 is valued at ₹ 82,16,77,751/- of which the Bank has provided 82% of its liability to the Pension Fund .

The Mizoram Rural Bank (Employees') Provident Fund consist of 10% of the basic pay of all eligible employee contributed on monthly basis and the balance of the contribution of the employee toward Provident Fund under Employee Pension Scheme, 1995. The corpus accrued in the Provident Fund of the individual eligible employee is maintained by the Trust for provision on refund by all eligible employee or his/her family on retirement. 133 employees are contributing towards provident fund as on 31st March, 2022.

At present, there are 39 retired staff and 40 family pensioners benefitting the pension scheme as per Mizoram Rural Bank (Employees') Pension Regulation 2018.

National Pension Scheme:

All employees joining the Bank on or after 1st April, 2010 are covered under National Pension Scheme. Under the scheme 10% of the Basic Pay plus

Dearness Allowance of the covered employee along with a co-contribution of 14% of the Basic Pay plus Dearness Allowance of employee made by the Bank (14% since 11 BPS) is remitted every month to the Pension Fund Trust. The total contribution is further credited to the employees NPS account maintained by NSDL (the central record keeping agency) for their retirement benefits. 340 employees have been covered under NPS scheme as on 31st March, 2022.

VIGILANCE ADMINISTRATION:

Bank is growing in size with new Business, Customers, Products and Processes and Man powers. Apart from the external threats, Bank is carrying risk from internal threats due to various reasons like lack of knowledge, compliances and Integrity etc. Therefore, vigilance is considered to be an integral part of the managerial function together with sensitization to be vigilant / watchful has been a thrust area for the Bank to protect and prevent happening of any untoward incidents with adverse financial implications for the Bank and its customers.

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 ACVO of A&S Department, SBI CC, Mumbai , through GM (Vigilance) of the Bank, 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 GM (Vigilance) of the Mizoram Rural Bank. GM (Vigilance) will be the Head of Vigilance Administration of the Bank and he will continue to report to Chairman of the Bank. GM (Vigilance), in case of Scale-IV Officers and below including Award staff, will put up the Vigilance Cases of the Bank to the Additional CVO of A&S Department, SBI CC, Mumbai, for necessary control and advices. Additional CVO will monitor and provide help /

necessary guidance to the Vigilance set up / activities of the Bank.

GM (Vigilance) of the Bank will submit monthly and quarterly reports to ACVO on the Vigilance Administration of the Bank. ACVO 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. Chief Vigilance Officer of State Bank of India is overseeing the Vigilance Administration of the Bank through ACVO of A&S Department, SBI CC, Mumbai.

Vigilance Activity:

All the Branches conducted Preventive Vigilance Committee Meeting once in every quarter (Total 367 during the year) and submitted their minutes for scrutiny at Vigilance Cell. Regular Preventive Visits of Branches were done by GM (Vigilance)/ Vigilance Cell official(s). 39 Suo-moto investigation conducted during the year. Scrutinized seventeen RFIA reports. Ensured job rotation, Scrutinized Annual Asset and Liability statements of all Officials.

Bank has observed the “Vigilance Awareness Week” from 26th October 2021 to 1st November 2021 as per guidelines issued by CVC with the theme “Independent India @ 75: Self Reliance with Integrity” at Head Office, Regional Offices and by all Branches. Bank has published Vigilance Bulletin on this auspicious occasion. Essay Writing competition was organised within the organisation on topics “India towards Self Reliance through National Integrity” for Officers and “ Role of National Integrity for Self Reliance” for Staff. All the staffs along with the Customers have taken the Integrity Pledge at 11.00 am on 26th October 2021 and also promoted e-pledge. As a part of observation, branches conducted 14 Gram Sabha with total participation of 669 publics/ citizens throughout the geography of the state of Mizoram. Activities outside the organization the Bank has conducted Essay writing, Elocution/Debate and Awareness meeting. Seminar/Workshop was conducted on different topics related to Vigilance with total participation of 216 public/citizens. Bank has also done massive postering and distribution of leaflets including messages in social media among public to create awareness in the society.

Training: Conducted 2 induction training for new appointees (Officers and Staff) focusing on S&Ps, day to day transaction Banking, Preventive Vigilance

and Whistle Blower Policy. Training conducted through BIRD, Kolkata for thirty women BMs on capacity building and empowerment on 08/03/2022 and 40 Office Assistant on KYC & AML-CFT on 10th and 11th March 2022. Online training availed by Vigilance Officers from SBICB on Vigilance procedure and administration.

Vigilance Case : At the beginning of the year, there were 17 vigilance cases pending in the Bank, during the year 05 fresh cases were added, out of which 17 cases were closed up to the end of the year and proceedings are going on remaining 05 cases 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 C.Sangpu Vaiphei, Assistant General Manager, RBI was replaced by Shri Th. Haokholal, Assistant General Manager, RBI, Aizawl.

Shri Mohammad Umar, Assistant General Manager, Assistant General Manager, State Bank of India (A&S), Corporate Centre, Mumbai had been replaced by Shri Durga Dutt, Assistant General Manager, State Bank of India (A&S), Corporate Centre, Mumbai.

Shri Rohmingthanga Colney, Director of Agriculture, Govt. of Mizoram has been replaced by Shri James

Lalsiamliana, Director of Agriculture, Govt. of Mizoram.

Attendance of Directors at Board Meetings during the year 2021-22:

S I · N O	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 Th Haokholal AGM, RBI Aizawl	28.04.2021	6	5
3	Smt Seema Dikshit Dy General Manager, State Bank of India LHO,Guwahati	24.12.2019	6	3
4	Shri Durga Dutt AGM(RRB),SBI (A&S) Corporate Centre, Mumbai	03.09.2021	5	4
5	Shri Mohammad Umar Asst. General Manager State Bank of India LHO,Guwahati	24.08.2020	1	1
6	Shri Rohmingthanga Colney Director of Agriculture Govt. of Mizoram	25.02.2019	5	4
7	Shri Lalhmingmawia Sailo Addl. Secretary (Fin) Govt of Mizoram	25.05.2018	6	3
8	Shri T Sudheer Dy. General Manager NABARD,Aizawl	23.09.2020	6	5
9	Shri James Lalsiamliana Director of Agriculture Govt. of Mizoram	17.03.2022	1	0

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. 2021-22 financial year witnessed the second wave of COVID-19 disease & 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 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.

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 RM Kothari & Co., Chartered Accountants, Guwahati for the accounting year 2021-22 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
MINECO, Khatla, Aizwal
Mizoram**

Report on Audit of Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of MIZORAM RURAL BANK ('the Bank'), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information, in which are included the Returns 50 Branches for the year ended on that date audited by the branch auditors of the Bank and 49 branches which are not covered under audit.
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 as well as the Companies Act, 2013 ('the Act') in the manner so required for banking Companies and are in conformity with accounting principles generally accepted in India and give a true and fair view of the state of affairs of the Bank as at 31st March 2022, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, 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) In respect of Fixed Assets, Schedule 10 it is to be noted that the Bank has carried a complete overhauling & physical verification of Fixed Assets and the value of Fixed Assets which were acquired prior to 01.04.2022, have been taken on the basis of managements assumption of their useful life and same could not be verified by us.

It is also to be noted that the depreciation has been calculated in contravention to Schedule II of Companies Act'2013, wherein the bank has not considered the Salvage Value of Fixed Assets,

Further, it has been noticed that the bank has charged the GST amount paid for acquisition of such assets as an expense in Profit Loss Account,

- b) Deferred tax Liability/Deferred Tax Assets is not recognized in the books of accounts in accordance with the Accounting Standard 22 of the ICAI.

- c) Provision for the Bad and Doubtful Debt amounting to Rs. 5400 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% Gross NPA and actual PCR now stands at 90%.
- d) Renewal/enhancement of KCC accounts being done invariably on the same day on which the farmer repays the amount, the genuineness of such credit transactions is not verifiable particularly in cases where the farmer deposits the amount in cash and enhanced limit is also disbursed in cash within a time span of few minutes on the same day, the impact of which is not ascertainable.
- e) Provision of 4/5 of the amount payable to employees on account of pension as per Regional Rural Banks (Employees) Pension Scheme, 2018 amounting to Rs. 67.74 crore made as per the guidelines issued by NABARD in this regard, however it is to be noted that no additional provision has been made during the year.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, 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, and we do not provide a separate opinion on these matters. We have determined the matters prescribed below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matters	How the matter was addressed in our audit
i.	<p>Classification of advances, Income Recognition, Identification of and provisioning for non-performing Advances -</p> <p>Advances include bills purchased and discounted, cash credits, overdraft, Loans repayable at demand and term loans. These are further categorized as secured by Tangible assets (including advances against book Debts), covered by Bank Government Guarantees and unsecured advances.</p> <p>They are, inter-alia, governed by income recognition, asset classification and provisioning (IRAC) norms and other circulars and directives issued by the RBI/ NABARD from time to time which provides guidelines related to classification of Advances into performing and non- performing Advances. The Bank classifies these Advances based on IRAC norms. Identification of performing and non-performing Advances involves establishment of proper mechanism. The</p>	<p>Our audit approach towards advances with reference to the IRAC norms and other related circulars directives issued by the RBI /NABARD and also internal policies and procedures of the Bank includes the testing of the following -</p> <p>a. The accuracy of the data input in the system for income recognition & classification to performing and non performing Advances and provisioning in accordance with the IRAC norms in respect of the branches allotted to us.</p> <p>b. Existence and effectiveness of monitoring mechanisms such as internal Audit and Concurrent Audit as per the policies and procedures of the Bank;</p> <p>c. Examination of advances including stressed advances on a sample basis with respect to compliance with the RBI Master Circulars / Guidelines/ Judicial pronouncements.</p> <p>d. We have examined the efficacy of</p>

	<p>Bank accounts for all the transactions in its Information Technology System (IT System) Viz. Core Banking Solution (CBS) which also identifies whether the advances are performing or non-performing.</p> <p>The carrying value of these advances (net of provisions) may be materially misstated if, either individually or in aggregate, the IRAC norms are not properly followed.</p> <p>Considering the nature of the transactions, regulatory requirements existing business environment, estimation, judgement involved in valuation of securities, it is a matter of high importance for the intended users of the Standalone Financial Statements: Considering these aspects, we thus determined this as a Key trust Matter. Accordingly, our audit was focused on income recognition, asset classification and provisioning pertaining to advances due to the materiality of the balances and the same constitute 48.83% of the entire Balance Sheet.</p>	<p>various internal controls over advances to determine the nature, timing and extent of the substantive procedure and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank.</p> <p>e. In carrying out substantive procedures at the branches allotted to us, we have examined the large advances/stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</p> <p>f. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provisions.</p> <p>g. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication in the regard.</p>
ii.	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments.</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities and also the balance with RBI and Banks.</p> <p>Above constituents, constitute 47.35 per cent of the Bank's total assets.</p>	<p>a. Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/ depreciation related to Investments, if any</p> <p>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</p> <p>c. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments</p>

Other Information

4. The Bank's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report and Annual Report but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

5. The Bank's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 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 specified under section 133 of the Act, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') & NABARD 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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

6. 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 skepticism 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements 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.

Other Matters

7. We did not audit the financial statements of 79 branches included in the standalone financial statements of the Bank whose financial statements reflect Total Advances of Rs. 1862.67 Crores as at 31st March 2022. These branches cover 74.20 % of advances, 69.61% of deposits and 71.21% of nonperforming assets as at 31st March 2022. Out of which financial statements

of 30 branches had been audited by the branch auditors whose reports have been furnished to us, and 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 and the financial statements of remaining 49 branches had been compiled which has not been audited by any auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 and Section 133 of the Companies Act, 2013.
9. Subject to the limitation of the Audit indicated in paragraph 1 to 7 above and subject also the limitations of disclosure required therein, we report that as required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - (a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - (b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - (c) the returns received from the offices; and branches of the Bank have been found adequate for the purposes of our audit;
 - (d) the profit and loss account shows a true balance of profit for the year then ended.
10. Further, as required by section 143(3) of the Act, we report that:
 - a) Subject to the limitation of the Audit indicated in paragraph 1 to 7 above and subject also the limitations of disclosure required therein, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - c) the reports on the accounts of the branch offices of the bank audited under section 29 of the Banking Regulation Act by branch auditors of the Bank have been sent to us and have been properly dealt with by us in preparing this report;
 - d) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with in this report are in agreement with the books of account and with the returns received from the branches not visited by us;
 - e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, to the extent they are not inconsistent with the accounting policies prescribed by RBI/NABARD;
 - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank does not have any pending litigations which would impact its financial position other than those which are pending with Income Tax Authorities,

- ii. The Bank did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Bank;
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Bank from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that were considered reasonable and appropriate by us in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

For, R.M Kothari & Co.
Chartered Accountants
FRN: 000143C
RBI UCN: 291861



PRATEEK Digitally signed
by PRATEEK
KOTHARI KOTHARI

CA Prateek Kothari
Partner

Membership No: 413362

Place: Aizawl

Dated-18/04/2022

UDIN - 22413362AHKGWV3190

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 2022

	Schedule	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
Capital and Liabilities :			
Capital	1	31,03,82,000.00	31,03,82,000.00
Share Capital Deposit		23,63,95,000.00	-
Reserve and Surplus	2	2,25,87,66,107.21	1,74,88,35,099.08
Deposits	3	42,20,22,59,617.39	41,54,87,03,527.77
Borrowings	4	3,46,20,66,703.00	2,97,27,36,530.00
Other Liabilities and Provisions	5	2,93,05,03,601.55	2,91,79,86,555.79
TOTAL	:	51,40,03,73,029.15	49,49,86,43,712.64
Assets :			
Cash and Balance with Reserve Bank of India	6	2,36,15,54,768.52	2,10,57,84,538.58
Balances with Banks and Money at Call & Investments	7	10,11,09,15,091.85	12,92,47,56,957.26
Advances	8	11,87,37,14,138.86	11,50,92,35,209.91
Fixed Assets	9	25,10,30,18,666.45	20,52,13,55,184.62
Other Assets	10	32,64,01,296.31	30,69,84,533.63
TOTAL	:	51,40,03,73,029.15	49,49,86,43,712.64
Contingent Liabilities	11	-	-
Notes Forming Parts of Accounts	12	-	-
	19		

For and on behalf of Mizoram Rural Bank
For RM KOTHARI AND CO

Chartered Accountants

Firm Registration No: 000143C

Chairman

(V. JAYA CHANDRA)

Place : Aizawl

Dated : 18th April 2022

Sd/-

(PRATEEK KOTHARI)

Partner

Membership No: 413362

**Form - 'B' Profit & Loss Account of Mizoram Rural Bank
For the Year ended 31st March 2022**

	Schedule	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
Income			
Interest Earned	13	3,75,74,35,058.87	3,35,59,59,159.64
Other Income	14	11,10,78,716.54	16,14,16,214.29
TOTAL	:	3,86,85,13,775.41	3,51,73,75,373.93
Expenditure			
Interest Expended	15	1,57,41,96,706.84	1,66,29,03,255.99
Operating Expenses	16	86,15,06,507.46	78,89,13,153.65
Provisions & Contingencies	17	70,19,37,027.00	47,29,72,668.68
TOTAL	:	3,13,76,40,241.30	2,92,47,89,078.32
Profit/Loss			
Profit/loss for the year		73,08,73,534.11	59,25,86,295.61
Provision for Tax	17A	23,64,96,000.00	20,70,70,000.00
Profit after Tax		49,43,77,534.11	38,55,16,295.61
Profit/loss brought forward		1,74,88,35,099.08	1,36,33,18,803.47
TOTAL	:	2,24,32,12,633.19	1,74,88,35,099.08
Appropriations			
Transferred to statutory reserves		9,88,75,506.82	7,71,03,259.12
Transferred to other reserves			
Transfer to Govt./Proposed dividend		-	-
Balance carried over to balance sheet		2,14,43,37,126.37	1,67,17,31,839.96
TOTAL	:	2,24,32,12,633.19	1,74,88,35,099.08
Significant Accounting Policies	18		

For and on behalf of Mizoram Rural Bank

Chairman



(V. JAYA CHANDRA)

Place : Aizawl

Dated : 18th April 2022

For RM KOTHARI AND CO

Chartered Accountants

Firm Registration No: 000143C

Sd/-

(PRATEEK KOTHARI)

Partner

Membership No: 413362

Schedule - 1 Capital

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last 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 (20,00,00,00,000 shares of Rs. 10/- each)	20,00,00,00,000.00	20,00,00,00,000.00
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
Share Capital Deposit		
Amount Received from GOI	11,82,00,000.00	-
Amount Received from SBI	11,81,95,000.00	-
Amount Received from GOM	-	-
TOTAL	54,67,77,000.00	31,03,82,000.00

Schedule - 2 Reserve & Surplus

Reserve and Surplus

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I. Statutory Reserves		
Opening Balance	1,74,88,35,099.08	1,36,33,18,803.47
Additions during the year	11,44,28,980.84	7,71,03,259.12
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	39,55,02,027.29	30,84,13,036.49
Deductions during the year	-	-
TOTAL		
Opening Balance	1,36,33,18,803.47	1,36,33,18,803.47
Additions during the year	49,43,77,534.11	38,55,16,295.61
Deductions during the year	-	-
TOTAL (I,II,III,IV & V)	2,25,87,66,107.21	1,74,88,35,099.08

Schedule - 3 Deposits

		As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
A.	I. Demand Deposits		
	i) From Banks	-	-
	ii) From Others	1,00,66,35,501.80	1,39,57,07,048.36
	II. Savings Bank Deposits		
	i) From Banks		
	ii) From Others	24,32,99,95,387.19	23,97,94,91,942.51
	III. Term Deposits		
	i) From Banks		
	ii) From Others	16,86,56,28,728.40	16,17,35,04,536.90
	TOTAL	42,20,22,59,617.39	41,54,87,03,527.77
B.	i) Deposits of Branches in India	42,20,22,59,617.39	41,54,87,03,527.77
	ii) Deposit of Branches outside India	-	-
	TOTAL	42,20,22,59,617.39	41,54,87,03,527.77

Schedule - 4 Borrowings

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last 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)	3,44,47,62,703.00	2,95,54,32,530.00
II. Borrowings Outside India	-	-
TOTAL	3,46,20,66,703.00	2,97,27,36,530.00
Secured borrowings included in I & II above	NIL	NIL

Annexure - I

* Other Institutions and Agencies

1 NABARD

- i) Non Farm Sector(ARF)
- ii) SHGs
- iii) LTRCF
- iv) Solar(ARF)
- v) SAO
- vi) NFS -RH
- vii) NAR

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
	11,46,12,600.00	87,50,000.00
	-	2,19,56,500.00
	2,09,51,89,500.00	1,80,08,16,120.00
	-	-
	2,00,00,000.00	3,00,00,000.00
	3,00,00,000.00	5,81,49,400.00
	-	-
Sub-Total	2,25,98,02,100.00	1,91,96,72,020.00
2 NSTFDC	1,18,09,72,604.00	1,00,30,15,510.00
Sub-Total	1,18,09,72,604.00	1,00,30,15,510.00
3 NHB	-	3,07,45,000.00
Sub-Total	-	3,07,45,000.00
4 NHFDC	39,87,999.00	20,00,000.00
Sub-Total	39,87,999.00	20,00,000.00
TOTAL	3,44,47,62,703.00	2,95,54,32,530.00

Schedule - 5
Other Liabilities and Provisions

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I. Bills Payable	-	-
II. Inter-Office Adjustment (Net)	-	-
III. Interest Accrued	48,27,45,221.31	51,66,22,474.44
IV. Others (including provisions)# (Annexure - II)	2,44,77,58,380.24	2,40,13,64,081.35
T O T A L	2,93,05,03,601.55	2,91,79,86,555.79

Annexure - II
Others includes :

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
i) Provision for Audit Fee	-	8,00,000.00
ii) Outstanding in Banker's Cheque A/c	12,89,720.90	33,25,173.67
iii) Outstanding in Sundry A/c	-	11,04,571.00
iv) Provision for NPA	1,20,22,97,786.21	74,19,62,489.44
vi) Credit Balance in AUCA	18,66,40,195.93	22,43,04,101.23
vii) Adjusting Account (Office A/c)	1,17,27,476.00	52,68,664.00
viii) NEFT Commission	-	-
ix) PMJBY SBI Life	2,35,949.00	14,29,015.00
x) NACH (DR)	26,62,456.03	26,62,456.03
xi) PMSBY-NIC	5,112.00	276.00
xii) System Suspense	32,22,424.94	46,15,29,071.29
xiii) Provision for Income Tax	20,64,96,000.00	20,70,70,000.00
xiv) Provision for Covid 19 Moaratorium	-	-
xv) CGST/SGST/IGST Payable	64,43,586.36	67,25,174.21
xvi) Provision for Standard Assets	8,02,12,625.35	7,02,12,625.35
xvii) APBS Settlement Account	-	(2,34,27,182.40)
xviii) DEAFS RBI	(5,33,343.00)	(5,33,343.00)
xix) Gramin Pay Order	(14,13,290.84)	(24,26,183.84)
xx) Provision for Fraud	29,28,23,200.68	20,91,07,082.68
xxi) CA Inter-Branch	5,000.00	8,72,19,083.79
xxii) Other Provisions	4,32,20,909.00	1,99,27,826.34
xxiii) Subsidy Reserve Fund	10,28,99,139.45	6,86,06,386.13
xxiv) UPI Outward	30,93,01,088.23	12,67,69,037.43
xxv) Provision for Wage Arrear	-	18,89,06,248.00
xxvi) Provision for Pension	-	-
xxvii) SD Unidentified	-	-
xxviii) Provision NPS	1,404.00	1,404.00
xxix) Cash withdrawal tax TDS	2,20,940.00	8,20,105.00
T O T A L	2,44,77,58,380.24	2,40,13,64,081.35

Schedule - 6
Cash and Balances with Reserve Bank of India

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I. Cash on Hand (including foreign currency notes)	61,68,56,581.50	61,10,86,351.56
II. Balance with Reserve Bank of India		
i) in Current Account	1,74,46,98,187.02	1,49,46,98,187.02
ii) in Other Accounts	-	-
TOTAL	2,36,15,54,768.52	2,10,57,84,538.58

Schedule - 7
Balances with Banks and Money at Call & Short Notice

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I In India		
i) Balance with Banks		
a) in Current Account	76,59,15,091.85	78,12,56,957.26
b) in other deposit account	9,34,50,00,000.00	12,14,35,00,000.00
ii) Money at Call & short notice		
a) With banks	-	-
b) With other institutions	-	-
TOTAL	10,11,09,15,091.85	12,92,47,56,957.26
II. Outside India		
i) In Current Accounts	-	-
ii) In other deposit Accounts	-	-
iii) Money at call & short notice	-	-
TOTAL	-	-
GRAND TOTAL (I+II)	10,11,09,15,091.85	12,92,47,56,957.26

Schedule - 8 Investments

Investments

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I Investments in India in		
i) Government Securities	11,48,24,81,994.24	11,08,92,55,209.17
ii) Other approved Securities	-	-
iii) Shares	-	-
iv) Debenture and Bonds	-	-
v) Subsidiaries and/or joint ventures	-	-
vi) Others (to be specified) @ (Annexure - III)	39,12,32,144.62	41,99,80,000.74
TOTAL	11,87,37,14,138.86	11,50,92,35,209.91
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)	11,87,37,14,138.86	11,50,92,35,209.91

Annexure - III

@ Others Includes:

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
i. SBI Mutual Fund	39,12,32,144.62	41,99,80,000.74
ii. UTI Mutual Fund	-	-
iii. TDRs with SBI	-	-
iv. NABARD TMB	-	-
TOTAL	39,12,32,144.62	41,99,80,000.74

Schedule - 9 Advances

		As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
A.	i) Bills purchased and discounted		-
	ii) Cash Credits, Overdrafts and loans repayable on demand	4,99,77,01,741.27	3,77,68,39,357.69
	iii) Term Loans	20,10,53,16,925.18	16,74,45,15,826.93
	TOTAL	25,10,30,18,666.45	20,52,13,55,184.62
B.	i) Secured by tangible Assets	21,27,70,53,223.03	20,36,99,36,618.00
	ii) Covered by Bank/ Government Guarantee	-	-
	iii) Unsecured	3,82,59,65,443.42	15,14,18,566.62
	TOTAL	25,10,30,18,666.45	20,52,13,55,184.62
C. I.	Advances in India		
	i) Priority Sector	17,72,86,04,456.67	15,02,45,09,899.41
	ii) Public Sector	-	-
	iii) Banks	-	-
	iv) Others	7,37,44,14,209.78	5,49,68,45,285.21
	TOTAL	25,10,30,18,666.45	20,52,13,55,184.62
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)	25,10,30,18,666.45	20,52,13,55,184.62

Schedule - 10 Fixed Assets

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I. Premises		
At cost as on 31st. March of the preceeding year	-	-
Addition during the year at Cost (A)	20,66,85,145.00	-
Deductions during the year	-	-
Depreciation to date (X)	17,17,657.70	-
Written Down Value (V1)	20,49,67,487.30	-
II. Assets Under Construction (B)	-	20,51,22,485.00
III. Other Fixed Assets \$ (Annexure - IV) (including furnitures and fixtures)		
At cost as on 31st. March of the preceding year	28,03,95,391.64	22,53,28,791.71
Less: Adjustment made during the year	7,96,02,827.04	
Add: Additions during the year	5,11,89,873.48	5,50,66,599.93
Total Value at Cost (C)	25,19,82,438.08	
Depreciation upto the preceeding year	15,62,98,012.57	10,97,44,368.28
Less: Adjustment made during the year	5,73,67,496.60	
Add: Depreciation for the year	3,16,18,113.10	4,65,53,644.28
Depreciation to date (Y)	13,05,48,629.07	
Written Down Value (V2)	12,14,33,809.01	10,18,62,048.63
Total Accumulated Depreciation (X+Y)	13,22,66,286.77	
Total WDV of all Assets (V1 + V2)	32,64,01,296.31	30,69,84,533.63
Total Value at cost of all Assets (A+B+C)	45,86,67,583.08	28,03,95,391.64

Schedule - 11 Other Assets

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I Inter-Office adjustments (Net)		-
II Interest accrued	55,47,73,693.41	60,42,95,706.04
III Stationery and Stamps		
IV Non-banking Assets acquired in satisfaction of claims		
V Others @ \$ (Annexure - V)	1,06,99,95,373.75	1,52,62,31,582.60
TOTAL	1,62,47,69,067.16	2,13,05,27,288.64

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

Annexure - V

\$ Other Assests

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
i) Outstanding in suspense a/c	(3.66)	(4,15,270.91)
ii) Balance in H.O. PB A/c	15,57,77,461.00	14,81,61,171.31
iii) Bills receivables a/c	1,73,04,000.00	1,73,04,000.00
iv) ATM Settlement	17,90,30,285.44	82,94,84,585.18
v) Core Interbranch A/c	-	-
vi) Other Assets	(80,30,073.49)	1,71,62,434.00
vii) Balance in AUCA	18,75,77,377.93	22,42,95,599.23
viii) NACH	18,52,50,276.54	18,52,50,276.54
ix) DBTL Settlement A/c	46,32,894.53	(12,99,34,138.70)
x) RTGS Settlement A/c	946.03	9,50,232.16
xi) Branch Clearing	18,41,00,000.00	18,40,51,962.96
xii) ECS Dr	-	(1,19,230.00)
xiii) Advance Income Tax	20,75,00,000.00	12,50,00,000.00
xiv) ACH/NPCI/LPG/UID/UPI	39,50,59,378.09	5,49,14,567.84
xv) IMPS Settlement A/C	7,12,06,676.29	(2,33,37,869.25)
xvi) Step Rapid Remittance RR	(13,80,67,237.85)	4,76,54,133.90
xvii) ATM Cash	(44,29,92,592.97)	(23,55,23,382.89)
xviii) CGST/SGST/IGST ITC	-	2,44,19,330.02
xix) IMPS- Inward/Outward	2,70,18,156.10	4,64,92,105.83
xx) YES Bank CTS Settlement	-	-
xxi) MAB/AEPS/UPI Settlement A/c	3,41,52,624.77	1,04,21,075.38
xxii) Festival Advance Staffs	1,04,75,205.00	-
TOTAL	1,06,99,95,373.75	1,52,62,31,582.60

Schedule - 12 Contingent Liabilities

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last 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 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I. Interest/discount on advances/ bills	2,28,73,04,114.15	1,77,11,44,112.68
II. Income on Investments	93,97,67,839.97	73,49,46,057.14
III. Interest on balances with Reserve Bank of India & other Inter-Bank funds.	53,03,63,104.75	84,98,68,989.82
IV. Others	-	-
TOTAL :	3,75,74,35,058.87	3,35,59,59,159.64

Schedule - 14 Other Income

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I. Commission, exchange and brokerage	10,82,10,222.17	12,18,96,149.00
II. Profit on sale of investments less- loss on sale investments	-	-
III. Profit on revaluation of investments less- loss on revaluation of investments	-	-
IV Profit on sale of land, buildings and other assets(Vehicles)	21,781.57	-
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	28,46,712.80	3,95,20,065.29
TOTAL	11,10,78,716.54	16,14,16,214.29

Schedule - 15 Interest Expended

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
I. Interest on Deposits	1,48,22,64,711.84	1,50,21,09,091.46
II. Interest on Reserve Bank of India/ Inter-Bank borrowings	9,19,31,995.00	16,07,94,164.53
III. Others	-	-
TOTAL	1,57,41,96,706.84	1,66,29,03,255.99

Schedule - 16 Operating Expenses

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
i) Payments to and provisions for employees	44,76,20,310.10	40,47,78,637.82
ii) Rent, Taxes and Lighting	4,05,12,596.51	3,64,66,209.08
iii) Printing and Stationery	1,41,24,366.55	43,46,715.00
iv) Advertisement and Publicity	17,07,314.00	6,76,325.00
v) Depreciation on bank's property.	3,33,35,770.80	4,65,53,644.28
vi) Directors' fees and expenses	48,535.00	-
vii) Auditors' fees and expenses (including branch Auditors)	72,98,190.00	-
viii) Law Charges	4,99,370.00	4,92,710.00
ix) Postage, Telegrams, Telephones	32,70,923.08	29,99,215.34
x) Repairs and Maintenances	3,30,76,188.12	2,54,18,560.36
xi) Insurance	8,56,51,079.17	8,79,14,944.90
xii) Service Tax	-	-
xiii) Depreciation on Investments	-	-
xiv) Other Expenditures	19,43,61,864.13	17,92,66,191.87
T O T A L	86,15,06,507.46	78,89,13,153.65

Schedule - 17 Provisions & Contingencies

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
i) Provision for Bad & Doubtful Debts (including Risk fund)	54,00,00,000.00	21,00,00,000.00
ii) Provision for Standard Assets	1,00,00,000.00	1,00,00,000.00
iii) Provision for Security Guard Wages	-	-
iv) Provision for Covid 19 Moratorium	-	-
v) Provision for Frauds	8,37,16,118.00	4,66,91,568.68
vi) Provision for Wage Arrears	-	8,00,00,000.00
vii) Provision for Pension	-	12,00,00,000.00
viii) Auditors' Fee/NPS/Others	6,82,20,909.00	62,81,100.00
T O T A L	70,19,37,027.00	47,29,72,668.68

Schedule - 17A Provisions & Contingencies

	As on 31.03.2022 (Current Year)	As on 31.03.2021 (Last Year)
i) Provision for Income Tax	23,64,96,000.00	20,70,70,000.00
T O T A L	23,64,96,000.00	20,70,70,000.00

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:
 - i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
 - ii. In respect of Overdraft or Cash Credit advances, the account remains “out of order”, i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
 - iii. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.
- 3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:
 - i. **Sub-standard:** A loan asset that has remained non-performing for a period less than or equal to 12 months.
 - ii. **Doubtful:** A loan asset that has remained in the sub-standard category for a period of 12 months.
 - iii. **Loss:** A loan asset where loss has been identified but the amount has not been fully written off.
- 3.3 Provisions are made for NPAs as per the extant guidelines prescribed by the regulatory authorities, subject to minimum provisions as prescribed below:
 - a) All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and Loss Assets.
 - b) Provisions on Advances are made as under:

Standard Assets: General Provision for Standard Assets at the following rates:

 - i. Direct Advances to Agriculture and SME sectors at 0.25%

- ii. Commercial Real Estate sector at 1%
- iii. 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:
 - i. Up to one year doubtful – 20%
 - ii. One to three years doubtful– 30%
 - iii. 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:

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
7	Premises	Straight Line Method	1.67% every year



- 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.

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 2022	Previous year (%) Mar 2021
i)	CRAR (%)	11.53%	9.48%
ii)	CRAR – Tier I Capital (%)	11.46%	9.40%
iii)	CRAR – Tier II Capital (%)	0.07%	0.08%
iv)	Percentage of Shareholding of the :		
A	Government of India	50.00%	50.00%
B	Government of Mizoram	35.00%	35.00%
C	State Bank of India (Sponsor Bank)	15.00%	15.00%

Note: We have received Share Capital Deposits of ₹ 11.82 crore from GOI and ₹ 11.82 crore from Sponsor Bank SBI during the FY 2021-22. Share Capital Deposits has been included in Capital Funds. The same has also been accounted for CRAR calculation. GoI, SBI and GoM % of Holdings will be 50%, 35% and 15% respectively as per RRB (Amendment) Act, 2015 after receiving Government of Mizoram's share and the corresponding share of Government of India.

2. Investments

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2022	Previous year Mar 2021
1.	Value of Investments		
i)	Gross value of Investments	11873714	11509235
ii)	Provisions for Diminution	NIL	NIL
iii)	Net value of Investments	11873714	11509235
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 2022
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)

S. 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)	391232	NIL	NIL	NIL	NIL
vi)	Provision held towards depreciation	NIL	NIL	NIL	NIL	NIL
vii)	Total	391232	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 2022	Previous year Mar 2021
i)	Net NPAs to Advances (%)	0.50%	2.45%
ii)	Movement of NPAs (Gross)		
(a)	Opening balance	1245165	796392
(b)	Additions during the year	1107571	735923
(c)	Reductions during the year	1024898	287150
(d)	Closing balance	1327838	1245165
iii)	Movement of NPAs (Net)		
(a)	Opening balance	503202	217151
(b)	Additions during the year	0	286052
(c)	Reductions during the year	377662	0
(d)	Closing balance	125540	503202
iv)	Movement of provisions for NPAs (Excluding provisions on standard assets)		
(a)	Opening balance	741962	579241
(b)	Provisions made during the year	540000	210000
(c)	Write-off / Write-back of excess provisions	79664	47279
(d)	Closing balance	1202298	741962

II. Details of Loan Assets subject to Restructuring

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2022	Previous year Mar 2021
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 financial assets sold to Securitization (SC) / Reconstruction Company (RC)
for Assets Reconstruction**

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2022	Previous year Mar 2021
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 2022	Previous year Mar 2021
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 2022	Previous year Mar 2021
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 2022	Previous year Mar 2021
1	Provisions towards Standard Assets	80213	70213
2	Addl. Provision for Covid-19 Moratorium	NIL	NIL



6. Business Ratios

Sl.No	Particulars	Current year Mar 2022	Previous year Mar 2021
i)	Interest income as a percentage to Working Funds	7.41	7.22
ii)	Non-Interest income as a percentage to Working Funds	0.22	0.35
iii)	Operating profit as a percentage to Working Funds (Before provisions)	2.82	2.29
iv)	Returns on Assets (%)	0.97	0.83
v)	Business per Employee (Dep + Adv) (Rs'000)	140512	141068
vi)	Net profit per Employee (Rs'000)	1032	876

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	3828338	1399081	3799180	3832495	4731442	24307168	218448	86108	42202260
Advances	752135	2817	12664	35729	132187	5363589	4474379	14329517	25103019
Investments	536132	50080	0	0	0	356285	1289037	9642180	11873714
STDRs	219000	555800	950000	2881000	4736700	0	0	2500	9345000
Borrowings	0	0	0	30000	176007	663821	2574935	17304	3462067

8. Exposures – Exposure to Real Estate Sector

(₹ in '000s)

Sl.No	Particulars	Current year Mar 2022	Previous year Mar 2021
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)	2619912	1466289
	Up to Rs. 25.00 lakhs	6306164	5892018
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 2022	Previous year Mar 2021
i)	Provision for Income Tax	236496	207070

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 C Ramdinsanga,	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 2022	For the year ended 31 st March 2021
Refinance received from State Bank of India	NIL	NIL
Interest paid to SBI (Perpetual Bond)	394	816
Investments made with:		
SBI - in the form of STDRs	302500	1332500
SBI Fund Management Private Limited (SBI Mutual Fund)	391232	419980
Interest received from SBI (STDRs)	31697	59429
Profit on sale of Investments on SBI (SBI Mutual Fund)	NIL	36023
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	514900	494075

(iii) Particulars of Managerial Remuneration:

(in Rupees)

	For the year ended 31 st March 2022	For the year ended 31 st March 2021
Shri Vadde Jaya Chandra, Chairman	2546230.12	2503674.06
Shri Amal Chandra Sarkar, General Manager-I	903321.29	2089538.04
Shri Samuel Laiwat Warbah, General Manager-II	2037636.62	2147463.57
Shri Mrigen Chandra Deka, General Manager (Vigilance)	2090579.67	2024553.85
Shri C Ramdinsanga, General Manager-I	677351.53	0.00

13. Provisions on Rural Advances (in Rupees)

Sl. No	Particulars	Current year Mar 2022	Previous year Mar 2021
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	2021-22	2020-21
a	No. of complaints pending at the beginning of the year	0	25
b	No. of complaints received during the year	2757	2955
c	Total Complaints	2757	2980
d	No. of complaints redressed during the year	2755	2980
e	No. of complaints pending at the end of the year	2	0

B) Award passed by the Banking Ombudsman:

Sl.No	Particulars	2021-22	2020-21
a	No. of complaints pending at the beginning of the year	0	1
b	No. of complaints received during the year	2	3
c	Total Complaints	2	4
d	No. of complaints redressed during the year	2	4
e	No. of complaints pending at the end of the year	0	0
f	No. of awards passed by Banking Ombudsman	0	1
g	No of awards implemented	Nil	1
h	No. of awards pending implementation	Nil	Nil

15. Concentration of Deposits, Advances, Exposures and NPAs
1. Concentration of Deposits

	2021-2022	2020-21
Total Deposits of Twenty largest depositors	437.60 crores	380.24 crores
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	10.37%	9.15%

2. Concentration of Advances	2021-2022	2020-21
Total Advances of Twenty largest Borrowers	68.38 crores	54.56 crores
Percentage of Advances of twenty largest borrowers to Total Advances of the Bank	2.72%	2.66%

3. Concentration of Exposures	2021-2022	2020-21
Total Exposure of Twenty largest Borrowers/Customers	505.98 crores	434.80 crores
Percentage of Exposures to twenty largest Borrowers/Customers to Total Exposure of the Bank on borrowers / customers	7.52%	7.00%

4. Concentration of NPAs	2021-2022	2020-21
Total Exposure to top four NPA accounts	4.64 Crores (3.49%)	2.04Crores (1.78%)

16. Sector Wise NPAs

(₹ in Cr)

Sl. No.	Sector	Current year Mar 2022			Previous year Mar 2021		
		Total Advances	Gross NPAs	% to total	Total Advances	Gross NPAs	% to total
	Priority						
1	Agl & allied	476.65	36.56	1.46%	389.18	36.64	1.79%
2	Industries	132.67	9.89	0.39%	119.39	7.99	0.39%
3	Services	530.71	45.73	1.82%	403.24	45.27	2.21%
4	Personal Loans	632.83	22.90	0.91%	590.64	23.01	1.12%
	Sub-total(A)	1,772.86	115.09	4.58%	1502.45	112.91	5.50%
	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	737.44	17.70	0.71%	549.69	11.60	0.57%
	Sub-total (B)	737.44	17.70	0.71%	549.69	11.60	0.57%
	Total (A+B)	2,510.30	132.78	5.29%	2052.14	124.52	6.07%

17. Movement of NPAs

(₹ in Cr)

Particulars	31.03.2022	31.03.2021
Gross NPAs as on 1st April 2021 (Opening balance)	124.52	79.64
Additions (Fresh NPAs) during the year	110.76	73.59
Sub-total (A)	235.28	153.23
Less:		
(i) Upgradations	81.49	15.89
(ii) Recoveries (excluding recoveries from updated accounts)	13.93	5.08
(iii) Write-offs	7.08	7.74
Sub-total (B)	102.50	28.71
Gross NPAs as on 31st March 2022 (Closing Balance) (A-B)	132.78	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 ₹ 5400.00 lakh during the year. The bank now has Provisioning Coverage Ratio (PCR) of 90.55%.

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 31.03.2022 (80%)
Actuarial Valuation as on 31.03.2022	821677.75	657342.20
Amount debited to P&L in the books upto 31st March, 2022		677427.70
Excess Provision or Amount yet to be provided as at 31 st March, 2022.		20085.50

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, 2022:

(₹ in 000s)

Classification	Gross Advances	Net Advances
Standard Assets	23775181	23694968
Sub Standard Assets	714931	125540
Doubtful Assets	493738	0
Loss Assets	119169	0
Total	25103019	23820508

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 2021-2022.

4. Priority Sector Lending Certificate (PSLC):

The Bank has not sold Priority Sector Advances during Financial Year 2021-22.

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 2022	Previous year Mar 2021
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 (Head Office Building):

The Bank is in possession of land in the form of a 99 years lease from the Government of Mizoram, located at MINECO, Khatla in Aizawl. Site allotment by Mizoram Government General Administration Department was made vide order No. D. 21020/1/2012-GAD dated 26-09-2014. The plot of land leased to the bank i.e. Plot No. B-21 has an area of 876.31 square metres. The

contract for construction has been awarded to the PWD Department, Government of Mizoram. Construction of Head Office which is duly approved by the Board of Directors at the plot is now completed.

The total estimated cost of the building was ₹ 19,74,07,000/- with supplementary budget of ₹ 92,78,147.50 respectively and the amount of expenditure till date (i.e. 31.03.2022) was marked at ₹ 20,63,32,945.50 with a balance of ₹ 3,52,202/- in the account. The new Building was occupied by the Health Department, Government of Mizoram on June 2021 as Dedicated Covid Health Centre (DCHC) and was vacated on October 2021. Since then, the building was occupied by the Bank there onwards.

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. Fraud Cases:

Details of Fraud cases are as under:

(₹ in 000s)

Particulars	31.03.2022	31.03.2021
Provision at the beginning of the year	209107	162457
Less: Written off during the year	0	0
Add: Additional provision created during the year	83716	46691
Less : Provision reversed during the year	0	41
Provision as at the year end	292823	209107
Number of fraud cases at the year end of the year	27	26

9. 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 31.03.2022.
- Interest & Income on inter-bank borrowing of funds and/or lent to the Bank has also been reconciled up to 31.03.2022.
- Intra-branch deposits and deposits with sponsor bank and balances of borrowings has been reconciled up to 31.03.2022.

10. Profit and Loss Account:

- 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.

11. 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.
12. Unexpired Bank Guarantee of ₹ 2,58,62,063 is fully secured by Bank's on TDR and is not recognized as Contingent Liability
13. 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 RM KOTHARI AND CO
Chartered Accountants
Firm Registration No: 000143C

Sd/-
(PRATEEK KOTHARI)
Partner
Membership No: 413362

For Mizoram Rural Bank

Sd/-
(V. JAYA CHANDRA)
Chairman

Sd/-
(LALHMINGMAWIA SAILO)
Director

Sd/-
(JAMES LALSIALIANA)
Director

Sd/-
(SEEMA DIKSHIT)
Director

Sd/-
(T. SUDHEER)
Director

Sd/-
(DURGA DUTT)
Director

Sd/-
(TH HAOKHOLAL)
Director

Place : Aizawl
Dated : 18th April, 2022



**MIZORAM
RURAL BANK**



Declaration of Aibawk as 'Cashless Area'





MIZORAM RURAL BANK



CERTIFICATE OF EXCELLENCE

AWARDED BY
Shri. Swaminathan J
MD (CB&S), SBI

AWARDED TO
Shri. V Jaya Chandra
Chairman,
Mizoram Rural Bank



For outstanding contribution and exemplary performance
in Insurance Premier League (May 2022)

Swaminathan J

Swaminathan J
MD (CB&S), SBI





MIZORAM RURAL BANK



www.mizoramruralbank.in





Ten New Branches have been opened during FY 2021-21

<i>Kawrtethawveng</i>	<i>03-09-2021</i>
<i>Mimbang</i>	<i>22-07-2021</i>
<i>South Vanlaiphai</i>	<i>23-11-2021</i>
<i>Rajiv Nagar</i>	<i>20-08-2021</i>
<i>Tlabung</i>	<i>09-11-2021</i>
<i>Bethel</i>	<i>21-12-2021</i>
<i>MINECO</i>	<i>09-12-2021</i>
<i>Electric Veng-Lunglei</i>	<i>19-02-2022</i>
<i>Darlawn</i>	<i>22-03-2022</i>
<i>MZU</i>	<i>25-03-2022</i>





**MIZORAM
RURAL BANK**



Banks' CSR (Sectorwise)



◆ Water Supply including drinking water	0.29%
◆ Environment	0.45%
◆ Social Empowerment	43.26%
◆ Education	5.59%
◆ Sports & Culture	8.64%
◆ Health Care	39.77%



Chairman of MRB giving out face masks to Branch Managers for staff & customers



MRB donating face masks to Synod Hospital, Durtlang & Aizawl Theological College, Durtlang



Handing over of Morgue Van to Christian Hospital-Serkawn on October 14, 2021



Donation of ₹ 10 lakh to CM's Relief Fund for combating against Covid-19 under Bank's CSR Scheme on May 04, 2021





Handing over of Mobile Clinic Bus to Synod Hospital - Durtlang





Financial Literacy Campaigns based on four themes - Financial Competencies, Basic Banking, Digital Financial Literacy and Consumer Protection.





**MIZORAM
RURAL BANK**



**NABARD Chairman, Dr. G.R. Chintala's Visit at MRB Head Office
MINECO, Aizawl, Mizoram on 09-12-201**





**MIZORAM
RURAL BANK**



**Unit Financed Under
SME to
Woodland Construction & Interior Design
Zonum, Aizawl**





VIGILANCE AWARENESS WEEK

(From 21-10-2021 to 01-11-2021)

With The Theme

"Independent India@75 : Self Reliance with Integrity"





MIZORAM RURAL BANK **HEAD OFFICE**

 Plot No. B-21, MINECO, Khatla, Aizawl - 796 001

 0389-2333049/2333006/2333024

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