

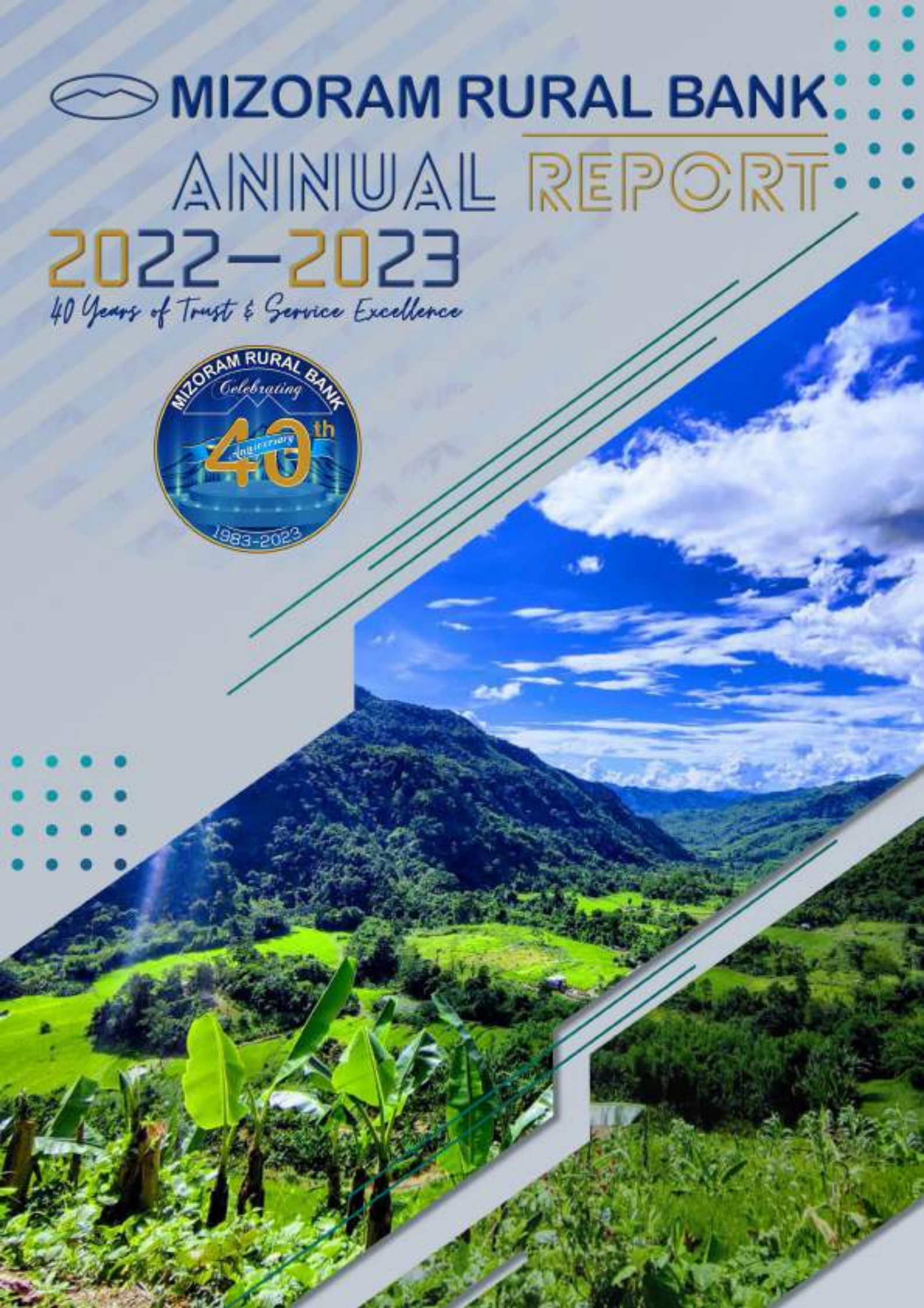


# MIZORAM RURAL BANK

## ANNUAL REPORT

### 2022-2023

*40 Years of Trust & Service Excellence*



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**Financially include all households of the State with Innovation and Technology**

**MISSION**

**Be the BEST Bank of Mizoram**



**VISION**



**Hope, Assurance, Integrity,  
Love, Service**

**VALUES**

## Letter of Transmittal

**Mizoram Rural Bank**  
**Head Office : Aizawl**

Date: 31/05/2023

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 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

A copy of the audited Balance Sheet and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2023.

A copy of the Auditor's report in relation to the Bank's accounts for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

Yours faithfully,



**(V. Jaya Chandra)**  
Chairman



MIZORAM RURAL BANK											
LIST OF BRANCHES (DISTRICT/SCALE-WISE) AS ON MARCH 2023											
	BRANCH NAME	CODE	SCALE	MICR	BSR		BRANCH NAME	CODE	SCALE	MICR	BSR
<b>AIZAWL DISTRICT</b>						<b>KOLASIB DISTRICT</b>					
1	HEAD OFFICE	1	-	796805003	1720001	1	KOLASIB	22	IV	796805517	1720022
2	REGIONAL OFFICE	80	-	NA	1720069	2	KAWNPUJ	4	III	796805502	1720004
3	AIZAWL	2	IV	796805002	1720002	3	VAIRENGTE	6	III	796805538	1720006
4	CHALTLANG	49	IV	796805009	1720049	4	BILKHAWTHLIR	5	III	796805503	1720005
5	CHANMARI	53	IV	796805006	1720053	5	HMAR VENG	43	III	796805543	1720043
6	DINTHAR	55	IV	796805011	1720055	6	LUNGDAJ	27	II	796805521	1720027
7	DURTLANG	26	IV	796805004	1720026	7	THINGOAWL	92	I	796805574	172000F
8	KHATLA	47	IV	796805008	1720047	<b>MAMET DISTRICT</b>					
9	KULIKAWN	56	IV	796805012	1720056	1	MAMIT	41	III	796805548	1720041
10	NEW MARKET	50	IV	796805010	1720050	2	WEST PHAILENG	10	III	796805507	1720010
11	TREASURY SQUARE	60	IV	796805014	1720060	3	KANHMUN	45	II	796805534	1720045
12	VAIVAKAWN	52	IV	796805005	1720052	4	KAWRTHAH	40	II	796805532	1720040
13	RAMHLUN	58	IV	796805013	1720058	5	RAWPUICHHIP	9	II	796805504	1720009
14	ZEMABAWK	61	IV	796805007	1720067	6	REIEK	21	II	796805516	1720021
15	BAWNGKAWN	73	III	796805558	1720074	7	MARPARA	89	I	796805571	172000C
16	BUNGKAWN	76	III	796805562	1720078	8	RAJIY NAGAR	96	I	796805576	172000H
17	SAIRANG	3	III	796805501	1720003	9	KAWTETHAWVENG	93	I	796805577	172000I
18	THINGSULTHLAIH	7	III	796805505	1720007	<b>SERCHHIP DISTRICT</b>					
19	THUAMPUI	77	III	796805563	1720079	1	SERCHHIP	23	IV	796805518	1720023
20	PUC	66	III	796805015	1720072	2	CHHINGCHHIP	8	III	796805506	1720008
21	BETHEHEM VENGTHLANG	85	III	796805017	1720088	3	NORTH VANLAIPHAJ	36	III	796805530	1720036
22	MISSION VENGTHLANG	82	III	796805016	1720083	4	THENZAWL	28	III	796805522	1720028
23	RAMRIKAWN	42	III	796805559	1720075	5	CHHIAHTLANG	64	III	796805550	1720071
24	SELING	71	III	796805555	1720062	6	EAST BUNGTLANG	79	II	796805565	1720081
25	FALKAWN	72	III	796805557	1720084	7	EAST LUNGOAR	34	II	796805510	1720014
26	KHAWRUHLIAN	35	II	796805529	1720035	8	NEW SERCHHIP	39	II	796805544	1720039
27	AIBAWK	11	III	796805508	1720011	9	BAKTAWNG	83	II	796805567	1720087
28	SIALSUK	12	II	796805509	1720012	10	KHAWLAILUNG	81	II	796805569	1720085
29	SHPHIR	29	II	796805523	1720029	<b>LUNGLEI DISTRICT</b>					
30	TLUNGVEL	20	II	796805515	1720020	1	REGIONAL OFFICE	88	-	NA	172000B
31	RATU	62	II	796805536	1720068	2	LUNGLAWN	54	IV	796805545	1720054
32	MINECO	101	II*	796805018	172000L	3	LUNGLEI	24	IV	796805519	1720024
33	MZU	102	II*	796805020	172000P	4	SERKAWN	19	IV	796805537	1720019
34	SAKAWRDAN	87	I	796805570	172000A	5	HAULAWNG	37	III	796805531	1720037
35	SESAWNG	84	I	796805566	1720086	6	LUNGSEN	18	II	796805514	1720018
36	DARLAWN	103	I	796805580	172000O	7	BUARPUI	59	II	796805547	1720059
37	ELECTRIC VENG AIZAWL	97	II*	796805021	172000Q	8	BUNGHMUN	69	I	796805554	1720066
38	SALEM VENG	106	I	796805022	172000S	9	TLABUNG	98	I	796805578	172000I
						10	ELECTRIC VENG	99	I	796805102	172000N
						11	TAWIPUI SOUTH	104	I	796805581	172000R
<b>CHAMPHAI DISTRICT</b>						<b>LAWNGTLAI DISTRICT</b>					
1	CHAMPHAI	57	IV	796805546	1720057	1	LAWNGTLAI	48	IV	796805541	1720048
2	HNAHLAN	67	II	796805552	1720064	2	LAWNGTLAI CHANMARI	74	IV	796805560	1720076
3	KHAWBUNG	44	II	796805533	1720044	3	BUALPUI NG	51	II	796805535	1720051
4	RUANTLANG	75	II	796805561	1720077	4	CHAWNGTE	78	II	796805564	1720080
5	BUNGZUNG	17	II	796805513	1720017	5	SANGAU	32	II	796805524	1720032
6	FARKAWN	90	II	796805572	172000D	6	SOUTH BUNGTLANG	65	II	796805551	1720063
7	BETHEL	100	I	796805019	172000M	<b>SAITUAL DISTRICT</b>					
<b>SIAHA DISTRICT</b>						1	KEIFANG	46	III	796805539	1720046
1	SIAHA	31	IV	796805542	1720031	2	NGOPA	33	III	796805525	1720033
2	TIPA	63	III	796805549	1720070	3	PHULLEN	80	II	796805568	1720082
3	VAIHPI	70	III	796805556	1720073	4	HIAIPLUI	68	II	796805553	1720065
<b>KHAWZAWL DISTRICT</b>						5	SUANGPULAWN	25	II	796805520	1720025
1	KHAWZAWL	16	III	796805512	1720016	6	SAITUAL	91	II	796805573	172000E
2	KAWLKULH	34	III	796805526	1720034	7	MIMBUNG	94	I	796805575	172000G
3	KHAWHAI	15	II	796805511	1720015	<b>HNAHTHIAL DISTRICT</b>					
4	SIALHAWK	30	I	796805527	1720030	1	HNAHTHIAL	38	IV	796805540	1720038
<b>Scale-IV - 22</b>		<b>Scale-III - 31</b>				<b>Scale-II - 33</b>		<b>Scale-I - 16</b>			
<b>Rural - 59</b>		<b>Semi Urban - 20</b>				<b>Scale-II - 33</b>		<b>Urban - 23</b>			

## 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 Haekholal**  
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 G Thangchinkhup**  
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*

**Shri Kamlesh Kumar Singh,**  
DGM, SBI  
LHO, Gurwahati



**Shri Lalthmingmawin 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 Lalsiamliam**  
Director  
Department of Agriculture  
Govt. of Mizoram



## EXECUTIVE TEAM



**Shri V. Jaya Chandra**  
Chairman



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



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



**Shri Salbal Kanti Roy**  
General Manager  
(Vigilance)





### Heads of Departments



Pu Vanlalhimi  
Chief Manager  
(Personnel & Office Adm.)



Pu Lalhamsuzaha Renthlei  
Chief Manager  
(M&A)



Pu Arjun Jaxin  
Chief Manager  
(Vigilance)



Pu P. Lalzadiona  
Chief Manager  
(Advances)



Pu Clement Lalduhzaha  
Chief Inspector  
(I & A Cell)



Pu T. Shinghsharanga Thawon  
Chief Manager  
(Accounts)



Pu Navton Thapa  
Chief Manager  
(MIS & Planning)



Pu Zothansanga Pachuau  
Senior Manager  
(Compliance)



Pu Manta Rai  
Manager  
(Pension Cell)



Pu C. Vanleidika  
Manager  
(IT Cell)



Pu Ethcer Laldumpui  
Manager  
(Financial Inclusion)



Pu H. Zorinpui  
Manager  
(Cross Selling)

### Regional Managers

### RSETI



Pu Ljaskung  
Regional Manager  
(Aizawl Region)



Pu VI. Zahawna  
Regional Manager  
(Lunglei Region)



Pu C. Laldumpui  
Director  
MIRB RSETI, Kolashib

## Our Mentors

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



**Shri Swaminathan J.**  
**Managing Director**  
**(CB & 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



**Shri K V S S L V Prasada Rao**  
General Manager  
NABARD Regional Office  
Aizawl

## Highlights: 2022-23

- ❖ Total Business of the Bank has reached a level of ₹ 7861.56 crore with a growth of ₹ 1131.04 crore @ 16.80% (₹ 6730.53 crore @ 8.43%).
- ❖ Deposits at ₹ 4969.88 crore increased by ₹ 746.65 crore at 17.76% from ₹ 4220.23 crore.
- ❖ CASA at ₹ 2986.26 crore. CASA % stood at 60.09%.
- ❖ Advances at ₹ 2891.69 crore increased by ₹ 381.39 crore at 18.78% from ₹ 2510.30 crore.
- ❖ Net profit increased to ₹ 65.19 crore as on 31.03.2023 from ₹ 49.44 crore. Net Profit increased by ₹ 15.75 crore @ 31.86%.
- ❖ Gross NPA increased to ₹ 157.44 crore (5.44%) from ₹ 132.78 crore (5.29%).
- ❖ Net NPAs decreased to ₹ 12.13 crore from ₹ 12.55 crore. Net NPA stood at 0.42% only.
- ❖ Provision Coverage Ratio (PCR) increased from 90.55% as on 31.03.2022 to 92.30% as on 31.03.2023.
- ❖ Cost of deposits decreased to 3.55% as on 31.03.2023 from 3.58%.
- ❖ Business per Branch ₹ 77.08 crore, Business per Employee ₹ 16.48 crore.
- ❖ Net Profit per Branch increased to ₹ 63.91 lakh as on 31.03.2023 from ₹ 49.44 lakh.
- ❖ Net Profit per Employee increased to ₹ 13.66 lakh as on 31.03.2023 from ₹ 10.32 lakh.
- ❖ Net worth increased to ₹ 355.88 crore as on 31.03.2023 from ₹ 280.55 crore as on 31.03.2022 @ 26.85%. (36.24%)
- ❖ Reserves increased to ₹ 291.07 crore as on 31.03.2023 from ₹ 225.88 crore as on 31.03.2022 @ 28.86% (29.16%)
- ❖ Return on Assets increased to 1.19% as on 31.03.2023 from 0.97%.
- ❖ Return on Equity increased to 18.32% as on 31.03.2023 from 17.62%.
- ❖ Yield on Advances declined from 10.21% as on 31.03.2022 to 9.97% as on 31.03.2023.
- ❖ Cost to Income Ratio (Expenses Ratio) has decreased to 34.98% from 37.55%.
- ❖ NII was up by 16.76% (28.95%). It increased to ₹ 254.92 crore in 2022-23 from ₹ 218.32 crore.
- ❖ Net Interest Margin (NIM) improved to 4.64% as on 31.03.2023 from 4.30% as on 31.03.2022.
- ❖ Capital Adequacy Ratio at 13.26% as on 31.03.2023 vis-à-vis 11.53% as on 31.03.2022. CRAR up 173 bps YOY.
- ❖ Credit to Agriculture and Allied Agriculture at ₹ 486.99 crore (₹ 476.65 crore) at a growth rate of 2.17%.
- ❖ Disbursed ₹ 179.53 crore to agriculture.
- ❖ No. of Agriculture borrowers decreased to 34083 from previous FY's level of 34293.
- ❖ No. of credit linkage to SHGs increased to 4784. SHG Loan o/s stand at ₹ 42.28 crore for the FY 2022-23 (₹ 50.67 crore).
- ❖ Total transactions amount through Bank Mitra decreased from ₹ 431 crore to ₹ 383 crore.
- ❖ The total number of transactions done through Bank Mitra summed to 653438 numbers during the financial year.
- ❖ Total Amount of Cash deposit through Bank Mitra during the year is ₹ 117.10 crore.
- ❖ Total Amount of Cash withdrawal through Bank Mitra during the year is ₹ 189.53 crore.
- ❖ During the year 69995 (68986) new ATM cards were issued.
- ❖ Achieved 31569 (54157) new Mobile Banking registrations during the year.
- ❖ 2 new Branches have been opened during the financial year. (1 urban branch and 1 rural branch).

*Note: Figures in brackets pertain to previous FY*



## Chairman's Message



It is an immense pleasure to present the Annual Report for the fifth consecutive year along with the Financial Statements of the Bank for the year 2022-23. We have now slowly resumed the normal life we had earlier since the outbreak of Covid-19. Despite the aftershock of the pandemic, I am proud of the progress we have made as a Bank. The mission, the vision and the values of the Bank abides to the mindset of our employees through 'customer centric' approach for advancement and business growth.

Passing through many hurdles, Mizoram Rural Bank delivered a vigorous performance in 2022-23 with a growth of ₹ 1131.04 Crore at 16.80% in Bank's Business reaching ₹ 7861.56 Crore. The total Deposits touched a new level of ₹ 4969.88 having a growth amount of ₹ 749.65 Crore which is 17.76% from the previous year. The Bank also reached a business volume of ₹ 2891.69 in advances which is ₹ 381.39 (15.19%) growth making the Bank the largest lender in the state. The Bank launched a Festival Campaign from 01.10.2022 to 31.12.2022 to promote Personal Segment Loans and with special focus to Housing Loans, the target stands at 15% increase from the previous year i.e. ₹ 133.89 Crore. The achievement touched ₹ 143.42 Crore at 107.12%. CASA deposits grew by ₹ 452.60 crore at 17.86% to reach ₹ 2986.26 Crore as against ₹ 2533.66 Crore as on 31.3.2022. The share of CASA has slightly increased from 60.04% (31.03.2022) to 60.09% as on 31.03.2023.

During the previous FY 2021-22, Government of India decided to infuse ₹ 33.77 crore into Mizoram Rural Bank as recapitalization support. In this context, the share of each Government of India - ₹ 16,88,44,000.00 (₹ 16.88 crore), Sponsor Bank (SBI) - ₹ 11,81,95,000.00 (₹ 11.82 crore) and Government of Mizoram - ₹ 5,07,00,000 (₹ 5.07 crore) recapitalization assistance were fully received during FY 2022-23. The Capital Adequacy Ratio stood at 13.26% above the level of minimum 9% stipulated by Dr. K.C. Chakravarthi Committee. The Bank managed to decrease the Cost of Deposit at 3.55% and increase its Net Interest Margin at 4.64%.

NPA has been one of the major challenges of all time. Performance Reviews of Branches and account wise follow up had been done on regular basis. Frequent meetings on NPA Management, Recovery mechanism and Compromise Settlement for reducing NPA gradually had a positive impact by reaching as low as 5.44% on Gross NPA and Net NPA to 0.42%. The Bank settled 538 cases with an amount of ₹ 3.41 Crores in Lok Adalat and 120 cases with an amount of ₹ 3.43 Crores through Compromise Settlement.

During the year, we have 21 new recruits at different cadres joining our Bank. 15 employees have been promoted to a higher grade. During the year, 11 staff members have retired from the Bank's Service. 2 staff members have deceased while in service and 10 staff members have resigned/terminated. The Bank ensured continuity of high standards and rendering of quality service. On location training as well as online training was conducted during the year through our partnered training institutions like BIRD (Lucknow), BIRD (Mangalore), SBIRB (Hyderabad), IIBM, IIBF, State Bank Learning Centre and in house faculty on important selected subjects. 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 477 staff members.

In addition, our Bank has introduced and adopted latest IT technologies and latest digital initiatives for fast and easy access to Banking products. Our Bank continued to effectively leverage technology by introducing Internet Banking (transaction rights) facility to enable our valued customers for hassle free banking which was officially launched by Mr. Siva Kumar, GM (RRB), SBI corporate Centre, Mumbai on 9<sup>th</sup> January, 2023, HRMS (Human Resource Management System) for efficient staff management, Internal Bidding System for disposal of fixed assets, Internal Support System for enhancing Customers' experience and business efficiency.

I am very grateful that our Bank has played a vital role in reaching the most remote corners of the state and provide banking services at their doorsteps. We have conducted 894 Financial Literacy Campaigns throughout the year and had fresh enrollment of 40873 customers under Pradhan Mantri Jeevan Jyothi Bima Yojana (PMJJBY) reaching a cumulative enrollment of 106443, 57327 customers under Pradhan Mantri Suraksha Bima Yojana (PMSBY) touching a cumulative enrollment of 152877 and 1051 fresh enrollments under Atal Pension Yojana (APY) to a cumulative enrollment of 9664 respectively. Moreover, our bank has sourced 11 Financial Literacy Community Resource Persons (FLCRPs) through an agency to conduct FLCC in unbanked villages, helping the villagers in opening of account and conducting campaign for enrollment under PM Social Security Schemes (PMSSS). There are 1841 FI Accounts opened by Bank Mitras with 653438 transactions in all within the financial year. The Bank continued to be a leading bank in the state playing proactive role in Financial Inclusion.

I am obliged to see that Rural Self Employment Training Institute at Kolasib sponsored by our Bank has now started to function in full swing. Although the institution is new with many hindrances to be aligned on the streamline, we have successfully conducted 8 training programmes for 192 candidates in different trades which is quite remarkable. I hope to see that the people are fully utilizing the potential of the institution for imparting skills to the youth in the coming future.

The Bank has continued to fulfill its responsibility towards the society which persists to be one of its most important agendas. The Bank affirms to continue its support to its areas of operation. This year we have expended more than ₹ 181 lakh under CSR scheme aiming to provide financial services for development of the rural area and elevation of the rural poor by providing the needs of the society.

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. I extend 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 customers 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	2020-21	2021-22	2022-23
<b>A. KEY PERFORMANCE INDICATORS</b>			
1. No. of District covered	11	11	11
2. No. of Branches	89	99	102
a) Rural	52	58	59
b) Semi-Urban	18	20	20
c) Urban	19	21	23
d) Metropolitan	-	-	-
3. Total Staff (excluding sponsor bank staff)	440	479	477
Of which, Officers	241	264	260
4. Deposits	41548704	42202260	49698780
Growth %	19.46%	1.57%	17.76%
5. Borrowings Outstanding	2972737	3462067	4558498
Growth %	3.33%	16.46%	31.67%
6. Gross Loans & Advances Outstanding	20521355	25103019	28916869
Growth %	33.65%	22.33%	15.19%
Of 6 above loans to Priority Sector	15024510	17728604	18404597
Of 6 above Non Target Groups	5496845	7374414	10512272
Of 6 above loans to SC/ST	20521355	25103019	28916869
Of 6 above loans to SF/MF/AL	3891753	4766511	4869922
Of 6 above loans to Minorities	38663	53585	81173
7. CD Ratio	49.39	59.48	58.18
8. Investments Outstanding	11509235	11873714	13569741
SLR Investments Outstanding	11089255	11482482	12211348
Non-SLR Investments Outstanding	419980	391232	1358393



INDICATORS		2019-20	2020-21	2022-23
<b>B. <u>AVERAGES</u></b>				
9.	Average Deposits	39021489	41376781	44382459
	Growth %	27.42%	6.04%	7.26%
10.	Average Borrowings	2923021	3207603	3911677
	Growth %	40.29%	9.74%	21.95%
11.	Average Gross Loans and Advances	17245084	22410399	27222152
	Growth %	27.73%	29.95%	21.47%
12.	Average Investments	10030908	11884280	12465068
	Growth %	44.02%	18.48%	4.89%
	Average SLR Investments as % to Average Deposits	9613418 31.39%	11484846 19.47%	11889469 26.79%
	Average Non-SLR Investments as % to Avg. Deposits	417490 1.36%	399434 -4.32%	575599 1.30%
13.	Average Working Funds	46449446	50719011	54983217
<b>C. <u>LOANS ISSUED DURING THE YEAR</u></b>				
14.	<b>Loans Issued during the year</b>	9867587	9354835	14025951
	Amount growth	2764013	-512752	4671116
	Growth %	38.91%	-5.20%	49.93%
	Of 14 above loans to Priority Sector	6959162	5920029	8609904
	Of 14 above loans to SC/ST	9867587	9354835	14025951
	Of 14 above loans to SF/MF/AL	2450190	2124950	2060498
	Of 14 above loans to Minorities	15930	27767	47649
<b>D. <u>PRODUCTIVITY( based on total Business)</u></b>				
15.	Per Branch	697416	679851	770742
	Per Staff	141068	140512	164813

INDICATORS		2020-21	2021-22	2022-23
<b>E.</b>	<b><u>RECOVERY PERFORMANCE</u></b>			
16.	<b>Total</b>			
	Demand	4059830	4952993	5762148
	Recovery	3314770	4254610	4954891
	Overdue	745060	698383	807257
	Recovery % (June Position)	81.65%	85.90%	85.99%
17.	<b>Farm Sector</b>			
	Demand	737148	899321	1180813
	Recovery	597145	716574	998170
	Overdue	140003	182747	182643
	Recovery % (June Position)	81.01%	79.68%	58.69%
18.	<b>Non-Farm Sector</b>			
	Demand	3322682	4053672	4581335
	Recovery	2726125	3538036	3956721
	Overdue	596557	515636	624614
	Recovery % (June Position)	82.05%	87.28%	87.37%
<b>F.</b>	<b><u>ASSET CLASSIFICATION</u></b>			
19.	a) Standard	19276190	23775181	27342544
	b) Sub-Standard	736841	714931	1098022
	c) Doubtful	430908	493738	413820
	d) Loss	77416	119169	62482
	Total	20521355	25103019	28916869
	<b>Standard Assets as % to Gross Loans &amp; Advances out standings</b>	93.93%	94.71%	94.56%
<b>G.</b>	<b><u>PROFITABILITY ANALYSIS</u></b>			
20.	<b>Interest paid on</b>			
	a) Deposits	1502109	1482265	1577130
	b) Borrowings	160794	91932	126034
21.	<b>Salary (including leave encashment)</b>	404779	447620	523818
22.	<b>Other Operating Expenses</b>	384135	413887	422497

INDICATORS		2020-21	2021-22	2022-23
23.	<b>Provisions made during the year</b>			
	a) Against NPAs	210000	540000	680000
	b) Other Provisions	470043	398433	427102
	c) Amortization	-	-	-
24.	<b>Interest received on</b>			
	a) Loans & Advances	1771144	2287304	2713842
	b) Investments	734946	939768	971014
	c) Others (TDR)	849869	530363	567559
25.	<b>Other Income</b>	161416	111079	156074
26.	<b>a) Gross Profit</b>	592586	730874	921166
	<b>b) Net Profit</b>	385516	494378	651910
<b>H.</b>	<b><u>OTHER INFORMATION</u></b>			
27.	Share Capital Deposit Received	Nil	Nil	Nil
28.	<b>DI &amp; CGC</b>			
	(a) Claims settled cumulative	Nil	Nil	Nil
	(b) Claims received but pending adjustment	Nil	Nil	Nil
	(c) Claims pending with Corporation	Nil	Nil	Nil
29.	<b>Cumulative Provision</b>			
	(a) Against NPAs	741962	1202298	1453061
	(b) Against Standard Assets	70213	80213	95413
	(c) Against Investment Fluctuation Reserve	0	0	120000
	(d) Against Intangible Assets Frauds, Wage, Pension, NPS, Covid-19 Moratorium.	398015	292825	269088
30.	<b>Interest Derecognized</b>			
	a) During the year	Nil	Nil	Nil
	b) Cumulative	Nil	Nil	Nil
31.	<b>Loans Written off during the year</b>			
	a) No. of Accounts	1150	906	2102
	b) Amount	77404	70841	429237
32.	<b>Accumulated Loss</b>	Nil	Nil	Nil
33.	<b>Reserves</b>	1748835	2258766	2910675

INDICATORS		2020-21	2021-22	2022-23
34.	<b>Net Worth</b>	2059217	2805543	3558797
35.	<b>Net NPAs</b>	503202	125540	121264
	<b>% Provisions to gross NPAs (PCR)</b>	59.59%	90.55%	92.30%
	<b>% Gross NPAs to advances</b>	6.07%	5.29%	5.44%
	<b>% Net NPAs advances</b>	2.45%	0.50%	0.42%
36.	<b>CRAR</b>	9.48%	11.53%	13.26%
37.	<b>Market Share</b>			
	<b>a) Deposits</b>	29.88%	28.28%	30.37%
	<b>b) Advances</b>	33.86%	35.66%	35.54%

## Mizoram Rural Bank

Mizoram Rural Bank was established on 27<sup>th</sup> 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:

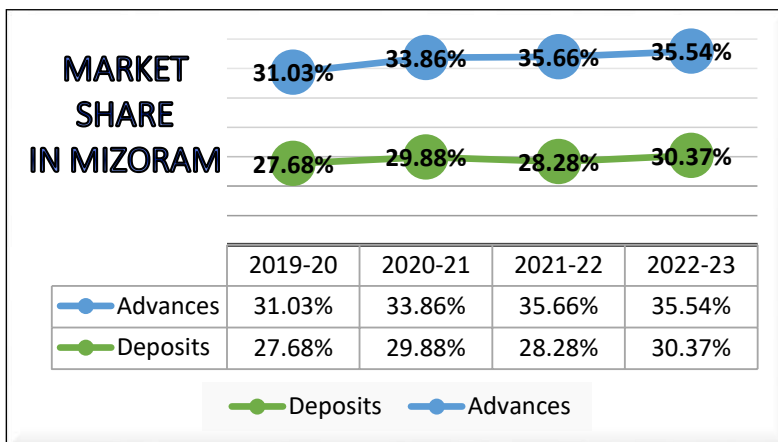
- Central Government - 50 per cent,
- Government of Mizoram - 15 per cent,
- State Bank of India - 35 per cent.

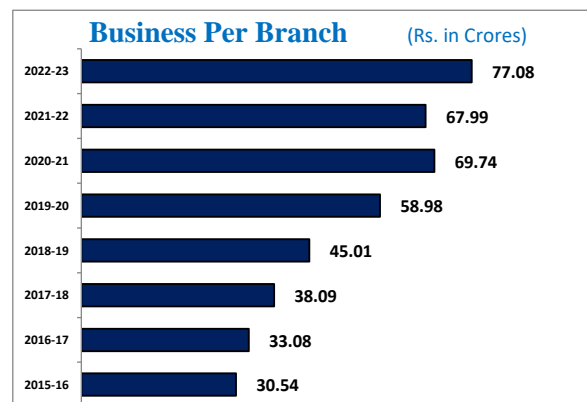
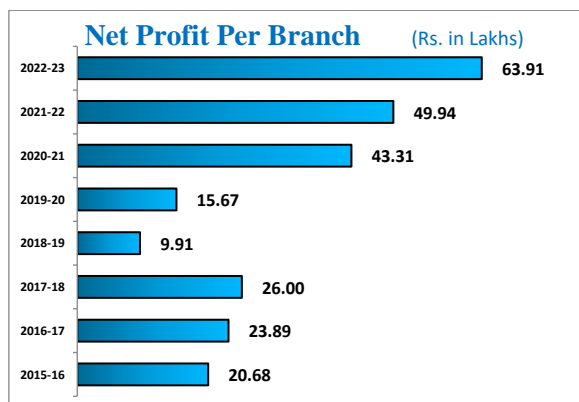
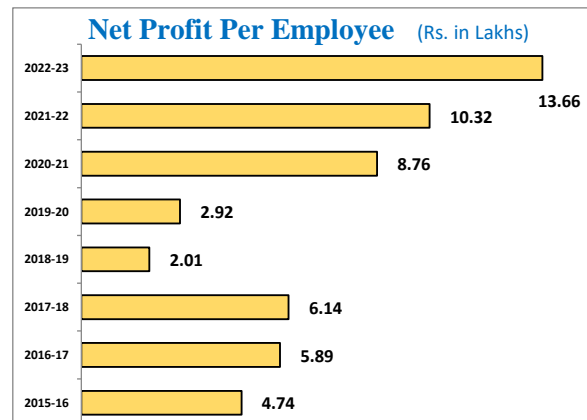
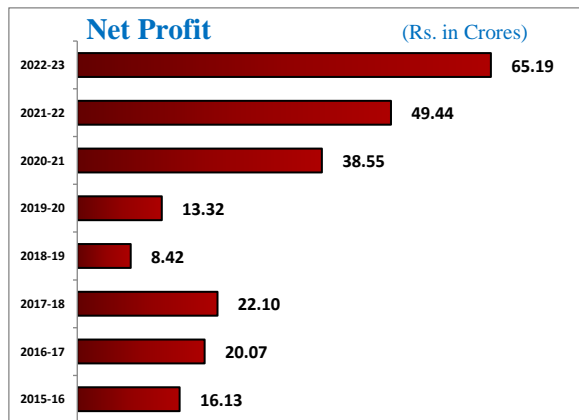
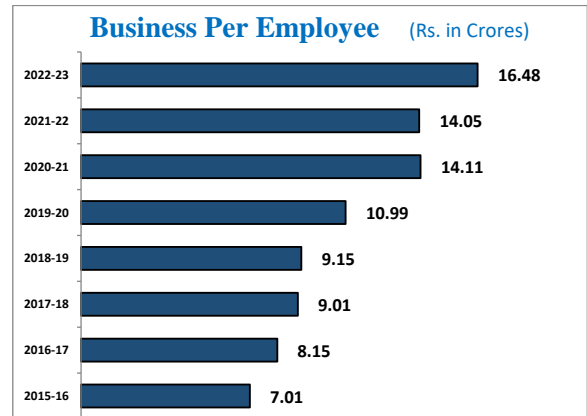
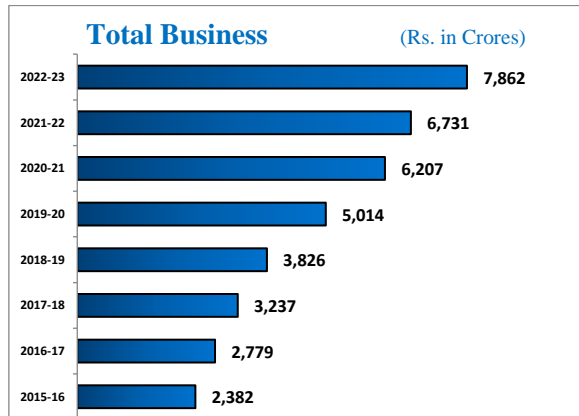
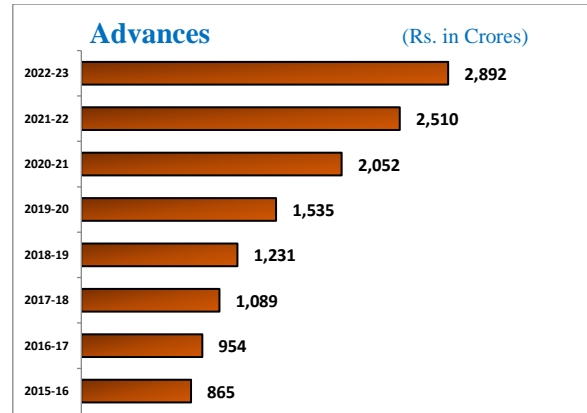
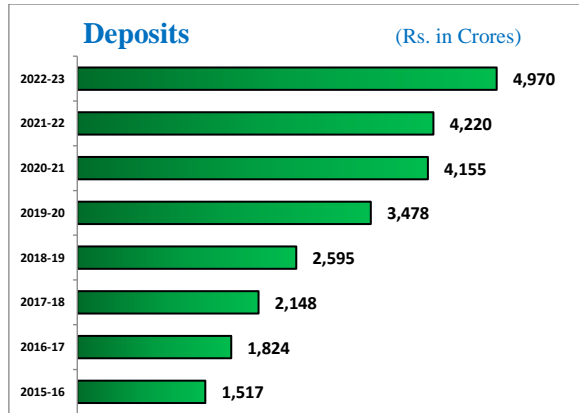
Mizoram Rural Bank with Head Office at Aizawl, Sponsored by State Bank of India is perhaps the only RRB in the state having a spread in all the

districts and blocks of a state, operating in 11 districts and 26 RD blocks with a branch network of 102 comprising of 23 urban, 20 semi urban and 59

rural centers. Of the total Branches 57.84% are in rural areas, which signify the commitment of the Bank towards rural areas.

With 102 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.





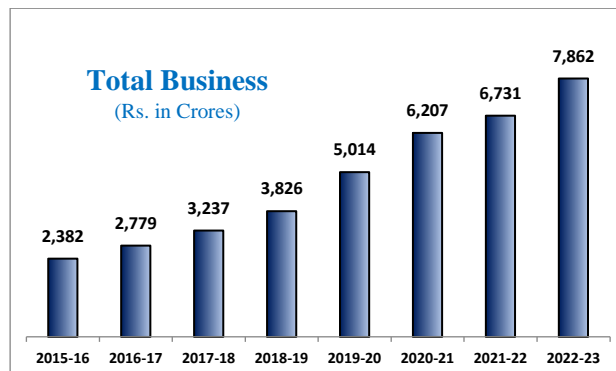
## BOARD OF DIRECTOR'S REPORT 2022-23

We have pleasure in presenting the 40<sup>th</sup> 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 31<sup>st</sup> March 2023.

### Business Review

The Bank's business has registered a growth of ₹ 1131.04 crore at 16.80% to reach ₹ 7861.56 crore as on 31st March 2023 as against ₹ 6730.53 crore as on 31.03.2022.

From the business growth of ₹ 1131.04 Crore in FY 2022-23, 66.28% was contributed by Deposits and the remaining 33.72% by Loans and Advances with an absolute growth of ₹ 749.65 crore and ₹ 381.39 crore respectively. The distribution of growth between deposits and advances in the previous year of FY 2021-22 was in the ratio of 12.48% and 87.52% respectively.

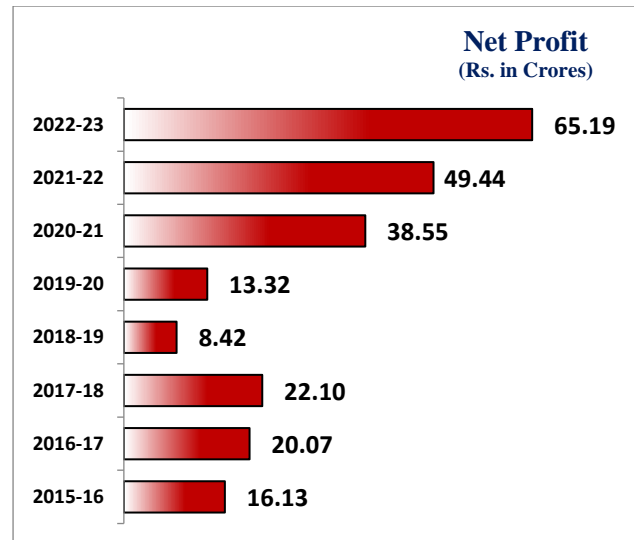


### Profit Analysis

The Bank registered a Net Profit of ₹ 65.19 crore for the year 2022-23 as against ₹ 49.44 crore for the previous FY 2021-22. Increase in Net Profit is quite significant compared to the previous years as most of the huge provisions required had been paid off in the previous years.

Interest income has increased by ₹ 49.50 Cr. The Bank's total income during the year as on 31.03.2023 stood at ₹ 440.85 crore of which ₹ 271.39 crore was income earned from advances, which is 61.56% of total income.

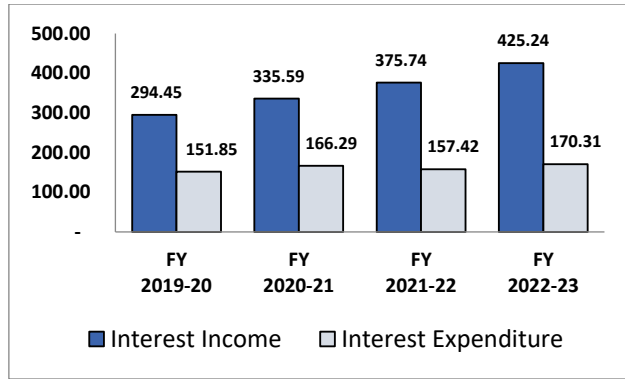
The Operating profit (before provisions and contingencies) of the Bank stood at ₹ 175.90 crore as on 31.3.23 vis-à-vis previous FY's figure of ₹ 143.28 crore. There is an increase of ₹ 32.62 crore (22.77%) in operating profit during this year.



### Income and Expenditure

Particulars	2021-22	2022-23	Growth %
Interest Income	375.74	425.24	13.17
Interest Expenditure	157.41	170.31	8.20
Non-Interest Income	11.10	15.60	40.54
Gross Profit/Operating Profit	73.08	92.11	26.04
Tax Expenses	23.64	26.92	13.87
Deferred Tax Assets & Earlier Year adjustments (excess)	0.00	0.43	0.43
Provision & Contingencies	70.19	83.78	19.36
Prior period depreciation & rent	0.00	0.00	0.00
Net Profit	49.44	65.19	31.88

Total interest income earned during the year is ₹ 425.24 crore whereas total interest expenditure is at ₹ 170.32 crore. The net interest income has increased by ₹ 36.60 crore to ₹ 254.92 crore during the year vis-à-vis ₹ 218.32 crore in 2021-22 with a growth rate of 16.76%.



### Interest Expenditure

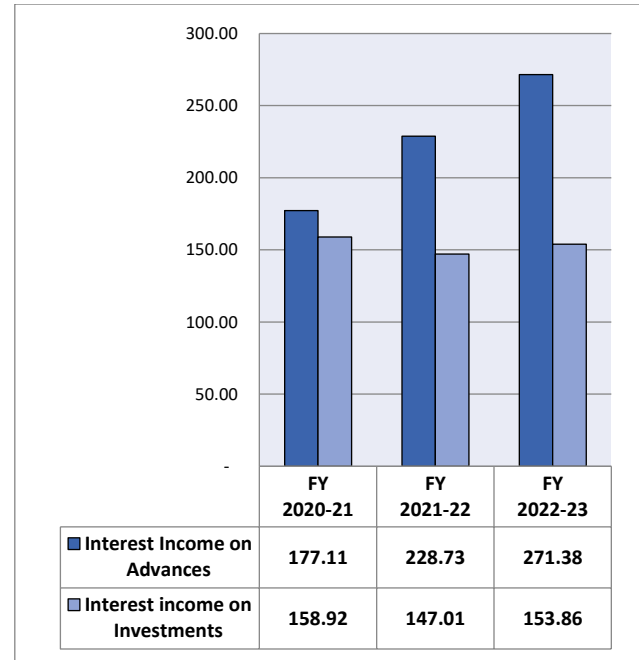
- Interest paid on deposits has increased to ₹ 157.71 crore from the last FY's figure of ₹ 148.23 crore by ₹ 9.48 crore (6.39 %).
- The Bank has paid ₹ 12.60 crore towards interest on borrowings (refinance from NABARD, NHB and MUDRA) during the year as against ₹ 9.19 crore of FY 2021-22 with an increase of ₹ 3.41 crore.

### Operating expenditure

Operating expenditure has increased by ₹ 8.48 crore (9.84%) to ₹ 94.63 crore in 2022-23 from ₹ 86.15 crore in previous FY 2021-22.

### Interest Income

- Interest income increased from ₹ 375.74 crore to ₹ 425.24 crore during the FY with an absolute growth of ₹ 49.50 crore (at 13.17%)
- The Bank has earned an interest income of ₹ 271.38 crore from loans and advances in current fiscal as against ₹ 228.73 crore in 2021-22 with an increase of ₹ 42.65 crore (@ 18.65%).
- The interest income received from investments increased from ₹ 147.01 crore to ₹ 153.86 crore during the FY with a positive growth of ₹ 6.85 crore (at 4.66%) The interest income received includes Interest received from TDR with SBI and NABARD TMB.



### Provision for NPAs

The Bank has made a provision of ₹ 68.00 crore on NPAs during the year, taking the total Provisions available on Advances to ₹ 154.85 crore (including cumulative provision of ₹ 9.54 crore on Standard Assets).

(₹ in crore)

Assets	2021-2022		2022-23	
	O/s	Provision	O/s	Provision
Standard	2377.52	8.02	2734.25	9.54
Sub Standard	71.49	58.94	109.80	97.68
Bad & Doubtful	49.37	49.37	41.38	41.38
Loss	11.92	11.92	6.25	6.25
<b>Total</b>	<b>2510.3</b>	<b>128.25</b>	<b>2891.69</b>	<b>154.85</b>



## Ratio Analysis

Ratio Analysis				
S. No	Ratios	2021-22	2022-23	
		Amt/ Ratio	Amt/ Ratio	Change
1	Cost of Deposits	3.58	3.55	-0.03
2	Cost of Funds	3.53	3.1	-0.43
3	Yield on Advances	10.21	9.97	-0.24
4	Yield on Investments	6.59	7.4	0.81
5	CASA	60.04	60.09	0.05
6	ID Ratio	50.28	51.03	0.75
7	CD Ratio	59.48	58.18	-1.3
8	Business per Employee (Rs. In crore)	14.05	16.48	2.43
9	Business per Branch (Rs. In crore)	67.99	77.08	9.09
10	Return on Assets	0.97	1.19	0.22
11	Return on Equity	17.62	18.32	0.7
12	Provision Coverage Ratio	90.55	92.3	1.75
13	% Gross NPAs to Advances	5.29	5.44	0.15
14	% Net NPAs to Advances	0.5	0.52	0.02
15	Interest Income as a percentage to Working Funds	7.41	7.73	0.32
16	Non-Interest Income as a percentage to Working Funds	0.22	0.28	0.06
17	Operating Profit as a percentage to Working Funds (Before Provisions)	2.82	3.2	0.38
18	Non-Earning Assets to Total Assets	9.88	8.77	-1.11
19	Financial Return	7.41	7.73	0.32
20	Financial Costs	3.1	3.1	0
21	Financial Margin	4.3	4.64	0.34
22	Costs of Management	1.7	1.72	0.02
23	Risk Cost	1.33	1.52	0.19
24	Credit Cost	2.63	2.71	0.08
25	Expenses Ratio (Cost to Income ratio)	37.55	34.98	-2.57
26	Net Interest Margin	4.3	4.64	0.34
27	Leverage Ratio	5.63	5.93	0.3
28	CRAR	11.53	13.26	1.73

## Balance Sheet Size

The balance sheet size amounted to ₹ 5997.30 crore with an increase of ₹ 857.26 crore over March 2022 level of ₹ 5140.04 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.

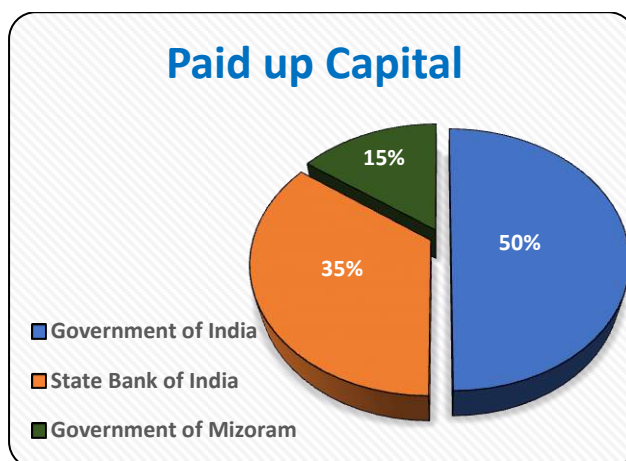
### Paid up Capital:

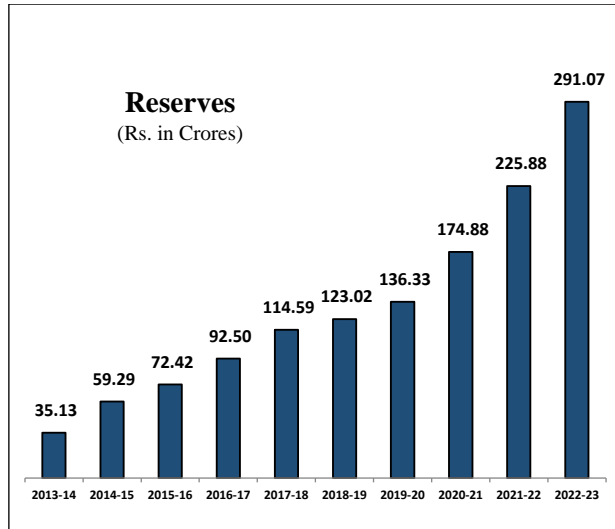
The Bank's paid up capital stood at ₹ 6,48,121,000 (6,48,12,100 shares of ₹ 10 each), subscribed by Government of India, State Government and State Bank of India in the ratio of 50:15:35.

During the FY 2021-22, Government of India decided to infuse ₹ 33.77 crore into Mizoram Rural Bank as recapitalization support. In this context, the share of each Government of India - ₹ 16,88,44,000.00 (₹ 16.88 crore), Sponsor Bank (SBI) - ₹ 11,81,95,000.00 (₹ 11.82 crore) and Government of Mizoram - ₹ 5,07,00,000 (₹ 5.07 crore) recapitalization assistance were fully received during FY 2022-23.

Further, Government of India decided to infuse ₹ 8.24 crore into Mizoram Rural Bank as recapitalization support for the year 2023-24.

The Reserves increased by ₹ 65.19 crore at 28.86% from ₹ 225.88 Cr. as on 31.03.22 to ₹ 291.07 Cr. as on 31.03.23.



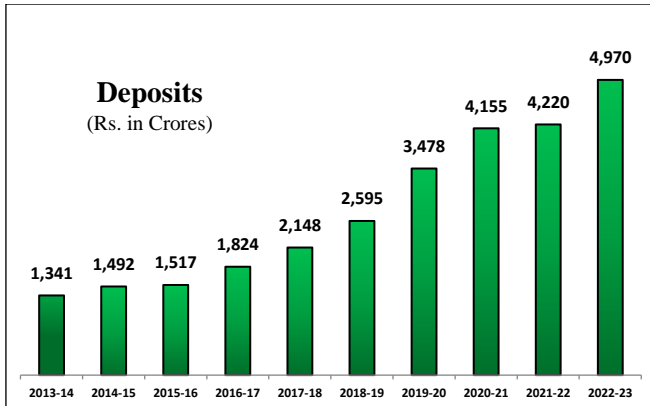


### Net worth

Net worth of the Bank stood at ₹ 355.88 crore with a growth of ₹ 75.33 crore (26.85%) over previous FY's figure of ₹ 280.55 crore.

The Capital Adequacy Ratio stood at 13.26% above the level of minimum 9% stipulated by Dr. K.C. Chakravarthi Committee.

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



### Deposits

Deposits registered a growth of ₹ 749.66 crore over March 2022 level. Total deposits as on 31.03.2023 stood at ₹ 4969.89 crore as against ₹ 4220.23 crore as on 31.03.2022.

Capital		2021-22	2022-23
<b>1</b>	<b>Tier-I</b>		
	a. Paid up Capital	31.04	64.81
	b. Share Capital Deposit	23.64	-
	c. Statutory Reserves & Surplus	45.17	56.66
	d. Capital Reserves	-	-
	e. Other Reserves	-	182.26
	f. Spl. Reserve u/s 36 (1) (viii) of Income Tax Act 1961	-	-
	g. Surplus in P&L	180.70	52.15
	Total reserves (b+c+d+e+f+g)	225.87	291.07
	<b>Total Tier-I Capital</b>	<b>280.55</b>	<b>355.88</b>
<b>2</b>	<b>Tier-II</b>		
	a. Revaluation Reserves	-	-
	b. General Provisions & Reserves	-	-
	c. Investment fluctuations Reserves / Funds	-	-
	d. Tier II Perpetual Bonds	1.73	1.73
	<b>Total Tier-II Capital</b>	<b>1.73</b>	<b>1.73</b>
	<b>Grand Total (Tier I + Tier II)</b>	<b>282.28</b>	<b>357.61</b>
<b>3</b>	a. Adjusted value of funded risk assets i.e., balance sheet items	2,447.44	2696.02
	b. Adjusted value of non-funded risk assets i.e., balance sheet items	-	-
	<b>c. a+b</b>	<b>2,447.44</b>	<b>2696.02</b>
	<b>d. Percentage of Capital (Tier I + Tier II) to Risk Weighted Assets</b>	<b>11.53%</b>	<b>13.26%</b>

### Deposit Mix

CASA deposits grew by ₹ 452.60 crore at 17.86% to reach ₹ 2986.26 crore as against ₹ 2533.66 Cr. as on 31.3.2022.

Term Deposits grew by ₹ 297.06 crore to reach a level of ₹ 1983.62 crore at 17.61% as against ₹ 1686.56 crore as on 31.3.2022.

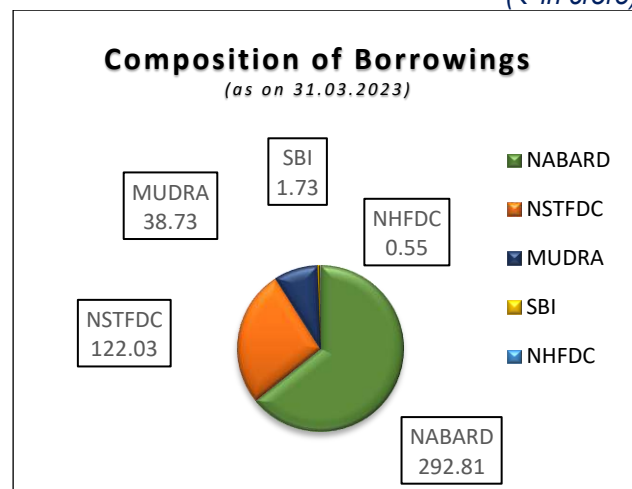
The share of CASA has slightly increased from 60.04% (31.03.2022) to 60.09% as on 31.03.2023.

(₹ in crore)

Deposit mix	2020-21	2021-22	2022-23
<b>Current A/c</b>	<b>139.57</b>	<b>100.66</b>	<b>110.83</b>
Growth	36.73	-38.91	10.17
Growth %age	35.71	-27.88	10.11
<b>Savings Bank A/c</b>	<b>2397.95</b>	<b>2433.00</b>	<b>2875.44</b>
Growth	424.07	35.05	442.44
Growth %age	21.48	1.46	18.19
<b>Total CASA</b>	<b>2537.52</b>	<b>2533.66</b>	<b>2986.26</b>
Growth	460.80	-3.86	452.60
Growth %age	22.19	-0.15	17.86
<b>Term Deposits</b>	<b>1617.35</b>	<b>1686.56</b>	<b>1983.62</b>
Growth	215.94	69.21	297.06
Growth %age	15.41	4.28	17.61
<b>Total deposits</b>	<b>4154.87</b>	<b>4220.23</b>	<b>4969.88</b>
Growth	676.75	65.36	749.65
Growth %age	19.46	1.57	17.76

### Borrowings

(₹ in crore)



The aggregate borrowings of the Bank as on 31<sup>st</sup> March 2023 stood at ₹ 455.85 crore whereas it was ₹ 346.21 crore as on 31<sup>st</sup> March 2022.

(₹ in crore)

Institution	2021-22	2022-23	Variance
NABARD	225.98	292.81	66.83
NSTFDC	118.10	122.03	3.93
MUDRA	-	38.73	38.73
SBI	1.73	1.73	0
NHFDC	0.40	0.55	0.15
<b>TOTAL</b>	<b>346.21</b>	<b>455.85</b>	<b>109.64</b>

### Assets Investments

(₹ in crore)

INVESTMENT	2020-21	2021-22	2022-23
SLR	1108.93	1148.25	1305.61
Growth	342.94	39.32	157.36
Growth %	44.77	3.55	13.70
Non - SLR (including TDR with other Banks)	1260.14	973.62	1230.54
Growth	-129.61	-286.52	256.92
Growth %	-9.32	-22.74	26.39
<b>TOTAL INVESTMENT</b>	<b>2,369.07</b>	<b>2,121.87</b>	<b>2,536.15</b>
Growth	213.33	-247.20	414.28
<b>Growth %</b>	<b>9.89</b>	<b>-10.43</b>	<b>19.52</b>

### Investments

Total investments portfolio – both SLR and Non-SLR of the Bank stands at ₹ 2536.17 crore.

(₹ in crore)

INVESTMENT	2020-21	2021-22	2022-23
SLR	1108.92	1148.24	1305.61
Non - SLR	1260.14	973.62	1230.54
<b>TOTAL INVESTMENT</b>	<b>2,369.07</b>	<b>2121.87</b>	<b>2536.15</b>

### 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 Government Securities only. The purchase and sale of Government 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 Government 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 ₹ 225.97 crore in CRR and ₹ 1305.61 crore in SLR as on 31.03.2023.

### Credit Portfolio

The credit portfolio of the Bank rose by 15.19% to ₹ 2891.69 crore during the financial year ended 31.03.2023 from the previous year level of ₹ 2510.30 crore, thus showing an absolute growth of ₹ 381.39 crore.

### Credit to Agriculture

Total credit to agriculture and allied activities including agriculture-portion of SHG lending, stood at ₹ 486.99 crore as on 31.03.2023 as against ₹ 476.65 crore as on 31.03.2022 with a growth of ₹ 10.34 crore @ 2.17%. Total number of Bank's borrowers in Agriculture sector has decreased to 34083 vis-a-vis 34293 in FY 2021-22. The Bank has disbursed ₹ 179.53 crore to agriculture sector during the year.

Total credit to agriculture and allied activities constitutes 16.84 % of the total credit portfolio as on 31.03.2023 vis-à-vis 18.99 % 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 ₹ 7.82 crore to the JLGs as on 31.03.2023, taking the total JLGs financed to 578. During the financial year 2022-23, 223 JLG groups were financed amounting to ₹ 5.00 crore as compared to 231 groups financed amounting to ₹ 4.97 crore during the previous FY 2021-22.

### Kisan Credit Card System

We have issued 20366 KCCs as on 31.3.2023 with an outstanding credit of ₹ 244.50 crore as against previous FY level of 18642 KCCs for ₹ 220.83 crore with a Year-on-Year (YoY) growth rate of 10.72%.

During the year 2022-23, we have disbursed an amount of ₹ 88.06 crore to 6427 KCC card holders.

### Interest Subvention for Short Term Crop Loans, Animal Husbandry & Fisheries

As per Government of India guidelines, the 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 ₹ 1.34 crore interest subvention from the GOI during the FY 2022-23.

### Interest Subvention for Other Government Sponsorship Schemes

### Pradhan Mantri Awas Yojana - Credit Link Subsidy Scheme (PMAY-CLSS)

Our Bank is one of the biggest contributing Bank in the state under the scheme. During this Financial Year ₹ 8.48 crores has been claimed and received during the FY 2022-23.

### PM-SVANIDHI

As per guidelines issued by Central Government we have implemented the scheme since inception. And the Bank is the largest contributing bank under the scheme in the State. We have claimed & received ₹ 0.8 lakh and has been received by the borrowers during the FY 2022-23.

### Pradhan Mantri Mudra Yojana (PMMY)

The Bank is implementing several Central Government schemes, among those is PMMY. Under the scheme several applications have been sanctioned by the bank. The Bank has taken refinance from MUDRA Ltd. and therefore in turn extend loans under the scheme at an affordable rate of interest.

### 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, which are linked with our Bank, are eligible to avail the benefits of the Scheme.

As per Government of India guidelines, our bank has implemented 7% interest rate to all the Women SHG loan borrowers up to ₹ 3.00 lakh in Category-I Districts and accordingly claimed and received an amount of ₹ 49.93 Lakh towards 5.5% interest subvention and towards additional interest subvention at 3% for prompt repaying loanees from the GOI during the year 2022-23.

We have eight districts under Category-II in the State (among the identified 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 (Mizoram 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.

During this FY 2022-23 Central Government has revised the scheme, and the revised scheme has also been adopted by the bank. Under the revised scheme 3% prompt repayment will not be provided to the borrowers anymore by the Central Government, only interest subvention to the Banks will be available. As per the revised scheme, our bank is extending 7% interest rate for all loan upto 5 lakh, for which Government of India will subvent the banks @ 4% for loan upto 3 lakh and @ 5% for loan limit above 3 lakh & upto 5 lakh. Category I & II categorisation has been removed, all district will be enjoying the same benefits under the revised scheme.

### 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 ₹ 14.30 Lakh was claimed & received during the year.

### Prime Minister Employment Guarantee Programme (PMEGP)

Bank has been implementing PMEGP scheme to enable borrowers in availing benefits from the Central Government under the scheme. During the year 2022-2023, we have claimed & received ₹ 4.79 Crore for our borrowers 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
<b>Total Priority</b>	<b>75% of total outstanding</b>
<b>Agriculture</b>	<b>18% of total outstanding</b>
<b>Small and Marginal Farmers</b>	<b>8% of total outstanding</b>
<b>Micro Enterprise</b>	<b>7.5% of total outstanding</b>
<b>Weaker Sections</b>	<b>15% of total outstanding</b>

The Bank's priority sector lending achievement constitutes 75.27% as on 31.03.2023. In absolute terms, total priority sector lending stood at ₹ 1889.46 crore as on 31.03.2023 as against ₹ 1772.86 crore as on 31.03.2022. There is a growth of ₹ 116.60 crore @ 6.56%.

### 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), NABSANRAKSHAN and CGFMU (Credit Guarantee Fund for Micro Units). The Bank is taking credit guarantee from CGTMSE for Loans Upto a Maximum limit of 50 lakh (for RRBs) and Upto 10 lakh of loan limit for individual & JLGs, where for SHG Loan Limit between 10 lakh to 20 lakh.

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 generated, enabling lenders to evaluate and approve loan applications.

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

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

### New Loan Schemes & Agreements etc.

During the FY 2022-2023, our Bank had:

i) Introduced 3 new loan products such as CHL Top Up Scheme, Mudra Weaver Credit Scheme & Personal Loan for Mizoram Samagra Shiksha (SSA) Employees to help various people from different backgrounds to sustain their respective activities and to penetrate Central Government schemes in the state.

ii) Signed an Agreement with Mizoram Wood-based Industry owners Association, National Scheduled Castes Finance & Development Corporation (NSFDC), National Backward Classes Finance & Development Corporation (NBCFDC), Tata Motors Ltd. and Bajaj Auto Ltd. during the Financial Year to enhance the prospect for eligible applicants and to increase our Loan Portfolio in different sector and to fulfil different kinds of Central Government Schemes in the state.

iii) Organized Festival Campaign on Personal advances portfolio from 01.10.2022 to 31.12.2022 to increase the Personal segment advances. During the Campaign all branches of the bank has participated effectively.

### Government Sponsored Schemes

The Bank has participated in Government Sponsored Schemes actively during the year. The Scheme-wise position of loans and advances issued and outstanding under Govt. Schemes/Special Scheme as on 31.03.2023 is as under.

(₹ in Lakh)				
Scheme	Outstanding as on 31.3.23		Disbursement during FY 2022-23	
	No. of A/cs	Amount	No. of A/cs	Amount
PMEGP	1282	3,063.62	424	1,261.11
NRLM	2381	4,321.73	976	2,429.98
NULM	794	1,048.82	193	365.88
PMAY	1314	6,452.79	103	323.00
PM SVANIDHI	144	21.37	126	25.19
PMFME	2	28.08	2	27.70
PMMY	4279	11,977.71	1536	11,942.61
SUI	33	840.38	33	591.08
NHFDC	28	21.69	7	5.00

## Participation in State Credit Plans

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

ANNUAL CREDIT PLAN 2022-23 (Disbursal)				
Particulars	Achievement as on 31.03.2022	Target for FY 2022-23	Achievement upto 31.03.2023	% of target achievement
<b>Priority Sector</b>				
Agriculture	212.49	170.33	179.53	105%
MSME	225.48	239.59	361.43	151%
Other Priority Sector	147.13	114.83	119.54	104%
<b>Total Priority Sector</b>	<b>585.1</b>	<b>524.75</b>	<b>660.49</b>	<b>126%</b>
<b>Weaker Section</b>				
<b>Weaker Section</b>	<b>1006.36</b>	<b>154.14</b>	<b>585.61</b>	<b>380%</b>
<b>Non-Priority Sector</b>				
<b>Non-Priority Sector</b>	<b>350.38</b>	<b>250.29</b>	<b>427.20</b>	<b>171%</b>
<b>Total Advances</b>	<b>1941.84</b>	<b>929.18</b>	<b>1673.31</b>	<b>180%</b>

## Sector Wise Advances:

(₹ In Crores)

S r N o	Sector	Current year 31.03.2023			Previous year 31.03.2022		
		Outstanding	Gross NPA	% of Gross NPA to Total Adv.	Outstanding	Gross NPA	% of Gross NPA to Total Adv.
<b>A</b>	<b>Priority Sector</b>						
1	Agri & Allied	486.99	41.40	1.43%	476.65	36.56	1.46%
2	Industries	130.09	18.56	0.64%	132.67	9.89	39.00%
3	Services	639.30	57.02	1.97%	530.71	45.73	1.82%
4	Personal	633.08	22.13	0.77%	632.83	22.90	0.91%
	<b>Sub Total(A)</b>	<b>1,889.46</b>	<b>139.11</b>	<b>4.81%</b>	<b>1,772.86</b>	<b>115.08</b>	<b>4.58%</b>
<b>B</b>	<b>Non Priority Sector</b>						
1	Agri & 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	1,002.23	18.32	0.63%	737.44	17.70	0.71%
	<b>Sub Total(B)</b>	<b>1,002.23</b>	<b>18.32</b>	<b>0.63%</b>	<b>737.44</b>	<b>17.70</b>	<b>0.71%</b>
<b>C</b>	<b>Total (A+B)</b>	<b>2891.69</b>	<b>157.43</b>	<b>5.44%</b>	<b>2510.3</b>	<b>132.78</b>	<b>5.29%</b>

## Asset Quality – Management of Non-Performing Assets

Though the Non-Performing Assets increased by ₹ 24.59 Crores from ₹ 132.78 Crores as on 31<sup>st</sup> March 2022 to ₹ 157.37 Crores as on 31<sup>st</sup> March 2023. Gross NPAs as a percentage to total advances has decreased from 5.29% as on 31.03.2022 to 5.44% as on 31.03.2023. Net NPAs (as a percentage to Net advances) remained unchanged from the previous year at 0.50%. In absolute terms, Net NPAs decreased from ₹ 12.55 Crores to ₹ 12.50 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/c's	Amt
Demand Notice 13(2) issued	113	1949.71
Demand Notice 13(4) issued	95	963.87
Possession taken	117	3550.49
Auctioned	1	38.00
Regularized	156	485.74

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

(₹ in lakh)

Action	Cases	Amt
Suit filed	10	168.62
Decreed	0	0.00
EP Filed	0	0.00
Recovery after filing suits	4	2.72

## 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. 2022-23, 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, 538 cases for an amount of ₹ 3.41 Crores were settled in Lok Adalat

## Compromise settlement

Our Bank has recovered a good sum of amount from NPA accounts during the year 2022-23 under compromise settlement.

Summary of settlement through Compromise settlement:

(₹ in lakh)

Compromise	2020-21	2021-22	2022-23
No of A/C's	149	121	120
Amount in lakh	167.69	152.07	343.06

## 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 82 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.
10. Asset Classification:

(₹ in crore)

Assets	2021-22		2022-23	
	O/s	%	O/s	%
Standard	2377.52	94.71	2734.20	94.56
Sub Standard	71.49	2.85	109.81	3.80
Bad & Doubtful	49.37	1.97	41.31	1.43
Loss	11.92	0.47	6.25	0.21
Total NPAs	132.78	5.29	157.37	5.44
<b>Total Advances</b>	<b>2510.30</b>	<b>100</b>	<b>2052.14</b>	<b>100</b>

## Internal Control System – Inspection & Audit

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

## Risk Focused Internal Audit (RFIA)

The Risk Focused Internal Audit Report System has been implemented in the Bank as suggested by our Sponsored Bank i.e. State Bank of India. To tighten



the criteria to qualify for better ratings, the Bank has raised the benchmark for the Inspection ratings.

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

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

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

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

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

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

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

During the year 72 branches have fallen due for Audit with 1 branch carried over the previous year and all 73 branches have been audited. The ratings

acquired by 73 branches audited during the year are as under:

Rating	Out of 73 Branches audited during 2022-23
Well Controlled – A+	22
Adequately Controlled - A	51
Moderately Controlled - B	-
Unsatisfactorily Controlled - C	-
<b>Total</b>	<b>73</b>

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 74 Audit Reports which have fallen due for closure during the year, 77 Compliance Reports have been received (3 reports have been submitted before their due dates) and all 77 reports have been dealt with have been dealt with.

### 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 29 branches along with our Head Office with the help of three Concurrent Auditors. We empaneled 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.

Total coverage of the Bank under Concurrent Audit during the year is as under:

Parameter	Coverage %
Deposit	58.77%
Advances	63.32%
Total Business	60.44%

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 31 Bank Mitras' transactions during the current Financial Year.

### Compliance Audit

Compliance Audit was conducted at 15 branches which is 20% 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 was not conducted by our Sponsor Bank – SBI during the CFY.

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

NABARD Inspection has been conducted during 20.06.2022 to 05.07.2022. The Bank has been awarded 'B+' rating and acquired 70.62% 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. AMH Framework
3. Bank Deposits Policy
4. Branch Visit Policy
5. Cash Management Policy
6. Compensation Policy
7. Complaint Redressal Policy
8. Compliance Policy
9. Concurrent Audit Policy
10. CSR Policy
11. Cyber Security Policy
12. DEAF Policy
13. Empanelment of Advocates Policy
14. Fixed Asset Management & Depreciation Policy
15. Fraud Prevention & Management Policy
16. HR Policy
17. Information Technology (IT) Policy
18. ICAAP Policy
19. Internal Audit Policy
20. Investment Policy
21. Information Security (IS) policy
22. KYC, AML, CFT Policy
23. Loan Manual
24. Mobile Banking Policy
25. Internet Banking Policy
26. NPA Policy
27. Policy on Account Portability
28. Policy on BC Model
29. Policy on General Management of Branches
30. Policy on Outsourcing of House Keeping and Service Security
31. Prevention of Sexual Harassment Policy
32. Record on Retention Policy
33. Risk Management Policy
34. RRB\_IS Audit Policy
35. Transfer and Posting Policy
36. Vacation Policy
37. Whistle Blower 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:

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

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.

## 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/State Public Information Officer while the Chairman of the Bank is designated as the Appellate Authority.

During the year 2022-23, the Bank has received Forty Five (45) applications under RTI Act.

## 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 engaged 2 Corporate BCs viz. *CAISIAS Research & Consulting and Evergreen Outreach (P) Ltd.* under which there are 247 Bank Mitras equipped with micro ATMs.

Out of 272 RBI allotted villages, 268 villages are having less than 2000 population and the remaining 4 villages have more than 2000 population.

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

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 2022-2023, number of FI Accounts opened by Bank Mitras is 1841 and the number of transaction summed to 653438.

### Financial Inclusion Accounts – Aadhaar Seeding

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

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

#### Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

PMJJBY is a one-year life insurance scheme, backed by Government of India, renewable from year to year, offering coverage for death. People in the age group of 18 to 50 years having a bank account who give their consent to join/enable auto-debit, are eligible. Aadhaar would be the primary KYC for the bank account. The life covers of ₹ 2 lakh shall be for the one year period stretching from 1<sup>st</sup> June to 31<sup>st</sup> 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 ₹ 436/- 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 31<sup>st</sup> May of each annual coverage period under the scheme.

We have enrolled 40873 customers under Pradhan Mantri Jeevan Jyoti Bima Yojana in FY 2022-23. The cumulative enrollment was 106443 at the end of the FY.

#### 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 31<sup>st</sup> May for the coverage period 1<sup>st</sup> June to 31<sup>st</sup> 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 ₹ 20/- per annum is to be deducted from the account holder's bank account through 'auto-debit' facility in one instalment.

We have freshly enrolled 57327 customers under Pradhan Mantri Suraksha Bima Yojana till FY 2022-2023 and the cumulative enrollment was 152877 at the end of the FY.

### 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 Government 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. We have 1051 fresh enrollments under APY in FY 2022-23 amounting to a total of 9664 APY enrollments till FY 2022-23.

### 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 the people and encourage them to use digital transaction viz. card technology, ATMs, micro ATMs, PoS transactions, use Mobile Banking, Mobile Wallets etc. Street shows and Awareness Camps have been deployed in the villages and schools with the above contents so as to attract individuals and advising them to upgrade their financial and technical skills. Publicity material in the form of pamphlets, brochures and banners were distributed during the camps to spread the message of financial awareness among the masses.

Financial Literacy Campaigns were conducted 849 times with a total attendance of 50965 throughout the FY 2022-23. NABARD sanctioned grant assistance for all the programmes.

### MRB FLCRP (Financial Literacy Community Resource Persons)

Our bank has sourced 11 Financial Literacy Community Resource Persons (FLCRPs) through an agency. These FLCRPs shall conduct FLCC in unbanked villages to help the villagers in opening of account and campaign for enrollment under PM Social Security Schemes (PMSSS).

They shall help the villagers in filling up of account opening and insurance forms at their villages and submit the same to bank branches, thus, saving the time and money spent by the villagers.

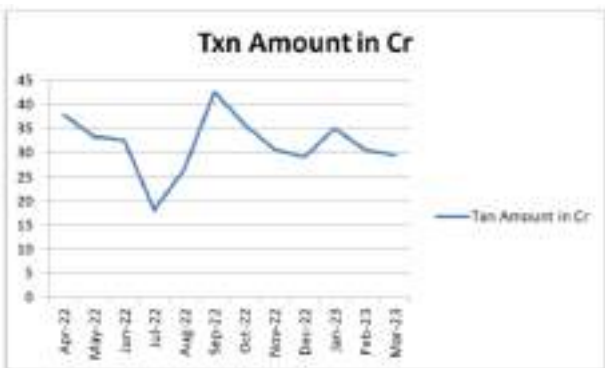
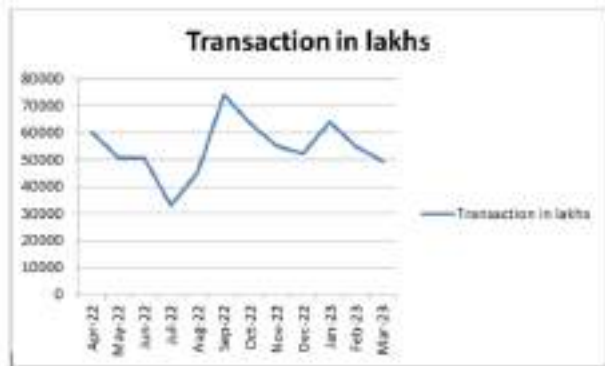
### Corporate Social Responsibility Initiatives / Activities

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 focusing 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 ₹ 1.81 Cr during the FY 2022-23.

### Bank Mitra transaction FY 2022-23

- Total number of transactions handled by our Bank Mitras in FY 2022-23 is 653438 amounting to a total transaction amount of ₹ 382.96 cr.
- 1841 FI Accounts were opened by our Bank Mitras during FY 2022-23.
- Total commission paid to our CBCs for FY 2022-2023 is ₹ 1.37cr.



### 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 ₹ 939.48 lakh and earned a commission of ₹ 52.82 lakh during the FY 2022-23.

#### 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 ₹ 299.03 lakh and earned a commission of ₹ 39.40 lakh during the FY 2022-23.

#### Reliance General Insurance Company Ltd

The Bank mobilized a business premium of ₹ 60.71 lakh and earned a commission of ₹ 8.61 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 have been popularized widely among our customers. We have conducted campaigns, awareness programmes, instilled competition among operating staff in Branches and Regional Offices, to take the IT Products and services to our customers.

#### Implemented during FY 2022-23

#### Internet Banking (transaction rights) facility:

Internet Banking (transaction rights) facility was officially launched by Mr. Siva Kumar, GM (RRB), SBI corporate Centre, Mumbai on 9<sup>th</sup> January, 2023.

This transaction facility empowers our customers to perform fund transfer and other basic services anytime, anywhere without visiting bank branch.



**Human Resource Management System (HRMS)**

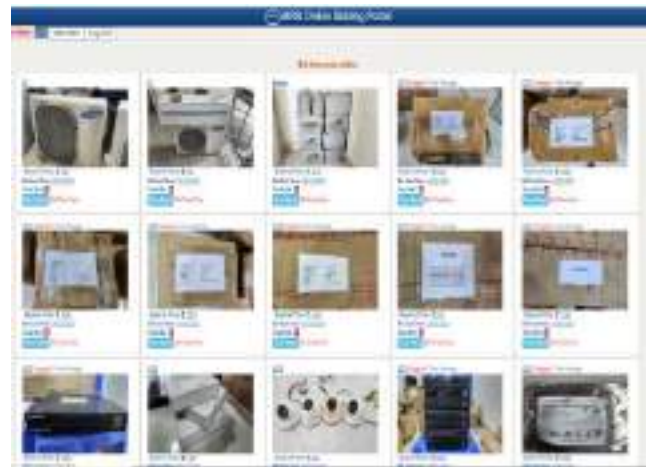
Human resource management system (HRMS) is a software application that automates and integrates many processes involved in human resource management. With this application, the workload of HR cell can be reduced significantly by migrating paper-based process to computerised process which will eventually result in reduction of expenditure and promoting eco-friendly process.



**Internal Bidding system**

In order to provide a platform for employees within our bank to bid for purchase of obsolete fixed asset items before disposing to the public, internal bidding system was developed in-house for more efficient and cost-effective disposal of fixed asset items.

Some of the benefits of using an internal bidding system are : i) increased revenue as a result of bidding system for disposal ii) reduced cost as it does not require transportation, cost of advertisement, etc. iii) transparency thanks to the system being accessible by all employees of the bank and any employee can check the highest bidding price with an option to submit bid amount until bid time is over.



**Implementation of corporate owned corporate paid (COCP) mobile phone connectivity**

With the advancement in technology and considering the huge advantage of mobile phone over landline telephone connection, smartphone with Airtel Postpaid COCP connection have been provided to all branches and offices of our bank for efficient communication and collaboration within and outside the bank.

As many of our branches are in rural places where landline telephone connection is not available, mobile connection is the only reliable option available for branches. Due to absence of landline official phone number of branch/office, staffs have no other option but to reluctantly give their personal phone number to customer. With the introduction of COCP post-paid connection to branches and offices, branches and offices now have its own official contact number which does not require regular update with the change in incumbent.

**Professional email for all employees**

As part of establishing brand identity of our bank while communicating with our customer and outside agencies and in order to have seamless direct communication channel for sending important information between the management and staff of our bank which will project professionalism in our bank, professional email id i.e. email id under the common bank domain for all employees of our bank was introduced.

For example, our chairman's email id is [chairman@mizobank.com](mailto:chairman@mizobank.com), our general manager's email id is [gm1@mizobank.com](mailto:gm1@mizobank.com) and for employees, it looks like [employee\\_preferred\\_id@mizobank.com](mailto:employee_preferred_id@mizobank.com)

### Account Aggregator

As per the instruction of the Department of Financial Services (DFS), Government of India, all RRBs are required to join Account Aggregator framework. In this connection, our bank collaborated with our application service provider, C-Edge Technologies Ltd. to provide solution for joining Account Aggregator framework. At the end of the financial year, all required formalities and documentation have been completed from our end and our bank was in advanced stage of implementation and would be live in both FIU and FIP within the next few months.

### Whatsapp Banking

Our bank has always endeavoured to ensure that our bank always stands among the first to leverage latest technology platform to provide quality service to our customer. In this direction, whatsapp, being the most popular global messaging platform, can be utilized to provide a more convenient, faster and secure platform for our customer to perform basic banking services like balance enquiry, etc.

Our bank has taken the initiative to implement Whatsapp banking facility for our customers and this facility is expected to be live within the next few months.

### Positive Pay System

The concept of Positive Pay involves a process of reconfirming key details of large value cheques. To comply with RBI circular regarding Positive Pay system, software solution for Positive Pay system has been developed and implemented in our Bank. Once UAT is completed, it is expected to be live within the next financial year.



### eKYC/AePS

eKYC or electronic know your customer is the process by which authorised organization or agents verify a customer's identity and address digitally using Aadhaar authentication. Aadhaar enabled payment system (AePS) is a bank led model which allows online interoperable financial transaction at micro ATM through the business correspondent of any bank using Aadhaar authentication. In other words, AePS enables Aadhaar holder to perform basic banking operations using Aadhaar number and OTP or fingerprint captured during Aadhaar registration.

As at the closing date of financial year, our bank was in advanced stage of implementation and all required testing and certification for ekyc were done and we are expecting to be live within the next few months.

### MRB Internal Support System

To effectively deal with high volumes of support requests and for better management of those requests/complaints pertaining to IT related and non-IT related issues, Information Technology Cell developed a new "MRB Internal Support System (MISS)" and was officially launched on 27th September, 2022. It is similar to ticket management system.



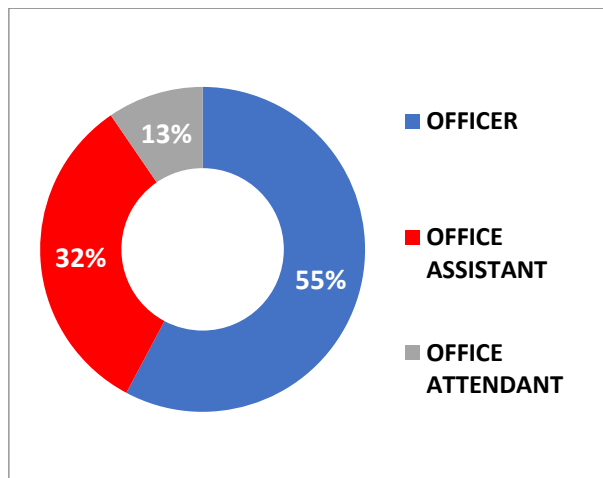
Some of the key benefits and features of the application are given below:

- i. Online submission of support requests/ complaints.
- ii. Efficient tracking of requests/complaints submitted
- iii. Alert system for TAT based complaint
- iv. It is intranet-based i.e. can be accessed only within the bank's internal Network
- v. Better response and resolution rates

## Human Resource Management

As at the end of FY 2022-23, the staff strength (excluding those who exited the Bank service in the month of March 2023 on account of retirements / resignations) and its composition is as under:

Officers S-IV	10
Officers S-III	21
Officers S-II	62
Officers S-I	167
Office Assistants	174
Office Attendants	43
<b>Total</b>	<b>477</b>



During the year, 11 staff members have retired from the Bank's Service. 2 staff members have deceased while in service and 10 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 31<sup>st</sup> 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 31.03.2022, 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 3 Office Attendants, 10 Office Assistants (Multipurpose), 6 Scale I Officers, 2 Scale II Officers who joined the Bank through IBPS RRB CRP X (FY 2021-22), IBPS RRB CRP XI (FY 2022-23) and through Compassionate Appointment Scheme.

	Grade	No. of Candidates recruited during the year
1	Officer Scale – II	2
2	Officer Scale – I	6
3	Office Assistants	10
4	Office Attendants	3

### 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 31.03.2022 and promoted as many as 15 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	4
2	Officers Scale-II	7
3	Officers Scale-III	2
4	Officers Scale-IV	0
5	Office Asst.	2
	<b>Total</b>	<b>15</b>

### 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.

More than 30 (Thirty) Training Programmes were conducted and all staff members have participated in at least one of the training programme.

The participants include all cadres of staff (Officers – 260, Office Assistants – 174 and Office Attendants - 43).

## 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 X<sup>th</sup> 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 ₹ 20 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 Lakh and ₹ 3.00 Lakh for retired officers and retired employees respectively.

## Group Life Insurance Policy:

The Board of the Bank on its 204<sup>th</sup> Meeting, held on the 14<sup>th</sup> 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 – Samporn Suraksha (UIN:111N040V04) with a sum assured of ₹ 20,00,000.00 (Rupees twenty lakh only) per employee which commenced on 18<sup>th</sup> 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 31.3.2023 is to the tune of ₹ 21,53,45,919/- (Rupees Twenty One crore Fifty Three lakh Forty Five thousand Nine Hundred and Nineteen only) towards Gratuity and ₹11,29,87,049/- (Rupees Eleven crore Twenty Nine lakh Eighty Seven thousand and Forty Nine 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 2022-2023 is valued at ₹ 88,49,24,600/- of which the Bank has provided 100% 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. 123 employees are contributing towards provident fund as on 31<sup>st</sup> March, 2023.

At present, there are 46 retired staff and 42 family pensioners benefitting the pension scheme as per the 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. 354 employees have been covered under NPS scheme as on 31<sup>st</sup> March, 2023.

#### 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 and 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 402 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). 48 Suo-moto investigations with Preventive Visits were conducted during the year. Seventeen RFIA reports have been scrutinized. Job rotation has been ensured, and Annual Asset and Liability statements of all Officials are scrutinized.

Bank has observed the “**Vigilance Awareness Week**” from 31<sup>st</sup> October 2021 to 06<sup>th</sup> November 2022 as per guidelines issued by CVC with the theme “**Corruption free India for a Developed nation**” at Head Office, Regional Offices and by all Branches. All the staffs along with the Customers have taken the Integrity Pledge at 11.00 am on 31<sup>st</sup> October 2022 and also promoted e-pledge. As a part of observation, branches conducted 100 Gram Sabha with total participation of 1678 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 421 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 and 2 trainings were conducted for the promotee focusing on Preventive Vigilance and Whistle Blower Policy.

### Vigilance Case:

At the beginning of the year, there were 5 vigilance cases pending in the Bank, during the year 02 fresh cases were added, out of which all the cases were closed and disposed up to the end of the year.

### MRB RSETI

Rural Self Employment Training Institutes, an initiative of Ministry of Rural Development (MoRD) to

have dedicated infrastructure in each district of the country to impart training and skill upgradation of rural youth geared towards entrepreneurship development. RSETIs are managed by banks with active co-operation from the Government of India and State Governments.

Mizoram Rural Bank has sponsored one RSETI for Kolasib and Mamit district respectively to fulfil the objective of the Ministry in imparting training and skill upgradation to the rural youths. The first District Level RSETI Advisory Committee (DLRAC) was held at the Deputy Commissioner’s Chamber, Kolasib on 08<sup>th</sup> April, 2022. The Committee approved the Annual Action Plan and the adoption of the Manual on Human Resources Policy For RSETIs issued by the Ministry of Rural Development.

Recruitment process was completed on 31<sup>st</sup> May, 2022 and the total strength of RSETI was filled up as:

- |                          |          |
|--------------------------|----------|
| a) Faculty               | - 2 nos. |
| b) Office Assistant      | - 2 nos. |
| c) Attender              | - 1 no.  |
| d) Gardener cum Watchman | - 1 no.  |

There are 59 National Skills Qualification Framework aligned courses and 5 courses notified by MoRD. MRB RSETI listed out the viable courses required by the local people and conducted its first training on 22<sup>nd</sup> June 2022. The progress of the institution is listed as below:

Sl. No.	Particulars	No. / %age
1	<b>No. of Trainings conducted</b>	8
2	<b>Total Trainees</b>	192
3	Men	70
4	Women	123
5	BPL	116
6	APL	77
7	<b>Total Settled</b>	172
8	Self-Employment	161
9	Wage Employment	11
10	<b>Credit Linkage</b>	46
11	Without Bank Finance	126
12	Settlement %	67.72%
13	Credit Linkage %	26.74%

## BOARD OF DIRECTORS

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

- Chairman of the Bank.
- Two non-official directors appointed by Government of India.
- One nominee director each from Reserve Bank of India and NABARD.
- Two nominee directors from Sponsor Bank.
- 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, Government of Mizoram.

## Attendance of Directors at Board Meetings during the year 2022-23:

Sl. No.	Name of the Director	W.E.F	No. of Meetings held	No. of Meetings attended
1	Shri V. Jaya Chandra Chairman Mizoram Rural Bank	02.02.2019	6	6
2	Shri Th Haokholal AGM, RBI, Aizawl	28.04.2021	6	6
3	Smt Seema Dikshit Dy General Manager State Bank of India LHO, Guwahati	24.12.2019	2	2
4	Shri Durga Dutt AGM (RRB), SBI (A&S) Corporate Centre, Mumbai	03.09.2021	6	4
5	Shri Kamlesh Kumar Singh Dy. General Manager State Bank of India LHO, Guwahati	11.08.2022	4	3
6	Shri James Lalsiamliana Director of Agriculture Govt. of Mizoram	17.03.2022	6	3
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	1	1
9	Shri G Thangchinkhup Dy. General Manager NABARD, Aizawl	27.05.2022	5	4

## 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 2022-23 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, Aizawl**

### Report on Audit of the Standalone 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 2023 & the Statement of Profit and Loss 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 for the year ended on that date of the Head Office and includes,

- i. 39 branches audited by us and
- ii. 32 branches audited by statutory branch auditor.

The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the National Bank for Agriculture and Rural Development (NABARD). Also incorporated in the Balance Sheet & the Profit and Loss Account are the returns from 30 branches which have not been subjected to audit. These unaudited branches account for 21.75 per cent of advances, 19.52 per cent of deposits, 20.66 per cent of interest income and 19.98 per cent of interest expenses.

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 Regional Rural Banks Act, 1976, circulars, directions and guidelines issued by Reserve Bank of India (RBI & NABARD from time to time and in the manner so required for bank and are in conformity with accounting principles generally accepted in India and:

- a. The Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at 31st March, 2023.
- b. The Profit and Loss Account, read with the notes thereon shows a true balance of profit.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the ICAI. 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.

### 3. Emphasis of Matter

- a) It is to be noted that the bank is providing for Provision for the Bad and Doubtful Debts at the Head office level on an Ad-hoc basis and not on individual accounts, therefore the profits of the branch are not adjusted for the provision made in respect of NPA and Standard accounts.  
Further, it is to be noted that the 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 92.30%.
- b) 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.

### Key Audit Matters

4. 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><b>Classification of advances, Income Recognition, Identification of and provisioning for non-performing Advances –</b></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 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 45% of the entire Balance Sheet, post adjustment of provisioning.</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 &amp; 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 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><b>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments.</b></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>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>

	Above constituents, constitute 45 per cent of the Bank's total assets.	<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>
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### Information other than the Financial Statements and Auditor's Report thereon

5. 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

6. The Bank's Board of Directors is responsible with respect to the preparation of these financial statements that give a true and fair view of the financial position & financial performance of the Bank in accordance with the accounting principles generally accepted in India, including the applicable Accounting Standards and provisions of Regional Rural bank Act, 1976 and circulars and guidelines issued by the Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (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

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



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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.
- 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**

8. We did not audit the financial statements of 62 branches included in the standalone financial statements of the Bank whose financial statements reflect Total Advances of Rs. 1650.43 Crores as at 31st March 2023. These branches cover 57.08% of advances and 61.33% of deposits as at 31st March 2023. Out of which financial statements of 32 branches had been audited by the branch auditor 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 30 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**

9. 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.

Subject to the limitation of the Audit indicated in paragraph 5 to 7 above and as required by the Regional Rural Bank Act, 1976 and subject also the limitations of disclosure required therein, we report that:

- a) we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
- b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
- 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 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 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;

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

PRATEEK KOTHARI  
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by PRATEEK  
KOTHARI Date:  
2023.04.21  
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CA Prateek Kothari  
Partner Membership No: 413362  
Place: Aizawl Dated-21/04/2023  
UDIN - 23413362BGYSQF9853

**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 2023**

Capital and Liabilities :	Schedule	As on 31.03.2023 (Current Year)	As on 31.03.2022 (Previous Year)
Capital	1	64,81,21,000.00	31,03,82,000.00
Share Capital Deposit		0.00	23,63,95,000.00
Reserve and Surplus	2	2,91,06,75,832.97	2,25,87,66,107.21
Deposits	3	49,69,87,79,999.54	42,20,22,59,617.39
Borrowings	4	4,55,84,97,946.00	3,46,20,66,703.00
Other Liabilities and Provisions	5	2,15,68,95,108.29	2,93,05,03,601.55
<b>TOTAL</b>	<b>:</b>	<b>59,97,29,69,886.80</b>	<b>51,40,03,73,029.15</b>
<b>Assets :</b>			
Cash and Balance with Reserve Bank of India	6	3,24,57,78,802.02	2,36,15,54,768.52
Balances with Banks and Money at Call & Short Notice	7	13,37,59,32,018.43	10,11,09,15,091.85
Investments	8	13,56,97,40,847.96	11,87,37,14,138.86
Advances	9	26,97,38,08,120.14	25,10,30,18,666.45
Fixed Assets	10	35,15,33,007.71	32,64,01,296.31
Other Assets	11	2,45,61,77,090.54	1,62,47,69,067.16
<b>TOTAL</b>	<b>:</b>	<b>59,97,29,69,886.80</b>	<b>51,40,03,73,029.15</b>
Contingent Liabilities	12	2,48,60,478.30	0.00
Notes Forming Parts of Accounts	19		

For and on behalf of Mizoram Rural Bank

Chairman:

  
 (V JAYA CHANDRA)


Place : Aizawl

Dated : 21st April 2023

 For RM KOTHARI AND CO  
 Chartered Accountants Firm Registration No: 00143C

 PRATEEK KOTHARI Digitally signed by PRATEEK KOTHARI  
Date: 2023.04.21  
14:02:44 +05'30'

 ( PRATEEK KOTHARI )  
 Partner  
 Membership No: 413362

 Sd/-  
 (LALHMINGMAWIA SAILO)  
 Director

 Sd/-  
 (JAMES LALSIALIANA)  
 Director

 Sd/-  
 (KAMLESH KUMAR SINGH)  
 Director

 Sd/-  
 (G THANGCHINKHUP)  
 Director

 Sd/-  
 (DURGA DUTT)  
 Director

 Sd/-  
 (TH HAOKHOLAL)  
 Director

**Form - 'B' Profit & Loss Account of Mizoram Rural Bank  
For the Year ended 31st March 2023**

	Schedule	As on 31.03.2023 (Current Year)	As on 31.03.2022 (Previous Year)
<b>Income</b>			
Interest Earned	13	4,25,24,14,879.85	3,75,74,35,058.87
Other Income	14	15,60,74,401.23	11,10,78,716.54
<b>TOTAL</b>	<b>:</b>	<b>4,40,84,89,281.08</b>	<b>3,86,85,13,775.41</b>
<b>Expenditure</b>			
Interest Expended	15	1,70,31,63,213.56	1,57,41,96,706.84
Operating Expenses	16	94,63,14,806.76	86,15,06,507.46
Provisions & Contingencies	17	83,78,45,535.00	70,19,37,027.00
<b>TOTAL</b>	<b>:</b>	<b>3,48,73,23,555.32</b>	<b>3,13,76,40,241.30</b>
<b>Profit/Loss</b>			
Profit/loss for the year		92,11,65,725.76	73,08,73,534.11
Provision for Tax	17A	26,92,56,000.00	23,64,96,000.00
<b>Profit after Tax</b>		<b>65,19,09,725.76</b>	<b>49,43,77,534.11</b>
Profit/loss brought forward		2,24,32,12,633.19	1,74,88,35,099.08
<b>TOTAL</b>	<b>:</b>	<b>2,89,51,22,358.95</b>	<b>2,24,32,12,633.19</b>
<b>Appropriations</b>			
Transferred to statutory reserves		13,03,81,945.15	9,88,75,506.82
Transferred to other reserves			
Transfer to Govt./Proposed dividend		0.00	0.00
Balance carried over to balance sheet		2,76,47,40,413.80	2,14,43,37,126.37
<b>TOTAL</b>	<b>:</b>	<b>2,89,51,22,358.95</b>	<b>2,24,32,12,633.19</b>

Significant Accounting Policies

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For and on behalf of Mizoram Rural Bank

For RM KOTHARI AND CO  
Chartered Accountants Firm Registration No: 00143C

Chairman:

  
(V. JAYA CHANDRA)
Place : Aizawl  
Dated : 21st April 2023
**PRATEEK KOTHARI** Digitally signed by  
PRATEEK KOTHARI  
Date: 2023.04.21  
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( PRATEEK KOTHARI )  
Partner  
Membership No: 413362Sd/-  
(LALHMINGMAWIA SAILO)  
DirectorSd/-  
(JAMES LALSIALIANA)  
DirectorSd/-  
(KAMLESH KUMAR SINGH)  
DirectorSd/-  
(G THANGCHINKHUP)  
DirectorSd/-  
(DURGA DUTT)  
DirectorSd/-  
(TH HAOKHOLAL)  
Director

**Schedule - 1  
Capital**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>I. For Nationalised Banks</b>		
<b>Capital</b> (fully owned by Central Government)	-	
<b>II. For Banks Incorporated outside India</b>		
<b>Capital</b>		
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	-	-
<b>TOTAL</b>	-	-
<b>III. For Other Banks</b>		
<b>Authorised Capital</b> (20,00,00,00,000 shares of Rs. 10/- each)	20,00,00,00,000.00	20,00,00,00,000.00
<b>Issued Capital</b> (64,81,21,000 shares of Rs. 10/- each)	64,81,21,000.00	31,03,82,000.00
<b>Subscribed Capital</b> (64,81,21,000 shares of Rs. 10/- each)	64,81,21,000.00	31,03,82,000.00
<b>Called-up Capital</b> (64,81,21,000 shares of Rs. 10/- each)	64,81,21,000.00	31,03,82,000.00
Less: Calls unpaid	-	-
Add : Forfeited Shares	-	-
<b>Paid up Capital</b>	64,81,21,000.00	31,03,82,000.00
<b>Share Capital Deposit</b>		
Amount Received from GOI		11,82,00,000.00
Amount Received from SBI		11,81,95,000.00
Amount Received from GOM		0.00
<b>TOTAL</b>	<b>64,81,21,000.00</b>	<b>54,67,77,000.00</b>

**Schedule - 2  
Reserve & Surplus**

**Reserve and Surplus**

		<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>I.</b>	<b>Statutory Reserves</b>		
	Opening Balance	<b>2,25,87,66,107.21</b>	<b>1,74,88,35,099.08</b>
	Additions during the year	13,03,81,945.15	11,44,28,980.84
	Deductions during the year	1,82,25,66,359.79	
	<b>TOTAL</b>	<b>56,65,81,692.57</b>	<b>1,86,32,64,079.92</b>
<b>II.</b>	<b>Capital Reserves</b>		
	Opening Balance	0.00	-
	Additions during the year	0.00	-
	Deductions during the year	0.00	-
	<b>TOTAL</b>	<b>0.00</b>	
<b>III.</b>	<b>Share Premium</b>		
	Opening Balance	0.00	-
	Additions during the year	0.00	-
	Deductions during the year	0.00	-
	<b>TOTAL</b>	<b>0.00</b>	
<b>IV.</b>	<b>Revenue and other Reserves</b>		
	Opening Balance	0.00	-
	Additions during the year	1,82,25,66,359.79	-
	Deductions during the year	0.00	-
	<b>TOTAL</b>	<b>1,82,25,66,359.79</b>	<b>0.00</b>
<b>V.</b>	<b>Balance in Profit &amp; Loss Account</b>		
	Opening Balance	0.00	0.00
	Additions during the year	52,15,27,780.61	39,55,02,027.29
	Deductions during the year	0.00	-
	<b>TOTAL</b>	<b>52,15,27,780.61</b>	<b>39,55,02,027.29</b>
	<b>GRAND TOTAL</b> (I,II,III,IV & V)	<b>2,91,06,75,832.97</b>	<b>2,25,87,66,107.21</b>

**Schedule - 3  
Deposits**

		<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>A.</b>	<b>I. Demand Deposits</b>		
	i) From Banks	1,10,82,75,878.73	-
	ii) From Others		1,00,66,35,501.80
	<b>II. Savings Bank Deposits</b>		
	i) From Banks	28,75,43,50,077.56	
	ii) From Others		24,32,99,95,387.19
	<b>III. Term Deposits</b>		
	i) From Banks		
	ii) From Others	19,83,61,54,043.25	16,86,56,28,728.40
	<b>TOTAL</b>	<b>49,69,87,79,999.54</b>	<b>42,20,22,59,617.39</b>
<b>B.</b>	i) Deposits of Branches in India	49,69,87,79,999.54	42,20,22,59,617.39
	ii) Deposit of Branches outside India	0.00	0.00
	<b>TOTAL</b>	<b>49,69,87,79,999.54</b>	<b>42,20,22,59,617.39</b>

**Schedule - 4  
Borrowings**

	As on 31.03.2023 (Current Year)	As on 31.03.2022 (Previous Year)
<b>I. Borrowings in India</b>		
i) Reserve Bank of India	0.00	0.00
ii) Other Banks	1,73,04,000.00	1,73,04,000.00
iii) Other Institutions and Agencies* ( <b>Annexure - I</b> )	4,54,11,93,946.00	3,44,47,62,703.00
<b>II. Borrowings Outside India</b>	0.00	0.00
<b>T O T A L</b>	<b>4,55,84,97,946.00</b>	<b>3,46,20,66,703.00</b>
Secured borrowings included in I & II above	NIL	NIL

**Annexure - I**

	As on 31.03.2023 (Current Year)	As on 31.03.2022 (Previous Year)
<b>* Other Institutions and Agencies</b>		
<b>1 NABARD</b>		
i) Non Farm Sector(ARF)	23,51,50,000.00	11,46,12,600.00
ii) LTAR		0.00
iii) LTRCF	2,65,29,28,800.00	2,09,51,89,500.00
iv) Solar(ARF)		0.00
v) SAO	4,00,00,000.00	2,00,00,000.00
vi) NFS -RH	0.00	3,00,00,000.00
vii) NAR		0.00
<b>Sub-Total</b>	<b>2,92,80,78,800.00</b>	<b>2,25,98,02,100.00</b>
<b>2 NSTFDC</b>	1,22,03,19,153.00	1,18,09,72,604.00
<b>Sub-Total</b>	<b>1,22,03,19,153.00</b>	<b>1,18,09,72,604.00</b>
<b>3 MUDRA</b>	38,73,00,000.00	
<b>Sub-Total</b>	<b>38,73,00,000.00</b>	<b>0.00</b>
<b>4 NHFDC</b>	54,95,993.00	39,87,999.00
<b>Sub-Total</b>	<b>54,95,993.00</b>	<b>39,87,999.00</b>
<b>T O T A L</b>	<b>4,54,11,93,946.00</b>	<b>3,44,47,62,703.00</b>



**Schedule - 5  
Other Liabilities and Provisions**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
I. Bills Payable	0.00	0.00
II. Inter-Office Adjustment (Net)	0.00	0.00
III. Interest Accrued	53,57,01,452.97	48,27,45,221.31
IV. Others (including provisions)# (Annexure - II)	1,62,11,93,655.32	2,44,77,58,380.24
<b>TOTAL</b>	<b>2,15,68,95,108.29</b>	<b>2,93,05,03,601.55</b>

**Annexure - II**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b># Others includes :</b>		
i) Provision for Audit Fee	0.00	0.00
ii) Outstanding in Banker's Cheque A/c	3,55,078.90	12,89,720.90
iii) Outstanding in Sundry A/c	0.00	0.00
iv) Provision for NPA		1,20,22,97,786.21
v) Credit Balance in AUCA	56,41,06,919.02	18,66,40,195.93
vi) Adjusting Account (Office A/c)	62,47,029.00	1,17,27,476.00
vii) Provision for INVESTMENT FLUCTUATION	12,00,00,000.00	0.00
viii) PMJBY SBI Life	2,18,467.00	2,35,949.00
ix) NACH (DR)	0.00	26,62,456.03
x) PMSBY-NIC	15,872.00	5,112.00
xi) System Suspend	-1,29,00,681.40	32,22,424.94
xii) Provision for Income Tax	26,82,52,000.00	20,64,96,000.00
xiii) CGST/SGST/IGST Liabilities	33,32,055.51	0.00
xiv) CGST/SGST/IGST Payable	49,87,326.36	64,43,586.36
xv) Provision for Standard Assets	9,54,12,625.35	8,02,12,625.35
xvi) DEAFS RBI	-19,38,800.30	-5,33,343.00
xvii) Gramin Pay Order	0.00	-14,13,290.84
xviii) Provision for Fraud	0.00	29,28,23,200.68
xix) Other Liabilities		5,000.00
xx) Other Provisions	8,36,135.00	4,32,20,909.00
xxi) Subsidy Reserve Fund	2,45,52,545.25	10,28,99,139.45
xxii) UPI Outward	54,76,55,209.63	30,93,01,088.23
xxiii) Provision for Wage Arrear	0.00	0.00
xxiv) Provision for Pension		0.00
xxv) SD Unidentified		0.00
xxvi) Provision NPS	0.00	1,404.00
xxvii) Cash withdrawal tax TDS	61,874.00	2,20,940.00
<b>TOTAL</b>	<b>1,62,11,93,655.32</b>	<b>2,44,77,58,380.24</b>

**Schedule - 6  
Cash and Balances with Reserve Bank of India**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
I. Cash on Hand (including foreign currency notes)	98,60,90,615.00	61,68,56,581.50
II. Balance with Reserve Bank of India		
i) in Current Account	2,25,96,88,187.02	1,74,46,98,187.02
ii) in Other Accounts	0.00	0.00
<b>TOTAL</b>	<b>3,24,57,78,802.02</b>	<b>2,36,15,54,768.52</b>

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

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>I In India</b>		
i) Balance with Banks		
a) in Current Account	1,58,39,33,319.43	76,59,15,091.85
b) in other deposit account	11,79,19,98,699.00	9,34,50,00,000.00
ii) Money at Call & short notice		
a) With banks	0.00	0.00
b) With other institutions	0.00	0.00
<b>TOTAL</b>	<b>13,37,59,32,018.43</b>	<b>10,11,09,15,091.85</b>
<b>II. Outside India</b>		
i) In Current Accounts	0.00	0.00
ii) In other deposit Accounts	0.00	0.00
iii) Money at call & short notice	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL (I + II)</b>	<b>13,37,59,32,018.43</b>	<b>10,11,09,15,091.85</b>

**Schedule - 8  
Investments**
**Investments**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>I Investments in India in</b>		
i) Government Securities	12,21,13,47,415.17	11,48,24,81,994.24
ii) Other approved Securities	0.00	0.00
iii) Shares	0.00	0.00
iv) Debenture and Bonds	0.00	0.00
v) Subsidiaries and/or joint ventures	0.00	0.00
vi) Others (to be specified) @ (Annexure - III)	1,35,83,93,432.79	39,12,32,144.62
<b>TOTAL</b>	<b>13,56,97,40,847.96</b>	<b>11,87,37,14,138.86</b>
<b>II. Investments outside India in</b>		
i) Government securities (including local authorities)	0.00	0.00
ii) Subsidiaries and/or joint ventures	0.00	0.00
iii) Other Investments (to be specified)	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL (I+II)</b>	<b>13,56,97,40,847.96</b>	<b>11,87,37,14,138.86</b>

**Annexure - III**
**@ Others Includes:**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
i. SBI Mutual Fund	46,12,28,644.79	39,12,32,144.62
ii. UTI Mutual Fund	0.00	0.00
iii. Treasury Bill	84,47,94,500.00	0.00
iv. NABARD TMB	5,23,70,288.00	0.00
<b>TOTAL</b>	<b>1,35,83,93,432.79</b>	<b>39,12,32,144.62</b>

**Schedule - 9  
Advances**

		<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>A.</b>	i) Bills purchased and discounted		
	ii) Cash Credits, Overdrafts and loans repayable on demand	5,22,76,23,309.42	4,99,77,01,741.37
	iii) Term Loans	22,23,61,84,810.72	20,10,53,16,925.08
	<b>TOTAL</b>	<b>27,46,38,08,120.14</b>	<b>25,10,30,18,666.45</b>
Less	Inter Bank Participant Certificate ( IBPC)	<b>49,00,00,000.00</b>	
Add	Inter Bank Participant Certificate ( IBPC)		
	<b>NET ADVANCES</b>	<b>26,97,38,08,120.14</b>	<b>25,10,30,18,666.45</b>
<b>B.</b>	i) Secured by tangible Assets	22,07,50,46,516.62	21,27,70,53,223.03
	ii) Covered by Bank/ Government Guarantee		
	iii) Unsecured	5,38,87,61,603.52	3,82,59,65,443.42
	<b>TOTAL</b>	<b>27,46,38,08,120.14</b>	<b>25,10,30,18,666.45</b>
Less	Inter Bank Participant Certificate ( IBPC)	<b>49,00,00,000.00</b>	
Add	Inter Bank Participant Certificate ( IBPC)		
	<b>NET ADVANCES</b>	<b>26,97,38,08,120.14</b>	<b>25,10,30,18,666.45</b>
<b>C. I.</b>	<b>Advances in India</b>		
	i) Priority Sector	17,50,34,66,220.59	17,72,86,04,456.67
	ii) Public Sector		0.00
	iii) Banks		0.00
	iv) Others	9,96,03,41,899.55	7,37,44,14,209.78
	<b>TOTAL</b>	<b>27,46,38,08,120.14</b>	<b>25,10,30,18,666.45</b>
<b>II.</b>	<b>Advances outside India</b>		
	i) Due from Banks	0.00	0.00
	ii) Due from others	0.00	0.00
	iii) a) Bills purchased & discounted	0.00	0.00
	b) Syndicate loans	0.00	0.00
	c) Others	0.00	0.00
	<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
	<b>Grand Total (C I + C II)</b>	<b>27,46,38,08,120.14</b>	<b>25,10,30,18,666.45</b>
Less	Inter Bank Participant Certificate ( IBPC)	<b>49,00,00,000.00</b>	
Add	Inter Bank Participant Certificate ( IBPC)		
	<b>NET ADVANCES</b>	<b>26,97,38,08,120.14</b>	<b>25,10,30,18,666.45</b>

**Schedule - 10  
Fixed Assets**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>I. Premises</b>		
At cost as on 31st. March of the preceeding year	20,66,85,145.00	0.00
<b>Addition during the year (A)</b>		20,66,85,145.00
Deductions during the year		
Depreciation during the year	34,44,752.37	
Depreciation to date (X)	51,62,409.72	17,17,657.35
<b>Written Down Value (V1)</b>	<b>20,15,22,735.28</b>	<b>20,49,67,487.65</b>
<b>II Assets Under Construction (B)</b>	0.00	<b>0.00</b>
<b>II. Other Fixed Assets \$ (Annexure - IV)</b> (including furnitures and fixtures)		
At cost as on 31st. March of the preceding year	25,19,82,438.08	
WDV as on 31st. March of the preceding year		28,03,95,391.64
Less: Adjustment made during the Year		7,96,02,827.04
Add: Additions during the year	6,08,58,528.22	5,11,89,873.48
<b>Total Value of Cost ( C )</b>	<b>31,28,40,966.30</b>	<b>25,19,82,438.08</b>
Deductions during the year		
Depreciation upto the preceeding year	13,05,48,628.78	15,62,98,012.57
Add: Depreciation for the year	3,22,82,065.09	3,16,18,113.74
Depreciation for the year to date (Y)	<b>16,28,30,693.87</b>	<b>13,05,48,628.78</b>
Less : Adjustment made during the Year		5,73,67,497.53
<b>Written Down Value (V2)</b>	<b>15,00,10,272.43</b>	<b>12,14,33,809.30</b>
<b>III. Total Accumulated Depreciation (X+Y)</b>	<b>16,79,93,103.59</b>	<b>13,22,66,286.77</b>
<b>Total WDV of all asset (V1+V2)</b>	<b>35,15,33,007.71</b>	<b>32,64,01,296.31</b>
<b>Total Value at cost of all Assets (A+B+C)</b>	<b>51,95,26,111.30</b>	<b>45,86,67,583.08</b>

**Schedule - 11  
Other Assets**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
I Inter-Office adjustments (Net)		0.00
II Interest accrued	80,33,51,895.80	55,47,73,693.41
III Advance Income Tax	28,04,39,356.00	20,75,00,000.00
IV Stationery and Stamps		
V DEFERRED TAX ACCOUNT	43,65,155.00	
VI Others @ \$ (Annexure - V)	1,36,80,20,683.74	86,24,95,373.75
<b>TOTAL</b>	<b>2,45,61,77,090.54</b>	<b>1,62,47,69,067.16</b>

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

**Annexure - V**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
<b>\$ Other Assests</b>		
i) Outstanding in suspense a/c	0.00	-3.66
ii) Balance in H.O. PB A/c		15,57,77,461.00
iii) Bills receivables a/c	1,73,04,000.00	1,73,04,000.00
iv) ATM Settlement	54,31,967.55	17,90,30,285.44
v) Core Interbranch A/c		0.00
vi) Other Assets	20,313.03	-80,30,073.49
vii) Balance in AUCA	56,50,44,101.02	18,75,77,377.93
viii) NACH	590.00	18,52,50,276.54
ix) DBTL Settlement A/c	11,83,26,429.80	46,32,894.53
x) RTGS Settlement A/c	121.10	946.03
xi) Branch Clearing	40,00,000.00	18,41,00,000.00
xii) ECS Dr		0.00
xiii) ACH/NPCI/LPG/UID/UPI	54,38,23,258.75	39,50,59,378.09
xiv) IMPS Settlement A/C	8,67,61,320.45	7,12,06,676.29
xv) Step Rapid Remittance RR	-12,67,72,666.91	-13,80,67,237.85
xvi) ATM Cash	-16,69,48,201.11	-44,29,92,592.97
xvii) CGST/SGST/IGST ITC	1,00,88,445.13	0.00
xviii) IMPS- Inward/Outward	3,65,38,847.28	2,70,18,156.10
xix) Gramin Pay Order	68,33,315.44	0.00
xx) IBPC		0.00
xxi) MAB/AEPS/UPI Settlement A/c	25,55,25,900.21	3,41,52,624.77
xxii) Festival Advance Staffs	1,20,42,942.00	1,04,75,205.00
<b>TOTAL</b>	<b>1,36,80,20,683.74</b>	<b>86,24,95,373.75</b>

**Schedule - 12  
Contingent Liabilities**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
I. Claims against the bank not acknowledged as debts (DEAF)		
II. Liability for partly paid investments	0.00	0.00
III. Liability on account of outstanding forward exchange contracts	0.00	0.00
IV. Guarantees given on behalf of constituents		
a) In India	2,29,21,678.00	0.00
b) Outside India	0.00	0.00
V. Acceptances, endorsements and other obligations	0.00	0.00
VI. Other items for which the bank is contingently liable. Income Tax liability if any, arising for non-compliance with income Tax Laws, DEAF	19,38,800.30	0.00
<b>TOTAL</b>	<b>2,48,60,478.30</b>	<b>0.00</b>

**Schedule - 13  
Interest Earned**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
I. Interest/discount on advances/ bills	2,71,38,41,738.82	2,28,73,04,114.15
II. Income on Investments	97,10,14,428.03	93,97,67,839.97
III. Interest on balances with Reserve Bank of India & other Inter-Bank funds.	56,75,58,713.00	53,03,63,104.75
IV. Others	0.00	0.00
<b>TOTAL :</b>	<b>4,25,24,14,879.85</b>	<b>3,75,74,35,058.87</b>

**Schedule - 14  
Other Income**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
I. Commission, exchange and brokerage	12,53,71,057.30	10,82,10,222.17
II. Profit on sale of investments less- loss on sale investments	0.00	-
III. Profit on revaluation of investments less- loss on revaluation of investments	0.00	-
IV Profit on sale of land, buildings and other assets(Vehicles)	0.00	21,781.57
V Profit on exchange transaction less- Loss on exchange transaction.	0.00	-
VI Income earned by way of dividends etc, from subsidiaries/companies/and/or joint ventures abroad in India.	0.00	-
VII Prior Period Income	0.00	-
VIII Miscellaneous Income		
a) Other Income	3,07,03,343.93	28,46,712.80
<b>TOTAL</b>	<b>15,60,74,401.23</b>	<b>11,10,78,716.54</b>

**Schedule - 15  
Interest Expended**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
I. Interest on Deposits	1,57,71,29,577.22	1,48,22,64,711.84
II. Interest on Reserve Bank of India/ Inter-Bank borrowings	12,60,33,636.34	9,19,31,995.00
III. Others	0.00	0.00
<b>TOTAL</b>	<b>1,70,31,63,213.56</b>	<b>1,57,41,96,706.84</b>



**Schedule - 16  
Operating Expenses**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
i) Payments to and provisions for employees	52,38,17,839.76	44,76,20,310.10
ii) Rent, Taxes and Lighting	4,30,99,681.71	4,05,12,596.51
iii) Printing and Stationery	2,31,24,717.04	1,41,24,366.55
iv) Advertisement and Publicity	13,95,722.00	17,07,314.00
v) Depreciation on bank's property.	3,57,26,817.46	3,33,35,770.80
vi) Directors' fees and expenses	0.00	48,535.00
vii) Auditors' fees and expenses (including branch Auditors)	17,51,675.40	72,98,190.00
viii) Legal and Professional Charges	1,69,37,390.90	4,99,370.00
ix) Postage, Telegrams, Telephones	35,29,899.53	32,70,923.08
x) Repairs and Maintenances	4,32,52,494.97	3,30,76,188.12
xi) Insurance	3,98,27,819.08	8,56,51,079.17
xii) RSETI	5,27,778.00	0.00
xiii) Other Expenditures	21,33,22,970.91	19,43,61,864.13
<b>TOTAL</b>	<b>94,63,14,806.76</b>	<b>86,15,06,507.46</b>

**Schedule - 17  
Provisions & Contingencies**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
i) Provision for Bad & Doubtful Debts ( including Risk fund )	68,00,00,000.00	54,00,00,000.00
ii) Provision for Standard Assets	82,00,000.00	1,00,00,000.00
iii) Provision for Security Guard Wages		0.00
iv) Provision for Investment Fluctuation	12,00,00,000.00	0.00
v) Provision for Frauds	21,600.00	8,37,16,118.00
vi) Provision for Wage Arrears		0.00
vii) Provision for Pension		0.00
viii) Auditors' Fee/NPS/Others	2,96,23,935.00	6,82,20,909.00
<b>TOTAL</b>	<b>83,78,45,535.00</b>	<b>70,19,37,027.00</b>

**Schedule - 17A  
Provisions & Contingencies**

	<b>As on 31.03.2023 (Current Year)</b>	<b>As on 31.03.2022 (Previous Year)</b>
i) Provision for Income Tax	26,92,56,000.00	23,64,96,000.00
<b>TOTAL</b>	<b>26,92,56,000.00</b>	<b>23,64,96,000.00</b>

## MIZORAM RURAL BANK HEAD OFFICE: AIZAWL SIGNIFICANT ACCOUNTING POLICIES

### 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 I guidelines prescribed by the National Bank for Agriculture and Rural Development (NABARD) I Reserve Bank of India (RBI), Banking Regulation Act 1949, Regional Rural Bank Act, 1976 and amendments thereto and 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 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 to 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 income is recognised in the Profit and Loss Account as it accrues except, (i) income from Non Performing Assets (NPAs), comprising of advances and investments which is recognised upon realisation, as per the prudential norms prescribed by the RBI or other regulatory authorities. (ii) overdue interest on investments and bills discounted, (iii) Income on Rupee Derivatives designated as "Trading", which are accounted on realisation.
- 1.3 Profit/ loss on sale of investments is recognised in the Profit and Loss 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 only at the time of sale/ redemption.
- 1.5 Commission & Exchange and Locker rent have been recognized on realization basis. Interest on overdue term deposits is accounted for on renewal basis.
- 1.6 In case of suit filed accounts, legal and other expenses incurred are charged to Profit and Loss Account and at the time of recovery of such expenses is accounted as income.

#### 2. Investments:

The transactions in Government Securities are recorded on "Settlement Date". Investments other than Government Securities are recorded on "Trade Date".

- 2.1. Classification: Investments are classified into three categories viz., Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI guidelines.
- 2.2. Basis of classification:
  - i. Investments that the Bank intends to hold till maturity are classified as Held to Maturity (HTM).
  - ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as Held for Trading (HFT).
  - iii. Investments, which are not classified in the above two categories, are classified as Available for Sale (AFS).
  - iv. An investment is classified as HTM / HFT I AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines. However, for disclosure in Balance Sheet these are classified as under - Government Securities, Other Approved Securities and Others.
- 2.3. Valuation:
  - i) In determining the acquisition cost of an investment:
    - a) Brokerage or 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) Broking period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost or sale consideration.
  - d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and 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 re-valued and resultant depreciation, if any, is provided
  - iii) Treasury Bills and Commercial Papers are valued at carrying cost.
  - iv) Held to Maturity category:
    - a) Investments under Held to maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "Interest on Investments".
    - b) Investments in equity shares of other companies are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
  - v) Investments under AFS and HFT category: Investments under AFS and HFT category are individually re-valued at market price or fair value determined as per regulatory guidelines, and only the net depreciation of each group for each category (viz., (i) Government securities (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and debentures, and (v) others) is provided for and net appreciation, is ignored. On provision for depreciation<sup>1</sup> the book value of individual security remains unchanged after marking to market.
  - vi) Investments are classified as Performing and Non Performing investments, based on the guidelines issued by the RBI. Investments of domestic offices become non performing where:
    - a) Interest or instalment (including maturity proceeds) is due and remains unpaid for more than 90 days.
    - b) In the case of equity shares, in the event the investment in the shares of any company is valued at Rs. 1/- per company on account of the non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
3. *Loans or 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 Asset (NPA) where:
- i) In respect of Agriculture advances:
    - a) For short duration crops, where the instalment of principal or interest remains overdue for twocrop seasons, and
    - b) For long duration crops, where the principal or interest remains overdue for one crop season.
  - ii) In respect of Non-Agriculture advances:
    - a) In respect of term loans, interest and / or instalment of principal remains overdue for a period of more than 90 days.
    - b) In respect of Overdraft or Cash Credit Advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit or drawing power continuously for a period 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.

- 3.2 All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and Loss Assets. Provisions are made as per the extant guidelines / directives prescribed by the RBI.  
Provisions on Advances are made as under:
- I. **Standard Assets :**  
General Provision for Standard Assets at the following rates: Direct Advances to Agriculture and SME sectors at 0.25%  
Commercial Real Estate sector at 1% Housing Loans >20.00 lacs@0.75% All other advances not included in (I) & (2) above at 0.40%
  - II. **Sub-Standard Assets:**  
A loan asset that has remained non performing for a period less than or equal to 12 months is a Sub Standard Asset.  
General Provision of 15% on the total outstanding  
Additional Provision of 10% for exposures which are unsecured ab-intio (i.e. where realisable value of security is not more than 10% ab-initio).
  - III. **Doubtful Assets:**  
A loan asset that has remained in the sub-standard category for a period of 12 months is Doubtful Asset  
Secured Portion - Up to One year 25%  
One to three years 40% More than three years 100%  
Unsecured Portion - 100%
  - IV. **Loss Assets:**  
A loan asset where Loss has been identified but the amount has not been fully written off is a Loss Asset.  
100% Provision on outstanding Advances.
- 3.3 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and Inter Bank Participation Certificates.
- 3.4 For Restructured / Rescheduled assets, provisions are made in accordance with the extant guidelines issued by the RBI.
- 3.5 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it confirms 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 "Other Liabilities and Provisions - Other Provisions" and are not considered for arriving at the net NPAs.
- 3.8 Appropriation of recoveries in NPAs (not out of fresh/additional credit facilities sanctioned to the borrower concerned) towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority:
- a. Charges
  - b. Unrealized Interest/Interest
  - c. Principal
4. **Fixed Assets- Depreciation:**
- 4.1. Fixed Assets are carried at historical cost less accumulated depreciation.
  - 4.2. Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use. Subsequent expenditure incurred on the assets put to use are capitalised only when it increases the future benefits from such assets or their functioning capability.
  - 4.3. Depreciation is provided on straight line method as per the following rates:

<b>Description of Fixed Asset</b>	<b>Depreciation rates</b>
Buildings	1.6667%
Furniture & Fixtures other than Electrical Fittings and Fixtures	10%
Electrical Appliances	20%
Safe Deposit Lockers, Fire proof data safe	5%
Computer systems & ATMs	33.33%
Computer software which does not form an integral part of computer hardware and cost of software development	33.33%
Vehicles	20%

5. *Employee Benefits:*

5.1. Short Term Employee Benefits:

The undiscounted amount of short - term employee benefits, such as medical benefits etc., which are expected to be paid in exchange for the services rendered by employees, are recognized during the period when the employee renders the service.

5.2. Long Term Employee Benefits

i) Defined Benefit Plans:

a. Gratuity:

The Bank provides for Gratuity liability based on actuarial valuation for all the 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 oap 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.

b. Leave Encashment:

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

c. Pension:

As per the order of Hon'ble Supreme Court of India, the Bank provides for pension to all eligible employees. The benefit is in the form of monthly payments as per the rules to vested employees on retirement or on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. 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 regulations.

d. The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

ii) Defined Contribution Plans such as Provident Fund are recognized as an expense and charged to the Profit & Loss Account on accrual basis.

iii) The Bank operates New Pension System (NPS) for all staff joined on or after 1st April 2018 and staff joined between 1st April 2010 and 31<sup>st</sup> March 2018 and opted for NPS, which is a defined Contribution Plan. As per the scheme employees contribute 10% of their basic pay and DA together with matching contribution from the Bank.

iv) Other Long Term Employee benefits:

All eligible employees of the Bank are eligible for leave fare concession, home travel concession. The costs of such long term employee benefits are debited to Profit & Loss account of the Bank, in the year of expense incurred.

6. *Taxes on Income:*

Income Tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. Current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per the Accounting Standard 22 - "Accounting for Taxes on Income" respectively and which are based on the tax laws prevailing in India. Deferred tax adjustments comprise of changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of the timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the Profit and Loss Account. Deferred tax assets are recognised and reassessed at each reporting date, based on management's judgement as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits.

7. *Contingent Liabilities & provisions:*

7.1. In conformity with AS - 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the ICAI, 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.

*No provision is recognised for:*

- i) Any possible obligation that arises from past events and 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.
- iii) Contingent Assets are not recognised in the financial statements.

8. *Special Reserves:*

Revenue and other Reserve include Special Reserve created under Section 36(i) (viii) of the Income Tax Act, 1961.

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**MIZORAM RURAL BANK HEAD OFFICE : MINECO, KHATLA - AIZAWL PRUDENTIAL NORMS – CRAR  
PROJECTED STATEMENT OF CAPITAL FUNDS, RISK ASSETS/EXPOSURES AND RISK ASSET RATIO  
FOR PERIOD ENDED 31st MARCH 2023**

(₹ In Lakhs)

SI	Assets	Amount	% weight	RWA
<b>Cash and Bank Balances</b>				
1	Cash in hand	9,860.91	0	-
2	Balance with RBI	22,596.88	0	-
3	Balances in C.A. with Other Banks	15,839.33	20	3,167.87
4	Claims on banks (TD with other Banks)	1,18,443.69	20	23,688.74
	<b>TOTAL</b>	<b>1,66,740.81</b>		<b>26,856.60</b>
<b>Investments</b>				
5	Investment in Govt. Securities(SLR)	1,30,561.42	2.5	3,264.04
6	Investment in other Securities(Non-SLR ) (MF)	4,612.29	127.5	5,880.67
7	Inv. in securities which guaranteed by banks	-	22.5	-
8	Inv. In bonds issued by PFIs	-	102.5	-
	<b>TOTAL</b>	<b>1,35,173.71</b>		<b>9,144.71</b>
<b>Loans &amp; Advances</b>				
9	Loans & Advances guaranteed by Gol/ECL MSE-ECLGS guaranteed by NCTGC upto guarantee coverage.	50.42	0	-
10	Loans & Advances guaranteed by State Govt.		0	-
11	Loans granted to PSU of Gol & State Govt.		100	-
12	Others including PFIs	1,02,830.11	100	1,02,830.11
13	MSE Guaranteed by CGTMSE upto guaranteed portion	3,464.20	0	-
14	Housing Loan to Individuals upto 75 lakhs	98,915.36	50	49,457.68
15	Housing Loan to Individuals above 75 lakhs	4,687.41	75	3,515.56
16	Personal Loan	49,108.54	100	49,108.54
17	Consumer Credit (Auto Loans & Public FA etc.)	1,498.65	100	1,498.65
18	Against Gold Loans		50	-
19	Education Loan	252.62	100	252.62
20	Loans covered by EEGC		50	-
21	Advances for Term Deposits, Life policies etc.	2,274.64	0	-
22	Staff Loan	6,656.13	20	1,331.23
	<b>TOTAL</b>	<b>2,69,738.08</b>		<b>2,07,994.38</b>

<b>Other Assets</b>				
22	Premises, furniture and fixtures	5,195.26	100	5,195.26
23	Interest due on Government Securities	1,350.51	0	-
24	Income Tax deducted at source (Net of Provision)	-	0	-
25	Advance Income Tax (Net of Provision)	2,800.00	0	-
26	Interest subvention receivable from Gol	-	0	-
27	All other assets	20,411.26	100	20,411.26
	<b>TOTAL</b>	<b>29,757.03</b>		<b>25,606.52</b>
28	Sub total	6,01,409.63		2,69,602.21
29	OFF Balance Sheet Items			
30	Claims against the bank not acknowledged	19.20	100	19.20
31	Guarantees others	229.22	50	114.61
<b>Grand Total</b>				<b>2,69,736.02</b>
<b>Share Capital</b>		6,481.21		
<b>Share Capital Deposits</b>		-		
<b>Reserve &amp; Surplus</b>		29,106.76		
<b>TOTAL TIER I CAPITAL</b>		<b>35,587.97</b>		
<b>TIER II CAPITAL</b>				
<b>Tier II Perpetual Bonds (Capital Instruments)</b>		173.04		
<b>TIER III CAPITAL</b>		-		
<b>Total Capital (Tier I + Tier II)</b>		<b>35,761.01</b>		
<b>Total Risk -Weighted Assets (On Balance Sheet + Off Balance Sheet items)</b>		<b>2,69,736.02</b>		
<b>CRAR ( Capital Funds to Risk Weighted Assets Ratio)</b>		13.26%	CRAR =	$\frac{\text{Total Capital} *}{100}$ Risk Weighted Assets

  
 (V JAYA CHANDRA)  
 CHAIRMAN



## Disclosure in Financial Statements – Notes to Account

**MIZORAM RURAL BANK  
HEAD OFFICE : AIZAWL  
DISCLOSURE IN FINANCIAL STATEMENTS – NOTES TO ACCOUNTS**

**1. Regulatory Capital**
**a) Composition of Regulatory Capital**

(Amount in Crores)

Sr. No.	Particulars	Current Year	Previous Year
i)	Common Equity Tier 1 Capital (CET1) / Paid up share capital and reserves (net of deductions, if any)	355.88	280.55
ii)	Additional Tier 1 Capital*/Other Tier 1 Capital	-	-
iii)	Tier 1 Capital (i + ii)	355.88	280.55
iv)	Tier 2 Capital	1.73	1.73
v)	Total Capital (Tier 1 + Tier 2)	357.61	282.28
vi)	Total Risk Weighted Assets (RWAs)	2697.36	2447.44
vii)	CET1 Ratio (CET 1 as a percentage of RWAs)/Paid-up share capital and reserves as percentage of RWAs		
viii)	Tier 1 Ratio (Tier 1 capital as a percentage of RWAs)	13.19%	11.46%
ix)	Tier 2 Ratio (Tier 2 capital as a percentage of RWAs)	0.07%	0.07%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	13.26%	11.53%
xi)	Leverage Ratio	NA	NA
xii)	Percentage of the shareholding of Government of India	50.00	50.00
	State Government (specify name)	15.00	15.00
	Sponsor Bank	35.00	35.00
xiii)	Amount of paid-up equity capital raised during the year	Nil	Nil
xiv)	Amount of non-equity Tier 1 capital raised during the year, <i>of which</i> : Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	Nil	Nil
xv)	Amount of Tier 2 capital raised during the year, <i>of which</i> : Give list as per instrument type (perpetual non-cumulative preference shares, perpetual debt instruments, etc.). Commercial banks (excluding RRBs) shall also specify if the instruments are Basel II or Basel III compliant.	Nil	Nil

**b) Draw down from Reserves**

NIL

## 2. Asset Liability Management

### a) Maturity pattern of certain items of assets and liabilities

(Amount in Crores)

	Day 1 to 14 days	15 To 30 Days	10 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 years and upto 5 years	Over 5 years	Total
<b>Deposits</b>	421.52	134.98	374	401.96	746.86	2853.18	26.71	10.66	4969.88
<b>Advances</b>	17.10	140.55	324.37	15.09	8.94	29.09	284.07	2072.46	2891.68
<b>Investments</b>	85.36	0	30	73.06	583.56	592.47	262.37	909.36	2536.17
<b>Borrowings</b>	0	0	0	4	9	149.40	279.89	13.56	455.85
<b>Foreign Currency Assets</b>	0	0	0	0	0	0	0	0	0
<b>Foreign Currency Liabilities</b>	0	0	0	0	0	0	0	0	0

## 3. Investments

### a) Composition of Investment Portfolio as at 31.03.2023

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investment in India	Government securities (including local)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
<b>Held to Maturity</b>												
<b>Gross</b>	600.02	84.47	0.00	0.00	0.00	0.00	684.49	0.00	0.00	0.00	0.00	684.49
<b>Less: Provision for non-Performing investments</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Net</b>	600.02	84.47	0.00	0.00	0.00	0.00	684.49	0.00	0.00	0.00	0.00	684.49
<b>Available for Sale</b>												
<b>Gross</b>	621.11	0.00	0.00	0.00	0.00	0.00	621.11	0.00	0.00	0.00	0.00	621.11
<b>Less: Provision for depreciation And NPI</b>	12.00	0.00	0.00	0.00	0.00	0.00	12.00	0.00	0.00	0.00	0.00	12.00
<b>Net</b>	609.11	0.00	0.00	0.00	0.00	0.00	609.11	0.00	0.00	0.00	0.00	609.11
<b>Held for Trading</b>												
<b>Gross</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Less: Provision for depreciation And NPI</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Investments</b>	1,221.13	0.00	0.00	0.00	0.00	0.00	1,305.60	0.00	0.00	0.00	0.00	1,305.60
<b>Less: Provision for non-Performing investments</b>	12.00	0.00	0.00	0.00	0.00	0.00	12.00	0.00	0.00	0.00	0.00	12.00
<b>Less: Provision for depreciation And NPI</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net</b>	1,209.13	0.00	0.00	0.00	0.00	0.00	1,293.60	0.00	0.00	0.00	0.00	1,293.60

## Composition of Investment Portfolio as at 31.03.2022

(Amount in Crores)

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investment in India	Government securities (including local Authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
<b>Held to Maturity</b>												
Gross	501.01	0.00	0.00	0.00	0.00	0.00	501.01	0.00	0.00	0.00	0.00	501.01
Less: Provision for Non-Performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
Net	<b>501.01</b>	0.00	0.00	0.00	0.00	0.00	<b>501.01</b>	0.00	0.00	0.00	0.00	<b>501.01</b>
<b>Available for Sale</b>												
Gross	647.22	0.00	0.00	0.00	0.00	0.00	647.22	0.00	0.00	0.00	0.00	647.22
Less: Provision for depreciation And NPI	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
Net	647.22	0.00	0.00	0.00	0.00	0.00	647.22	0.00	0.00	0.00	0.00	647.22
<b>Held for Trading</b>												
Gross	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation And NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Investments</b>	<b>1,148.23</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	<b>1,148.23</b>	0.00	0.00	0.00	0.00	<b>1,148.23</b>
Less: Provision for non-Performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Less: Provision for depreciation And NPI	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	<b>0.00</b>
Net	<b>1,148.23</b>	0.00	0.00	0.00	0.00	0.00	<b>1,148.23</b>	0.00	0.00	0.00	0.00	<b>1,148.23</b>

## b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

(Amount in Crores)

Particulars	Current Year	Previous Year
i) Movement of provisions held towards depreciation on investments	0	0
a. Opening balance	0	0
b. Add: Provisions made during the year	0	0
c. Less: Write off / write back of excess provisions during the year	0	0
d. Closing balance		
ii) Movement of Investment Fluctuation Reserve		
a. Opening balance	0	0
b. Add: Amount transferred during the year	16	0
c. Less: Drawdown	4	0
d. Closing balance	12	0
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	1.93%	0

## c) Sale and transfers to/from HTM category

Bank has not sold or transferred securities to/from HTM category in the current Financial Year.

## d) Non-SLR investment portfolio

(Amount in Crores)

Sr. No.	Particulars	Current Year	Previous Year
a)	Opening balance	39.12	41.99
b)	Additions during the year since 1 <sup>st</sup> April	6.99	27.09
c)	Reductions during the above period	0	29.96
d)	Closing balance	46.12	39.12
e)	Total Provisions held	0	0

## e) Issuer composition of non-SLR investments

(Amount in Crores)

Sr. No	Issuer	Amount		Extent of Private Placement		Extent of 'Below Investment Grade' Securities		Extent of 'Unrated' Securities		Extent of 'Unlisted' Securities	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
a)	PSUs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b)	FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c)	Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d)	Private Corporates	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e)	Subsidiaries / Joint Ventures	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f)	Others	46.12	39.12	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g)	Provision held towards depreciation	0.00	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total *</b>	<b>46.12</b>	<b>39.12</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

## f) Repo transactions (in face value terms)

(Amount in Crores)

	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average outstanding during the year	Outstanding as on March 31 <sup>st</sup>
i) Securities sold under repo				
a) Government securities	NIL	NIL	NIL	NIL
b) Corporate debt securities				
c) Any other securities				
ii) Securities purchased under reverse repo				
a) Government securities	NIL	NIL	NIL	NIL
b) Corporate debt securities				
c) Any other securities				

## 1. Asset Quality

## a) Classification of advances and provisions held

(Amount in '000)

	Standard Total Standard Advances	Non-Performing			Total Non- Performing Advances	Total
		Sub- standard	Doubt- ful	Loss		
<b>Gross Standard Advances and NPAs</b>						
Opening Balance	23775181	714931	493738	119169	1327838	25103019
Add: Additions during the year					3052948	
Less: Reductions during the year*					2806461	
Closing balance					1574325	
*Reductions in Gross NPAs due to:						2806461
(i) Upgradation					2080485	
(ii) Recoveries (excluding recoveries from upgraded accounts)					296707	
(iii) Technical/ Prudential/ Write-offs					0	
(iv) Write-offs other than those under (iii) above					429269	
<b>Provisions (excluding Floating Provisions)</b>						
Opening balance of provisions held	80213	589391	493739	119169	1202298	1282511
Add: Fresh provisions made during the year						
Less: Excess provision reversed/ Write-off loans						
Closing balance of provisions held	85413				1453061	1548474
<b>Net NPAs</b>						
Opening Balance					125540	
Add: Fresh additions during the year					2372400	
Less: Reductions during the year					2376676	
Closing Balance					121264	

Ratios (in per cent)	Current Year	Previous Year
Gross NPA to Gross Advances	5.44%	5.29%
Net NPA to Net Advances	0.44%	0.50%
Provision coverage ratio	92.30%	90.55%

## a) Sector-wise Advances and Gross NPAs

(Amount in Crores)

Sr. No.	Sector	Current Year			Previous Year		
		Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector	Outstanding Total Advances	Gross NPAs	Percentage of Gross NPAs to Total Advances in that sector
i)	<b>Priority Sector</b>						
a)	Agriculture and allied activities	486.99	42.40	8.71%	476.55	36.56	7.67%
b)	Advances to industries sector eligible as priority sector lending	128.57	16.54	12.86%	132.67	9.80	7.45%
c)	Services	640.81	60.04	9.37%	530.71	45.73	8.62%
d)	Personal loans	633.08	20.13	3.18%	632.83	22.90	3.62%
	Subtotal (i)	1889.45	139.11	7.36%	1,772.86	115.09	6.49%
ii)	<b>Non-priority Sector</b>						
a)	Agriculture and allied activities	0	0	0.00%	0	0	0.00%
b)	Industry	0	0	0.00%	0	0	0.00%
c)	Services	0	0	0.00%	0	0	0.00%
d)	Personal loans	1002.23	18.32	1.83%	737.44	17.70	2.40%
	Sub-total (ii)	1002.23	18.32	1.83%	737.44	17.70	0.71%
	<b>Total (i+ii)</b>	<b>2891.68</b>	<b>157.43</b>	<b>5.44%</b>	<b>2,510.30</b>	<b>132.78</b>	<b>5.29%</b>

## b) Overseas assets, NPAs and revenue

(Amount in Crores)

Particulars	Current Year	Previous Year
Total Assets	NIL	NIL
Total NPAs	NIL	NIL
Total Revenue	NIL	NIL

## c) Particulars of resolution plan and restructuring

## i) Details of accounts subjected to restructuring

(Amount in Crores)

		Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
		Standard	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA
	Gross Amount (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub-standard	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Gross Amount (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Doubtful	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Gross Amount (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
TOTAL	Number of borrowers	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Gross Amount (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Provision held (crore)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

## d) Disclosure of transfer of loan exposures

In the case of stressed loans transferred or acquired, the following disclosures should be made:

<b>Details of stressed loans transferred during the year (to be made separately for loans classified as NPA and SMA)</b>			
(all amounts in crores)	To ARCs	To permitted transferees	To other transferees (please specify)
No. of accounts	NA	Nil	Nil
Aggregate principal outstanding of loans transferred	NA	Nil	Nil
Weighted average residual tenor of the loan transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	Nil	Nil	Nil
Aggregate consideration	Nil	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil	Nil
<b>Details of loans acquired during the year</b>			
(all amounts in crores)	From SCBs, RRBs, UCBs, StCBs, DCCBs, AIFs, SFBs and NBFCs including Housing Finance Companies (HFCs)		From ARCs
Aggregate principal outstanding of loans acquired	NA		NA
Aggregate consideration paid	NA		NA
Weighted average residual tenor of loans acquired	NA		NA

## e) Fraud accounts

Banks shall make disclose details on the number and amount of frauds as well as the provisioning thereon as per template given below.

	<b>Current Year</b>	<b>Previous Year</b>
Number of frauds reported	1	5
Amount involved in fraud (₹ crore)	0.0022	7.73
Amount of provision made for such frauds (₹ crore)	0.0022	7.73
Amount of Unamortized provision debited from 'other reserves' as at the end of the year (₹ crore)	NIL	NIL

## f) Disclosure under Resolution Framework for COVID -19 – related Stress

A special window under the Prudential Framework was extended vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6th, 2020 to enable the lenders to implement a resolution plan in respect of eligible corporate exposures, and personal loans, while classifying such exposures as Standard. Banks shall make disclosures in the format prescribed below every half-year, i.e., in the financial statements as on September 30th and March 31st, starting from the half- year ending September 30th, 2021 till all exposures on which resolution plan was implemented are either fully extinguished or completely slip into NPA, whichever is earlier.

Format for disclosures to be made half year ending March

(Amount in crores)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positionas at the end of the previous half-year (A)	Of (A), aggregate debtthat slipped into NPA during the half-year	Of (A), amount written off during thehalf-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Positionas at the end of this half-year
Personal Loans	0	0	0	0	0
Corporate persons*	0	0	0	0	0
Of which MSMEs	0	0	0	0	0
Others	0	0	0	0	0
Total	0	0	0	0	0

\*As defined in section 3 (7) of the Insolvency and Bankruptcy Code, 2016.

## 2. Exposures

### a) Exposure to real estate sector

(Amount in Crores)

Category	Current Year	Previous Year
<i>i. Direct exposure</i>		
a) Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Individual housing loans eligible for inclusion in priority sector advances shall be shown separately. Exposure would also include non-fund based (NFB) limits. Up to Rs 25 Lakhs	405.71	261.99
b) Commercial Real Estate- Lending secured by mortgages on commercial real estate (office buildings, retail space, multipurpose commercial premises, multi- family residential buildings, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	630.32 NIL	630.62 NIL
c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures - Residential	NIL	NIL
<i>ii. Commercial Real Estate Indirect Exposure</i> Fund based and non-fund based exposures on National Housing Bankand Housing Finance Companies.	NIL	NIL
Total Exposure to Real Estate Sector	1036.03	892.61



**b) Exposure to capital market**

(Amount in Crores)

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	NIL	NIL
Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity oriented mutual funds;	NIL	NIL
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	NIL	NIL
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds /convertible debentures/ units of equity oriented mutual funds does not fully cover the advances;	NIL	NIL
Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	NIL	NIL
Loans sanctioned to corporates against the security of shares/bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	NIL	NIL
Bridge loans to companies against expected equity flows/issues;	NIL	NIL
Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	NIL	NIL
Financing to stockbrokers for margin trading;	NIL	NIL
All exposures to Venture Capital Funds (both registered and unregistered)	NIL	NIL
<b>Total exposure to capital market</b>	<b>NIL</b>	<b>NIL</b>

**c) Risk category-wise country exposure**

(Amount in Crores)

<b>Risk Category</b>	<b>Exposure (net) as at March, 23</b>	<b>Provision held as at March, 23</b>	<b>Exposure (net) as at March, 22</b>	<b>Provision held as at March, 22</b>
Insignificant	NA	NA	NA	NA
Low	NA	NA	NA	NA
Moderately Low	NA	NA	NA	NA
Moderate	NA	NA	NA	NA
Moderately High	NA	NA	NA	NA
High	NA	NA	NA	NA
Very High	NA	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

## d) Unsecured Advances

Banks shall disclose the total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken as also the estimated value of such intangible collateral as per the following format.

(Amounts in crores)

Particulars	Current year	Previous Year
Total unsecured advances of the bank	553.61	382.60
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	NIL	NIL
Estimated value of such intangible securities	NIL	NIL

## e) Intra-group exposures

The following is the summary of significant related party transactions:

(Amounts in 000's)

Particulars	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Refinance received from State Bank of India	NIL	NIL
Interest paid to SBI	723	394
Investments made with:		
SBI - in the form of STDRs	554899	302500
SBI Fund Management Private Limited	461229	391232
Interest received from SBI	14845	31697
Profit on sale of Investments on SBI	NIL	NIL
Contributions to Gratuity Fund with SBI Life Insurance Company Limited	NIL	NIL
Contributions to Group Leave Encashment Policy with SBILife Insurance Company Limited	30656	12219
Contributions to Pension Trust Policy with Insurance Company Limited on behalf of Trust SBI Life	821678	677428
Current Account Balance with SBI	136236	514900
Breach of limits on intra-group exposures and regulatory action thereon, if any	NIL	NIL

## 3. Concentration of deposits, advances, exposures and NPAs

## a) Concentration of deposits

(Amount in Crores)

Particulars	Current Year	Previous Year
Total deposits of the twenty largest depositors	559.50	437.60
Percentage of deposits of twenty largest depositors of the bank of twenty largest depositors to total depositors	11.26 %	10.37 %

## b) Concentration of advances

(Amount in Crores)

Particulars	Current Year	Previous Year
Total advances to the twenty largest borrowers	96.51	68.38
Percentage of advances to twenty largest borrowers to total advances of the bank	3.34%	2.72%

## c) Concentration of exposures

(Amount in Crores)

Particulars	Current Year	Previous Year
Total exposure to the twenty largest borrowers /customers	656.01	505.98
Percentage of exposures to the twenty largest borrowers /customers to the total exposure of the bank on borrowers / customers	8.34%	7.52%

## d) Concentration of NPAs

(Amount in Crores)

Particulars	Current Year	Previous Year
Total Exposure to the top twenty NPA accounts	21.17	9.88
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs.	13.45%	7.44%

**4. Derivatives**

## a) Forward rate agreement/Interest rate swap

Particulars	Current Year	Previous Year
i) The notional principal of swap agreements	Not entered into any transactions in derivatives in the current and previous years.	Not entered into any transactions in derivatives in the current and previous years.
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements		
iii) Collateral required by the bank upon entering into swaps		
iv) Concentration of credit risk arising from the swaps		
v) The fair value of the swap book		

## b) Exchange traded interest rate derivatives

Sl. No	Particulars	Current Year	Previous Year
i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument wise)	Not entered into any transactions in derivatives in the current and previous years	Not entered into any transactions in derivatives in the current and previous years
ii)	Notional principal amount of exchange traded interest rate at derivatives outstanding as on 31 March, 2023 (instrument wise)		
iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		
iv)	Mark to market value of exchange traded interest rate derivatives outstanding and not 'highly effective' (instrument wise)		

## c) Disclosures on risk exposure in derivatives

## Qualitative disclosures

Bank has not entered into any transactions in derivatives in the current and previous years.

## Quantitative disclosures

Bank has not entered into any transactions in derivatives in the current and previous years.

## d) Credit default swaps

Not Applicable

**5. Transfers to Depositor Education and Awareness Fund (DEA Fund)**

(Amount in Crores)

Sr. No	Particulars	Current Year	Previous Year
i)	Opening balance of amounts transferred to DEA Fund	0.19	0.05
ii)	Add: Amounts transferred to DEA Fund during the year	0	0
iii)	Less: Amounts reimbursed by DEA Fund towards claims	0	0
iv)	Closing balance of amounts transferred to DEA Fund	0.19	0.05

**6. Disclosure of complaints**

a) Summary information on complaints received by the bank from customers and from the Offices of Ombudsman.

Sr. No.	Particulars	2020-21	2021-22	2022-23
<b>Complaints received by the bank from its customers</b>				
1.	Number of complaints pending at beginning of the year	25	0	35
2.	Number of complaints received during the year	2955	5305	6269
3.	Number of complaints disposed during the year	2980	5270	6269
	3.1 Of which, number of complaints rejected by the bank	0	0	0
4.	Number of complaints pending at the end of the year	0	0	52
<b>Maintainable complaints received by the bank from Office of Ombudsman</b>				
5.	Number of maintainable complaints received by the Bank from Office of Ombudsman	3	2	8
	5.1. Of 5, number of complaints resolved in favour of the Bank by Office of Ombudsman	3	2	8
	5.2 Of 5, number of complaints resolved through conciliation / mediation/advisories issued by Office of Ombudsman	0	0	0
	5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the bank	0	0	0
6.	Number of Awards unimplemented within the Stipulated time (other than those appealed)	0	0	0

**Note:** Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase / decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
<b>Current Year</b>					
Ground - 1	35	2935	18.35%	52	5
Ground - 2	0	2509	18.13%	0	0
Ground - 3	0	0	0	0	0
Ground - 4	0	0	0	0	0
Ground - 5	0	825	17.69%	0	0
Others	0	0	0	0	0
Total	35	6269	18.17%	52	5

	Previous Year				
Ground - 1	0	2480	20.63%	35	7
Ground - 2	0	2124	21.06%	0	0
Ground - 3	0	0	0	0	0
Ground - 4	0	0	0	0	0
Ground - 5	0	701	20.35%	0	0
Others	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>5305</b>	<b>20.85%</b>	<b>35</b>	<b>7</b>

Ground-1: ATM/DEBIT Cards Related

Ground-2: Mobile / Internet / Electronic Banking Related

Ground-3: Loans and Advances

Ground-4: Levy of Charges

Ground-5: UPI Related

Others : Sought for information (Forgot MPIN / Reset of MPIN / ATM Card lost / IFS CODE ENQ, etc.)

#### 7. Disclosure of penalties imposed by the Reserve Bank of India

Sl. No.	Penalties imposed by the Reserve Bank of India under the provisions of	Penalties
(i)	Banking Regulation Act, 1949	₹ 10,000
(ii)	Payment and Settlement Systems Act, 2007	NIL
(iii)	Government Securities Act, 2006 (for bouncing of SGL)	NIL
(iv)	REPO - number of instances of default as well as the quantum of penalty paid to the Reserve Bank of India	NIL

#### 8. Disclosures on remuneration

Particulars of Managerial Remuneration:

(Amount in Rupee)

	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
Shri Vadde Jaya Chandra, Chairman	2764392.78	2546230.12
Shri Samuel Laiwat Warbah, General Manager-II	2150087.65	2037636.62
Shri Mrigen Chandra Deka, General Manager (Vigilance)	1515078.33	2090579.67
Shri C Ramdinsanga, General Manager-I	2315957.86	677351.53
Shri Saibal Kanti Roy	707581.14	0

#### 9. Other Disclosures

a) Business Ratios

Particular	Current Year	Previous Year
i) Cost of Deposits	3.55%	3.58%
ii) Net Interest Margin	4.64%	4.30%
iii) Operating Profit as a percentage to Working Funds	3.20%	2.82%
iv) Return on Assets	1.19%	0.97%
v) Business (deposits plus advances) per employee(in crore)	16.48	14.05
vi) Profit per employee (in crore)	0.14	0.10

## b) Bancassurance business

The details of fees / brokerage earned in respect of insurance broking, agency and bancassurance business undertaken by them shall be disclosed for both the current year and previous year.

2021-22	2022-23
₹1.00 Crores	₹ 0.73 Crores

## c) Marketing and distribution

Banks shall disclose the details of fees / remuneration received in respect of the marketing and distribution function (excluding bancassurance business) undertaken by them.

2021-22	2022-23
₹ NIL	₹ NIL

## d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

The Bank has not sold Priority Sector Advances during Financial Year 2022-23.

## e) Inter Bank Participation Certificate (IBPC):

As per RBI extant guidelines on IBPCs, Bank entered into contract with HDFC Bank Limited as below:

IBPC issued during the year			
Amount (in crore)	From	To	Number of days
49	15-11-2022	14-05-2023	180

## f) Provisions and contingencies

(Amount in Crores)

Sl. No.	Provision debited to Profit and Loss Account	Current Year	Previous Year
i.	Provisions for NPI	-	-
ii.	Provision towards NPA	68	54
iii.	Provision made towards Income tax	22.00	23.65
iv.	Other Provisions and Contingencies (with details)	0.08	6.82
	Provision on Standard Assets	0.82	1.00
	Provision on Frauds	0.0022	8.37
	Depreciation on SLR Securities under AFS category	0	0
	Provision on Wage revision	0	0
	Investment Fluctuation reserve	12	0
	Audit Fee provision	0	0
	Provision on Pension	0	0

## g) Payment of DICGC Insurance Premium

(Amount in Crores)

Sr. No.	Particulars	Current Year	Previous Year
i)	Payment of DICGC Insurance Premium	5.35	5.05
ii)	Arrears in payment of DICGC premium	NIL	NIL


h) Disclosure on amortization of expenditure on account of enhancement in family pension of employees of banks.

Govt. of India, Ministry of Finance, Department of Financial Services, vide Order No. F.No.81112021-RRB dated 01 April, 2021, in exercise of their powers under provision 2 of section 17(1) of RRB Act, 1976 has communicated the revised salary and allowances to the RRB staff in terms of 11th Bipartite Settlement.

Further, the pension liability as on 31.03.2023 is arrived with enhanced family pension rates. Accordingly, the enhanced family pension is implemented in our bank.

For Mizoram Rural Bank

Sd/-  
(Statutory Auditors)

  
(V. JAYA CHANDRA)  
(Chairman)

Sd/-  
(LALHMINGMAWIA SAILO)  
Director

Sd/-  
(JAMES LALSIAMLIANA)  
Director

Sd/-  
(DURGA DUTT)  
Director

Sd/-  
(KAMLESH KUMAR SINGH)  
Director

Sd/-  
(G THANGCHINKHUP)  
Director

Sd/-  
(TH HAOKHOLAL)  
Director

Place: Aizawl




Date: 21<sup>st</sup> April 2023



**MIZORAM RURAL BANK : HEAD OFFICE**  
**MINECO, AIZAWL - 796 001, MIZORAM**

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