

**The Third Schedule to the Banking Regulation Act, 1949**

(See Section 29)

**FORM - 'A'**

**Balance Sheet of Mizoram Rural Bank**

**Balance Sheet as on 31st March 2021**

<b>Capital and Liabilities :</b>	<b>Schedule</b>	<b>As on 31.03.2021 (Current Year)</b>	<b>As on 31.03.2020 (Previous Year)</b>
Capital	1	310,382,000.00	310,382,000.00
Reserve and Surplus	2	1,748,835,099.08	1,363,318,803.47
Deposits	3	41,548,703,527.77	34,781,251,379.73
Borrowings	4	2,972,736,530.00	2,876,967,810.00
Other Liabilities and Provisions	5	2,917,986,555.79	1,907,042,912.80
<b>TOTAL</b>	<b>:</b>	<b>49,498,643,712.64</b>	<b>41,238,962,906.00</b>
<b>Assets :</b>			
Cash and Balance with Reserve Bank of India	6	2,105,784,538.58	1,706,910,642.02
Balances with Banks and Money at Call & Short Notice	7	12,924,756,957.26	14,056,759,337.04
Investments	8	11,509,235,209.91	7,919,883,063.00
Advances	9	20,521,355,184.62	15,354,314,824.47
Fixed Assets	10	306,984,533.63	278,349,092.98
Other Assets	11	2,130,527,288.64	1,922,745,946.49
<b>TOTAL</b>	<b>:</b>	<b>49,498,643,712.64</b>	<b>41,238,962,906.00</b>
Contingent Liabilities	12	-	-
Notes Forming Parts of Accounts	19		

**For and on behalf of Mizoram Rural Bank** Schedules referred to above form an integral part of the Profit & Loss Account as per our report of even date.

**Chairman**



**(V. JAYA CHANDRA)**

Place : Aizawl

Dated : 16th May 2021



**For SPAN & Associates**

**Chartered Accountants**

**FRN : 302192E**



**(S. PALIT)**

**Partner**

**Membership No. - 057072**



**UDIN: 21057072AAAAAU9006**

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

	Schedule	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<b>Income</b>			
Interest Earned	13	3,355,959,159.64	2,944,515,773.92
Other Income	14	161,416,214.29	157,616,470.82
<b>TOTAL</b>	<b>:</b>	<b>3,517,375,373.93</b>	<b>3,102,132,244.74</b>
<b>Expenditure</b>			
Interest Expended	15	1,662,903,255.99	1,518,575,621.50
Operating Expenses	16	788,913,153.65	659,135,857.75
Provisions & Contingencies	17	472,972,668.68	719,752,399.93
<b>TOTAL</b>	<b>:</b>	<b>2,924,789,078.32</b>	<b>2,897,463,879.18</b>
<b>Profit/Loss</b>			
Profit/loss for the year		592,586,295.61	204,668,365.56
Provision for Tax	17A	207,070,000.00	71,516,000.00
<b>Profit after Tax</b>		<b>385,516,295.61</b>	<b>133,152,365.56</b>
Profit/loss brought forward		1,363,318,803.47	1,230,166,437.91
<b>TOTAL</b>	<b>:</b>	<b>1,748,835,099.08</b>	<b>1,363,318,803.47</b>
<b>Appropriations</b>			
Transferred to statutory reserves		77,103,259.12	26,630,473.11
Transferred to other reserves			
Transfer to Govt./Proposed dividend		-	-
Balance carried over to balance sheet		1,671,731,839.96	1,336,688,330.36
<b>TOTAL</b>	<b>:</b>	<b>1,748,835,099.08</b>	<b>1,363,318,803.47</b>
Significant Accounting Policies	18		

*For and on behalf of Mizoram Rural Bank Schedules referred to above form an integral part of the Profit & Loss Account as per our report of even date.*

**Chairman**



**(V. JAYA CHANDRA)**

Place : Aizawl

Dated : 16th May 2021



**For SPAN & Associates**  
Chartered Accountants  
FRN : 302192E



**(S. PALIT)**

**Partner**

**Membership No. - 057072**



**UDIN: 21057072AAAAAU9006**

**Schedule - 1**  
**Capital**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<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> (2,00,00,00,000 shares of Rs. 10/- each)	2,000,000,000.00	2,000,000,000.00
<b>Issued Capital</b> (31,03,82,000 shares of Rs. 10/- each)	310,382,000.00	310,382,000.00
<b>Subscribed Capital</b> (31,03,82,000 shares of Rs. 10/- each)	310,382,000.00	310,382,000.00
<b>Called-up Capital</b> (31,03,82,000 shares of Rs. 10/- each)	310,382,000.00	310,382,000.00
Less: Calls unpaid	-	-
Add : Forfeited Shares	-	-
<b>Paid up Capital</b>	310,382,000.00	310,382,000.00
<b>TOTAL</b>	<b>310,382,000.00</b>	<b>310,382,000.00</b>



## Schedule - 2 Reserve & Surplus

### Reserve and Surplus

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<b>I. Statutory Reserves</b>		
Opening Balance	1,363,318,803.47	1,230,166,437.91
Additions during the year	77,103,259.12	26,630,473.11
Deductions during the year	-	-
<b>II. Capital Reserves</b>		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
<b>III. Share Premium</b>		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
<b>IV. Revenue and other Reserves</b>		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
<b>V. Balance in Profit &amp; Loss Account</b>		
Opening Balance	-	-
Additions during the year	308,413,036.49	106,521,892.45
Deductions during the year	-	-
<b>TOTAL</b>		
Opening Balance	1,363,318,803.47	1,230,166,437.91
Additions during the year	385,516,295.61	133,152,365.56
Deductions during the year	-	-
<b>TOTAL (I,II,III,IV &amp; V)</b>	<b>1,748,835,099.08</b>	<b>1,363,318,803.47</b>



**Schedule - 3**  
**Deposits**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<b>A. I. Demand Deposits</b>		
i) From Banks	-	-
ii) From Others	1,395,707,048.36	1,036,617,942.78
<b>II. Savings Bank Deposits</b>		
i) From Banks	-	-
ii) From Others	23,979,491,942.51	19,730,566,757.90
<b>III. Term Deposits</b>		
i) From Banks	-	-
ii) From Others	16,173,504,536.90	14,014,066,679.05
<b>TOTAL</b>	<b>41,548,703,527.77</b>	<b>34,781,251,379.73</b>
<b>B</b>		
i) Deposits of Branches in India	41,548,703,527.77	34,781,251,379.73
ii) Deposit of Branches outside India	-	-
<b>TOTAL</b>	<b>41,548,703,527.77</b>	<b>34,781,251,379.73</b>



## Schedule - 4 Borrowings

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<b>I. Borrowings in India</b>		
i) Reserve Bank of India	-	-
ii) Other Banks	17,304,000.00	17,304,000.00
iii) Other Institutions and Agencies* (Annexure - I)	2,955,432,530.00	2,859,663,810.00
<b>II. Borrowings Outside India</b>	-	-
<b>TOTAL</b>	<b>2,972,736,530.00</b>	<b>2,876,967,810.00</b>
Secured borrowings included in I & II above	NIL	NIL

### Annexure - I

#### \* Other Institutions and Agencies

##### 1 NABARD

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

**Sub-Total**

##### 2 NSTFDC

**Sub-Total**

##### 3 NHB

**Sub-Total**

##### 4 NHFDC

**Sub-Total**

**TOTAL**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
	8,750,000.00	27,734,400.00
	21,956,500.00	45,319,500.00
	1,800,816,120.00	1,619,937,540.00
	-	-
	30,000,000.00	20,000,000.00
	58,149,400.00	96,236,200.00
<b>Sub-Total</b>	<b>1,919,672,020.00</b>	<b>1,809,227,640.00</b>
	1,003,015,510.00	1,009,431,170.00
<b>Sub-Total</b>	<b>1,003,015,510.00</b>	<b>1,009,431,170.00</b>
	30,745,000.00	41,005,000.00
<b>Sub-Total</b>	<b>30,745,000.00</b>	<b>41,005,000.00</b>
	2,000,000.00	-
<b>Sub-Total</b>	<b>2,000,000.00</b>	<b>-</b>
<b>TOTAL</b>	<b>2,955,432,530.00</b>	<b>2,859,663,810.00</b>



**Schedule - 5**  
**Other Liabilities and Provisions**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Bills Payable	-	-
II. Inter-Office Adjustment (Net)	-	2,499,299.99
III. Interest Accrued	516,622,474.44	456,813,122.38
IV. Others (including provisions)# (Annexure - II)	2,401,364,081.35	1,447,730,490.43
<b>TOTAL</b>	<b>2,917,986,555.79</b>	<b>1,907,042,912.80</b>

**Annexure - II**

**# Others includes :**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i) Provision for Audit Fee	800,000.00	900,900.00
ii) Outstanding in Banker's Cheque A/c	3,325,173.67	1,275,947.67
iii) Outstanding in Sundry A/c	1,104,571.00	6,277,127.69
iv) Provision for NPA	741,962,489.44	579,241,144.43
v) Balance in INC A/c	-	-
vi) Credit Balance in AUCA	224,304,101.23	161,445,457.06
vii) Adjusting Account (Office A/c)	5,268,664.00	4,763,343.00
viii) NEFT Commission	-	-
ix) PMJJBY SBI Life	1,429,015.00	112,682.00
x) NACH (DR)	2,662,456.03	2,662,456.03
xi) PMSBY-NIC	276.00	(60.00)
xii) System Suspense	461,529,071.29	24,021,297.30
xiii) Provision for Income Tax	207,070,000.00	71,516,000.00
xiv) Provision for Covid 19 Moratorium	-	20,296,696.33
xv) CGST/SGST/IGST Payable	6,725,174.21	6,741,147.11
xvi) Provision for Standard Assets	70,212,625.35	60,212,625.33
xvii) APBS Settlement Account	(23,427,182.40)	(23,445,282.40)
xviii) DEAFS RBI	(533,343.00)	(533,343.00)
xix) Gramin Pay Order	(2,426,183.84)	3,595,502.16
xx) Provision for Fraud	209,107,082.68	162,457,404.00
xxi) CA Inter-Branch	87,219,083.79	167,535,805.92
xxii) Other Provisions	19,927,826.34	5,500,000.00
xxiii) Subsidy Reserve Fund	68,606,386.13	(45,880,774.00)
xxiv) UPI Outward	126,769,037.43	45,354,505.80
xxv) Provision for Wage Arrear	188,906,248.00	108,906,248.00
xxvi) Provision for Pension	-	84,760,126.00
xxvii) SD Unidentified	-	6,000.00
xxviii) Provision NPS	1,404.00	7,534.00
xxix) Cash withdrawal tax TDS	820,105.00	-
<b>TOTAL</b>	<b>2,401,364,081.35</b>	<b>1,447,730,490.43</b>



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

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Cash on Hand (including foreign currency notes)	611,086,351.56	637,212,455.00
II. Balance with Reserve Bank of India		
i) in Current Account	1,494,698,187.02	1,069,698,187.02
ii) in Other Accounts	-	-
<b>TOTAL</b>	<b>2,105,784,538.58</b>	<b>1,706,910,642.02</b>

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

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<b>I In India</b>		
i) Balance with Banks		
a) in Current Account	743,256,957.26	419,259,337.04
b) in other deposit account	12,181,500,000.00	13,637,500,000.00
ii) Money at Call & short notice		
a) With banks	-	-
b) With other institutions	-	-
<b>TOTAL</b>	<b>12,924,756,957.26</b>	<b>14,056,759,337.04</b>
<b>II. Outside India</b>		
i) In Current Accounts	-	-
ii) In other deposit Accounts	-	-
iii) Money at call & short notice	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (I + II)</b>	<b>12,924,756,957.26</b>	<b>14,056,759,337.04</b>





## Schedule - 8 Investments

### Investments

#### I Investments in India in

- i) Government Securities
- ii) Other approved Securities
- iii) Shares
- iv) Debenture and Bonds
- v) Subsidiaries and/or joint ventures
- vi) Others (to be specified) @ (Annexure - III)

#### TOTAL

#### II. Investments outside India in

- i) Government securities (including local authorities)
- ii) Subsidiaries and/or joint ventures
- iii) Other Investments (to be specified)

#### TOTAL

#### GRAND TOTAL (I+II)

As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
11,089,255,209.17	7,659,883,063.00
-	-
-	-
-	-
-	-
419,980,000.74	260,000,000.00
<b>11,509,235,209.91</b>	<b>7,919,883,063.00</b>
-	-
-	-
-	-
-	-
<b>11,509,235,209.91</b>	<b>7,919,883,063.00</b>

### Annexure - III

#### @ Others Includes:

- i. SBI Mutual Fund
- ii. UTI Mutual Fund
- iii. TDRs with SBI
- iv. NABARD TMB

#### TOTAL

As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
419,980,000.74	260,000,000.00
-	-
-	-
-	-
<b>419,980,000.74</b>	<b>260,000,000.00</b>



**Schedule - 9**  
**Advances**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<b>A.</b>		
i) Bills purchased and discounted	-	-
ii) Cash Credits, Overdrafts and loans repayable on demand	3,776,839,357.69	2,471,299,902.53
iii) Term Loans	16,744,515,826.93	12,883,014,921.94
<b>TOTAL</b>	<b>20,521,355,184.62</b>	<b>15,354,314,824.47</b>
<b>B.</b>		
i) Secured by tangible Assets	20,369,936,618.00	15,204,294,846.41
ii) Covered by Bank/ Government Guarantee	-	-
iii) Unsecured	151,418,566.62	150,019,978.06
<b>TOTAL</b>	<b>20,521,355,184.62</b>	<b>15,354,314,824.47</b>
<b>C. I. Advances in India</b>		
i) Priority Sector	15,024,509,899.41	11,497,668,729.40
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	5,496,845,285.21	3,856,646,095.07
<b>TOTAL</b>	<b>20,521,355,184.62</b>	<b>15,354,314,824.47</b>
<b>II. Advances outside India</b>		
i) Due from Banks	-	-
ii) Due from others	-	-
iii) a) Bills purchased & discounted	-	-
b) Syndicate loans	-	-
c) Others	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Grand Total (C I + C II)</b>	<b>20,521,355,184.62</b>	<b>15,354,314,824.47</b>



**Schedule - 10**  
**Fixed Assets**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
<b>I. Premises</b>		
At cost as on 31st. March of the preceeding year	-	-
Addition during the year	-	-
Deductions during the year	-	-
Depreciation to date	-	-
Written Down Value		
<b>II. Other Fixed Assets \$ (Annexure - IV)</b> ( including furnitures and fixtures)		
At cost as on 31st. March of the preceding year	<b>93,349,092.98</b>	<b>60,741,768.25</b>
Additions during the year	55,066,599.93	65,020,419.00
Deductions during the year		
Depreciation for the year	46,553,644.28	32,413,094.27
Adjustment	-	-
<b>Written Down Value</b>	<b>101,862,048.63</b>	<b>93,349,092.98</b>
<b>III. Assets Under Construction</b>	205,122,485.00	185,000,000.00
<b>TOTAL</b>	<b>306,984,533.63</b>	<b>278,349,092.98</b>



**Schedule - 11**  
**Other Assets**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I Inter-Office adjustments (Net)	-	-
II Interest accrued	604,295,706.04	631,566,903.12
III Stationery and Stamps	-	585,728.63
IV Non-banking Assets acquired in satisfaction of claims	-	-
V Others @ \$ (Annexure - V)	1,526,231,582.60	1,290,593,314.74
<b>TOTAL</b>	<b>2,130,527,288.64</b>	<b>1,922,745,946.49</b>

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

**Annexure - V**

**\$ Other Assests**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
i) Outstanding in suspense a/c	(415,270.91)	(1,586,852.73)
ii) Balance in H.O. PB A/c	148,161,171.31	18,965,469.00
iii) Bills receivables a/c	17,304,000.00	17,304,000.00
iv) ATM Settlement	829,484,585.18	306,218,882.05
v) Core Interbranch A/c	-	-
vi) Other Assets	17,162,434.00	20,000.00
vii) Balance in AUCA	224,295,599.23	161,436,955.06
viii) NACH	185,250,276.54	185,250,276.54
ix) DBTL Settlement A/c	(129,934,138.70)	(145,173,511.11)
x) RTGS Settlement A/c	950,232.16	8,542,768.28
xi) Branch Clearing	184,051,962.96	300,135,068.34
xii) ECS Dr	(119,230.00)	(119,230.00)
xiii) Advance Income Tax	125,000,000.00	125,982,000.00
xiv) ACH/NPCI/LPG/UID/UPI	54,914,567.84	(6,479,556.35)
xv) IMPS Settlement A/C	(23,337,869.25)	10,604,042.24
xvi) Step Rapid Remittance RR	47,654,133.90	441,267,844.34
xvii) ATM Cash	(235,523,382.89)	(155,006,694.89)
xviii) CGST/SGST/IGST ITC	24,419,330.02	15,327,712.16
xix) IMPS- Inward/Outward	46,492,105.83	1,188,148.96
xx) YES Bank CTS Settlement	-	-
xxi) MAB/AEPS/UPI Settlement A/c	10,421,075.38	6,715,992.85
xxii) Office Com/Furniture/Com.Hardware	-	-
<b>TOTAL</b>	<b>1,526,231,582.60</b>	<b>1,290,593,314.74</b>



**Schedule - 12**  
**Contingent Liabilities**

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

**Schedule - 13**  
**Interest Earned**

	As on 31.03.2021 (Current Year)	As on 31.03.2020 (Previous Year)
I. Interest/discount on advances/ bills	1,771,144,112.68	1,519,562,022.52
II. Income on Investments	734,946,057.14	607,616,999.62
III. Interest on balances with Reserve Bank of India & other Inter-Bank funds.	849,868,989.82	817,336,751.78
IV. Others	-	-
<b>TOTAL :</b>	<b>3,355,959,159.64</b>	<b>2,944,515,773.92</b>



**Schedule - 14**  
**Other Income**

	<b>As on 31.03.2021 (Current Year)</b>	<b>As on 31.03.2020 (Previous Year)</b>
I. Commission, exchange and brokerage	121,896,149.00	98,449,293.15
II. Profit on sale of investments less- loss on sale investments	-	54,050,808.67
III. Profit on revaluation of investments less- loss on revaluation of investments		
IV Profit on sale of land, buildings and other assets(Vehicles)	-	123,000.00
V Profit on exchange transaction less- Loss on exchange transaction.		
VI Income earned by way of dividends etc, from subsidiaries/companies/and/or joint ventures abroad in India.		
VII Prior Period Income		
VIII Miscellaneous Income		
a) Other Income	39,520,065.29	4,993,369.00
<b>TOTAL</b>	<b>161,416,214.29</b>	<b>157,616,470.82</b>

**Schedule - 15**  
**Interest Expended**

	<b>As on 31.03.2021 (Current Year)</b>	<b>As on 31.03.2020 (Previous Year)</b>
I. Interest on Deposits	1,502,109,091.46	1,422,433,074.03
II. Interest on Reserve Bank of India/ Inter-Bank borrowings	160,794,164.53	96,142,547.47
III. Others	-	-
<b>TOTAL</b>	<b>1,662,903,255.99</b>	<b>1,518,575,621.50</b>



**Schedule - 16**  
**Operating Expenses**

	<b>As on 31.03.2021 (Current Year)</b>	<b>As on 31.03.2020 (Previous Year)</b>
i) Payments to and provisions for employees	404,778,637.82	324,413,481.96
ii) Rent, Taxes and Lighting	36,466,209.08	73,592,592.87
iii) Printing and Stationery	4,346,715.00	10,876,182.37
iv) Advertisement and Publicity	676,325.00	-
v) Depreciation on bank's property.	46,553,644.28	32,413,094.27
vi) Directors' fees and expenses	-	-
vii) Auditors' fees and expenses (including branch Auditors)	-	1,691,600.00
viii) Law Charges	492,710.00	668,297.00
ix) Postage, Telegrams, Telephones	2,999,215.34	2,145,311.18
x) Repairs and Maintenances	25,418,560.36	23,741,890.96
xi) Insurance	87,914,944.90	33,914,487.43
xii) Service Tax	-	-
xiii) Depreciation on Investments	-	-
xiv) Other Expenditures	179,266,191.87	155,678,919.71
<b>TOTAL</b>	<b>788,913,153.65</b>	<b>659,135,857.75</b>

**Schedule - 17**  
**Provisions & Contingencies**

	<b>As on 31.03.2021 (Current Year)</b>	<b>As on 31.03.2020 (Previous Year)</b>
i) Provision for Bad & Doubtful Debts ( including Risk fund )	210,000,000.00	220,000,000.00
ii) Provision for Standard Assets	10,000,000.00	18,897,140.42
iii) Provision for Security Guard Wages	-	5,500,000.00
iv) Provision for Covid 19 Moratorium	-	20,296,696.33
v) Provision for Frauds	46,691,568.68	-
vi) Provision for Wage Arrears	80,000,000.00	70,000,000.00
vii) Provision for Pension	120,000,000.00	384,760,126.00
viii) Auditors' Fee/NPS/Others	6,281,100.00	298,437.18
<b>TOTAL</b>	<b>472,972,668.68</b>	<b>719,752,399.93</b>

**Schedule - 17A**  
**Provisions & Contingencies**

	<b>As on 31.03.2021 (Current Year)</b>	<b>As on 31.03.2020 (Previous Year)</b>
i) Provision for Income Tax	207,070,000.00	71,516,000.00
<b>TOTAL</b>	<b>207,070,000.00</b>	<b>71,516,000.00</b>



## **SCHEDULE - 18**

### **SIGNIFICANT ACCOUNTING POLICIES ADOPTED IN PREPARING FINANCIAL STATEMENTS**

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

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

#### **B. Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

#### **C. Significant Accounting Policies:**

##### **1. Revenue recognition:**

- 1.1 Income and expenditure are accounted on accrual basis, except otherwise stated.
- 1.2 Interest/Discount income is recognised in the Profit and Loss Account as it accrues except: (i) income from Non-Performing Assets (NPAs), comprising of advances, leases and investments, which is recognised upon realisation, as per the prudential norms prescribed by the RBI/ respective country regulators in the case of foreign offices (hereafter collectively referred to as Regulatory Authorities), (ii) overdue interest on investments and bills discounted.
- 1.3 Profit or Loss on sale of investments is recognised in the Profit and Loss Account. However, the profit on sale of investments in the 'Held to Maturity' category is appropriated (net of applicable taxes and amount required to be transferred to statutory reserve), to 'Capital Reserve Account'.
- 1.4 Income (other than interest) on investments in "Held to Maturity (HTM)" category acquired at a discount to the face value, is recognised as follows :
  - a. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
  - b. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.





- 1.5 All other commission and fee incomes are recognised on their realisation except for: (i) Guarantee commission on deferred payment guarantees, (ii) Commission on Government Business and ATM interchange fees, which are recognised as they accrue; (iii) Upfront fees on restructured accounts, which is apportioned over the restructured period; and (iv) Commission on LCs/ BGs, which is booked on accrual basis proportionately at monthly interval.
- 1.6 Brokerage, Commission etc. paid/ incurred in connection with issue of Bonds/ Deposits are amortized over the tenure of the related Bonds/Deposits and the expenses incurred in connection with the issue are charged upfront.
- 1.7 NEFT and RTGS commissions are normally recognized on accrual basis.
- 1.8 The sale of NPA is accounted as per guidelines prescribed by RBI:
- i. When the Bank sells its financial assets to Securitisation Company (SC)/ Reconstruction Company (RC), the same is removed from the books.
  - ii. If the sale is at a price below the Net Book Value (NBV) (i.e. book value less provisions held), the shortfall is debited to the Profit and Loss Account in the year of sale.
  - iii. If the sale is for a value higher than the NBV, the excess provision is written back in the year the amounts are received, as permitted by the RBI.

## **2. Investments:**

The transactions in all securities are recorded on "Settlement Date".

### **2.1 Classification**

Investments are classified into three categories viz. Held to Maturity (HTM), Available for Sale (AFS) and Held for Trading (HFT) as per RBI Guidelines.

### **2.2 Basis of classification:**

- i. Investments that the Bank intends to hold till maturity are classified as "Held to Maturity (HTM)".
- ii. Investments that are held principally for resale within 90 days from the date of purchase are classified as "Held for Trading (HFT)".
- iii. Investments, which are not classified in above two categories, are classified as "Available for Sale (AFS)".
- iv. An investment is classified as HTM or AFS at the time of its purchase and subsequent shifting amongst categories is done in conformity with regulatory guidelines.
- iv. a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head "interest on investments".
- b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually.
- c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).



## 2.3 Valuation:

- i. In determining the acquisition cost of an investment:
  - (a) Brokerage/ commission received on subscriptions is reduced from the cost.
  - (b) Brokerage, Commission, Securities Transaction Tax (STT) etc. paid in connection with acquisition of investments are expensed upfront and excluded from cost.
  - (c) Broken period interest paid/ received on debt instruments is treated as interest expense/ income and is excluded from cost/ sale consideration.
  - (d) Cost is determined on the weighted average cost method for investments under AFS and HFT category and on FIFO basis (first in first out) for investments under HTM category.
- ii. Transfer of securities from HFT/ AFS category to HTM category is carried out at the lower of acquisition cost/ book value/ market value on the date of transfer. The depreciation, if any, on such transfer is fully provided for. However, transfer of securities from HTM category to AFS category is carried out on acquisition price/ book value. After transfer, these securities are immediately revalued and resultant depreciation, if any, is provided.
- iii. **Held to Maturity category:** a) Investments under Held to Maturity category are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period of remaining maturity on constant yield basis. Such amortisation of premium is adjusted against income under the head “interest on investments”. b) Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost. A provision is made for diminution, other than temporary, for each investment individually. c) Investments in Regional Rural Banks are valued at carrying cost (i.e. book value).
- iv. **Available for Sale and Held for Trading categories:** Investments held under AFS and HFT categories are individually revalued at market price or fair value determined as per the regulatory guidelines and only the net depreciation of each group for each category (viz. (i) Government securities, (ii) Other Approved Securities, (iii) Shares, (iv) Bonds and Debentures, (v) Subsidiaries and Joint Ventures and (vi) others) is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual security remains unchanged after marking to market.
- v. In case of sale of NPA (financial asset) to Securitisation Company (SC)/ Asset Reconstruction Company (ARC) against issue of Security Receipts (SR), investment in SR is recognised at lower of: (i) Net Book Value (NBV) (i.e. book value less provisions held) of the financial asset; and (ii) Redemption value of SR. SRs issued by an SC/ ARC are valued in accordance with the guidelines applicable to non-SLR instruments. Accordingly, in cases where the SRs issued by the SC/ ARC are limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the Net Asset Value, obtained from the SC/ ARC, is reckoned for valuation of such investments.



- vi. Investments are classified as performing and non-performing, based on the guidelines issued by RBI in case of domestic offices and respective regulators in case of foreign offices. Investments of domestic offices become non-performing where:
- (a) Interest/ installment (including maturity proceeds) is due and remains unpaid for more than 90 days.
  - (b) In the case of equity shares, in the event the investment in shares of any company is valued at ₹1 per company on account of non-availability of the latest balance sheet, those equity shares would be reckoned as NPI.
  - (c) If any credit facility availed by an entity is NPA in the books of the Bank, investment in any of the securities issued by the same entity would also be treated as NPI and vice versa.
  - (d) The above would apply mutatis-mutandis to Preference Shares where the fixed dividend is not paid.
  - (e) The investments in debentures/ bonds, which are deemed to be in the nature of advance, are also subjected to NPI norms as applicable to investments.
  - (f) In respect of foreign offices, provisions for NPIs are made as per the local regulations or as per the norms of RBI, whichever is more stringent.
- vii. Accounting for Repo/ Reverse Repo transactions (other than transactions under the Liquidity Adjustment Facility (LAF) with RBI):
- (a) The securities sold and purchased under Repo/ Reverse Repo are accounted as Collateralized lending and borrowing transactions. However, securities are transferred as in the case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/ income, as the case may be. Balance in Repo Account is classified under Schedule 4 (Borrowings) and balance in Reverse Repo Account is classified under Schedule 7 (Balance with Banks and Money at call & short notice).
  - (b) Interest expended/ earned on Securities purchased/ sold under LAF with RBI is accounted for as expenditure/ revenue.
- viii. Market repurchases and reverse repurchase transactions as well as the transactions with RBI under Liquidity Adjustment Facility (LAF) are accounted for as Borrowings and Lending transactions in accordance with the extant RBI guidelines.



### 3. Loans/ Advances and Provisions thereon:

3.1 Loans and Advances are classified as performing and non-performing, based on the guidelines/ directives issued by the RBI. Loan Assets become Non-Performing Assets (NPAs) where:

- i. In respect of term loans, interest and/ or instalment of principal remains overdue for a period of more than 90 days;
- ii. In respect of Overdraft or Cash Credit advances, the account remains "out of order", i.e. if the outstanding balance exceeds the sanctioned limit/ drawing power continuously for a period of 90 days, or if there are no credits continuously for 90 days as on the date of balance-sheet, or if the credits are not adequate to cover the interest debited during the same period;
- iii. In respect of agricultural advances: (a) for short duration crops, where the instalment of principal or interest remains overdue for two crop seasons; and (b) for long duration crops, where the principal or interest remains overdue for one crop season.

3.2 NPAs are classified into Sub-Standard, Doubtful and Loss Assets, based on the following criteria stipulated by RBI:

- i. **Sub-standard:** A loan asset that has remained non-performing for a period less than or equal to 12 months.
- ii. **Doubtful:** A loan asset that has remained in the sub-standard category for a period of 12 months.
- iii. **Loss:** A loan asset where loss has been identified but the amount has not been fully written off.

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

a) All advances have been classified under four categories i.e., Standard Assets, Sub-standard Assets, Doubtful Assets and Loss Assets.

b) Provisions on Advances are made as under:

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

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

**Substandard Assets:** i. A general provision of 10% on the total outstanding;

**Doubtful Assets:**

- Secured portion:
- i. Up to one year doubtful – 20%
  - ii. One to three years doubtful– 30%
  - iii. More than three years – 50%

-Unsecured portion 100%

**Loss Assets:** 100%



- 3.4 Advances are net of specific loan loss provisions, unrealised interest, ECGC claims received and bills rediscounted.
- 3.5 In the case of loan accounts classified as NPAs, an account may be reclassified as a performing asset if it conforms to the guidelines prescribed by the regulators.
- 3.6 Amounts recovered against debts written off in earlier years are recognised as revenue in the year of recovery.
- 3.7 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines. These provisions are reflected in Schedule 5 of the Balance Sheet under the head "Standard Provisions" and are not considered for arriving at the Net NPAs.
- 3.8 Appropriation of recoveries in NPAs towards principal or interest due as per the Bank's extant instructions is done in accordance with the following priority.
  - a. Charges
  - b. Unrealized Interest/Interest
  - c. Principal

#### **4. Fixed Assets, Depreciation:**

- 4.1 Fixed assets are accounted for on historical cost basis.
- 4.2 Fixed Assets are carried at cost less accumulated depreciation/ amortisation.
- 4.3 Cost includes cost of purchase and all expenditure such as site preparation, installation costs and professional fees incurred on the asset before it is put to use.
- 4.4 The rates of depreciation and method of charging depreciation in respect of domestic operations are as under:

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

- 4.5 In respect of assets acquired during the year, depreciation is charged on proportionate basis for the number of days the assets have been put to use during the year.

#### **5. Employee Benefits:**

##### **5.1 Short Term Employee Benefits:**

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



## **5.2 Long Term Employee Benefits:**

- 5.2.1 The Bank provides for gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to the cap prescribed by the Statutory Authorities. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by Trustees based on an independent external actuarial valuation carried out annually.
- 5.2.2 The Bank provides for pension to all eligible employees. The Bank has constituted a fund called Mizoram Rural Bank (Employees') Pension Fund under an irrevocable trust. The fund has for its sole purpose the provision of the payment of pension or family pension to the employee or his family. Currently, the fund consists of contribution by the bank based on actuarial valuation of pension liability, the contribution by the bank at the rate of 10% per month of the basic pay of the eligible employee and the provident fund contribution of the Bank under the Employees' Pension Scheme, 1995 refunded by the eligible retired employees and family of the eligible deceased employee. The Bank has also constituted a fund called Mizoram Rural Bank (Employees') Provident Fund under an irrevocable trust. The sole object of which is the refund of eligible employees contribution of Provident Fund to the eligible employees on their retirement at or after a specified age or/on their becoming incapacitated prior to such retirement or for their spouses, children or dependents in the event of their death. Each eligible employee subscribes to the Fund a monthly sum of 10 % of their Basic Pay. These contributions are remitted to Mizoram Rural Bank (Employees') Pension Fund Trust and Mizoram Rural Bank (Employees') Provident Fund Trust account established for this purpose and are charged to Profit and Loss Account. The Bank recognizes such annual contributions as an expense in the year to which it relates. Shortfall, if any, is provided by the Bank.
- 5.2.3 The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 1<sup>st</sup> August, 2010. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank which is remitted to NPS trust every month.
- 5.2.4 All eligible employees of the Bank are eligible for silver jubilee award, leave travel concession and retirement award. The costs of such long term employee benefits are internally funded by the Bank.
- 5.2.5 Provision for Leave Encashment is calculated on actuarial basis. Payment has been made on 'Pay-as-You-Go' method.

## **6. Taxation:**

- 6.1 Income tax expenses are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – "Accounting for Taxes on Income"
- 6.2 Deferred Tax asset/liability is not recognized in the books of accounts in accordance with the Accounting Standard 22 of the ICAI.



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

- 7.1 In conformity with AS 29, "Provisions, Contingent Liabilities and Contingent Assets", issued by the Institute of Chartered Accountants of India, the Bank recognises provisions only when it has a present obligation as a result of a past event, and would result in a probable outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.
- 7.2 No provision is recognised for:
- i. any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank; or
  - ii. any present obligation that arises from past events but is not recognised because:
    - a. it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - b. a reliable estimate of the amount of obligation cannot be made.
- Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.
- 7.3 Contingent Assets are not recognised in the financial statements.

## **8. Net Profit:**

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

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





**SCHEDULE – 19**  
**DISCLOSURES & NOTES TO ACCOUNTS**

**I. Disclosures as per norms for RRBs**

**1. Capital**

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

**2. Investments**

(Rs in '000s)

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

**3. Repo Transactions**

(Rs in '000s)

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





#### 4. Non-SLR Investment Portfolio

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

(Rs in '000s)

S. No	Issuer	Amount	Extent of Private placement	Extent of below investment grade securities	Extent of Unrated Securities	Extent of Unlisted securities
1	2	3	4	5	6	7
i)	PSUs	NIL	NIL	NIL	NIL	NIL
ii)	FIs	NIL	NIL	NIL	NIL	NIL
iii)	Banks	NIL	NIL	NIL	NIL	NIL
iv)	Private Corporates	NIL	NIL	NIL	NIL	NIL
v)	Others (MF)	419980	NIL	NIL	NIL	NIL
vi)	Provision held towards depreciation	NIL	NIL	NIL	NIL	NIL
vii)	Total	419980	NIL	NIL	NIL	NIL

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

(Rs in '000s)

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

#### 5. Asset Quality

##### I. Non-Performing Assets

(Rs in '000s)

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



**II. Details of Loan Assets subject to Restructuring**

(Rs in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
i)	Total amount of loan assets subject to restructuring, rescheduling, renegotiation	Nil	Nil
ii)	The amount of Standard assets subjected to restructuring, rescheduling, renegotiation	Nil	Nil
iii)	The amount of Sub-Standard assets subjected to restructuring, rescheduling, renegotiation	Nil	Nil
iv)	The amount of Doubtful assets subjected to restructuring, rescheduling, renegotiation	Nil	Nil
	<b>(i) = (ii) + (iii) + (iv)</b>	Nil	Nil

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

(Rs in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
i)	No. of accounts	Nil	Nil
ii)	Aggregate value (net of provisions) of accounts sold to SC/RC	Nil	Nil
iii)	Aggregate consideration	Nil	Nil
iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v)	Aggregate gain / loss over net book value	Nil	Nil

**IV. Details on non-performing financial assets purchased / sold****A. Details of non-performing financial assets purchased:**

(Rs in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
1 (a)	No. of accounts / purchased during the year	Nil	Nil
(b)	Aggregate outstanding	Nil	Nil
2 (a)	Of these, number of account restructured during the year	Nil	Nil
(b)	Aggregate outstanding	Nil	Nil



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

(Rs in '000s)

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

**V. Provisions on Standard Assets**

(Rs in '000s)

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

**6. Business Ratios**

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

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

(Rs in '000s)

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



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

(Rs in '000s)

Sl.No	Particulars	Current year Mar 2021	Previous year Mar 2020
<b>a.</b>	<b>Direct exposure</b>		
i)	Residential Mortgages above Rs. 25.00 lakhs lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (individual housing loan upto Rs. 25 lakh may be shown separately)	1466289	536977
	Up to Rs. 25.00 lakhs	5892018	5368909
ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premise, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits.	Nil	Nil
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures	Nil	Nil
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
<b>b.</b>	<b>Indirect Exposure</b>	Nil	Nil
	Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	Nil	Nil

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

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

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

(Rs in '000s)

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

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

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



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

### (i) Related party disclosure

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

#### Sponsor Bank their Subsidiaries and Associates: State Bank of India

##### Key Management Personnel:

ShriVadde Jaya Chandra,	Chairman
ShriAmal Chandra Sarkar,	General Manager-I
Shri Samuel LaiwatWarbah,	General Manager-II
ShriMrigen Chandra Deka,	General Manager (Vigilance)

### (ii) Particulars of related party account transactions:

The following is the summary of significant related party transactions: (Rs in '000s)

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

### (iii) Particulars of Managerial Remuneration:

(in Rupees)

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



**13. Provisions on Rural Advances**

(in Rupees)

Sl. No	Particulars	Current year Mar 2021	Previous year Mar 2020
a	Opening balance in the Rural Advances Provision Account	Nil	Nil
b	The quantum of Rural Advances Provision made in the accounting year	Nil	Nil
c			
i)	Amount of Draw down made during the accounting year	Nil	Nil
ii)	Provision written back to profit and Loss account	Nil	Nil
	<b>Total of Draw down</b>	Nil	Nil
d	Closing balance in the Rural Advances Provision Account	Nil	Nil

**14. Disposal of Complaints:****A) Customer Complaints:**

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

**B) Award passed by the Banking Ombudsman:**

Sl.No	Particulars	2020-21	2019-20
a	No. of complaints pending at the beginning of the year	1	0
b	No. of complaints received during the year	3	01
c	Total Complaints	4	01
d	No. of complaints redressed during the year	4	0
e	No. of complaints pending at the end of the year	0	01
f	No. of awards passed by Banking Ombudsman	0	0
g	No of awards implemented	Nil	Nil
h	No. of awards pending implementation	Nil	Nil

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

<b>Total Deposits of Twenty largest depositors</b>	<b>380.24crores</b>
<b>Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank</b>	<b>9.15%</b>

**2. Concentration of Advances**

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

**3. Concentration of Exposures**

<b>Total Exposure of Twenty largest Borrowers/Customers</b>	<b>434.80crores</b>
<b>Percentage of Exposures to twenty largest Borrowers/Customers to Total Exposure of the Bank on borrowers / customers</b>	<b>7.00%</b>

**4. Concentration of NPAs**

<b>Total Exposure to top four NPA accounts</b>	<b>2.04Cr, 1.78%</b>
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**16. Sector Wise NPAs****(Rs in Cr)**

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

**17. Movement of NPAs****(Rs in Cr)**

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

**18. Disclosure of Provisioning Coverage Ratio (PCR)**

As per RBI Master Circular No. DBOD.No.BP.BC.9/21.04.048/2012-13 dated July 2, 2012 the Bank made additional provision of ₹ 2100.00 lakh during the year. The bank now has Provisioning Coverage Ratio (PCR) of 64.65%.



## 19. Pension Liability Disclosures:

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

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

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

## 20. EX Gratia Payment Disclosures:

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

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

(Amount in INR)

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





## NOTES TO ACCOUNTS

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

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

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

(Rs in 000s)

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

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

### 3. Inter Bank Participation Certificate (IBPC):

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

### 4. Priority Sector Lending Certificate (PSLC):

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

### 5. Depositor Education and Awareness Fund (DEAF) Scheme:

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

(Rs in 000s)

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

### 6. Fixed Assets:

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



## 7. Data Purification and Asset Classification

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

## 8. Covid 19 Regulatory Package – Asset Classification and Provisioning

(Rs in 000s)

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

## 9. Fraud Cases:

Details of Fraud cases are as under:

(Rs in 000s)

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

## 10. Reconciliation:

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



**11. Profit and Loss Account:**

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

**12. Consolidation:**

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

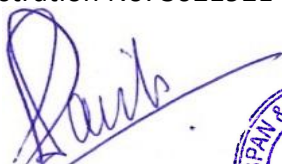
13. Unexpired Bank Guarantee of ₹1,96,07,061.48 is fully secured by Bank's on TDR and is not recognized as Contingent Liability

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

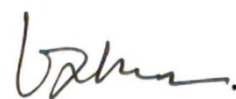
As per our report of even date  
For S P A N & ASSOCIATES  
Chartered Accountants  
Firm Registration No: 302192E

(S. PALIT)  
Partner

Membership No: 057072



For Mizoram Rural Bank



(V. JAYA CHANDRA)  
Chairman

(LALHMINGMAWIA SAILO)  
Director

(ROHMINGTHANGA COLNEY)  
Director

(SEEMADIKSHIT)  
Director

(T. SUDHEER)  
Director

(MOHAMMAD UMAR)  
Director

(TH HAOKHOLAL)  
Director

Place : Aizawl

Dated : 17<sup>th</sup> May, 2021