

**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**

	Schedule	As on (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
<b>Capital and Liabilities :</b>			
Capital	1	6,48,121.00	3,10,382.00
Share Capital Deposit		-	2,36,395.00
Reserve and Surplus	2	29,10,675.83	22,58,766.11
Deposits	3	4,96,98,780.00	4,22,02,259.62
Borrowings	4	45,58,497.95	34,62,066.70
Other Liabilities and Provisions	5	21,56,895.11	29,30,503.60
<b>TOTAL</b>	<b>:</b>	<b>5,99,72,969.89</b>	<b>5,14,00,373.03</b>
<b>Assets :</b>			
Cash and Balance with			
Reserve Bank of India	6	32,45,778.80	23,61,554.77
Balances with Banks and Money at Call &			
Short Notice	7	1,33,75,932.02	1,01,10,915.09
Investments	8	1,35,69,740.85	1,18,73,714.14
Advances	9	2,69,73,808.12	2,51,03,018.67
Fixed Assets	10	3,51,533.01	3,26,401.30
Other Assets	11	24,56,177.09	16,24,769.07
<b>TOTAL</b>	<b>:</b>	<b>5,99,72,969.89</b>	<b>5,14,00,373.03</b>
Contingent Liabilities	12	24,860.48	-
Notes Forming Parts of Accounts	19		

*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  
14:02:44 +05'30'

**( PRATEEK KOTHARI)**

Partner

Membership No: 413362

UDIN - 23413362BGYSQF9853

**(LALHMINGMAWIA SAILO)**

Director

**( JAMES LALSIAMLIANA )**

Director

**( KAMLESH KUMAR SINGH )**

Director

**(G THANGCHINKHUP)**

Director

**(DURGA DUTT)**

Director

**( TH HAOKHOLAL)**

Director

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

	Sched	As on (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
<b>Income</b>			
Interest Earned	13	42,52,414.88	37,57,435.06
Other Income	14	1,56,074.40	1,11,078.72
<b>TOTAL</b>	<b>:</b>	<b>44,08,489.28</b>	<b>38,68,513.78</b>
<b>Expenditure</b>			
Interest Expended	15	17,03,163.21	15,74,196.71
Operating Expenses	16	9,46,314.81	8,61,506.51
Provisions & Contingencies	17	8,37,845.54	7,01,937.03
<b>TOTAL</b>	<b>:</b>	<b>34,87,323.56</b>	<b>31,37,640.24</b>
<b>Profit/Loss</b>			
Profit/loss for the year		9,21,165.73	7,30,873.53
Provision for Tax	17A	2,69,256.00	2,36,496.00
<b>Profit after Tax</b>		<b>6,51,909.73</b>	<b>4,94,377.53</b>
Profit/loss brought forward		22,43,212.63	17,48,835.10
<b>TOTAL</b>	<b>:</b>	<b>28,95,122.36</b>	<b>22,43,212.63</b>
<b>Appropriations</b>			
Transferred to statutory reserves		1,30,381.95	98,875.51
Transferred to other reserves			
Transfer to Govt./Proposed dividend		-	-
Balance carried over to balance sheet		27,64,740.41	21,44,337.13
<b>TOTAL</b>	<b>:</b>	<b>28,95,122.36</b>	<b>22,43,212.63</b>

Significant Accounting Policies

18

*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  
14:03:01 +05'30'

**( PRATEEK KOTHARI)**

Partner

Membership No: 413362

UDIN - 23413362BGYSQF9853

**(LALHMINGMAWIA SAILO)**  
Director

**( JAMES LALSIAMLIANA)**  
Director

**( KAMLESH KUMAR SINGH)**  
Director

**(G THANGCHINKHUP)**  
Director

**(DURGA DUTT)**  
Director

**( TH HAOKHOLAL)**  
Director

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

**I. For Nationalised Banks**  
**Capital** (fully owned by Central Government)

**II. For Banks Incorporated outside India**  
**Capital**

- i) (The amount brought in banks by way of start-up Capital as prescribed by RBI should be shown under this head)
- ii) Amount of deposit kept with the RBI under section II (2) of the Banking Regulation Act, 1949

**TOTAL**

**III. For Other Banks**

**Authorised Capital**

(20,00,00,00,000 shares of Rs. 10/- each)

**Issued Capital**

(64,81,21,000 shares of Rs. 10/- each)

**Subscribed Capital**

(64,81,21,000 shares of Rs. 10/- each)

**Called-up Capital**

(64,81,21,000 shares of Rs. 10/- each)

Less: Calls unpaid

Add : Forfeited Shares

**Paid up Capital**

**Share Capital Deposit**

Amount Received from GOI

Amount Received from SBI

Amount Received from GOM

**TOTAL**

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
-	
-	-
-	-
-	-
2,00,00,000.00	2,00,00,000.00
-	-
6,48,121.00	3,10,382.00
-	-
6,48,121.00	3,10,382.00
-	-
6,48,121.00	3,10,382.00
6,48,121.00	3,10,382.00
-	-
6,48,121.00	3,10,382.00
-	-
-	1,18,200.00
-	1,18,195.00
-	-
<b>6,48,121.00</b>	<b>5,46,777.00</b>



## Schedule - 2 Reserve & Surplus

### Reserve and Surplus

	31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
<b>I. Statutory Reserves</b>		
Opening Balance	22,58,766.11	17,48,835.10
Additions during the year	1,30,381.95	1,14,428.98
Deductions during the year	18,22,566.36	-
<b>TOTAL</b>	<b>5,66,581.69</b>	<b>18,63,264.08</b>
<b>II. Capital Reserves</b>		
Opening Balance		
Additions during the year		
Deductions during the year		
<b>TOTAL</b>	<b>-</b>	
<b>III. Share Premium</b>		
Opening Balance		
Additions during the year		
Deductions during the year		
<b>TOTAL</b>	<b>-</b>	
<b>IV. Revenue and other Reserves</b>		
Opening Balance		
Additions during the year	18,22,566.36	
Deductions during the year		
<b>TOTAL</b>	<b>18,22,566.36</b>	<b>-</b>
<b>V. Balance in Profit &amp; Loss Account</b>		
Opening Balance		
Additions during the year	5,21,527.78	3,95,502.03
Deductions during the year		
<b>TOTAL</b>	<b>5,21,527.78</b>	<b>3,95,502.03</b>
<b>GRAND TOTAL (I,II,III,IV &amp; V)</b>	<b>29,10,675.83</b>	<b>22,58,766.11</b>





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

**A. I. Demand Deposits**

- i) From Banks
- ii) From Others

**II. Savings Bank Deposits**

- i) From Banks
- ii) From Others

**III. Term Deposits**

- i) From Banks
- ii) From Others

**TOTAL**

**B i) Deposits of Branches in India**

- ii) Deposit of Branches outside India

**TOTAL**

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
11,08,275.88	10,06,635.50
-	-
2,87,54,350.08	-
-	-
-	-
-	2,43,29,995.39
-	-
-	-
-	-
1,98,36,154.04	1,68,65,628.73
<b>4,96,98,780.00</b>	<b>4,22,02,259.62</b>
4,96,98,780.00	4,22,02,259.62
-	-
<b>4,96,98,780.00</b>	<b>4,22,02,259.62</b>



## Schedule - 4 Borrowings

### I. Borrowings in India

- i) Reserve Bank of India
- ii) Other Banks
- iii) Other Institutions and Agencies\* (**Annexure - I**)

### II. Borrowings Outside India

#### T O T A L

Secured borrowings included in I & II above

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
-	-
17,304.00	17,304.00
-	-
45,41,193.95	34,44,762.70
-	-
<b>45,58,497.95</b>	<b>34,62,066.70</b>
NIL	NIL

### Annexure - I

#### \* Other Institutions and Agencies

##### 1 NABARD

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

#### Sub-Total

##### 2 NSTFDC

#### Sub-Total

##### 3 MUDRA

#### Sub-Total

##### 4 NHFDC

#### Sub-Total

#### T O T A L

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
2,35,150.00	1,14,612.60
-	-
26,52,928.80	20,95,189.50
-	-
40,000.00	20,000.00
-	30,000.00
-	-
<b>29,28,078.80</b>	<b>22,59,802.10</b>
12,20,319.15	11,80,972.60
<b>12,20,319.15</b>	<b>11,80,972.60</b>
3,87,300.00	-
<b>3,87,300.00</b>	-
5,495.99	3,988.00
<b>5,495.99</b>	<b>3,988.00</b>
<b>45,41,193.95</b>	<b>34,44,762.70</b>



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

- I. Bills Payable  
II. Inter-Office Adjustment (Net)  
III. Interest Accrued  
IV. Others (including provisions)# (Annexure - II)

**TOTAL**

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
-	-
-	-
5,35,701.45	4,82,745.22
16,21,193.66	24,47,758.38
<b>21,56,895.11</b>	<b>29,30,503.60</b>

**Annexure - II**

**# Others includes :**

- i) Provision for Audit Fee  
ii) Outstanding in Banker's Cheque A/c  
iii) Outstanding in Sundry A/c  
iv) Provision for NPA  
vi) Credit Balance in AUCA  
vii) Adjusting Account (Office A/c)  
viii) Provision for INVESTMENT FLUCTUATION  
ix) PMJJBY SBI Life  
x) NACH (DR)  
xi) PMSBY-NIC  
xii) System Suspense  
xiii) Provision for Income Tax  
xiv) CGST/SGST/IGST Liabilities  
xv) CGST/SGST/IGST Payable  
xvi) Provision for Standard Assets  
xvii) DEAFS RBI  
xviii) Gramin Pay Order  
xix) Provision for Fraud  
xx) Other Liabilities  
xxi) Other Provisions  
xxii) Subsidy Reserve Fund  
xxiii) UPI Outward  
xxiv) Provision for Wage Arrear  
xxv) Provision for Pension  
xxvi) SD Unidentified  
xxvi) Provision NPS  
xxvii) Cash withdrawal tax TDS

**TOTAL**

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
-	-
355.08	1,289.72
-	-
-	12,02,297.79
5,64,106.92	1,86,640.20
6,247.03	11,727.48
1,20,000.00	-
218.47	235.95
-	2,662.46
15.87	5.11
(12,900.68)	3,222.42
2,68,252.00	2,06,496.00
3,332.06	-
4,987.33	6,443.59
95,412.63	80,212.63
(1,938.80)	(533.34)
-	(1,413.29)
-	2,92,823.20
-	5.00
836.14	43,220.91
24,552.55	1,02,899.14
5,47,655.21	3,09,301.09
-	-
-	-
-	-
-	1.40
61.87	220.94
<b>16,21,193.66</b>	<b>24,47,758.38</b>



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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
I. Cash on Hand (including foreign currency notes)	9,86,090.62	6,16,856.58
II. Balance with Reserve Bank of India		
i)               in Current Account	22,59,688.19	17,44,698.19
ii)             in Other Accounts	-	-
<b>TOTAL</b>	<b>32,45,778.80</b>	<b>23,61,554.77</b>

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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
<b>I In India</b>		
i) Balance with Banks		
a)           in Current Account	15,83,933.32	7,65,915.09
b)           in other deposit account	1,17,91,998.70	93,45,000.00
ii) Money at Call & short notice		
a)           With banks	-	-
b)           With other institutions	-	-
<b>TOTAL</b>	<b>1,33,75,932.02</b>	<b>1,01,10,915.09</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>1,33,75,932.02</b>	<b>1,01,10,915.09</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)

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
1,22,11,347.42	1,14,82,481.99
-	-
-	-
-	-
-	-
13,58,393.43	3,91,232.14
<b>1,35,69,740.85</b>	<b>1,18,73,714.14</b>
-	-
-	-
-	-
-	-
<b>1,35,69,740.85</b>	<b>1,18,73,714.14</b>

### Annexure - III

#### @ Others Includes:

- i. SBI Mutual Fund
- ii. UTI Mutual Fund
- iii. Treasury Bill
- iv. NABARD TMB

#### TOTAL

As on 31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
4,61,228.64	3,91,232.14
-	-
8,44,794.50	-
52,370.29	-
<b>13,58,393.43</b>	<b>3,91,232.14</b>



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

	31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
<b>A.</b>		
i) Bills purchased and discounted		
ii) Cash Credits, Overdrafts and loans repayable on demand	52,27,623.31	49,97,701.74
iii) Term Loans	2,22,36,184.81	2,01,05,316.93
<b>TOTAL</b>	<b>2,74,63,808.12</b>	<b>2,51,03,018.67</b>
Less Inter Bank Participant Certificate ( IBPC)	<b>4,90,000.00</b>	
Add Inter Bank Participant Certificate ( IBPC)		
<b>NET ADVANCES</b>	<b>2,69,73,808.12</b>	<b>2,51,03,018.67</b>
<b>B.</b>		
i) Secured by tangible Assets	2,20,75,046.52	2,12,77,053.22
ii) Covered by Bank/ Government Guarantee		
iii) Unsecured	53,88,761.60	38,25,965.44
<b>TOTAL</b>	<b>2,74,63,808.12</b>	<b>2,51,03,018.67</b>
Less Inter Bank Participant Certificate ( IBPC)	<b>4,90,000.00</b>	
Add Inter Bank Participant Certificate ( IBPC)		
<b>NET ADVANCES</b>	<b>2,69,73,808.12</b>	<b>2,51,03,018.67</b>
<b>C. I. Advances in India</b>		
i) Priority Sector	1,75,03,466.22	1,77,28,604.46
ii) Public Sector		-
iii) Banks		-
iv) Others	99,60,341.90	73,74,414.21
<b>TOTAL</b>	<b>2,74,63,808.12</b>	<b>2,51,03,018.67</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>2,74,63,808.12</b>	<b>2,51,03,018.67</b>
Less Inter Bank Participant Certificate ( IBPC)	<b>4,90,000.00</b>	
Add Inter Bank Participant Certificate ( IBPC)		
<b>NET ADVANCES</b>	<b>2,69,73,808.12</b>	<b>2,51,03,018.67</b>



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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
<b>I. Premises</b>		
At cost as on 31st. March of the preceeding year	2,06,685.15	-
<b>Addition during the year (A)</b>		2,06,685.15
Deductions during the year		
Depreciation during the year	3,444.75	-
Depreciation to date (X)	5,162.41	1,717.66
<b>Written Down Value (V1)</b>	<b>2,01,522.74</b>	<b>2,04,967.49</b>
<b>II Assets Under Construction (B)</b>	-	-
<b>II. Other Fixed Assets \$ (Annexure - IV)</b> (including furnitures and fixtures)		
At cost as on 31st. March of the preceding year	2,51,982.44	-
WDV as on 31st. March of the preceding year	1,21,433.81	2,80,395.39
Less: Adjustment made during the Year	-	79,602.83
Add: Additions during the year	60,858.53	51,189.87
<b>Total Value of Cost ( C )</b>	<b>3,12,840.97</b>	<b>2,51,982.44</b>
Deductions during the year		
Depreciation upto the preceeding year	1,30,548.63	1,56,298.01
Add: Depreciation for the year	32,282.07	31,618.11
Depreciation for the year to date (Y)	<b>1,62,830.69</b>	<b>1,30,548.63</b>
Less : Adjustment made during the Year	-	57,367.50
<b>Written Down Value (V2)</b>	<b>1,50,010.27</b>	<b>1,21,433.81</b>
<b>III. Total Accumulated Depreciation (X+Y)</b>	<b>1,67,993.10</b>	<b>1,32,266.29</b>
<b>Total WDV of all asset (V1+V2)</b>	<b>3,51,533.01</b>	<b>3,26,401.30</b>
<b>Total Value at cost of all Assets (A+B+C)</b>	<b>5,19,526.11</b>	<b>4,58,667.58</b>



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

- I Inter-Office adjustments (Net)
- II Interest accrued
- III Advance Income Tax
- IV Stationery and Stamps
- V Deferred Tax Account
- VI Others @ \$ (Annexure - V)

**TOTAL**

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
-	-
8,03,351.90	5,54,773.69
2,80,439.36	2,07,500.00
4,365.16	
13,68,020.68	8,62,495.37
<b>24,56,177.09</b>	<b>16,24,769.07</b>

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

**Annexure - V**

**\$ Other Assests**

- i) Outstanding in suspense a/c
- ii) Balance in H.O. PB A/c
- iii) Bills receivables a/c
- iv) ATM Settlement
- v) Core Interbranch A/c
- vi) Other Assets
- vii) Balance in AUCA
- viii) NACH
- ix) DBTL Settlement A/c
- x) RTGS Settlement A/c
- xi) Branch Clearing
- xii) ECS Dr
- xiii) ACH/NPCI/LPG/UID/UPI
- xiv) IMPS Settlement A/C
- xv) Step Rapid Remittance RR
- xvi) ATM Cash
- xvii) CGST/SGST/IGST ITC
- xviii) IMPS- Inward/Outward
- xix) Gramin Pay Order
- xx) IBPC
- xxi) MAB/AEPS/UPI Settlement A/c
- xxii) Festival Advance Staffs

**TOTAL**

31.03.2023 (Current Year) Rs in Thousand	As on 31.03.2022 (Previous Year) Rs in Thousand
-	(0.00)
-	1,55,777.46
17,304.00	17,304.00
5,431.97	1,79,030.29
-	-
20.31	(8,030.07)
5,65,044.10	1,87,577.38
0.59	1,85,250.28
1,18,326.43	4,632.89
0.12	0.95
4,000.00	1,84,100.00
-	-
5,43,823.26	3,95,059.38
86,761.32	71,206.68
(1,26,772.67)	(1,38,067.24)
(1,66,948.20)	(4,42,992.59)
10,088.45	-
36,538.85	27,018.16
6,833.32	-
-	-
2,55,525.90	34,152.62
12,042.94	10,475.21
<b>13,68,020.68</b>	<b>8,62,495.37</b>





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

	<b>31.03.2023</b> <b>(Current Year)</b> <b>Rs in Thousand</b>	<b>As on 31.03.2022</b> <b>(Previous Year)</b> <b>Rs in Thousand</b>
I. Claims against the bank not acknowledged as debts (DEAF)	-	-
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	22,921.68	-
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, DEAF	1,938.80	-
<b>TOTAL</b>	<b>24,860.48</b>	<b>-</b>

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

	<b>31.03.2023</b> <b>(Current Year)</b> <b>Rs in Thousand</b>	<b>As on 31.03.2022</b> <b>(Previous Year)</b> <b>Rs in Thousand</b>
I. Interest/discount on advances/ bills	27,13,841.74	22,87,304.11
II. Income on Investments	9,71,014.43	9,39,767.84
III. Interest on balances with Reserve Bank of India & other Inter-Bank funds.	5,67,558.71	5,30,363.10
	-	-
IV. Others	-	-
<b>TOTAL :</b>	<b>42,52,414.88</b>	<b>37,57,435.06</b>



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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
I. Commission, exchange and brokerage	1,25,371.06	1,08,210.22
II. Profit on sale of investments less- loss on sale investments	-	-
III. Profit on revaluation of investments less- loss on revaluation of investments	-	-
IV. Profit on sale of land, buildings and other assets (Vehicles)	-	21.78
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	30,703.34	2,846.71
<b>TOTAL</b>	<b>1,56,074.40</b>	<b>1,11,078.72</b>

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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
I. Interest on Deposits	15,77,129.58	14,82,264.71
II. Interest on Reserve Bank of India/ Inter-Bank borrowings	1,26,033.64	91,932.00
III. Others	-	-
<b>TOTAL</b>	<b>17,03,163.21</b>	<b>15,74,196.71</b>



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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
i) Payments to and provisions for employees	5,23,817.84	4,47,620.31
ii) Rent, Taxes and Lighting	43,099.68	40,512.60
iii) Printing and Stationery	23,124.72	14,124.37
iv) Advertisement and Publicity	1,395.72	1,707.31
v) Depreciation on bank's property.	35,726.82	33,335.77
vi) Directors' fees and expenses	-	48.54
vii) Auditors' fees and expenses (including branch Auditors)	1,751.68	7,298.19
viii) Legal and Professional Charges	16,937.39	499.37
ix) Postage, Telegrams, Telephones	3,529.90	3,270.92
x) Repairs and Maintenances	43,252.49	33,076.19
xi) Insurance	39,827.82	85,651.08
xii) RSETI	527.78	-
xiii) Other Expenditures	2,13,322.97	1,94,361.86
<b>TOTAL</b>	<b>9,46,314.81</b>	<b>8,61,506.51</b>

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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
i) Provision for Bad & Doubtful Debts (including Risk fund)	6,80,000.00	5,40,000.00
ii) Provision for Standard Assets	8,200.00	10,000.00
iii) Provision for Security Guard Wages	-	-
iv) Provision for Investment Fluctuation	1,20,000.00	-
v) Provision for Frauds	21.60	83,716.12
vi) Provision for Wage Arrears	-	-
vii) Provision for Pension	-	-
viii) Auditors' Fee/NPS/Others	29,623.94	68,220.91
<b>TOTAL</b>	<b>8,37,845.54</b>	<b>7,01,937.03</b>

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

	<b>31.03.2023 (Current Year) Rs in Thousand</b>	<b>As on 31.03.2022 (Previous Year) Rs in Thousand</b>
i) Provision for Income Tax	2,69,256.00	2,36,496.00
<b>TOTAL</b>	<b>2,69,256.00</b>	<b>2,36,496.00</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 / 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, the book value of individual security remains unchanged after marking to market.

i) 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 two crop 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-initio (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 of 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:

Description of Fixed Asset	Depreciation rates
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 hard ware 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 1<sup>st</sup> April 2018 and staff joined between 1<sup>st</sup> 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:

10.1. 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**

(Rs. In Lakhs)

Sl	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	Invt. in securities which garanteed by banks	-	22.5	-
8	Invt. 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 GoI/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 GoI & 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>



Other Assets				
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 GoI	-	0	-
27	All other assets	20,411.26	100	20,411.26
TOTAL		29,757.03		25,606.52
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
Grand Total				2,69,736.02
Share Capital		6,481.21		
Share Capital Deposits		-		
Reserve & Surplus		29,106.76		
TOTAL TIER I CAPITAL		35,587.97		
TIER II CAPITAL				
Tier II Perpetual Bonds (Capital Instruments)		173.04		
TIER III CAPITAL		-		
Total Capital (Tier I + Tier II)		35,761.01		
Total Risk -Weighted Assets (On Balance Sheet + Off Balance Sheet items)		2,69,736.02		
CRAR ( Capital Funds to Risk Weighted Assets Ratio)		13.26%	CRAR =	<u>Total Capital *</u> <u>100</u> Risk Weighted Assets

(STATUTORY AUDITOR)



*(Signature)*  
(V JAYA CHANDRA)  
CHAIRMAN

(LALHMINGMAWIA SAILO)  
Director

( JAMES LALSIAMLIANA )  
Director

( KAMLESH KUMAR SINGH )  
Director

(G THANGCHINKHUP)  
Director

(DURGA DUTT)  
Director

( TH HAOKHOLAL )  
Director

**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		
	a) Government of India	50.00	50.00
	b) State Government (Government of Mizoram)	15.00	15.00
	c) Sponsor Bank	35.00	35.00
xiii)	Amount of paid-up equity capital raised during the year	10.13	23.64
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 : 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.</i>	Nil	Nil
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*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**

(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	
Held to Maturity												
Gross	600.02	84.47	0	0	0	0	684.49	0	0	0	0	684.49
Less: Provision for Non-Performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	
Net	600.02	84.47	0	0	0	0	684.49	0	0	0	0	684.49
Available for Sale	621.11	0	0	0	0	0	621.11	0	0	0	0	621.11
Gross												
Less: Provision for depreciation And NPI	12	0	0	0	0	0	12	0	0	0	0	12
Net	609.11	0	0	0	0	0	609.11	0	0	0	0	609.11
Held for Trading	0	0	0	0	0	0	0	0	0	0	0	0
Gross												
Less: Provision for depreciation And NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0
Total Investments	1221.13	0	0	0	0	0	1305.6	0	0	0	0	1305.6
Less: Provision for non-Performing investments	12	0	0	0	0	0	12	0	0	0	0	12
Less: Provision for depreciation And NPI		0	0	0	0	0	0	0	0	0	0	0
Net	1209.13	0	0	0	0	0	1293.60	0	0	0	0	1293.60



Disclosure in Financial Statements – Notes to Account

**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	
Held to Maturity												
Gross	501.01	0	0	0	0	0	501.01	0	0	0	0	501.01
Less: Provision for Non-Performing investments (NPI)	0	0	0	0	0	0	0	0	0	0	0	0
Net	501.01	0	0	0	0	0	501.01	0	0	0	0	501.01
Available for Sale												
Gross	647.22	0	0	0	0	0	647.22	0	0	0	0	647.22
Less: Provision for depreciation And NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	647.22	0	0	0	0	0	647.22	0	0	0	0	647.22
Held for Trading	0	0	0	0	0	0	0	0	0	0	0	0
Gross	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation And NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0
Total Investments	1148.23	0	0	0	0	0	1148.23	0	0	0	0	1148.23
Less: Provision for non-Performing investments	0	0	0	0	0	0	0	0	0	0	0	0
Less: Provision for depreciation And NPI	0	0	0	0	0	0	0	0	0	0	0	0
Net	1148.23	0	0	0	0	0	1148.23	0	0	0	0	1148.23



**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 transferred two bonds from AFS to HTM category in the current Financial Year amounting to Rs. 4.18 Cr.

**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	
(1)	(2)	(3)		(4)		(5)		(6)		(7)	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
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
	Total*	46.12	39.12	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**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	Non-Performing			Total
	Total Standard Advances	Sub- standard	Doubtful	Loss	Total Non-Performing Advances
Gross Standard Advances and NPAs					
Opening Balance	23775181	714931	493738	119169	1327838
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)					296739
iii) Technical/ Prudential Write-offs					0
iv) Write-offs other than those under (iii) above					429237
Provisions (excluding Floating Provisions)					
Opening balance of provisions held	80213	589391	493739	119169	1202298
Add: Fresh provisions made during the year					680000
Less: Excess provision reversed/ Write-off loans					429237
Closing balance of provisions held	95413				1453061
Net NPAs					
Opening Balance					125540
Add: Fresh additions during the year					2372400
Less: Reductions during the year					2376676
Closing Balance					121264



## 1. Asset quality

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
						0
<b>Floating Provisions</b>						0
Opening Balance						0
Add: Additional provisions made during the year						0
Less: Amount drawdown <sup>19</sup> during the year						0
Closing balance of floating provisions						0
						0
						0
<b>Technical write-offs and the recoveries made thereon</b>	0	0	0	0	0	0
Opening balance of Technical/Prudential written-off accounts						0
Add: Technical/Prudential write-offs during the year						0
Less: Recoveries made from previously technical/prudential written-off accounts during the year						0
Closing balance						0

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%



Disclosure in Financial Statements – Notes to Account

**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%	476.65	36.56	7.67%
b)	Advances to industries sector eligible as priority sector lending	128.57	16.54	12.86%	132.67	9.89	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>	2891.68	157.43	5.44%	2,510.30	132.78	5.29%



Disclosure in Financial Statements – Notes to Account

**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	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



		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
Sub-standard	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	Nil
Aggregate principal outstanding of loans transferred	NA Nil	Nil	Nil
Weighted average residual tenor of the loans 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, AIFIs, 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.

	Current Year	Previous Year
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 6<sup>th</sup>, 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 30<sup>th</sup> and March 31<sup>st</sup>, starting from the half- year ending September 30<sup>th</sup>, 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***(Amounts in crore)*

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan-Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan-Position as 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. <u>Direct exposure</u></i>		
<b>a) Residential Mortgages -</b>	<b>405.71</b>	<b>261.99</b>
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	630.32	630.62
<b>b) Commercial Real Estate-</b>	<b>NIL</b>	<b>NIL</b>
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;		
<b>c) Investments in Mortgage-Backed Securities (MBS) and other securitized exposures</b>		
- Residential	NIL	NIL
<i>ii. <u>Commercial Real Estate</u></i>		
<i>Indirect Exposure</i>		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.	NIL	NIL
<b>Total Exposure to Real Estate Sector</b>	<b>1036.03</b>	<b>892.61</b>



*b) Exposure to capital market*

(Amount in Crores)

Particulars	Current Year	Previous Year
i) 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
ii) 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
iii) 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
iv) 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
v) Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers;	NIL	NIL
vi) 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
vii) Bridge loans to companies against expected equity flows/issues;	NIL	NIL
viii) 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



Particulars	Current Year	Previous Year
ix) Financing to stockbrokers for margin trading;	NIL	NIL
x) 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)

Risk Category	Exposure (net) as at March, 23	Provision held as at March,23	Exposure (net) as at March, 22	Provision held as at March, 22
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 SBI Life 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)

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
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)

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
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)

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
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)

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
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	Not entered into any
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	any transactions in derivatives in the current and previous years.	transactions in derivatives in the current and previous years.
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)		
ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31 <sup>st</sup> March, 2023 (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
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
<b>Note:</b> 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
Current Year					
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
<b>Total</b>	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>	0	5305	20.85%	35	7

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	Rs. 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) Interest income as a percentage to working fund	7.73%	7.41%
j) Non-interest income as a percentage to Working Funds	0.28%	0.22%
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



Disclosure in Financial Statements – Notes to Account

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.

<b>2021-22</b>	<b>2022-23</b>
Rs.1.00 Crores	Rs. 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.

<b>2021-22</b>	<b>2022-23</b>
Rs NIL	Rs. NIL

d) Disclosures regarding Priority Sector Lending Certificates (PSLCs)

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

**Inter Bank Participation Certificate (IBPC):**

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

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



Disclosure in Financial Statements – Notes to Account

e) Provisions and contingencies

(Amount in Crores)

S.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	26.82	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

f) 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



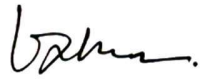
Disclosure in Financial Statements – Notes to Account

- g) 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

  
(V. JAYA CHANDRA)  
(Chairman)

(LALHMINGMAWIA SAILO)  
Director

(JAMES LALSIAMLIANA)  
Director

(DURGA DUTT)  
Director

(KAMLESH KUMAR SINGH)  
Director

(G THANGCHINKHUP)  
Director

(TH HAOKHOLAL)  
Director

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

**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 / 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, the book value of individual security remains unchanged after marking to market.

i) 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 two crop 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-initio (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 of 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:
- Charges
  - Unrealized Interest/Interest
  - 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:

Description of Fixed Asset	Depreciation rates
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 hard ware 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 1<sup>st</sup> April 2018 and staff joined between 1<sup>st</sup> 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:

10.1. 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**

(Rs. In Lakhs)

Sl	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	Invt. in securities which guaranteed by banks	-	22.5	-
8	Invt. 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 GoI/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 GoI & 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>



Other Assets				
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 GoI	-	0	-
27	All other assets	20,411.26	100	20,411.26
TOTAL		29,757.03		25,606.52
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
Grand Total				2,69,736.02
Share Capital		6,481.21		
Share Capital Deposits		-		
Reserve & Surplus		29,106.76		
TOTAL TIER I CAPITAL		35,587.97		
TIER II CAPITAL				
Tier II Perpetual Bonds (Capital Instruments)		173.04		
TIER III CAPITAL		-		
Total Capital (Tier I + Tier II)		35,761.01		
Total Risk -Weighted Assets (On Balance Sheet + Off Balance Sheet items)		2,69,736.02		
CRAR ( Capital Funds to Risk Weighted Assets Ratio)		13.26%	CRAR =	<u>Total Capital *</u> <u>100</u> Risk Weighted Assets

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(STATUTORY AUDITOR)



*(Signature)*

(V JAYA CHANDRA)  
CHAIRMAN

(LALHMINGMAWIA SAILO)  
Director

( JAMES LALSIAMLIANA )  
Director

( KAMLESH KUMAR SINGH )  
Director

(G THANGCHINKHUP)  
Director

(DURGA DUTT)  
Director

( TH HAOKHOLAL )  
Director



**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 percent 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.	<b>Classification of advances, Income Recognition, Identification of and provisioning for non-performing Advances</b> - 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. 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	<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</p>





	<p>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>the nature, timing and extent of the substantive procedure and compliance with the observations of the various audits conducted as per the monitoring mechanism of the Bank.</p> <p>e. In carrying out substantive procedures at the branches allotted to us, we have examined the large advances/stressed advances while other advances have been examined on a sample basis including review of valuation reports of independent valuers provided by the Bank's management.</p> <p>f. We assessed and evaluated the process of identification of NPAs and corresponding reversal of income and creation of provisions.</p> <p>g. Reliance is also placed on Audit Reports of other Statutory Branch Auditors with whom we have also made specific communication in the regard.</p>
ii.	<p>Classification and Valuation of Investments, Identification of and provisioning for Non-Performing Investments.</p> <p>Investments include investments made by the Bank in various Government Securities, Bonds, Debentures, Shares, Security receipts and other approved securities and also the balance with RBI and Banks.</p> <p>Above constituents, constitute 45 per cent of the Bank's total assets.</p>	<p>a. Our audit approach towards Investments with reference to the RBI Circulars/directives included the understanding of internal controls and substantive audit procedures in relation to valuation, classification, identification of non-performing investments (NPIs), provisioning/ depreciation related to Investments, if any</p> <p>b. We assessed and evaluated the process adopted for collection of information from various sources for determining fair value of these investments;</p> <p>c. We evaluated and understood the Bank's internal control system to comply with relevant RBI guidelines regarding valuation, classification, identification of NPIs, provisioning/depreciation related to investments</p>

**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

**CA Prateek Kothari**

Partner

Membership No: 413362

Place: Aizawl

Dated-21/04/2023

UDIN - 23413362BGYSQF9853