



JAIN & KUCHHAL

Chartered Accountants

B.O.:

2876/5, IInd Floor, Chuna Mandi,

Pahar Ganj, New Delhi-110055

☎ 011-23561232

E-mail : jainkuchhal@rediffmail.com

AUDITORS' REPORT

To
The Shareholders

Report on the Financial Statements

1. We have audited the accompanying financial statements of Sarva Haryana Gramin Bank, Rohtak as at 31st March, 2016, which comprise the Balance Sheet as at March 31, 2016 and Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 15 branches audited by us and 582 branches audited by branch auditors. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the NABARD. Also incorporated in the Balance Sheet and the Statement of Profit and Loss are the returns from 13 branches which have not been subjected to audit.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Laws of India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by books of bank, and to the best of our information and according to the explanations given to us:
 - (i) 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 state of affairs of the Bank as at 31st March 2016 in conformity with accounting principles generally accepted in India;
 - (ii) the Profit and Loss Account, read with the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account.

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Report on other Legal and Regulatory Requirements

7. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Regional Rural Banks Act, 1976, and subject also to the limitations of disclosure required therein, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory.
 - (b) The transactions of the Bank, which have come to our notice have been within the powers of the Bank.
 - (c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.
9. In our opinion, the Balance Sheet and Profit and Loss Account comply with the applicable accounting standards.



Gurgaon
June 4, 2016

For M/S Jain & Kuchhal
Chartered Accountants

CA Sanjeev Kuchhal, Partner

(F.C.A., Membership No.087377)
(Firm Regn. No.08783N)

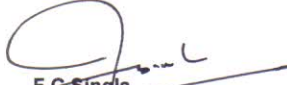
SARVA HARYANA GRAMIN BANK

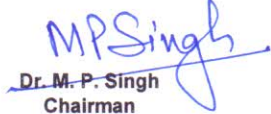
HO: ROHTAK

FORM 'A'

BALANCE SHEET AS ON 31.03.2016

PARTICULARS	SCHEDULE	(Rupees)	
		AS ON 31.03.2016	AS ON 31.03.2015
CAPITAL AND LIABILITIES			
Capital	1	462,756,360	40,000,000
Share Capital Deposits Account	1	-	422,756,360
Reserves & Surplus	2	14,378,870,211	13,366,519,680
Deposits	3	101,236,946,897	91,930,352,798
Borrowings	4	13,115,246,673	24,240,858,511
Other Liabilities & Provisions	5	1,082,115,679	2,161,435,907
TOTAL		130,275,935,820	132,161,923,256
ASSETS			
Cash & balances with Reserve Bank of India	6	4,287,366,095	3,997,794,574
Balance with Banks & Money at Call & Short Notice	7	25,485,614,522	36,135,757,056
Investments	8	28,757,017,403	25,369,067,237
Advances	9	67,774,910,445	61,886,687,488
Fixed Assets	10	542,187,004	479,861,750
Other Assets	11	3,428,840,351	4,292,755,151
TOTAL		130,275,935,820	132,161,923,256
Contingent Liabilities	12	170,398,389	288,284,759
Bills for Collection (Contra Items)		358,152,090	108,866,537



F.C. Singla
General Manager


Dr. M. P. Singh
Chairman

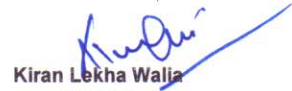

SAR Zaidi
Director


R.K. Saluja
Director


R.S. Amar
Director


Surender Singh
Director


R.S. Dhillon
Director


Kiran Lekha Walja
Director

Place: GURGAON
Date: June 04, 2016



For M/s Jain & Kuchhal
Chartered Accountants
(Firm Regn. No. 08783N)


CA Sanjeev Kuchhal, Partner
(FCA, M.No. 087377)

SARVA HARYANA GRAMIN BANK

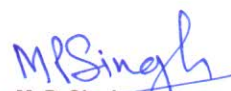
HO: ROHTAK

FORM 'B' PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2016

PARTICULARS	SCHEDULE	(Rupees)	
		Year ended 31.03.2016	Year ended 31.03.2015
1 INCOME			
Interest earned	13	11,413,321,075	11,323,402,910
Other Income	14	397,162,024	305,687,782
TOTAL		11,810,483,099	11,629,090,692
2 EXPENDITURE			
Interest expended	15	6,671,720,044	6,724,933,587
Operating Expenses	16	2,649,600,108	2,207,282,896
Provision and Contingencies		953,663,266	383,228,212
TOTAL		10,274,983,418	9,315,444,695
3 PROFIT/(LOSS)			
Net Profit for the year before Tax		1,535,499,681	2,313,645,997
Less: Provision for Income Tax		523,149,149	763,669,835
Net Profit for the year after Tax		1,012,350,532	1,549,976,162
Add/Less: Profit/ (Loss) brought forward		-	3,503,881,992
Profit available for Appropriation		1,012,350,532	5,053,858,154
4 APPROPRIATIONS			
TRANSFERRED TO:			
Statutory Reserve		253,087,633	387,494,040
Capital Reserve		8,095,000	370,000
Special Reserve as per Income Tax Act		14,000,000	30,000,000
Revenue & other Reserves		736,271,510	4,635,994,114
Investment Fluctuation Reserve		896,389	-
TOTAL		1,012,350,532	5,053,858,154
Earning Per Share (Rs.)		21.88	3,874.94

The Schedules 1 to 16 form an integral part of the Accounts.


F.C. Singla
General Manager


Dr. M. P. Singh
Chairman



S.A.R. Zaidi
Director


R.K. Saluja
Director


R.S. Amar
Director


Surender Singh
Director


R.S. Dhillon
Director


Kiran Lekha Walla
Director



For M/s Jain & Kuchhal
Chartered Accountants
(Firm Regn. No. 08783N)

Place: GURGAON
Date: June 04, 2016


CA Sanjeev Kuchhal, Partner
(FCA, M.No. 087377)

SARVA HARYANA GRAMIN BANK

HO: ROHTAK

PARTICULARS	AS ON 31.03.2016	AS ON 31.03.2015
(Rupees)		
SCHEDULE-1 CAPITAL		
Authorised Capital (2,000,000,000 Shares of Rs. 10/- each)	20,000,000,000	50,000,000
Issued, Subscribed & Called -up Capital (46,275,636 Shares of Rs.10/- each)	462,756,360	40,000,000
SHARE CAPITAL DEPOSIT ACCOUNT	-	422,756,360
SCHEDULE-2 RESERVES & SURPLUS		
1 STATUTORY RESERVES		
i) Opening Balance	3,512,163,744	3,124,669,704
ii) Addition during the Year	253,087,633	387,494,040
iii) Deduction During the Year	-	-
iv) Balance	3,765,251,377	3,512,163,744
2 CAPITAL RESERVES		
i) Opening Balance	23,501,798	23,131,798
ii) Addition during the Year	8,095,000	370,000
iii) Balance	31,596,798	23,501,798
3 Special Reserve under Sec.36(1)(viii) of Income Tax Act		
i) Opening Balance	110,200,000	80,200,000
ii) Addition during the Year	14,000,000	30,000,000
iii) Balance	124,200,000	110,200,000
4 REVENUE AND OTHER RESERVES		
Other Free Reserves		
i) Opening Balance	9,709,309,964	5,073,315,851
ii) Addition during the Year	736,271,509	4,635,994,113
iii) Balance	10,445,581,473	9,709,309,964
Investment Fluctuation Reserve		
i) Opening Balance	11,344,174	11,344,174
ii) Addition during the Year	896,389	-
iii) Balance	12,240,563	11,344,174
PROFIT & LOSS A/C		
i) Opening Balance	-	3,503,881,992
ii) Addition during the Year	736,271,509	1,132,112,122
iii) Transfer from Provisions	-	-
iv) Transfer to Reserves	736,271,509	4,635,994,114
v) Balance in Profit and Loss Account	-	-
TOTAL	14,378,870,211	13,366,519,680



SARVA HARYANA GRAMIN BANK
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2016	AS ON 31.03.2015
<u>SCHEDULE-3 DEPOSITS</u>		
1 DEMAND DEPOSITS		
i) From Banks	-	-
ii) From Others	1,459,768,911	1,948,807,389
2 SAVINGS BANK DEPOSITS	51,261,893,102	48,216,328,615
3 TERM DEPOSITS		
i) From Banks	3,141,777,714	2,051,935,204
ii) From Others	45,373,507,170	39,713,281,590
TOTAL (1+2+3)	101,236,946,897	91,930,352,798
1) Deposits of Branches in India	101,236,946,897	91,930,352,798
2) Deposits of Branches Outside India	-	-
TOTAL	101,236,946,897	91,930,352,798
<u>SCHEDULE-4 BORROWINGS</u>		
1 BORROWINGS IN INDIA		
i) Reserve Bank of India	-	-
ii) Other Banks	2,943,395,378	5,375,325,161
iii) Other Institutions	10,171,851,295	18,865,533,350
2 BORROWING FROM OUTSIDE INDIA	-	-
TOTAL	13,115,246,673	24,240,858,511
<u>SCHEDULE-5 OTHER LIABILITIES & PROVISIONS</u>		
1 Bills Payable	178,176,030	176,596,884
2 Inter Office Adjustments(Net)	10,030,998	7,519,452
3 Interest Accrued	221,752,864	278,339,013
4 Others (Including Provisions)	672,155,787	1,698,980,558
TOTAL	1,082,115,679	2,161,435,907



SARVA HARYANA GRAMIN BANK
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2016	AS ON 31.03.2015
<u>SCHEDULE-6 CASH AND BALANCE WITH RESERVE BANK OF INDIA</u>		
1 Cash in Hand	451,930,051	407,673,758
2 Balance with Reserve Bank Of India In Current Accounts	3,835,436,044	3,590,120,816
TOTAL	4,287,366,095	3,997,794,574

SCHEDULE-7 BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICES

1 IN INDIA		
i) Balance with Banks:		
In Current Accounts	339,311,663	464,562,225
In Other Deposit Accounts	25,146,302,859	35,671,194,831
ii) Money at Call & Short Notice		
With Banks	-	-
With Other Institutions	-	-
TOTAL	25,485,614,522	36,135,757,056
2 OUTSIDE INDIA	-	-
GRAND TOTAL	25,485,614,522	36,135,757,056

SCHEDULE-8 INVESTMENT

INVESTMENTS IN INDIA

1. Government Securities	21,138,496,181	20,400,861,827
2. Other Approved Securities	-	-
3. Debentures and Bonds	2,867,830,490	1,992,050,873
4. Equity Shares	2,574,232	2,914,537
5. Subsidiaries and/or Joint Ventures	-	-
6. Others	4,748,116,500	2,973,240,000
TOTAL	28,757,017,403	25,369,067,237



SARVA HARYANA GRAMIN BANK
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2016	AS ON 31.03.2015
SCHEDULE-9 ADVANCES		
A) i) Bills Purchased & Discounted	-	60,291,266
ii) Cash credit, Overdraft & Loans repayable on Demand	42,508,649,535	35,541,266,973
iii) Term Loan	25,266,260,910	26,285,129,249
TOTAL	67,774,910,445	61,886,687,488
B) i) Secured by tangible assets	63,269,954,195	57,745,920,988
ii) Covered by Bank/Govt. Guarantees	96,674,250	85,639,500
iii) Unsecured	4,408,282,000	4,055,127,000
TOTAL	67,774,910,445	61,886,687,488
C) ADVANCES IN INDIA		
i) Priority Sector	54,477,821,445	39,476,920,488
ii) Public Sector	-	-
iii) Banks	-	-
iv) Others	13,297,089,000	22,409,767,000
TOTAL	67,774,910,445	61,886,687,488

SCHEDULE-10 FIXED ASSETS

LAND AND BUILDING

i) At Cost as on 31st March of the preceeding year	86,665,750	84,470,322
ii) Addition during the Year	-	2,195,428
iii) Deduction During the Year	-	-
iv) Depreciation to Date	21,888,034	19,962,990
v) Work in progress	101,678,181	29,406,208
TOTAL (A)	166,455,897	96,108,968

**OTHER FIXED ASSETS
(INCLUDING FURNITURE AND FIXTURE)**

i) At Cost as on 31st March of the preceeding year	834,678,521	661,276,764
ii) Addition during the Year	73,839,127	180,360,283
iii) Deduction During the Year	(12,664,663)	(6,958,526)
	895,852,985	834,678,521
Depreciation to Date	(520,121,878)	(450,925,739)
TOTAL (B)	375,731,107	383,752,782

GRAND TOTAL

542,187,004	479,861,750
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SARVA HARYANA GRAMIN BANK
HO: ROHTAK

PARTICULARS	(Rupees)	
	AS ON 31.03.2016	AS ON 31.03.2015
SCHEDULE-11 OTHER ASSETS		
1 Inter Office Adjustments	-	-
2 Interest Accrued	2,106,519,448	2,476,367,633
3 Tax Paid in advance/ Tax deducted at Sources(TDS)	185,499,995	858,884,995
4 Stationery and Stamps	20,197,762	16,895,240
5 Non-Banking assets acquired in Satisfaction of Claim	62,000	122,000
6 Others	1,116,561,146	940,485,283
TOTAL	3,428,840,351	4,292,755,151

SCHEDULE-12 CONTINGENT LIABILITIES

1 Claims against the bank not acknowledged as debts	-	-
2 Liabilities for partly paid investments	-	-
3 Liabilities on account of outstanding forward exchange contracts	-	-
4 Guarantees given on behalf of constituents.		
a) In India	170,398,389	288,284,759
b) Outside India	-	-
5 Acceptances, endorsements and other obligations	-	-
6 Other items for which the bank is contingently liable	-	-
TOTAL	170,398,389	288,284,759



SARVA HARYANA GRAMIN BANK
HO: ROHTAK

PARTICULARS	(Rupees)	
	Year ended 31.03.2016	Year ended 31.03.2015
SCHEDULE-13 INTEREST EARNED		
1 Interest /Discount on Advances/Bills	6,575,636,574	6,157,652,603
2 Income on Investments	1,858,000,049	1,793,670,112
3 Interest on Balances with Reserve Bank of India & other Inter Bank Funds	2,979,684,452	3,372,080,195
4 Others	-	-
TOTAL	11,413,321,075	11,323,402,910

SCHEDULE-14 OTHER INCOME		
1 Commission, Exchange & Brokerage	44,413,500	14,424,159
2 Profit on sale of investments	71,250,247	54,165,411
Less: Loss on sale of investments	-	(4,753)
3 Profit on revaluation of investment	-	-
Less: Loss on revaluation of investments	-	-
4 Profit on sale of land, building and other assets	739,203	-
Less: Loss on sale of land, building and other assets	(132,252)	-
5 Profit on Exchange Transaction	-	-
Less: Loss on Exchange Transaction	-	-
6 Income earned by way of dividends etc. from and/or Joint Ventures abroad/in India	-	-
7 Miscellaneous Income	280,891,326	237,102,965
8 Previous Year Adjustment	-	-
TOTAL	397,162,024	305,687,782



SARVA HARYANA GRAMIN BANK
HO: ROHTAK

PARTICULARS	(Rupees)	
	Year ended 31.03.2016	Year ended 31.03.2015
SCHEDULE-15 INTEREST EXPENDED		
1 Interest on deposits	5,701,811,712	5,505,406,628
2 Interest on Reserve Bank of India/NABARD/ Inter Bank Borrowings	969,908,332	1,219,526,959
3 Others	-	-
TOTAL	6,671,720,044	6,724,933,587

SCHEDULE-16 OPERATING EXPENSES		
1 Payments to and provisions for employees	1,917,997,280	1,572,189,583
2 Rents, taxes and lighting	132,124,871	103,448,316
3 Printing and Stationery	26,181,718	35,267,700
4 Advertisement and publicity	4,225,023	3,782,088
5 Depreciation on bank's property	83,031,042	76,491,575
6 Directors' fees, allowances and expenses	25,950	64,117
7 Auditors' fees and expenses (including branch auditors)	4,629,977	3,934,388
8 Law Charges	13,414,866	3,845,990
9 Postage, telegrams, telephone etc.	61,446,524	49,985,436
10 Repairs and maintenance	10,133,065	5,353,923
11 Insurance	102,515,264	99,573,207
12 Other expenditure	293,874,528	248,134,977
13 Loss on sale of land, building and other assets	-	5,721,974
Less-Profit on sale of land, building and other assets	-	(510,378)
14 Loss on sale of Securities	-	-
TOTAL	2,649,600,108	2,207,282,896



SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION AND METHOD OF ACCOUNTING:

- 1.1 The financial statements have been prepared on the historical cost basis and are in conformity with the applicable statutory provisions, regulatory norms prescribed by RBI/NABARD and prevailing practices in banking industry in India.
- 1.2 The accounts have been prepared on on-going concern basis with accrual concept and in accordance with the accounting policies and practices consistently followed, unless otherwise stated.

2. INVESTMENTS:

- 2.1 All investments are being made by the Bank as per Investment Policy of the Bank. The investment portfolio of the Bank is comprised of SLR securities and Non-SLR securities. Investments are classified into six categories in the Balance sheet as stipulated in Form A of the Third Schedule to the Banking Regulation Act, 1949.
- 2.2 RRBs have been advised by Reserve Bank of India vide their Circular No.RBI/2013-14/434, RPCD.CO.RRB.BC.No.74/03.05.33/2013-14 dated January 07, 2014 to introduce MTM (Mark to Market) norms in respect of SLR securities w.e.f. April 01, 2014. Accordingly the entire investment portfolio is classified under three categories viz. 'Held to Maturity', 'Available for Sale' and 'Held for Trading'. The investments under 'Held to Maturity' category need not be marked to market and are carried at acquisition cost unless it is more than the face value, in which case the premium is amortised over the period remaining to maturity. The amortised amount is reflected in Schedule 13–Interest earned: Item II–Income on Investments as a deduction. The book value of the security is reduced to the extent of the amount amortised during the relevant accounting period.

The investments under the 'Available for Sale' and 'Held for Trading' categories are marked to market at monthly intervals.

- 2.3 Investments in Debentures and Bonds are valued at Market Price, if quoted or on appropriate yield to maturity basis as per RBI / FIMMDA guidelines. Investments in Equity Shares are valued at market price and investments in Mutual Funds are valued as per their declared NAV. The investment in a particular classification is aggregated for the purpose of arriving at net depreciation/appreciation of investments under that category. Net depreciation, if any, is provided for and net appreciation, if any, is ignored. Net depreciation required to be provided for, in any one classification is not reduced on account of net appreciation in any other classification.

3. ADVANCES:

- 3.1 Advances are classified as performing and non-performing assets and provisions are made in accordance with prudential norms prescribed by the Reserve Bank India.
- 3.2 Advances are stated net of provisions and de-recognised interest in respect of non-performing assets. However, provision made for advances classified as Standard Assets is included under other liabilities.

4. FIXED ASSETS:

- (a) Fixed Assets are stated at historical cost.
- (b) Depreciation on Fixed assets is provided on straight-line method at the rates furnished below:

Particulars	Rate of Depreciation
Land	NIL
Building	02.50%
Motor Cars and Cycles	15.00%
Machinery, electrical and miscellaneous articles	15.00%
Furniture and fixtures - Steel Articles	05.00%
Furniture and fixtures - Wooden Articles	10.00%
Computers and related items	33.33%
Computer Applications Software-Intangible Assets	20.00%
Solar System	80.00%



- (c) Depreciation on addition to assets is provided from the month in which the asset is put to use and in case of assets sold/disposed off during the year, no depreciation is charged on such assets.
- (d) Depreciation on Fixed Assets has been charged on Straight Line Method.

5. REVENUE RECOGNITION:

- 5.1 The Mercantile System of Accounting is followed and income & expenditure are generally accounted for on accrual basis unless otherwise stated.
- 5.2 Interest earned on 'Loans & Advances' is accounted for as per Income Recognition and Assets Classification norms prescribed by RBI.
- 5.3 Commission, exchange, processing charges and other service charges are accounted for as income on receipt basis.
- 5.4 In case of matured Term Deposits, interest is provided as and when such deposits are renewed/paid.

6. EMPLOYEES BENEFITS:

- 6.1 **PROVIDENT FUND and PENSION:** Employees of the Bank are covered under The Employees' Provident Funds and Misc. Provisions Act, 1952. The Bank pays its contribution as required under the provisions of the said Act. The obligation of the Bank is limited to such contribution. The contributions are charged to Profit & Loss Account.
- 6.2 **GRATUITY:** Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of the financial year. The scheme is funded by the Bank and is managed through "Group Gratuity Trust" established by the Bank.
- 6.3 **COMPENSATED ABSENCES (Leave Encashment):** The Bank has adopted 'Accounting Standard (AS) - 15 (R) – Employee Benefits'. Accordingly, provision is made for compensated absences (Privelege Leaves) on the basis of actuarial valuation.

7. NET PROFIT:

- 7.1 The net profit disclosed in the Profit & Loss Account is after making:-
- (a) Provision for bad debts (standard, sub-standard, doubtful advances and loss assets) incorporating the Memorandum of Changes as suggested by the Auditors.
- (b) Other usual and necessary provisions.

8. PROVISION FOR INCOME TAX:

- 8.1 Provision for Income Tax is made on the basis of the estimated tax liability after due consideration of the judicial pronouncements and legal opinion.

9. OTHERS:

As per instructions of the NABARD and approval of the Board of Directors, the sum of Rs.4227.56 lakh being shown as Share Capital Deposit till last year has now been converted into Share Capital on 31.03.2016 consisting of 4,22,75,636 equity shares of Rs.10/- each.



SARVA HARYANA GRAMIN BANK, H.O. ROHTAK.
SCHEDULE 18 – NOTES ON ACCOUNTS

1(a) CAPITAL :

S.No.	Particulars	Current Year	Previous year
i)	CRAR (%)	19.26%	19.28%
ii)	CRAR – Tier I Capital (%)	18.96%	18.99%
iii)	CRAR – Tier II Capital (%)	0.30%	0.29%
iv)	Percentage of Shareholding of the		
a	Government of India	50%	50%
b	State Government	15%	15%
c	Sponsor Bank	35%	35%

1(b) INVESTMENTS:

S. No.	Particulars	Current Year	Previous year
			(Rs. lakh)
1	Value of Investments		
i)	Gross Value of Investments	287570.17	253690.67
ii)	Provisions for Depreciation	12.99	31.27
iii)	Net Value of Investments	287557.18	253659.40
2	Movement of provisions held towards depreciation on investments		
i)	Opening Balance	31.27	84.26
ii)	Add: Provisions made during the year	0.00	0.00
iii)	Less: Write off / write back of excess provisions during the year	(18.28)	(52.99)
iv)	Closing Balance	12.99	31.27

1(c) REPO TRANSACTIONS :

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	As on 31 March 2015
Securities Sold under Repos	NIL	NIL	NIL	NIL
Securities purchased under Reverse Repos	NIL	NIL	NIL	NIL

1(d) NON-SLR INVESTMENT PORTFOLIO :

i) Issuer composition of Non SLR Investments: (Rs. lakh)

S.No.	ISSUER	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of Unlisted Securities
1	2	3	4	5	6	7
i)	PSUs	15569.25	5599.67	---	---	---
ii)	FIs	7609.05	6608.79	---	---	---
iii)	Banks	49186.56	32191.84	---	---	---
iv)	Private Corporate	2518.35	2500.00	---	---	---
v)	Others	1302.00	---	---	---	---
vi)	Provision held towards Depreciation	12.99	---	---	---	---
	TOTAL (i+ii+iii+iv+v-vi)	76172.22	46900.30	---	---	---



ii) **Non-performing Non-SLR Investments:**

(Rs. lakh)

Particulars	Amount
Opening Balance	NIL
Additions during the year since 1 st April	NIL
Reductions during the above period	NIL
Closing Balance	NIL
Total Provisions held	NIL

2. ASSET QUALITY:

2.1 Movement of NPAs:

Particulars		Current Year (Amount in Rupees Lakh)	Previous Year (Amount in Rupees Lakh)
Gross NPAs as on 1 st April of particular year (Opening balance)		31686.37	27022.62
Additions (Fresh NPAs) during the year		15823.89	13447.51
Sub-total (A)		47510.26	40470.13
Less:			
(i)	Upgradations	222.66	587.28
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	7466.90	8196.48
(iii)	Write-offs	6999.61	
Sub-Total (B)		14689.17	8783.76
Gross NPAs as on 31 st March of following year (closing balance) (A-B)		32821.09	31686.37

2.2 Sector-wise NPAs

(Amount in Rupees Crore)

S. 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
A	Priority Sector						
1	Agriculture and allied activities	4621.23	189.61	4.10	3155.21	229.54	7.27
2	Advances to industries sector eligible as priority sector lending	85.52	18.84	22.03	60.84	7.54	12.39
3	Services	458.87	13.49	2.94	213.98	36.15	16.89
4	Personal Loans	433.52	48.33	11.15	640.45	21.20	3.31
	Sub-Total (A)	5599.14	270.27	4.83	4070.48	294.43	7.23



S. 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
B	Non-Priority Sector						
1	Agriculture and allied activities	0.00	0.00	0.00	0.00	0.00	0.00
2	Industry	750.00	0.00	0.00	1500.00	0.00	0.00
3	Services	0.00	0.00	0.00	0.00	0.00	0.00
4	Personal Loans	584.49	57.94	9.91	751.17	22.43	2.99
	Sub-Total (B)	1334.49	57.94	4.34	2251.17	22.43	1.00
	Total (A+B)	6933.63	328.21	4.73	6321.65	316.86	5.01

2.3 Details of Loan Assets subject to Restructuring:

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
i)	Total amount of loan assets subject to restructuring, rescheduling, renegotiation	8766	NIL
ii)	Total amount of Standard assets subject to restructuring, rescheduling, renegotiation	8766	NIL
iii)	Total amount of Sub-Standard assets subject to restructuring, rescheduling, renegotiation	NIL	NIL
iv)	Total amount of Doubtful assets subject to restructuring, rescheduling, renegotiation	NIL	NIL

2.4 Details of Financial Assets sold to Securitisation (SC) / Reconstruction Company (RC) for Assets Reconstruction:

(Rs. lakh)

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

2.5 Details of non-performing Financial Assets purchased / sold:

A. Details of non-performing Financial Assets purchased:

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1 a)	No. of Accounts / purchased during the year	NIL	NIL
b)	Aggregate outstanding	NIL	NIL
2 a)	Of these, number of account restructured during the year	NIL	NIL
b)	Aggregate outstanding	NIL	NIL



B. Details of non-performing Financial Assets sold:

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1	No. of Accounts sold	NIL	NIL
2	Aggregate outstanding	NIL	NIL
3	Aggregate consideration received	NIL	NIL

2.6 Provisions on Standard Asset:

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1	Provisions towards Standard Assets	2232.12	2055.56

3. BUSINESS RATIO :

S.No.	Particulars	Current Year	Previous year
i)	Interest Income as a percentage to Working Funds	8.31	8.83
ii)	Non Interest Income as a percentage to Working Funds	0.30	0.24
iii)	Operating Profit as a percentage to Working Funds	1.64	1.92
iv)	Return on Assets	0.76	1.21
v)	Business (Deposits plus Advances) per employee (Rs. Lakh)	640	565
vi)	Profit per employee (Rs. Lakh)	3.80	5.64

4. ASSET LIABILITY MANAGEMENT – MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES :

(Rs. crore)

Duration	Deposits	Advances	Investments (Including FDRs with Banks)	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
1 to 14 days	29	706	55	0	0	0
15 to 28 days	35	739	0	0	0	0
29 days to 3 months	158	883	1761	616	0	0
Over 3 months & upto 6 month	806	1616	397	281	0	0
Over 6 months & upto 1 year	3955	1087	809	268	0	0
Over 1 year & upto 3 year	1101	454	399	104	0	0
Over 3 year & upto 5 year	1030	938	907	43	0	0
Over 5 years	3010	511	1062	0	0	0
Total	10124	6934	5390	1312	0	0



5. **EXPOSURES – EXPOSURE TO REAL ESTATE SECTOR:**

(Rs. lakh)

S.No.	Category	Current Year	Previous year
A	Direct Exposure		
i)	Residential Mortgages Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
a)	Individual housing loan upto Rs. 20 Lakh	20858	21435
b)	Others	10871	9491
ii)	Commercial Real Estate Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.) Exposure would also include non-fund based (NFB) limits.	1448	1759
iii)	Investments in Mortgage Backed Securities (MBS) and other securitized exposures		
	a. Residential	NIL	NIL
	b. Commercial Real Estate	NIL	NIL
B	Indirect Exposure		
	Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	NIL	NIL

6. **Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by Bank:**

The Bank has not exceeded the prudential credit exposure limits in respect of any Single Borrower Account and / or Group Borrower Account.

7. **Miscellaneous – Amount of provisions made for Income Tax during the year:**

(Rs. lakh)

S.No.	Particulars	Current Year	Previous year
1	Provision for Income Tax	5191.38	7557.96
2	Provision for Deferred Tax	40.11	78.74
	TOTAL	5231.49	7636.70

Provision for Deferred Tax has been made on the basis of current year's timing differences only.

8. **Penalties imposed by RBI :**

No penalty has been imposed during the year by the RBI on the Bank.

9. **Disclosure Requirements as per Accounting Standards where RBI has issued guidelines in respect of disclosures items for 'Notes to Accounts':**

9.1 **AS 5 - Prior Period & Change in Accounting Policy:**

There were no material prior period income / expenditure items requiring disclosures under AS – 5.

9.2 **AS 9 – Revenue Recognition:**

Certain items of Income are recognized on realization basis as per Accounting Policy No. 5.3. However, revenue recognition has not been postponed pending the resolution of significant uncertainties.



9.3 AS 15 – Employees Benefits:

Gratuity : The Bank has made contribution of Rs.4,25,00,000/- to the Group Gratuity Fund maintained with the LIC of India during the current financial year towards the present value of past service gratuity liability and current service cost as reduced by fair value of plan assets as on the Balance Sheet date on the basis of actuarial valuation made by LIC of India, out of which Rs.2,11,61,000/- have been paid from the provisions made during the previous year and Rs.2,13,39,000/- have been charged to the revenue of the current financial year.

Compensated Absences (Leave Encashment) : The Bank has made contribution of Rs.6,40,00,000/- towards Leave Encashment Funds maintained with LIC of India, Bajaj Allianz Life Insurance Co. Ltd. and India First Life Insurance Co. Ltd. during the current financial year towards Leave Encashment liability on the basis of actuarial valuation made by the LIC of India; out of which Rs.17,63,000/- have been paid from the provisions made during the previous year.

9.4 AS 17 – Segment Reporting:

The segment reporting is not applicable as the bank's operations are limited to Retail Banking within India.

9.5 AS 22 – Accounting for Taxes on Income:

The provision of Rs.40,11,563/- has been made on account of Deferred Tax Liability for timing difference of Rs.1,15,91,432/- under "Depreciation on Fixed Assets" during the year, however, no Deferred Tax Assets have been recognized.

10. AS 18 – Related Party Transactions:

In compliance to AS-18 issued by the ICAI, details pertaining to 'Related Party Transaction' are as under:

- The Bank is sponsored by Punjab National Bank and Dr. M.P.Singh, Chairman is the Key Managerial Personnel. Dr. M.P.Singh, Chairman has no liability towards the Bank as on 31.03.2016.
- Particulars of remuneration of Chairman (Chief Executive), General Managers and other staff on deputation from Sponsor Bank (Punjab National Bank) for the period from 01.04.2015 to 31.03.2016 are as under :

(Rupees)

		CHAIRMAN	GENERAL MANAGERS	OTHER STAFF
a)	Salaries (including DA & Arrears)	1914068	6763329	2730689
b)	Employer's contribution to Provident Fund	86664	341067	130010
c)	Monetary value of any benefit and perquisite	204258	519935	27500
	TOTAL	2204990	7624331	2888199

- Particulars of the related party transactions are as under:

	PARTICULARS	Amount (Rs. Lakh)
a)	Borrowings (overdraft against Term Deposits) from P.N.B.	29433.95
b)	Term Deposits with Punjab National Bank	97013.03
c)	Interest / charges paid/accrued on overdraft / IBPC with the Punjab National Bank (Sponsor Bank) for the current financial year	5747.86
d)	Interest received/accrued on deposits / IBPC with the Punjab National Bank (Sponsor Bank) for the current financial year	21056.20



11. Depositors Education and Awareness Fund Scheme:

(Rs. crore)

Particulars	Current Year	Previous year
Opening balance of amount transferred to DEAF	4.67	3.70
Add: Amount transferred to DEAF during the year	0.07	0.97
Less: Amount reimbursed by DEAF towards claims	0.00	0.00
Closing balance of amount transferred to DEAF	4.74	4.67

12. ADDITIONAL DISCLOSURES:

12.1 Draw Down from Reserves:

There is no draw down from Reserves during the year.

12.2 Provisions and Contingencies:

Breakup of "Provisions and Contingencies" shown under the head Expenditure in Profit & Loss Account is as follows.

(Rs. Lakh)

S.No.	Particulars	Current Year	Previous year
a)	Provisions for Depreciation on Investments (Net)	(18.28)	(26.15)
b)	Provisions towards NPA (Net)	8331.02	2696.96
c)	Provisions towards Standard Assets	176.56	113.70
d)	Floating Provisions for NPAs (over & above RBI provisioning norms)	1000.00	1050.00
e)	Provision for Fraud/Dacoity, etc. (Net)	47.33	(2.23)
	TOTAL	9536.63	3832.28

Breakup of Floating Provisions is as follows.

(Rs. Lakh)

S.No.	Particulars	Current Year	Previous year
a)	Opening balance in the floating provisions account	6208	5158
b)	The quantum of floating provisions made in the accounting year	1000	1050
c)	Amount of draw down made during the accounting year	Nil	Nil
d)	Closing balance in the floating provisions account	7208	6208

12.3 Concentration of Deposits, Advances, Exposures and NPAs :

(Rupees Crore)

Concentration of Deposits		
	Current Year	Previous year
Total Deposits of twenty largest depositors	919.77	602.82
Percentage of Deposits of twenty largest depositors to Total Deposits of the bank	9.09%	6.56%



Concentration of Advances		
	Current Year	Previous year
Total Advances to twenty largest borrowers	40.96	34.72
Percentage of Advances to twenty largest borrowers to Total Advances of the bank	0.59%	0.56%

Concentration of Exposures		
	Current Year	Previous year
Total Exposures of twenty largest borrowers/customers	40.96	35.60
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	0.59%	0.57%

Concentration of NPAs		
	Current Year	Previous year
Total Exposure to top Four NPA accounts	1.52	1.93

12.4 Disclosure of Complaints:

A. Customer Complaints:

S.No.	Particulars	Details
a)	No. of complaints pending at the beginning of the year i.e. 01.04.2015	Nil
b)	No. of complaints received during the year (01.04.2015 to 31.03.2016)	250
c)	No. of complaints redressed during the year	248
d)	No. of complaints pending at the end of the year	2

B. Award passed by the Banking Ombudsman:

S.No.	Particulars	Details
a)	No. of unimplemented Awards at the beginning of the year	NIL
b)	No. of Awards passed by the Banking Ombudsman during the year	NIL
c)	No. of Awards implemented during the year	NIL
d)	No. of unimplemented Awards at the end of the year	NIL

12.5 Under Section 36(1) (vii a) of Income Tax Act, 1961, the Bank is entitled for deduction to the extent of 7.5 percent of taxable income excluding deduction under this clause and under Chapter VI A plus 10 percent of aggregate advances made by the rural branches of the Bank. The aggregate average advances (monthly average basis) made by 473 Rural Branches of the Bank amounts to **Rs.4969.30 crore**.



- 12.6 A sum of Rs.1,40,00,000/- (Rupees one crore forty lakh only) has been transferred to "Special Reserve under Section 36 (1) (viii) of Income Tax Act" being 20% amount of the profits derived from the business of providing long term finance for industrial and agricultural development and development of housing.
- 12.7 Figures of the previous year have been regrouped /rearranged /reclassified wherever necessary to conform current year classification. However, the figures of Earning Per Share are not comparable with the previous year's figures due to increase in Share Capital and splitting of equity shares from face value of Rs.100/- each to Rs.10/- each.


F.C. Singla
General Manager


Dr. M.P. Singh
Chairman


SAR Zaidi
Director


R.K. Saluja
Director


R.S. Amar
Director


Surender Singh
Director

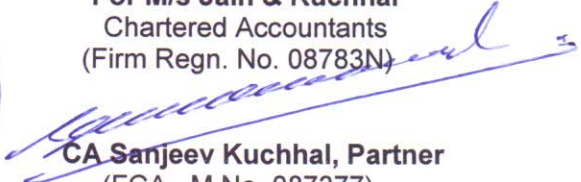
R.S. Dhillon
Director


Kiran Lekha Walia
Director

Place: GURGAON
Date: June 04, 2016



For M/s Jain & Kuchhal
Chartered Accountants
(Firm Regn. No. 08783N)


CA Sanjeev Kuchhal, Partner
(FCA, M.No. 087377)