

PUNJAB NATIONAL BANK
ANNUAL FINANCIAL RESULTS FOR THE PERIOD ENDED 31st MARCH, 2018

₹ In lacs

S.No.	Particulars	Quarter Ended (Standalone)			Year Ended (Standalone)		Year Ended (Consolidated)	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
1	Interest Earned (a+b+c+d)	1138463	1217548	1188653	4799576	4727599	4872485	4805808
	a) Interest/discount on advances/bills	741078	821930	771874	3183308	3295882	3254921	3370140
	b) Income on Investments	347006	354630	351053	1394698	1257717	1397871	1260532
	c) Interest on Balances with RBI and other Inter Bank Funds	45664	37092	56633	200142	135420	201340	136567
	d) Others	4715	3896	9093	21428	38580	18354	38569
2	Other Income	156105	308202	310280	888087	895137	888334	916758
A	TOTAL INCOME (1+2)	1294568	1525750	1498933	5687663	5622736	5760819	5722566
3	Interest Expended	832124	818678	820301	3307336	3228282	3353039	3272231
4	Operating Expenses (a+b)	507182	282553	55453	1350907	937938	1364259	952355
	(a) Employees Cost	389997	174158	-54836	916880	542072	924237	548233
	(b) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	117185	108395	110289	434027	395866	440022	404122
B	TOTAL EXPENDITURE (3+4) (excluding provisions & contingencies)	1339306	1101231	875754	4658243	4166220	4717298	4224586
C	Operating Profit (A-B) (Profit before Provisions & Contingencies)	-44738	424519	623179	1029420	1456516	1043522	1497980
D	Provisions (other than tax) and contingencies	2035310	446668	575351	2986928	1255362	3028136	1343971
	of which provisions for Non Performing Assets	1620282	299642	491039	2445273	1270372	5226553	1358039
E	Exceptional items	0	0	0	0	0	0	0
F	Provision for Taxes (Tax Expenses)	-738357	-45160	21638	-729226	68674	-726181	63896
G	Less : Minority Interest	NA	NA	NA	NA	NA	1879	5198
H	Add : Share of earnings in Associates	NA	NA	NA	NA	NA	47307	33809
I	Net Profit (+)/Loss (-) from ordinary activities after tax (C-D-E-F-G+H)	-1341691	23011	26190	-1228282	132480	-1213005	118724
J	Extraordinary Items (net of tax expense)	0	0	0	0	0	0	0
K	Net Profit (+)/Loss(-) for the period (I-J)	-1341691	23011	26190	-1228282	132480	-1213005	118724
5	Paid up equity Share Capital (Face value ₹ 2/-each)	55211	48512	42559	55211	42559	55211	42559
6	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)				3792134	3507264	3918244	3856675
7	Analytical Ratios							
	(i) Share holding of Govt. of India (%)	62.25	57.04	65.01	62.25	65.01		
	(ii) Capital Adequacy Ratio - Basel-III (%)	9.20	11.58	11.66	9.20	11.66	9.82	11.98
	a) CET 1 Ratio	5.96	8.05	7.87	5.96	7.87	6.48	8.17
	b) Additional Tier 1 Ratio	1.17	1.11	1.04	1.17	1.04	1.21	1.08
	(iii) Earnings per Share (EPS) not annualized (in ₹)							
	(a) Basic and diluted EPS before extraordinary items	-54.89	1.04	1.23	-55.39	6.45	-54.71	5.78
	(b) Basic and diluted EPS after extraordinary items	-54.89	1.04	1.23	-55.39	6.45	-54.71	5.78



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		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
	(iv) NPA Ratios:						Not Applicable	
	(a) Amount of gross non-performing assets	8662005	5751941	5537045	8662005	5537045		
	(b) Amount of net non-performing assets	4868429	3407565	3270211	4868429	3270211		
	(c) % of gross NPAs	18.38	12.11	12.53	18.38	12.53		
	(d) % of net NPAs	11.24	7.55	7.81	11.24	7.81		
	(v) Return on Assets (Annualised) %	-6.72	0.12	0.14	-1.60	0.19		

SUMMARISED BALANCE SHEET

(₹ in lacs)

Particulars	Standalone As at Mar 2018 (Audited)	Standalone As at Mar 2017 (Audited)
CAPITAL & LIABILITIES		
Capital	55211	42559
Reserves & Surplus	4052219	4167187
Deposits	64222619	62170402
Borrowings	6085075	4076334
Other Liabilities and Provisions	2167886	1576573
TOTAL	76583010	72033055
ASSETS		
Cash & Balances with Reserve Bank of India	2878903	2521000
Balances with Banks & Money at Call & Short Notice	6667297	6312165
Investments	20030698	18672544
Advances	43373472	41949315
Fixed Assets	634933	627325
Other Assets	2997807	1950706
TOTAL	76583010	72033055



SEGMENT REPORTING FOR THE QUARTER/YEAR ENDED 31st MARCH 2018

PART A – BUSINESS SEGMENTS

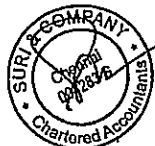
Sr. No.	Particulars	Quarter Ended			Year Ended		Year Ended	
		Standalone			Standalone		Consolidated	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
1	Segment Revenue							
	(a) Treasury Operations	400970	542274	490453	1910190	1694593	1952832	1750557
	(b) Corporate/Wholesale Banking	176760	528270	677389	1719642	2304307	1747091	2341662
	(c) Retail Banking	668912	421726	298969	1907807	1511675	1909323	1519487
	(d) Other Banking Operations	47927	33480	32122	150025	112161	151573	110860
	Total Revenue	1294568	1525750	1498933	5687663	5622736	5760819	5722566
2	Segment Results							
	(a) Treasury Operations	-9762	176879	183587	447483	469076	447314	489518
	(b) Corporate/Wholesale Banking	-1809234	-210952	-177360	-2233709	-519704	-2224125	-593494
	(c) Retail Banking	-197143	40171	64958	24921	357733	32861	366246
	(d) Other Banking Operations	1444	5845	10615	23799	30577	22336	29655
	Total	-2014697	11943	81800	-1737508	337682	-1721614	291925
	Unallocated Expenditure	65351	34092	33972	220000	136528	263000	137917
	Profit before Tax	-2080048	-22149	47828	-1957508	201154	-1939186	182619
	Provision for Tax	-738357	-45160	21638	-729226	68674	-726181	63895
	Extraordinary items	-	-	-	-	-	-	-
	Share of Earning in Associates(Net)	-	-	-	-	-	-	-
	Minority Interest	-	-	-	-	-	47307	33809
	Net profit	-1341691	23011	26190	-1228282.02	132480	-1213005	5198
3	Segment Assets							
	(a) Treasury Operations	23249398	21923939	21272894	23249398	21272894	24078160	22125727
	(b) Corporate/Wholesale Banking	33640801	35313760	32431692	33640801	32431692	34093185	32951504
	(c) Retail Banking	15368372	16595210	15234994	15368372	15234994	15455698	15304512
	(d) Other Banking Operations	2252920	2056767	1933664	2252920	1933664	2200928	1789697
	(e) Unallocated	2071520	1238096	1159811	2071520	1159811	2071520	1159651
	Total	76583010	77127772	72033055	76583010	72033055	77899491	73331091
4	Segment Liabilities							
	(a) Treasury Operations	22613886	20865898	20357164	22613886	20357164	23132544	20779194
	(b) Corporate/Wholesale Banking	32721245	33609532	31035611	32721245	31035611	32944747	31286141
	(c) Retail Banking	14948285	15794332	14579177	14948285	14579177	15502925	15220660
	(d) Other Banking Operations	2191337	1957508	1850426	2191337	1850426	2068390	1726133
	(e) Unallocated	826	827	931	826	931	2371	2476
	Total	72475580	72228097	67823309	72475580	67823309	73659977	69014604
5	Capital Employed							
	(a) Treasury Operations	635512	1058041	915730	635512	915730	945616	1346533
	(b) Corporate/Wholesale Banking	919556	1704228	1396081	919556	1396081	1148438	1665363
	(c) Retail Banking	420087	800878	655817	420087	655817	-47227	83852
	(d) Other Banking Operations	61583	99259	83238	61583	83238	132538	63564
	(e) Unallocated	2070693	1237269	1158880	2070693	1158880	2069149	1157175
	Total Capital Employed	4107431	4899675	4209746	4107431	4209746	4248514	4316487

PART B – GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	Quarter Ended			Year Ended		Year Ended	
		Standalone			Standalone		Consolidated	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
		Audited	Reviewed	Audited	Audited	Audited	Audited	Audited
1	Revenue							
	(a) Domestic	1239890	1473660	1466888	5487562	5464487	5523647	5525001
	(b) International	54679	52090	32045	200102	158249	237172	197565
	Total	1294568	1525750	1498933	5687663	5622736	5760819	5722566
2	Assets							
	(a) Domestic	68744009	68365639	63503755	68744009	63503755	69170087	62419217
	(b) International	7839002	8762133	8529300	7839002	8529300	8729404	10911874
	Total	76583010	77127772	72033055	76583010	72033055	77899491	73331091

Notes :

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.



NOTES

- 1 The annual financial results for the year ended 31st March, 2018, have been prepared following the same accounting policies and practices, as those followed in the annual financial statements for the year ended 31st March, 2017, except depreciation on the revalued portion of fixed assets has been transferred from the Revaluation Reserve to Revenue Reserve instead of crediting to Profit & Loss Account.
- 2 The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors in the meeting held on 15.05.2018. The same have been subjected to audit by the Statutory Central Auditors of the bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirement of Listing agreement with Stock Exchanges.
- 3 The financial results of the bank have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, standard derivative exposures and investment depreciation on the basis of extant guidelines issued by Reserve Bank of India.
- 4 Provisions for employee benefits pertaining to pension, gratuity and leave encashment have been made on the basis of actuarial valuation. All other usual and necessary provisions have been made on estimated basis.
- 5 In terms of RBI circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated 01.07.2015 read together with RBI circular DBR.No.BP.BC.80/21.06.201/2014-15 dated March 31, 2015, banks are required to make Pillar 3 disclosures under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. www.pnbindia.in. These disclosures have not been subjected to Audit.
- 6 During the year, Bank has issued 29,76,19,047 equity shares having Face Value of Rs. 2 each for cash pursuant to a Qualified Institutional Placement (QIP) in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at a premium of Rs.166 per share aggregating to Rs. 5,000 crores. This has resulted in an increase of Rs 59.52 crores in Share Capital and Rs 4,893.65 crores (Net of Issue Expenses) in Share Premium Account.
- 7 Government of India (GoI), Ministry of Finance vide their letter No. F.No.7/38/2014-BOA dated 24.01.2018 had conveyed its decision to infuse capital in our Bank to the extent of Rs. 5473 crores during 2017-18 by way of preferential allotment of equity in favour of Govt of India. Accordingly, 334985922 equity shares of face value Rs. 2/- each at premium of Rs. 161.38 has been allotted to Government of India on preferential basis. This has resulted in an increase of Rs. 67 crores in Share Capital and Rs. 5401 crores (net of issue Expenses) in Share Premium Account. **Consequently the Government share holding as on 31.03.2018 is 62.25% as compared to 57.04% before preferential allotment.**
- 8 Pursuant to the revised Accounting Standard- 10, 'Property, Plant & Equipment', applicable from 1st April 2017, depreciation of Rs. 66.71 crores on the revalued portion of fixed assets has been transferred from the Revaluation Reserve to Revenue Reserve instead of crediting to Profit & Loss Account.
- 9 As per RBI directions for initiating Insolvency Process – Provisioning Norms vide letter No. DBR.No.BO.15199/21.04.048/2016-17 dated June 23, 2017 in respect of 9 borrowal accounts covered under the provisions of Insolvency and bankruptcy Code (IBC), the Bank was required to make additional provision. Similarly, as per RBI direction vide letter No. DR.No.BP.1906/21.04.049/2017-18 dated August 28, 2017 in respect of 20 borrowal accounts covered under the process of Insolvency and Bankruptcy Code (IBC), the Bank was required to make additional provision. Further, as per RBI communication DR.No.BP.8756/21.04/2017-18 dated April 2, 2018 with respect to spreading the provisions covered in 1st and 2nd list covered under the provisions of Insolvency & Bankruptcy Code (IBC), the Bank has availed the option of dispensation available and as a result the provision of ₹ 1684.14 crores has been reduced in such accounts.

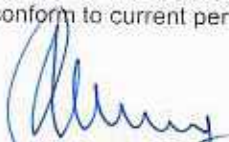


- 10 RBI, vide its communication DBR, No. BP.BC. 9730/21.04.018/2017-18 dated April 27, 2018, has given the option to Banks to spread additional liability on account of enhancement in gratuity limits from Rs 10 Lakhs to Rs 20 Lakhs from 29/03/2018 under the Payment of Gratuity Act, 1972, over four quarters beginning with the quarter ended March 31, 2018. The Bank has exercised the option and has charged Rs 63.45 crores during the quarter ended March 31, 2018 and deferred Rs190 crores to subsequent three quarters of the ensuing financial year.
- 11 During the quarter ended 31st March 2018, a fraud was detected at Brady House, Mumbai Branch of the bank involving certain accounts under Gems & Jewellery Sector where through apparent connivance between these entities and few employees of the Bank, some Letters of Undertaking (LOUs)/Foreign Letter of Credit (FLCs) were issued fraudulently and in unauthorised manner to certain overseas branches of Indian Banks through the misuse of SWIFT system of the Bank which was then not integrated with CBS. The fraud is under investigation by various central investigating agencies. The liabilities on account of LOUs/ FLCs which became due upto 31.03.18 amounting to Rs 6586.11 crore have been paid by the Bank on the undertaking of concerned banks that they will reimburse the amount to the Bank if the court of competent jurisdiction or an investigation agency under Indian laws finds such LOCs/FLC, to have been issued pursuant to the knowledge of the alleged fraud or collusion in the alleged fraud by any existing or past officials/ employees of the concerned banks. Further, as a prudent measure, Bank has created liability in the books in respect of LOUs/FLCs which are becoming due after 31.03.18 amounting to Rs. 6959.79 crores. Bank will make payments to the concerned banks on the due dates of LOUs/FLCs. After including outstanding amounts under other credit facilities to the above entities, the amount involved now works out to Rs 14356.84 crore. RBI vide their letter no. 8720/21.04.132/2017-18 dtd 28.03.2018 has permitted the Bank to make provisions against this fraud @ 25% without debiting "Other Reserves" and provide remaining amount during first three quarters of the ensuing financial year. However, Bank has made higher than required provisions @ 50% amounting to Rs 7178.42 crore and remaining provision of Rs 7178.42 crores will be made during the first three quarters of the ensuing financial year in terms of RBI's dispensation.
- 12 RBI vide its Circular DBR, No. BP.BC.101/21.04.048/2017-18 dated April 2, 2018 has permitted banks an option to spread mark to market loss on AFS & HFT investment for quarters ended December 31, 2017 and March 31, 2018, equally over the four quarters commencing with the quarter in which the loss is incurred. Accordingly, the Bank has charged depreciation of Rs. 741.42 Crores related to quarters ended December 31, 2017 and March 31, 2018 and spread MTM losses to the tune of Rs. 1,088.28 Crore to the subsequent quarters of ensuing financial year.
- 13 Divergence in Assets classification and Provisioning for NPAs in compliance to Risk Assessment Report (RAR) of RBI for the year 2016-17 are reported as under:

Sr. No.	Particulars	(Rs in '000)
1	Gross NPAs as on March 31, 2017 as reported by the Bank	553704453
2	Gross NPAs as on March 31, 2017 as assessed by RBI	575775453
3	Divergence in Gross NPAs (2-1)	22071000
4	Net NPAs as on March 31, 2017 as reported by the Bank	327021043
5	Net NPAs as on March 31, 2017 as assessed by RBI	341170043
6	Divergence in Net NPAs (5-4)	14149000
7	Provisions for NPAs as on March 31, 2017 as reported by the Bank	220434912
8	Provision for NPAs as on March 31, 2017 as assessed by RBI	228356912
9	Divergence in Provisioning (8-7)	7922000
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	13248000
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	5326000



- 14 RBI vide its Circular DBR. No. BP.BC. 101/21.04.048/2017-18 dated February 12, 2018, issued a revised framework for resolution of stressed assets, which supercedes the existing guidelines of SDR, change in ownership outside SDR (except projects under implementation) and S4A with immediate effect. Under the revised framework, the benefits for accounts where any of these schemes had been invoked but not yet fully implemented were revoked and accordingly, these accounts have been re-classified as per the extant RBI norms on Income Recognition and Asset Classification (IRAC). As on 31.03.2018, 28 borrowal accounts were falling under the purview of this framework for which bank has made provision of Rs. 3120.21 crores.
- 15 The Provisioning Coverage Ratio as at 31st March 2018 works out to 58.42%.
- 16 The figures of last quarter of the year are the balancing figures between audited figures in respect of the financial year and the published year to date figures up to the third quarter of the respective financial year.
- 17 Figures of the previous periods have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.

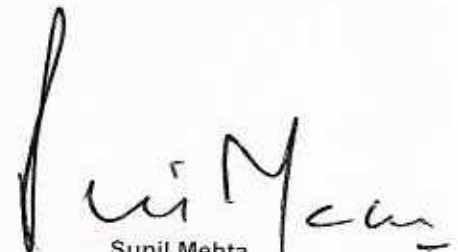

(P K Varshney)
Chief Manager


(S K Jain)
Deputy General Manager


(P K Sharma)
General Manager


(L V Prabhakar)
Executive Director


Sunil Mehta
Managing Director & CEO

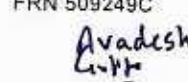

Sunil Mehta
Chairman

For Suri & Co.
Chartered Accountants
FRN 004283S


(P Venugopal)
Partner
M No. 035034



For SPMG & Co.
Chartered Accountants
FRN 509249C


(Avadesh Gupta)
Partner
M No. 516769



For MKPS & Associates
Chartered Accountants
FRN 302014E


(Pradip Kumar Lath)
Partner
M No. 054130



For G S Mathur & Co.
Chartered Accountant
FRN 008744N


(Rajiv Kumar Wadhawan)
Partner
M No. 091007



For HDSG & Associates
Chartered Accountants
FRN 002871N


(Dalbir Singh Gulati)
Partner
M No. 081024



INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Punjab National Bank
New Delhi

1. We have audited the standalone financial results for the year ended March 31, 2018, included in the accompanying Statement of Standalone Financial Results of Punjab National Bank (the 'Bank') for the year ended March 31, 2018 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements for the year ended March 31, 2018 prepared in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India along with recognition and measurement principles laid down in the Accounting Standards issued by the Institute of Chartered Accountants of India so far as they are applicable to the Bank and Reserve Bank of India guidelines from time to time. Our responsibility is to express an opinion on the presentation of the Statement and the financial results for the year ended March 31, 2018.
2. 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 Results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Bank's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
3. The Financial results incorporate the relevant returns of 21 branches, Treasury Division and 35 other offices audited by us, 3587 branches audited by Statutory Branch Auditors (including 1 off-shore banking unit and 3 foreign branches audited by local auditors in respective countries), unaudited returns of 3378 branches and 116 other offices of the Bank, which have not been subjected to audit.
4. In our opinion and to the best of our information and according to the explanations given to us,
 - (i) The Statement is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - (ii) the financial results give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net loss and other financial information for the year ended March 31, 2018.



5. Without qualifying our opinion, we draw attention to Note No.11 regarding provision @ 50% amounting to Rs. 7,178.42 crores as against the total amount of Rs. 14,356.84 crores in respect of fraud involving certain accounts under Gems & Jewellery Sector as per the dispensation given by the Reserve Bank of India vide their letter No. 8720/21.04.132/2017-18 dt. 28.03.2018.
6. The "Pillar 3 disclosures under the Basel III Capital Regulation" as set out in Note 5 of the Statement have not been subjected to our audit.
7. The Statement includes the financial results for the quarter ended March 31, 2018 being the balancing figure between audited figures in respect of the full financial year and the published year to date unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.

FOR SURI & CO.
CHARTERED ACCOUNTANTS
FRN 004283S

(P VENUGOPAL)
PARTNER
M.NO. 035034



FOR SPMG & CO.
CHARTERED ACCOUNTANTS
FRN 509249C

(AVADESH GUPTA)
PARTNER
M.NO. 516769



FOR MKPS & ASSOCIATES.
CHARTERED ACCOUNTANTS
FRN 302014E

(PRADIP KUMAR LATHI)
PARTNER
M.NO. 054130



FOR G S MATHUR & CO.
CHARTERED ACCOUNTANTS
FRN 008744N

(RAJIV KUMAR WADHAVAN)
PARTNER
M.NO. 091007



FOR HD SG & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 002871N

(DALBIR SINGH GULATI)
PARTNER
M.NO. 081024

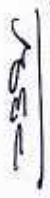


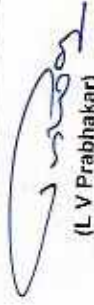
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Date: May 15, 2018

Form A

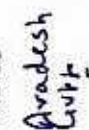
Letter of Annual Audit Report To Be Filed With Stock Exchanges (Standalone)

Name of the Company	Punjab National Bank
Annual Financial Statements	FY 2017-18
Type of Audit Observation	NIL
Frequency of Observation	
Comments of the Management on the matter of emphasis	


(P K Sharma)
General Manager


(L V Prabhakar)
Executive Director


(Sunil Mehta)
Managing Director & C.E.O.

For Suri & Co. Chartered Accountants FRN 004283S  (P. Venugopal) Partner (M No. 035034) 	For SPWG & Co. Chartered Accountants FRN 509249C  (Avadesh Gupta) Partner (M No. 516769) 	For MKPS & Associates Chartered Accountants FRN 302014E  (Pradip Kumar Lath) Partner (M No. 054130) 
For G S Mathur & Co. Chartered Accountants FRN 008744N  (Rajiv Kumar Waithawan) Partner (M No. 091007) 	For HD SG & Associates Chartered Accountants FRN 002871N  (Dalbir Singh Gulab) Partner (M No. 081021) 	

SURI & CO.
Chartered Accountants

SPMG & CO.
Chartered Accountants

MKPS & Associates
Chartered Accountants

GS Mathur & Co.
Chartered Accountants

HDSG & Associates
Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To
The Board of Directors
Punjab National Bank,

1. We have audited the consolidated financial results for the year ended March 31, 2018, included in the accompanying Statement of Consolidated Financial Results of Punjab National Bank (the 'Bank') for the year ended March 31, 2018 (the 'Statement'), being submitted by the Bank pursuant to the requirement of Regulation 33 the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Bank's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements for the year ended March 31, 2018 prepared in accordance with the Banking Regulation Act, 1949, accounting principles generally accepted in India along with recognition and measurement principles laid down in the Accounting Standards issued by the Institute of Chartered Accountants of India so far as they are applicable to the Bank and Reserve Bank of India guidelines from time to time. Our responsibility is to express an opinion on the presentation of the Statement and the financial results for the year ended March 31, 2018.
2. 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 Results are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
3. Incorporated in these financial statements are the returns of 21 branches, Treasury Division and 35 other offices audited by us, 3587 branches audited by Statutory Branch Auditors (including 1 off-shore banking unit) and 3 foreign branches audited by local auditors in respective countries. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 3378 branches, 116 other offices of the Bank, which have not been subjected to audit.
4. We have not audited the following financial statements incorporated in the consolidated financial statements:
 - a. i. Three domestic subsidiaries, whose financial statements reflect total assets (net) of Rs.5502.07 crores as at March 31, 2018, total revenues of Rs.418.04 crores on that date; and
 - ii. Ten associates & one joint ventures whose financial statements reflect total assets (net) of Rs. 147265.93 crores as at March 31, 2018, total revenues of Rs.10968.90 crores on that date; and
 - iii. Two international subsidiaries, whose financial statements reflect total assets of Rs.8904.02 crores as on March 31, 2018 and total revenue of Rs.370.71 crores for the year then ended out of which one subsidiary Druk PNB Bank Ltd has been audited by other auditors.
- (b). The Financial Statements of three subsidiaries, seven Associates (including 3 RRBs) and one Joint Venture which have not been audited reflect total assets (net) of Rs.65877.07 crores as at March 31, 2018, total revenues of Rs.3725.13 crores on that date for the year then ended. Our opinion is based on the Un-audited financial statements of 3 subsidiaries 7 associates (including three Regional Rural Banks) and one joint venture.
5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors/unaudited information as referred to in paragraph 4 above, the Statement:
 - (i) includes the results of the following entities:
 - i. **Subsidiaries**
 - a. PNB Investment Services Limited
 - b. PNB Insurance Broking Pvt. Ltd (Under liquidation)
 - c. PNB Gilts Limited



- d. PNB International Limited
- e. Druk PNB Bank Limited, Bhutan

ii. Associates

- a. JSC Tengri Bank, Kazakhstan
- b. Principal PNB Asset Management Company Pvt. Ltd.
- c. Principal Trustee Company Pvt. Ltd.
- d. PNB Metlife India Insurance Co. Ltd.
- e. PNB Housing Finance Limited
- f. Madhya Bihar Gramin Bank, Patna
- g. Sarva Haryana Gramin Bank, Rohtak
- h. Himachal Pradesh Gramin Bank, Mandi
- i. Punjab Gramin Bank, Kapurthala
- j. Sarva UP Gramin Bank, Meerut

iii. Joint Venture

- a. Everest Bank, Nepal

6. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
7. Without qualifying our opinion, we draw attention to Note no.11 regarding provision @ 50% amounting to Rs 7,178.42 crores as against the total amount of Rs 14356.84 crores in respect of fraud involving certain accounts under Gems & Jewellery Sector as per the dispensation given by the Reserve Bank of India vide their letter no.8720/21.04.132/2017-18 dt. 28.03.2018.
8. the financial results give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and other financial information for the year ended March 31, 2018.
9. The "Pillar 3 disclosures under the Basel III Capital Regulation" as set out in Note 7 of the Statement have not been subjected to our audit

FOR Suri & Co

CHARTERED ACCOUNTANTS

FRN 0042839

(CA P. Venugopal)

PARTNER (M.NO.035034)



FOR SPMG & Co.

CHARTERED ACCOUNTANTS

FRN 509249C

(CA Avadesh Gupta)

PARTNER (M.NO.516769)



FOR MKPS & Associates

CHARTERED ACCOUNTANTS

FRN 302014E

(CA Pradip Kumar Lath)

PARTNER (M.NO.054130)



FOR GS Mathur & Co.

CHARTERED ACCOUNTANTS

FRN 008744N

(CA Rajiv Kumar Wadhawan)

PARTNER (M.NO.091007)



FOR HDSG & Associates

CHARTERED ACCOUNTANTS

FRN 002871N

(CA Dalbir Singh Gulati)

PARTNER (M.NO.081024)



Place: New Delhi

Date: May 15, 2018

(₹ in Crore)

Cash and Balances with Reserve Bank of India	6	29028.91	25410.36
Balances with Banks & Money at call & short notice	7	68459.24	65968.73
Investments	8	205910.18	191527.16
Loans & Advances	9	438798.00	424230.49
Fixed Assets	10	6374.31	6297.76
Other Assets	11	30424.28	19876.41
		-----	-----
TOTAL		778994.91	733310.91
		=====	=====
Contingent Liabilities		308790.19	338851.04
Bills for Collection		27898.25	25805.99

P K SHARMA
GENERAL MANAGER

SUNIL MEHTA
CHAIRMAN

MAHESH BABOO GUPTA
DIRECTOR

SANJAY VERMA
DIRECTOR

AS PER REPORT OF EVEN DATE

For MKPS & Associates
Chartered Accountants
FRN 302014E
(CA Pradeep Kumar Lathia)
Partner
M No. 054130

For HDSG & Associates
Chartered Accountants
FRN 002871 N
[Signature]
(CA Dalbir Singh Gulati)
Partner
M No. 081024



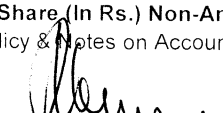
Place: New Delhi



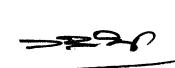
**CONSOLIDATED PROFIT & LOSS ACCOUNT OF
PUNJAB NATIONAL BANK FOR THE PERIOD ENDED 31ST MARCH '2018**

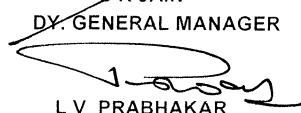
(₹ in Crore)

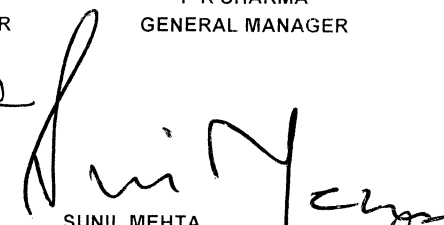
		As on 31.03.2018	As on 31.03.2017
<u>I. INCOME</u>	Schedule		
Interest earned	13	48724.85	48058.08
Other Income	14	8883.34	9167.58
	TOTAL	57608.19	57225.66
		=====	=====
<u>II. EXPENDITURE</u>			
Interest expended	15	33530.39	32722.31
Operating expenses	16	13642.59	9523.55
Provisions and Contingencies		23019.55	14078.67
	TOTAL	70192.53	56324.53
		=====	=====
Consolidated Net Profit for the year of the parent & subsidiaries before Minority Interest		-12584.34	901.13
Less : Minority Interest		18.79	51.98
		-----	-----
Consolidated Net Profit for the year of the parent & subsidiaries after Minority Interest		-12603.13	849.15
Share of earnings in Associates (net)	17	473.07	338.09
		-----	-----
Consolidated Net Profit for the year attributable		-12130.06	1,187.24
Add : Brought forward consolidated profit attributable to the group		1093.65	694.54
Add: Transferred from Capital Reserve		0.00	0.00
		-----	-----
Profit available for Appropriation		-11036.41	1,881.78
<u>APPROPRIATIONS</u>			
Transfer to Reserves (Net) :			
Statutory Reserve		20.64	377.49
Capital Reserve - Others		1028.24	536.00
Investment Fluctuation Reserve		0.00	0.00
Revenue & Other Reserve		-13307.75	(402.57)
Special Reserve as per Income Tax		0.27	270.26
Dividend Including Dividend Tax			
Proposed Dividend for 2017-18		61.97	6.91
Interim Dividend		0.00	0
Corporate Social Responsibility		0.00	0.00
Balance transfer from provision for tax on Dividend		0.00	-
Balance carried over to consolidated Balance Sheet		1160.23	1093.69
		-----	-----
		-11036.40	1,881.78
		=====	=====
Earnings per Share (In Rs.) Non-Annualised			
Accounting Policy & Notes on Accounts	18	-54.71	5.78


P K VARSHNEY
CHIEF MANAGER

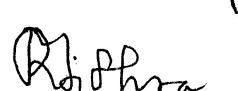

S K JAIN
DY. GENERAL MANAGER


P K SHARMA
GENERAL MANAGER


L V PRABHAKAR
EXECUTIVE DIRECTOR

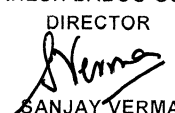

SUNIL MEHTA
CHAIRMAN


SUNIL MEHTA
MANAGING DIRECTOR & CEO


DR. RABI N. MISHRA
DIRECTOR


MAHESH BABOO GUPTA
DIRECTOR


SUDHIR NAYAR
DIRECTOR


SANJAY VERMA
DIRECTOR



AS PER REPORT OF EVEN DATE

For Suri & Co.
Chartered Accountants

FRN 004283 S

(CA P. Venugopal)
Partner
M No. 035034



For SPMG & Co.
Chartered Accountants

FRN 509249 C

(CA Avadesh Gupta)
Partner
M No. 516769

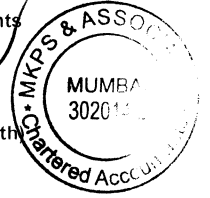
Avadesh
Gupta



For MKPS & Associates
Chartered Accountants

FRN 302014 E

(CA Pradip Kumar Lath)
Partner
M No. 054130



For GS Mathur & Co.
Chartered Accountants
FRN 008744 N

(CA Rajiv Kumar Wadhawan)
Partner
M No. 091007



For HDSG & Associates
Chartered Accountants

FRN 002871 N

(CA Dalbir Singh Gulati)
Partner
M No. 081024

Dalbir Singh
Gulati



Date : 15/05/2018

Place: New Delhi



SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

SCHEDULE 1 - CAPITAL

(₹ in Crore)

	As on 31.03.2018	As on 31.03.2017
Authorised Capital (1500,00,00,000 Equity shares of ₹ 2 each)	3000.00	3000.00
Issued & Subscribed {2760573277 (Previous year 2127968258) Equity Shares of ₹ 2 each}	552.11	425.59
Paid up {2760573277(Previous year 2127968258) Equity Shares of ₹ 2 each (Includes equity shares of 1718445145 ₹ 2 each held by Central Government)	552.11	425.59
TOTAL	552.11	425.59

SCHEDULE 2 - RESERVES & SURPLUS

I. Statutory Reserve

Opening Balance	10288.68	9867.28
Addition during the year	20.64	364.64
Add/(Less) : Adjustment during the year	0.00	0.00
	10309.32	10231.92

II. Capital Reserve

a). Revaluation Reserve

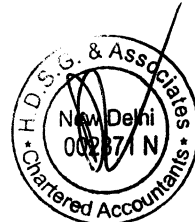
Opening Balance	3750.53	2888.69
Addition during the year	0.00	977.10
Deduction during the year	66.71	58.49
Add/(Less) : Adjustment during the year (being Depreciation on revalued portion of Property)	0.00	0.00
	3683.82	3807.30

b. Others

Opening Balance	1982.27	1446.27
Addition during the year	1028.24	536.00
	3010.51	1982.27

IIA. Capital Reserve on consolidation (Net)

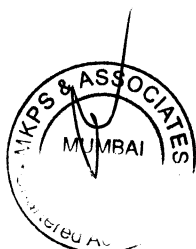
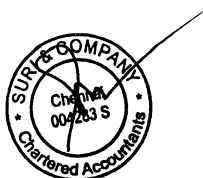
66.53	66.53
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SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

(₹ in Crore)

	As on 31.03.2018	As on 31.03.2017
III. Revenue and Other Reserve		
a. Investment Fluctuation Reserve		
Opening Balance	433.52	433.52
Addition during the year	0.00	0.00
Less: Trf to P & L Account	0.00	0.00
	433.52	433.52
b. Other Reserve		
Opening Balance	12554.81	13791.02
Addition during the year	833.16	(402.57)
Less: Transferred to Special Reserve	0.00	0.00
Less: Adjustment related to Prior years	13307.75	833.66
Less: Transitory Liability (AS-15)	0.00	0.00
Less: Payment for Interblocked accounts	0.00	0.00
Add/(Less) : Adjustment during the year	66.71	-
	146.93	12554.79
c. Exchange Fluctuation Reserve		
Opening Balance	606.22	333.47
Add: Addition during the year (Net)	2.49	28.21
Add/(Less) : Adjustment during the year	2.69	-5.94
	611.41	606.22
IV. Share Premium		
Opening Balance	10749.86	8670.73
Addition during the year	10297.26	2079.13
Add/(Less) : Adjustment during the year	0.00	0.00
	21047.11	10749.86
V. Special Reserve		
Opening Balance	1463.66	1193.66
Addition during the year	0.00	270.00
Transfer from other reserve	0.00	0.00
Add/(Less) : Adjustment during the year	0.00	0.00
	1463.66	1463.66
VI. Foreign Currency Translation Reserve		
Opening Balance	0.00	0.00
Addition during the year	0.00	0.00
Deduction during the year	0.00	0.00
	0.00	0.00
VII. Balance in Profit & Loss Account	1160.23	1093.69
Total I,II,,III,IV,V,VI, VII	41933.03	42989.75



SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

(₹ in Crore)

	As on 31.03.2018	As on 31.03.2017
<u>Schedule 2A - Minority Interest</u>		
Minority Interest at the date on which the parent subsidiary relationship came into existence	149.25	149.25
Subsequent increase	650.17	631.38
Minority Interest at the date of balance sheet	799.42	780.63

SCHEDULE 3 - DEPOSITS

A. I DEMAND DEPOSITS

(i) From Banks	1593.92	1693.23
(ii) From Others	39826.02	45220.69
	41419.93	46913.92

II SAVINGS BANK DEPOSITS

224272.14	215405.64
------------------	------------------

III TERM DEPOSITS

(i) From Banks	52362.06	64417.81
(ii) From Others	330384.88	302913.49
	382746.94	367331.30

TOTAL of I, II, III

648439.01	629650.86
------------------	------------------

B. (i) Deposits of branches In India	599960.66	565477.68
(ii) Deposits of branches outside India	48478.35	64173.18

TOTAL of i, ii

648439.01	629650.86
------------------	------------------

SCHEDULE 4 - BORROWINGS

I. Borrowings in India

(i) Reserve Bank of India	18379.31	400.00
(ii) Other Banks	5370.29	1746.53
(iii) Other Institutions and Agencies	5388.69	2906.16
(iv) Bonds (including Tier-I, Tier-II, Subordinated Debts)	15783.26	16995.65
(v) Long Term Infrastructure Bonds	2800.00	2800.00
II. Borrowings Outside India	17608.12	18487.67

TOTAL of I, II

65329.66	43336.01
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Secured Borrowings included in I & II above

16606.00	0.00
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SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)
(₹ in Crore)

As on 31.03.2018

As on 31.03.2017

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

I. Bills payable	2433.07	2570.08
II. Inter-office adjustments (net)	2.70	2.92
III. Interest accrued	1876.13	1971.07
IV. Others (including Provisions)	17629.76	11584.00
TOTAL OF I, II, III, IV	21941.67	16128.07

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

I. Cash in hand (including Foreign Currency Notes)	2120.25	2108.69
II. Balance with Reserve Bank of India		
(i) in Current account	26908.65	23111.69
(ii) in Other Accounts	0.00	189.98
	26908.65	23301.67
TOTAL OF I, II	29028.91	25410.36

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

I. In India		
(i) Balance with Banks:		
(a) In Current accounts	629.27	718.59
(b) In Other Deposit accounts	9780.01	9713.15
	10409.28	10431.74
(ii) Money at Call and Short Notice:		
(a) with Banks	584.24	149.97
(b) with Other Institutions	29054.06	22000.00
	29638.30	22149.97
TOTAL (i & ii)	40047.58	32581.71
II. Outside India		
(i) In Current accounts	2175.66	4214.31
(ii) In Other Deposit accounts	25673.54	29107.86
(iii) Money at Call & Short Notice	562.45	64.85
TOTAL	28411.66	33387.02
GRAND TOTAL (I & II)	68459.24	65968.73



SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

(₹ in Crore)

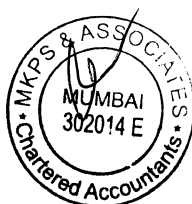
SCHEDULE 8 - INVESTMENTS	As on 31.03.2018	As on 31.03.2017
I. Investments in India in		
(i) Government Securities	156026.49	149409.91
(ii) Other approved securities	146.48	188.30
(iii) Shares	4361.20	5336.86
(iv) Debentures and Bonds	31937.33	25872.21
(v) Investment in Associates (on equity method)	1643.94	1298.15
(vi) Others (Initial Capital in UTI and its units- 64 : (Various Mutual Funds & Commercial Paper etc.)	4626.79	4244.59
TOTAL of I	198742.22	186350.02
II. Investments outside India		
(i) Government Securities	2475.37	2180.95
(ii) Investment in Associates (on equity method)	1706.08	991.07
(iii) Other investments	2986.51	2005.12
TOTAL of II	7167.96	5177.14
III. Investments in India		
I) Gross value of Investments	201866.03	187762.66
ii) Less: Aggregate of Provisions for Depreciation	3123.81	1412.64
iii) Net Investment	198742.22	186350.02
IV. Investments outside India		
I) Gross value of Investments	7186.58	5191.31
ii) Less: Aggregate of Provisions for Depreciation	18.62	14.17
iii) Net Investments	7167.96	5177.14
GRAND TOTAL of (I), (II)	205910.18	191527.16



SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

(₹ in Crore)

	As on 31.03.2018	As on 31.03.2017
SCHEDULE 9 - ADVANCES		
A. i) Bills Purchased and discounted	20623.38	29560.81
ii) Cash Credits, overdrafts and loans repayable on demand	279815.80	249431.82
iii) Term Loans	138358.82	145237.86
Total	438798.00	424230.49
B. i) Secured by Tangible Assets (including advances against book debts)	360714.77	365038.60
ii) Covered by Bank/Govt. Guarantees	13025.88	9837.66
iii) Unsecured	65057.35	49354.24
Total	438798.00	424230.49
C. (I) Advances in India		
i) Priority Sector	156285.12	133128.05
ii) Public Sector	38987.68	19939.11
iii) Banks	1024.24	1261.08
iv) Others	198029.15	216243.07
Total	394326.19	370571.31
C. (II). Advances outside India		
i) Due from banks	27027.96	28138.10
ii) Due from others		
(a) Bills purchased & discounted	496.83	531.96
(b) Term Loans	7161.09	4953.91
(c) Others	9785.93	20035.21
Total	44471.81	53659.18
GRAND TOTAL of C (I) & C (II)	438798.01	424230.49



SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

(₹ in Crore)

SCHEDULE 10 - FIXED ASSETS

	As on 31.03.2018	As on 31.03.2017
I. Premises (including Land)		
-At cost as on 1st April of the year	5545.69	4509.82
-Additions during the year	21.29	121.62
Less :Deductions during the year	0.00	56.35
-Revaluation	0.00	964.25
Less :Depreciation to date	594.02	504.22
	4972.96	5035.12
II. Other Fixed Assets (including furniture & fixtures)		
-At cost as on 1st April of the year	4113.07	3728.79
- Revaluation due to exchange rate fluctuation	0.00	0.00
-Additions during the year	586.30	506.13
Less: Deductions during the year	67.49	112.54
Less:Depreciation to date	3328.53	2939.74
	1303.34	1182.64
III. Computer Software		
-At cost as on 1st April of the year	384.34	366.98
-Revaluation due to exchange rate fluctuation	0.00	0.00
- Additions during the year	62.73	18.08
- Deductions during the year	0.01	0.00
Less: Amortised to date	352.67	308.68
	94.38	76.38
IV. Leased Assets		
-At cost as on 1st April of the year	29.31	25.68
-Additions during the year	0.00	0.00
-Deductions during the year	0.00	0.00
Less:Depreciation to date	25.68	22.06
	3.62	3.62
TOTAL OF I, II, III, IV	6374.31	6297.76



SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

(₹ in Crore)

	As on 31.03.2018	As on 31.03.2017
SCHEDULE 11 - OTHER ASSETS		
I. Interest accrued	5232.54	4604.90
II. Tax paid in advance/tax deducted at source (net of provisions)	2851.65	900.63
III. Stationery and Stamps	10.82	10.14
IV. Non Banking assets acquired in satisfaction of claims	112.24	112.03
V. Deferred Tax asset (net)	13213.14	6120.36
VI. Others	9003.89	8128.35
TOTAL of I, II, III, IV, V, VI	30424.28	19876.41

SCHEDULE 12 - CONTINGENT LIABILITIES

I.(i) Claims against the Bank(Group) not acknowledged as debts	321.17	249.58
I (ii). Disputed income tax and interest tax demands under appeal, references, etc.	1260.92	0.00
II. Liability for partly paid investments	13.13	0.01
III. Liability on account of outstanding forward exchange contracts	226576.41	253032.27
IV. Guarantees given on behalf of constituents		
(a) In India	39998.62	38240.86
(b) Outside India	10011.98	14039.35
V. Acceptance, Endorsements and Other obligations	27055.94	29368.51
VI. Other items for which the Bank (Group) is contingently liable	3552.02	3920.46
TOTAL of I, II, III, IV, V, VI	308790.19	338851.04



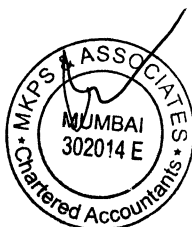
SCHEDULES TO THE CONSOLIDATED ACCOUNTS (PUNJAB NATIONAL BANK)

(₹ in Crore)

	As on 31.03.2018	As on 31.03.2017
<u>SCHEDULE 13 - INTEREST AND DIVIDENDS EARNED</u>		
I. Interest/discount on Advances/Bills	32549.21	33701.40
II. Income on Investments	13978.71	12605.32
III. Intt on balances with Reserve Bank of India & other inter-bank funds	2013.40	1365.67
IV. Others	183.54	385.69
TOTAL of I, II, III, IV	48724.85	48058.08

SCHEDULE 14 - OTHER INCOME

I. Commission, Exchange & Brokerage		2810.27		2741.94
II. Profit on sale of land, buildings and other assets	2.86		5.58	
Less: Loss on sale of land, buildings and other assets	0.25		0.13	
		2.60		5.45
III. Profit on Exchange Transaction	1318.75		1487.32	
Less: Loss on Exchange Transaction	533.03		881.75	
		785.72		605.57
IV. Profit on sale of Investments	3340.61		3025.68	
Less: Loss on sale of investments	87.66		206.28	
		3252.95		2819.40
V. Miscellaneous Income		2031.80		2995.22
TOTAL of I, II, III, IV, V, VI		8883.34		9167.58



SCHEDULES TO THE CONSOLIDATED ACCOUNTS(PUNJAB NATIONAL BANK)

(₹ in Crore)

SCHEDULE 15 - INTEREST EXPENDED

	As on 31.03.2018	As on 31.03.2017
I. Interest on Deposits	30583.84	30138.50
II. Interest on Reserve Bank of India/ inter-bank borrowings	588.25	290.75
III. Others	2358.29	2293.06
TOTAL of I, II, III	33530.39	32722.31

SCHEDULE 16 - OPERATING EXPENSES

I. Payment to and provisions for employees	9242.37	5482.33
II. Rent, Taxes and Lighting	748.33	702.25
III. Printing & Stationery	92.47	97.54
IV. Advertisement & Publicity	48.01	55.93
V. Depreciation on bank's property	581.03	488.93
Less: Adjusted with Revaluation Reserve	0.00	58.49
	581.03	430.44
VI. Directors' Fees, allowances and expenses	1.79	1.75
VII. Auditors' fees and expenses (including statutory auditor of subsidiaries, branch auditors' fees & expenses)	78.15	71.12
VIII. Law charges	86.61	91.01
IX. Postage, Telegrams, Telephones, etc.	173.42	179.88
X. Repairs & Maintenance	266.38	236.76
XI. Insurance	642.91	569.25
XII. Other expenditure	1681.11	1605.29
TOTAL of I to XII	13642.59	9523.55

SCHEDULE 17 - SHARE OF EARNINGS/LOSS IN ASSOCIATES

(a) Share of Earnings in Associates in India	426.49	312.77
(b) Share of Earnings in Associates outside India	46.58	25.32
TOTAL of (a & b)	473.07	338.09



Abridged Consolidated Balance Sheet of Punjab National Bank
As on March 31, 2018

(All amounts in ₹ lac)

	As on March 31, 2018	As on March 31, 2017
CAPITAL & LIABILITIES		
Capital	55211	42559
Reserves & Surplus		
Statutory Reserves	1030932	1023192
Capital Reserves(including minority interest)	756029	663673
Share Premium	2104711	1074986
Revenue and other Reserves	265551	1505819
Balance in Profit & Loss Account	116023	109368
Deposits		
Demand Deposits	4141993	4691392
Savings Bank Deposits	22427214	21540564
Term Deposits	38274694	36733130
Borrowings		
Borrowings in India		
(a) from Reserve Bank of India	1837931	40000
(b) from other Banks	537029	174653
(c) from other Institutions and Agencies	2397195	2270181
Borrowings outside India	1760812	1848767
Other liabilities and provisions		
Bills Payable	243307	257008
Inter-Office adjustments (net)	270	292
Interest accrued	187613	197107
Provisions towards standard assets	69755	288500
Deferred Tax Liability (Net)		
Others	1693222	869900
Total Capital and Liabilities	77899491	73331091

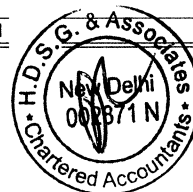
ASSETS

Cash and balances with Reserve Bank of India	2902891	2541036
Balances with Banks & Money at Call & Short Notice		
Balances with Banks in India	1040928	1043174
Money at Call and Short Notice in India	2963830	2214997
Balances outside India	2841166	3338702
Investments		
In India		
(a) Government Securities	15602649	14940991
(b) Other Approved Securities	14648	18830
(c) Shares	436120	533686
(d) Debentures and Bonds	3193733	2587221
(e) Subsidiaries and/or joint ventures	164394	129815
(f) Others	462678	424459
Outside India	716796	517714
Advances		
In India		
(a) Bills purchased and discounted	2012655	2902884
(b) Cash Credits, Overdrafts & Loans repayable on demand	24300191	20125851
(c) Term Loans	13119773	14028395
Outside India	4447181	5365918
Fixed Assets	637431	629776
Other Assets		
Inter-Office adjustments(net)	0	0
Interest accrued	523254	460490
Tax paid in advance / deducted at source	285165	90063
Deferred tax asset (net)	1321314	612036
Non-banking assets acquired in satisfaction of claims	11224	11203
Others	901470	813849

Total Assets

77899491

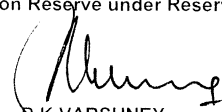
73331091



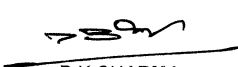
As on March 31, 2018

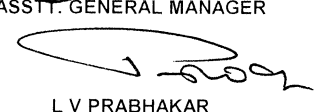
Contingent Liabilities

Claims against the Bank not acknowledged as debts	158209	24958
Liability on account of outstanding forward exchange contracts	22657641	25303228
Guarantees given on behalf of constituents	5001059	5228021
Acceptances, endorsements and other obligations	2705594	2936851
Other items for which the Bank is contingently liable	356515	392046
Bills for collection	2789825	2580594
The amount of Revaluation Reserve under Reserves & Surpl	368382	380730

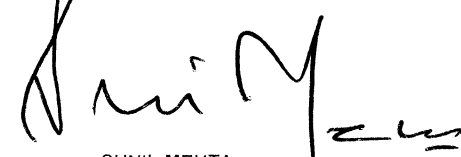

 R K VARSHNEY
 CHIEF MANAGER

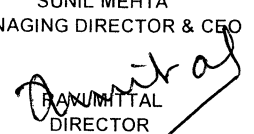

 SK JAIN
 ASSTT. GENERAL MANAGER

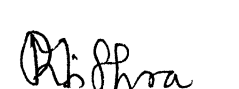

 P K SHARMA
 GENERAL MANAGER


 L V PRABHAKAR
 EXECUTIVE DIRECTOR


 SUNIL MEHTA
 MANAGING DIRECTOR & CEO

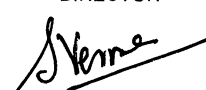

 SUNIL MEHTA
 CHAIRMAN


 RAVI MITTAL
 DIRECTOR


 DR. RABINDRA MISHRA
 DIRECTOR


 MAHESH BABOO GUPTA
 DIRECTOR


 SUDHIR NAYAR
 DIRECTOR


 SANJAY VERMA
 DIRECTOR

AS PER REPORT OF EVEN DATE

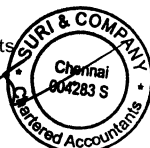
For Suri & Co.
Chartered Accountants

FRN 004283S

(CA Ravi Indragopal)

Partner

M No. 035034

For SPMG & Co.
Chartered Accountants

FRN 509249C

(CA Avadesh Gupta)

Partner

M No. 516769

For MKPS & Associates
Chartered Accountants

FRN 302014E

(CA Pradyo Kumar Lath)

Partner

M No. 054130

For GS Mathur & Co.
Chartered Accountants

FRN 008744N

(CA Rajiv Kumar Wadhawan)

Partner

M No. 091007

For HDSG & Associates
Chartered Accountants

FRN 002871N

(CA Dattar Singh Gulati)

Partner

M.No. 081024

Date: 15/05/2018
New Delhi

Abridged Consolidated Profit and Loss Account of Punjab National Bank
for the year ended March 31, 2018

(All amounts in ₹ lac)

	<u>For the year ended</u> <u>March 31, 2018</u>	<u>For the year ended</u> <u>March 31, 2017</u>
Income		
Interest Earned		
On advances/bills	3254921	3370140
On Investments	1397871	1260532
On balances with RBI and other inter-bank funds	201340	136567
Others	18354	38569
Other Income		
Commission, Exchange and Brokerage	281027	274194
Net Profit on sale of Investments	325295	281940
Net Profit on sale of land, buildings and other assets	260	545
Net Profit on exchange transactions	78572	60557
Income by way of Dividends etc. from subsidiaries companies and / or joint ventures abroad/in India	0	0
Miscellaneous Income	203180	299522
Total Income	<u>5760819</u>	<u>5722566</u>
Expenditure		
Interest Expended		
On Deposits	3058384	3013850
On RBI/ Inter - bank borrowings	58825	29075
Others	235829	229306
Operating Expenses		
Payments to and Provisions for employees	924237	548233
Rent, Taxes and Lighting	74833	70225
Printing and Stationery	9247	9754
Advertisement and Publicity	4801	5593
Depreciation on Bank's property	58103	43044
Directors' fees, allowances and expenses	179	175
Auditors' fees and expenses (including branch auditors)	7815	7112
Law Charges	8661	9101
Postage, Telegrams, Telephones, etc.	17342	17988
Repairs and Maintenance	26638	23676
Insurance	64291	56925
Others	168111	160529



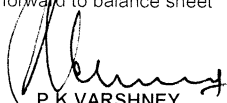
PUNJAB NATIONAL BANK

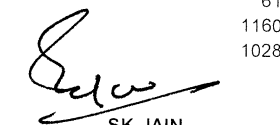
(All amounts in ₹ lac)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Provisions and contingencies		
Provisions for depreciation on Investment	169506	48501
Provision towards non performing assets	2485154	1360185
Provision towards standard assets	(218745)	(121367)
Others (excluding income taxes)	592223	56651
Total expenses and provisions	7745435	5568557
Profit/(loss) before tax	-1984615	154009
Current tax	-16904	214669
Deferred tax	(709278)	(150773)
Profit/(loss) after tax	-1258434	90113
Minority interest/share in earning in associates(net)	45428	28610
Profit/Loss brought forward	109365	69454
Total	-1103641	188178

Appropriations

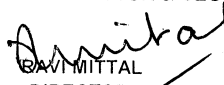
Transfer to Statutory Reserve	2064	37749
Transfer to Other Reserves	-1330775	-40257
Transfer to Government / proposed dividend	6197	691
Balance carried forward to balance sheet	116023	109369
Others	102851	80626


P K VARSHNEY
CHIEF MANAGER

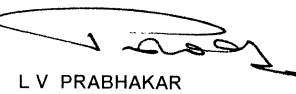

SK JAIN
ASSTT. GENERAL MANAGER

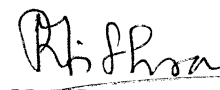

P K SHARMA
GENERAL MANAGER


SUNIL MEHTA
MANAGING DIRECTOR & CEO

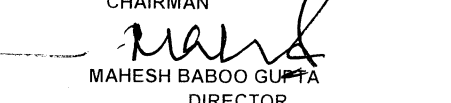

RAVI MITTAL
DIRECTOR

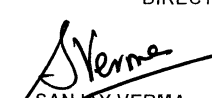

SUDHIR NAYAR
DIRECTOR


L V PRABHAKAR
EXECUTIVE DIRECTOR


DR. RABI N. MISHRA
DIRECTOR


SUNIL MEHTA
CHAIRMAN


MAHESH BABOO GUPTA
DIRECTOR


SANJAY VERMA
DIRECTOR

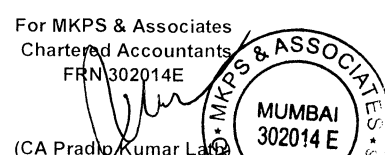
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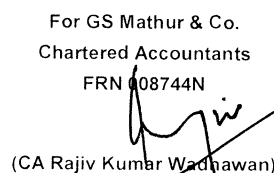
For Suri & Co.
Chartered Accountants
FRN 004283 S

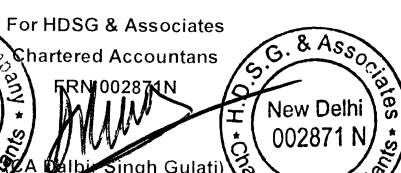
(CA P Venugopal)
Partner
M No. 035034

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Chartered Accountants
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(CA Avadesh Gupta)
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(CA Rajiv Kumar Wadhawan)
Partner
M No. 091007

For HDSG & Associates
Chartered Accountants
FRN 002871 N

(CA Dalbir Singh Gulati)
Partner
M.No. 081024

Date: 15/05/2018
New Delhi



Date: 15/05/2018

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th floor Plot No. C/1,
G Block, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

Dear Sir,

Declaration under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Pursuant to Regulation 33 of Listing Regulations, we hereby confirm and declare that the statutory auditors of the Bank, M/s. Suri & Co., M/s. SPMG & Co., M/s. MKPS & Associates, M/s. G S Mathur & Co. and M/s. HDSG & Associates have issued audit report on the standalone and consolidated financial results of the Bank for the three months and year ended March 31, 2018 with unmodified opinion.

We request you to please take the above on record.

Yours faithfully,



GM & CFO

