

**DRUK PNB BANK LTD**  
**CO: THIMPHU**

**BALANCE SHEET**  
**AS ON**  
**31.03.2021**



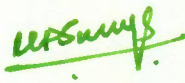
## INDEPENDENT AUDITORS' REPORT

1. We have audited the attached Balance Sheet of Druk PNB Bank Ltd as at **31<sup>st</sup> March, 2021** and Profit & Loss account for the year ended on that date in which we incorporated transactions of Thimphu, Phuentsholing, Wangdue, Gelephu, Paro, Dangdung(Trongsa), Samtse and Bumthang Branches. We have also examined the cash flow annexed to the Balance Sheet for the year on that date. The financial statements are the responsibility of the Bank management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining on test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation.
3. We report that:
  - (i) The Balance Sheet read with the significant Accounting Policies and the notes thereon is a full and fair Balance Sheet containing all necessary particulars and is properly drawn up on so as to exhibit a true and fair view of the affairs of the bank as at 31<sup>st</sup> March, 2021.
  - (ii) The Profit & Loss account read with the significant Accounting Policies and the notes thereon shows a true and fair view of the affairs of the bank as at 31<sup>st</sup> March, 2021 and
  - (iii) The Cash Flow statement gives a true and fair view of the cash flow for the period ended 31<sup>st</sup> March, 2021



4. 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.
5. The transactions of the bank, which have come to our notice, have been within the powers of the Bank.
6. The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

**For , M.P.Sureka & Co.  
Chartered Accountants (FR No.322097E)**



**(M.P.Sureka) (Membership No.050560)  
PARTNER**

**Date: 24.04.2021**

**Place: Thimphu, Bhutan**




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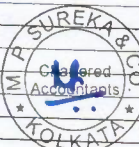
<b>APPROPRIATIONS</b>				
<b>Transfer to Reserves (Net) :</b>				
Statutory Reserve		188,763.00		181,869.00
Capital Reserve - Others		-		-
Investment Fluctuation Reserve		-		-
Other Reserve		-		-
Special Reserve*		-		-
Dividend Including Dividend Tax		6,874.00		2,993.00
Proposed Dividend for 2018-19		-		-
Interim Dividend		-		-
<b>Balance carried over to consolidated Balance Sheet</b>				
	<b>TOTAL</b>	<b>195,637.00</b>		<b>184,862.00</b>
		*****		*****
Earnings per Share (In Rs.) Non-Annualised		2.33		3.93
Accounting Policy & Notes on Accounts	18			

**M.P.Sureka**

**DATE: 24.04.21**



**SURESH KUMAR**  
**CHIEF EXECUTIVE OFFICER**  
**DATE:**

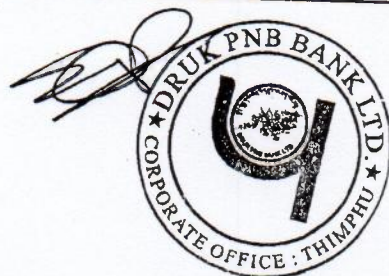


DRUK PNB BANK Ltd., CORPORATE OFFICE, THIMPHU			
SCHEDULES TO THE CONSOLIDATED ACCOUNTS			
NAME OF SUBSIDIARY:-	Druk PNB Ltd		
SCHEDULE 1 - CAPITAL			
			(Rs In Thousand)
	As on 31.03.2021		As on 31.03.2020
Authorised Capital	1,000,000.00		1,000,000.00
Issued & Subscribed	840,002.00		700,000.00
Paid up	840,002.00		700,000.00
TOTAL	840,002.00		700,000.00
SCHEDULE 2 - RESERVES & SURPLUS			
I. Statutory Reserve			
Opening Balance	1,071,842.00		889,973.00
Addition during the year	188,763.00		181,889.00
Add/(Less) : Adjustment during the year	140,002.00		
II. Capital Reserve	1,120,603.00		1,071,842.00
a). Revaluation Reserve			
Opening Balance			
Addition during the year			
Deduction during the year			
(being Depreciation on revalued portion of Property)			
Add/(Less) : Adjustment during the year			
Total			
b. Others			
Opening Balance			
Addition during the year			
Total			
Total (a+b)			
IIA.Capital Reserve on consolidation			
IIIB.Capital Reserve on consolidation (Goodwill)			
Total (II A +IIIB)			



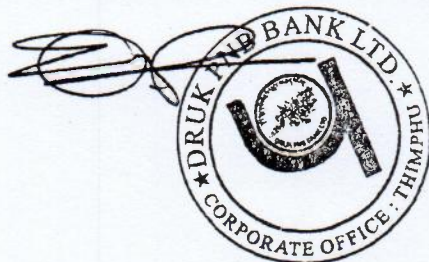


SCHEDULES TO THE CONSOLIDATED ACCOUNTS				
NAME OF SUBSIDIARY:-	Druk PNB Ltd			
				(' Rs In Thousand)
III. Revenue and Other Reserve		As on 31.03.2021		As on 31.03.2020
a. Investment Fluctuation Reserve				
Opening Balance				
Addition during the year				
Less: Trf to P & L Account				
b. Other Reserve				
Opening Balance				
Addition during the year				
Less: Transferred to Special Reserve				
Less: Adjustment related to Prior years				
Less: Transitory Liability (AS-15)				
Less: Payment for interlocked accounts				
Add/(Less) : Adjustment during the year				
c. Exchange Fluctuation Reserve				
Opening Balance				
Add: Addition during the year (Net)		17,537.00		14,544.00
Less: Withdrawn during the year (Net)		6,874.00		2,993.00
Add/(Less) : Adjustment during the year				
Total				
IV. Share Premium		24,411.00		17,537.00
Opening Balance				
Addition during the year		153,151.00		153,151.00
Add/(Less) : Adjustment during the year				
Total				
V. Special Reserve		153,151.00		153,151.00
Opening Balance				
Addition during the year				
Add Transfer from other reserve				
Add/(Less) : Adjustment during the year				
Total				
VI. Foreign Currency Translation Reserve				
Opening Balance				
Addition during the year				
Deduction during the year				
Total				
VII. Balance in Profit & Loss Account				
Total I,II,,III,IV,V,VI, VII		1,298,165.00		1,242,530.00
Schedule 2A - Minority Interest				
Minority Interest at the date on which the parent subsidiary relationship came into existence				
Subsequent Increase				
Minority Interest at the date of balance sheet				





SCHEDULES TO THE CONSOLIDATED ACCOUNTS			
NAME OF SUBSIDIARY:-		Druk PNB Ltd	
SCHEDULE 3 - DEPOSITS		(Rs in Thousand)	
		As on 31.03.2021	As on 31.03.2020
<b>A. I DEMAND DEPOSITS</b>			
(i) From Banks		67,499.00	73,989.00
(ii) From Others		1,334,610.00	962,123.00
		1,402,109.00	1,036,112.00
<b>II SAVINGS BANK DEPOSITS</b>		4,457,548.00	3,642,914.00
<b>III TERM DEPOSITS</b>			
(i) From Banks		1,086,382.00	2,626,230.00
(ii) From Others		8,194,120.00	6,811,605.00
		9,280,502.00	9,437,835.00
<b>TOTAL of I, II, III</b>		15,140,159.00	14,116,861.00
<b>B. (i) Deposits of branches in Bhutan</b>			
(ii) Deposits of branches outside India		15,140,159.00	14,116,861.00
<b>TOTAL of I, II</b>		15,140,159.00	14,116,861.00
<b>SCHEDULE 4 - BORROWINGS</b>			
<b>I. Borrowings in India</b>			
(i) Reserve Bank of India			
(ii) Other Banks			
(iii) Other Institutions and Agencies			
(iv) Unsecured redeemable Bonds			
a) Tier-1 Bonds (Perpetual Debt Instruments)			
b) Upper Tier II Bonds			
c) Subordinated Debts for Tier II Capital		150,000.00	150,000.00
<b>II. Borrowings Outside India</b>			
<b>TOTAL of I, II</b>		150,000.00	150,000.00
<b>Secured Borrowings included in I &amp; II above</b>			
<b>SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS</b>			
<b>I. Bills payable</b>		105,852.00	108,694.00
<b>II. Inter-office adjustments (net)</b>		54,914.00	16,132.00
<b>III. Interest accrued</b>		325,100.00	275,831.00
<b>IV. Deffered Tax Liability</b>			
<b>V. Others (including Provisions)</b>		534,382.00	484,280.00
<b>TOTAL OF I, II, III, IV</b>		1,020,248.00	884,937.00





NAME OF SUBSIDIARY:-		SCHEDULES TO THE CONSOLIDATED ACCOUNTS	
		Druk PNB Ltd	
SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA			
		( ' Rs In Thousand)	
		As on 31.03.2021	As on 31.03.2020
I. Cash in hand ( Including Foreign Currency Notes)		174,580.00	138,890.00
II. Balance with Reserve Bank of India			
(I) in Current account		2,883,029.00	1,895,939.00
(II) in Other Accounts		2,883,029.00	1,895,939.00
TOTAL OF I, II		3,057,609.00	2,034,829.00
SCHEDULE 7- BALANCES WITH BANKS & MONEY AT CALL & SHORT NOTICE			
I. In Bhutan			
(I) Balance with Banks:			
(a) In Current accounts			
(b) In Other Deposit accounts			
(II) Money at Call and Short Notice:			
(a) with Banks			
(b) with Other Institutions			
TOTAL ( I & II )			
II. Outside Bhutan			
(i) In Current accounts			
(ii) In Other Deposit accounts			
(iii) Money at Call & Short Notice			
TOTAL			
GRAND TOTAL ( I & II )			



SCHEDULES TO THE CONSOLIDATED ACCOUNTS				
NAME OF SUBSIDIARY:-	Druk PNB Ltd			
<b>SCHEDULE 8 - INVESTMENTS</b>				(Rs in Thousand)
		As on 31.03.2021		As on 31.03.2020
<b>I. Investments in India in</b>				
(i) Government Securities		-		
(ii) Other approved securities		-		
(iii) Shares		-		
(iv) Debentures and Bonds		-		
(v) Investment in Associates (on equity method)		-		
(vi) Others				
(Initial Capital in UTI and its units- 64 :				
(Various Mutual Funds & Commercial Paper etc.)				
<b>TOTAL of I</b>		-		-
<b>II. Investments outside India</b>				
(i) Government Securities		-		
(ii) Investment in Subsidiaries & JVs abroad		-		
(iii) Other investments		-		
<b>TOTAL of II</b>		-		-
<b>III. Investments in India</b>				
(i) Gross value of Investments		-		
(ii) Less: Aggregate of Provisions for Depreciation		-		
(iii) Net Investment				
<b>IV. Investments outside India</b>				
(i) Gross value of Investments		1,668,251.00		2,795,798.00
(ii) Less: Aggregate of Provisions for Depreciation				
(iii) Net Investments		1,668,251.00		2,795,798.00
<b>GRAND TOTAL of (I), (II)</b>		1,668,251.00		2,795,798.00





SCHEDULES TO THE CONSOLIDATED ACCOUNTS			
NAME OF SUBSIDIARY:-	Druk PNB Ltd		
SCHEDULE 9 - ADVANCES			(Rs in Thousand)
	As on 31.03.2021		As on 31.03.2020
A. I) Bills Purchased and discounted			
II) Cash Credits, overdrafts and loans repayable on demand	4,554,421.00		4,105,795.00
III) Term Loans	8,105,552.00		7,121,241.00
Total	12,659,973.00		11,227,036.00
B. I) Secured by Tangible Assets (including advances against book debts)	12,536,427.00		11,106,034.00
II) Covered by Bank/Govt. Guarantees			
III) Unsecured	123,546.00		121,002.00
Total	12,659,973.00		11,227,036.00
C. (I) Advances in India			
I) Priority Sector			
II) Public Sector			
III) Banks			
IV) Others			
Total			
C. (II). Advances outside India			
I) Due from banks			
II) Due from others			
(a) Bills purchased & discounted			
(b) Term Loans	8,105,552.00		7,121,241.00
(c) Others	4,554,421.00		4,105,795.00
Total	12,659,973.00		11,227,036.00
GRAND TOTAL of C (I) & C (II)	12,659,973.00		11,227,036.00

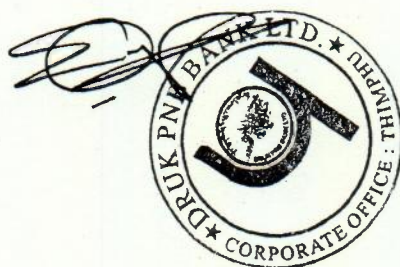


SCHEDULES TO THE CONSOLIDATED ACCOUNTS			
NAME OF SUBSIDIARY:-	Druk PNB Ltd		
SCHEDULE 10 - FIXED ASSETS			(Rs In Thousand)
	As on 31.03.2021	As on 31.03.2020	
I. Premises (Including Land)			
-At cost as on 1st April of the year			
-Additions during the year			
Less: Deductions during the year			
-Revaluation			
Less: Depreciation to date			
II. Other Fixed Assets (Including furniture & fixtures)			
-At cost as on 1st April of the year	233,672.00		210,834.00
-Revaluation due to exchange rate fluctuation			
-Additions during the year	3,552.00		
Less: Deductions during the year	3,925.00		22,838.00
Less: Depreciation to date	170,868.00		155,197.00
	62,431.00		78,475.00
III. Computer Software			
-At cost as on 1st April of the year			
-Revaluation due to exchange rate fluctuation			
-Additions during the year			
-Deductions during the year			
Less: Amortised to date			
IV. Leased Assets			
-At cost as on 1st April of the year	4,461.00		4,461.00
-Additions during the year			
-Deductions during the year	4,461.00		
Less: Amortised to date			4,461.00
TOTAL OF I, II, III, IV	62,431.00		78,475.00

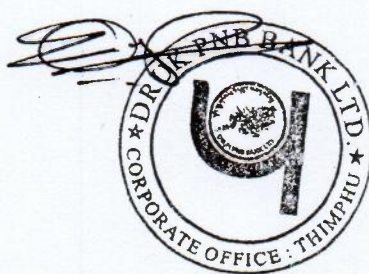




SCHEDULES TO THE CONSOLIDATED ACCOUNTS			
NAME OF SUBSIDIARY:-		Druk PNB Ltd	
			(Rs in Thousand)
<b>SCHEDULE 11 - OTHER ASSETS</b>		As on 31.03.2021	As on 31.03.2020
I. Inter-office Pre Adjust(net)			
I. Interest accrued		30,752.00	30,496.00
II. Tax paid in advance/tax deducted at source (net of provisions)			
III. Stationery and Stamps		2,086.00	3,154.00
IV. Non Banking assets acquired in satisfaction of claims			
V. Deferred Tax asset (net)		24,983.00	536.00
VI. Others		115,488.00	133,323.00
TOTAL of I, II, III, IV, V, VI		173,289.00	167,509.00
		*****	*****
<b>SCHEDULE 12 - CONTINGENT LIABILITIES</b>			
I. (I) Claims against the Bank(Group) not acknowledged as debts			
I (II). Disputed income tax and interest tax demands under appeal, references, etc.			
II. Liability for partly paid investments			
III. Liability on account of outstanding forward exchange contracts			
IV. Guarantees given on behalf of constituents			
(a) In India		763,924.00	682,145.00
(b) Outside India		2,156,263.00	1,960,917.00
V. Acceptance, Endorsements and Other obligations		513,340.00	262,945.00
VI. Other items for which the Bank (Group) is contingently liable			
TOTAL of I, II, III, IV, V, VI		3,433,527.00	2,906,007.00
		*****	*****

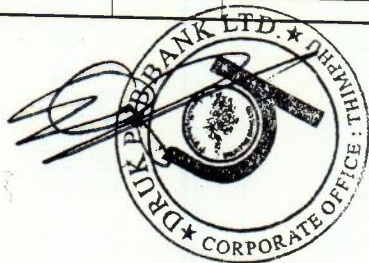


SCHEDULES TO THE CONSOLIDATED ACCOUNTS			
NAME OF SUBSIDIARY:-	Druk PNB Ltd		
			(Rs in Thousand)
<b>SCHEDULE 13 - INTEREST AND DIVIDENDS EARNED</b>			
	Period Ended		Period Ended
	'As on 31.03.2021		31.03.2020
I. Interest/discount on Advances/Bills	1,025,900.00		1,022,092.00
II. Income on Investments	84,226.00		98,609.00
III. Intt on balances with Reserve Bank of India & other inter-bank funds			
IV. Others			
<b>TOTAL of I, II, III, IV</b>	<b>1,110,126.00</b>		<b>1,120,701.00</b>
	=====		=====
<b>SCHEDULE 14 - OTHER INCOME</b>			
I. Commission, Exchange & Brokerage	108,669.00		111,244.00
II. Profit on sale of land, buildings and other assets			
Less: Loss on sale of land, buildings and other assets			
	108,669.00		111,244.00
III. Dividend Income from Mutual Fund			
IV. Profit on Exchange Transaction	27,498.00		16,496.00
Less: Loss on Exchange Transaction			
	27,498.00		16,496.00
V. Profit on sale of Investments			
Less: Loss on sale of Investments			
VI. Profit on Revaluation of Investments			
Less: Loss on Revaluation of Investments			
VII. Income earned by way of dividends			
VIII. Miscellaneous Income	608.00		594.00
<b>TOTAL of I, II, III, IV, V, VI, VII, VIII</b>	<b>136,775.00</b>		<b>128,334.00</b>
	=====		=====





SCHEDULES TO THE CONSOLIDATED ACCOUNTS			
NAME OF SUBSIDIARY:-	Druk PNB Ltd		
			(Rs In Thousand)
<b>SCHEDULE 15 - INTEREST EXPENDED</b>	Period Ended 'As on 31.03.2021	Period Ended 31.03.2020	
I. Interest on Deposits	739,084.00	606,996.00	
II. Interest on Reserve Bank of India/ inter-bank borrowings			
III. Others			
<b>TOTAL of I, II, III</b>	<b>739,084.00</b>	<b>606,996.00</b>	
<b>SCHEDULE 16 - OPERATING EXPENSES</b>			
I. Payment to and provisions for employees	104,010.00	103,078.00	
II. Rent, Taxes and Lighting	17,355.00	16,451.00	
III. Printing & Stationery	2,400.00	1,998.00	
IV. Advertisement & Publicity	305.00	3,187.00	
V. Depreciation on bank's property Less: Adjusted with Revaluation Reserve	15,671.00	13,639.00	
	15,671.00	13,639.00	
VI. Directors' Fees, allowances and expenses	-	-	
VII. Auditors' fees and expenses (including statutory auditor of subsidiaries, branch auditors' fees & expenses)	-	-	
VIII. Law charges	235.00	1,018.00	
IX. Postage, Telegrams, Telephones, etc.	17,450.00	15,741.00	
X. Repairs & Maintenance	7,140.00	8,345.00	
XI. Insurance	1,281.00	1,552.00	
XII. Other expenditure	75,194.00	45,294.00	
<b>TOTAL of I to XII</b>	<b>241,041.00</b>	<b>210,303.00</b>	
<b>SCHEDULE 17 - SHARE OF EARNINGS/LOSS IN ASSOCIATES</b>			
(a) Share of Earnings in Associates in India			
(b) Share of Earnings in Associates outside India			
<b>TOTAL of (a &amp; b)</b>			



## SCHEDULE 18: NOTES ON ACCOUNTS

1. Druk PNB Bank Limited was incorporated under the Companies Act of Bhutan 2000 jointly by the Punjab National Bank, a Commercial Bank registered in India and Bhutanese promoters, wherein Punjab National Bank participated in Equity Share capital to the extent of 51% as per the Joint Venture Agreement.

- Druk PNB Bank Limited does not have any subsidiary.
- Druk PNB Bank Limited does not have any associates.

### 2. The break-up of Capital Reserve/Goodwill:

Particulars	As on 31.03.2021
Goodwill	NIL
Capital Reserve	213.82 Crore
Goodwill (Net)	NIL
Capital Reserve on consolidation	213.82 Crore

2.1 Perpetual bonds / subordinated debt raised as Tier I and Tier II Capital –Bank has received Nu. 150 million from the Ministry of Finance, RGoB on 9th April, 2014 in the form of subordinated debt (1,50,000 scripts of subordinated bonds at face value of Nu. 1,000/- each) having maturity of 10 years and coupon rate of 6%, payable annually. These perpetual bonds / subordinated debts were raised as Tier II Capital by the Bank during 2014.

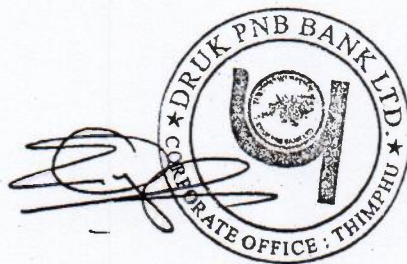
3. The Accounting Year of the Bank is from January to December as per provisions of the Bhutan laws. Figures pertaining to Income & Expenditure for the period 1st April'20 to 31st March'21 have been derived from books of accounts of the year 2020 and 2021 ( up to 31st March) for the purpose of preparation of these accounts. No significant discrepancies, which may have consequential impact on profitability, arose in course of such derivation process.

### 4. Disclosure:

4.1 (a) AS 5 – There were no material prior period income / expenditure items that required disclosure.

(b) AS 5 – There have been no changes in the accounting policies during the year.

4.2 AS 10 – Depreciation accounting – break up of total depreciation for the year





Particulars (Class of Assets)	Year ended 31.03.2021 (Amt. in INR – Crore)
Premises	0.00
Other Fixed Assets	1.57
Leased Assets	0.00
Computer Software	0.00
<b>Total</b>	<b>1.57</b>

#### 4.3 AS 9 – Revenue Recognition:–

- Income / Expenditure (other than items referred to in paragraph 11.3) are generally accounted for on accrual basis.
- Income on non-performing assets is recognized on realization as per RBI guidelines. Commission (excluding on Government business), interest on overdue bills, exchange, locker rent, income from merchant banking transactions, dividend income and insurance claims are accounted for on realization / settlement.

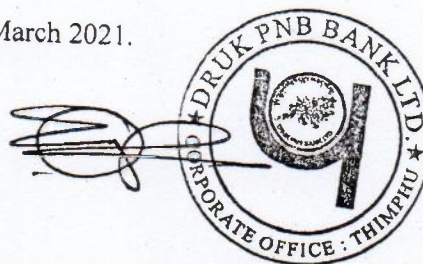
#### 4.4 AS 11 – Movement of Exchange Fluctuation Reserve

Particulars	Amount (Rs. In Crore)
Balance as at 01.04.2020	1.75
Created during the period 01.04.2020 to 31.03.2021	0.69
Withdrawn during the period	0.00
Balance as at 31.03.2020	2.44

#### 4.5 AS 15 – Employee benefits(Provident Fund, Gratuity & Other benefits) :

- Provident fund is a defined contribution scheme as the Bank pays fixed contribution at pre-determined rates. The obligation of the Bank is limited to such fixed contribution. The contributions are charged to Profit & Loss account.
- Gratuity liability with respect to national employees only provided for on the basis of assumption that all employees cease to be employed on 31<sup>st</sup> March'2021. The scheme is not funded by the Bank.
- Other employee benefits such as Leave Travel concession (LTC), Leave Encashment etc. are provided on cash basis.

#### 4.6 AS 19- Financial Leases as at 31<sup>st</sup> March 2021.



- Operating Leases paid during the FY 2020-21: Rs. 184.15 lakhs.

4.7 AS 22- Provision for income tax has been made as per the Income Tax Act of the kingdom of Bhutan . The actual tax liability with reference to the profit earned in the accounting year ended 31<sup>st</sup> December 2020 has been ascertained and paid. Tax liability which may accrue as per Income Tax Act of India has not been considered. Deferred tax assets/liabilities have not been ascertained.

4.8 AS 28 –Impairment of Assets - In the opinion of the Bank, there is no impairment of its assets as on 31<sup>st</sup> March'2021.

5. These accounts have been prepared as per practices and procedures followed by Punjab National Bank except otherwise stated elsewhere.

6. Advances are classified as performing and non-performing assets; provisions are made in accordance with prudential norms prescribed by RBI, advances are stated at total outstanding.

7. Financial assets sold are recognized as under:

a) In case the sale is at lower than the net book value (NBV) the shortfall is charged to the Profit & Loss account.

b) The case the sale is at a price higher than the NBV, the surplus provision is retained to meet shortfall/loss on account of sale of other non-performing financial assets.

8. Fixed Assets have been marked by specific identification number and noted in the Fixed Assets register.

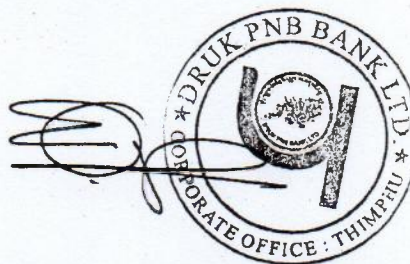
9. Physical verification of the Fixed Assets has been done during the year.

10. Management expenses include:

Managerial remuneration paid/payable to the Managing Director (Chief Executive Officer) for the period 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021.

	Particulars	Amount (In local currency – Nu)
1	Remuneration	36,10,730.92
2	Other benefits (Income tax, Health contribution and sitting fees)	9,21,476.81

11. Statutory Liquidity Ratio as at 31/03/2021 – 24.04%





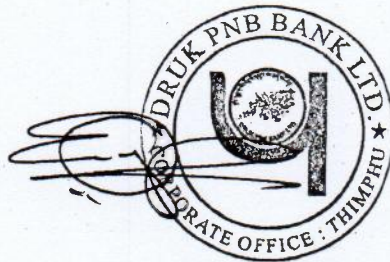
**12. Capital**

		(Rs. In crores)	
	Items	31.03.2020	31.03.2021
i)	CRAR (%) (BASEL – I)	14.30 %	22.22
ii)	CRAR – Tier – I Capital (%) (BASEL – I)	12.64 %	17.78
iii)	CRAR – Tier – II Capital (%) (BASEL – I)	1.66 %	3.44
iv)	CRAR (%) (BASEL – II)	16.38 %	17.87
v)	CRAR – Tier – I Capital (%) (BASEL – II)	14.81 %	14.77
vi)	CRAR – Tier – II Capital (%) (BASEL – II)	1.58 %	3.10
vii)	% of shareholding of GOI in the Bank	NIL	NIL
viii)	Amount of subordinated debts raised as Lower Tier – II Capital during the year	NIL	NIL
ix)	Amount of subordinated debts raised as Upper Tier – II Capital during the year	NIL	NIL
x)	Amount of perpetual bonds raised as Tier – I Capital during the year	NIL	NIL

**13. Asset Quality (Non-performing Assets)**

(Rs. In crores)

	Items	31.03.2020	31.03.2021
i)	Net NPAs to net Advances (%)	7.09 %	3.75 %
ii)	Movement of NPAs (Gross)		
	Opening balance as on (01.04.2020/2021)	22.75	99.46
	Additions during the year	90.98	9.72
	Reductions during the year	14.27	43.04
	Closing balance as on (31.03.2020/2021)	99.46	66.14
iii)	Movement of net NPAs		
	Opening balance as on (01.04.2020/2021)	11.40	77.30
	Additions during the year	78.06	7.22
	Reductions during the year	12.17	38.25
	Closing balance as on (31.03.2020/2021)	77.29	46.27
iv)	Movement of provision for NPAs		
	Opening balance as on (01.04.2020/2021)	11.35	22.16
	Additions during the year	13.92	2.50
	Reductions during the year	3.11	4.79
	Closing balance as on (31.03.2020/2021)	22.16	19.87
v)	Provisioning Coverage Ratio	22.28 %	30.04 %





**14. Provisions on Standard Assets**

(Rs. in crores)

Items	31.03.2020	31.03.2021
Provided during the year	1.19	0.87
Cumulative Balance (included under – “Other Liabilities & Provisions”)	5.75	11.38

**15. Business Ratios**

(Rs. in crores)

Items	31.03.2020	31.03.2021
I Interest income as a percentage to working funds	30.25 %	6.02 %
II Non-interest income as a percentage to working funds	3.46 %	0.74 %
III Operating profit as a percentage to working funds	1.54 %	1.51 %
IV Return on Assets	1.08 %	1.06 %
V Business per employee (Rs. In Lacs)	1934.65 Lac	2029.21Lacs
VI Profit per employee (Rs. In Lacs)	20.16 Lac	14.28 Lac

**16. Exposure to Real Estate Sector**

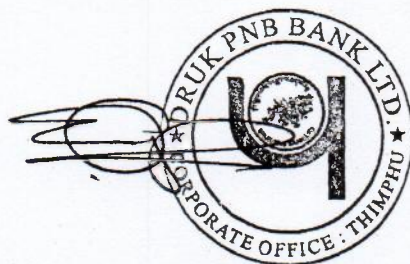
(Rs. in crores)

Category	31.03.2020	31.03.2021
(A) Direct Exposure		
i. Residential Mortgages	13.46	16.44
ii. Commercial Real Estate	277.84	305.27
iii. Investment in mortgage backed securities and other securities exposures	Nil	Nil
(B) Indirect Exposure	Nil	Nil

**17. Exposure to Capital Market**

(Rs. in crores)

Particulars	31.03.2020	31.03.2021
i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debts	NIL	NIL
ii) Advances against shares/Bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPO/ESOPs) convertible bonds, convertible debentures and units of equity oriented mutual funds	NIL	NIL
iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary securities	31.30	29.28





	Particulars	31.03.2020	31.03.2021
iv)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds where the primary securities other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	NIL	NIL
v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers	NIL	NIL
vi)	Loans sanctioned to corporate against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoters contribution to the equity of new companies in anticipation of raising resources	NIL	NIL
vii)	Bridge loans to companies against expected equity flows/issues	NIL	NIL
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	NIL	NIL
ix)	Financing to stock brokers for margin trading	NIL	NIL
x)	All exposures to Venture Capital funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the Capital market exposure ceilings (both direct and indirect)	NIL	NIL
	Total exposure to Capital market	31.30	29.28

#### 18. Details of Single borrower limit exceeded by the bank

The bank has not exceeded prudential exposure ceiling in respect of any group exposure account. However, the exposure ceiling stipulated for individual borrowers at 25% of capital fund has been exceeded in the following individual account by ..... crores

Position as on 31.03.2021

Sl	Name of borrower	Limit Sanctioned Fund Base	Limit Sanctioned NFB	O/s FB	O/s NFB
		NIL			

#### 19. Unsecured advances

Total amount of unsecured advances aggregate to Rs. 12.35 Crores

20. Previous figures are regrouped and rearranged wherever deemed necessary



**Additional Information (Annex-II)**

Rs. In '000

Name of Subsidiary : Druk PNB Bank Ltd , Bhutan on 31.03.2021

S.No	Particulars	
1	Type of Business	Banking
2	Relationship with Parent	Subsidiary
3	Regulator	Royal Monetary Authority
4	Shareholding Pattern	PNB 51 % , Others 49 %
5	Total Asset	18,448,574
6	Capital & Reserve	2,138,167
7	Risk Weighted Assets	
8	Capital Adequacy Ratio	
9	Total Deposit	15,140,159
10	Total Borrowing	
11	Total Advances (Gross)	12,659,973
12	Total Non-performing Advances (Gross)	661,451
13	Total Investment (Book Value)	1,668,251
14	Total Investment (Market Value)	1,668,251
15	Total Non-performing Investment (NPI)	0
16	Total Non-performing Asset (Adv+Inv)	661,451
17	Total Debt Securities	
18	Share & Other Equity	
19	Provision held for NPA	198,754
20	Provision held for NPI	0
21	Profit before tax	279,482
22	Profit after tax	195,637
23	Return on Assets	1.06%
24	Return on Equity	9.15%
25	Total off-balance sheet exposure	3,433,527
26	Total Dividend paid	0

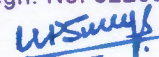
  
DVP  
(AFD)

  
Druk PNB Bank Ltd  
Chief Executive Officer  
Bhutan



**Auditor**

For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E

  
M. P. SUREKA  
Partner  
(M. No. 50560)



As at 31.03.2021

Details of Subsidiaries :- Druk PNB Bank Ltd

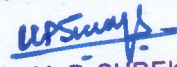
SN	Name of Subsidiary/Associates	Type of Business	Relation with Parent	Name of Regulator	Proportion of ownership percentage
1	DRUK PNB BANK LTD	Banking	Subsidiary	RMA	51%

  
AFD



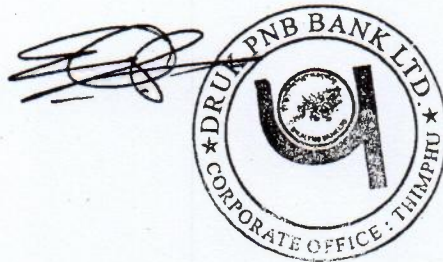
Statutory Auditor

For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E

  
M. P. SUREKA  
Partner  
(M. No. 50560)

# PUNJAB NATIONAL BANK

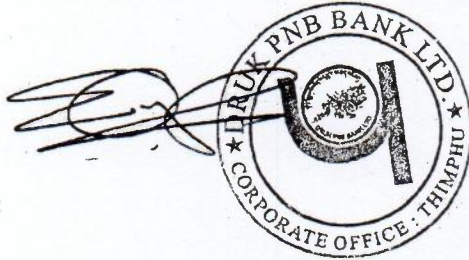
S.No	Name of the Particular Asset Head	Brief Description of the Assets	Amount as on		Transaction with (member of the Group)
			Current Year	Last Year	
1	Balance with PNB in Current A/c	PNB	56867377	340836	
2	CA with PNBIL	GBP	2932411	460882	
3		EURO	7668974	201045	
4	CA with PNB Hongkong	USD	90079059	764228	





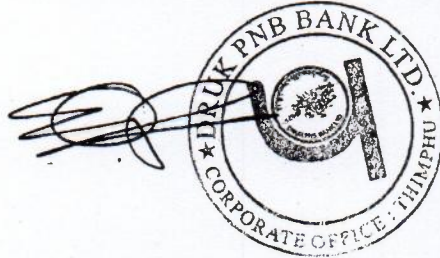
# PUNJAB NATIONAL BANK

S.No	Name of the Particular Asset Head	Brief Description of the Assets	Amount as on		Transaction with (member of the Group)
			Current Year	Last Year	
1	NIL	NIL	NIL	NIL	NA
2					
3					
4					
5					



# PUNJAB NATIONAL BANK

S.No	Name of the Particular Asset Head	Brief Description of the Assets	Amount as on		Transaction with (member of the Group)
			Current Year	Last Year	
1	NIL	NIL	NIL	NIL	NA
2					
3					





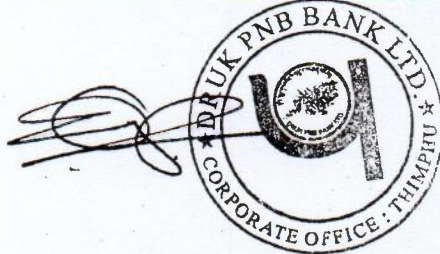
# PUNJAB NATIONAL BANK

S.No	Name of the Particular Asset Head	Brief Description of the Assets	Amount as on		Transaction with (member of the Group)
			Current Year	Last Year	
1	Out sourcing of Services	Payment to PNB for use of Data Cen	10356696	10356 595	
2					
3					
4					



# PUNJAB NATIONAL BANK

S.No	Contingent Liability Item in the Financial Statements of the Subsidiary	Brief Description	Amount as on	
			Current Year	Last Year
1	Guarantees given on behalf of	in Bhutan	763924349.49	1050749876.66
2				
3				

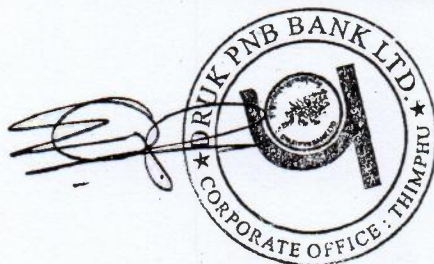




# PUNJAB NATIONAL BANK

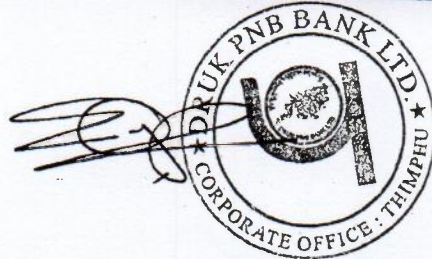
## PUNJAB NATIONAL BANK ACCOUNTING POLICY

		Adjustment in other Income	Adjustment in Operating Expenses	Adjustment in Provision & Contingencies	Direct Adjustment to Reserve (Opening)
		Consolidation Adjustments			
a.	Provision for Depreciation on Investments	XXXXX	XXXXX	(a) NIL	(b)
b.	Depreciation on Fixed Assets	XXXXX	nil	XXXXX	(d)
c.	Provision for Bad debts	XXXXX	XXXXX	-22939925.89	(f)
d.	Foreign Currency Translation	27498397.9	XXXXX	XXXXX	(h)
e.	Dividend Income	0	XXXXX	XXXXX	(j)
f.	Provision for Standard Assets	XXXXX	XXXXX	8749140.49	(l)
g.	Retirement Benefits	XXXXX	nil	XXXXX	(n)
h.	Any other Provision/adjustment due to change in Significant accounting policies of the subsidiary & parent	XXXXX	XXXXX	Nil	(p)
i.	Total CFS Adjustments (sum of rows from a to h)				



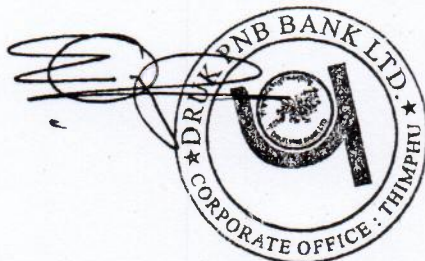
# PUNJAB NATIONAL BANK

		Adjustment in Reserves & Surplus	Adjustment in Other Liabilities	Adjustment in Investments	Adjustment in Fixed Assets	Adjustment in Advances	Adjustment in *
		Consolidation Adjustments					
a.	Provision for Depreciation on Investments	NIL	XXXXXX	NIL	XXXXXX	XXXXXX	XXXX
b.	Depreciation on Fixed Assets	NIL	XXXXXX	XXXXXX	NIL	XXXXXX	XXXX
c.	Provision for Bad debts	NIL	XXXXXX	XXXXXX	XXXXXX	NIL	XXXX
d.	Foreign Currency Translation	NIL	XXXXXX	XXXXXX	XXXXXX	NIL	XXXX
e.	Dividend Income	NIL	XXXXXX	XXXXXX	XXXXXX	NIL	XXXX
f.	Provision for Standard Assets	NIL	NIL	XXXXXX	XXXXXX	XXXXXX	NIL
g.	Retirement Benefits	NIL	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXX
h.	Any other Provision/adjustment due to change in Significant accounting policies of the subsidiary & parent	NIL	XXXXXX	XXXXXX	XXXXXX	XXXXXX	NIL
i.	Total CFS Adjustments (sum of rows from a to h)						



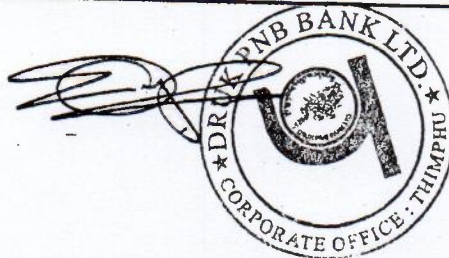


PUNJAB NATIONAL BANK				
SIGNIFICANT ACCOUNTING POLICIES				
			Amount as on	
			Current Year	Last Year
			Col 1.	Col 2.
A.	Carrying Value of Investments (including securities held as stock in Trade) as per audited Balance sheet of the Subsidiary			
i.	Under the head Investments		NIL	NIL
ii.	As "stock in Trade" or any other head		NIL	NIL
	Total of A	(i+ii)		
B.	Carrying value of Investment for CFS (as per Significant Accounting Policy of the PNB)			
B1.	Investments in India in:			
	i) Govt. Securities		NIL	NIL
	ii) Other approved Securities		NIL	NIL
	iii) Shares		NIL	NIL
	iv) Debentures and Bonds		NIL	NIL
	v) Subsidiaries and/or Joint ventures		NIL	NIL
	vi) Others (Units, Mutual funds etc.)		NIL	NIL
	Total of B-1	(i+ii+iii+iv+v+vi)		
B2.	Investments outside India in:			
	i) Govt. Securities including Local Authorities		NIL	NIL
	ii) Subsidiaries and/or Joint ventures abroad		NIL	NIL
	iii) Other investments (shares, debenture etc.)		NIL	NIL
	Total of B-2	(i+ii+iii)		
	Total of B	B1 + B2		
C	CFS Impact on Investments & Reserves	A-B		
D	CFS Impact on P& L A/c for 2006-07	Col 2. minus Col 1. of Row C		



# PUNJAB NATIONAL BANK

			Amount as on	
			Current Year	Last Year
A.	INVESTMENTS IN INDIA:			
i.	Gross Value of Investments		NIL	NIL
ii.	Aggregate of Provision for Depreciation		NIL	NIL
iii.	Net Investment	(i-ii)		
B.	INVESTMENTS OUTSIDE INDIA:			
i.	Gross Value of Investments		NIL	NIL
ii.	Aggregate of Provision for Depreciation		NIL	NIL
iii.	Net Investment	(i-ii)		





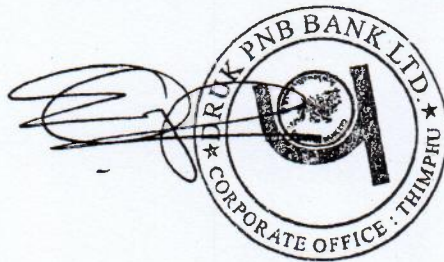
# PUNJAB NATIONAL BANK

VALUATION AS PER BOOKS OF SUBSIDIARY					
VALUATION AS PER RBI NORMS					
	CATEGORY	VALUATION AS PER BOOKS OF SUBSIDIARY		VALUATION AS PER RBI NORMS	
		Current Year	Last Year	Current Year	Last Year
A.	HELD TO MATURITY				
1					
2					
3					
B.	HELD FOR TRADING				
1					
2					
3					
C.	AVAILABLE FOR SALE				
1					
2					
3					



# PUNJAB NATIONAL BANK

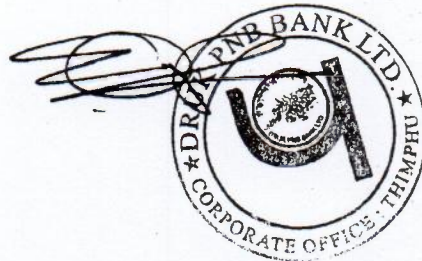
		Amount as on	
		Current Year	Last Year
		Col 1.	Col 2.
1	PREMISES (LAND & BUILDING)		
A.	Total Depreciation to date as per audited balance sheet of Subsidiary (accumulated depreciation)		
B.	CFS Depreciation (Accumulated) (as per Significant Accounting Policy of the PNB)	170868032.4	155196740.8
C.	CFS impact on Fixed Assets & Reserve	A-B	
D.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row C	
2	OTHER FIXED ASSETS (INCLUDING FURNITURE & FIXTURES)		
E.	Total Depreciation to date as per audited balance sheet of Subsidiary (accumulated depreciation)		
F.	CFS Depreciation (Accumulated) (as per Significant Accounting Policy of the PNB)		
G.	CFS impact on Fixed Assets & Reserve	E-F	
H.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row G	
3	LEASED ASSETS		
I.	Total Depreciation to date as per audited balance sheet of Subsidiary (accumulated depreciation)		
J.	CFS Depreciation (Accumulated) (as per Significant Accounting Policy of the PNB)	4461530	4461530
K.	CFS impact on Fixed Assets & Reserve	I-J	
L.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row K	
4	SOFTWARE CAPITALIZED		
M.	Total Depreciation to date as per audited balance sheet of Subsidiary (accumulated depreciation)		
N.	CFS Depreciation (Accumulated) (as per Significant Accounting Policy of the PNB)	0	0
O.	CFS impact on Fixed Assets & Reserve	M-N	
P.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row O	





# PUNJAB NATIONAL BANK

			Amount as on	
			Current Year	Last Year
			Col 1.	Col 2
A.	Total Provision held, if any, in the audited balance sheet of the Subsidiary		0	0
B.	CFS Provision for Bad Debts (As per Master Circular issued by RBI on Income Recognition dated 02.07.2007)		0	0
C.	CFS impact on Advances	A-B		
D.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row C		



# PUNJAB NATIONAL BANK

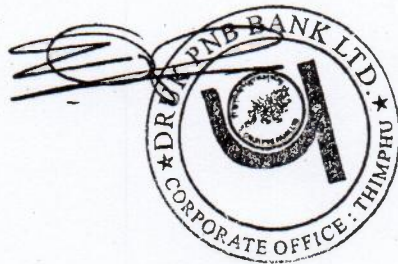
			Amount as on	
			Current Year	Last Year
			Col 1.	Col 2.
A.	i) Bills Purchased and Discounted			0
	ii) Cash Credits, Overdrafts and loans repayable on demand		4554420949	4105795448
	iii) Term Loan		8105552352	7121241259
	Total	(i+ii+iii)		
B.	i) Secured by Tangible Assets (Includes advances against Book Debts)		12536427758	11106034341
	ii) Covered by Bank/Govt. Guarantee			
	iii) Unsecured		123545543	121002366.7
	Total	(i+ii+iii)		
C.	I. Advances in India			
	i) Priority Sector			
	ii) Public Sector			
	iii) Banks			
	iv) Others			
	C(I) Total	(i+ii+iii+iv)		
	II. Advances outside India			
	a) Due from Banks			
	b) Due from Others	(i+ii+iii)		
	i) Bills Purchased & Discounted			
	ii) Term Loans		8105552352	7121241259
	iii) Others		4554420949	4105795448
	C(II) Total	(a)+(b)		
	GRAND TOTAL	C(I)+C(II)		





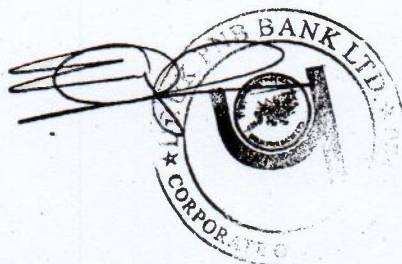
# PUNJAB NATIONAL BANK

		Amount as on	
		Current Year	Last Year
		Col 1.	Col 2.
As per Balance Sheet of the Subsidiary			
Schedule No.	Item Description	0	0
	Total (X)		
Less:	i) Provision as per BS of the Subsidiary (if not netted above)		
	ii) CFS Adjustment for Provision (as per Row C of Annexure XV-A)		
	Total (Y)		
	Net Advances as per Schedule 9 of the CFS format (X - Y) (Should Tally with the Grand Total of Annexure XV-B)		



# PUNJAB NATIONAL BANK

A.	Net Translation gains taken to P&L A/c by Subsidiaries till 31.03.(Current Year)	0
B.	Net Translation gains taken to P&L A/c by Subsidiaries till 31.03. (Last Year)	0
C.	CFS Adjustment to Reserve	0
D.	CFS Adjustment to Other Liabilities	0
E.	CFS Adjustment to P&L Account	





# PUNJAB NATIONAL BANK

		Current Year
A.	Dividend income accounted during the year as per the audited P&L	0
B.	Add: Accrued Dividend as at March (Last Year)	0
C.	Less: Accrued dividend as at March (Current Year)	0
D.	Dividend Income as per CFS Policy i.e. on cash basis	
E.	CFS Adjustment to P&L Account	
F.	CFS adjustment to Reserves & Surplus	
G.	CFS adjustment to Assets (*)	



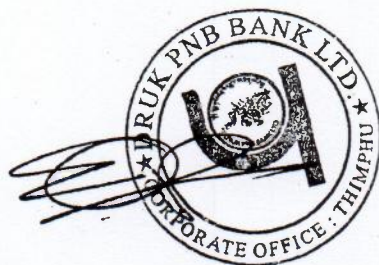
# PUNJAB NATIONAL BANK

			Amount as on	
			Current Year	Last Year
			Col 1.	Col 2.
A.	Total Provision held, if any, in the audited balance sheet of the Subsidiary			
B.	CFS Provision for Standard Assets (As per Master Circular issued by RBI on Income Recognition)		113798728.3	105049587.8
C.	CFS impact on Other Liabilities	B-A	113798728.3	105049587.8
D.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row C		



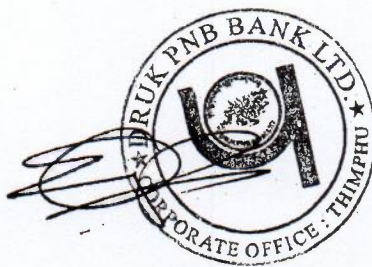


PUNJAB NATIONAL BANK			
Amount as on			
		Current Year	Last Year
		Col 1.	Col 2.
A.	Total expenditure booked on accounting of Retirement Benefits if any, in the audited balance sheet of the Subsidiary		
B.	CFS accounting of Retirement Benefits as per Revised AS-15	17140338	15655540
C.	CFS impact on Liabilities (*)	0	0
D.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row C	



# PUNJAB NATIONAL BANK

			Amount as on	
			Current Year	Last Year
			Col 1.	Col 2.
A.	Total provision/adjustments due to change in Significant accounting policies of the subsidiary & parent		0	0
B.	CFS amount		0	0
C.	CFS impact on Liabilities/Assets (*)	B-A		
D.	CFS impact on P&L account for the year	Col. 2 minus Col 1 of Row C		

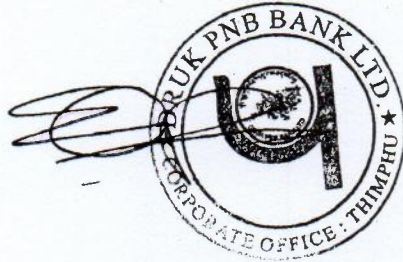




# PUNJAB NATIONAL BANK

We certify that Accounting Standard-22 (AS-22) on accounting for Income Taxes issued by the Institute of Chartered Accountants of India (ICAI), have been followed. The amount of Deferred Tax Assets, Deferred Tax Liabilities for the year are given below:-

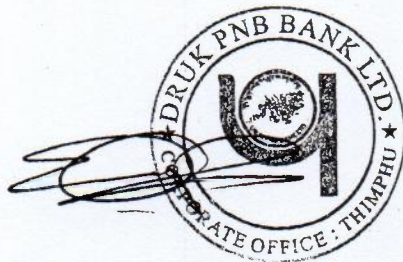
			Amount as on	
			Current Year	Last Year
			Col 1.	Col 2.
A.	Deferred Tax Assets			
i.	Provision for Bad & Doubtful Debts		198754037.9	221693963.8
ii.	Provision for Restructured Account		0	0
iii.	Statutory Liability		83844526.14	79226870.89
iv.	Provision for leave encashment			0
v.	Provision for Pension & Gratuity		17140338	15655540
vi.	Others			0
vii.	Total			
B.	Deferred Tax Liabilities			
i.	Depreciation on Fixed Assets		0	0
ii.	Software Expenditure		0	0
iii.	Others		0	
iv.	Total			



# PUNJAB NATIONAL BANK

Details of investments in the equity of PNB Group members as on last of the financial year (as per Audited Balance Sheet)

			Amount as on	
			Current Year	Last Year
			Col 1.	Col 2.
1			0	0
2				
3				
4				



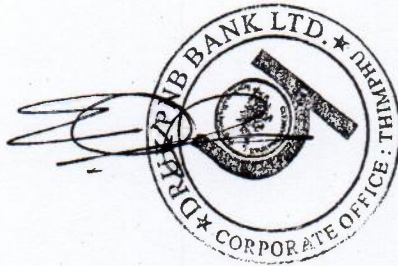


PUNJAB NATIONAL BANK			
Date: 21/11/2018			
FOR THE YEAR ENDED 31/03/2018			
			Amount as on
			Current Year      Last Year
			Col 1.      Col 2.
1	PNB/PNB GROUP		0      0
2	OTHERS		0      0
	TOTAL		



# PUNJAB NATIONAL BANK

PUNJAB NATIONAL BANK LTD. - PROVISIONS & CONTINGENCIES			
		Amount as on	
		Current Year	Last Year
		Col 1.	Col 2.
1	Provision for Depreciation on Investment	0	
2	Provision towards NPAs	0	0
3	Floating Provision for NPAs (over and above RBI provisioning norms)	0	
4	Provision towards Standard Assets	0	
5	Provision made for Tax (Income Tax, Fringe Benefit Tax & Wealth	0	
6	Other Provision & Contingencies	0	
	Total		





# PUNJAB NATIONAL BANK

PUNJAB NATIONAL BANK LTD. - CONSOLIDATED FINANCIAL STATEMENTS										
Business Segments	Treasury		Corporate/		Retail Banking		Other Banking		Total	
Particulars	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue	0	0	0	0	0	0	0	0		
Result	0	0	0	0	0	0	0	0		
Unallocated Expenses	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
Operating Profit	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
Provision for Tax	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
Extra- ordinary Profit/ Loss										
Net Profit	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
Other Information:										
Segment Assets										
Unallocated Assets	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
Total Assets	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
Segment Liabilities										
Unallocated Liabilities	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		
Total Liabilities	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX		



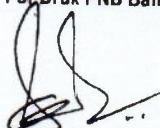
**DRUK PNB BANK LTD: THIMPHU BHUTAN**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March, 2021**

<u>A. Cash Flow from Operating Activities</u>	As on 31/03/2021 (Rs.)	As on 31/03/2020 (Rs.)
Profit before tax	279,481,753.80	264,089,569.63
Add: Depreciation	15,671,291.63	13,639,475.68
Add: Profit/Loss on sale of Fixed Assets (Including adjustment)	-	-
	295,153,045.43	277,729,045.31
Decrease/(Increase) in Advances	(1,432,936,593.62)	(2,085,573,128.38)
Decrease/(Increase) in Other Assets	1,121,766,076.58	59,929,404.28
Increase/(Decrease) in Deposits	1,023,297,994.83	1,929,222,842.71
Increase/(Decrease) in: Other liabilities and Provision	135,311,869.97	3,227,096.49
<b>Cash generated from operation</b>	<b>1,142,592,393.19</b>	<b>184,535,260.41</b>
Tax paid	(83,844,526.14)	(79,226,870.89)
<b>Net cash from Operating Activities</b>	<b>1,058,747,867.05</b>	<b>105,308,389.52</b>
<u>B. Cash Flow from Investing Activities</u>		
Purchase of Fixed Assets	(3,551,959.00)	(22,838,151.73)
Sale of Fixed Assets	3,924,511.00	1.00
Net cash used in investing activities	-	-
	<b>372,552.00</b>	<b>(22,838,150.73)</b>
<u>C. Cash Flow from Financing Activities</u>		
Capital induction	-	-
Dividend Paid	-	(84,630,000.00)
Subordinated Term Debts	-	-
<b>Net cash flow from financinf activities</b>	<b>-</b>	<b>(84,630,000.00)</b>
<u>D. Net changes in Cash and Cash equivalent (A+B+C)</u>	<u>1,059,120,419.05</u>	<u>(2,159,761.21)</u>
Cash and cash equivalent at the beginning of the year	2,825,510,269.29	2,827,670,030.50
Cash and cash equivalent at the end of the year	<b>3,884,630,688.34</b>	<b>2,825,510,269.29</b>
	<u>1,059,120,419.05</u>	<u>(2,159,761.21)</u>

Signed In terms of our Report of even date

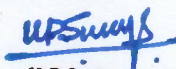
For Druk PNB Bank Ltd

  
Sumesh Kumar  
Chief Executive Officer



For M.P. Sureka & Co.  
Chartered Accountants  
FRN - 322097E



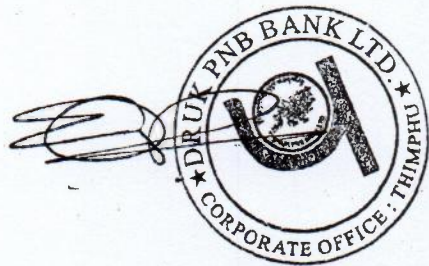
  
M.P. Sureka  
Partner  
(Membership No. 050560)

Date:- **24.04.2021**  
Place:- Thimphu



# PUNJAB NATIONAL BANK

Sno	Particulars	Amount
1	Total Investments (Book Value)	1668250776
2	Total Investments (Market Value)	1668250776
3	Total Non-Performing Investments	0
4	Provisions held for Non-Performing Investments	0
5	Total Advances (Gross)	12659973301
6	Total Non-Performing Advances (Gross)	661450875
7	Provisions held for Non-Performing Advances	198754038



Name of the Office : DRUK PNB BANK LTD - BHUTAN

**DETAIL OF INTRA-GROUP TRANSACTIONS\***  
**As On 31.03.2021**

Rs. In '000

PARTICULARS	Name of PNB Offices/Subsidiaries/Asso ciates with which transaction made	Amt. In INR as on 31.03.2021	Schedule no along with item no of BS
<b>LIABILITIES</b> (Mention name of head)	Current in PNB	568,673.77	
Deposits with PNB	PNBIL ( GBP A/C )	2,932.41	
	PNBIL ( EURO A/C )	7,668.97	
	PNB HONGKONG ( USD A/C )	90,079.06	
Borrowings of PNB			
Others ( Pl. Specify the nature)			

e.g. deposit is placed with PNB/Subsidiary/Associate then report a

Sch. 3 , Item No. III  
Sch. 4

DVP  
(AFD)

Bhutan  
24.04.2021



For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E

UP Sureka  
M. P. SUREKA  
Partner  
(M. No. 50560)

**Auditor**





Name of Institution:- DRUK PNB BANK LTD. - BHUTAN	
Provision & Contingencies	
As on 31.03.2021	INR
Bad & Doubtful Debts (Indian offices)	Amt. In thousands
Bad & Doubtful Debts (Written Off)	0.00
Bad & Doubtful Debts (Recovery - Technical Write Off)	0.00
Bad & Doubtful Debts (Fresh - Tech Write off)	0.00
Bad & Doubtful Debts (Foreign offices)	0.00
Bad & Doubtful Debts (Credit Card)	-22940.00
Bad & Doubtful Debts (OTS) Sacrifice	0.00
Restructured NPA	0.00
<b>SUB-TOTAL</b>	<b>-22940.00</b>
Standard Restructured Accounts	0.00
Standard Assets	8749.00
Standard Assets - Foreign Offices	0.00
Standard Assets - Derivatives	0.00
<b>SUB-TOTAL</b>	<b>8749.00</b>
Floating Provisions	0.00
Exchange Fluctuation Reserve	0.00
Sale to ARCIL	0.00
<b>SUB-TOTAL</b>	<b>0.00</b>
Standard Others	0.00
<b>SUB-TOTAL</b>	<b>0.00</b>
Investment NPA	0.00
MTM on Derivative Deals	0.00
Loss on transfer from AFS to HTM	0.00
Depreciation on Investment	0.00
<b>SUB-TOTAL</b>	<b>0.00</b>
Income Tax on IBR	0.00
Income Tax	83845.00
Fringe Benefit Tax	0.00
Wealth Tax	0.00
Interest Tax	0.00
<b>SUB-TOTAL</b>	<b>83845.00</b>
Provision Against Exchange Revaluation	0.00
Other Assets (Investment)-Written Off	0.00
Other assets - Written Off	0.00
Impersonal Heads	0.00
Others	1485.00
<b>SUB-TOTAL</b>	<b>1485.00</b>
<b>TOTAL</b>	<b>For 1485.00</b>



*[Signature]*  
D P  
(AFD)



**SUREKA & CO.**  
Chartered Accountants  
Firm Regn. No. 322097E

*[Signature]*  
**M. P. SUREKA**  
Partner  
(M. No. 50560)

Auditor

**STATEMENT OF PROVISION AGAINST STANDARD ASSETS**

Name of the Associate/Subsidiary . DRUK PNB BANK LTD , BHUTAN

Position as on 31.03.2021

(Rs. In '000)

SN	Assets type	Outstanding as on 31.03.2021	Provision held as at 31.03.2021
1	Standard Assets	Rs.11,998,522.00	Rs.113,799.00

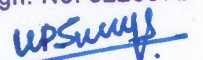


DVP

(AFD)



For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E

  
M. P. SUREKA  
Partner  
(M. No. 50560)

Auditor

24-04-2021

Bhutan





NAME OF ENTITY : Druk PNB Bank Ltd., BHUTAN

SEGMENT REPORTING FOR THE PERIOD ENDED 31ST March 2021

SN	PARTICULARS	TREASURY OPERATIONS	Retail Banking	Corporate/Wholesale Banking	Other Banking	In Thousands TOTAL
1	SEGMENT REVENUE (external revenue)	27498.00	547918.00	562208.00	109277.00	1248901.00
2	SEGMENT RESULTS	27498.00	182996.00	188047.00	-137765.00	266776.00
3	Unallocated Corporate Expenses	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
4	Operating Profit	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
5	(Income Tax Including FBT) (2-3)	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
6	Exp Provision & Contingencies Other Than Income tax	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
7	Net Profit	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
8	Other Information	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
9	Segment Assets	703660.00	7409600.00	5354370.00	5094932.00	18448574.00
10	Unallocated Assets	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
11	Segment Liabilities	XXXXX	7626009.00	7483250.00	1170248.00	16448574.00
12	Unallocated Liabilities	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
13	Total Liabilities	XXXXX	7626009.00	7483250.00	1170248.00	16448574.00
14	Capital Employed	182996.00	351306.00	3128550.00	3914654.00	2138107.00

NOTE:  
Segment Revenue  
Segment Results  
Operating Profit  
Segment Assets  
Capital Employed



SEAL

STATUTORY AUDITOR  
**M. P. SUREKA & CO.**  
Chartered Accountants  
Firm Regn. No. 322097E

*upsureka*  
**M. P. SUREKA**  
Partner  
(M. No. 50560)



NOTES TO ACCOUNTS (CFS): 31.03.2021

## 1. Name of the Subsidiary:

Name of the Subsidiary / Company	Country of Incorporation	Proportion of ownership percentage as at 31.03.2021	(in %) Proportion of ownership percentage as at 31.03.2020
1. Druk PNB Bank Ltd, Bhutan	Bhutan	PNB 51%Others 49%	PNB 51%Others 49%

Foot Notes, if any

## 2. Associates considered in consolidated financial statements:

Name of the Associate Company	Country of Incorporation	Proportion of ownership percentage as at 31.03.2021	(in %) Proportion of ownership percentage as at 31.03.2020
2. Druk PNB Bank Ltd, Bhutan	Bhutan	PNB 51%Others 49%	PNB 51%Others 49%

Foot Notes, if any:

## 2.1 Perpetual bonds/subordinated debt raised as Tier I and Tier II Capital:

(Amt. in INR 000)

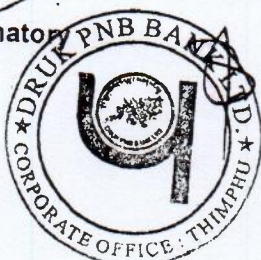
Particulars	31.03.2021	31.03.2020
Amount of subordinated debt raised as Lower Tier-II Capital during the year	NIL	NIL
Amount of subordinated debt raised as Upper Tier-II Capital during the year	NIL	NIL
Amount of perpetual bonds raised as Tier-I Capital during the year	NIL	NIL

## 3. Disclosures required by Accounting Standards:

## 3.1 AS 5 - Prior Period and Change in Accounting Policy

Authorized Signatory

SEAL

Date:  
24.04.2021

Signature of Statutory Auditor



SEAL

For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097EM. P. SUREKA  
(M. No. 50560)



"There were no material prior period income/expenditure items requiring disclosure under AS-5 issued by The Institute of Chartered Accountants of India. There is no change in any accounting policies followed in the previous year".

Please update the above disclosure for financial year ended 31.03.2021 (01.04.2020 to 31.03.2021) or state the facts, if otherwise.

### 3.2. AS 6 - Depreciation accounting

-Break up of total depreciation for the Financial year ended 31.03.2021 for each class of assets:

(Amt. in INR 000)

Particulars (Class of Assets)	31.03.2021	31.03.2020
Premises	0.00	0.00
Other fixed assets	1.57	1.55
Leased assets	0.00	0.00
Computer software	0.00	0.00
<b>Total</b>	<b>1.57</b>	<b>1.55</b>

### 3.3 AS 9 - Revenue Recognition

"The income which has been accounted for on realization basis are not considered to be material."

Please update the above disclosure for financial year ended 31.03.2021 (01.04.2020 to 31.03.2021) or state the facts, if otherwise.

Authorized Signatory

SEAL



For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E

*M. P. Sureka*  
M. P. SUREKA  
Partner  
(M. No. 50560)

Signature of Statutory Auditors

SEAL

Date:

24-04-2021

**3.4 AS 11- Changes in foreign exchange rates:**

Movement of Exchange Fluctuation Reserve

Particulars	Amount (In INR 000)	
	31.03.2021	31.03.2020
Opening Balance as at beginning 01.04.2020/01.04.2019	1.75	1.45
Addition/Deduction during the year due to change in Profit & Loss account	0.69	0.00
Addition/Deduction during the year due to translation of Asset & liabilities	0.00	0.00
Balance as at 31.03.2021/31.03.2020	2.44	1.45

**3.5 AS 15- Employee Benefits:**

Information in terms of Accounting Standard 15(R) Employee Benefits, issued by Institute of Chartered Accounts of India (ICAI).

**3.6. AS 19- Accounting for Leases**

	(Amt. in INR 000)	
	31.03.2021	31.03.2020
<b>Financial Leases:</b>		
a. Original value of assets acquired on financial lease and included in other fixed assets (including furniture and fixture):	NIL	NIL
The amount of depreciation provided upto 31.03.2021 thereon:	NIL	NIL
The written down value as on 31.03.2021	NIL	NIL
b. Minimum Lease Payment due not later than one year:	NIL	NIL
c. Minimum Lease Payment due later than one year but not later than five years:	NIL	NIL
d. Minimum Lease Payment due later than five years:	NIL	NIL
<b>Operating leases:</b>		
i) Minimum Lease Payment due not later than one year:	NIL	NIL
ii) Minimum Lease Payment due later than one year but not later than Five years:	NIL	NIL
iii) Minimum Lease Payment due later than Five years:	NIL	NIL

Authorized Signatory

SEAL

24.04.2021

Date:



Signature of Statutory Auditors

SEAL

For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E

M. P. SUREKA  
Partner  
(M. No. 50560)



## 3.7 AS 20 - Earnings Per Share

	Item	31.03.2021	31.03.2020
A	EPS - Basic / Diluted (Amt. In INR i.e. Rs.)	2.79	2.64
B	Amount used as numerator Profit after tax (Amt. in INR i.e. Rs.)	195,637,227.66	184,862,698.74
C	Nominal value of share (Amt. in INR i.e. Rs.)	10	10
D	Weighted average number of equity shares used as the denominator	840,002,022	70,000,000.00

## 3.8. AS 22 - Accounting for Taxes on Income

Major components of deferred tax assets and liability are set out below, for the year:

(Amt. in INR 000)

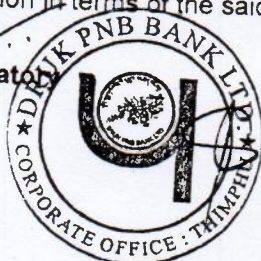
Particulars	31.03.2021	31.03.2020
<b>Deferred Tax Assets</b>		
Provision for bad & doubtful debts	NIL	NIL
Provision for leave encashment	NIL	NIL
Provision for Pension & Gratuity	NIL	NIL
Statutory Liabilities u/s 43B	NIL	NIL
Taxable Loss (Carried Forward)	NIL	NIL
Depreciation on fixed assets	NIL	NIL
Others Contingencies	NIL	NIL
<b>Total: Deferred Tax Assets(A)</b>		
<b>Deferred Tax Liabilities</b>		
Depreciation on fixed assets	NIL	NIL
Deductions u/s 36(1) (viii) of income tax Act, 1961.	NIL	NIL
Others	NIL	NIL
<b>Total: Deferred Tax Liabilities (B)</b>		
<b>Net: Deferred Tax Assets or (Liability) (A-B)198</b>		

## 3.9. AS 28 - Impairment of Assets

"A substantial portion of the bank's assets comprise of 'financial assets' to which Accounting Standard 28 'Impairment of Assets' is not applicable. In the opinion of the bank, there is no impairment of its assets (to which the standard applies) to any material extent as at 31.03.2021 requiring recognition in terms of the said standard").

Authorized Signatory

SEAL



Date:

24.04.2021

For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E  
Signature of Statutory Auditors



M. P. SUREKA  
Partner  
(M. No. 50560)



Please update the above disclosure for financial year ended 31.03.2021 (01.04.2020 to 31.03.2021) or state the facts, if otherwise.

### 3.10. AS 29 - Provisions, Contingent Liabilities and Contingent Assets

#### i. Movement of provisions for liabilities \* - for the year

(Amt. in INR 000)

Particulars	Salary arrears under negotiation		Legal cases/contingencies	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Opening Balance as at beginning of year 01.04.2020/ 01.04.2019	NIL	NIL	NIL	NIL
Provided during the year	NIL	NIL	NIL	NIL
Amounts used during the year	NIL	NIL	NIL	NIL
Reversed during the year	NIL	NIL	NIL	NIL
Balance as at 31.03.2021/31.03.2020	NIL	NIL	NIL	NIL
Timing of outflow/uncertainties	NIL	NIL	NIL	NIL

\* Excluding provisions for others

#### ii. Break up of "Provisions and Contingencies" shown under the head Expenditure in Profit and Loss Account for the year is as follows:

(Amt. in INR 000)

Particulars	31.03.2021	31.03.2020
Provisions for depreciation on investment	0.00	0.00
Provision towards NPAs	198,754.00	221,693.96
Floating provisions for NPAs (over and above RBI provisioning norms)	0.00	0.00
Provision towards Standard Assets	113,799.00	57,549.59
Provision made towards Income Tax (including FBT & Wealth Tax )	0.00	79,226.87
Others Provision & Contingencies	0.00	0.00
<b>Total</b>	<b>312,553.00</b>	<b>358,470.42</b>

#### 3.11. Break-up of Floating Provisions is as follows:

(Amt. in INR 000)

Particulars	31.03.2021	31.03.2020
Opening balance as on 01.04.2020/01.04.2019	NIL	NIL
Quantum of floating provisions made during the year	NIL	NIL
Purpose and amount of draw down made during the year	NIL	NIL

Authorized Signatory

SEAL



Signature of Statutory Auditors  
Chartered Accountants  
Firm Regn. No. 097E

Date:  
24.04.2021



*M.P. Sureka*  
M. P. SUREKA  
Partner  
(M. No. 50560)



**Name of Subsidiary:** \_\_\_\_\_

Page 6 of 6

Closing balance as on 31.03.2021/31.03.2020

NIL

NIL

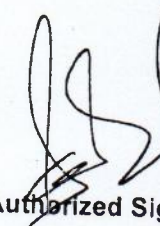
**3.12. Refer Schedule-12 on Contingent Liabilities**

Such liabilities are dependent upon, the outcome of Court/arbitration/out of court settlement, disposal of appeals, and the amount being called up, terms of contractual obligations, devolvement and rising of demand by concerned parties, respectively. No reimbursement is expected in such cases.

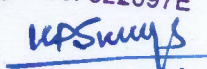
Please update the above disclosure for financial year ended 31.03.2021 (01.04.2020 to 31.03.2021) or state the facts, if otherwise.

*Please Note: All the Notes/Footnotes should be commensurate with the year ended 31.03.2021.*

\*\*\*\*\*

  
Authorized Signatory  
SEAL



For M. P. SUREKA & CO.  
Chartered Accountants  
Firm Regn. No. 322097E  
  
M. P. SUREKA  
Partner  
(M. No. 50560)  
Signature of Statutory Auditors

Date:  
24.04.2021

SEAL